

**I'm Enzo Palmiere,**  
**CEO/President of MOREnergy**

I run a transnational oil company that sells gasoline, diversified oil products, and natural gas in the US, Europe, and Japan. First, let me give you some background on how energy works internationally, then I'll get to the business questions I want you to help me answer.

MOREnergy produces oil from wells in Texas and Alaska, but about 60% of our supply comes from our own oil wells in Asia. We also buy oil from [OPEC \(Organization of Petroleum Exporting Countries\)](#), the international oil [cartel](#) controlling 37% of world oil production.

Lately MOREnergy has raised gasoline and home heating oil prices because: 1. Winter weather requires more heat; 2. OPEC from time to time, and recently, has raised the cost oil well above \$30 a barrel, limiting supply in the face of growing demand. We [do business around the world](#), with headquarters in New York, Luxembourg, and Singapore.

.Because economies around the world are growing rapidly and becoming more efficient, I believe that in the long run [Globalization will benefit almost everyone](#).

Consider:

In China some 200 million people have moved from abject poverty to a decent standard of living in the last 15 years – a remarkable achievement.

In 1960, the average wage in developing countries was only 10% of that in the US, but by 1992 it had risen to 30% of the US average. A recent study by The World Bank indicates that it is not just the wealthy who are getting wealthier with globalization. [Poor people and middle class people are beginning to share in the growth and profits](#).

The declining cost of transport is turning the world into one market for even small firms and poor countries.

Corrupt regimes in developing countries are being pushed to open their markets and with them their political processes.

Capital to create jobs now moves around the world much more easily.

With globalization, [demand for cleaner, better energy rises](#) because:

1. the growing economies of wealthy countries in the [OECD \(Organization for Economic Cooperation and Development\)](#) require lots of energy; 2. China,

India, and South East Asia have growing economies and need more energy for industry and consumers; 3. more people around the world have rising incomes, raising energy consumption per person; 4. Alternative energy experts are discovering how to produce cleaner energy at better prices. [Global environmental problems](#) such as [urban air pollution](#), [global warming](#), [holes in the ozone layer](#), [oil spills harming plants and animals](#), and [health problems such as asthma, heart attacks, and lung cancers](#) are now clearly linked to the burning of fossil fuels -- coal, oil, and natural gas (gas less harmful as it produces only about 1/3 the CO<sub>2</sub> that oil burning does). Oil producers now see they must begin to change because of the pressures from environmental scientists and lobbyists, lawsuits resulting from damage caused by oil leaking from tanks at stations, difficulty in finding new oil deposits, and competitors going into the alternative energy -- all suggesting that MOREnergy seriously evaluate the costs and benefits of becoming an alternative energy seller. BP/Amoco, and Enron, two of our competitors, are moving into alternative energy. Creating and selling renewable sources of energy will require investment and may cut our profits from oil and natural gas sales.

My Board of Directors is convinced that we will see coal burning gradually drop, and that other forms of energy will begin to replace coal and oil. For example, [natural gas](#), [wind energy](#), [fuel cells](#), [hydrogen](#), and more [hydro-electric power](#)..

MOREnergy's Board of Directors wants me to report on whether our company should invest:

1. in the production of more natural gas in Asia, where demand for energy is growing. Because [coal poses health threats from air pollution](#), and contributes in a major way to global warming around the world, China is cutting its use of coal. [Natural gas deposits in China](#) will need further development and pipelines to carry gas where it is needed
2. Report on whether MOREnergy should move into [alternative energy production](#) -- [windmills](#), [solar panels](#), [fuel cells](#), [photo voltaic cells](#), and [hydrogen](#), particularly in China.

## QUESTIONS

I need help from you to make my report to my Board of Directors.

1. While I have some reports on energy demand growing in China, I need you to advise me about

[how fast energy demand is actually growing in China? why?](#)

[who produces energy in what forms in China?](#)

[how energy production and sales in China are changing?](#)

Please explain to me in writing (and with pictures and evidence, if you can find them) the possible benefits and costs of MOREnergy going into either the natural gas and alternative energy business in China.

2. Can you tell me [which of the alternative and renewable energy sources – wind power, fuel cells, etc. -- look most cost-effective, and why?](#)

3. I know globalization has lots of critics, but I'm convinced it will do more good than harm. [The World Trade Organization and the World Bank both report](#) that poor people in many countries are now earning more and beginning to have better lives. MOREnergy's stockholders may worry that we are exploiting people if we enlarge our business in China or Asia, so I need more evidence to support the concept that globalization is helping poor people. Please help me. [Find out and describe for me the ways globalization helps people.](#)