

T Bono puts his faith in Al Gore
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Davos 2008

WEF diary

Schwarzman in a whirlpool

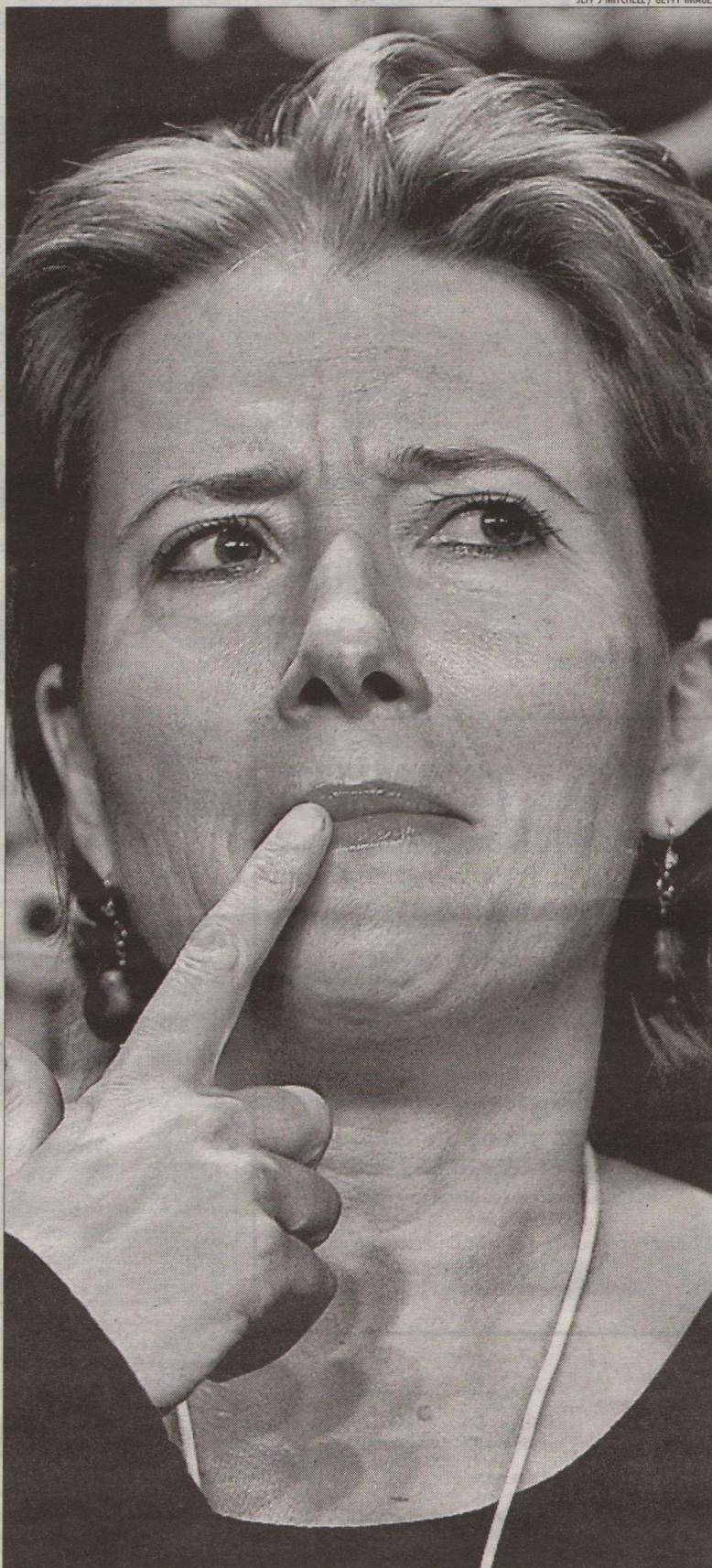
It is good to see those caught in the eye of spurious media storms about so-called global financial meltdown sharing the pain. Stephen Schwarzman, the chief executive of Blackstone, shared some fatherly advice with fellow sufferer Bader al-Sa'ad, managing director of the Kuwait Investment Authority, the sovereign wealth fund that has just helped Merrill Lynch out of a smallish hole. Mr al-Sa'ad was confused at the hostile reaction to funds like his. But Mr Schwarzman understood: "It is not really the substance — it is the fear," he advised, referring to common misconceptions he also faced over private equity. "If you don't do something you end up in a whirlpool and it gets worse. It is a strange world." At that point another delegate was heard to address Mr Schwarzman, saying, "I blame you guys for this". Mr Schwarzman's eye then fell on Maria Bartiromo, CNBC's finance anchor. The advice session was over as Mr Schwarzman moved to schmooze the Money Honey.

A Wine expert

What does a President of Afghanistan do to unwind after a hard day at the office? Hamid Karzai revealed yesterday that his preferred form of relaxation of an evening involved an hour watching a gentle British comedy on TV with his family. "If I have time in the evening, I spend it with my son," he said. "I watch that British show, *Last of the Summer Wine*." Happily for the President, the BBC has commissioned a 29th series of Britain's longest-running comedy despite the odd complaint by lesser viewers that it has had its day.

Still employable

A soon-to-be unemployed middle-aged computer geek was composing his CV in an attempt, perhaps, to catch the eye of one of the delegates looking to recruit. Davos is a great networking occasion, after all, and it would not be the first job deal clinched in the snow. So Gates, W, went ahead and made his pitch at the start of his presentation yesterday: "I am still employable. I am a self-starter. I am proficient in Microsoft ..."



Emma Thompson, the Oscar-winning actress, addressed a session at the World Economic Forum on the issues that are shaping teenagers' concerns

Demand for oil and gas will outstrip supply within 7 years, says Shell chief

Carl Mortished
World Business Editor

World demand for oil and gas will outstrip supply within seven years, according to Royal Dutch Shell.

The oil multinational is predicting that conventional supplies will not keep pace with soaring population growth and the rapid pace of economic development.

Jeroen van der Veer, Shell's chief executive, said in an e-mail to the company's staff this week that output of conventional oil and gas was close to peaking. He wrote: "Shell estimates that after 2015 supplies of easy-to-access oil and gas will no longer keep up with demand."

The boss of the world's second-largest oil company forecast that, regardless of government policy initiatives and investment in renewables, the world would need more nuclear power and unconventional fossil fuels, such as oil sands.

"Using more energy inevitably means emitting more CO₂ at a time when climate change has become a critical global issue," he wrote.

Mr van der Veer is expected to discuss Shell's energy outlook today at the World Economic Forum in Davos.

In his e-mail, which was reported on RoyalDutchShellplc.com, an independent website that monitors the company, Shell's chief set out two scenarios for the world's energy future.

The first scenario, "Scramble", envisages a mad dash by nations to secure resources. With policymakers viewing energy as "a zero-sum game," use of domestic coal and biofuels accelerates.

It is a world, said the Shell chief, where "policymakers pay little attention to energy consumption — until supplies run short."

The alternative scenario, "Blue-

prints", envisages a world of political co-operation between governments on efficiency standards and taxes, a convergence of policies on emissions trading and local initiatives to improve environmental performance of buildings.

Shell has not committed to either scenario. The oil company regularly uses scenario-planning to test the likely impact of widely divergent economic and political scenarios on its long-term strategy.

Unsurprisingly, Mr van der Veer indicated that Shell preferred the Blueprints scenario but he expressed caution over the likelihood of it coming to pass without a global approach to emissions trading.

The Blueprints scenario assumes that 90 per cent of CO₂ is captured by coal and gas power plants in developed countries by 2050, and at least half of the CO₂ emitted by power stations in the developing world. No such plants are in operation today, noted the Shell chief. "It will be hard work and there is little time," he said.

Mr van der Veer's comments emerged in the same week that the European Commission launched reforms to its carbon trading system, with plans to force power stations to buy permits to emit CO₂.

In an acknowledgement of the challenge of securing global acceptance of the need to curb carbon emissions, the Commission President, José Manuel Barroso, said that the Commission would consider the possibility of taxing imports into the EU by countries that failed to take equivalent measures to curb carbon emissions.

Mr van der Veer's prediction that the oil industry would soon struggle to deliver sufficient conventional oil and gas to meet demand echoes growing concern from other oil bosses.

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