

# Peak Oil Issues

## Introduction

The demand for energy has never been higher and the energy that is demanded is oil. What problems do we face?

Oil is a finite resource; it was created through various geological processes over millions of years. In the last 150 years, humankind has used around half of all the extractable oil ever created by the planet. To extract the rest is going to get more and more difficult as time goes by. This is true for every oil field, and just as individual oil fields peak then irreversibly decline after about half of the oil has been extracted, the same also holds true for the world's oil as a whole.

Oil is a part of our lives far beyond the petrol that goes into our cars. It is the plastic bag from the supermarket checkout, the plastic bottle that holds your water, the synthetic fibres in your clothing, and much more besides. There is little that is used in daily life now that is not made from - or transported due to - oil.

Even more important is the fact that oil produces our food. Not only are all commercial pesticides produced from oil, but the tractor and the combine harvester are powered by diesel, it is transported to the distribution centre in a petroleum-powered vehicle, and from the distribution centre it is transported by smaller vehicles to the supermarket. We visit the supermarket in our car: vehicles both powered by oil and largely made of it. Almost all plastic, rubber and paints are derived from oil, along with the lubricants in the engine. Oil is literally the lifeblood of the economy and the industrial world.

The world economy is based on the assumption of growth. Growth is what drives all business in the UK, and economic growth is dependent on ever-increasing inputs of energy. Without this growth, fewer jobs can be created, and without increasing inputs of energy, growth becomes very difficult - with declining inputs of energy, it is impossible. In March 2005, the UK government predicted economic growth would be around 3-3.5%. In October, after a summer of severe oil price rises, the rate was reported as being 1.6%.

North Sea oil peaked in 1999 and Britain is now a net energy importer. This means we cannot live the lifestyle we currently have using our own energy reserves - we have to import the shortfall. Around the globe, countries are experiencing the same problem. The new oil fields will not be able to offset the decline in others. With China's economic growth at around 9% and India's at 8%, the demand for energy has never been higher, and the energy demanded most is oil. No combination of renewable energy will be able to make up the shortfall, nor is the infrastructure in place.

Ask yourself: what will happen when we cannot extract enough oil to go around? As the price of oil rises, so will the price of everything that is related: transportation, construction, leisure services, electronic goods, heating, food and medicine.

Already, many countries around the world have to deal with this question because they simply cannot afford the oil they need.

Whether governments take a lead in addressing this problem or relinquish responsibility to the markets, as the trend has been, no one knows. This problem, as with Climate Change, is too big to ignore. However, a large part of the solution to this problem lies with us, in our families and communities.

Further Reading:

The Party's Over by Richard Heinberg

Half Gone by Jeremy Leggett



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