



DrumBeat: November 8, 2008

Posted by [Leanan](#) on November 8, 2008 - 10:36am

Topic: [Miscellaneous](#)

[Stunned Icelanders Struggle After Economy's Fall](#)

REYKJAVIK, Iceland — The collapse came so fast it seemed unreal, impossible. One woman here compared it to being hit by a train. Another said she felt as if she were watching it through a window. Another said, “It feels like you’ve been put in a prison, and you don’t know what you did wrong.”

This country, as modern and sophisticated as it is geographically isolated, still seems to be in shock. But if the events of last month — the failure of Iceland’s banks; the plummeting of its currency; the first wave of layoffs; the loss of reputation abroad — felt like a bad dream, Iceland has now awakened to find that it is all coming true.

...Overnight, people lost their savings. Prices are soaring. Once-crowded restaurants are almost empty. Banks are rationing foreign currency, and companies are finding it dauntingly difficult to do business abroad. Inflation is at 16 percent and rising. People have stopped traveling overseas. The local currency, the krona, was 65 to the dollar a year ago; now it is 130. Companies are slashing salaries, reducing workers’ hours and, in some instances, embarking on mass layoffs.

[What is the Energy Independence of Ethanol? – Or, is that Even the Right Question?](#)

Rapier is a chemical-engineer/entrepreneur in the business of rainforest damage mitigation, carbon-sequestration and energy reduction (placing him squarely in the enviro-conservationist camp). He tells us the way our government ethanol proponents have been reporting ethanol yields and comparing them to gasoline confuses conversion efficiency with energy ratio (two entirely different metrics). From Rapier's analysis, the USDA researchers reported the energy conversion yield of gasoline (0.8) versus the net energy ratio of ethanol (1.22) as if these are equal things; suggesting it takes more energy to produce gasoline than to produce ethanol. In fact, it takes more energy to produce ethanol than gasoline, with or without energy credits. As Rapier elaborates, the conversion efficiency of gasoline is the simple ratio of energy output to input. Thus, to get 100 Btu's of gasoline you have to burn 20 gallons. Despite involvement of our keepers-of-the-public-trust in this likely deceit, it remains theoretically possible to convert corn or another feedstock to ethanol with a positive NEV. Assuming we do get to that point, ethanol will become the sustainable fuel proponents are hyping.

[Green Plans in Blueprints of Retailers](#)

Across the country, a race is under way among stores and fast-food restaurants to build environmentally friendly outlets, as a way to curry favor with consumers and to lower operating costs. Most chains are focusing on prototypes at the moment, but the trend could eventually change the look and function of thousands of stores.

[GM staring into abyss as industry seeks help: Bankruptcy a possibility, would be devastating to economy, analysts warn](#)

The election of Barack Obama as the nation's 44th president offers some new hope for the industry.

Obama singled out the auto industry Friday in his first news conference since the election, calling it "the backbone of American manufacturing and a critical part of our attempt to reduce our dependence on foreign oil."

"I have made it a high priority for my transition team to work on additional policy options to help the auto industry adjust, weather the financial crisis and succeed in producing fuel-efficient cars here in the United States," he added. "I have asked my team to explore what we can do under current law and whether additional legislation will be needed for this purpose."

[GM's crisis-mode product plan](#)

The Chevrolet Volt seems to have made it through unscathed. In fact, GM said it would increase spending on its next-generation auto.

[Will Obama Have to Adjust His Timetable on Iraq?](#)

Senior U.S. military officials will likely advise Barack Obama to adjust his campaign pledge to withdraw all U.S. combat troops from Iraq by mid-2010. While promising a 16-month timetable for getting all U.S. fighting forces out, Obama repeatedly insisted on what he calls a "responsible" withdrawal. Pulling nearly all U.S. troops and equipment out of Iraq in 16 months is "physically impossible," says a top officer involved in briefing the President-elect on U.S. operations in Iraq.

[Shell to Drill in Brazil's Subsalt Region in 2009](#)

Royal Dutch Shell PLC will start drilling in Brazil's promising subsalt region in late 2009, according to a report Friday in local financial daily Valor Economico.

According to the report, Shell will drill in the BM-S-54 block in the Santos Basin, the area off the coast of Rio de Janeiro and Sao Paulo states that has seen a wave of new discoveries. Shell holds 100% of the block.

[Algeria says \\$50 oil won't hit projects, for now](#)

ALGIERS (Reuters) - OPEC member Algeria's oil sector could survive on \$50 a barrel oil for some years and none of its foreign partners is slowing investments due to sagging prices, Energy and Mines Minister Chakib Khelil said on Saturday.

[Iraq lawmaker says Shell deal lacks transparency](#)

BAGHDAD (Reuters) - The head of Iraq's parliamentary Oil and Gas Committee said on Saturday he was concerned about a lack of transparency in a flare gas contract which the government has signed with oil major Royal Dutch Shell.

[Zimpapers suspends the circulation of its publications](#)

The Zimbabwe Newspapers group (Zimpapers) has reportedly stopped the circulation of its two publications, the monthly magazine Trends and the weekly Matabeleland vernacular tabloid Umthunywa due to critical shortages of newsprint.

...Suppliers of newsprint said that they were operating under harsh conditions due to the shortage of raw material, fuel and the erratic electricity supplies.

[Demand For Wood Pellets Heats Up](#)

To give you an example of just how far reaching this shortage is, Sundance Leisure was getting customers from as far away as the Syracuse area - people driving an hour or more to get wood pellets.

[Exhibition for Red-Hot Performance Takes a Green Turn](#)

UNBRIDLED horsepower has been a center-ring attraction of the annual Specialty Equipment Market Association trade show for 40 years. Yet one of the show-stoppers at this year's SEMA show, held last week in the sprawling convention center here, was a 2009 Ford F-150 pickup with no engine at all under its hood.

Instead, this truck, called the Hi-Pa Drive F-150, was powered by electric motors fitted inside the wheels. Together, the four motors can deliver more than 600 horsepower, Ford said, or about twice the output of the V-8 that once occupied the engine

compartment.

[Saudi Aramco Says Oil Price Falls May Curb Investment](#)

(Bloomberg) -- Saudi Aramco, the world's biggest state-owned oil company, said a further drop in crude oil prices may curtail investments needed to offset declining output in aging fields.

Investment is also needed to expand production capacity to meet long-term demand growth, Chief Executive Officer Abdallah Jum'ah said in a handout distributed today at an industry summit in Beijing.

[Energy demand 'is set for sustained increase'](#)

BEIJING: Global energy demand is set for a sustained increase on the back of developing nations' growth, despite economic problems that have temporarily dented demand in the West, the head of top producer Saudi Aramco said yesterday.

[Saudi Arabia may delay Total JV refinery-report](#)

RIYADH (Reuters) - French oil major Total's \$12-billion joint venture with Saudi Aramco could face a delay as the two firms seek to cut costs, Gulf newspaper al-Hayat reported on Saturday, quoting unidentified sources.

[Regina truckers laid off without answers](#)

REGINA -- Employees of Regina trucking company SynLogistics were left without jobs and three weeks back pay after the company shut down operations this week.

...Although no SynLogistics representatives were available for comment, Al Rosseker, executive director of Saskatchewan Trucking Association, said the diesel shortage crisis could be a contributing factor.

[Protests continue in Dominican Republic due to blackouts](#)

Privately owned power companies are seeking US\$400 million from the government and say they cannot afford the petroleum needed to run electric plants. Police say at least one person has died and dozens have been injured in protests against the crisis.

[Cuba readies for another hurricane](#)

Cuba put aside the work of recovering from the two powerful hurricanes that have already struck this storm season to prepare on Friday for Hurricane Paloma spinning towards the eastern half of the island.

While Paloma was less powerful than hurricanes Gustav and Ike, which raked Cuba two months ago, it posed a new threat to a region where homes, power lines, roads and other infrastructure were still being repaired and damage to agriculture has contributed to a national food shortage.

[Obama's Cabinet Choices - Fantasy League Style](#)

Secretary of Energy - Daniel Yergin - Pulitzer prize winning author of *The Prize*, the seminal work on the history of the oil industry, and Chairman of Cambridge Energy Research Associates. The energy sector is going to take a serious thinker to overhaul. The last thing we need is a johnny come lately with a shiny copper penny plan. Yergin knows the business, knows the politics, and knows the people.

[ExxonMobil official dispels fears on peak oil](#)

(MENAFN - Khaleej Times) Richard C Vierbuchen, Vice-President, Caspian/Middle East of the global petroleum giant ExxonMobil Exploration Company, has dispelled the fears expressed by several sections that the world has reached the peak oil production or was fast approaching that level.

"Most of these fears are unfounded. The global hydrocarbon resource base has been continuing to grow over the years, as the technological capabilities were improving. There is no indication so far of any resource limit to increasing oil production," Richard C Vierbuchen told Khaleej Times here on the sidelines of the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) here.

[OPEC says Oran meeting must verify output cuts](#)

ALGIERS (Reuters) - OPEC's next meeting must confirm that members have made all the oil output reductions they promised before taking any more action on output levels to prop up sagging prices, OPEC President Chakib Khelil said on Saturday.

"We will discuss another cut, whatever happens, but will there be a consensus? I cannot tell you today," Khelil said at a seminar on oil, referring to cuts agreed at an Organization of the Petroleum Exporting Countries (OPEC) meeting in Vienna last month.

[Byron W. King: Oil Prices Down...for Now](#)

Speaking of how the larger economy unfolds, some of the most surprised people on the planet are the folks who run oil-exporting countries. Hey, they believed their own press releases. They thought that oil prices would continue to rise upward, ever upward. All they had to do was figure out what to do with all the money that was going to pile up in their bank accounts. No waiting at the rope line for these worthies. But right now, demand destruction trumps even market manipulation by OPEC, not to mention the inexorable effects of depletion.

[Laying Out a Feast for Bears and Gold Bugs](#)

Like natural resources or gold or silver or metals, any energy investment should be safe for the future. Peak oil is very real and the Chinese are expanding like crazy and using more energy all the time. Natural gas is good, coal is good, nuclear is good. Renewables, unfortunately, are a 3% solution. Wind power's another 3% solution. It's never going to be anything but a 3% solution. Guys like Boone Pickens can spend millions encouraging people to invest in wind power, but our current infrastructure will not support it. It's not just a question of investing in the wind power; you have to invest in the infrastructure as well and nobody ever wants to talk about that.

[Gold to outperform oil as recession brews](#)

"Right now you would rather be long gold than short oil because you are still heading into a direction where gold will continue to buy more of everything," said Greg Orrell of California-based OCM Gold Fund.

Orrell said a key difference between gold and oil is that oil is produced for consumption and will deplete one day, but gold accumulates over time.

"For a commodity such as oil, you are getting a reflection of the global slowdown, and that's why it is going down on a relative basis versus gold," Orrell said.

[Parents pull kids from day care as money tightens](#)

Parents nationwide are telling day care providers they must scale back or abandon their services. Instead, they keep kids at home with grandparents or upend their work-life balance because gas and food prices have become prohibitive and average child care costs outpace rent and mortgage payments - even for those drawing salaries.

...Centers that have had waiting lists for as long as anyone can remember now find themselves scrambling for children. Many are for the first time offering part-time services or changing hours to accommodate the growing number of parents working off shifts, or struggling to make ends meet.

[Association: Declining fuel prices send 17 gas stations out of business in Jordan](#)

(MENAFN - Jordan Times) Around 17 gas stations have gone out of business due to a series of drops in the prices of fuel derivatives, the latest which went into effect midnight Thursday, for the sixth time in a row since September.

[Ottawa approves yellow mini submarines for Arctic](#)

The Canadian government has commissioned a pair of miniature submarines -- torpedo-shaped, robotic submersibles -- to probe two contentious underwater mountain chains in the Arctic Ocean, part of the country's quest to secure sovereignty and potential oil riches in a Europe-sized swath of the polar seabed.

[Analysts, others assess possible actions of Obama administration](#)

Voting machines had barely cooled down earlier this week before energy analysts began to evaluate the apparent election victory of Ill. Sen. Barack Obama.

[A Turning Point in U.S. History](#)

How will Obama handle the current military expectations of our nation's people? On the positive side of the ledger, Obama has proposed a comprehensive policy for developing alternative energy sources and improving energy efficiency. That is very encouraging indeed. I also see as very encouraging his early opposition to the Iraq War, and his stated intentions of withdrawing most of our military from Iraq as quickly as possible. Most encouraging of all, I firmly believe that, like Jimmy Carter, his heart is in the right place.

But notwithstanding all of this, Obama has shown very little tendency to question the predominant American dogma on the use of our military – that we have the right to intervene any time anywhere in the world if our “interests” are at stake.

[Saudi minister stresses need to focus on cleaner energy](#)

(MENAFN - Arab News) Saudi Arabia has affirmed its commitment to the principles laid down by the UN convention on climatic change and support to the technological research and development in the field of cleaner energy and better environment.

[Pastor says eco-friendliness is next to godliness](#)

PRIME Minister Kevin Rudd will hold private talks tomorrow with an American evangelical leader and lobbyist who preaches that inaction on climate change is an offence against God.

The Reverend Richard Cizik arrived in Australia yesterday on a seven-day tour to spread God's word about saving the planet.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).