



DrumBeat: November 29, 2008

Posted by [Leanan](#) on November 29, 2008 - 10:01am

Topic: [Miscellaneous](#)

[OPEC freezes crude output quota](#)

CAIRO (AFP) – OPEC decided on Saturday to leave its oil output quota unchanged and vowed to take any action necessary to balance the market next month, the cartel's president said after a consultative meet in Cairo.

"Ministers agreed to take any additional action on December 17th (in Oran, Algeria) to balance oil supply and demand and achieve market stability," said Chakib Khelil, who is also Algeria's energy minister.

The widely expected decision comes as oil prices are trading at lows not seen in nearly four years, sparking alarm among the cartel's members about plunging revenues.

[OPEC warns stocks could hit 59 days without action](#)

CAIRO (Reuters) - Commercial oil inventories held among industrialised nations of the OECD could hit 59 days by the end of 2009 if OPEC doesn't take further action on supply, OPEC President Chakib Khelil said on Saturday.

Days of forward OECD inventory cover is a key measure for OPEC in assessing the oil market's supply and demand balance.

[Steve LeVine: The Return of High Oil](#)

So, with prices having gone strongly down, as Morse forecast, I made a phone call to the report's lead author – Jan-Hein Jesse, whom I met last year at an OPEC meeting in Vienna – and asked whether he thinks his thesis still holds. I.E., is another price spike coming down the road?

The answer, Jesse replied, is probably yes. The 'probably' covers the event that we are headed into a long, deep depression, in which case all such previously composed economic analyses are off the table, and one must reassess the facts afresh.

But if in the next two or three years we come out of recession in fair economic shape,

look for another steep rise in oil and gasoline prices.

[Qatar says oil price too low for investments \(AFP\)](#)

CAIRO - Qatar Energy Minister Abdullah al-Attiyah said on Saturday that current crude prices were too low to sustain investments in the oil industry to meet a future rise in demand.

"We can all live with 70 dollars," Attiyah said. "With this price, we can invest in upstream projects, but below that it will be very difficult" to boost output capacity.

"Projects could be postponed and maybe we will see a shortage in production" when demand picks up, he added ahead of a meeting of OPEC ministers in Cairo on Saturday to review a sharp drop in the price of oil.

[Minister: Iran proposes gas transfer to Kuwait](#)

TEHRAN (Xinhua) -- Iran's Oil Minister Gholam-Hossein Nozari said his country had proposed to transfer 500,000 cubic feet of gas per day to Kuwait, the semi-official Fars news agency reported Saturday.

[Survivalism: For peak oilers and ecotopians too?](#)

As a peak oiler myself since 2002, I have often wondered why most of the prominent peak oil authors and activists dismiss the survivalist movement.

It seems that many of the peak oil heavyweights, including Richard Heinberg and Dmitry Orlov, in particular, despite their own ingenious contributions to analyzing our current predicament, seem to blithely dismiss survivalism. They apparently do not understand the basic technical constructs of survivalism, such as the military skill sets, weapons, and organization that go into survivalism. They also do not seem to understand the technical aspects of long-term food storage (i.e. oxygen absorbers, desiccants, dry ice, etc.), or the emphasis that survivalism also places on organic gardening and food preservation.

[ZIMBABWE: Soldiers riot over cash shortage](#)

HARARE (IRIN) - Uniformed Zimbabwean soldiers raided one of the capital's money-changing haunts after becoming frustrated with queuing to withdraw cash at a Harare bank, according to an IRIN correspondent who witnessed the event.

The soldiers descended on foreign currency dealers in "Roadport" in central Harare on

27 November, where they assaulted money dealers and robbed them, an indication of the low morale among Zimbabwe's rank and file soldiers.

...The cash shortages join other shortages such as food - the UN estimates that in the first quarter of 2009 nearly half the 12 million population will require food aid - medicines, electricity, fuel, potable water and agricultural implements.

[A World of a Different Color](#)

Once upon a time, America derived most of its power from a natural, renewable resource that was roughly as efficient as an automobile engine but did not pollute the air with nitrogen dioxide or suspended particulate matter or carcinogenic hydrocarbons. This power source was versatile. Hooked up to the right devices, it could thresh wheat or saw wood. It was also highly portable — in fact, it propelled itself — and could move either along railroad tracks or independently of them. Each unit came with a useful, nonthreatening amount of programmable memory preinstalled, including software that prompted forgetful users once it had learned a routine, and each possessed a character so distinctive that most users gave theirs a name. As a bonus feature, the power source neighed.

[Bear Grylls: How are we going to face up to energy crisis?](#)

Beneath the surface of world instability bubbles a much more fundamental issue. How are we going to face up to the earth's energy crisis? And at what cost do we ignore that question?

When we are fighting for basic economic survival it is hard to look beyond our front door, but we must. If we are to have a world worth handing on to our children, we must have the courage to look beyond oil and conventional fossil fuelled power solutions. We must also fight against the cynicism that questions global warming and we must fight against a lethargy that says it is too late or that isn't our problem. It is not someone else's problem.

[Iran again warns of Persian Gulf blockade if attacked](#)

Tehran - Iran has once again warned that it would blockade the oil export route in the Persian Gulf if its nuclear sites were attacked, Iranian media reported Saturday.

'We are capable of blockading the Strait of Hormuz in the Persian Gulf and whoever does not believe this should ... see what happens in reality,' Navy Commander Admiral Habibollah Sayari told IRNA news agency.

[U.S. infrastructure shaky, official says](#)

If you thought the \$700 billion bailout of banks and financial institutions was big, you haven't looked at the bill for repairing the country's aging infrastructure.

To repair and then increase the capacity of the country's infrastructure would cost from \$87 billion to \$225 billion more a year than we are spending for decades to come, said Jack Schenendorf, vice chairman of the National Surface Transportation Policy and Revenue Study Commission.

[Cameco to suspend Port Hope UF6 output](#)

TORONTO (Reuters) - Cameco Corp said on Friday it will suspend production of uranium hexafluoride (UF6) at its Port Hope plant in Ontario due to a contract dispute with its supplier of hydrofluoric acid.

Output of UF6 will be halted until the second half of 2009, by which time Cameco expects to either resolve the dispute or secure acid from other sources. Because of the dispute, the company, the world's largest uranium producer, has been buying acid on the spot market at a much higher cost.

[Oil Prices as a Force Majeure?](#)

It might be possible to fashion new language for the typical force majeure clause that could cover high fuel prices as a new kind of force majeure event. For example, you could add as a force majeure event a phrase such as "fuel shortages or a 50 percent or more increase in the price of oil, gasoline, or standard airfare during the period from the execution of the contract to the date of the event." Of course, the trick would be selling such a clause to the hotel's conference manager. At the current time with demand for hotel space still fairly robust, it might be a hard sell. But if oil prices resume their climb and groups begin to drastically reduce the number of their meetings, it may very well be possible to sell such a clause to a hotel, especially if the alternative to rejecting the clause is that you refuse to book any conference at all, and the hotel ends up empty-handed.

[Oil demand falls first time in a generation](#)

LONDON/NEW YORK (Reuters) - Global oil demand is expected to decline slightly in 2008 and 2009, the first drop in a generation, as the most severe economic crisis since the 1930s slashes consumption across the developed world.

Worldwide demand will decline by 20,000 barrels per day (bpd) in both 2008 and 2009 to 86.03 and 86.01 million bpd respectively, according to a Reuters poll of 11 analysts, banks and industry groups.

The slight fall is a large shift from a Reuters poll of experts in August, which forecast demand would increase by nearly 1 million bpd next year. Demand has not declined since the early 1980s, following the 1979 oil crisis and a severe recession in the United States.

"Global GDP growth is the main driver of oil demand, and with the economic slowdown we see global GDP rising by just 1.2 percent next year," Michael Lewis, head of commodities research at Deutsche Bank, said.

[Oil firms set to keep pumping, but not investing](#)

LONDON (Reuters) - Oil prices have a long way to fall before producers start to lose money and shut in fields but even prices around \$50 can choke investment and lead to a supply crunch before the global economy recovers from recession.

[Arab oil exporters approve Egypt's anti-crisis proposals](#)

CAIRO (RIA Novosti) - The Organization of Arab Petroleum Exporting Countries approved ahead of an OPEC emergency session on Saturday Egypt's proposal to outline a set of measures to overcome the consequences of the global financial crisis.

Oil ministers of the regional organization's member countries convened in Cairo on Saturday to deal with a plunge in prices caused by falling crude demand amid the global economic meltdown.

[Saudi Arabia wants oil price at \\$75 a barrel](#)

CAIRO, Egypt (AP) -- Saudi Arabia said Saturday that it hoped to raise oil prices to \$75 a barrel, but indicated that no measures would probably be taken until an OPEC meeting next month in Algeria.

Saudi Oil Minister Ali Naimi said that OPEC will "do what needs to be done" to shore up falling oil prices when the cartel meets next month in Algeria, even as his king told a Kuwaiti newspaper that \$75 a barrel was a fair price for oil.

[Protesters in Guiana block roads over fuel prices](#)

CAYENNE, French Guiana, Nov 29 (Reuters) - Protesters calling for lower fuel prices have blocked roads for a fifth day in French Guiana where shops and petrol stations remained shut despite moves by France to cut fuel costs by 30 centimes.

Consumer groups and truckers have since Monday erected blockades across the

overseas departement which belongs to France, paralysing many roads.

[U.S. Moves Ahead on Oil, Gas Leases on Public Land](#): *Decision Could Pose Problem for Obama*

A decision by federal officials this week to press ahead with a controversial sale of oil and gas leases in eastern Utah is stoking the debate over how to balance the nation's needs for fossil fuels against concerns over the environmental impact on iconic national parks and other sensitive areas.

[Farmer Focus: Andrew Charlton is looking beyond peak oil flow](#)

The completion of winter ploughing gives me a brief chance to lift my head from the grindstone and look at what is going on in the wider world. I've become involved, albeit on the fringes, of the local Transition Town Group for Downham Market.

The Transition movement is simple to understand if you accept that the world has probably already passed the point of peak oil flow. By 2050 we're all going to have to accept great changes to our lifestyles.

[Poverty spreading in suburbs: study](#)

WASHINGTON (Reuters) - Poverty in the United States is spreading from rural and inner-city areas to the suburbs, according to a study, a situation that can worsen as the economy confronts what may be a protracted recession.

..."Poverty is spreading and may be re-clustering in suburbs, where a majority of America's metropolitan poor now live."

[Do the Math](#)

Sterilizing women is the key to depopulation, and that may mean it is the key to humanity's harmonious survival. Incentives to depopulate in the form of cash, education, jobs, tax relief, free tubal ligation, and easy adoption should be targeted at women. Casting women who sacrifice having their own children in a heroic light should be an essential of advertising world over. Sex education must provide free contraception and impress the importance of women waiting to have children and having only one child and no more than two if they are determined to have their own. Incentives can be scaled to decrease with one and two children, with tax social penalties for women that have three or more. Social services must reward depopulation and cease to support overpopulation.

[Pickens: Renewable energy sources a must for US](#)

OKLAHOMA CITY — As he prepares to address a wind-power conference in Oklahoma, billionaire energy magnate T. Boone Pickens said it shouldn't seem strange that he is interested in wind and other alternative energy sources.

"It's not totally unrelated to the oil business," Pickens told The Associated Press. "It's an energy business. It's easy for me to make the transition to wind. If we hadn't had such a tough year in the market, we were looking seriously at a couple of solar ideas."

[EU near green energy deal despite biofuel deadlock](#)

BRUSSELS, Nov 28 (Reuters) - The European Union has agreed rough deals on promoting renewable energy, but talks remain deadlocked over the controversial issue of biofuels, the European Parliament's lead negotiator said.

"Nearly 100 pages of the report are done and three pages are not done, but those three pages are the most politically difficult," Luxembourg Green group member Claude Turmes told Reuters late on Thursday.

[Brazil Amazon destruction rises after 3-year fall](#)

BRASILIA (Reuters) - Destruction of the Amazon forest in Brazil accelerated for the first time in four years, the government said on Friday, as high commodity prices tempted farmers and ranchers to slash more trees.

Satellite images showed nearly 4,633 square miles (12,000 sq km), or an area nearly the size of the U.S. state of Connecticut, were chopped down in the 12 months through July, the National Institute for Space Studies said.

[Turn veggie to save planet, says Sir Paul](#)

Sir Paul McCartney has teamed up with a Nobel Prize-winning scientist to urge people to become vegetarian to save the planet from the greenhouse gases created by rearing livestock.

[U.N. urges climate cash boost for poorest](#)

LONDON (Reuters) - The United Nations and aid groups are pushing for an urgent increase in international funding to help the world's poorest countries cope with climate change, even as the global credit crunch strains rich nations' budgets.

Aid experts say tens of billions of dollars are needed to prepare for more extreme weather and other effects of global warming like rising seas. The issue will be on the agenda at 190-nation climate talks starting on Monday in Poznan, Poland.

[Global Warming Is Changing Organic Matter In Soil: Atmosphere Could Change As A Result](#)

ScienceDaily — New research shows that we should be looking to the ground, not the sky, to see where climate change could have its most perilous impact on life on Earth.

Scientists at the University of Toronto Scarborough have published research findings in the journal Nature Geoscience that show global warming actually changes the molecular structure of organic matter in soil.

[New rifts form on Antarctic ice shelf](#)

(CNN) -- Scientists have identified new rifts on an Antarctic ice shelf that could lead to it breaking away from the Antarctic Peninsula, the European Space Agency said.

The Wilkins Ice Shelf, a large sheet of floating ice south of South America, is connected to two Antarctic islands by a strip of ice. That ice "bridge" has lost around 2,000 square kilometers (about 772 square miles) so far this year, the ESA said.

A satellite image captured November 26 shows new rifts on the ice shelf that make it dangerously close to breaking away from the strip of ice -- and the islands to which it's connected, the ESA said.



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