

Asinus Muses

Proof of the Pudding

We have a tendency to believe what we are told by scientists and economists, largely because they purport to have proved something. At the same time we know instinctively that this is unwise since all too often they disagree with each other. We now read that trees and vegetation, which are supposed to be part of the solution to CO₂, may be producing volumes of methane which may be doing more harm to the environment than the CO₂ itself. Even more upsetting is the proposition that aerosols produced by power stations may be more effective at cooling down the atmosphere than removing CO₂ from it. It's only a matter of time, one suspects, before someone proves that driving larger cars is preferable to driving small ones, and that, anyway, CO₂ is a good thing.

Dense Undergrowth

Asinus has always viewed consensus forecasts, particularly those dealing with oil price, as evidence of what won't happen. Recently he read of one that forecast the price of oil to be \$65 in January 2007 with an 85 percent chance that it would be between \$45 and \$75. Now there's a really useful tool for the hedging enthusiasts.

Economy of Scale

There is something topsy-turvy in the fact that Iran has to import over 1,500,000 b/d of gasoline in order to be able to sell it to car drivers at 10 cents a litre.

Bottled Up

Someone has calculated that in the United States 1.5 million barrels of crude are required annually for manufacturing the plastic bottles needed for bottled water sales, a large proportion of whose

contents are anyway supplied from municipal sources. The International Bottled Water Association (can it really exist?) says that 'we are responding to consumer demand', so that's OK.

On and Off

Asinus was particularly taken by the picture conjured up by President Bush's latest warning about the dangers of being oil-dependent on countries where tyrants control the spigots. Just imagine all those million spigots a day that the tyrants are turning on and off.

So What?

Did you realise that Latvia has a larger gas storage capacity than the UK?

Bonding

Asinus had a moment of panic the other day when faced by a headline which read: 'World's largest SUKUK listed on DIFX'. For a moment he thought it was a new Chinese-funded football club, but it turned out to be some kind of bond.

Command and Control

It's all very well to be told by your GPS system to turn left at the next cross-roads, but how much more exciting it will be when you can download Galileo onto your mobile phone and be told how to reach the nearest Starbucks.

Ever-increasing Circles

These days we usually seem to be in favour of meetings, and a particularly awe-inspiring example was the 'Ministerial Round Table on Cooperation between North and Central Asian Producers and Principal Asian Consumers regarding stability, security and sustainability in the Asian Hydrocarbons Economy'. Having reached no conclusion, it will

no doubt be reconvened with a larger number of delegations when stability, security or sustainability is again good for a meeting.

Safety First

More meetings. The preliminary draft of the G8 Action Plan for Energy included an item for the 'development and introduction of innovative nuclear power systems with natural safety barriers' as part of a system that will create a 'shock-proof' system of global supply. That medley of words was later modified in case it committed somebody to something, or indeed meant anything at all.

What's good for GM....

It seems that General Motors, which apparently builds 76 different models of automobiles, is trying to reduce that number. What will be the target, and what will be their average miles per gallon?

Place your Bets

Which EU member is going to open the bidding on emission allowances for the second period, 2008–12? Certainly not the UK which is trying to get to the back of the queue, chastened by its early generous, but uncompetitive, offering on the last occasion, which it was subsequently not allowed to alter. Naturally all EU members support the emissions trading scheme unreservedly – provided none of them is seen to be stealing some advantage over the others.

Worthless Workout

Someone has calculated that in the UK as a motorist you will pay £240,000 in car-related taxes in your lifetime, and that's before they've been raised annually. Car sales are rising.

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