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China supporting insolvent businesses / India's demand for resources / Without energy nothing happens

China supporting insolvent businesses

The leadership has instructed local authorities and regional banks to support even the most insolvent and illiquid business enterprises. If that doesn't indicate major financial problems, nothing does. But the Chinese are continuing their confrontational expansionist projects to secure supply lines for necessary raw materials. Using either bullying or buying, they will obviously regard access to essential materials (including oil) as critical to their ongoing development programme.

But the extra largesse has inflated share prices...from Seeking Alpha...

“[Shanghai led Asian markets higher](#) today, following a record session for Wall Street and a rebound in the U.S. dollar. After climbing more than a third this year, the Shanghai Composite is poised to soar even further, as investors look forward to more monetary stimulus from Beijing. So far, the biggest winner of the rally has been the Chinese government, which has made billions in paper profits on its stakes in hundreds of listed state-owned corporations.”

A synopsis of how the world is shaping up...

Major economic problems in the EU (remember June 5th is the Greek deadline for EUR1.5 Bn to be repaid to IMF) , Japan and China aside, this article describes the geopolitical backdrop for current events...

https://www.stratfor.com/weekly/net-assessment-world?utm_source=freelist-f&utm_medium=email&utm_term=Gweekly&utm_campaign=20150519?utm_source=freelist-f&utm_medium=email&utm_term=Gweekly&utm_campaign=20150519&utm_term=Gweekly&utm_content=readmoretext&mc_cid=a8dc192fe5&mc_eid=f6520e17b6

Again, I must recommend George Friedman's new book, “Flashpoints:...” for an in-depth view of what has and is happening in Europe.

George Friedman does not make any comment above about India. That is possibly because PM Narendra Modi is currently visiting China.

India is the main competitor with China for natural resources. In particular, China is in the process of reducing the flow of water to all countries to their South. Dams for hydro-electricity and diversion of water to Northern and Western China are the reasons.

India's demand for resources

India is starting to leap forward in demand for resources such as iron, coal, oil, gas, uranium and the broad spectrum of industrial minerals. But they want an increasing share of a resource pie that is shrinking in size.

So IMHO, there is the prospect of another war (boundary or resources) between China and India at some point. Remembering that both countries are nuclear armed.

Forbes underrates them...even though exporting 7 million bbls of oil a day cannot be all bad....

<http://peakoil.com/publicpolicy/russian-sanctions-effect-on-global-oil-market>

But I think Vladimir Putin's adventure in Ukraine will tie him up for some time.

Without energy nothing happens

Without expending energy of some sort, nothing happens. Yet there is no rational attempt to understand energy flows and impacts – even by the IEA and US EIA. Those two (supposedly global) agencies look backwards to project forwards and so the cost of energy – on a full cycle basis – is growing rapidly...

<http://peakoil.com/publicpolicy/the-shocking-cost-of-letting-companies-pollute-for-free>

In the link above there are some interesting comments and articles appended by others.

Of course economists don't factor resource scarcity into their models so it is no wonder the global energy situation is chaotic.

To solve humanity's problems we need to think in terms of inputs, processing efficiencies and outputs, yet no one is doing that...

http://questioneverything.typepad.com/question_everything/2015/05/civilization-collapse-30.html