



Where do we actually get our oil? (and, who will have any left to sell to us, if they want to?)

Posted by [Prof. Goose](#) on May 10, 2005 - 6:45am

It seems to me that you have to view every policy decision, especially foreign policy decisions, these days through the lens of peak oil. With the news yesterday that [Saudi Arabia may have the power to hold its oil hostage](#), and [HO's post yesterday about Venezuela](#), and all of the many other geopolitical workings going on, this information from an earlier post seems quite germane just to get the vulnerability of the oil supply in perspective.

Here's something interesting from [ASPO](#) (from Newsletter 52) and the US Department of Energy:

US Oil Suppliers (Mb/yr)

Canada 584
Mexico 584
S.Arabia 548
Venezuela 475
Nigeria 402
Iraq 256
Angola 110
UK 110
Algeria 73
Kuwait 73

(Source: US DoE and ASPO)

The US Department of Energy recently reported the origin of the US's 4.4 Gb of annual imports. The two largest suppliers are neighbors which have lost a degree of sovereignty under NAFTA, and are more or less forced to deliver. In fourth place is Venezuela, which now counts Russia and China as larger customers. Most of the others are major exporters, but what stands out as remarkable is the presence of the United Kingdom which itself becomes a growing net importer from 2006 onwards.

So, if you think about it, you can see how a .5 Mb/day decrease would really screw things up for the US economy, that adds up to 182.5 Mb for a year...and out of 4.4 Gb, that's enough to create a supply bubble that raises prices dramatically...and quickly.

Now, think about the [pricing power of terrorists](#) or [even countries willing to play hard core oil politics](#) (hat tip on the last one to [Santos](#)) in that environment. That seems an inevitability unless we get alternatives online post-haste. Then add in the point that because of the supply:demand ratio oil has been called "underpriced" by experts both [here](#) and [here](#).

So, let me get this straight, if peak oil is a reality, if Posner's premise is true, if any of the terrorists can perpetrate a disruption...prices go up, quickly. Dominos fall one after another.

Yes, a lot of ifs, but in the world we live in, it seems those ifs are becoming more and more likely.



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