



## DrumBeat: August 23, 2007

Posted by [Leanan](#) on August 23, 2007 - 9:01am

Topic: [Miscellaneous](#)

### [Fuel price policy explodes in Myanmar](#)

Public protests have broken out across Myanmar's old capital Yangon after the military government unexpectedly removed fuel-price subsidies, resulting in a 500% spike in rationed fuel prices.

The shock policy is part of the government's emerging economic and financial reform program and notably coincided with a high-level mission to the country of International Monetary Fund (IMF) and World Bank officials, who have long pressed the junta to reduce or abolish a range of price subsidies.

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### [Change in hottest year fuels global warming skeptics](#)

A tweak to NASA's record shows that 4 of the 10 warmest years in the US occurred during in the 1930s, not more recently. Climate change deniers say this points out that concern over global warming is unfounded.

### [South African state may demand first pick of uranium](#)

South Africa may compel local miners to first offer uranium to the state to feed the country's expanding nuclear energy programme, a senior official said on Wednesday.

The government announced this month it would ramp up use of nuclear energy as it moves to meet fast-growing demand for power, using the country's large resources of uranium.

### [Blackout threat looms over Tokyo as Japan turns up the air-con](#)

The Tokyo Electric Power Company (Tepco) was forced to take emergency power-cutting measures yesterday to prevent the Japanese capital plunging into blackout amid a nuclear energy shortage and a record heat wave.

## [China Courts Turkmen Gas As Russian Gas Sputters](#)

China is hedging against a slow-going Russian gas deal by aggressively pushing for imports from Turkmenistan, which could force Moscow to accept Beijing's price demands or watch its Asian strategy unravel.

## [The Oil of Gazprom to Spread Throughout Asia](#)

In an effort to conquer retail markets of CIS, Gazprom Neft has incorporated subsidiaries in Kazakhstan and Tadjikistan. In the long term, the company intends to promote the chains of fuel stations there, though its today's business is limited to wholesale trading in crude oil. The analysts say this move of Gazprom Neft is well-timed; the low-octane gasoline that Gazprom Neft will supply to Central Asia is becoming less popular in Russia.

## [Analysis: Kurd oil law drives Iraq oil](#)

Iraq's Kurdistan Regional Government will not wait for a federal oil law before it starts signing more contracts to explore what is thought to be sizeable reserves in its territory. The KRG has already signed a handful of contracts with small oil companies and, now that it has passed a regional law governing any underground oil and natural gas, it will not put development on hold while Baghdad implodes.

## [Western oil major's bid marks breakthrough for troubled Iraqi industry](#)

The prospects for Kurdish oil were given a boost yesterday when DNO, a Norwegian explorer, said that a big oil company had offered \$700 million (£351 million) for its licence in Kurdistan.

## [Jordan to resume importing Iraqi oil](#)

Jordan's energy minister said Thursday his country expects to resume Iraqi oil imports in the coming days, ending a four-year hiatus sparked by the U.S.-led war that toppled Saddam Hussein, the official Petra news agency reported.

Khaled al-Shraydeh said the supply would eventually cover Jordan's daily need of 100,000 barrels and would be trucked across Jordan's desert border from northern oil fields in Kirkuk accompanied by Iraqi security.

## [Saudi Arabia is top oil supplier to China](#)

Saudi Arabia was the top supplier of crude oil to China in July, beating Angola, Oman

and Russia as the Middle Eastern country increased exports to gain from demand in the world's fastest-growing major economy.

### [Squeezing oil from stones](#)

There are vast reserves of oil trapped within Alberta's rockbed - the trick is getting it out.

### [Research boom in Arctic village as oil reserves draw big powers](#)

Norway is convinced the sea around Svalbard also harbours reserves of oil and gas. And as the frozen cover of ice that once protected the ocean from drill ships retreats further north - this year looks set for a record low - nations are jostling for position to exploit them. Several oil companies already sponsor research in the region.

### [Natural Gas Imported To US For Electricity Generation May Be Environmentally Worse Than Coal](#)

A team of Carnegie Mellon University researchers report that the choices U.S. officials make today could limit how the nation's future energy needs are met and could cost consumers billions in idle power plants and associated infrastructure systems.

In the upcoming Sept. 1 edition of the journal Environmental Science and Technology, Carnegie Mellon researchers Paulina Jaramillo, W. Michael Griffin and H. Scott Matthews show that liquefied natural gas (LNG) imported from foreign countries and used for electricity generation could have 35 percent higher lifecycle greenhouse gas emissions than coal used in advanced power plant technologies.

### [Renewable power hits your wallet](#)

If a bill that recently passed the House of Representatives becomes law, soon every American would have to pay a little extra for renewable power each month in their utility bill.

The house bill would require most utilities to get 15 percent of their power from renewable resources by 2020.

### [Voluntary "Carbon Offsetting" As Strategy For Privatizing America's Public Lands](#)

There is a new twist to the carbon offsetting policy that is particularly insidious in that it is linked with the loss of public ownership of America's public domain. On July 25, 2007,

the U.S. Forest Service announced a “Carbon Capital Fund” that would allow one to “offset” personal CO<sub>2</sub> emissions by purchasing vouchers, the cash then being applied to tree planting in national forests. The Service has a website at which a well-intentioned citizen can determine one’s annual “carbon footprint”, which the Service reports to be, on average, 10.73 metric tons. At \$6 per ton, that would indicate an annual individual “investment” in the Fund of \$64.38. In other words, the U.S. Forest Service is seeking voluntary donations from citizens for “management” that for generations has been paid for by taxes.

### [Mining the Moon](#)

At the 21st century's start, few would have predicted that by 2007, a second race for the moon would be under way. Yet the signs are that this is now the case. Furthermore, in today's moon race, unlike the one that took place between the United States and the U.S.S.R. in the 1960s, a full roster of 21st-century global powers, including China and India, are competing.

Even more surprising is that one reason for much of the interest appears to be plans to mine helium-3--purportedly an ideal fuel for fusion reactors but almost unavailable on Earth--from the moon's surface.

### [Fertiliser rise blamed on biofuel](#)

The global rush to grow biofuels has raised fertiliser prices for Kiwi farmers by up to 80 per cent in the past two months.

### [In Iran, living in the moment](#)



Vacationing families put a dent in their gas rations, raising fears of chaos when the initial six-month allotments are depleted.

### [Analysis: Iranian gas policy attacked](#)

Iran's influential Research Centre of Parliament has said that potential gas exports 'are 10 years away', while a former oil minister claims that the current policy will lead to a 'catastrophe', in a weekend of unusually candid challenges to government policies.

### [Nigeria: African giant continues to stagger](#)

Households have proved especially vulnerable. This summer, for instance, the ubiquitous fuel shortage was exacerbated by a general strike. Families were forced to seek gasoline for their generators on the black market, an action best done during the middle of the night and in out-of-the-way locations. The time and energy this required made it as impractical as it was dangerous.

Worse, costs soared. A single family, were it fortunate to own a generator and be able to locate a steady stream of fuel to operate it 24 hours a day for a year, would spend upwards of \$7,200 -- that's 10 times Nigeria's per capita annual income.

No wonder Nigerians do without power most of the time.

### [Oman offers gas in exchange for coal](#)

Gas-starved India has received an offer from the government of Oman that should be hard to say no to: gas, in exchange for coal.

### [Caspian Sea States to Hold October Talks in Tehran](#)

Leaders of the five states bordering the energy-rich Caspian Sea will meet for a summit in Tehran in October to discuss long-running disputes over maritime rights, Iranian President Mahmoud Ahmadinejad said.

### [Energy crisis costs Dominican taxpayers US\\$2B, solutions still sought](#)

Electricity superintendent Francisco Méndez said yesterday the electrical sector's crisis is such a political and economic burden that in the last three years has cost the Dominican taxpayers US\$2.0 billion in subsidies. He said that's the reason the Government continues to seek a definitive solution to its financial difficulties.



### [Pollution Fight Pits Illinois vs. BP, Indiana](#)

WHITING, Ind. -- A proposal to allow BP to greatly increase the amount of pollutants it discharges into Lake Michigan from its refinery here has prompted a bitter war of words between officials in Illinois and Indiana.

...At issue is a plan by BP to upgrade its oil refinery in northwest Indiana to increase the amount of heavy crude oil from the Canadian province of Alberta that it can refine at its Whiting plant. To help, state regulators have granted the company a permit allowing it to dump 50 percent more ammonia and 35 percent more suspended solids into Lake Michigan.

### [Ethanol nation: Brazil finds energy freedom with sugar-based fuel](#)

Many see Brazil as a model for America's transition from an economy dependent on foreign oil to one based on several alternative fuels, including ethanol. But while Brazil is a laboratory for U.S. automakers and a case study for policymakers, its embrace of ethanol is the result of very different historic, political and agricultural realities.

### [Ghana: More Oil!](#)

Ghana may have had a debilitating "energy crisis" this year, but portends in the energy sector are getting ever more bright.

Barely a month ago, substantial oil deposits were discovered in the country's territorial waters, and even before the excitement associated with that find has died down, another find is being announced.

### [Elderly scrimp to get by](#)

OLDER South Australians cannot afford a healthy diet and are reluctant to use their electric and gas heating because of the cost, a parliamentary inquiry has heard.

...Carers SA, in its submission to the inquiry, says rising energy costs are a key concern.

Electricity price increases had led to "desperate measures", including cutting back on heating and cooling and showering less, the organisation says.

### [Jeremy Leggett: Summoning the will to tap our solar brilliance](#)

What are hot, good-looking, born in Australia and about to make a lot of people very rich

in China? Answer: many of the solar cells in production today. The solar photovoltaics business is one of the fastest-growing global industries. Over the past two years many billions of investment dollars have flowed into it.

### [Netherlands: Car sharing slowly gaining popularity](#)

High monthly costs and parking problems are increasing the popularity of car sharing, especially in the Randstad, the densely populated western part of the Netherlands. While car sharing used to be something for idealists and counterculturalists, today also businessmen and lawyers get into a car that they don't own exclusively.

### [Fuel cells in your future](#)

Does the future of energy lie in fuel cells? You might think so, based on what chemists have cooked up for this week's annual meeting of the American Chemical Society. One team has come out with a pellet system that could open the way for safe and easy hydrogen-based fuel, while another has developed a battery-scale fuel-cell system that capitalizes on, um, the microbes in a cow's guts. Such technologies could provide less smelly alternatives to the poop-fueled systems that are already belching out power today.

### [E-Flex Electric Vehicle System](#)

The vehicles using this technology will be all electricity-driven. But the beauty of the E-flex systems lies in the fact that electricity will not only be produced from regenerative braking and other mechanical means, but through the use of different types of fuels. These fuels would be used to generate electricity which would charge a Lithium battery pack that would help run the car on electricity.

### [British Airways guilty on conspiracy charges](#)

Representatives of British Airways pleaded guilty to two counts of conspiracy for colluding with rival Virgin Atlantic over fuel surcharges on international flights. The pleas are likely to bring a \$300 million fine.

### [Peak Moment: The Social Effects of Peak Oil](#)

How will rising oil prices affect low- and middle-class lives? Sociologist and professor Rowan Wolf sees at-risk populations growing while government services and class divides are increasingly strained. A member of the Portland Peak Oil Task Force, she discusses relocalizing our economies, to counter globalization based on an unsupportable grow-or-die economic model.

### [The OneWorldTV Richard Heinberg Interview](#)

The catastrophic effects of declining oil supplies: journalist and author Richard Heinberg discusses the true consequences of 'peak oil'. In this interview, filmed by our friends at Spanner Films (*McLibel*, *Drowned Out*, *Baked Alaska*), Heinberg makes clear the fundamental nature of oil as the bedrock of modern civilisation and the devastating impact our dependency upon it will have as global supplies start to dwindle.

### [Dale Allen Pfeiffer: A Closer Look at Escape From Suburbia](#)

I was asked to review *Escape from Suburbia*, the latest effort by the team that made *The End of Suburbia*. Now, I could have offered up a bit of saccharine dripping prose and let it go at that. It would have pleased everyone connected with the film without making waves. But it would not be honest. It is too late in the game to simply go on pleasing people. It is time to be honest, even if it hurts.

### [The X Factor: Economic Recession Is the IT Innovator's Ally](#)

If you believe that we are right now at or near global peak oil production, then we are in for a humungous economic shock. It is hard to say how big, but in January 2007 dollars, oil peaked at over \$100 per barrel in December 1979, and the current oil price is hovering around \$72 a barrel as I write this, after hitting \$78 a barrel at the end of July, when the mortgage nonsense first started dominating the news. We still have a ways to go before oil is as expensive as it was in 1979, which is good. But if a recession starts because inflation jumps, the stock markets crash, oil prices spike because of conflicts in the Middle East, or more hurricanes hit the Gulf of Mexico, then we can probably expect a phase change in IT to our list of predictions on the coming years.

### [Shanghai Cooperation for Oil](#)

A colleague of mine once suggested that I write a book called "Stuff that Stinks." It's not because I'm an olfactory snob, but because I find it hard to smell the rosy side of what most people call "progress." I find international energy to be particularly malodorous business.

### [Eni Says Evaluating Kazakh Govt Environmental Complaint](#)

Italy's Eni SpA (E) Wednesday said that the consortium that it leads to operate the giant Kashagan offshore oil field has been notified by the Kazakh Environment Ministry of alleged environmental violations by the consortium there. Eni is evaluating the complaint, the company added.

Press reports Tuesday said the Kashagan project, which has already faced several



delays and cost overruns, might be halted due to the alleged environmental violations.

### [Midwest, move over: Ga. joins the ethanol gold rush](#)

Looking out at a mound of tree tops, limbs and leaves just discarded from a harvest of 45-foot high pines, Devon Dartnell sees fuel, lots of it, to run Georgia's 8 million vehicles.

"See this?" he asks, pointing to rotted trees and scattered underbrush on a 300-acre tree farm. "This is very usable for biofuels."

### [Dropping your load to reduce your carbon footprint](#)

Demonstrating their serious concern about climate change, Americans have largely embraced the conservation ethic as a means of reducing their personal "carbon footprint" or greenhouse-gas pollution. It is not enough, however, just to conserve scarce resources such as electricity. *When* the electricity is used is equally important as *how much* is used, in order to avoid blackouts and minimize the need to bring more power plants on line.

### [Dave Cohen: Immunize Yourself Against Future Hype](#)

It almost goes without saying that a genius for technology is a large part of human nature. Everyday life offers the proof. We have automobiles, the internet, gene splicing, cell phones—you name it! When ExxonMobil tells us that oil production shows no sign of a peak because miraculous new technologies will step in to save the day, most people have no trouble believing it.

*Moreover, new technologies — such as multidimensional mapping tools and advanced drilling techniques — have improved our ability to recover oil from previously discovered fields. Because of such technology gains, estimates of how much recoverable oil remains have consistently increased over time. Oil production and production capacity have increased, too. So there is a lot of oil yet to be tapped. And we are getting better — technically and environmentally — at tapping it everyday.*

Does ExxonMobil's argument hold water? Answering that question requires examining the pace and nature of technological change both inside and outside the oil & gas industry.

### [Angola to stay free of OPEC output constraints](#)

OPEC's newest member Angola is likely to stay free of the group's output constraints so

long as oil prices remain strong, giving the country scope for its plans to launch several oilfields in coming months.

### [Oversupply still hurting oil producers in Rockies](#)

Rocky Mountain oil producers are still smarting from an 18-month supply glut that has left their petroleum priced well below national averages.

Rising imports of oil from Canadian tar sands, increased domestic production and a series of refinery shutdowns have left the Rockies awash in crude.

### [Shrinking supply of Venezuelan oil to the US](#)

Venezuela provided the United States with an average of 1.31 million bpd of crude oil and byproducts in June, a drop of 202,000 bpd, or 13.2 percent, compared with May, reported the Energy Information Administration (EIA), the statistical arm of the US Department of Energy.

### [Oil shortfall hits rebuilding in South Sudan](#)

Lower than expected oil exports this year have left the government of South Sudan struggling to find cash for urgently needed infrastructure development following years of conflict, officials said.

...A World Bank-led report obtained by Reuters blamed the sharp fall in exports in part on problems finding a market for Sudan's new acidic Dar blend crude, which was discounted early in 2007.

### [Minister: Colombia Self-Sufficient Thru 2014](#)

Colombia will be able to supply itself with oil through 2014, three years longer than previously forecast, mining and energy minister Hernan Martinez Torres said.

The country extended its oil self-sufficiency from 2011 by increasing proven reserves 9%. Production averaged 527,000b/d in 2006 and 520,800b/d in the first half of 2007.

### [As Oil Revenues Boom, Islamic Banking Goes Global](#)

Caribou Coffee, the second-largest U.S. java seller, seems at first blush like a fairly ordinary American company. The chain was founded in 1992 in the small town of Edina,

Minn., the brainchild of idealistic newlyweds, and has since expanded to over 400 coffeehouses in 18 states. Caribou's menu is muffins and lattes -- not an Arabic coffee in sight. It may come as a surprise, then, to know that Caribou Coffee is "Shariah compliant," one of the largest American businesses to run its operations in accordance with Islamic law.

### [Biofuels criticism ignores wider picture](#)

...Any debate over the merits of biofuels versus reforestation or any other land use must take into account a lot more than the straight carbon impact – even when climate change is the major concern. There are a host of social and other environmental considerations that just can't be separated out, just a few of which are outlined below. We also take issue with the cursory treatment in some media reporting of the study that seems to take its findings as invalidating all production of biofuels.

### [No Mexican oil damage reported from Dean](#)

Hurricane Dean flooded a major Mexican oil city Wednesday, but there was no known damage to any of the country's production facilities on shore or in the Gulf of Mexico, the state-owned company said.

### [The Peak Oil Crisis: Hurricanes and Meltdowns](#)

Earlier this week Hurricane Dean slammed into the Yucatan peninsula and crossed over into the Bay of Campeche where some 1.5 million of the 10 million barrels the U.S. imports every day are produced. While it is too early for a full damage assessment, at best a few days of production will be lost and possibly quite a bit more if any of the production platforms, pipeline systems and nitrogen injection facilities have been damaged.

This suggests that U.S. imports will be less than normal over the next few weeks. While some of these imports might be made up by increased shipments from other countries, the tight overall oil market suggests that this will be difficult.

### [Uganda, Congo Presidents to Hold Talks Over Border Dispute](#)

The presidents of Congo and Uganda will hold talks in early September to resolve the border dispute over the Lake Albert valley where extensive oil exploration is taking place, the chief executive officer of the state-run Uganda Media Centre told Dow Jones Newswires Wednesday.

### [Chad agrees to oil revenue transparency](#)

The government of Chad said Thursday it will adhere to a program designed to put pressure on countries to be open about revenues from exports of oil, natural gas and minerals.

### [Oil Workers Call Off Indefinite Strike at State-Run Oil Companies](#)

Officers of public sector oil companies in India have called off their indefinite strike pressing for higher wages and there will therefore be no disruption in the operations of state-run oil companies.

### [Global warming to decimate China's harvests](#)

Global warming is set to cut China's annual grain harvest by up to 10 percent by 2030, placing extra burden on its shrinking farmland, state press reported Thursday.

### [GM cuts production at pickup and SUV plants](#)

General Motors Corp (GM.N) has cut production at six plants that make large pickup trucks and sport utility vehicles as a weak housing market, higher gasoline prices and tough competition have hurt sales, a spokesman said on Wednesday.

### [South Korea sets up greenhouse gas fund](#)

South Korea said Thursday it has set up a 200-billion-won (212 million dollar) fund to cut greenhouse gas emissions blamed for global warming.

The fund will finance projects to reduce carbon dioxide emissions such as solar energy and waste heat recovery projects, said Cho Seok, head of the energy and resources policy bureau at the energy ministry.

### [Sea Rise Seen Outpacing Forecasts Due To Antarctica](#)

A thaw of Antarctic ice is outpacing predictions by the UN climate panel and could in the worst case drive up world sea levels by 2 metres (6 ft) by 2100, a leading expert said on Wednesday.

Millions of people, from Bangladesh to Florida and some Pacific island states, live less than a metre above sea level. Most of the world's major cities, from Shanghai to Buenos Aires, are by the sea.

Chris Rapley, the outgoing head of the British Antarctic Survey, said there were

worrying signs of accelerating flows of ice towards the ocean from both Antarctica and Greenland with little sign of more snow falling inland to compensate.



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