Pourquoi l’embargo saoudien contre le Qatar a fait un flop

Le petit émirat tient tête à Riyad depuis 17 mois, grâce à ses fabuleux revenus gaziers et à la souplesse des marchés internationaux de produits de consommation.

A en croire les Qataris, l’embargo imposé par leurs voisins a tellement de conséquences positives qu’on serait tenté de leur conseiller d’en susciter d’autres…

Un cas sans équivalent

Le minuscule mais richissime émirat (350.000 ressortissants, PIB par habitant de 128.000 dollars, record du monde) tient tête efficacement à cette Arabie Saoudite sur la sellette aujourd'hui suite à l'affaire Khashoggi. Le 6 juin 2017, Riyad avait imposé, avec Le Caire, Bahreïn et Abou-Dhabi, un embargo aérien, terrestre et naval total sur Doha, pour cause de divergences géostratégiques. Un cas d'une ampleur sans équivalent au monde depuis un demi-siècle. Au point que les Qataris parlent de blocus, terme toutefois inexact puisque l'armée saoudienne n'intercepte pas les avions et navires turcs, iraniens ou européens approvisionnant désormais l'émirat.

Ce sont ces navires et avions qui ont permis au Qatar, après quelques jours de sidération , de remplacer les produits acheminés jusque-là quasi exclusivement depuis Riyad, seul lien terrestre avec la péninsule, ou du port de Dubaï. A été instauré un pont aérien spectaculaire, qui a notamment acheminé 4.000 vaches laitières australiennes. « *Nous avons mis deux mois pour installer de nouveaux circuits commerciaux et logistiques en appliquant simplement des plans de précaution prévus pour d'autres crises* », explique le secrétaire d'Etat à l'Economie, Aziz Ahmed Aluthman.

Les produits de consommation viennent désormais directement du Maghreb, d'Europe, de Turquie, d'Iran ou d'Inde. Sans susciter d'inflation, insistent les Qataris, qui affirment avoir découvert à cette occasion que les grossistes saoudiens « *margeaient* » énormément. Les prix relevés dans un supermarché de Doha sont en tout cas du même niveau qu'en Europe.

Un prétexte pour les réformes

Le Qatar a pu compter sur son Port Hammad, devenu opérationnel juste avant l’embargo. Et a profité de la souplesse des grossistes internationaux. « *Les machines outils et matériaux de base sont facilement disponibles sur le marché mondial* », explique Philippe Tavernier, patron de la filiale locale de Vinci, « *et il existe deux cimenteries nationales* ». Doha s’est d’ailleurs mis à subventionner l a petite industrie locale et a cessé d’hésiter sur des réformes, afin d’attirer les investisseurs étrangers. Ceux-ci ne seront bientôt plus obligés d’être associés à 51 % avec un partenaire local.

L’émirat a profité aussi de ce que l’intégralité de ses exportations et les deux tiers de son PIB proviennent du gaz, incontournable source d’électricité. A tel point qu’Abou Dhabi a fait une exception à son embargo pour continuer d’importer son gaz de Doha… L’économie dispose aussi du moteur des chantiers d’infrastructures destinés à doter l’émirat de secteurs de santé et d’enseignement d’excellence, sans oublier les huit stades de la Coupe du monde 2022 et les tours des quartiers d’affaires. Qui semblent toutefois peu peuplées, au risque d’une bulle : « *C’est une politique économique de l’offre* », reconnaît pudiquement un homme d’affaires…

Retour à la normale

C’est sur le plan bancaire que l’embargo a fait tanguer l’émirat, avec des retraits de 20 milliards de dollars en une semaine, qui a obligé Doha à rapatrier le double de ses propres placements à l’étranger. Les agences de notation ont placé la note AA- de la dette qatarie en perspective négative mais ont rétabli la perspective stable récemment.

« *Nous sommes plus ouverts et connectés qu’avant* », ajoute Lolwah El Khater, la porte-parole du ministère des Affaires étrangères, qui cite la suspension de visas préalables pour les touristes de 88 pays. L’embargo laisse aux Qataris une impression de gâchis humain, puisque les pays voisins interdisent à leurs ressortissants de venir voir leurs proches dans l’émirat. « *La crise a déstabilisé le Conseil de coopération du Golfe persique*, ajoute Aziz Ahmed Aluthman, *pourtant indispensable dans une région à la culture politique sanguine* ».

Yves Bourdillon

«Le scénario de l’effondrement l’emporte»

Dès le premier sommet de la Terre de 1972, le chercheur américain Dennis Meadows partait en guerre contre la croissance. A la veille de la conférence «Rio + 20», il dénonce les visions à court terme

et dresse un bilan alarmiste.

En 1972, quatre jeunes scientifiques du Massachusetts Institute of Technologie (MIT) rédigent à la demande du Club de Rome un rapport intitulé *The Limits to Growth (les Limites à la croissance)*. Celui-ci va choquer le monde. Leur analyse établit clairement les conséquences dramatiques d’une croissance économique et démographique exponentielle dans un monde fini. En simulant les interactions entre population, croissance industrielle, production alimentaire et limites des écosystèmes terrestres, ces chercheurs élaborent treize scénarios, treize trajectoires possibles pour notre civilisation.

Nous sommes avant la première crise pétrolière de 1973, et pour tout le monde, la croissance économique ne se discute pas. Aujourd’hui encore, elle reste l’alpha et l’oméga des politiques publiques. En 2004, quand les auteurs enrichissent leur recherche de données accumulées durant trois décennies d’expansion sans limites, l’impact destructeur des activités humaines sur les processus naturels les conforte définitivement dans leur raisonnement. Et ils sont convaincus que le pire scénario, celui de l’effondrement, se joue actuellement devant nous. Rencontre avec l’un de ces scientifiques, Dennis Meadows, à la veille de la conférence de Rio + 20.

Le sommet de la Terre démarre mercredi à Rio. Vous qui avez connu la première conférence, celle de Stockholm, en 1972, que vous inspire cette rencontre, quarante ans plus tard ?

Comme environnementaliste, je trouve stupide l’idée même que des dizaines de milliers de personnes sautent dans un avion pour rejoindre la capitale brésilienne, histoire de discuter de soutenabilité. C’est complètement fou. Dépenser l’argent que ça coûte à financer des politiques publiques en faveur de la biodiversité, de l’environnement, du climat serait plus efficace. Il faut que les gens comprennent que Rio + 20 ne produira aucun changement significatif dans les politiques gouvernementales, c'est même l'inverse.

Regardez les grandes conférences onusiennes sur le climat, chaque délégation s'évertue à éviter un accord qui leur poserait plus de problèmes que rien du tout. La Chine veille à ce que personne n'impose de limites d'émissions de CO2, les Etats-Unis viennent discréditer l'idée même qu'il y a un changement climatique. Avant, les populations exerçaient une espèce de pression pour que des mesures significatives sortent de ces réunions. Depuis Copenhague, et l'échec cuisant de ce sommet, tout le monde a compris qu'il n'y a plus de pression. Chaque pays est d'accord pour signer en faveur de la paix, de la fraternité entre les peuples, du développement durable, mais ça ne veut rien dire. Les pays riches promettent toujours beaucoup d'argent et n'en versent jamais.

Vous n'y croyez plus ?

Tant qu'on ne cherche pas à résoudre l'inéquation entre la recherche perpétuelle de croissance économique et la limitation des ressources naturelles, je ne vois pas à quoi ça sert. A la première conférence, en 1972, mon livre *les Limites à la croissance* (dont une nouvelle version enrichie a été publiée en mai) avait eu une grande influence sur les discussions. J'étais jeune, naïf, je me disais que si nos dirigeants se réunissaient pour dire qu'ils allaient résoudre les problèmes, ils allaient le faire. Aujourd'hui, je n'y crois plus !

L'un des thèmes centraux de la conférence concerne l'économie verte. Croyez-vous que ce soit une voie à suivre ?

Il ne faut pas se leurrer : quand quelqu'un se préoccupe d'économie verte, il est plutôt intéressé par l'économie et moins par le vert. Tout comme les termes soutenabilité et développement durable, le terme d'économie verte n'a pas vraiment de sens. Je suis sûr que la plupart de ceux qui utilisent cette expression sont très peu concernés par les problèmes globaux. La plupart du temps, l'expression est utilisée pour justifier une action qui aurait de toute façon été mise en place, quelles que soient les raisons.

Vous semblez penser que l'humanité n'a plus de chance de s'en sortir ?

Avons-nous un moyen de maintenir le mode de vie des pays riches ? Non. Dans à peine trente ans, la plupart de nos actes quotidiens feront partie de la mémoire collective, on se dira : «Je me souviens, avant, il suffisait de sauter dans une voiture pour se rendre où on voulait», ou «je me souviens, avant, on prenait l'avion comme ça». Pour les plus riches, cela durera un peu plus longtemps, mais pour l'ensemble des populations, c'est terminé. On me parle souvent de l'image d'une voiture folle qui foncerait dans un mur. Du coup, les gens se demandent si nous allons appuyer sur la pédale de frein à temps. Pour moi, nous sommes à bord d'une voiture qui s'est déjà jetée de la falaise et je pense que, dans une telle situation, les freins sont inutiles. Le déclin est inévitable.

En 1972, à la limite, nous aurions pu changer de trajectoire. A cette époque, l'empreinte écologique de l'humanité était encore soutenable. Ce concept mesure la quantité de biosphère nécessaire à la production des ressources naturelles renouvelables et à l'absorption des pollutions correspondant aux activités humaines. En 1972, donc, nous utilisions 85% des capacités de la biosphère. Aujourd'hui, nous en utilisons 150% et ce rythme accélère. Je ne sais pas exactement ce que signifie le développement durable, mais quand on en est là, il est certain qu'il faut ralentir. C'est la loi fondamentale de la physique qui l'exige : plus on utilise de ressources, moins il y en a. Donc, il faut en vouloir moins.

La démographie ne sera pas abordée à Rio + 20. Or, pour

vous, c'est un sujet majeur…

La première chose à dire, c'est que les problèmes écologiques ne proviennent pas des humains en tant que tels, mais de leurs modes de vie. On me demande souvent : ne pensez-vous pas que les choses ont changé depuis quarante ans, que l'on comprend mieux les problèmes ? Je réponds que le jour où l'on discutera sérieusement de la démographie, alors là, il y aura eu du changement.

Jusqu'ici, je ne vois rien, je dirais même que c'est pire qu'avant. Dans les années 70, les Nations unies organisaient des conférences sur ce thème, aujourd'hui, il n'y a plus rien.

Pourquoi ?

Je ne comprends pas vraiment pourquoi. Aux Etats-Unis, on ne discute plus de l'avortement comme d'une question médicale ou sociale, c'est exclusivement politique et religieux. Personne ne gagnera politiquement à ouvrir le chantier de la démographie. Du coup, personne n'en parle. Or, c'est un sujet de très long terme, qui mérite d'être anticipé. Au Japon, après Fukushima, ils ont fermé toutes les centrales nucléaires. Ils ne l'avaient pas planifié, cela a donc causé toutes sortes de problèmes. Ils ont les plus grandes difficultés à payer leurs importations de pétrole et de gaz. C'est possible de se passer de nucléaire, mais il faut le planifier sur vingt ans.

C'est la même chose avec la population. Si soudainement vous réduisez les taux de natalité, vous avez des problèmes : la main-d'œuvre diminue, il devient très coûteux de gérer les personnes âgées, etc. A Singapour, on discute en ce moment même de l'optimum démographique. Aujourd'hui, leur ratio de dépendance est de 1,7, ce qui signifie que pour chaque actif, il y a 1,7 inactif (enfants et personnes âgées compris). S'ils stoppent la croissance de la population, après la transition démographique, il y aura un actif pour sept inactifs. Vous comprenez bien qu'il est impossible de faire fonctionner correctement un système social dans ces conditions. Vous courez à la faillite. Cela signifie qu'il faut transformer ce système, planifier autrement en prenant en compte tous ces éléments.

La planification existe déjà, mais elle ne fonctionne pas. Nous avons besoin de politiques qui coûteraient sur des décennies mais qui rapporteraient sur des siècles. Le problème de la crise actuelle, qui touche tous les domaines, c'est que les gouvernements changent les choses petit bout par petit bout. Par exemple, sur la crise de l'euro, les rustines inventées par les Etats tiennent un ou deux mois au plus. Chaque fois, on ne résout pas le problème, on fait redescendre la pression, momentanément, on retarde seulement l'effondrement.

Depuis quarante ans, qu'avez-vous raté ?

Nous avons sous-estimé l'impact de la technologie sur les rendements agricoles, par exemple. Nous avons aussi sous-estimé la croissance de la population. Nous n'avions pas imaginé l'ampleur des bouleversements climatiques, la dépendance énergétique. En 1972, nous avions élaboré treize scénarios, j'en retiendrais deux : celui de l'effondrement et celui de l'équilibre. Quarante ans plus tard, c'est indéniablement le scénario de l'effondrement qui l'emporte ! Les données nous le montrent, ce n'est pas une vue de l'esprit.

Le point-clé est de savoir ce qui va se passer après les pics. Je pensais aussi honnêtement que nous avions réussi à alerter les dirigeants et les gens, en général, et que nous pouvions éviter l'effondrement. J'ai compris que les changements ne devaient pas être simplement technologiques mais aussi sociaux et culturels. Or, le cerveau humain n'est pas programmé pour appréhender les problèmes de long terme. C'est normal : *Homo Sapiens* a appris à fuir devant le danger, pas à imaginer les dangers à venir. Notre vision à court terme est en train de se fracasser contre la réalité physique des limites de la planète.

N’avez-vous pas l’impression de vous répéter ?

Les idées principales sont effectivement les mêmes depuis 1972. Mais je vais vous expliquer ma philosophie : je n’ai pas d’enfants, j’ai 70 ans, j’ai eu une super vie, j’espère en profiter encore dix ans. Les civilisations naissent, puis elles s’effondrent, c’est ainsi. Cette civilisation matérielle va disparaître, mais notre espèce survivra, dans d’autres conditions. Moi, je transmets ce que je sais, si les gens veulent changer c’est bien, s’ils ne veulent pas, je m’en fiche. J’analyse des systèmes, donc je pense le long terme. Il y a deux façons d’être heureux : avoir plus ou vouloir moins. Comme je trouve qu’il est indécent d’avoir plus, je choisis de vouloir moins.

Partout dans les pays riches, les dirigeants promettent un retour de la croissance, y croyez-vous ?

C’est fini, la croissance économique va fatalement s’arrêter, elle s’est déjà arrêtée d’ailleurs. Tant que nous poursuivons un objectif de croissance économique «perpétuelle», nous pouvons être aussi optimistes que nous le voulons sur le stock initial de ressources et la vitesse du progrès technique, le système finira par s’effondrer sur lui-même au cours du XXI^{e} siècle. Par effondrement, il faut entendre une chute combinée et rapide de la population, des ressources, et de la production alimentaire et industrielle par tête. Nous sommes dans une période de stagnation et nous ne reviendrons jamais aux heures de gloire de la croissance. En Grèce, lors des dernières élections, je ne crois pas que les gens croyaient aux promesses de l’opposition, ils voulaient plutôt signifier leur désir de changement. Idem chez vous pour la présidentielle. Aux Etats-Unis, après Bush, les démocrates ont gagné puis perdu deux ans plus tard. Le système ne fonctionne plus, les gens sont malheureux, ils votent contre, ils ne savent pas quoi faire d’autre. Ou alors, ils occupent Wall Street, ils sortent dans la rue, mais c’est encore insuffisant pour changer fondamentalement les choses.

Quel système économique fonctionnerait d’après vous ?

Le système reste un outil, il n’est pas un objectif en soi. Nous avons bâti un système économique qui correspond à des idées. La vraie question est de savoir comment nous allons changer d’idées. Pour des pans entiers de notre vie sociale, on s’en remet au système économique. Vous voulez être heureuse ? Achetez quelque chose ! Vous êtes trop grosse ? Achetez quelque chose pour mincir ! Vos parents sont trop vieux pour s’occuper d’eux ? Achetez-leur les services de quelqu’un qui se chargera d’eux ! Nous devons comprendre que beaucoup de choses importantes de la vie ne s’achètent pas. De même, l’environnement a de la valeur en tant que tel, pas seulement pour ce qu’il a à nous offrir.

Gas fracking to start in England again next week after 7-year halt

Reuters/Preston

Shale gas developer Cuadrilla Resources expects to start gas fracking in northwest England next week, seven years after its first attempt to hydraulically fracture a well led to earth tremors, public protests and an overhaul of regulations.

The process, behind a surge in US gas production, involves fracturing rock deep under ground using a mixture of water, sand and chemicals to encourage the flow of hydrocarbons from shale, a dense and tightly-packed sedimentary rock.

It has draw criticism from the public and campaigners concerned about the environmental impact of fracking and the pollution caused by fossil fuels.

Protests against the practice led to work at Cuadrilla’s site being halted in 2011.

But the government, keen to cut Britain’s reliance on gas imports which soared to more than 50% of gas supplies, has tightened regulations and earlier this year gave consent for Cuadrilla to go ahead again.

Cuadrilla chief executive Francis Egan told Reuters that fracking of two wells and associated work would test gas flows.

“From that we’ll be able to make an assessment of how much gas

is recoverable and whether it will be commercially viable to develop the site,” he said on the muddy Preston New Road site.
The industry’s future in Europe may hinge on the outcome.
Although fracking has grown rapidly in the United States, it has not been proved viable in Europe despite several attempts, including projects that failed in Poland five years ago.
Fracking has been banned in France, Germany and several other European countries.
Cuadrilla’s well will be the first fracked horizontal well in Britain and the results will be watched by shale explorers such as IGas, Egdon and Third Energy, as well as majors like Exxon which was unsuccessful in Poland.
The plans could also be delayed by an injunction hearing due on October 10.
Environment group Friends of the Earth said the injunction was sought by Bob Dennett, a resident in Lancashire, the English county where the project located.
The hearing “will decide whether the injunction is upheld or whether fracking can commence whilst there is an outstanding judicial review over emergency planning procedures at the site,” Friends of the Earth said in a statement.
Egan said this was a “last ditch, desperate attempt to slow us down” and said: “We think we have a very strong case to have that rejected and we will be in court next week arguing that.”
The British Geological Survey estimates shale gas resources in northern England alone could amount to 1,300tn cubic feet (tcf) of gas, 10% of which could meet the country’s demand for almost 40 years.
Britain has just 6.5 tcf in proved reserves and last year pumped 1.5 tcf, according to the BP Statistics Review.
Proved reserves are the strictest calculation of oil and gas that can be commercially extracted.
They change as discoveries are made.
Cuadrilla, owned by Australian mining servicing company AJ Lucas and US private equity fund Riverstone, said resource estimates were about 330 tcf for its licence area.
Cuadrilla’s aimed to test a consultancy estimate that a single

2.5km (1.25 mile) well would produce 6bn cubic feet (bcm) of gas over its lifetime or about 5mn cubic feet a day, Egan said.
If the tests are positive, Cuadrilla has permission for two more wells at the site located next to a road connecting the northern English towns of Preston and Blackpool.
Cuadrilla has enough funds for the current tests.
Its shareholder Riverstone, a $38bn private equity fund, has invested in US shale firms such as pipeline operator Kinder Morgan.

IEA sees world oil market 'adequately supplied'

Reuters/London

Oil markets look "adequately supplied for now" after a big increase in production over the last six months but the oil industry is coming under strain as it copes with increasing global demand, the West’s energy watchdog said yesterday.

The International Energy Agency said in its monthly report that the world’s spare oil production capacity was already down to only 2% of global demand, with further reductions likely to come.

“This strain could be with us for some time and it will likely be accompanied by higher prices, however much we regret them and their potential negative impact on the global economy,” the Paris-based IEA said.

Members of the Organisation of the Petroleum Exporting Countries and other exporters such as Russia and US shale producers had increased oil production sharply since May, the IEA said, raising output by 1.4mn barrels per day (bpd).

Overall Opec had boosted production by 735,000 bpd since May as Middle East Gulf producers such as Saudi Arabia and the UAE more than compensated for declining output in Venezuela and Iran, which is facing US sanctions from next month.

And the outlook for world oil consumption was faltering.

The IEA cut its forecast of global oil demand growth by 0.11mn bpd for both this year and next to 1.28mn bpd and 1.36mn bpd respectively.

“This is due to a weaker economic outlook, trade concerns, higher oil prices and a revision to Chinese data,” said the IEA, which advises major oil consumers on energy policy. OECD commercial stocks rose by 15.7mn barrels in August to 2.854bn barrels, their highest level since February, on strong refinery output and liquefied petroleum gas restocking, the IEA said.

It added that OECD inventories were likely to have risen by 43mn barrels in the third quarter, the largest quarterly increase in stocks since the first quarter of 2016.

“The increase in net production from key suppliers since May of approximately 1.4mn bpd, led by Saudi Arabia, and the fact that oil stocks built by 0.5mn bpd in 2Q18 and look likely to have done the same in 3Q18, lends weight to the argument that the oil market is adequately supplied for now,” the IEA said.

Airbus may beat Boeing to market with range-boosting plane

London: Airbus SE could build a longer-range version of its newest narrow-body jet by 2023, according to prospective buyer Air Transat, beating a competing Boeing Co. model to the market.

The Canadian carrier’s president, Jean-Francois Lemay, has been briefed by Airbus on its thinking regarding service entry for the proposed aircraft, as well as by leasing firm AerCap Holdings NV, the biggest supplier to its fleet, he said in an interview in London.

A development of the existing A321neo known as the XLR for extra long range, the Airbus plane is under consideration as Boeing mulls a launch decision for a family of mid-range jets with the working title New Mid-Market Aircraft, or NMA. That model is a wholly new design and wouldn't reach airlines until about 2025, Chief Executive Officer Dennis Muilenburg said on a July earnings call.

"We're a natural buyer for the XLR," Lemay said Thursday, adding that the current LR — or long-range version — of the A321neo that will join its fleet from next year has the capability to reach Britain, France, Spain and Portugal from Canada, but won't be able to serve European locations further east.

No date yet

Airbus hasn't yet indicated a service-entry date for a new plane. Asked about the 2023 timing, a company spokesman said that "it's no secret the A321 still has lots of potential."

Lemay also gave some insight into the likely range of the aircraft, saying it would easily reach destinations such as Split in Croatia, which Air Transat plans to serve from 2019. The route will initially use the carrier's fleet of Airbus A330 wide-bodies as it's beyond the reach of the A321neoLR, he said.

The A321neo is already nibbling away at the bottom end of the 220-to-270-seat market Boeing is targeting for the NMA, with the LR variant racking up orders from carriers like Air Transat that see it as the best prospect to replace the US firm's out-of-production 757 and the 767 on some trans-Atlantic routes.

Lemay said he's braced for a lag of four to six weeks in the delivery of Air Transat's first LR, scheduled for February, as Airbus grapples with delays prompted by faults afflicting the model's engines. A second jet is due in March but the slippage won't be problematic so long as both are available by the time the peak summer timetable kicks in June, he said.

Not in Running

Air Transat isn't in the market for the NMA — also dubbed the 797 — since it's moving to an all-Airbus fleet, Lemay said, with a total of 15 A321 LRs set to allow the retirement of five Boeing 737s, as well as older Airbus A310s. Operating aircraft that all its pilots can fly will help save as much as C$15 million ($12 million), he said.

The executive predicted that trans-Atlantic flying will become increasingly narrow-body dominated as carriers from Norwegian Air Shuttle ASA to IAG SA's Aer Lingus embrace the potential of smaller planes with longer ranges.

The market is vital for Air Transat, he said, generating 90 per cent of revenue during the summer lull in travel from Canada to the Caribbean, a flow that's busier in winter when it accounts for 85 per cent of sales. With the A321 LR — and potentially the XLR — the carrier will have planes perfectly suited to both markets for the first time, Lemay said.

China swoops in on Canadian oil that's $50 below US crude

Bloomberg/London BP boss Bob Dudley launched a wide-ranging attack on the divestment movement that's calling on institutional investors to sell down their oil stocks, rejecting warnings from the likes of the Bank of England that hydrocarbons present a risk to the financial system. There are "people who want to drive a wedge between the energy industry and investors — between oil and money," Dudley said on Wednesday at the Oil & Money conference in London. "They push for potentially confusing disclosures, raise the spectre of a systemic risk to the financial system from stranded assets, and campaign for divestment.” The criticism puts the British oil major at odds with the country’s central bank. Governor Mark Carney has suggested that the fight against climate change could leave some oil reserves stranded — effectively worthless — and that the exposure of UK investors is “potentially huge.” Now asset managers are increasingly prodding the world’s biggest polluters to come up with stronger green strategies. Proponents of the divestment movement “are driven by good intentions, but my concern is that their suggested recommendations could lead to bad outcomes,” Dudley said. “We could take a different, more innovative and collaborative path. One that recognizes many fuels must play a part in meeting the dual challenge — albeit made much cleaner.” Since activist group 350.org started the climate divestment movement in 2012, multiple institutional investors have signed up to the six Principles for Responsible Investment, a UN-backed framework for incorporating environmental, social and governance issues into investment practices. Carney himself is leading a group called the Task Force on Climate-Related Financial Disclosures, prodding companies to make transparent the risks they face from environmental rules. Dudley cautioned that such disclosures can open companies up to potential litigation. “I know what will happen: we’ll get sued by a certain industry because we’re off the path after a year,” he said. “So we need some sort of safe-harbour statements” from the regulator before that can work.

BP slams oil stock divestment

in call for ‘collaborative path’

Bloomberg/London

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ECB is divided over protectionist risks to eurozone, show minutes

AFP, Reuters/Frankfurt

European Central Bank chiefs were divided at their September meeting over the danger to the eurozone economy from protectionism and other global threats, with some calling for a gloomier assessment.

“It was remarked that a case could also be made for characterising the risks to activity as now being tilted to the downside,” according to a regular account of the private gathering published by the ECB yesterday.

Following the September 13 meeting, ECB president Mario Draghi told journalists that risks to the 19-nation single currency area remained “broadly balanced”. The account reveals colleagues on the institution’s governing council had earlier highlighted “risks relating to rising protectionism, vulnerabilities in emerging markets and financial market volatility having gained more prominence recently”. In the end, policymakers decided to stick to the “broadly balanced” language.

“The underlying strength of the economy was judged to be mitigating downside risks,” they agreed.

At its meeting in Bali this week, the International Monetary Fund (IMF) also expressed caution for the eurozone over growing risks, downgrading its 2018 growth forecast from 2.2 to 2.0%. A slowdown in economic activity could trip up the ECB as it winds down its “quantitative easing” (QE) mass bond-buying scheme, designed to boost economic growth and inflation by pumping cash through the financial system and into the real economy.

It is on the home stretch of its exit, slashing monthly purchases of government and corporate debt by half to €15bn ($17.4bn) in October before a planned stop in December.

But with inflation projected to hover around 1.7% between this year and 2020, the central bank remains short of its target of price growth close to, but below 2.0%. Even after the end of QE, it plans to keep interest rates at historic lows “through the summer of 2019” to help keep credit flowing to firms and households.

The ECB kept policy unchanged as expected last month, staying on track to wrap up a €2.6tn ($3tn) bond purchases scheme this year and raise interest rates next autumn, continuing its slow but steady pace of policy tightening.

Indeed, even as trade tensions weighed on growth and a stock market selloff amplified growth fears, some policymakers argued that was not enough for the bank to backtrack on policy normalisation.

“A gradual pace of monetary policy normalisation is justified,” Finnish central bank chief Olli Rehn said in Indonesia on yesterday. “The current strength of the euro area economy supports our confidence that inflation will converge towards… the ECB’s price stability target.” But some policymakers appear to be increasingly cautions, according to the minutes.

“A remark was made that some of the factors behind the (downward growth) revisions might not be entirely of a transitory nature,” the minutes showed. “It was also argued that there could be larger spillovers from weaker external demand to domestic demand.”

Still, while some policymakers argued that the case could be made for downgrading the risk assessment, there was agreement that the underlying strength of the economy would mitigate the downside risks to activity.

“High-frequency indicators had stabilised and remained at elevated levels, underlining the overall robustness of economic activity,” chief economist Peter Praet told policymakers at the meeting, the minutes showed. With years of unprecedented stimulus finally lifting inflation, the ECB has been dialling back support, but only by the smallest of increments, fearing that bigger moves risked unravelling its work.

While the ECB has not explicitly pledged any rate hikes, policymakers, including Praet, have argued that they were comfortable with market expectation for a small increase in the fourth quarter of 2019, followed by only small and infrequent moves.

“To be any more precise than that, to lock in a date, to tie our hands, would be rather risky,” Ardo Hansson, Estonia’s central bank chief said at the annual meeting of the International Monetary Fund yesterday.

“When we get closer, we can have another discussion if we need to adjust the language again, but this is not a debate we are going to have just yet,” Hansson said.

Policymakers also concluded last month that domestic cost pressures continued to build and broaden, indicating that inflation would rise, moving back towards the bank’s target of almost 2% after undershooting it for over five years.

Opec expects weaker demand for its crude next year as

rivals surge

Bloomberg/London

Opec is under intense pressure right now from consumers to ease prices by pumping more crude, but for 2019 it sees a more doubtful picture.
The group cut its estimate for global demand for its crude next year due to weakening economic growth and higher output from rivals, notably US shale drillers. The world will need almost 900,000 fewer barrels from the group each day in 2019 – equivalent to Libya’s average output this year.
The weaker outlook comes as pressure is increasing on the Organization of Petroleum Exporting Countries and its allies to pump more to offset the impact of looming US sanctions on Iran and Venezuela’s collapsing oil industry. In addition to tweets from President Donald Trump demanding action, Opec secretary-general Mohammad Barkindo said yesterday that India has written to the group expressing its discomfort with the current market. “There is no cause for alarm,” Barkindo said at the Oil and Money conference in London. Opec and its allies “are ready and willing to continue to make sure that the market remains well supplied.”

The group’s daily production rose by 132,000 barrels in September to 32.76mn. While Iran’s output fell by 150,000 bpd and Venezuela lost 42,000 bpd, Saudi Arabia and Libya more than offset the decline.

Still, Opec’s monthly oil market report provided some reasons to question the sustainability of the rally in crude futures to four-year highs last week.

The group reduced its estimates for the expansion in global consumption in 2018 and 2019, citing slowing economic activity in emerging markets. Demand growth of 1.54mn bpd this year will slow to 1.36mn next year. At the same time, it added 200,000 bpd to its estimate for non-Opec supply this year as the US, Canada, Kazakhstan and Brazil grow faster than expected.

Stockpiles of crude and refined products in industrialised countries rose by 14.2mn barrels in August, a second consecutive monthly increase. The outlook for supply and demand in 2019 indicates that inventories could continue to rise, Barkindo said.

Oil prices could fall next year as the “fear factor” that’s currently gripping the market subsides, Ian Taylor, chairman of the world’s largest independent oil trader Vitol Group, said in an interview with Bloomberg television on Wednesday.

Next UK Fracer Shrugs Off Shutdown Risk Seeing Need for Gas (Friday, 12 October 2018)

The head of the corporate set to drill Britain's first fracing effectively in a decade shrugs off the danger that protesters and authorities's foremost opposition will shut down his undertaking earlier than it will possibly begin.

Francis Egan, the CEO of Cuadrilla Resources, is poised to start hydraulic fracturing inside days at a effectively in northwest England. No matter what's determined by courts or politicians weighing the problems, Egan stated the UK's rising wants for pure fuel will stay a distinguished issue within the debate.

While the ruling Conservative Party has backed fracing, the Labour opposition stated it can ban it if it takes energy. And Labour's ascent is more and more attainable given the delicate majority the federal government is sustaining forward of knife-edge votes deliberate on Britain's plan to depart the European Union.

"Brexit or no Brexit, having cheap homegrown manufacturing of your power is an effective factor," Egan stated. "Governments come, and governments go. But power demand isn't going anyplace and fuel provide is continuous to lower. Fundamentally will probably be a political selection whether or not you wish to supply your fuel from Lancashire or

Russia.”

Earthquakes

The UK shale business was stopped in its tracks in 2011 after fracing by Cuadrilla prompted minor earthquakes at its northwest England web site. The drilling is a magnet for indignant protests amid claims that it’ll irreparably hurt the surroundings and maintain the nation wedded to polluting fossil fuels. Proponents say that Britain’s untapped shale fuel reserves might make the nation’s home power provide safe for years to return.

“What’s typically both forgotten or intentionally sidelined is that we are going to be utilizing fuel,” Egan stated. “There is not any situation that any credible power forecaster that claims we received’t be utilizing fuel for a lot of a long time to return.”

Cuadrilla has permission to drill and frac 4 wells at its Lancashire web site. It will start fracing the primary of two horizontal shale fuel exploration wells by Friday on the earliest. The firm will then take three months to extract the primary move of fuel earlier than testing its viability. It’s unlikely the location can be commercially productive till 2021, Egan stated.

Fracing entails pumping fluid and sand-like particles into wells below excessive stress that breaks aside underground rock formations liberating petroleum deposits trapped in troublesome to succeed in reservoirs. There have been aspirations for the UK to emulate the U.S. shale increase, however the business stays small and unproductive.

It’s one of many few applied sciences that would sluggish and even reverse the sharp declines in oil and fuel manufacturing from the North Sea as typical deposits are pumped dry. Britain prospered within the 1980s and 1990s with wealth tapped by the oil business, however revenue has shrunk since manufacturing peaked.

Natural fuel can also be in demand. Britain has been working to restrict fossil gas emissions to rein in local weather change, re-positioning its power sources away from coal crops and towards cleaner sources akin to fuel, which at the moment makes up about 42% of the nation's power combine.

"It is a fossil gas, nevertheless it has the bottom emissions of fossil fuels and our view is it might be higher to develop this right here the place you'll be able to regulate and management it than simply shut your eyes and fake nothing is going on as you ship it throughout Europe from Russia," Egan stated.

Protesters are nonetheless making themselves heard, completely stationed outdoors the Lancashire web site the place three males have been arrested and later jailed for so long as 16 months for public nuisance offenses.

Lawmakers aren't backing off both – Labour power spokeswoman Rebecca Long-Bailey has pledged to ban fracing ought to her celebration win an election. There's disquiet in regards to the follow within the Conservative ranks over plans to streamline the appliance course of.

In a final gasp try to dam Cuadrilla from fracing, a protester filed for an injunction on the UK High Court. Cuadrilla can't do a factor till a choose decides on Thursday whether or not the authorized problem has any…