



## DrumBeat: February 12, 2009

Posted by [Leanan](#) on February 12, 2009 - 10:00am

Topic: [Miscellaneous](#)

### [Shmatko Fears 8% Fall in Oil Output](#)

Prime Minister Vladimir Putin agreed on Thursday to consider more incentives to reverse declining oil output, as the energy minister delivered the grimmest outlook yet for the industry.

Crude output will drop by nearly 8 percent from last year's level through 2013 if the government doesn't provide further aid to producers, Energy Minister Sergei Shmatko said at a meeting that Putin convened at a refinery outside St. Petersburg to talk to oil executives.

Any potential incentives would further dent federal revenues, which are already expected to contract drastically this year on the back of low oil prices and the global economic crisis.

### [Rooting for higher oil prices](#)

NEW YORK (CNMoney.com) -- Gold is getting close to \$1000 an ounce again even as oil prices continue to fall.

Plunging oil prices are not really good news. So as heretical as this may sound, it might actually be time to start rooting for oil prices to head higher again.

### [Cheap gas is history, again](#)

NEW YORK (CNMoney.com) -- The days of cheap gas are retreating into the rearview mirror, as prices continue to roll uphill, flirting with the \$2-per-gallon mark.

### [OPEC compliance heading to 100%](#)

Algerian Oil Minister Chakib Khelil said today Opec's compliance with a series of cuts agreed in the second half of last year to stem the steep slide in oil prices would reach

100% by the group's next meeting in March.

"Right now, we have very good compliance. We have 85% which is unusual for compliance. By meeting time, we will probably have 100%," Khelil told Reuters on his way to a meeting at the US Department of Energy.

### [Petrobras Says PDVSA Refinery Talks Reach Impasse](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, said it's at an "impasse" with Petroleos de Venezuela SA about the Suape refinery project.

Demands by PDVSA, as the Venezuelan oil company is known, to sell 40 percent of the refinery's output on terms of its own choosing are "unacceptable" because they may lead to the bankruptcy of Brazilian fuel distributors, Petrobras refining chief Paulo Roberto da Costa said today in Rio de Janeiro.

"We can't give PDVSA privileges that could lead to the closure of Brazilian distributors," da Costa said.

### [Details scarce in oil sands regs](#)

The government of the province of Alberta released a new strategy on today to guide development of Canada's oil sands, the largest oil resource outside the Middle East, despite plunging crude prices and collapsing investment in the region.

The province's Conservative government said it plans to speed reclamation of toxic tailings ponds, boost refining and processing of oil sands bitumen within Alberta, and ease the social impact of the massive investments needed to further exploit the resource.

### [Car buying stimulus may not help](#)

NEW YORK (CNNMoney.com) -- The economic stimulus plan is unlikely to help boost the auto industry because some say tax incentives for car purchases won't save buyers nearly as much as had been originally proposed.

### [As 'viability' date looms, Detroit seeks car czar](#)

With less than a week to go before General Motors and Chrysler are due to submit long-term viability plans to Congress, a power vacuum in Washington is raising questions about the next steps in bailout of the auto industry.

### [CERA - Cheap oil slows race to tap Arctic supplies](#)

HOUSTON (Reuters) - The collapse of oil prices has slowed efforts to tap vast crude oil and natural gas supplies that lie under the Arctic Ocean but countries like Russia, Canada and Norway are still vying for a potential bounty of energy riches trapped there.

The potential payoff is huge - the U.S. Geological Survey estimates that a quarter of the world's undiscovered oil and natural gas lies in the Arctic.

But the price tag for drilling wells and sustaining energy extraction in a desolate, uninhabitable winterland is also huge. And with crude oil prices down over \$100 a barrel from July's record highs, some experts are wondering if even giant international oil companies can foot the bill.

Oil prices would have to hit \$100/bbl versus recent levels near \$35/bbl to justify multibillion-dollar investments, said Timothy Krysiek, an energy expert at Cambridge Energy Research Associates.

### [Citgo announces layoffs in Venezuela amid crisis](#)

Venezuela's Citgo Petroleum Corp. says it's laying off 75 employees because of the world economic crisis.

The company says it's restructuring to better adapt to the economic downturn.

### [Russian banks may issue 10 bln dlrs in loans to oil companies](#)

KIRISHI, Leningrad region (Itar-Tass) - Russia banks may issue up to 10 billion U.S. dollars in loans to oil companies, Energy Minister Sergei Shmatko said Thursday.

### [Gazprom sees 1st LNG Sakhalin II shipment on track](#)

NEW YORK (Reuters) - Russian gas export monopoly Gazprom said on Thursday the first cargo of liquefied natural gas from the Sakhalin II project was on schedule for shipment in mid-March.

"It will leave in accordance with the schedule somewhere in the middle of March," Alexander Medvedev, the company's deputy chairman of the management committee, told Reuters outside a conference in New York City.

The cargo is destined for Japan and travel time is expected to be two days.

### [TVA says cleaning up massive Tenn. coal ash spill could cost as much as \\$825 million](#)

KNOXVILLE, Tenn. (AP) — It could cost as much as \$825 million to clean up a river and a rural neighborhood after a massive spill of coal ash sludge from a Tennessee Valley Authority power plant, the utility's chief executive said Thursday.

### [Green groups to dog Obama in Canada](#)

A coalition of U. S. and Canadian green organizations said it will dog President Barack Obama during his visit to Canada next week with an aggressive anti-oil sands campaign.

The dozen groups, from the Sierra Club to the Council of Canadians, said yesterday they would run newspaper ads and organize petitions to keep the U. S. President from getting swayed into supporting production of oil from the Alberta deposits.

### [The Peak Oil Crisis: The Economic Rebound](#)

A few years ago, peak oil was relatively easy to understand. At some point in the future, and estimates varied as to exactly when, oil production was going to start declining due to a combination of geologic and geopolitical factors, prices were going to rise precipitously and a massive civilization-wrenching paradigm shift would start as the world transitioned from oil to other forms of energy.

Those who understood that oil was going to start running out one day spread themselves along a spectrum of just when this unhappy event would happen. Pessimists saw the decline of oil production beginning in 3 to 5 years, optimists said 10, 20 or 30 years, and most of the world's peoples did not have the faintest clue that the oil was ever going to run out. Things were so simple 18 months ago.

In 2007, however, it was revealed that a collection of realtors, appraisers, mortgage brokers, bankers, builders, financiers, insurers, securities raters and assorted others had been making lots of money by selling houses to people who could not afford them and then dumping the tainted mortgages on the world's banking system. When all the dust from these revelations settled, it looked as if many of the world's banks had suffered grievous if not fatal damage and what could turn out to be the greatest economic downturn of modern times had been set loose. So where does oil fit into all this?

### [Missing Mexican island fuels mystery](#)

Lawmakers in Mexico are trying to determine the whereabouts of island central to the country's oil claims, which appears literally to have dropped off the map about 10 years ago.

Bermeja island in the Gulf of Mexico -- a strategic marker defining US and Mexican maritime and subsea rights -- has disappeared along with documents backing up a bilateral treaty on major oil reserves in the area, fueling rumors of a CIA plot.

"There are two stories about how it disappeared: one is that global warming raised the sea level and it is under water," said Mexican lawmaker Elias Cardenas, of the Convergence Party.

"The other is that ... it was blown up by the CIA so that the United States would get the upper hand in Hoyos de Dona" -- the oil reserves area.

### [Overall deficit of oil investments to exceed 200 bln rbls](#)

KIRISHI (Leningrad region) (Itar-Tass) -- The overall deficit of investments in the oil industry will exceed 200 billion roubles in 2009, Russian Energy Minister Sergei Shmatko said at a meeting devoted to the problems of the development of the oil industry chaired by Prime Minister Vladimir Putin on Thursday.

### [Putin floats modest tax breaks for oil](#)

Russia (Reuters) - Russian Prime Minister Vladimir Putin said new oil fields could win tax breaks in a speech on Thursday that fell short of the sweeping tax changes sought by the country's oil producers.

Fiscal hawks in the Russian government are at odds with the oil industry over a new round of tax break proposals as the world's second-largest exporter balances the need for investment to safeguard future oil export revenues against the demands of the budget.

### [Ottawa waiting to see U.S. green plan](#)

OTTAWA – Canada is waiting for Washington to state its plan for cutting greenhouse gas emissions and weighing the effects of the economic downturn before it issues regulations to force industry to cut its pollution, Environment Minister Jim Prentice says.

### [Shell to stall hires, get "ruthless" on contractors](#)

LONDON (Reuters) - Royal Dutch Shell Plc may trim its workforce with a plan to leave vacancies unfilled and to "ruthlessly" review its use of contract staff, according to an internal email seen by Reuters.

The email, sent by a senior executive in Shell's core exploration and production division,

told managers "the world has changed" after crude prices collapsed from over \$147/barrel in July to around \$40/bbl now.

"Do not fill vacancies ... Reconsider how hard to hold on to securing current staff that may be on the fence re. retirement," Chris Haynes, Vice President Technical, EPT Projects said in the email.

### [Commentary: Redefining "peak oil" for the USA](#)

Peak Oil's impact on the United States will probably be more severe than what most other countries will feel. This follows from a different way of thinking about the problem – availability vs. production.

### [Big Oil Leaders Bet on Long-Term Energy Growth](#)

In the eyes of some Big Oil executives, the bulls are still alive.

The captains of BP PLC and Royal Dutch Shell addressed the Cambridge Energy Research Associates conference in Houston with an optimistic message: Their fundamental assumptions for long-term growth in energy demand remain unchanged, despite the precipitous drop of energy prices in recent months. And the industry better continue investing to be ready when demand comes roaring back.

"The future is not canceled," said BP Chief Executive Tony Hayward.

Energy demand "will double between now and 2050" as the developing world becomes richer, said Shell Chief Executive Jeroen Van der Veer. The "art of today is how you can invest throughout the cycle," he said.

### [Profit from the End of Cheap Oil](#)

In their latest report, the IEA estimated that China, Brazil and other emerging countries alone will need investments of \$360 billion a year through 2030 to meet future demand for oil. The IEA went on to say that in order to meet future demand for oil, the world as a whole will need \$26.3 *trillion* in supply-side investments over the next 21 years.

With the current depressed price for oil, along with the banks not lending out a dime to anyone, this much needed investment just will not happen. This will lead to the world once again seeing triple-digit prices for oil, probably within the next two years.

### [Uzbekistan To Halve Energy Supply To Tajikistan - Gas Company](#)

DUSHANBE, Tajikistan (AFP)--Uzbekistan will halve its supply of natural gas to neighboring Tajikistan next week because of unpaid debts, Tajik state gas company Tajiktransgaz said Thursday.

"The principal cause is increasing debt for received gas which is already \$18 million. Part of the debt - \$8 million - is from the first month of this year of year," a company spokesman told AFP.

### [Analyst: Oil revenue mismanagement to plague Iran](#)

A leading energy consultancy is warning that what it calls Iranian President Mahmoud Ahmadinejad's mismanagement of oil revenues could result in major economic woes for the country, regardless of the outcome of this summer's elections.

In a research note Thursday, Washington-based PFC Energy said a "toxic mix of populism and misguided priorities" under the hardline president have deepened Iran's dependence on oil.

### [Russia could up gas supplies to Turkey by 1.7 bln cu m - official](#)

MOSCOW (RIA Novosti) - Russia expects to increase natural gas supplies to Turkey to 25.5 billion cubic meters this year, up by 1.7 billion on 2008, a Kremlin official said on Thursday.

### [Petrobras Expects to End Brazil's Diesel Imports](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, expects to end diesel imports by 2013 and become self-sufficient in the fuel as it boosts oil output and refining.

### [Greer: Toward Ecosophy](#)

Two weeks ago, in *The Ecology of Social Change*, I suggested that the great flaw in most of today's schemes for social change is their failure to grasp the ecological dimensions of human society. That flaw has been almost impossible to avoid, because it is not simply a matter of consciously held beliefs; many of the people drafting plans for social change these days have learned quite a bit about ecology. It's the unexamined and often unconscious presuppositions underlying most such plans that blind them to ecological reality – and the struggle to confront one's own presuppositions is very challenging work.

One of the things that makes the end of the industrial age so difficult for many people today, after all, is the way that it drives a wedge between science and what has often

been called scientism. Science, at its core, is simply a method of practical logic that tests hypotheses against experience. Scientism, by contrast, is the worldview and value system that insists that the questions the scientific method can answer are the most important questions human beings can ask, and that the picture of the world yielded by science is a better approximation to reality than any other. Science and scientism are not the same, but it's one of the most common habits of modern thought to assume their identity – or, more precisely, to fixate on science and fail to notice that scientism as a distinctive worldview exists at all.

### [Manila scientists oppose nuclear plant](#)

Manila, Philippines – Scientists in Manila have declared war against a government plan to revive the controversial Bataan Nuclear Power Plant, which was built by 1984 but never operated. They dismissed the completed but not yet fueled plant as a sleeping monster and a monument of corruption.

### [Demand for farm litter still strong](#)

Competition between Fibrowatt Ltd. and other buyers of chicken litter from Wilkes County area chicken farms remains strong due to high commercial fertilizer prices.

### [Banks predict April asset sales as reserves value shrink](#)

Banks with large energy lending portfolios expect a deluge of oil and natural gas asset auctions as early as April as banks and federal and state banking officials squeeze banks to shed poorly performing loans, according to officials at the banks.

"Everybody is guiding their clients to expect that their borrowing bases will come down 20 to 30%" from last year, said Mark Ammerman, a managing director and head of Canadian-owned Scotia Capital's energy trading desk in Houston, said February 6

Those with natural gas-dominant reserves are likely to see borrowing bases cut more than crude oil reserves, he said.

### [Alt Energy Not the Answer, Says Saudi Oil Minister](#)

HOUSTON--Saudi Arabia's oil minister, Ali Ibrahim al-Naimi, in a speech Tuesday night issued a warning against overzealous boosterism of non-fossil fuel energy sources in a time when oil prices have become "unsustainably" low.

"Promoting alternatives could chill investment in the oil sector," he said, in a dinner address to the CERAWEEK energy conference in Houston. "It would be a nightmare if alternatives don't meet expectations."



### [Saudi Arabia to More Than Double Spare Capacity, Al-Naimi Says](#)

(Bloomberg) -- Saudi Arabia, the world's largest oil exporter, will more than double its spare capacity by the middle of the year to 4.5 million barrels a day as it brings the massive Khurais project on stream while cutting production with OPEC.

Khurais will add 1.2 million barrels a day to the kingdom's capacity, more than the output of OPEC nations Qatar or Ecuador, Oil Minister Ali al-Naimi told the Cambridge Energy Research Associates conference in Houston yesterday. The target spare capacity has been 1.5 million to 2 million barrels a day.

### [OPEC delays 35 oil projects to boost prices](#)

OPEC members have delayed 35 oil projects to expand the group's supply, its secretary-general said yesterday, as oil's record plunge reduces their revenue and the financial crisis erodes demand.

### [Abu Dhabi Pushing Through with Oil and Gas Projects](#)

ABU DHABI - Abu Dhabi will go ahead with its announced oil and gas projects, and will soon launch a series of new mega ventures worth tens of billions of dollars, to benefit from falling development costs, in order to stimulate the slowing economic growth.

"We will continue with our projects, there will be no delays", said Ismail Al Ramahi, manager gas processing division at ADNOCADNOCLoading..., while speaking to the participants of Gas Arabia 2009 conference, here in the capital.

The costs to construct oil and gas projects are sharply falling, as recession has hit global economies.

### ['We Cannot Continue to Waste Valuable Natural Resources'](#)

In a SPIEGEL interview, Russian Energy Minister Sergei Shmatko discusses plans for joint ventures with German engineering multinational Siemens, secure shipments of natural resources to the West and rumors that Moscow wants to start a gas cartel modeled after OPEC.

...SPIEGEL: Why is Russia, with its enormous energy reserves, so interested in efficient technology?

Schmatko: Because we cannot continue to waste these valuable natural resources to such an enormous extent. Of the 640 billion cubic meters of natural gas we produce

every year, we consume 400 billion ourselves. If we can manage to save up to 100 billion cubic meters of that by 2020, we will be able to sell the gas and at the same time spare ourselves the extremely costly development of new production areas in Siberia.

### [Takeover a good sign for oil patch](#)

A glimmer of good news touched the junior oil and gas sector Tuesday in the form of a takeover offer. Sure, one transaction does not make a trend, but it is enough to rethink the fortunes of distressed energy companies.

### [Indonesia urges Pertamina to build new refineries](#)

JAKARTA (Reuters) - Indonesian President Susilo Bambang Yudhoyono urged on Thursday state oil firm Pertamina to build new refineries to cut imports of oil products.

Construction of new refineries has become more pressing in the past few years, as growing domestic demand has forced Pertamina to import more fuel, straining the budget and weighing on the rupiah currency.

### [Saudi, Chinese firms in desalination tie up](#)

RIYADH – A Chinese electric power giant and a Saudi power company on Wednesday announced an alliance to work together on power and desalination projects around the world.

### [Fire threatening water, gas supplies in Victoria](#)

MELBOURNE'S largest water catchment, the Thomson Reservoir, and the Longford gas plant are both threatened by major bushfires burning out of control today.

And a water expert says a fire that kills just half the trees in the Thomson catchment could cut water yield in the already drought-ravaged dam by 20 per cent for the next half century.

### [Ethanol, Just Recently a Savior, Is Struggling](#)

Barely a year after Congress enacted an energy law meant to foster a huge national enterprise capable of converting plants and agricultural wastes into automotive fuel, the goals lawmakers set for the ethanol industry are in serious jeopardy.

As recently as last summer, plants that make ethanol from corn were sprouting across the Midwest. But now, with motorists driving less in the economic downturn, the industry is burdened with excess capacity, and plants are shutting down virtually every week.

In the meantime, plans are lagging for a new generation of factories that were supposed to produce ethanol from substances like wood chips and crop waste, overcoming the drawbacks of corn ethanol. That nascent branch of the industry concedes it has virtually no chance of meeting Congressional production mandates that kick in next year.

### [Oil slips below \\$36 as inventories rise](#)

VIENNA – Surging crude inventories and investor skepticism over the U.S. stimulus package dragged oil prices below \$36 per barrel Thursday.

Investors seemed more wary than relieved after U.S. lawmakers finally agreed overnight to a \$790 billion stimulus bill designed to pull the economy out of recession.

Light, sweet crude for March delivery fell 53 cents to \$35.41 a barrel by midday in Europe on the New York Mercantile Exchange. The contract fell \$1.61 overnight to settle at \$35.94.

U.S. crude oil inventories have jumped in recent weeks as rising unemployment erodes spending on gasoline.

### [U.S. sees OPEC's 2009 oil exports back over \\$400 billion](#)

WASHINGTON (Reuters) - The prospect for higher crude oil prices later in the year will boost OPEC's oil export revenues above \$400 billion for 2009, the U.S. government's top energy forecasting agency said on Wednesday.

The U.S. Energy Information Administration revised up its estimate for OPEC's oil export earnings for this year to \$402 billion, about \$15 billion more than the agency forecast last month.

### [Peak Oil Fears Are Not Translating Into Higher Oil Prices](#)

And here comes the fringe peak oil crowd warning of doom and gloom when it comes to that myth of infinite growth. In fact, the crowd can even now prove that cheap oil production has likely peaked in all but three countries in the world: Kuwait, Iraq and Saudi Arabia.

The immediate assumption is that this should cause oil prices to go up. But hold on to your hats, crude oil prices have actually collapsed.

### [Long-term oil production 'damaged' by the crisis, says Merrill Lynch](#)

INTERNATIONAL. Global oil production decline rate is set to accelerate in the coming years, according to a new research report.

"The global decline rate has averaged at least 4.5% year-on-year in recent years. These rates, however, could accelerate further over the next few years," Merrill Lynch said in its recent update.

### [Total oil group reports record French profits](#)

PARIS (AFP) – Energy giant Total, France's biggest firm, announced the highest annual net profit in French corporate history on Thursday, sounding a rare positive note in a week of grim financial news.

In 2008 the firm made 13.9 billion euros (18.0 billion dollars) thanks to record oil prices in the first half of the year, which generated big enough revenues to overshadow a post credit crunch collapse in demand.

### [PetroChina's Biggest Refinery Boosts Fuel Exports as Domestic Demand Slows](#)

(Bloomberg) -- PetroChina Co., the nation's top oil producer, increased exports of gasoline and diesel from its biggest refining plant last month as domestic demand growth eased because of the economic slowdown, its parent said.

PetroChina boosted gasoline exports by 8 percent and increased overseas shipments of diesel by 11 percent at the Dalian plant in the northeastern province of Liaoning last month, China National Petroleum Corp. said in a statement on its Web site today. The plant processed 1.07 million metric tons, or about 250,000 barrels a day, of crude in January, it said.

### [Shell warns on Nigeria Bonny oil exports](#)

LAGOS (Reuters) - Royal Dutch Shell warned on Thursday that unrest in Nigeria's Niger Delta meant it may be unable to meet some oil export obligations from its Bonny terminal for the rest of this month and some of next.

The Anglo-Dutch energy giant said it had declared force majeure on its Bonny oil shipments with effect from Tuesday, Feb. 10 because of "logistics challenges" caused by insecurity in the delta, home to Africa's biggest oil and gas industry.

### [Big oil frets over Iraq terms](#)

As Iraq prepares to pit the world's top oil producers against each other in a contest for access to prized oilfields, executives are worried they may have to almost give away their services to win risky deals.

The allure of the world's third-largest oil reserves and the potential for future, more lucrative contracts means competition will almost certainly be fierce among companies with little access to cheap oil elsewhere in the Middle East.

They cannot afford to miss out, even if the first bidding round for Iraqi contracts since the US-led invasion in 2003 carries little immediate prospect of the reward they crave.

### [UK: Fuel bills to fall as suppliers prepare for price war](#)

Millions of utility bills are set to fall after four energy suppliers pledged to follow cuts by British Gas and Southern Electric.

### [Activists push for offshore energy drilling ban](#)

WASHINGTON – Environmental advocates urged Congress on Wednesday to reinstate the broad moratorium on offshore oil drilling, but a key congressman said on that issue "the ship may have already sailed."

Rep. Nick Rahall, D-W.Va., chairman of the House Natural Resources Committee, said the political reality is that the broad moratorium across 85 percent of the country's Outer Continental Shelf – lifted by Congress last fall – is unlikely to be reimposed.

### [Dubai Firms Face Moody's Cut If Abu Dhabi Acts Alone](#)

(Bloomberg) -- Moody's Investors Service may downgrade banks and government-owned companies in Dubai, the second-largest sheikhdom in the United Arab Emirates, if oil-rich Abu Dhabi limits support to its own institutions.

### [Goods dwindle as oil drops in Venezuela](#)

If you want beans, pasta or milk, you're out of luck at the El Barquero Supermarket in Caracas, Venezuela.

"Lentils, grains – you almost can't get them," purchaser Jose Rodriguez said by telephone. "We're always having shortages of one thing or another ... and you can't

import them because the government controls it all."

Such is life in President Hugo Chávez's Venezuela, where the country's fortunes have largely traced the price of oil — from a relative bonanza as recently as last year, when crude went for more than \$140 a barrel, to the current reality of rising poverty, crime and food shortages as the oil price plummeted to about \$40.

### [Petrostate Tail Risk: Add the U.K. to That List](#)

The coming February issue of Gregor.us Monthly will be taking a look at Petrostate tail risk. This is the risk that oil production and especially exports from oil producing nations could collapse as a result of sudden political instability. That instability could unfold in oil producing areas alone, or, it could be a phenomenon that engulfs the entire country. Possibilities range from a widespread labor related shut down of UK North Sea oil production, to a total collapse of federal governments in Abuja, or Mexico City.

### [India to help fertiliser units switch to natural gas](#)

NEW DELHI (Reuters) – The cabinet has approved a plan to help fertiliser plants use natural gas instead of fuel oil and naphtha, Home Minister Palaniappan Chidambaram told reporters on Wednesday.

India's natural gas output is set to rise next month when Reliance Industries is expected to start pumping gas from its deep-sea fields in the Krishna Godavari Basin, off the country's east coast.

### [To Spend or to Save? Trick Question](#)

McKinsey & Company recently analyzed household spending on energy, for example, and found enormous waste. People heat their homes when they are not there and, thanks to leaks in their walls and heating ducts, also heat the airspace above their roof.

A programmable thermostat, which adjusts the temperature when people are out of the house or asleep, can cost as little as \$50. For less than \$1,000, people can buy the thermostat, as well as hire a contractor to fix leaks and replace their light bulbs with more efficient ones. In either case, the spending often pays for itself in just a year or two.

### [Global slump crimps U.S. exports](#)

U.S. exports fell for a fifth-consecutive month in December as global trade continued to evaporate at a startling pace.

Shipments of goods and services fell 6% from November to \$133.8 billion, more than 20% below the recent peak in July.

Based on the new Commerce Department data, almost \$35 billion worth of export orders vanished in the final half of 2008.

"Trade is plunging. For a precedent, you'd have to go back to the Depression," said Nigel Gault, economist with IHS Global Insight.

### [GM's Hummer Said to Draw Interest From China, Private Equity](#)

(Bloomberg) -- General Motors Corp., planning asset sales to keep \$13.4 billion in U.S. loans, has attracted interest in its Hummer brand of light trucks from a Chinese company and a private-equity firm, people familiar with the talks said.

### [Recession seems to put people in the mood for condoms](#)

With a crippled economy forcing millions of cash-strapped Americans to entertain themselves at home, it's not surprising that one particular product is seeing a sales increase — condoms.

While car purchases plummeted and designer clothes mostly stayed on the racks, sales of condoms in the U.S. rose 5% in the fourth quarter of 2008, and 6% in January vs. the same time periods the previous year, The Nielsen Co. reports

The sales bump squares solidly with one of the nation's most common trends during any recession: nesting. At the same time, condoms make for a relatively inexpensive form of birth control at a time many cash-strapped families are hesitant to grow.

### [Water Efficiency Key to Saving Energy, Expert Says](#)

In regions where pumping and distributing water requires significant electricity use, policies that lead to reduced water consumption could address climate change more efficiently than requiring businesses and households to use less energy, according to water expert Peter Gleick.

"Some of the cheapest greenhouse gas emission reductions available seem to be not energy-efficiency programs, but water-efficiency programs," said Gleick, president of the California-based Pacific Institute, a global water research center.

Gleick notes, for example, that it may be cheaper for consumers to reduce the overall hot water usage in their homes than to replace their incandescent light bulbs with more energy-efficient alternatives.

### [Can algae save the world - again?](#)

PLYMOUTH, England (Reuters) – Can algae save the world again? The microscopic green plants cleaned up the earth's atmosphere millions of years ago and scientists hope they can do it now by helping remove greenhouse gases and create new oil reserves.

### [Albuquerque should revive Aldo Leopold's sustainable ethic](#)

What would Albuquerque look like if it had followed the implications of Aldo Leopold's land ethic when the Duke City started its great growth spurt after World War II? What could the city look like ten years from now if it saw this recession as an opportunity to remake itself and put Leopold's ideas into practice as part of a strategy to sustain itself and prosper in the changed world of the future?

With chronic long term drought as our lot, with peak oil upon us, with the instability of financial markets and the decomposition of our consumer culture based on waste and excess, and a complete make-over in the way we fuel our culture and economy in the shadow of global warming, old ways of viewing our relationship to our environment simply don't work anymore. Like it or not.

### [Energy crisis, climate collapse, hunger and financial instabilities: The plagues of capitalism](#)

There is no historical proof that the ten biblical plagues that the God of the people of Israel inflicted upon the Egyptians, according to the second book Moses in the old testament, including poisoned wells, mosquitoes, smallpox, cattle plagues, avalanches of frogs, swarms of locusts, or a solar eclipse ever took place. But it is an undeniable fact that today, billions of people are suffering from hunger, that the fossil fuel supply for the future is insecure, that the global climate threatens to collapse, and that the global financial crisis is causing horrendous losses in the trillions, that millions of jobs are being destroyed, and whole branches of industry are in trouble, and the incomes of the masses are declining in the current global financial crisis. The modern plagues afflict the people just as much as the plagues of Egypt did more than 3000 years ago.

### [UK: Green energy package unveiled](#)

The Government today unveiled long-term plans for "green" makeovers of hundreds of thousands of homes a year to slash carbon emissions.

Officials said the package of measures to roll out insulation and low-carbon technology such as solar panels to seven million homes by 2020 would help homeowners who take up the scheme to cut their bills.



## [Carbon emitters hold talks in Tokyo](#)

TOKYO (AFP) – The world's major carbon emitters were in "full negotiation mode" Thursday as they met in Tokyo with the clock ticking to draft a new UN treaty on fighting global warming.

Representatives from 22 countries, including major CO<sub>2</sub> emitters China, India and the United States, as well as the European bloc are taking part in the informal two-day session.

## [Australia fires spark calls for climate action](#)

YEA, Australia (Reuters) – Firefighters called on the Australian government on Thursday to take a tougher stance against climate change in an effort to avoid more deadly bushfires like those that killed 181 people this week.

"Without a massive turnaround in policies, aside from the tragic loss of life and property, we will be asking firefighters to put themselves at an unacceptable risk," United Firefighters Union of Australia said in an open letter.

## [Nicholas Stern: Spend billions on green investments now to reverse economic downturn and halt climate change](#)

Governments across the world must commit to hundreds of billions of pounds in green investments within months in a combined attack on the global economic crisis and global warming, according to leading economists including Nicholas Stern.



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