



DrumBeat: October 29, 2008

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Topic: [Miscellaneous](#)

[Jeremy Leggett - Time for an energy bail-out:](#) *Peak oil is just five years away, and we must start to plan now to avert a truly ruinous crisis*

If eight companies across a broad spectrum of UK industry had warned, five years ago, that a ruinous credit crunch would hit the global economy this year, might the government have taken the warning seriously? Might UK leadership in damage limitation have been proactive, rather than reactive? Could a softer landing and a faster recovery have been possible as a result?

Today, eight British companies are warning of a ruinous oil crunch five years from now. We warn that the global peak of oil production will arrive unexpectedly early, resulting in not just a global energy crisis, but potentially the withholding of exports by oil producers and energy famine in oil-importing countries. Previously unimaginable policy interventions in financial markets have suddenly become imperative, and similar interventions in energy markets today may be worth their weight in gold tomorrow, in terms of economic and social damage avoided, especially as this would also help tackle climate change.

[US energy sector on presidential candidates' plans](#)

PETER BEUTEL, OIL ANALYST, CAMERON HANOVER, NEW CANAAN, CONNECTICUT

"Neither has an energy policy that is completely fleshed out yet. Obama wants to drill on existing land. McCain wants to drill on other lands.

The most important thing any president can do is to keep their eye on the ball. We need to prepare for 'peak oil'. We need to drill in a lot of places we don't now. We need to do everything Republicans and everything Democrats want."

[Russian Oil Output May Fall 1.5% Next Year, Lukoil's Fedun Says](#)

(Bloomberg) -- Russian oil output may fall 1.5 percent next year as the country struggles with aging fields, OAO Lukoil Deputy Chief Executive Officer Leonid Fedun

told a conference in Moscow today.

Output in Russia's oil heartland of western Siberia is flagging as older fields mature and companies invest in harder-to-reach regions to tap deposits. In July, parliament approved tax breaks championed by Prime Minister Vladimir Putin to spur investment in national production.

[Oil prices are way down. The boom has bust \(for now\).](#)

Feast or famine — boom or bust as oil workers call it — is the way of the world for the oil industry.

[Lower oil prices may help the world find more](#)

The world might not be able to get enough oil out of the ground.

That is the gloomy conclusion of an upcoming report from the authoritative International Energy Agency, according to the Financial Times. Ironically, the best cure for this problem may be lower prices.

[W. Africa Crude-Nigerian oil offered at lower diffs](#)

LONDON (Reuters) - Nigerian light-sweet crude oil premiums for December loading are lower month-on-month as demand from the United States and Asia has fallen and refinery margins have tightened, traders said on Wednesday.

[Investors Plan 1st Non-Petrobras Brazil Refinery in 5 Decades](#)

(Bloomberg) -- British, Spanish, Brazilian and Persian Gulf investors plan to build a \$3 billion refinery in Brazil, the first in the country by a company other than state-controlled Petroleo Brasileiro SA in five decades.

[Angola cuts benchmark oil price to \\$55 in '09 budget](#)

LISBON (Reuters) - Angola has cut the proposed benchmark oil price in its draft 2009 budget to \$55 per barrel from \$65, state-owned news agency Angop reported on Wednesday citing a draft document.

[Vancouver municipal candidates should brush up on peak oil](#)

I was stunned that none of these three candidates could explain what peak oil was, let alone tell the audience whether or not they would respond to this issue if they were elected.

[Food, not zombies](#)

I recently read the Church of the Latter Day Saints' "Preparedness Manual," which the Mormon Church distributes to its members. The manual is a detailed and thoughtful plan on how to stockpile food and supplies, and develop the necessary skills to survive the _____ (fill in the blank: zombie apocalypse, economic collapse, assault of the New World Order, nuclear holocaust, peak oil crisis, electro-magnetic pulse terrorist attack, etc.).

The Mormon community isn't proposing to live out a video game- and movie-fueled juvenile fantasy, nor does it promote the stereotypical survivalist, an assault weapon-hoarding loner in full tactical battle gear. Instead, it puts forth a method for prospering in a world that has proven to be volatile and unpredictable, and where prosperity is a fickle friend to comfortable nations. But the methods are still a bit, um, insular and extremist.

[Time to build a new civilization](#)

"The maximum happiness for the greatest number of people," which should be the essential objective of democracy, has been forgotten. Today's materialism is based on greed, which is now threatening the future of mankind and the globe. The current financial meltdown is one clear example. The deterioration of the environment is another.

Mahatma Gandhi said, "The earth can provide for every one's need, but not for every one's greed." This may explain the problems encountered by globalization.

So-called GDP economics ignores all the important values that cannot be quantified and converted into monetary values, such as culture, tradition, family and social justice. And it makes a major mistake in regarding natural resources as "income" and not as "capital," which requires preservation. Because of this mistake, economic growth is seriously damaging the environment.

[Amid economic crisis, wind power spins more slowly](#): *Many of the big players who were drawn to alternative energy by tax credits are now sidelined or kaput.*

On Michigan's 'thumb,' a broad peninsula whose gusts make it one of the best places in the US to site a wind farm, Noble Environmental Power has erected 30 huge wind turbines – 16 more will finish the job.

But the project was hit by a financial gale last month when key underwriter Lehman

Brothers went bankrupt. With Lehman out, Noble was forced to sell in a hurry. Three more Lehman-financed wind-power projects in New York are also in doubt, according to published reports.

America's credit crisis is shaking up not only smaller alternative energy sectors like solar and geothermal, but also the largest renewable electricity sector – wind power.

[Brazil ethanol, sugar sector sees hard times ahead](#)

SAO PAULO (Reuters) - The global credit crunch delivered the latest punch to the gut of Brazil's ethanol and sugar industry, which has been struggling with low margins over the past couple of years.

The bright prospects of some years ago seem to have folded according to producers and analysts participating in the annual Datagro Sugar and Ethanol Conference in Sao Paulo this week.

[Oil technology still key, even at low prices: execs](#)

HOUSTON (Reuters) - Lower oil prices could slow the most difficult drilling projects, but energy companies will keep spending on new technology to stay competitive and prepare for the future, executives said at a conference Tuesday.

"Some really challenging projects might be postponed, but I don't think, in the long run, we'll lose anything," said Lars Ostlund, who markets high-tech oilfield tubing for Sandvik. "The need for oil and gas is so huge."

[Oilsands still viable, Suncor CEO says](#)

CALGARY—The chief executive of Suncor Energy Inc. says he disagrees with the doom-and-gloom notion that falling crude oil prices have rendered the company's oilsands projects uneconomic.

"There seem to be a lot of misunderstandings and panic in the market," Rick George told an analyst conference call to discuss the company's third-quarter results on Wednesday.

[Oil could remain low for over a year - BP economist](#)

LONDON (Reuters) - World oil prices are likely to remain low for another 12-18 months if the global economic crisis continues to cut demand for oil, the group chief economist at

BP said on Tuesday.

'We should expect oil price volatility and low oil prices for 12-18 months until economic recovery helps prices to rise,' said BP's Christof Ruhl at the Oil & Money conference in London.

[Gazprom's oil arm trims oil output forecast for 2008](#)

MOSCOW (RIA Novosti) - Gazprom Neft, the oil arm of energy giant Gazprom, said on Wednesday it had revised its 2008 oil output forecast down from 31.7 million tons (232 million barrels) to 31.2 million tons (229 million barrels).

Gazprom Neft Deputy General Director Vadim Yakovlev said the forecast had been cut due to falling oil prices and unsuccessful geological prospecting at some oil deposits.

[Robert Bryce: Is Big Oil for Obama?](#)

Among Democrats, it is widely accepted that George Bush and Dick Cheney are in the tank for Big Oil. Yet some of the leading players in the U.S. energy business can't wait for them to leave office.

[Palin: despite oil dip, energy steps still needed](#)

WASHINGTON (Reuters) - Republican vice presidential candidate Sarah Palin, seeking to underscore her expertise on energy issues, said on Wednesday a drop in oil prices should not dissuade the United States from taking steps for greater energy independence.

[Hydraulic hybrids? UPS orders a few](#)

ATLANTA - By now we've all heard of hybrid vehicles, but there's a lesser known variation: hydraulic hybrids, or HHVs. The technology delivers significant reductions in fuel use and pollution, and delivery giant UPS Inc. has made the first commercial purchase.

[Gas sinks to 3-year low](#)

Gasoline prices in 42-day, 37% decline, as oil prices and fuel consumption continue to fall.

[The temples of doom](#)

"We think we are different," says Jared Diamond, the American evolutionary biologist. "In fact...all of those powerful societies of the past thought that they too were unique, right up to the moment of their collapse." The Maya, like us, were at the apex of their power when things began to unravel, he says. As stock markets zigzag into uncharted territory and ice caps continue to melt, it is a view increasingly echoed by scholars and commentators.

What, then, is the story of the Maya? And what lessons does it hold for us? According to Diamond's thesis, this: the ancients built a very clever and advanced society but were undone by their own success. Populations grew and stretched natural resources to breaking point. Political elites failed to resolve the escalating economic problems and the system collapsed. There was no need for an external cataclysm or a plague. What did for the Maya was a slow-boiling environmental-driven crisis that its leaders failed to recognise and resolve until too late.

[PM Putin suggests Russia, China ditch dollar in trade deals](#)

MOSCOW (RIA Novosti) - Russian Prime Minister Vladimir Putin proposed on Tuesday that Russia and China gradually switch over to national currency payments in bilateral trade, expected to total \$50 billion in 2008.

"We should consider improving the payment system for bilateral trade, including by gradually adopting a broader use of national currencies," Putin told a bilateral economic forum.

He admitted the task would be tough, but said it was necessary amid the current problems with the dollar-based global economy.

[Kuwait parliament votes to guarantee bank deposits](#)

Kuwait's parliament passed a law Wednesday fully guaranteeing all deposits in Kuwaiti and foreign banks operating in the oil-rich state.

The move was needed to calm nerves after a major bank incurred steep losses in derivatives.

[LUKoil plans to increase oil, gas production in 2009](#)

MOSCOW (RIA Novosti) - LUKoil, Russia's largest independent oil producer, intends to increase oil production by 1.5% and natural gas production by 3-4% in 2009, the company's vice president, Leonid Fedun, said on Wednesday.

Speaking at a UBS conference, Fedun said: "Next year, we will increase oil production by 1.5% and natural gas by 3-4%."

[Electric cars are a big chance for China - McKinsey](#)

BEIJING (Reuters) - China should push electric cars to curb its dependence on imported oil and foreign automobile technology, although they offer smaller cuts in carbon emissions than alternatives like hybrids, McKinsey and Company said.

In two decades it could create a world-leading industry and a domestic market alone worth up to 1.5 trillion yuan (\$219.4 billion), even if less than a third of drivers go electric, the consulting firm said on Wednesday in a report, "China Charges Up".

[The Most Radical Thing You Can Do: Staying home as a necessity and a right](#)

We are going to have to stay home a lot more in the future. For us that's about giving things up. But the situation looks quite different from the other side of all our divides. The indigenous central Mexicans who are driven by poverty to migrate have begun to insist that among the human rights that matter is the right to stay home. So reports David Bacon, who through photographs and words has become one of the great chroniclers of the plight of migrant labor in our time. "Today the right to travel to seek work is a matter of survival," he writes. "But this June in Juxtlahuaca, in the heart of Oaxaca's Mixteca region, dozens of farmers left their fields, and women weavers their looms, to talk about another right, the right to stay home. . . . In Spanish, Mixteco, and Triqui, people repeated one phrase over and over: the *derecho de no migrar* — the right to not migrate. Asserting this right challenges not just inequality and exploitation facing migrants, but the very reasons why people have to migrate to begin with." Seldom mentioned in all the furor over undocumented immigrants in this country is the fact that most of these indigenous and mestizo people would be quite happy not to emigrate if they could earn a decent living at home; many of them are just working until they earn enough to lay the foundations for a decent life in their place of origin, or to support the rest of a family that remains behind.

[LUKOIL says Russia could trim output, join OPEC](#)

MOSCOW (Reuters) - A vice-president of Russian oil major LUKOIL said on Wednesday the Russian oil industry's future hinges on close cooperation with OPEC and said the country could cut production to help OPEC prop up prices.

The comment by Leonid Fedun at a conference in Moscow came as a big surprise after his boss, the head of LUKOIL Vagit Alekperov, said earlier this month Russia should not join OPEC as it would damage its oil industry.

"We are seeing that Russia and OPEC are beginning to cooperate. I believe the future of the Russian industry and price stability hinges on close cooperation with OPEC," he said.

[OPEC oil output rising in Oct - Petrologistics](#)

LONDON (Reuters) - OPEC's oil output in October is expected to rise by 200,000 barrels per day to 31.9 million bpd because of higher supplies from Iraq, industry consultant Petrologistics said on Wednesday.

The estimate also indicates that the Organization of the Petroleum Exporting Countries, excluding Iraq, is trimming output back to official target levels, in line with a Sept. 10 agreement to prop up prices.

Output from the 12 OPEC members with supply targets -- all except Iraq -- is expected to average 29.59 million bpd, little changed from 29.56 million bpd in September and less than their target of 29.67 million bpd.

[Oil's Big Players Have an Edge](#)

If oil-industry executives were stars on reality TV, right now they would be making the jump from "Joe Millionaire" to "Survivor."

The price of Nymex crude oil has fallen from a high of \$145 a barrel in July to below \$64 today. From the perspective of oil producers, however, the drop is far worse.

Paul Sankey, an analyst at Deutsche Bank, reckons that some smaller, mature onshore U.S. fields need a price of about \$80 a barrel to meet their running costs. In effect, they have seen their profit drop from \$65 a barrel at the market's peak to less than zero.

[Israel Trying for Russian Gas Deal](#)

(IsraelNN.com) Director General Chezi Kugler of the Ministry of Infrastructure led a clandestine delegation to Russia to negotiate a deal for natural gas with GazProm, reported Globes. Kugler was the only official from the ministry on the trip.

[U.N. pays out \\$889M from Iraqi oil fund](#)

GENEVA (AP) — The U.N. panel overseeing compensation for victims of Iraq's 1990 invasion of Kuwait said Wednesday it has paid a \$888.6 million installment from Iraqi oil funds to cover losses and damages suffered by governments and private companies.

The U.N. Compensation Commission said the money will go to 13 claimants in Kuwait, two in Saudi Arabia and one in the U.S.

[Pakistan: Industrial zones allowed to have own power plants](#)

LAHORE: All Industrial zones in the province of Punjab were Tuesday allowed to have their own power production plants so that they could be to cope with ongoing energy crisis.

[India likely to face diesel shortage in Nov-March](#)

NEW DELHI: India is likely to face a shortage of 2.5 million tonne of diesel during the November-March period, which would have to be met either through imports or from Reliance Industries' only-for-exports refinery. "The oil companies have told us that they will have a deficit of 2.5 million tonne from now till March," said Mr S Sundareshan, Additional Secretary, Ministry of Petroleum and Natural Gas.

[Do we need oil from outer space?](#)

MOSCOW. (Andrei Kislyakov for RIA Novosti) - Scientists from the Royal Observatory in Edinburgh said, judging by the chemical composition of stars in the Milky Way, our galaxy could contain anywhere between 300 and 38,000 highly developed extraterrestrial civilizations potentially capable of contacting Planet Earth.

Although current generations are unlikely to shake hands with little green men from Mars, humankind has already discovered sizeable mineral deposits on other planets. But should we pin any hopes on them?

[GM global sales plunge](#)

NEW YORK (CNNMoney.com) -- General Motors reported sharply lower global sales as weakness in the nation's leading automaker's domestic sales spread to overseas markets.

GM reported that overall sales were down 11.4% worldwide in the third quarter compared to the same period a year earlier.

That was a much steeper decline than the 2.9% drop seen in first half of the year.

Sen. Hillary Rodham Clinton and Rep. John M. McHugh: [Steps to help New Yorkers face winter](#)

We are proposing a refundable tax credit for middle-class homeowners and renters to help defray the rising cost of home heating. The Home Energy Affordability Tax Relief (HEATR) Act will provide a \$500 refundable tax credit for individuals and families who

spend more than \$1,500 on home heating costs during the coming winter season. Those who spend below \$1,500 would receive a credit equal to one-third of their heating costs. That's more money that individuals and families can use to pay for necessities other than home heating.

[Trouble Awaits Nuclear Investors](#)

Nuclear power plants have high start-up costs, making their viability closely tied to the cost of other energy sources. India itself has made significant natural gas finds in the past three years, offering a cheaper and cleaner power source. Moreover, foreign investment will be harder to find in coming years, particularly given existing concerns-- based on Enron's highly unsuccessful efforts to participate in India's power sector during the 1990s--that return on investment is not secure.

[Duke Energy to help finance Cincinnati streetcar initiative](#)

The city of Cincinnati has secured a \$3.5 million contribution to its streetcar initiative as part of settlement of an electric-rate case with Duke Energy.

[Seaweed "efficient and reliable" biomass fuel, claim researchers](#)

Researchers at the Scottish Association for Marine Science (SAMS) have hailed seaweed as a possible feedstock for biomass energy production.

[The Obama factor](#)

The Obama energy agenda is a laundry list of subsidies, regulations and laws to force the United States off imported oil and move it toward "energy independence." That, says the Obama platform, "will require far more than the same Washington gimmicks." The new Washington gimmicks -- which could include putting oil company CEOs in jail for gouging consumers -- involve massive redirection of government resources to undermine market forces. The kind of policies that delivered the Fannie Mae/Freddie Mac mortgage crisis would be brought to energy.

[A farm for all](#)

When Tim and Megan Toben have a potluck dinner, they wind up with more than casseroles and hastily store-bought desserts. Maybe it's because of the company they keep -- people who appreciate good food and often grow at least some of what they eat.

Or maybe it's because bringing a pre-fab entree would feel sacrilegious while dining before a blazing bonfire, a few feet away from their organic garden, biodiesel conversion station, windmill, solar panel and their three goats -- a big draw for the other kids who

frequent the Pickards Mountain Eco-Institute in Chapel Hill.

[Science and Politics](#)

As America begins its quest to remove its dependence on fossil fuels, debate has reignited over how prominent the role of nuclear power should be in the nation's energy future.

[Falling oil production 'is greater threat to Britain than terrorism'](#)

The Peak Oil group warned in a report that the country could begin feeling the effects of a severe lack of oil within five years, as oil-producing countries will be forced to wind down production due to diminished reserves.

Jeremy Leggett, the chairman of the Peak Oil Group and the executive chairman of the alternative energy company Solarcentury, said there was still time for the Government to act to protect the country from the impact of reduced oil supplies by reducing the economy's dependence on the fuel.

Mr Leggett, who is a former oil company executive, said: "Society has become oil-dependent to its rivets. "What we are warning of is a peak in production beyond which will be a fall, potentially a rapid fall, and that will mean a global energy crisis if the analysis is correct."

[IEA Statement on Unauthorised Press Coverage of World Energy Outlook 2008](#)

The *Financial Times* carried a cover page [article](#) this morning and a second [article](#) on page 4 allegedly reporting on the findings of the forthcoming WEO 2008. This article was drafted without any consultation with the IEA. It appears to be based on an early version of a draft from several months ago that was subsequently revised and updated. The numbers in the article can be misleading and should not be quoted or considered to be official IEA results. We are dismayed that such a comprehensive and important IEA report was made public without our input and verification.

The IEA will present the final and accurate results of the World Energy Outlook 2008 officially as planned at a press conference in London on 12 November. At that time, we will be happy to discuss the results and their implications for the global energy and climate in full detail.

[Record rig costs will jeopardise deepwater oil projects](#)

With oil at \$60 per barrel, some deepwater projects in Brazil, the Gulf of Mexico and

West Africa are looking uneconomic in a market when drilling rig and offshore vessel rates are at record levels, so something has to give, said Matthew Simmons, chairman of investment group Simmons & Co.

“Oil sands and gas shales in North America and deepwater projects do not work at \$60 oil. The problems are oilfield service costs are too high and we need to change this for projects to go ahead,” Mr Simmons told Lloyd’s List at the Oil & Money Conference in London on Tuesday.

“Rig costs are so high and we cannot get enough spare capacity to lower costs. Even if more rigs are built, it is hard to recruit people, so crew costs are high.”

[Russia '09 budget safe if oil averages \\$60](#)

MOSCOW - Russia's 2009 budget is safe if oil price averages \$60 a barrel, but for the following year budget revisions or the use of reserve funds may be necessary, deputy finance minister Dmitry Pankin said on Wednesday.

‘At \$60 a barrel, the 2009 budget will be balanced, 2010 probably not,’ Pankin said.

‘Option one is to use the reserve fund, option two is to reconsider the budget.’

['Gazprom not deterred by financial woes'](#)

Russian gas giant Gazprom is committed to its strategy of annual dividend rises and does not plan to scale back projects because of the financial crisis, chief financial officer Andrei Kruglov said today.

[Mexico approves watered-down oil industry reform](#)

MEXICO CITY – Mexico's Congress passed a watered-down energy industry reform Tuesday that enables private contractors to participate in the state-owned oil business but won't likely draw enough investment to reverse declining production in the third-largest oil supplier to the United States.

[Oil companies cautiously count profits](#)

HOUSTON - Record crude prices this summer are translating into huge profits, as BP and Occidental Petroleum showed Tuesday, but some energy companies are bracing for tougher times, keeping a closer tab on cash and cutting spending.

[Jim Brown: Crude Prices Producing Caution](#)

Another factor causing a decline in forecasts is the lack of financing. Many smaller firms rely on financing for their deals, expenses and infrastructure build outs. They go to the banks/brokers with a proven lease and borrow millions to drill it out, build the infrastructure and begin production. With credit lines locked or cancelled many of these firms have gone nearly dormant while waiting for the credit thaw. Some are doing cooperative deals with other companies to utilize equipment in exchange for participation. However, overall the exploration and development rush has cooled until prices begin to rise and credit lines return.

[BP will cut more jobs despite soaring profits](#)

LONDON (AFP) – Energy giant BP, fresh from unveiling an 83-percent jump in third-quarter net profits, is planning to cut more jobs than previously announced, the Financial Times reported on Wednesday.

The business daily quoted BP chief executive Tony Hayward as saying that he expected the total number of job cuts would be "materially higher" than the 5,000 already announced.

[Indonesia mulls cut in fuel prices](#)

JAKARTA (Xinhua) -- Indonesia is considering to lower fuel prices following the decline of global oil prices, according to a paper here Wednesday.

[Mind-numbing oil](#)

We're all so freaking doomed!

[Saudi Aramco Cuts LPG Prices for November as Crude Oil Falls](#)

(Bloomberg) -- Saudi Aramco, the largest supplier of liquefied petroleum gas to Asia, cut prices of cargoes loading in November after global crude oil benchmarks declined.

The Dhahran, Saudi Arabia-based company reduced the price of propane cargoes by \$300, or 38 percent, to \$490 a metric ton, said a company official who asked not to be identified. Aramco lowered the price of butane by \$320, or 40 percent, to \$490 a ton.

[Sinopec Profit Falls 39% on Record Crude Oil Costs](#)

(Bloomberg) -- China Petroleum & Chemical Corp., Asia's biggest oil refiner, said third-

quarter profit fell 39 percent because an increase in the government's ceiling on retail fuel prices wasn't enough to cover record crude costs.

[Ford hybrids' gauges sprout leaves, highlight fuel-efficient driving](#)

Ford plans to announce Wednesday that the Zen-like instrument panels in its 2010 Ford Fusion and Mercury Milan gasoline-electric hybrid-power midsize sedans will include electronic display screens on which images of green leaves multiply when drivers are motoring in fuel-efficient fashion.

When drivers slide behind the wheel, the screens show grass, clouds and sky. The leaf images pop up in a corner of one of the screens when the engine starts.

[Germany opens first offshore wind farm](#)

BERLIN (AFP) – Germany opened its first offshore wind farm Tuesday which Environment Minister Sigmar Gabriel called a key step toward more reliance on renewable energy in Europe's biggest economy.

Gabriel pressed the start button at the Hooksiel complex some 500 metres (500 yards) off Germany's North Sea coast.

[Keep up climate change fight amid financial crisis: wind group](#)

BEIJING (AFP) – The head of the Global Wind Energy Council warned Tuesday of dire consequences if governments weakened their fight against climate change due to the global financial crisis.

"Don't take your eyes off the big picture, it's irresponsible," said Steve Sawyer, the council's secretary general, ahead of a major wind power conference starting Wednesday in Beijing.

"In the next two, three decades, it's critical for the survival of human civilisation as we know it," he said.

[World threatened by ecological 'credit crunch': WWF](#)

PARIS (AFP) – Reckless borrowing against Earth's exhausted bounty is driving the planet toward an ecological "credit crunch", the World Wildlife Fund warned on Wednesday.

Growing demands on natural capital -- such as forests, water, soil, air and biodiversity -

- already outstrip the world's capacity to renew these resources by a third, according to the WWF's Living Planet Report.

[China says coal addiction makes climate change fight hard](#)

BEIJING (AFP) – China warned Wednesday its heavy dependence on coal to fuel its fast-growing economy made it difficult to control greenhouse gas emissions, but said fighting global warming remained imperative.

Releasing a policy paper on climate change, the Chinese government acknowledged the deep impact global warming had already made on the world's most populous nation -- and warned of much worse to come.

"Extreme climate phenomena, such as high temperatures, heavy precipitation and severe droughts, have increased in frequency and intensity," the so-called "White Paper" said.

If not alleviated, these phenomena will increase natural disasters, reduce grain yields and impact livestock raising, hampering the nation's efforts to feed its 1.3 billion people, it said.



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