



DrumBeat: October 20, 2008

Posted by [Leanan](#) on October 20, 2008 - 9:25am

Topic: [Miscellaneous](#)

[The Folly Of A Depression Thesis](#)

We have several things working against us this time around, and few things working for us, compared to the 1930s. Here's a short list:

- In the 1930s we were resource-independent. Today we are near-absolutely dependent on foreign oil. We import about 2/3rds of our consumption, and while Canada's supply is probably assured irrespective of our economic condition, the same is not true for the net creditors to the United States, particularly Arab nations. They both can and might cut us off, and so may Venezuela.
- In the 1930s we had debt owned by foreigners, but nothing like today. Today we require about \$2 billion in foreign capital per day to remain solvent as a nation at the government level. This has been almost-entirely financed through the purchase of cheap foreign goods from China and oil from the Middle East. If either of those sources of foreign capital flows are disrupted, things get very bad very fast. There is no reason to believe that either of these blocks of nations will continue to provide this funding as our consumption of their goods decreases and thus their need to recycle dollars disappears.
- In the 1930s we had heavy industry out the wazoo in America. Today we have very little. Yes, we produce more now here than ever before - but as a proportion of what we consume, it is at all-time lows. What this means for us is that as those trade imbalances disappear prices are going to go up as the "recycling" trade goes away and production is forcibly repatriated here to the United States. (The alternative, a refusal to repatriate that production, is far worse, as that will result in a currency dislocation that will produce the same sort of price increases but no wage improvement for Americans. Down that road lies really serious trouble for us.)
- On the good side, we have technology we didn't have then. This means we may be able to find efficiencies that were the stuff of fancy 50 or 100 years ago. The counter-balance to this is that the really big efficiency gains are likely behind us, having been gained in the 80s, 90s and the first part of the 00s.

[Price Fixing Anniversary](#)

All of these moves are symptoms of peak oil although most would not believe a temporary excess in production is a peak oil problem. Most peak oil theorists believe in

an extended plateau where production and demand are nearly equal. As demand briefly exceeds production prices rise sharply. As prices rise demand declines sharply as we have seen over the last few months. Production suddenly exceeds supply again and prices drop sharply in response. The fall in prices, like we have seen over the last month brings back cheap gasoline, now under \$3 per gallon, and consumption returns to normal growth patterns. The pattern then repeats over and over with overall demand eventually exceeding production on a permanent basis. This could take numerous cycles before the eventual permanent decline.

[Russia to tap "rainy-day" fund if oil prices tank](#)

Prime Minister Vladimir Putin said Monday that Russia was well prepared to ride out the financial crisis that has caused turmoil in its stock markets, but may dip into a "rainy-day" fund to offset falling oil prices.

"We will not allow (the crisis) to catch us off guard," he told a meeting of foreign investors and government officials. "We have taken into account potential threats when building our financial and economic policies."

[Sorry, Chicken Little](#)

It may feel as if the sky is falling, but things aren't as bad as they seem. Our saviors: cheap oil, strong exports and inventory rebuilding.

[Ecuador and Petrobras reach deal](#)

Ecuador will receive an average of 60% of oil production for Block 18, operated by Brazilian giant Petrobras, up from the current 51%, Mining and Oil Minister Derlis Palacios said.

[Geothermal Energy Improves U.S. Oil Recovery](#)

Ormat Technologies, Inc. announces the successful co-production of geothermal power at a producing oil well. This project marks the first of its kind by providing onsite fuel free power that will increase the productivity and possibly extend the longevity of existing U.S. oil fields.

[How firing Starbucks saved this biz](#)

"I had two employees who did nothing but write reports for Starbucks," he recalls. "Starbucks was opening ten stores a year in each of its regions, so we had five trucks on the road going in different directions. The cost of fuel, employee benefits, insurance, and

workers' comp made the whole thing completely unprofitable."

That year Christy decided to cut the cord. He delivered his last pastry to Starbucks in October 2005. The account generated 48% of Incredible Foods' annual revenues, but Christy believed that he could run a stronger company without Starbucks. So he shrank the staff from 13 to six, eliminated one of his two offices, and focused his marketing attention on local customers who closed deals with a handshake, generally without resorting to squadrons of lawyers and accountants.

[Legal Scramble over Egg Prices](#): *A class action against 13 major egg producers contends that a supply-restriction scheme triggered a nearly 50% price jump in the past two years*

The average retail price of a dozen eggs, which had been stable for the better part of a decade, soared to \$2.20 per dozen in March, after climbing from \$1.63 in 2007 and \$1.30 in 2006, according to the Bureau of Labor Statistics. Egg producers blame the increase on surging feed and fuel costs, although prices have retreated 15% since March, to \$1.85 per dozen. The restaurant lawsuit filed three weeks ago in U.S. District Court in Philadelphia is one of six separate suits facing the egg industry. Some name a handful of companies while others, like the T.K. Ribbing's restaurant suit, target 16 major producers and interest groups. The suits generally allege similar schemes to raise prices, but the detailed Ribbing suit delves deepest and covers the broadest part of the industry.

[Goldman Says OPEC Output Cut May Fail to Halt Oil Price Decline](#)

(Bloomberg) -- Goldman Sachs Group Inc. said "initial" production cuts by OPEC, supplier of 40 percent of the world's oil, may fail to halt a slide in prices that have fallen 50 percent from a record in July.

The Organization of Petroleum Exporting Countries, which meets Oct. 24 in Vienna, is facing the weakest growth in demand since 1993 just as new fields come on line from Angola to the Gulf of Mexico. Members may cut daily output by as much as 2 million barrels, President Chakib Khelil said yesterday.

"Historically the first cut that OPEC made in a recessionary environment has not supported the oil price, and only subsequent cuts" did, Goldman's London-based analysts, Michele Della Vigna, Henry Morris, Hugh Selby-Smith and Henry Tarr, said in a report dated Oct. 17.

[OPEC In Panic Mode](#)

LONDON - With oil at \$70.00 per barrel, the time for dithering is clearly over: The Organization of Petroleum-Exporting Countries is holding an emergency meeting this week to try and stop crude's dizzying descent. Though crude prices perked up on Monday, in anticipation of a cut in the millions of barrels, it may take more than a cut to

get commitment and unity from OPEC's members in the current environment.

"It depends on how they share the cut," said Simon Wardell, an analyst with Global Insight. "If the Saudis are prepared to take the brunt of it, you can be certain that most of it will go." As the cartel's prime producer, Saudi Arabia is seen as the member with the most clout and capacity where quotas are concerned; but it may not want to shoulder the full weight of a cut at this point, with oil slipping and sliding as the world economy slows down.

[Petrobras Unlikely to Meet Year-End Oil Output Goal, Itau Says](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, faces an "almost impossible" task in meeting its year-end oil production goal, analysts at Banco Itau Holding Financeira SA said.

The company's record oil output of 1.89 million barrels a day in September was below expectations, analysts Paula Kovarsky and Diego Mendes said in an e-mailed report to investors.

[Copper thefts leave youth sports scrambling for field time, answers](#)

TUCKER, Georgia (CNN) -- Last Thursday around dusk, Granite Park soccer field in suburban Atlanta was more crowded than usual.

Makeshift goals had been erected to accommodate five extra teams from the Tucker Youth Soccer Association. On the sidelines, groups of giggly kids waited their turns on the field while soccer moms and dads mined the crowded green space in search of a place to park their lawn chairs.

The atypical arrangement was caused by thieves who had ripped out copper wiring from light poles at nearby Henderson Park field, causing about \$6,000 in damage, displacing teams that practiced under the lights and making the TYSA players the latest victims of a nationwide epidemic.

[Plug-in Mini Cooper ready to charge](#)

Starting next year drivers in the Los Angeles and New York areas will be able to lease a fleet of 500 all-electric Coopers from BMW's Mini division.

The Mini E, as it's called, will be able to travel 150 miles on a single charge with a top speed of 95 miles per hour.

[The Depression: A Long-Term View](#)

In the past, once a depression wreaked its havoc, the world-economy picked up again, on the basis of innovations that could be quasi-monopolized for a while. So, when people say that the stock market will rise again, this is what they are thinking will happen, this time as in the past, after all the damage has been done to the world's populations. And maybe it will, in a few years or so.

There is however something new that may interfere with this nice cyclical pattern that has sustained the capitalist system for some 500 years. The structural trends may interfere with the cyclical patterns. The basic structural features of capitalism as a world-system operate by certain rules that can be drawn on a chart as a moving upward equilibrium. The problem, as with all structural equilibria of all systems, is that over time the curves tend to move far from equilibrium and it becomes impossible to bring them back to equilibrium.

What has made the system move so far from equilibrium? In very brief, it is because over 500 years the three basic costs of capitalist production - personnel, inputs, and taxation - have steadily risen as a percentage of possible sales price, such that today they make it impossible to obtain the large profits from quasi-monopolized production that have always been the basis of significant capital accumulation. It is not because capitalism is failing at what it does best. It is precisely because it has been doing it so well that it has finally undermined the basis of future accumulation.

[As Mexico Oil Reform Accelerates, Firms Wait for Fine Print](#)

Mexico's energy reform just got a shot in the arm. The financial crisis and tanking oil prices puts a premium on private capital to help shore up the struggling industry, dampening a nationalist backlash.

But oil firms are unsure if the reform, which was watered down earlier this year following heavy attacks from left-wing politicians, will offer enough to deploy capital south of the U.S. border.

[Mexico Congress Rejects Calderon's Plan to Privatize Refineries](#)

(Bloomberg) -- Mexican legislators rejected President Felipe Calderon's proposal to allow private companies to refine oil for state-controlled Petroleos Mexicanos, a blow to his plan to boost investment in energy.

Members of the Senate's energy committee agreed to block Calderon's plan after a meeting yesterday, opposition lawmakers Graco Ramirez and Francisco Labastida told reporters in Mexico City. Instead, the committee will draft a bill with no changes to refining, Labastida, a member of the Institutional Revolutionary Party, said.

[Alberta diesel shortage leads to spike in fuel theft](#)

The diesel fuel shortage is having a domino effect in Alberta — construction projects are in jeopardy, retailers are rationing fuel and diesel theft is spiking.

Theft has become such a problem, according to David Strauss with Roy Larson Construction in Grande Prairie, that his company no longer fuels up trucks or machinery unless they're going to be used immediately.

"We've lost over \$20,000 worth of fuel," Strauss said "We've got no choice. We have to fuel up in the mornings 'cause any machine parked out there is just a sitting duck for these guys. If they're rigged up properly, in five minutes they can have 450 litres sucked out of a tank. That's over \$500 worth of fuel."

Strauss said he has also moved the company's large diesel storage tank into the middle of the property and has hired staff to guard the fuel around the clock.

[North Carolina: Commissioners take a look at gas issue, vote to buy diesel tank](#)

The McDowell County Commissioners agreed to install a diesel storage tank that hopefully could save the county some money on fuel costs. It would also make sure the fuel is available in case of another nationwide shortage.

[Zimbabwe: Copper conductors theft major challenge for ZESA](#)

ABOUT 80 percent of the power outages experienced in the Matabeleland region are a result of theft of copper conductors, a senior Zimbabwe Electricity Supply Authority official has said.

[Pakistan: Power cuts cutting deep into daily life](#)

ISLAMABAD: Unannounced load shedding is adding to miseries of the residents, already struggling hard to cope with high inflation, and worsening law and order situation in the capital.

"Life has become very tough. High commodity prices, deteriorating law and order situation, and now long spells of unannounced load shedding have robbed us of peace of mind," Wajahat Mehmood, a resident of F-10, told Daily Times.

[Environment will wither whoever win US election](#)

Eager anticipation of the next American president offering a dramatically different

policy on climate change is being tempered by the chill winds of the financial crisis.

Barack Obama or John McCain will inherit a blighted economy, a ballooning deficit set to reach \$1 trillion and a political landscape in upheaval from the market turmoil of recent weeks.

Environmental groups are already bracing themselves for delays or disappointment on action to tackle global warming which, they say, will inevitably be seen as having an impact on American jobs.

[W. Australia Proposes Cross-Country Gas Pipeline to Cut Carbon](#)

(Bloomberg) -- Building a pipeline across Australia would help increase use within the country of locally produced natural gas and help reduce carbon emissions harmful to the environment, said Western Australian Premier Colin Barnett.

Such a line would take gas from fields off the northwest coast to Moomba in central Australia, from where it would be distributed to users in the more-populous southeastern states, Barnett said today in Perth. Such a move would be ``easier" than introducing a carbon tax, or trading system, and may be more effective to reduce emissions blamed for global warming, he said.

[Julian Darley - Reading The Runes: Spotting Trouble With Money And Energy Before It Bites You](#)

Keeping track of the falling energy profit or surplus of each source is nearly impossible, and the other great unknown is what is a reasonable minimum energy surplus required by humanity to keep us in something like civilization. One metric that we can expect to see rising again as energy profit diminishes is the number and percentage of people growing their own food, either because they want to or because they have to.

[Completely Unplugged, Fully Green](#)

SIMON WOODS, who is 6, would like to play on a baseball team. His mother, Sharon Astyk, is sympathetic, but is also heavily committed to shrinking her family's carbon footprint. "We haven't been able to find a league that doesn't involve a long drive," she said. "I say that it isn't good for the planet, so we play catch in the yard."

That is one way that Ms. Astyk, a mother of four, expresses her concern for the environment. She has unplugged the family refrigerator, using it as an icebox during warmer months by putting in frozen jugs of water as the coolant (in colder weather, she stores milk and butter outdoors). Her farmhouse in Knox, N.Y., has a homemade composting toilet and gets its heat from a wood stove; the average indoor winter temperature is 52 degrees.

[5 Pieces of Advice for the New Paupers](#)

Warmth

Above all, you need to have a dry, warm place to sleep. We had only an unheated boat, and that was not enough. We woke up to the thump of sea ice banging against the hull and realized that the old world was still very much in session. When we finally fled to stay with family, we stayed in our blankets up against their gas fireplace for weeks. You won't even want food much after a while. You'll want heat itself, not the chemical middleman. You are going to realize that cold is the most frightening thing in the world. In older English dialects, "to starve" meant "to freeze." You will see why.

Car

Got one? Maybe you should sell it. Cars drain the last dollars out of you. And there's something worse: Cops can smell desperation, and they hate the poor. I didn't hate cops as much before, except drug cops, but God, I hate them now. The real purpose of cops is to keep poor people off the roads. That's their only real goal. On my way to an interview for a job that could have gotten us out of the gutter, a cop stopped me because my insurance was two weeks overdue -- for the simple reason that we didn't have money to pay it. She gave me a \$600 ticket for that, plus \$120 for not having an updated address on my driver's license. Then she called for a tow truck and told me, "So, a lesson learned here today!" as I watched my car get towed away and trudged off with our terrified dog down a typical Western suburban road: four lanes of fast traffic with no sidewalks. Are you poor? The cops are your enemy now. Accept it. The car is how they'll try to get you. Sell it if you can -- which is to say, if there's any decent public transportation -- hah! -- where you live.

[Schlumberger chief: Gas set to overtake coal](#)

Natural gas is set to overtake coal as the world's "dominant" fuel in the next few years, driven by rising demand for cleaner-burning fuel, an executive from the world's largest oilfield services provider said.

The wide geographic distribution of reserves and the volumes available, in particular non-conventional types of the fuel such as shale gas and coal-bed methane, means gas is likely to displace coal as the most commonly used fuel, Satish Pai, vice president for worldwide operations at Schlumberger Ltd., said today at a conference in Perth.

[Falling gas prices bring relief in financial crisis](#)

DES MOINES — Barbara Warner is one of many people here and across the USA relieved about plummeting gas prices.

For months, the mother of three fretted as gas prices climbed. She traveled less from her home in Martensdale, Iowa. She canceled routine doctor's appointments for her children. And she blamed the government, she said, for failing to intervene.

"It's been hard," Warner said as she filled her Chevy Venture last week in West Des Moines. "I miss the days when gas was 98 cents."

[Five great green TED talks](#)

I like to think of author James Howard Kunstler as the anti-Steffen: Whenever I find myself getting a little too sanguine about how the latest eco-gizmo just might save our collective hide, I tune in Kunstler's grim vision of a post-peak-oil apocalypse. Both writers, however, tend to emphasize the value of walkable, mixed-use communities.

[This Is Not Bill Clinton's Financial Crisis](#)

But the worst indictment that could be made against the Bush Administration is that eight years have been squandered with no effort made to address our dependence on oil. The financial and economic implosion started when oil reached \$140 a barrel. We finally got a small taste of what life would be like if gas were \$5 or \$10 a gallon. Suddenly the allure of the suburbs and those gas-guzzling SUVs evaporated. Let's hope declining gas prices will not lull us back into sleepwalking around our dangerous oil addiction. We have no contingency plans should oil supplies be disrupted—naturally, or by governments or terrorists. That's a scenario to make this financial meltdown look like a cakewalk, because we import 70% of the oil.

[Petrobras: Dead In The Water](#)

Brazil's oil giant Petrobras (PBR) on Friday postponed the disclosure of its new business plan so that it could evaluate the impact of the global financial crisis.

The global credit crunch has smashed the deepwater building program at Petrobras. Whether it can pay for current orders is questionable. The Brazilian state investment council voted to shore up PBR in the short term. That suggests Petrobras has cash flow problems now -- without the presalt development cost expected to total \$500 billion over the next decade.

We noted previously that Petrobras was borrowing to pay dividends, but the precipitous drop in oil price hit its business plan hard. Suddenly, a \$20 billion bond issue is impossible.

[An OPEC output cut may hurt global recovery - IEA](#)

PARIS (Reuters) - A cut in OPEC oil output, suggested by some in the group ahead of its Friday meeting, may hurt global economic recovery, the International Energy Agency's head said on Monday.

"The IEA is concerned (an OPEC cut) might have a negative impact on the global economic recovery," IEA Executive Director Nobuo Tanaka told a news conference.

He said a global economic slowdown would be prolonged if crude prices jumped higher as a result of an OPEC cutback.

[Gas Prices Sink Across Chicago Area](#)

Oil prices late last week were down \$75 -- or 51 percent -- since catapulting to a record high of \$147.27 on July 11. Some theorists argued that the cause was "peak oil," the point after which the worldwide supply for oil cannot keep up demand, and forecast that oil prices would continue going up for years until transportation was rendered unaffordable.

But now, experts say gas prices likely will fall further, and figure to hit \$2.50 to \$2.60 a gallon if oil goes down to \$50 a barrel as some analysts suspect it will.

...While motorists welcome the decline in prices, they are wary given the huge fluctuations over the past couple of years, said Kit Yarrow, a consumer psychologist at San Francisco's Golden Gate University who has studied how high oil prices have affected Americans' buying behavior.

"People have learned that they can't trust gas prices to stay low," she said.

[A report from the front lines on 'peak oil'](#)

Serious questions about our energy future have taken a lead role lately, capturing the spotlight in economic and political debates. How do we separate hype from reality?

[Is Australia still asleep at the wheel?](#)

While the Federal Government has started the process of preparing the Australian economy for a carbon constrained economy, Australian politicians still seem asleep to the need to prepare Australia for a future peak oil scenario. The current financial crisis, while serious, has the potential to further distract from this vital preparation.

Easy credit has been a way of avoiding rather than facing up to the impact of stagnating oil supply and rising oil prices. It would be a serious mistake to see the current decline in oil prices as a sign the problems of oil supply have been fixed. They haven't.

[GM-Chrysler push for quick deal](#)

DETROIT — Negotiators hope to finalize a merger agreement between General Motors and Chrysler before the presidential election and are lobbying for government financial assistance to help clinch the deal, says a source who has been briefed on the talks.

They are pointing to the impact on the U.S. economy if either company were to fail, compared with the viability of a merged colossus that would control 36% of the U.S. auto market. Those are the chief selling points in asking for government help, says the source, who did not want to be identified because talks are not public.

[Clean coal technology 'not progressing'](#)

NOT enough progress is being made towards developing "clean coal" technology, the International Energy Agency has warned.

Carbon Capture and Storage (CCS) - burying the pollution from coal-fired power stations underground - is held to be central to the future of Australia's massive coal industry.

But the IEA says the world is moving too slowly towards CCS.

Not enough is being spent, the costs have risen too quickly, and the public does not like CCS, the IEA found.

[Eco-friendly schools offer students fresh lessons](#)

GERMANTOWN, Md. — On the outside, Great Seneca Creek Elementary School looks much like any other. But inside, it is unmistakably green.

This was the first public school in Maryland to receive certification as "eco-friendly" — a concept catching on in schools around the nation. Eco-friendly schools offer ways to save energy, improve air quality and educate students about the environment.

[China to launch nationwide survey of energy conservation measures](#)

BEIJING (Xinhua) -- China's government is to conduct a nationwide survey of efforts by local governments to reduce energy consumption and greenhouse gas emissions.

The government has set a target of reducing energy consumption per unit of GDP by 20 percent and major pollutant emissions by 10 percent from the 2005 levels by 2010, in a bid to protect environment and insure a sustainable development.

"However, the country still faces great difficulties in fulfilling the commitment, and the situation remains arduous," said National Development and Reform Commission (NDRC) deputy director Xie Zhenhua on Monday.

[Rules relaxed for 'food stamp' eligibility](#)

As the economy weakens, states and the federal government are trying to help more people qualify for food stamps.

Since Oct. 1, new federal rules make it easier for households with income from combat pay, retirement accounts or education savings to be eligible. The rules are part of the 2008 Farm Bill, which changed the name of the food stamp program to SNAP, Supplemental Nutrition Assistance Program.

"This is a nutrition program, not a welfare program," says Jean Daniel, spokeswoman for the U.S. Department of Agriculture (USDA), noting that half the 29 million Americans who receive aid are children. SNAP serves one of every five of the nation's kids, who are also eligible for free or reduced-price school meals.

[ANALYSIS - Asia oil brokers brace for crisis-induced shakeup](#)

SINGAPORE (Reuters) - Asia's oil broking industry is on the brink of its biggest shake-up in a decade as a plunge in trading volumes forces many to scramble for new markets, rethink alliances or consider shutting up shop.

...The worst financial crisis in 80 years nearly froze credit markets for much of the past month, making it difficult to finance both derivatives and physical oil trade.

More important, the collapse of Lehman Brothers and rattled confidence in Wall Street giants like Morgan Stanley and Goldman Sachs forced many companies to pull back from any form of trading at all, preferring to wait until calm returns to tumultuous markets before venturing out again.

OTC trading activity has halved or more in the past three months, according to a straw poll of brokers, all of whom declined to be identified because the data is confidential.

Visible trading, or deals that take place in the half-hour window used to set benchmark prices, of OTC fuel oil and middle distillates derivatives fell by 44 percent in September against a year ago, energy pricing agency Platts said.

'The best thing to do now is to square off all positions, sit around and ride out the storm,' said a trader, who has not been in the market for the past three weeks.

[\\$3 a gallon gas gets lost in crush of bad news](#)

Gut-wrenching declines in the stock market, a financial panic that some have compared to the Great Depression and the realization that the U.S. may be headed to its worst recession in over a generation have trumped what should otherwise be good news: The return of \$3-a-gallon gas.

Better yet, with 401(k) statements arriving in the mail and families worried about keeping their homes, has anyone even noticed?

[As oil prices fall, push for alternatives may ease](#)

Just four months ago, a conference here on electric cars drew four times as many people as expected. District fire marshals ordered some of the crowd to leave, and the atmosphere was more like that of a rock concert than an energy conference. A brief film depicted an electric car owner driving off with a beautiful woman to the strains of "The Power of Love" while her original companion struggles to pay for gasoline. The audience cheered.

One discordant note in the series of enthusiastic speeches came from Bill Reinert, one of the Toyota Prius designers. He cautioned that designing and ramping up production of a new car takes five years.

"If oil goes down to \$60 or \$70 a barrel and gasoline gets back to \$2.50 a gallon, and that very possibly could happen," he said, "will that demand stay the same or will we shift back up?"

[Was 'Peak Oil' a Multi-Billion Dollar Hoax?](#)

Crude oil prices started their astonishing price rise in January of 2007 right on cue for a normal seasonal rise into the summer. By August, prices were accelerating and continued higher going into the end of 2007. The usual seasonal year-end decline was hardly noticeable.

As 2008 began, crude prices seemed to be a one-direction trade as prices accelerated even faster. Something unusual was taking place in this market. OPEC and the Saudis claimed there was plenty of supply on the market but prices were being bid up regardless. Many analysts revived earlier predictions about peak oil and the impending decline in production as the justification for higher prices in anticipation of supply shortages in the future. Then in the middle of the summer the selling began. Was peak oil just a multi-billion dollar hoax?

[US, Russia, NATO and the Future of Afghanistan: Taliban Resurgence and the Geopolitics of Oil](#)

At a time when the fabulous Kashagan oil fields in Kazakhstan are expected to come on

stream in 2013, when Washington hopes to reverse the tide of Russia-Turkmenistan energy cooperation, when volatility in the southern Caucasus impedes the advancement of new trans-Caspian pipelines, then, Afghanistan bounces back as the most realistic and viable evacuation route for Caspian energy bypassing Russia and Iran - provided the ground situation could be stabilized and security provided which investors and oil companies would find reassuring.

[Nigeria: Government Opts for Massive Importation of Fuel](#)

With the imminent zero production of petroleum products in the country following the state of all the refineries, the Federal Government has decided to embark on massive importation of fuel to prevent scarcity and queues at the filling stations.

Stakeholders in the downstream sector of oil industry had expressed fears that the inactive state of the four refineries, following pipeline breaks and epileptic power supply, could pave the way for severe scarcity of products.

[LA public transit faces dilemma due to AIG demise](#)

LOS ANGELES — Two public transportation agencies in Southern California are facing a financial dilemma and possible service cuts after a major lender fell victim to the nationwide economic crisis.

Los Angeles County Metropolitan Transportation Agency officials said their deal to lease trains and buses from investors is in jeopardy because American International Group Inc. - which loaned the agency \$1 billion to finance the transactions - recently ran short of cash and nearly collapsed.

[Eni Plans to Build Floating LNG Plant in Indonesia](#)

(Bloomberg) -- Eni SpA, Italy's biggest energy company, may build a floating liquefied natural gas plant in Indonesia, the Southeast Asian nation's Energy Minister Purnomo Yusgiantoro said.

Eni plans to develop the Bukat area bordering Malaysia to supply the LNG plant, Purnomo told reporters without giving details of costs or financing. It has ``big" oil and gas reserves, he said.

[Holiday travelers see fewer flights](#)

Airlines will offer almost 3,000 fewer domestic flights a day during the Thanksgiving season, promising fewer choices, fuller planes and higher fares for millions of Americans.

Compared with last Thanksgiving season, there will be 11% fewer flights — 2.6 million fewer seats — on non-stop domestic routes from Nov. 20, the Thursday before Thanksgiving, through Nov. 30, the Sunday afterward.

[Taiwan's bicycle makers riding high on global crisis](#)

TAIPEI (AFP) — For the past six months Wayne Hsu has been cycling 45 minutes to his office every day, which he says gets him off to an energetic start and, more importantly, slashes his monthly petrol bill.

Hsu, an airline sales representative in Taiwan's northern Taoyuan county, is among a growing number of people here opting for bikes over cars amid rising inflation and a slowing economy.

[Exelon offers to buy NRG for 6.2 billion dollars](#)

WASHINGTON, (AFP) — US energy company Exelon has offered to buy its competitor, NRG Energy, for 6.2 billion dollars in a deal which would create a national energy giant worth about 60 billion dollars.

[Francophonie to cut CO2 emissions in half by 2050](#)

QUEBEC CITY (AFP) — Seventy French-speaking nations and regional governments pledged to help cut global greenhouse gas emissions in half by 2050, at the close of the 12th Francophonie summit on Sunday.

The group reaffirmed its backing of the United Nations Framework Convention on Climate Change and the Kyoto Protocol.

[Climate change is 'faster and more extreme' than feared](#)

Climate change is happening much faster than the world's best scientists predicted and will wreak havoc unless action is taken on a global scale, a new report warns.



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