



The World Demand Growth Conundrum...

Posted by [Prof. Goose](#) on June 26, 2005 - 1:21pm

Mike Watkins (a frequent commenter here at TOD) has a [piece out today that's an interesting read](#). Lots of information/charts and the like, especially on Chinese demand.

Here's a snippet:

"OPEC threw down the gauntlet a week ago, as promised then by OPEC President Sheik Ahmed Fahd Al Ahmed Al Sabah, if prices remained high, the oil cartel would take some action. Even major producing nations such as Norway admit that only middle eastern sources have the ability to ramp up capacity in relatively (months) short time frames. If price stability, or indeed reduction, is the goal, the only meaningful action is of course to increase supply. The sixty-four thousand dollar question is, can they? And can they increase supply quickly enough to satisfy demand increases for this year and next?"

and, Mike, note how I spelled "conundrum." (*laugh* just playin...I owed you that for your assertion that I said \$60/bbl "caused" the stock market to go down last week. If you look at the post more closely, the post says "the market dropped a good bit of value when oil went over \$60/bbl." Correlation is not causality, and I believe that's what that language conveys.)

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