



## DrumBeat: November 7, 2008

Posted by [Leanan](#) on November 7, 2008 - 9:22am

Topic: [Miscellaneous](#)

### [Barclays Capital Oil Sketches Monthly: Burning violins](#) (PDF)

Like many other markets across commodities and elsewhere, the oil market is currently in a state of significant disequilibrium. Over a short period of time, the market has had to price in a very sharp reduction in expectations for global GDP growth next year in conditions of falling volumes, with trading activity being further subject to a sharp revaluation in the relative pricing of risk and liquidity. All in all, it is perhaps no great surprise that such a backdrop should lead to some significant short-run undershooting of prices. However, there are two other key features of the current price correction that seem to jar with any idea that prices are returning to some low business-as-usual level.

The first new feature is the speed with which the supply side has made its initial reaction to falling prices and the repricing of liquidity. A sizeable chunk of incremental activity has been frozen, some significant projects have been delayed very early in the down cycle, and generally throughout the oil patch there is the sound of moving parts slowing down. The speed with which the supply side has screamed in pain this time is dramatically faster than in previous price cycles. Even in the 1998 to 1999 swing down to \$10 per barrel there was less immediate and significant response in terms of the slowing of future projects. Likewise, soon after the 1986 crash, activity was buoyed by the combination of lower taxes, immediate application of technology and cost saving and new frontiers for development. This time industry costs will fall simply because there is less activity, but the previous scope for huge savings through greater efficiency is more restricted, and the new frontiers seem more limited and more challenging. In all, there are a lot of further reasons why cash is king for the oil industry right now.

### [EU global warming limit may not be possible - IEA](#)

LONDON (Reuters) - A European Union target to limit warming of the planet to no more than 2 degrees Celsius may not be technically achievable, the International Energy Agency said in a report to be published next week.

"Even leaving aside any debate about the political feasibility ... it is uncertain whether the scale of the transformation envisaged is even technically achievable, as the scenario assumes broad development of technologies that have not yet been proven," said the IEA's World Energy Outlook. That analysis referred to a target to limit global warming to no more than 2 degrees.

The implication is that the world may have to accept higher warming limits than targeted at present, for example by the EU since 1996, and prepare for effects which scientists say will include more droughts, floods and rising seas.

### [Shell Canada president wants better co-ordination on climate change](#)

Governments across the country need to get their act together on policies to address climate change, the president of one of Canada's major oil companies says.

Brian Straub, president of Shell Canada, said Thursday that voluntary efforts to reduce greenhouse gas emission should be replaced by coherent and consistent government-mandated rules.

### [BP Withdraws From Carbon-Capture Project](#)

LONDON -- The United Kingdom's hopes of becoming a world leader in the battle against global warming suffered a potential setback when British oil major BP PLC said it had pulled out of a competition to design the country's first carbon capture and storage project.

The announcement came as BP said it would be concentrating its wind investments in the U.S., effectively exiting the U.K. wind power market.

### [U.S. Decides One Nuclear Dump Is Enough](#)

WASHINGTON — The Bush administration will recommend that Congress give up the idea of a second nuclear waste dump, dropping a grand bargain struck in the 1980s, and instead vote to enlarge the repository now proposed in Nevada, the director of the Energy Department's civilian radioactive waste management program said on Thursday.

The director, Edward F. Sproat III, who is in charge of work on the proposed repository at Yucca Mountain, 100 miles northwest of Las Vegas, said that the process of trying to open one repository had been so slow and expensive that this was not a good time to start looking for another.

### [Starving and penniless, Ethiopian farmers rue biofuel choice](#)

SODO, Ethiopia (AFP) — With a slight reeling in his gait, Ashenafi Chote ventures into his small plot of land and shakes his head, his eyes full of regret: "I made a mistake".

For the last 10 years, his plot in southern Ethiopia had kept his family of four alive by supplying enough food to eat and even surplus to sell, in a region often ravaged by drought and food shortages.

But since swapping from a subsistence to a biofuel crop several months ago, his once treasured source of income has dried up and, worse still, he and his family are now dependent on relief from aid agencies.

"I used to get four quintals (100 kilograms, 220 pounds) of maize from my land from every harvest and earn more than 2,400 birr (240 dollars). But now, I have lost my precious source," the 25-year-old father of two said.

### [Brazil sees subsalt oil reserves at 80 bln boe](#)

RIO DE JANEIRO (Reuters) - Brazil's subsalt oil reserves already under concession could reach as much as 80 billion barrels of oil equivalent, said the head of Brazil's National Petroleum Agency (ANP), Haroldo Lima, on Friday.

"Recently, prognosis indicate at least 50 billion (boe) and a maximum... of 70, 80 billion barrels," he told reporters, adding that this would include only licensed blocks.

Asked if reserves could surpass 100 billion boe if unlicensed areas were included, he said: "Yes, they could."

### [Poor gasoline demand will see refiners cut, close](#)

LONDON (Reuters) - A golden age of profits for western oil refining companies has ended and many are likely to face cutbacks and even possible closures, analysts said on Friday.

Falling demand for gasoline globally has come just as more refinery capacity comes on stream, piling on the pressure.

The global economic crisis allied with record high oil prices earlier this year have slashed gasoline demand and curbed future growth projections, forcing refining margins for motor fuel deep into negative territory.

European refiners such as Total and Petroplus have already started planning to cut back runs on unprofitable products like gasoline and its blending component naphtha. Analysts said it could be the beginning of a longer-term trend and margins could collapse over the next 2 years.

### [GM: Almost out of cash](#)

NEW YORK (CNNMoney.com) -- General Motors shook an already embattled auto industry Friday as it reported a huge loss that was much worse than expected and warned it is in danger of running out of cash in the coming months.

GM, the nation's largest automaker, reported it lost \$4.2 billion, or \$7.35 a share, excluding special items. That's up from the loss \$1.6 billion or \$2.86 a share it reported a year earlier and was far worse than the forecast of analysts surveyed by earnings tracker Thomson Reuters, which had forecast a loss of \$3.70 a share.

But the most shocking news came in its statements about its cash position. GM said it had burned through \$6.9 billion during the quarter and warned that it "will approach the minimum amount necessary to operate its business" during the current quarter.

### [Record number of oil companies bid for Norwegian offshore licenses](#)

OSLO, Norway (AP) - Norway said the number of oil companies bidding for exploration licenses off its coasts soared to a record 46 in its latest licensing round, more than twice the 19 bids received in the previous round in 2005.

### [New breed of inspector goes after energy leaks](#)

Traditional home inspectors check to see if everything works in a house, with an emphasis on safety. But eco-inspectors check energy efficiency and provide reports on how much cost savings upgrades will offer. "The report is rating your energy usage, not your lifestyle," said Trujillo.

The number of eco-inspectors is rising nationwide, as homeowners search for ways to save.

### [UBS Says Mexico May Have Hedged 90% of Oil Exports for 2009](#)

(Bloomberg) -- Mexico, the third-largest supplier of crude to the U.S., may have hedged 90 percent of its 2009 oil exports at \$70 a barrel to protect its budget against falling prices, UBS AG said.

Mexico, which funds about 40 percent of its budget with oil revenue, hedged an estimated 432 million barrels, Tomas Lajous, an analyst at UBS in Mexico City, wrote today in a note to clients. Oil has fallen more than 57 percent since reaching a record \$147.27 a barrel on July 11.

### [Brazil's Hopes for Home-Grown Offshore Rigs Hits Credit Snag](#)

The fledgling Brazilian deepwater rig industry is running up against the realities of the tight credit market. Several of the contract winners haven't been able to borrow money needed to finish construction on the rigs they promised, which can cost more than \$600 million each. Should their struggles continue, Petrobras will be forced into a difficult choice. The rising energy giant would need to add billions of dollars to a long-term budget already in jeopardy over concerns about the future availability of credit to ensure the rigs get built on time, or risk delaying Santos Basin production for lack of equipment. With Brazil hoping to increase production by 2 million barrels of oil equivalent a day by 2015, Petrobras' options may be limited.

### [Pemex can 'triple' drilling program says official](#)

Petroleos Mexicanos could triple the amount of its exploratory drilling to an average of 1,800 wells/year from the current 600 as the result of new contracting arrangements approved under reform legislation, according to a senior company official.

### [Calderon claims Mexico will be an oil power again](#)

Mexican President Felipe Calderon recently affirmed that, with the energy reform “everybody wins,” because all Mexicans reached an agreement when the world economy is so adverse; and with all these changes Mexico will regain its rightful position as a petroleum power.

### [Economic Turmoil Unlikely to Affect Saudia Aramco's Mega-Projects](#)

The current global economic downturn will not impede Saudi Aramco mega-projects, Khalid G. Al-Buainain told a group of 300 energy industry professionals.

In fact, a slowdown may actually have benefits from the standpoint of easing tight construction supplies.

### [Oil Service Firms Warn of Dangers of Lower Prices](#)

Oil and gas service contractors have warned big oil firms that using the financial crisis to force down contract prices could risk future project delays and cause supply bottlenecks.

The global economic slowdown and the falling price of oil and other commodities have turned the tide against the service industry that ramped up charges as oil rallied to its July peak of \$147. Since then, the price has fallen over \$80 to around \$61.

### [Ghana: Artificial Shortage of Fuel?](#)

Following persistent calls on the government to review the prices of petroleum products, due to the slump in world prices of the commodity, the former decided to reduce the ex-pump price of petrol, diesel and kerosene among other crude oil products, last week Friday.

Unfortunately, the downward review of the prices did not go down well with those who retail the commodity. Since Friday, some of the fuel stations have refused to sell petrol to consumers, claiming that they have run out of stock.

### [Sri Lanka: Tough actions against Sri Lankan fuel station owners who sell for old prices](#)

Colombo: Minister of Petroleum and Petroleum Development A.H.M. Fowzie said that he will take tough action against the petrol station owners who are not selling fuel at the reduced prices.

Speaking at a special press briefing in Colombo this morning the Minister pointed out that all the outlets must reduce the fuel prices with effect from mid night yesterday.

### [New Zealand: Gas-fired power plants provide fuel for heated debate](#)

The third dry winter in a decade has thrown the spotlight on the security of electricity supply this election, where the key difference between the parties is where they stand on allowing new gas-fired power stations.

### [Zero immigration and sustainable populations](#)

This is not a report by some racist group that wants to limit immigration to keep Australia white. This is not a report by some deep green environmental group that wants everybody to live in communes and wear jute shirts. This is the Productivity Commission. The Productivity Commission - primarily an economic research organisation.

If the economic case only benefits the capital owners and makes the average citizen worse off economically, without even considering environmental and sustainability impacts, why is it being done?

### [The Last Recession? Or Our Best Opportunity for Hope?](#)

As the drama of the bursting bubble of Wall St. gives way to a slower, but steady and painful, economic decline, the first and most important question we should ask is "Should we try to blow another bubble, or should we reject bubble culture values for something entirely different?"

## [Why Obama's 'Green Jobs' Plan Won't Work](#)

If Obama's energy promises rely on questionable science, they rely on even more questionable economics. We are to believe that replacing conventional energy sources (especially coal) with renewables (especially wind) will create five million new "green jobs." The hope is that armies of workers will be enlisted to build tens of thousands of windmills; to manufacture and deploy solar-power installations; to harvest, transport, and process huge amounts of biofuel feedstock; and to string the power lines that will allow the U.S. power grid to incorporate a major expansion of intermittent energy.

Unfortunately, the idea of government "job creation" is a classic example of the broken window fallacy, which was explained by French economist Frédéric Bastiat way back in 1850. It is discouraging to think that, nearly 160 years later, politicians still do not understand Bastiat's basic economic insight.

## [Nicklaus Golf Courses Keep Green Drinking Spanish Farms' Water](#)

(Bloomberg) -- Manuel Vicente Piriz has turned farming on its head.

After tilling corn for 20 years on the banks of the Tagus River in central Spain, he didn't plant this spring. Piriz instead sold his water to arid towns in the south for 216,000 euros (\$275,000), more than he would have earned on the crop.

## [The hottest places for green jobs in the U.S.](#)

Although the home of the 10-gallon hat is hardly a modern ecotopia, Houston has the third-largest green job market in the country. Like it or not, the green economy is not about making the world a better place — it's about making money on making the world a better place. And Houston, which encompasses two of the most polluted counties in the country and leads the nation in carbon dioxide emissions, is good at making money off of energy. One reason the wind power sector has grown so rapidly in Texas is that the state's oil industry has decades of experience building big projects like wind farms.

## [David Suzuki: Renewable energy requires strength of will](#)

Energy underpins everything we do. Human societies have become increasingly complex, requiring ever larger-scale sources of continuous energy. Now, energy fuels not only our activities but our economies as well. If we don't choose our energy sources wisely, we can do more harm than good.

Non-renewable energy sources such as fossil and nuclear fuels are not sustainable and have also taught us that technological advances often come at great cost. These fuels can

never be a long-term solution because they will run out. They also create emissions that pollute our air, water, and soil, and contribute to global warming or long-term radioactive-waste problems.

### [National oil firms warn \\$60 oil threatens supplies](#)

BEIJING (Reuters) - The world's biggest state-owned oil companies are weathering the global financial crisis and the dive in crude prices for now, top executives said on Friday, but they warned that \$60 oil could soon begin to stymie their investment.

Oil majors and public energy firms that have ventured into higher-cost frontiers to grow their production are already beginning to pull back on projects as credit grows scarce and oil's steep retreat in recent months threatens their profits.

But for now national oil firms -- backed by political will and, in many cases, government coffers overflowing after a five-year oil boom -- are holding the line, even though they say prices are nearing unprofitable levels.

### [It's an unsettled time for energy producers](#)

A new president, a weak economy and volatile oil markets give oil and natural gas producers some real challenges as they consider new and expensive projects in an uncertain environment, a retired top Chevron executive said Thursday.

### [CMS Cameron McKenna: Crisis Hinders Energy Investments](#)

The global financial crisis has also affected the energy market because of price volatility and the limitations on investment lending. Ben Holland, a Partner with CMS Cameron McKenna - London told a seminar organized in partnership with the Associated Energy Suppliers in Romania (AFEER) that the European energy market had already had problems because of the crisis. Companies are no longer sure of the banks' capacity to ensure financing of investments in production capacity planned for the following years. Investments in the energy business are highly expensive, require substantial implementation time and can be recovered over even greater period. The volatility of the international price of oil has impacted also the natural gas market, the electricity market and the coal market, rendering producers incapable of calculating their profit rates.

### [Energy agency sounds warnings on oil](#)

NEW YORK: In a stark warning, the International Energy Agency said Thursday that the world's energy systems would need extensive new investment to meet growing demand, while warning at the same time that urgent action was required to curb carbon



emissions that cause global warming.

### [Help Wanted: Data Center Energy Experts](#)

Data center energy consumption is attracting all sorts of unwanted attention these days, but the expertise necessary to to make these facilities more energy efficient appears to be in very short supply.

Within the data center itself, capital expenditures are increasing so quickly that they are threatening the viability of information technology. Outside the corporate walls, government interest is rising because IT is adding an estimated 1 million servers each year. As a result, two new major power plants need to be built annually to handle the growing number of servers. But the plants aren't getting built, and this is raising some very serious national energy-security concerns.

### [Blackouts fuel protests in Dominican Republic](#)

SANTO DOMINGO, Dominican Republic (AP) Protests over an energy crisis are growing violent across the Dominican Republic as residents face nearly 24-hour blackouts that have snarled traffic and forced businesses to close.

Power companies on average are supplying less than half of the 1,960 megawatts the country demands daily.

### [Food pantries mobilize as ranks of hungry grow](#)

As the economy falters and food prices seemingly rise as fast as the unemployment rolls, the face of hunger is evolving.

When Jennifer McLean, vice president of operations of New York's City Harvest, sees those lining up for help, she notices the schoolteacher standing in line at the food pantry. The cab driver calling his church for help. And more children whose families do not have enough to eat.

"The third and fourth ripple of a Lehman Bros. closing is the dry cleaner, the car service employee ... who may have never turned to a soup kitchen or food pantry (before) who may turn to it for the first time in their lives," McLean says.

### [Call for car makers stay in green lane](#)

THE current financial crunch should not slow car makers' investment in fuel efficient and eco-friendly vehicles, which are key for the sustained development of the auto

industry, analysts said at an auto forum in Shanghai yesterday.

### [Forget Corn: Mushrooms May Hold Key to Energy Crisis](#)

(Bloomberg) -- A solution to the world's energy problems may lie in a Chinese mushroom growing in Novozymes A/S laboratories.

The Danish company's scientists in China, Brazil, Denmark and the U.S. are testing mushrooms and lichen to find one that will turn corn cobs and sugarcane stalks into biofuel. An affordable alternative to gasoline made from plant waste would end concerns that global hunger for energy is driving up food prices worldwide.

### [Chinese cash in on new land opportunities](#)

As part of a sweeping land reform package announced last month, Mo and 700 million other Chinese farmers can now pay to farm other people's land, or consolidate their plots into larger, more productive operations.

That was a big step toward undoing decades of Communist laws that forbid private land ownership. Technically, land is still owned by a collective, such as a village. But Mo says the reform will allow him and his neighbors to combine their land into one operation — and lead better lives as a result.

### [Energy advice for President-elect Barack Obama](#)

I've been covering energy related issues for a long time and I know most of the immediate problems we have now are solely political. We shouldn't be having an energy crisis, failing economy, or facing severe climate problems. In fact the solutions to all three are connected to a hand full of simple solutions that could be implemented by simply drawing attention to them. We don't have to actually pass any new laws or create expensive governmental institutions to force them out of the dark closets on Capitol Hill they're hidden in. All we need is to know what they are so the people who stand between our understanding the truth about their possibilities become transparent and vulnerable to the winds of change our new President promises.

### [Europe's Arctic adventure - The new cold rush for resources](#)

With recent months in particular seeing both a cascade of truly alarming news on how fast the Arctic is changing and pronouncements from the European Union and other circumpolar powers on plans for exploitation of newly accessible resources, the EUobserver decided to visit Europe's patch of the Arctic, the northernmost tip of mainland Norway - still outside the EU, but very much Brussels' advance guard up in the high north - to find out the reality behind the headlines about the coming "scramble

for the Arctic", and look at all sides in the debate over the Arctic's future.

### [Al Gore group urges Obama to create U.S. power grid](#)

WASHINGTON (Reuters) - Al Gore's Alliance for Climate Protection has some environmental advice for the incoming Obama administration: focus on energy efficiency and renewable resources, and create a unified U.S. power grid.

On Thursday, the group Gore founded rolled out a new media campaign to push for immediate investments in three energy areas it maintains would help meet Gore's previously announced challenge to produce 100 percent clean electricity in the United States in a decade.

...The plan advocates immediate investment in energy efficiency, renewable power generation -- including public investment in wind, solar and geothermal technology -- and the creation of a unified national smart grid.

"Modernize transmission infrastructure so that clean electricity generated anywhere in America can power homes and businesses across the nation," the alliance said in a statement.

The alliance favors "national electricity 'interstates' that move power quickly and cheaply to where it needs to be (and) local smart grids that buy and sell power from households and support clean plug-in cars."

### [Oil rises, but analysts see \\$50 coming](#)

SINGAPORE (AP) -- Oil prices rose in Asia after a two-day plunge, but they were vulnerable to another steep fall as evidence of a severe U.S. recession continues to mount.

Light, sweet crude for December delivery was up \$1.50 cents at \$62.27 a barrel in electronic trading on the New York Mercantile Exchange by late afternoon in Singapore. Oil prices overnight fell \$4.53 to settle at \$60.77 after dropping \$5.23 the previous day.

### [Oil Supplies Will Tighten And Prices Jump, IEA Warns](#)

The world faces mounting uncertainty and escalating costs on the energy front in the years ahead, as companies scramble to find new pockets of oil and squeeze more production from aging fields, the International Energy Agency says in a largely gloomy annual report.

More investment will be needed in oil exploration, production and power generation, the IEA says in a report released on Thursday.

The agency says the recent slump in oil prices won't last and "current global trends in energy supply and consumption are patently unsustainable."

### [Energy agency forecasts oil reaching \\$200](#)

Global oil production is set to sputter by 2010, with a lack of fresh investment and the depletion of oil fields likely to trigger another big spike in prices, the International Energy Agency said yesterday.

In its 2008 World Energy Outlook, the Paris-based IEA predicted a 45 per cent increase in global primary energy demand by 2030, with about half of the total coming from China and India. But despite this surging demand, it said that production of crude oil would struggle "as almost all the additional capacity from new fields is offset by declines at existing fields".

### [Energy agency sees oil price rising to \\$200 a barrel](#)

The [summary](#), published yesterday, to the IEA's annual World Energy Outlook says the rise in oil prices is largely because companies will struggle to pump enough new oil to offset the production declines of the world's older fields. But the organisation refuses to accept that what is known as "peak oil" has yet been reached.

### [Lukoil to halve 2009 spending if oil low](#)

Russia's second biggest oil producer Lukoil could halve its 2009 capital spending programme to \$4 billion if the global oil price falls below \$45, chief executive Vagit Alekperov said today.

### [Iran cuts oil output by 200,000 bpd](#)

BEIJING (Reuters) - Iran has cut oil production by 200,000 barrels per day (bpd) from 4.04 million bpd, in line with an OPEC agreement to find ways to support declining crude prices, a director of the state oil company said on Friday.

"We are obeying the OPEC quota. We have cut by 200,000 bpd," Mohammad Ali Emadi, director of National Iranian Oil Co (NIOC), told Reuters in Beijing, where he is attending a forum of national oil companies.

### [Petrobras' Argentine Unit Income More Than Triples on Oil Price](#)

(Bloomberg) -- Petrobras Energia Participaciones SA, the Argentine unit of Brazil's state-controlled oil company Petroleo Brasileiro SA, said third-quarter income more than tripled because of higher oil and gas prices.

### [Yemen: Armed tribesmen close 13 oil blocks in Mareb](#)

A group of tribes in Mareb have by force closed a number of oil wells in province, local sources in Mareb said.

The sources said that armed tribes locked Thursday 10 wells in Raidan block and three wells in Monkem block. They said ten security vehicles were immediately sent to unlock the wells.

### [Gunmen attack Nigerian army at Chevron oil facility](#)

PORT HARCOURT, Nigeria (Reuters) - Gunmen in speedboats attacked the Nigerian military at an oil flow station operated by U.S. energy firm Chevron late on Thursday but the facility was not affected, the military said on Friday.

"Last night, some men in speedboats attacked our men at Robert-Kiri flow station. In the shoot-out there were fatalities. We lost one man, a naval personnel," said Lieutenant Colonel Sagir Musa, a military spokesman in the Niger Delta.

### [Sudan sets '09 oil production target at 600,000 bpd](#)

BEIJING (Reuters) - Sudan has set its oil production target for 2009 at 600,000 barrels per day (bpd), an increase of 20 percent from 500,000 bpd this year, the country's mining and energy minister said on Friday.

### [Pickens Plan: Boon or Boondoggle?](#)

The Pickens Plan, which oil billionaire T. Boone Pickens released in July 2008, has recently received a great deal of press and is the focus of a multi-pronged, multimillion dollar ad campaign. The plan aims to dramatically intensify wind energy production throughout the Great Plains corridor, and build out an electric grid to feed this power to urban centers. This part of the plan is vital to our urgent need for alternative, sustainable energy production. But the plan will only trade dependence on one fossil fuel for another instead of proving a viable solution to the peak oil crisis: one major piece of the Pickens Plan is to power cars with natural gas, which though cleaner than gasoline, still emits CO<sub>2</sub>, is finite, and exists in larger quantities outside of the United States. One important question we need to be asking is, *How long will it be before we reach peak natural gas? Or worse, Have we already reached it?*

### [‘Happy days are here again’](#)

There have been few reasons to smile at the pump lately, but Jim Corcoran was sporting a huge grin as he filled up his tank Thursday at the Hess station in Quakertown.

“Happy days are here again,” the Sellersville resident said.

Why so happy? Gas prices at the station on West End and Park avenues had fallen overnight to a price not seen in about three years — \$1.99 for a gallon of regular. It was the only station in Bucks County Thursday selling gas for below \$2, according to AAA Mid-Atlantic.

By lunchtime, customers were waiting in lines three or more cars deep for their chance at the pumps.

### [Ford posts \\$3B operating loss](#)

NEW YORK (CNNMoney.com) -- Ford Motor reported a \$3 billion operating loss in the latest quarter, and said Friday it would reduce staff and capital spending in order to preserve its dwindling cash.

...Ford's loss came to \$1.31 a share, excluding special items, far worse than the penny a share loss it reported on that basis a year earlier. Analysts surveyed by earnings tracker Thomson Reuters had forecast a loss of 93 cents a share.

### [Chrysler cash drains away as crisis deepens: sources](#)

DETROIT (Reuters) - Chrysler LLC is rapidly burning through cash and being driven to prepare for a possible break-up if it can't clinch a merger with General Motors Corp or get government funding needed to ride out the economic crisis, people with knowledge of the situation said.

Without new funding or a wrenching restructuring, executives have raised concern about the automaker's ability to finance its operations from existing cash beyond the first half of 2009, said the sources, who were not authorized to discuss Chrysler's performance.

### [China tests its mettle in Syria](#)

Solidifying the People's Republic of China's burgeoning relationships with the countries of the Middle East remains a top priority for Beijing. The impetus behind China's resurgent efforts to extend its influence within the Middle East stemmed from Beijing's pursuit of energy resources to sustain its rapidly expanding economy.

## [Africa: Powering Up the Continent's Economies](#)

A poor neighbourhood in Cape Town, South Africa, in the shadow of a high-tension power line: Africa's poor need access to affordable, reliable electricity to improve their lives.

People in Zanzibar danced in the streets in June to celebrate the resumption of power after a month-long blackout. Zanzibar, part of the United Republic of Tanzania, gets its electricity from the grid on the Tanzanian mainland, through underwater cables. The blackout occurred after cable lines supplying Zanzibar failed following a surge in demand. For a month, residents paid about \$10 daily to fuel diesel generators for power. Small businesses requiring refrigeration or welding had to close because they could not afford the extra cost.

While Zanzibar has suffered the most prolonged recent blackout, its plight is not unique. In April 2008, the International Monetary Fund (IMF) reported that some 30 of the 48 countries in sub-Saharan Africa have "suffered acute energy crises" in recent years.

## [Eight nations warn EU over biofuel barriers](#)

BRUSSELS (Reuters) - Eight developing nations warned the European Union on Thursday they could file a World Trade Organisation complaint over what they see as unfair barriers being raised against their biofuels.

## ["60 Minutes" crew attacked by angry Chinese](#)

NEW YORK (Hollywood Reporter) – A "60 Minutes" crew including correspondent Scott Pelley were jumped by a group of Chinese men who were upset that cameras were investigating toxic waste at a recycling plant for computer and other electronic waste, CBS News disclosed Thursday.

## [The time is ripe to change the climate of fear](#)

We can create green-collar jobs, cut fuel bills and boost small businesses if we reject science fiction and accept real science.

## [Scientists say peridotite rock can soak up CO2](#)

NEW YORK (Reuters) – A rock found mostly in Oman can be harnessed to soak up the main greenhouse gas carbon dioxide at a rate that could help slow global warming, scientists say.

When carbon dioxide comes in contact with the rock, peridotite, the gas is converted into solid minerals such as calcite.

Geologist Peter Kelemen and geochemist Juerg Matter said the naturally occurring process can be supercharged 1 million times to grow underground minerals that can permanently store 2 billion or more of the 30 billion tons of carbon dioxide emitted by human activity every year.

### [Climate tops meeting of religious leaders](#)

Stockholm - Climate issues including how to tackle global warming were to top discussions at a gathering of some 30 religious leaders and policy-makers from various faiths of the world, Swedish Archbishop Anders Wejryd said Friday. The two-day meeting was to adopt a manifesto that contains "demands and commitments," Wejryd said of the envisaged document to be signed November 28 in Uppsala, north of Stockholm.

### [92% - Brazil Most Concerned about Global Warming](#)

Majorities in 14 of 24 countries rate global warming as a very serious problem, with Brazil (92% say it is a serious problem) the most concerned of any country surveyed. Anxiety about global warming in America (42%) is among the lowest registered; only in Jordan, Egypt and China do smaller numbers call it a serious problem. When asked which country is "hurting the world's environment the most," majorities or pluralities in most countries surveyed cite the United States. But people are increasingly pointing fingers at China as well.

### [Rich nations should ditch 'unsustainable' lifestyles: China's Wen](#)

BEIJING (AFP) – Chinese Premier Wen Jiabao and a top UN official urged industrialised nations Friday to alter their lifestyles and investment modes as part of efforts to tackle global warming.

"The developed countries have a responsibility and an obligation to respond to global climate change by altering their unsustainable way of life," Wen was quoted as saying by Xinhua news agency.

### ['Unprecedented' Warming Drives Dramatic Ecosystem Shifts In North Atlantic, Study Finds](#)

ScienceDaily — While Earth has experienced numerous changes in climate over the past 65 million years, recent decades have experienced the most significant climate change since the beginning of human civilized societies about 5,000 years ago, says a new



**Cornell University study.**

The paleo-climate record shows very rapid periods of cooling in the past, when temperatures have dropped by as much as 18 degrees Fahrenheit (10 degrees Celsius) in a matter of years to decades, "the rate of warming we are seeing [now] is unprecedented in human history," said Cornell oceanographer Charles Greene, the lead author of the paper appearing in the November 2008 issue of the journal *Ecology*, which is published by the Ecological Society of America.



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