

Catatonic Oil Consumption

By [The Mogambo Guru](#)

04/12/10 Tampa, Florida – Julian Phillips at Goldforecaster.com writes that Saudi Arabia, the major oil exporter, “exported more oil to China than to the United States last year” which is kind of surprising but not too alarming if you have been taking your medications as prescribed, or if the rise in Chinese consumption was not too severe, but instead imports are rising gently in a non-threatening way, so that consumption is not soaring and everything is kind of just, you know, perking along real peachy.

Unfortunately for me, neither of these conditions apply, as, for one thing, I am too smart and paranoid to take orders from some quack doctor about when, or even if, I take some mysterious pills he wants me to take that are supposed to “help” me, and which my wife and family are always reminding me to take for dark reasons of their own, which probably proves they are in cahoots with the doctor and they’re all out to get me. I only hope I can prove it before these pills get me!

And for another thing, consumption of oil by the Chinese is not quiescent, but is literally soaring to the freaking moon!

Notice how, in contrast to the way I am bouncing off the walls about this, Mr. Phillips smoothly eases you along, as if nothing is wrong, when he quietly says, “Saudi sales to China surged above a million barrels a day last year,” which is just a disconnected fact that is floating around, to which you pay no attention, like it’s just another apparently random fact, like the fact that “exports to the United States fell to 989,000 barrels a day, the lowest level in 22 years”, and pretty soon your mind starts wandering, and you start thinking about getting something to eat, and then this “oil thing” reminds you that you are low on gasoline and you have to stop and get some, which is irritating until you remember a nearby place that sells both gas and yummy food – like glazed donuts! – and so you are starting to feel pretty good about the upcoming sugar buzz and, continuing, maybe a large cup of espresso coffee to give you a caffeine boost into Super Mogambo Power Overload (SMPO).

Pleasantly distracted like this, you are blissfully quite unprepared for Mr. Phillips to deliver the shocking news that not only have the Saudi exports of oil to China “surged above a million barrels a day last year, but that was nearly doubling from the previous year”! Doubling! Yikes! Yikes! Yikes!

I am, in a word, nonplussed, stunned to catatonic drooling by the very concept of oil consumption doubling every year, which is an incomprehensible feat, made worse by the fact that the Chinese are not starting from zero consumption, as “Chinese oil consumption reached 8.5 million barrels a day last year, compared with 4.8 million in 2000”, whereas “The United States consumed 18.5 million barrels a day in 2009.”

But quickly reaching infinity oil imports, an inevitable result of an annual doubling, is clearly impossible, so where is a good place for oil consumption to level out? I have no idea, and have no interest in finding out because it would take work, or at least some minimum effort, on my part to find out.

But if you are so inclined, maybe a place to start is when Mr. Phillips offers the factoids that “That amounts to 22 barrels of oil a year for each American, compared with 2.4 barrels for each Chinese. To get some perspective on this growth, look at Chinese growth in oil demand growing roughly in line with their car markets [much of Chinese industry relies on oil]. Their car market grew 46% in December year-on-year. Compare populations: 300 million U.S.: 1.4 billion China.”

And although Mr. Phillips did not specifically say it, but would if given the chance, I am sure, investing in oil companies in anticipation of such guaranteed increased demand is only one third of the Fabulous Mogambo Portfolio Of Sure-Fire Investments (FMPOSFI), the other two being gold and silver, of which Mr. Phillips must be acutely acquainted through his own newsletter, the Gold Forecaster, and thus intensely bullish about them, too.

Summing up, Mr. Phillips and I now comprise an official group of two, and we say, in unison, that you are an idiot if you are not investing in gold, silver and oil according to the FMPOSFI, although I am the only one of us who will tell you, right to your face, that you are an idiot for not doing it. And if you are wearing ugly shoes or if your haircut looks stupid, I’ll tell you that, too, which only shows you what a peach of a guy I am.

Mr. Phillips is apparently too classy of a guy to say such things to you, or even think them, which may explain why he won’t even answer my telephone calls to ask him, yes or no, if he thinks you are an idiot for not investing in my recommended gold, silver and oil portfolio. I note, for the record, that he never said he didn’t, or wouldn’t, which is good enough for me to say he does, and if he starts squawking about it, then it’s back to just me telling you that you are an idiot if you are not buying gold, silver and oil.

Perhaps, though, he will join me in singing the Fabulous Mogambo Portfolio Of Sure-Fire Investments (FMPOSFI) theme song, which goes “Whee! This investing stuff is easy! It’s easy! It’s easy! Whee! This investing stuff is easy, so let’s par-tay!”