

US mediator said to give Israel, Lebanon deadline to reach maritime agreement



A US mediator has reportedly informed Israel and Lebanon that if they cannot agree to a compromise over a disputed maritime region, he will end his involvement in the talks.

US envoy Amos Hochstein, who visited Israel this week, suggested to top Israeli officials that they need to get the deal done before the March 2022 parliamentary election in Lebanon, the Axios news site quoted Israeli officials as saying on Wednesday.

Hochstein was also in Beirut last month as he continues his efforts to restart the stalled talks.

Israel and Lebanon have no diplomatic relations and are technically in a state of war. They each claim about 860 square kilometers (330 square miles) of the Mediterranean Sea

as being within their exclusive economic zones.

The Israel-born envoy to the US-mediated talks, a longtime close adviser to President Joe Biden, also told officials that he was not planning to resume the joint talks held at a UN base on the border. Instead, he would meet with each side independently and then offer a bridging proposal.

“Hochstein told us he is not going to present a proposal that both sides like, but the opposite – that both won’t like. But if three to four months from now he sees the parties are not willing to take the deal, he would drop the whole thing and won’t deal with this anymore,” a senior Israeli official told Axios.

Hochstein was looking to get both sides to make serious compromises, officials said, noting that both countries wanted to resolve the dispute despite tensions between them.

Lebanon has sunk deep into an economic and financial crisis that started in late 2019 – a culmination of decades of corruption and mismanagement by the political class. The small Mediterranean country is eager to resolve the border dispute with Israel, paving the way for potential lucrative oil and gas deals.

Hezbollah leader Hassan Nasrallah last month warned Israel against unilaterally searching for natural gas in the disputed maritime region before any agreement between Lebanon and Israel is reached.

In a wide-ranging speech broadcast from an undisclosed location during a ceremony marking Prophet Muhammad’s birthday, Nasrallah said that while he would leave it up to the Lebanese government to negotiate an end to the dispute, his group would not tolerate Israeli searches in the disputed region.

Accusing Israel of casting a “greedy” eye over Lebanon’s

natural resources, the terror leader said Israel was “mistaken if it thought it could extract these resources from the disputed area before negotiations are completed.”

“The resistance is capable of acting and will do so against any Israeli actions in the disputed zone,” Nasrallah said, accusing Israel of giving a company the go-ahead to begin explorations.

Maritime borders deal between Greece, Italy comes into effect



ANKARA

A deal drawing maritime borders between Greece and Italy came

into effect on Monday, said Italian diplomatic sources.

The two countries exchanged the tools of ratification of the deal during an official visit by Greek Foreign Minister Nikos Dendias to Rome, said Italy's Foreign Ministry in a statement.

During the meeting with Italian Foreign Minister Luigi Di Maio, cooperation in the fields of energy and economy, and regional developments, particularly concerning Libya and the Eastern Mediterranean, were also addressed, the statement added.

According to Italian official news agency ANSA, Dendias accused Turkey of "violations in the Eastern Mediterranean" and threatening Greece.

Turkey, while seeking to defend its fair share of maritime territory in the Eastern Mediterranean, has decried recent provocative Greek moves such as the militarization of Aegean islands that are demilitarized by a treaty, navigational alerts (Navtex) that violate longstanding pacts, and illegal encroachment on Turkey's continental shelf.

Turkey, which has the longest continental coastline in the Eastern Mediterranean, has rejected the maritime boundary claims of Greece and the Greek Cypriot administration, stressing that these excessive claims violate the sovereign rights of both Turkey and the Turkish Cypriots.□□□□□□

Turkish leaders have repeatedly stressed that Ankara is in favor of resolving all outstanding problems in the region -- including maritime disputes -- through international law, good neighborly relations, dialogue, and negotiations.□□□□□□

Also, the implementation of the EU's National Recovery and Resilience Plan for handling the economic effects of the pandemic, cooperation against irregular migration, and EU's enlargement to the Western Balkans were discussed between the two ministers.

Dendias, on Tuesday, was received by the Vatican's Secretary of State Pietro Paroli.

In the meeting, bilateral and regional developments, ahead of Pope Francis' scheduled visit to Greece on Dec.4-6, were discussed, said the Greek Foreign Ministry.

Greece, a predominantly Orthodox country, has a minority of over 50,000 Catholics, excluding expatriates and migrants, who are mostly concentrated in islands in the Aegean and Ionian Sea.

La Cop26 di Glasgow: le linee guida per i Paesi del Mediterraneo



Roudi Baroudi: un appuntamento fondamentale per definire strategie politiche economiche efficaci a contrastare il cambiamento climatico.

Il noto esperto a livello internazionale in campo energetico Roudi Baroudi, pone in evidenza una riflessione in concomitanza con l'imminente arrivo della conferenza sul cambiamento climatico delle Nazioni Unite (COP26) che si terrà quest'anno a Glasgow.

Baroudi definisce questo appuntamento memorabile e storico in particolare per i paesi del bacino del Mar Mediterraneo, Italia compresa. Fa osservare che l'aumento delle temperature e la crisi climatica globale è in atto e gli eventi dell'estate 2021 ne sono la testimonianza reale.

Il fenomeno degli incendi, per esempio, si manifesta con dimensioni e intensità insolite rispetto al passato ed anche nel caso di attività dolosa l'aridità circostante e le alte temperature hanno favorito la propagazione violenta nelle aree colpite generando numerose morti, danni alle proprietà e

distruzioni dei terreni agricoli coltivati. In casi come quello della Turchia seguiti da forti inondazioni dovute a piogge torrenziali dopo pochi giorni.

Questi fenomeni non sono più eventi sporadici localizzati in determinate aree, ma costituiscono una vera e propria testimonianza della catastrofe climatica in atto.

Questo ci impone di moltiplicare gli sforzi e sperare di poter invertire la tendenza prima che raggiunga un punto di non ritorno. Se non andremo in questa direzione, continua Baroudi: "la nostra specie dovrà affrontare un futuro sempre più complesso con più incendi, innalzamento del livello del mare, accelerazione dell'acidificazione degli oceani, calo degli stock ittici, tempeste più violente, siccità più lunghe e intense, raccolti compromessi, milioni di rifugiati climatici e fame di massa".

Svariati paesi del Mediterraneo, specialmente appartenenti ad Asia ed Africa hanno già situazioni complesse dal punto di vista territoriale per via della posizione geografica (Sud Italia incluso), inoltre i paesi con meno disponibilità economica fanno ancora molta fatica nella conversione ad impianti con minor impatto ambientale.

Nonostante questo scenario apocalittico, incalza Baroudi, non tutto è perduto. L'Unione europea ha compiuto progressi importanti rispetto alla maggior parte del resto del mondo e sta adottando delle politiche più stringenti sulle emissioni.

Anche gli Stati Uniti stanno intensificando i propri sforzi dopo quattro anni di cambio rotta sotto l'amministrazione Trump. In tutto il mondo, finalmente, si sta avendo maggiore consapevolezza del problema in maniera più trasversale dal pubblico al privato.

Alla COP26, i leader ed i referenti politici dei paesi partecipanti dovrebbero lavorare costruttivamente ed ascoltare scienziati ed attivisti che chiedono un'azione più rapida ed

efficace, inclusa una maggiore assistenza finanziaria per aiutare i paesi meno fortunati a unirsi seriamente alla lotta per il cambiamento climatico.

I programmi che i paesi del Mediterraneo porteranno a Glasgow saranno cruciali perché, nonostante la situazione in atto, la maggior parte di questi stati ha un vantaggio territoriale: ampi spazi e condizioni quasi ideali per le turbine eoliche offshore. Uno studio recente, che utilizza una varietà di tecnologie per elaborare dati previsionali, stima il potenziale combinato di energia eolica di tutti i 23 paesi euro mediterranei (in modo alquanto prudente) a quasi 1,5 milioni di megawatt. Si consideri che l'intera industria nucleare mondiale ha una capacità di circa 400.000 MW, ovvero meno di un terzo di quella che il Mediterraneo potrebbe produrre solamente con impianti eolici. Senza calcolare l'impiego di altre tecnologie: l'idrocinetica sia fluviale che marina (onde e maree), geotermica (on e offshore) e solare (200.000-300.000 MW).

Questa strategia darebbe una propulsione allo sviluppo di molti paesi che oggi hanno uno scarso accesso all'energia elettrica a prezzi accessibili, inoltre l'indotto relativo alle costruzioni degli impianti darebbe nuovi posti di lavoro oltre a molteplici benefici: la possibilità di sostituire i vecchi impianti di produzione più inquinanti, ridurre gradualmente l'importazione di carburanti fossili, rivendere nella rete l'eccesso di produzione energetica ed investire il ricavato in infrastrutture, politiche sociali o ulteriori impianti green.

Uno sviluppo omogeneo delle rinnovabili favorirebbe la transizione progressiva dai combustibili fossili, riducendo le emissioni di carbonio che causano il cambiamento climatico e quindi facendo gli interessi di tutti, ovunque.

Queste proiezioni positive non si avvereranno mai per osmosi. Molti paesi nel Mediterraneo hanno bisogno di assistenza

finanziaria e tecnica per mettere in pratica i progetti di conversione. L'accordo di Parigi includeva impegni economici da parte degli stati più ricchi per finanziare i paesi più bisognosi, ma molti governi non hanno rispettato l'accordo. Questo è controproducente, proprio come la mancata distribuzione del vaccino contro il COVID ai paesi del Sud del mondo, un errore imperdonabile che non solo determina la morte di persone innocenti, ma crea anche terreno fertile per nuove varianti del virus. Se la transizione verso un'energia più pulita creasse difficoltà alle popolazioni già svantaggiate, potrebbe venire a mancare il sostegno popolare verso questo percorso, con conseguenze terribili per tutti noi. Se lasciato incontrollato, il cambiamento climatico potrebbe provocare morte e distruzione ovunque creando flussi migratori ingestibili.

Roudi Baroudi conclude esortando la COP26 a produrre nuovi programmi di finanziamento da parte dei paesi ricchi verso quelli più poveri senza creare situazioni di assistenzialismo. Ci sono moltissime risorse a disposizione e c'è poco tempo per agire, quindi gli stati finanziatori non possono permettersi di sbagliare. I prestiti agevolati andranno messi a disposizione per i paesi più virtuosi che garantiranno la finalizzazione dei progetti. L'unico modo per farlo è articolare una strategia coerente per eseguire progetti rilevanti e fattibili con tempi e budget ben definiti. In particolare, i governi regionali devono dissipare i timori giustificati che, i fondi destinati ai progetti per le energie rinnovabili o ad altri strumenti di decarbonizzazione, andranno invece a riempire le tasche di funzionari locali corrotti.

Queste sono le linee guida che deve seguire quest'anno la conferenza di Glasgow. La lotta ai cambiamenti climatici è ampiamente considerata come la sfida più importante che la nostra specie abbia mai affrontato e la capacità della regione di proteggersi e di esercitare il proprio peso sarà in bilico

alla COP26. I paesi che si presentano con piani ben sviluppati per progetti concreti avranno la strada spianata per varie forme di finanziamento. Coloro che non lo faranno saranno inevitabilmente tagliati fuori.

OPEC+ Softens View of Market Tightness



OPEC+ technical experts downgraded their expectations for how tight global oil markets will be this quarter, a week before ministers meet to decide production policy.

The global oil-supply deficit will be just 300,000 barrels a day on average in the fourth quarter, the coalition's Joint Technical Committee concluded on Thursday, according to delegates. That's much smaller than the 1.1 million barrel

daily shortfall shown in figures initially presented to the panel, which revised its view using fresher data on demand, delegates said.

The Organization of Petroleum Exporting Countries and its partners gather on Nov. 4 to review their plans to gradually restore some more of the production they halted during the pandemic. The revision to the supply and demand figures could give support to the cautious position espoused by cartel-leader Saudi Arabia, which has resisted calls to increase output more quickly.

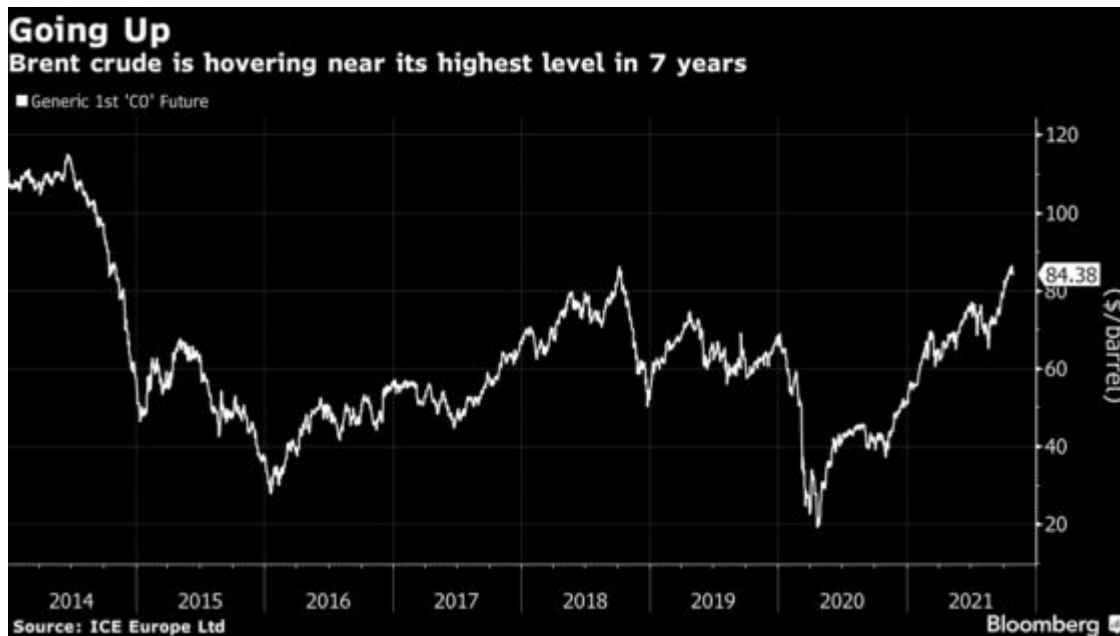
While crude's rally to a seven-year high has spurred the White House to seek additional supplies, the kingdom has warned that demand remains vulnerable to ongoing outbreaks of the coronavirus. Brent futures neared \$87 a barrel on Monday, but have since eased by a few dollars.

"We're not out of the doldrums of Covid," Saudi Energy Minister Prince Abdulaziz bin Salman said in a Bloomberg television interview on Oct. 24. "One needs to be careful also of taking things for granted when the crisis has been somewhat contained, but is not necessarily over."

The 23-nation OPEC+ alliance, jointly led by the Saudis and Russia, is reviving shuttered supplies in modest increments of 400,000 barrels a day each month. It's expected to ratify another such hike when ministers convene on-line next week.

The JTC also adopted a more bearish outlook for 2022, because of stronger-than-expected growth in non-OPEC supply. There will be an average surplus of 1.6 million barrels a day next year, the committee concluded, compared with preliminary estimates of 1.3 million a day.

As Oil Races Toward \$100, Consumers Tell OPEC+ Enough Is Enough



For the past year, oil consuming countries have become increasingly anxious at crude's resurgence: first to \$50 a barrel, then \$75 and now to more than \$85. And when Vladimir Putin, one of the leaders of the OPEC+ cartel, warned that \$100 a barrel was a distinct possibility, the alarm bells really started ringing.

Now, as quickening inflation pushes some central banks towards earlier-than-expected rate of interest hikes, the U.S. India, Japan and different consuming international locations are placing the strongest diplomatic strain on the cartel in years.

Behind closed doorways, an intense marketing campaign is being waged to influence OPEC+ to hurry up its output will increase, in line with a number of diplomats and business insiders concerned within the contacts. The cartel, which meets just about on Nov. 4 to assessment coverage, is at the moment boosting output at a price of 400,000 barrels a day every

month.

The personal efforts come on prime of current public appeals. The Biden administration is more and more alarmed by rising gasoline costs which have reached a 7-year excessive, and has been calling on OPEC+ for weeks to pump extra oil. Japan, the world's fourth-largest oil client, took the uncommon step of including its voice to these calls in late October – a primary for Tokyo since 2008. India, the third-largest client, has additionally requested for extra crude. China has been silent in public, however is equally vocal in personal, diplomats stated.

“We found ourselves in an energy crisis,” Amos Hochstein, the highest U.S. power diplomat, stated this week, reflecting a view broadly held view by large oil consuming nations. “Producers should ensure that oil markets and gas markets are balanced.”

U.S., Japanese and Indian officers have spoken privately amongst themselves and likewise reached out to different large customers and oil-producing international locations. The calls began round three weeks in the past, however have intensified in current days after costs handed \$85 a barrel.

The Japanese “government is currently asking oil-producing countries to increase production in the Middle East,” in line with Tsutomu Sugimori, chairman of the Petroleum Association of Japan. “As the petroleum industry, we hope oil-producing countries, including OPEC, will take appropriate steps so as not to hinder a full-fledged recovery of the world's economy.”

So far, Saudi Arabia and others have refused to go faster, arguing the month-to-month 400,000 barrel-a-day additions are sufficient to fulfill the urge for food for oil in a world financial system nonetheless nursing the injuries of the pandemic.

“We are not yet out of the woods,” Saudi Energy Minister Prince Abdulaziz bin Salman stated on Bloomberg Television

final week. "We need to be careful. The crisis is contained but is not necessarily over."

The prince's feedback have been echoed in personal and public by others inside the OPEC+, an alliance of nations accounting for almost two-thirds of the world's oil provide. Azerbaijan Energy Minister Parviz Shahbazov stated for instance there wasn't a must rush quicker output will increase. "We have agreed on a very wise and smart program for months to come," he stated.

Saudi Arabia will most likely get its approach if it pushes to stay with a 400,000 barrel-a-day hike subsequent. For many OPEC+ officers they're being made a scapegoat for a disaster they didn't create. The downside, they argue, is just not oil however hovering pure gasoline and coal costs, which in flip have boosted electrical energy costs. Even if the cartel was to go quicker, that wouldn't resolve these shortages, they stated.

Some within the group who can be open to doing extra, nevertheless, if Saudi Arabia took the lead, a number of OPEC+ delegates stated, asking to not be named earlier than the assembly takes place.

Shifting Mood

For most of this 12 months oil-consuming nations accepted OPEC+ was doing sufficient. But after oil costs rose from \$70 to greater than \$85 a barrel and crude inventories in industrialized international locations declined sharply over the past couple of months, the temper has shifted. Now officers from consuming international locations consider the oil market is under-supplied.

Many consuming international locations have been reluctant to name extra overtly for additional oil manufacturing simply earlier than a serious UN local weather change summit in Glasgow, Scotland, referred to as COP26. But even that notion

downside is beginning to fade. Jake Sullivan, the U.S. national security advisor, defined that Washington might combat in opposition to local weather change and guarantee there's sufficient power to gasoline financial progress within the quick future.

"Our view is that the global recovery should not be imperiled by a mismatch between supply and demand," Sullivan stated on board Air Force One whereas en path to Rome for this week's Group of 20 summit. "And action needs to be taken," he stated, revealing that American diplomats have been in contact with "the largest consuming countries in the world to include China as well as India, Japan, Korea, the Europeans, and others."

President Joe Biden "will have those conversations at the G-20," Sullivan stated. "We will see what comes as a result of those conversations."

Most Read from Bloomberg Businessweek

©2021 Bloomberg L.P.

Making the most of our energy wealth



Lebanon is presented with the most serious challenges it has faced in the past decade. The economy is struggling, the internal security situation is deteriorating and the country's neighbors pose real threats. In these circumstances the very fact that the country continues to operate can be seen as a success. And amidst everything, there are opportunities – not just in newfound offshore oil and gas but also within the country's ingenious population.

As we head into 2013, what can be done to help the country unite, to overcome its challenges and ultimately to grow? Over the course of this week, eight influential figures will address seven important topics, each suggesting one proposal to help the country move forward. In this article, the World Energy Council's Roudi Baroudi calls for measures to protect the country's offshore oil and gas from corruption.

My one hope for Lebanon in 2013 is that all of its various political leaders and factions take and/or allow the necessary steps for sound and sustainable development of the country's newly promising energy sector.

Why? Because virtually all of the measures involved a) are just common sense; b) require little or no investment of

scarce public resources; and c) happen to be the same changes required to reform, rebuild and genuinely reconcile Lebanon as a whole.

On the overall energy front, the first change would have to be one of mindset. For too long, the sector has been treated by officials, their relatives and their cronies as a cash-cow for themselves rather than as an essential ingredient in building and operating a modern nation-state. From heavy industry to the average family, everyone is affected by the chronic power shortfall. We are more than a decade into the 21st century: doing homework by candlelight should be the stuff of tales told by grandparents, not the current experiences of schoolchildren also learning to use computers. Imagine if those tasked with formulating and implementing energy policy were concerned at last with basic public goals: namely, how best to deliver affordable, reliable and sustainable energy (electricity, LPG “cooking gas”, gasoline, diesel oil, fuel oil) to all Lebanese.

In turn, this new attitude could quickly convince Lebanese politicians of the need to follow the law by forming a regulatory authority for electricity, and one for the nascent oil and gas industry as well. This would go hand in hand with a government newly determined to ensure transparency, for instance by disseminating all available general information and specific knowledge about the process(es) by which the future of the oil and gas sector is being planned and managed.

The same enlightened leadership would seek out and adopt the best practices at every stage of its oil and gas venture, starting at the beginning. For example, Lebanon should spend its taxpayers’ money wisely by restricting its paid advertising to globally recognized industry publications and highly regarded professional and financial publications like the Economist and the Financial Times, and using the websites of the World Bank and the European Commission – for free – in order to ensure the broadest possible international awareness

of the country's hydrocarbon potential. The government could then consult the latter two bodies and other reputable institutions to help understand the experiences of other emerging energy powers and avoid making the same costly mistakes.

Thus animated, not just by the need to closely monitor oil and gas developments, but also by its duty to keep the public informed, the Ministry of Energy and Water would secure timely and professional analysis of the seismic studies immediately following their completion – then, based on these findings, publish the next steps approved by the government in order to pursue development of the fields.

In addition, with the seismic results in hand, the ministry could commission a well-known and qualified international consulting firm to prepare a comprehensive energy master-plan encompassing the entire industry and each of its sub-sectors. The electricity subsector component would be based on a long-term, least-cost expansion of generation and transmission which would take into account feasible grid interconnections with other countries in the region, the role of renewable energy, and integration of the environmental and climate change dimensions to demonstrate Lebanon's strategy for reducing its carbon footprints in its production and use of energy.

When it comes to the implementation of specific projects, the ministry would act diligently to ensure not only that all necessary environmental impact studies were being carried out, but also that the implementation of mitigating measures was done in accordance with both international best practice and the requisite environmental and social guidelines applicable in Lebanon.

The same spirit of respecting the law and pursuing the national interest also would cause Lebanese politicians, whatever their party loyalties, to avidly support the

continued reform of the judiciary, an acceleration of nominations to fill judicial vacancies, and other measures designed to strengthen the rule of law. All of these steps would magnify the impact of the others by helping to ensure that pieces of legislation passed by Lebanon's Parliament are no longer regarded as idle suggestions to be ignored at will.

All of the foregoing – flowing from the original wish that Lebanon's main political actors would stop obstructing oil and gas progress – would ensure a dynamic and profitable energy sector capable of alleviating many national problems, especially poverty. Properly managed, oil and gas would supply ample revenues for decades to come, providing the Lebanese state and Lebanese society with the resources they need to finally end the twin evils of systematic inequality and sectarian resentment.

If we really want our grandchildren not to be doing their homework by candlelight, then real change is needed. With simple steps and more enlightened leadership, we can start to make it happen in 2013.

Roudi E. Baroudi is an independent energy and environmental consultant and Secretary General of the World Energy Council – Lebanon Member Committee

What green artificial intelligence needs



Long before the real-world effects of climate change became so abundantly obvious, the data painted a bleak picture – in painful detail – of the scale of the problem. For decades, carefully collected data on weather patterns and sea temperatures were fed into models that analysed, predicted, and explained the effects of human activities on our climate. And now that we know the alarming answer, one of the biggest questions we face in the next few decades is how data-driven approaches can be used to overcome the climate crisis.

Data and technologies like artificial intelligence (AI) are expected to play a very large role. But that will happen only if we make major changes in data management. We will need to move away from the commercial proprietary models that currently predominate in large developed economies. While the digital world might seem like a climate-friendly world (it is better to Zoom to work than to drive there), digital and Internet activity already accounts for around 3.7% of total greenhouse-gas (GHG) emissions, which is about the same as air travel. In the United States, data centres account for around 2% of total electricity use.

The figures for AI are much worse. According to one estimate, the process of training a machine-learning algorithm emits a staggering 626,000lb (284,000kg) of carbon dioxide – five times the lifetime fuel use of the average car, and 60 times more than a transatlantic flight. With the rapid growth of AI, these emissions are expected to rise sharply. And Blockchain, the technology behind Bitcoin, is perhaps the worst offender of all. On its own, Bitcoin mining (the computing process used to verify transactions) leaves a carbon footprint roughly equivalent to that of New Zealand.

Fortunately, there are also many ways that AI can be used to cut CO₂ emissions, with the biggest opportunities in buildings, electricity, transport, and farming. The electricity sector, which accounts for around one-third of GHG emissions, advanced the furthest. The relatively small cohort of big companies that dominate the sector have recognised that AI is particularly useful for optimising electricity grids, which have complex inputs – including the intermittent contribution of renewables like wind power – and complex usage patterns. Similarly, one of Google DeepMind's AI projects aims to improve the prediction of wind patterns and thus the usability of wind power, enabling “optimal hourly delivery commitments to the power grid a full day in advance.”

Using similar techniques, AI can also help to anticipate vehicle traffic flows or bring greater precision to agricultural management, such as by predicting weather patterns or pest infestations.

But Big Tech itself has been slow to engage seriously with the climate crisis. For example, Apple, under pressure to keep delivering new generations of iPhones or iPads, used to be notoriously uninterested in environmental issues, even though it – like other hardware firms – contributes heavily to the problem of e-waste. Facebook, too, was long silent on the issue, before creating an online Climate Science Information Center late last year. And until the launch of the \$10bn Bezos Earth Fund in 2020, Amazon and its leadership also was missing in action. These recent developments are welcome, but what took so long?

Big Tech's belated response reflects the deeper problem with using AI to help the world get to net-zero emissions. There is a wealth of data – the fuel that powers all AI systems – about what is happening in energy grids, buildings, and transportation systems, but it is almost all proprietary and jealously guarded within companies. To make the most of this critical resource – such as by training new generations of AI – these data sets will need to be opened up, standardised, and shared.

Work on this is already underway. The C40 Knowledge Hub offers an interactive dashboard to track global emissions; NGOs like Carbon Tracker use satellite data to map coal emissions; and the Icebreaker One project aims to help investors track the full carbon impact of their decisions. But these initiatives are still small-scale, fragmented, and limited by the data that are available.

Freeing up much more data ultimately will require an act of political will. With local or regional “data commons,” AIs could be commissioned to help whole cities or countries cut their emissions. As a widely circulated 2019 paper by David Rolnick of the University of Pennsylvania and 21 other machine-learning experts demonstrates, there is no shortage of ideas for how this technology can be brought to bear.

But that brings us to a second major challenge: Who will own or govern these data and algorithms? Right now, no one has a good, complete answer. Over the next decade, we will need to devise new and different kinds of data trusts to curate and share data in a variety of contexts.

For example, in sectors like transport and energy, public-private partnerships (for example, to gather “smart-meter” data) are probably the best approach, whereas in areas like research, purely public bodies will be more appropriate. The lack of such institutions is one reason why so many “smart-city” projects fail. Whether it is Google’s Sidewalk Labs in Toronto or Replica in Portland, they are unable to persuade the public that they are trustworthy.

We will also need new rules of the road. One option is to make data sharing a default condition for securing an operating license. Private entities that provide electricity, oversee 5G networks, use city streets (such as ride-hailing companies), or seek local planning permission would be required to provide relevant data in a suitably standardised, anonymised, and machine-readable form.

These are just a few of the structural changes that are needed to get the tech sector on the right side of the fight against climate change. The failure to mobilise the power of AI

reflects both the dominance of data-harvesting business models and a deep imbalance in our public institutional structures. The European Union, for example, has major financial agencies like the European Investment Bank but no comparable institutions that specialise in orchestrating the flow of data and knowledge. We have the International Monetary Fund and the World Bank, but no equivalent World Data Fund.

This problem is not insoluble. But first, it must be acknowledged and taken seriously. Perhaps then a tiny fraction of the massive financing being channelled into green investments will be directed toward funding the basic data and knowledge plumbing that we so urgently need. – Project Syndicate

- *Geoff Mulgan, a former chief executive of NESTA, is Professor of Collective Intelligence, Public Policy and Social Innovation at University College London and the author of Big Mind: How Collective Intelligence Can Change Our World.*

**Saudi energy minister
dismisses calls for extra
OPEC+ barrels**



MOSCOW, Oct 14 (Reuters) – OPEC leader Saudi Arabia dismissed calls for speedier oil output increases on Thursday, saying its efforts with allies were enough and protecting the oil market from the wild price swings seen in natural gas and coal markets.

“What we see in the oil market today is an incremental (price) increase of 29%, vis-à-vis 500% increases in (natural) gas prices, 300% increases in coal prices, 200% increases in NGLs (natural gas liquids) ...,” Saudi energy minister Prince Abdulaziz bin Salman told a forum in Moscow on Thursday.

The Organization of the Petroleum Exporting Countries and allies led by Russia, collectively known as OPEC+, have done a “remarkable” job acting as “so-called regulator of the oil market,” he said.

“Gas markets, coal markets, other sources of energy need a regulator. This situation is telling us that people need to copy and paste what OPEC+ has done and what it has achieved.”

Asked about calls by major consumers like the United States

for OPEC+ to increase production further to cool off rising oil prices, Prince Abdulaziz said: “I keep telling people we are increasing production.”

He said OPEC+ would be adding 400,000 barrels per day (bpd) in November, and then again in the following months.

At its meeting earlier this month, OPEC+ stuck to its agreement of increasing production by 400,000 bpd a month as it unwinds production cuts.

“We want to make sure that we reduce those excess capacities that we have developed as a result of COVID,” he said, adding that OPEC+ wanted to do it “in a gradual, phased-in approach”.

Prince Abdulaziz said that while OECD oil inventories were on track to normalise at the end of this year, 2022 was looking “a bit of a challenging year”.

OPEC+ figures show the oil market is set for a surplus of about 1.4 million bpd next year.

Additional reporting by Katya Golubkova and Olesya Astakhova in Moscow, and Ahmad Ghaddar in London Editing by Jason Neely and Mark Potter

Our Standards: The Thomson Reuters Trust Principles.

China's Energy Crisis Is Hitting Everything From iPhones to Milk



NEW DELHI: The hit from China's energy crunch is starting to ripple throughout the globe, hurting everyone from Toyota Motor Corp to Australian sheep farmers and makers of cardboard boxes.

Not only is the extreme electricity shortage in the world's largest exporter set to hurt its own growth, the knock-on impact to supply chains could crimp a global economy struggling to emerge from the pandemic.

The timing couldn't be worse, with the shipping industry already facing congested supply lines that are delaying deliveries of clothes and toys for the year-end holidays. It also comes just as China starts its harvest season, raising concerns over sharply higher grocery bills.

China's export growth unexpectedly surged in August, with port disruptions due to fresh outbreaks of the delta virus having limited impact on trade.

"If the electricity shortages and production cuts continue, they could become yet another factor causing global supply-

side problems, especially if they start to affect the production of export products,” said Louis Kuijs, senior Asia economist at Oxford Economics.

Slower growth

Economists have already warned of slower growth in China. At Citigroup, a vulnerability index indicates that exporters of manufactured goods and commodities are particularly at risk to a weakening Chinese economy.

Neighbors like Taiwan and Korea are sensitive, as are metal exporters such as Australia and Chile, and key trading partners such as Germany are also somewhat exposed.

As for consumers, the question is whether manufacturers will be able to absorb higher costs or will pass them along.

“This is looking like another stagflationary shock for manufacturing, not just for China but for the world,” said Craig Botham, chief China economist at Pantheon Macroeconomics. “The price increases by now are pretty broad-based – a consequence of China’s deep involvement in global supply chains.”

UN index of global food costs is at the highest in a decade

Beijing has been scouring for power supplies as it tries to stabilize the situation. The impact on the global economy will depend on how quickly those efforts bear fruit.

Many Chinese factories reduced production for this week’s “Golden Week” holiday, and economists are closely watching whether power shortages will return as they ramp up again.

Already, though, some industries are under pressure, and the damage they’re seeing could quickly fan out to other sectors.

Paper

Consider paper. Production of cardboard boxes and packing materials was already strained by skyrocketing demand during the pandemic.

Now, temporary shutdowns in China have hit output even harder, leading to a possible 10% to 15% reduction in supply for September and October, according to Rabobank. That will add further complications to businesses already suffering from the global paper shortage.

Food

The food supply chain is also at risk as the energy crisis makes harvest season more challenging for the world's biggest agricultural producer.

Global food prices have already jumped to a decade high, and worries are mounting that the situation will worsen as China struggles to handle crops from corn to soy to peanuts and cotton.

In recent weeks, several plants were forced to shut or reduce output to conserve electricity, such as soybean processors that crush beans to produce meal for animal feed and oil for cooking.

Prices for fertilizer, one of the most important elements of agriculture, are skyrocketing, slamming farmers already buckling under the strain of rising costs.

The processing industry is set to be more severely affected than staples such as grains and meat, Rabobank analysts wrote in a report this week. In the dairy sector, power cuts could disrupt the operation of milking machines, while pork suppliers will face pressure from tighter supply of cold storage.

Wool

Outside of China, Australian sheep farmers are bracing for weaker demand just as they seek to sell their wool at auctions. The industry saw Chinese mills reduce production by up to 40% due to power cuts last week, Australian Broadcasting Corp reported.

Tech

The tech world could also see a dramatic hit, given that China is the world's biggest production base for gadgets from iPhones to gaming consoles, and a major center for the packaging of semiconductors used in autos and appliances.

Several companies have already experienced downtime at their Chinese facilities to comply with local restrictions. Pegatron Corp, a key partner for Apple, said last month it began to adopt energy-saving measures, while ASE Technology Holding Co, the world's biggest chip packager, halted production for

several days.

The overall impact on the tech sector has so far been limited because of customary shutdowns around the week-long holiday. Should the energy crunch worsen, it could hit production ahead of the crucial year-end shopping season.

Industry giants including Dell Technologies Inc and Sony Group Corp can ill afford another supply shock after pandemic-induced turmoil fomented a global chip shortage that will extend well into 2022 and beyond.

Automakers

Any further deterioration of the semiconductor market would also add headaches for automakers, who have already seen production crunched by the chip shortage.

The industry, which is high on the list of protected sectors in times like these, has thus far largely been spared from the effects of the power crisis.

Still, there have been some isolated instances. Toyota, which produces more than 1 million vehicles a year in China at plants centered around Tianjin and Guangzhou, has said some of its operations have been impacted by the power shortages.

Clean Energy Has Won the Economic Race



For decades, spectacularly inaccurate forecasts have underestimated the potential of clean energy, buying time for the fossil-fuel industry. But as two new analyses from authoritative institutions show, renewables have already convinced the market and are now poised for exponential growth.

DENVER – For decades, we at the Rocky Mountain Institute (now RMI) have argued that the transition to clean energy will cost less and proceed faster than governments, firms, and many analysts expect. In recent years, this outlook has been fully vindicated: costs of renewables have consistently fallen faster than expected, while deployment has proceeded more rapidly than predicted, thereby reducing costs even further.

Thanks to this virtuous cycle, renewables have broken through. And now, new analyses from two authoritative research institutions have added to the mountain of data showing that a rapid clean-energy transition is the least expensive path forward.

Policymakers, business leaders, and financial institutions urgently need to consider the promising implications of this development. With the United Nations Climate Change Conference (COP26) in Glasgow fast approaching, it is imperative that

world leaders recognize that achieving the Paris climate agreement's 1.5° Celsius warming target is not about making sacrifices; it is about seizing opportunities. The negotiation process must be reframed so that it is less about burden-sharing and more about a lucrative race to deploy cleaner, cheaper energy technologies.

With the world already suffering from climate-driven extreme weather events, a rapid clean-energy transition also has the virtue of being the safest route ahead. If we fail at this historic task, we risk not only wasting trillions of dollars but also pushing civilization further down a dangerous and potentially catastrophic path of climate change.

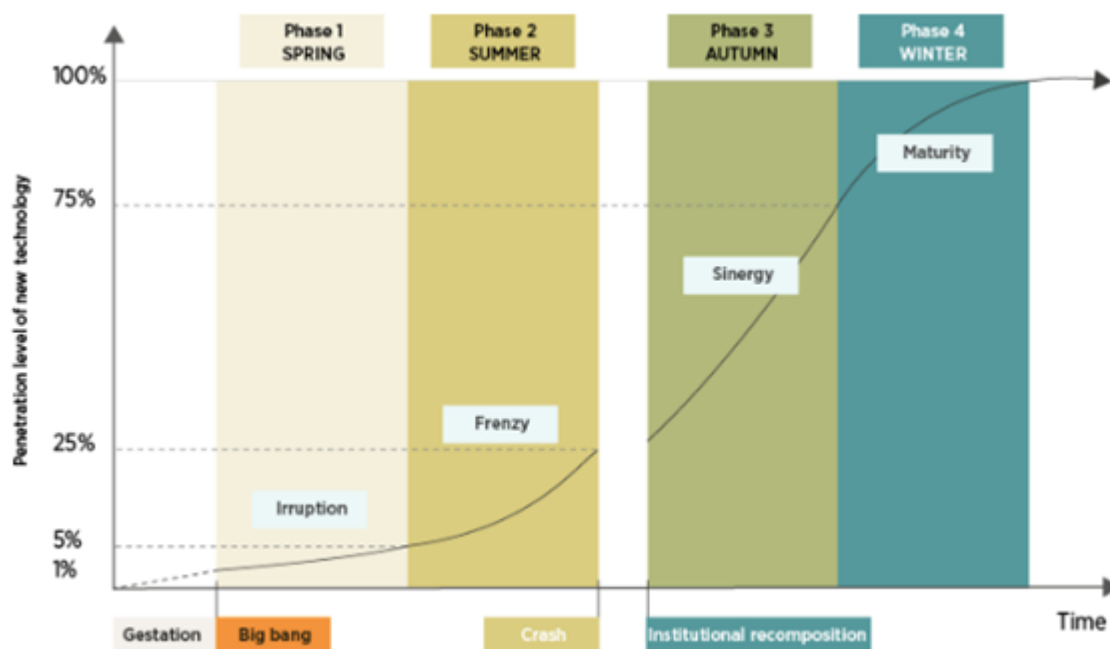
One can only guess why forecasters have, for decades, underestimated the falling costs and accelerating pace of deployment for renewables. But the results are clear: bad predictions have underwritten trillions of dollars of investment in energy infrastructure that is not only more expensive but also more damaging to human society and all life on the planet.

We now face what may be our last chance to correct for decades of missed opportunities. Either we will continue to waste trillions more on a system that is killing us, or we will move rapidly to the cheaper, cleaner, more advanced energy solutions of the future.

New studies have shed light on how a rapid clean-energy transition would work. In the International Renewable Energy Agency (IRENA) report *The Renewable Spring*, lead author Kingsmill Bond shows that renewables are following the same exponential growth curve as past technology revolutions, hewing to predictable and well-understood patterns.

Accordingly, Bond notes that the energy transition will continue to attract capital and build its own momentum. But this process can and should be supported to ensure that it

proceeds as quickly as possible. Policymakers who want to drive change must create an enabling environment for the optimal flow of capital. Bond clearly lays out the sequence of steps that this process entails.



Examining past energy revolutions reveals several important insights. First, capital is attracted to technological disruptions, and tends to flow to the areas of growth and opportunity associated with the start of these revolutions. As a result, once a new set of technologies passes its gestation period, capital becomes widely available. Second, financial markets draw forward change. As capital moves, it speeds up the process of change by allocating new capital to growth industries, and by withdrawing it from those in decline.

The current signals from financial markets show that we are in the first phase of a predictable energy transition, with spectacular outperformance by new energy sectors and the de-rating of the fossil-fuel sector. This is the point where wise policymakers can step in to establish the necessary institutional framework to accelerate the energy transition and realize the economic benefits of building local clean-energy supply chains. As we can see from market trends highlighted in the IRENA report, the shift is already well

underway.

Figure 7: Performance of clean energy and fossil energy stocks in 2020



Source: Carbon Tracker based on Carlota Perez

Reinforcing the findings from the IRENA report, a recent analysis from the Institute for New Economic Thinking (INET) at the Oxford Martin School shows that a rapid transition to clean energy solutions will save trillions of dollars, in addition to keeping the world aligned with the Paris agreement's 1.5°C goal. A slower deployment path would be financially costlier than a faster one and would incur significantly higher climate costs from avoidable disasters and deteriorating living conditions.

Owing to the power of exponential growth, an accelerated path for renewables is eminently achievable. The INET Oxford report finds that if the deployment of solar, wind, batteries, and hydrogen electrolyzers continues to follow exponential growth trends for another decade, the world will be on track to achieve net-zero-emissions energy generation within 25 years.

In its own coverage of the report, *Bloomberg News* suggests as a "conservative estimate" that a rapid clean-energy transition would save \$26 trillion compared with continuing with today's

energy system. After all, the more solar and wind power we build, the greater the price reductions for those technologies.

Moreover, in his own response to the INET Oxford study, Bill McKibben of 350.org points out that the cost of fossil fuels will not fall, and that any technological learning curve advantage for oil and gas will be offset by the fact that the world's easy-access reserves have already been exploited. Hence, he warns that precisely because solar and wind will save consumers money, the fossil-fuel industry will continue to try to slow down the transition in order to mitigate its own losses.

We must not allow any further delay. As we approach COP26, it is essential that world leaders understand that we already have cleaner, cheaper energy solutions ready to deploy now. Hitting our 1.5°C target is not about making sacrifices; it is about seizing opportunities. If we get to work now, we can save trillions of dollars and avert the climate devastation that otherwise will be visited upon our children and grandchildren.