



## DrumBeat: December 14, 2008

Posted by [Leanan](#) on December 14, 2008 - 10:06am

Topic: [Miscellaneous](#)

### [Global oil supply will peak in 2020, says energy agency](#)

Global oil production will peak much earlier than expected amid a collapse in petroleum investment due to the credit crunch, one of the world's foremost experts has revealed.

Fatih Birol, chief economist to the International Energy Agency, told the Guardian that conventional crude output could plateau in 2020, a development that was "not good news" for a world still heavily dependent on petroleum.

The prediction came as oil companies from Saudi Arabia to Canada cut their capital expenditure on new projects in response to a fall in oil prices, moves that will further reduce supply in future.

Birol's comments will give more ammunition to those who warn that the British government is dangerously complacent in not trying to wean the country off oil as quickly as possible. Some observers believe that, because the global economy is underpinned by oil, the peaking of supply will cause severe economic, social and political disruption unless prepared for over many years.

### [OPEC Is in a Desperate Race Against Falling Oil Prices](#)

ORAN, Algeria -- The world's big crude-oil exporters are caught in a downward race against falling demand as they scramble to keep prices from slipping still lower in the face of a weakening world economy.

### [Oil at \\$40 will impact Saudi economy](#)

Saudi Arabia could suffer from an economic downturn and a massive fiscal deficit after years of strong performance in case oil prices dip to as low as \$40 a barrel, according to a top Saudi bank.

At current prices, the Kingdom will still record a budget surplus and its economy will grow in 2008 but the performance of both sectors will be far below that in 2007, the Saudi American Bank (Samba) said.

What could aggravate the situation in the next two years if oil prices remain at around \$40 is that the Kingdom's crude output will be lower and private investment could be stifled by dollar funding constraints.

### [Seeds of hope: Freezing vaults guard Earth's flora](#)

ARDINGLY, England – The underground bunker can block nuclear fallout, withstand a direct hit by a jetliner, and is cooled to a deathly chill.

The ultramodern facility in the tranquil English countryside looks like a perfect lab for a James Bond villain, but it doesn't hide anything sinister. The only thing kept here are seeds, lots of them – more than a billion, in fact.

Scientists say this is the world's most diverse seed bank, but its keepers worry that the global financial crisis could cut its government and corporate funding and cause the seed gathering to wither at the end of next year, well short of its goal.

### [Algeria says oil output cut 70,000 bpd since Nov 1](#)

KRECHBA, Algeria (Reuters) - Algeria has cut 70,000 barrels per day (bpd) of its crude oil output since Nov. 1, in line with OPEC agreements aimed at propping up sagging oil prices, a senior energy official said on Sunday.

### [China likely to miss energy saving goal for 2008: report](#)

BEIJING (AFP) – China is likely to miss an energy saving target that it has set itself for this year, state media reported Saturday, citing the nation's top economic planning agency.

In the first nine months of the year, the nation cut average energy consumption by 3.46 percent, the Xinhua news agency reported, citing the National Development and Reform Commission.

This makes it unlikely that China will meet its full-year target of a four-percent reduction.

### [Apeakalypse Now](#)

In March when I returned from Thailand, the situation with the subprime mortgages unnerved me. I had heard too many stories from Thai farmers about the impact of personal debt on their lives. How they had to dig themselves out and rebuild a new life while still paying back thousands to the old one at the rate of five dollars a week. This

during a currency devaluation that halved the value of everyone's bank account and an economic slow down that halted construction jobs mid-project. Stop down was more like it.

Workers went home to their family farms. What they did next made me realize that these farmers were rich, much richer than I felt living here in the US. They had land, enough rice stored to feed everyone for some time and skills to rebuild along with a renewed sense of self-reliance. They were also committed to being sustainable in a way that actually seemed possible. The lessons of the boom and bust had taught them to rethink their wants and their dreams of wealth while their immediate needs were taken care of.

The culture shock I felt upon my return was so severe I was in a stupor for a month not knowing how to direct my life. I did not feel safe sitting in a house with a mortgage. I did not feel safe in America itself. I saw a nation of people carrying massive amounts of credit card debt and few practical skills. They had less of a safety net than a Thai farmer.

### [Uh-oh: Gas prices on the rise](#)

After eighty-six consecutive daily declines, the average price of gas nationwide has now increased for the past two days. Have gas prices bottomed?

### [Western economies are flailing on an oil-price rollercoaster](#)

Predicting the path of the oil price is a dangerous business. But the answer to this most slippery of conundrums is of crucial importance to the future of the Western world.

### [Jordan lowers fuel prices for eighth time since August](#)

Jordan's government has lowered fuel prices, the eighth time in a row since August, as oil prices continue a decline trend on international markets, local daily The Jordan Times reported Sunday.

### [Algeria plans up to 200,000 bpd of oil projects](#)

KRECHBA, Algeria (Reuters) - Algeria has approved or plans to approve projects expected to bring on up to 110,000 barrels per day (bpd) of crude oil output and 100,000 bpd of oil equivalents by 2012 or 2013, a Sonatrach official said on Sunday.

### [Total Refineries Resume Operation After Strike, Spokesman Says](#)

(Bloomberg) -- Total SA refineries in France are functioning normally after a two-day strike disrupted operations at Europe's third-biggest oil company.

### [Official History Spotlights Iraq Rebuilding Blunders](#)

BAGHDAD — An unpublished 513-page federal history of the American-led reconstruction of Iraq depicts an effort crippled before the invasion by Pentagon planners who were hostile to the idea of rebuilding a foreign country, and then molded into a \$100 billion failure by bureaucratic turf wars, spiraling violence and ignorance of the basic elements of Iraqi society and infrastructure.

### [The Novel That Predicted Portland](#)

SOMETIMES a book, or an idea, can be obscure and widely influential at the same time. That's the case with "Ecotopia," a 1970s cult novel, originally self-published by its author, Ernest Callenbach, that has seeped into the American groundwater without becoming well known.

The novel, now being rediscovered, speaks to our ecological present: in the flush of a financial crisis, the Pacific Northwest secedes from the United States, and its citizens establish a sustainable economy, a cross between Scandinavian socialism and Northern California back-to-the-landism, with the custom — years before the environmental writer Michael Pollan began his campaign — to eat local.

### [Peak oil warfare: community security strategy](#)

When talking of security, we must first understand that security does not necessarily equate to military solutions. Community (or National) security includes many different aspects, the most significant of which are economics, diplomacy, information, and military power. I am reminded of the story of the blind men trying to describe an elephant: The first blind man feels the trunk and declares it a snake, the second feels the leg and declares it a tree, and the third feels the tail and declares it a rope. For our purposes, the story would go something like this: The first blind man, an economist, senses a nation's poverty and declares it a financial problem. The blind statesman senses a dispassionate world and calls the problem a failure of international diplomacy. The blind scholar senses a nation's misleading or absent exchange of knowledge and decries a problem of education and communication. The blind soldier senses the anarchy of militias and demands soldiers stamp out the problem of lawlessness. All are right about the example troubled nation's security, yet all are wrong if they don't understand the whole elephant: *stability*.

### [Jamaica to establish solar factory](#)

ENERGY Minister Clive Mullings has said that Jamaica is shortly to benefit from 13 major energy-saving projects, including a solar factory, for which the paperwork is now being finalised.

His revelation comes at a time when Jamaica is consuming an estimated 27 million barrels of oil annually. In 2005 alone, the island had to shell out US\$1 billion for its energy bill.

### [Up on the Roof, New Jobs in Solar Power](#)

Even in the recession, the solar industry is growing, and many jobs are available.

### [UK: Maitland Mackie powers ahead with windfarm project](#)

When it came to inspiration for his idea to set up a wind-farm company that could plough billions into the rural economy, Maitland Mackie didn't have to look far.

On a hill on the Rothienorman estate that hosts the dairy where his famous ice cream is made, three wind turbines hum gently in the Aberdeenshire breeze. The towering machines — Vesta V52s dubbed Margaret, Matilda and Mirabel — power the dairy and produce so much energy that Mackie's has a positive carbon footprint.

### [Wind plants outpace coal](#)

The environmental communications company Resource Media announced last week that more coal plants in the U.S. have been canceled this year than completed, and more wind-energy capacity came online than coal power.

### [The Energy Debates: Ethanol](#)

Ethanol is typically made from corn, sugar cane and other crops. However, scientists are working on generating the fuel by converting hundreds of millions of tons of cellulose in prairie grass and leftovers from harvests and lumber yards that would otherwise go to waste. Six biorefineries originally scheduled for completion by 2011 sought to create such "cellulosic ethanol" to help the United States produce more than 130 million gallons of the fuel per year at roughly \$1.20 a gallon. However, just one of these is currently under construction.

### [Global grain rush under way as rich nations snap up farmland overseas](#)

(Chicago Tribune) MOSCOW -- Wearing flowing red robes and pitching his own

trademark desert tent, Libyan leader Moammar Gadhafi paid a visit to Ukraine last month in search of a remarkable deal to help feed his oil-rich but soil-poor people.

Under a proposed agreement with Kiev, Libya would lease 247,000 acres of Ukraine's rich black land to grow wheat. The harvest would then be shipped back to Libya, giving the desert nation a more secure supply of food in the face of predictions about higher food prices and potential shortages in decades to come. Ukraine, in turn, would get access to Libyan oil fields, helping free it from dependence on Russia for its energy needs.

### [OPEC set to slash oil output](#)

OPEC, the cartel pumping 40 per cent of world oil, is this week set to announce plans to slash output in the hope of lifting crude prices weighed down by a recession-fuelled slide in energy demand.

The Organisation of Petroleum Exporting Countries on Wednesday convenes in the Mediterranean port city of Oran, Algeria, where it is widely expected to announce plans to cut its oil output quota for a third time since September.

### ['Real price' for crude above \\$100 says Iran](#)

TEHRAN: Iran's oil minister said he considered the "real price" for a barrel of crude should be more than \$100.

Another senior Iranian official said Opec needed to cut oversupply from the market, reports said yesterday.

### [OPEC's Khelil, a pragmatic leader in testing times](#)

LONDON (Reuters) - OPEC President Chakib Khelil is a skilled communicator and oil industry professional who will oversee efforts to bolster sagging prices and to restore the group's clout at a critical meeting on Wednesday in Algeria.

During his year as the Organization of the Petroleum Exporting Countries public face, Khelil has sought to steer the group's 12 members as they tried to slow a record rally and then struggled to brake a record price crash.

### [India's oil impact 'to match China'](#)

India has the potential to become "the next China", with the subcontinent likely to have

a much larger impact on driving oil demand and prices over the medium to long term, PFC Energy said on Sunday.

The energy consultancy said in a report once the world emerges from the global recession India was likely to push forward with its plans for large-scale infrastructure projects, which have been delayed due to the current economic downturn.

The growth generated by these massive projects - which include transportation, power, manufacturing, housing and rural development - will lead to a huge surge in energy consumption, PFC said.

### [Oil firms face tough disclosure rules: Congress wants to know how much companies pay foreign governments](#)

Confronting an increasingly competitive environment around the globe, the major oil companies now face legislation that aims to use them to help keep corrupt regimes abroad from stealing their own people's oil wealth.

The incoming Congress is likely to consider a measure that would force oil producers, mining companies and other "extractive" industries that file annual reports with the U.S. Securities and Exchange Commission to reveal how much they pay to foreign governments.

### [Indonesia Cuts Subsidized Gasoline, Diesel Prices Effective Monday](#)

JAKARTA -(Dow Jones)- The Indonesian government Sunday decided to cut the prices of subsidized retail gasoline and transportation diesel starting Monday following the recent fall in oil prices globally.

### [Chavez, Castro Sign Agreements to Boost Cuban Refining Capacity](#)

(Bloomberg) -- Venezuelan President Hugo Chavez and Cuban President Raul Castro signed agreements today to expand Cuba's oil-refining capacity.

The agreements during a meeting at the presidential palace in Caracas, Venezuela, include the expansion of the refining capacity at the Hermanos Diaz refinery in Cuba to 50,000 barrels a day from the current 22,000 barrels.

### [Russia urges for oil aid to DPRK](#)

MOSCOW (Xinhua) -- Russia on Saturday rejected a United States proposal to suspend shipment of fuel aid to the Democratic People's Republic of Korea (DPRK) amid stalled

denuclearization on the Korean Peninsula.

"The statement by the U.S. State Department made following the six-party talks in Beijing surprised us," RIA Novosti news agency quoted Deputy Foreign Minister Alexei Borodavkin as saying, referring to Washington's announcement to put off fuel shipments to the DPRK until Pyongyang accepts the verification protocol of its nuclear facilities.

### [I was down in Nigeria . . . Lot of guns . . . lot of guns to the head'](#)

Mark Tolley is describing flying in to visit an oil field in Pakistan's Indus River flood plain. "We would arrive at Sukkur airport and would walk outside, and there are these two twin-carb four-wheel drives with mounted machine guns in the back, like you see in Iraq.

"You'd get halfway, and the driver would say: 'Too much shellfire today.' Back to the hotel, to drink warm beer all day, and try again next day. 'How are things?' 'Rocket attack'."

Which war was this? "It wasn't. This was just business as normal."

### [Oil-rich Angola launches direct flight to China](#)

LUANDA (AFP) - Angola has launched a flight linking it to China, which has sent thousands of citizens to work on the reconstruction of the continent's fastest growing economy following its 27-year civil war.

### [Chesapeake Energy CEO reassures investors that company can ride out recession](#)

The top executive of Chesapeake Energy Corp., the nation's largest natural gas producer, on Monday blamed the stunning collapse of the company's stock price on "false rumors" that the company could end up in bankruptcy.

Chesapeake Energy Corp. Chief Executive and co-founder Aubrey McClendon told analysts on a conference call that the Oklahoma City-based company is well positioned to ride out the recession and tumbling natural gas prices. He said the company's shares are worth several times what they are currently trading for.

### [Books for savvy investors](#)

*Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy* by Matthew R. Simmons. Are we running out of oil or aren't we? Matthew Simmons is one of the world's most-respected energy analysts. His detailed research indicates that the



jumbo oilfields that we are so dependent on are in decline and their production is not being replaced.

### [Police: High gas prices drove up arson cases in 2008](#)

Vehicle arsons in Bensalem are up nearly 500 percent from 2007 to 2008, from seven to 41, Sponheimer and township Fire Marshal Jay Scanlon said. About 75 percent to 80 percent of the burned vehicles are torched pickup trucks, minivans or SUVs, Sponheimer added. Sponheimer said he thought the drop in gas prices in the past few months would have made a difference, but they are still getting about one new arson case each week.

The gas guzzlers have lost their value, the officials said, because people just don't have the money to fill them up.

### [Tasco plans massive White Mountain wind farm](#)

ROCK SPRINGS -- When there's a full moon, Chris Plant, an instructor at Western Wyoming Community College, often takes his students up on White Mountain to see the view from the top of the local landmark, Pilot Butte.

Now he's worried a massive wind farm proposal for White Mountain could ruin that experience.

"I'm all for wind energy, but there are places on White Mountain open to hunting and recreation ... and others like Pilot Butte, which to me is sacred," Plant said about the possible location of 200 or more turbines on the mountain as part of a proposed wind energy farm.

### [Natural gas tanks under consideration at Totten](#)

A city plan to install compressed natural gas tanks at Fort Totten Park has nearby residents fuming.

"It's not safe and it's a potential target for terrorists," said Warren Schreiber, who has support from two local groups he heads: the Bay Terrace Alliance and the Bay Terrace Co-op Section 1.

Schreiber represents 200 units in his co-op and more than 4,000 families in 19 co-ops and condominiums as alliance president. "We support the tram, but are vehemently opposed to the placement of compressed natural gas on the grounds of Fort Totten Park," he said.

## [Gov. Paterson Signs Bag Recycling Bill](#)

ALBANY (AP) – Starting next month, many New York retailers will be required to recycle plastic shopping bags under a bill Gov. David Paterson signed into law on Saturday.

## [Near-Paralysis at UN Climate Talks Ends With Vow for New Treaty](#)

(Bloomberg) -- One hundred eighty-nine countries agreed to start formal negotiations for a new treaty to fight global warming, following a two-week debate that exposed the gap they must close between rich and poor nations.

The U.S., Canada and Japan rebuffed demands by developing countries for pledges to cut greenhouse-gas emissions at the United Nations-led climate talks in Poznan, Poland. Requests by China and South Africa for more industrialized nations to share clean-energy technologies got no support at the talks.

## [Australia: Fund to ease carbon cost](#)

SMALL businesses and community organisations will have access to a \$1.4 billion fund to help them cut their energy use and avoid the brunt of price increases to be caused by Australia's emissions trading scheme.

The Climate Change Action Fund, available for five years, will be among the details of the emissions trading scheme to be launched in Canberra today.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).