



DrumBeat: January 19, 2008

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Topic: [Miscellaneous](#)

['International Oil Companies Are the Real Dinosaurs'](#)

In an exclusive SPIEGEL interview, OPEC Secretary-General Abdalla Salem el-Badri discusses the dangers of a further dramatic rise in the oil price, the failures of multinational oil companies and considerations within the cartel of oil-exporting nations to trade in euros rather than dollars.

...**SPIEGEL**: Some experts doubt that OPEC can even expand production volume to a significant degree anymore. These specialists say that Saudi Arabia, for example -- the world's only oil superpower -- is already putting too much pressure on its oil fields today, and that the reserves are generally smaller than was previously assumed.

El-Badri: Don't worry, we still have capacity. We are currently able to increase production by 3.5 million barrels. And we have also invested up to 2012 in new projects at a total cost of \$150 billion, which will give us additional capacity of 6 million barrels in four years. However, we have to know how high the demand for oil will be in the future, so that we can plan our investments accordingly.

SPIEGEL: You cannot deny that the reserves are finite. Have we already seen "peak oil" -- the maximum level of petroleum production that can be reached before reserves will inevitably begin to shrink?

[India: 'Cooking without fire' contest today](#)

Participants will have to prepare dishes under different categories without using any source of heat or prepared ingredients, according to a press release. The competition will begin at 10.30 a.m.

A painting competition on conserving petroleum products for school students, in three different age groups, will be held at the same venue from 9.30 a.m.

[Venezuela says refinery complex back to normal](#)

Venezuela's largest refinery complex, the Cardon-Amuay plant, has resumed normal

operations after two operational failures took units offline in recent weeks, the state oil company said in a statement on Saturday.

[The global grain bubble](#)

Record prices for grain from corn to rice have ignited food riots from Jakarta to Rome. In Pakistan, troops now guard wheat stocks. China and Russia have imposed price controls. Connect the dots and there's a need for a fix to a crisis that, strangely, isn't caused by smaller harvests.

No, the main reasons for a long-term bubble in grain prices lie largely in a number of dubious human actions, related to heightened competition for grain as either fuel or feed.

One reason is an ill-conceived dash by both the United States and Europe to use grain and valuable farmland for biofuels, motivated more by powerful farm lobbies than concerns about global warming. (Telling factoid: To fill up the tank of one SUV with ethanol would require enough grain to feed one person for a year.)

[Guangdong factories face power shortage](#)

Rising fuel and other costs threaten earnings at thousands of factories that produce everything from toys to cars. Record oil prices and robust demand for other fossil fuels had left too many users chasing limited supplies of diesel, petroleum products and coal, Mr Yang said.

[Pipeline Cements Russia's Hold on Europe's Gas Supply](#)

SOFIA, Bulgaria — Russia strengthened its grip on Europe's energy supplies on Friday as it signed a major gas deal with Bulgaria that analysts said would further undermine the European Union's attempts to diversify its energy sources.

Under the agreement, the \$15 billion South Stream pipeline will be built under the Black Sea, allowing Russia to send natural gas directly to Europe through Bulgaria and bypassing Turkey, which has been a crucial transit route for Russia's gas exports to European markets.

[New North Dakota refinery would benefit state](#)

During the last harvest season, a fuel shortage plagued many of our farmers. At that time, North Dakotans were paying the highest fuel prices in the continental United States. Another oil refinery here could have helped the situation.

[EU pollution plan threatens million jobs](#)

FRANKFURT: German industrialists estimate that one million jobs are threatened in Germany by European Union plans to fight global warming, a sector leader said on Friday in an interview.

"If the German government enacts its 2020 goal of reducing carbon dioxide emissions by 40 per cent, I estimate that one million jobs are threatened," Federation of German Industries (BDI) president Juergen Thumann told the daily Rheinische Post.

[Norway Says Aims to Go Carbon Neutral by 2030](#)

OSLO - Norway, which last year set what it called the world's most ambitious target for cutting greenhouse gas emissions, said on Thursday it aimed to go "carbon neutral" in 2030, which is 20 years earlier than its previous target.

[EPA turns over limited documents](#)

SACRAMENTO, Calif. - Invoking executive privilege, the Environmental Protection Agency on Friday refused to provide lawmakers with a full explanation of why it rejected California's greenhouse gas regulations.

[Relief from utility bills gets a boost](#)

Hoping to provide a shot in the arm for customers struggling to pay heating bills, the Bush administration this week released \$450 million in emergency relief funds.

[Transport Revolutions Seminar](#)

As oil production goes into decline, we must transform the way we move people and goods.

[Newsflash: Of Horses and Carts, and the Ordering Thereof in Our Post-Peak Oil Epoch](#)

Given the genuinely radical and dangerous implications of Peak Oil for said industrial complex and the overall corporate capitalist system, you can bet your bottom dollar that extremely great care and generous funding are going to be devoted to this emerging spin game.

[Arguments Against Urban Sprawl](#)

One study of an Ontario town found that for every dollar in development charges collected, a \$1.40 in services were put in. Guess where the other 40 cents are coming from? From existing ratepayers, who are, in effect, subsidizing development. More growth means paying more in property taxes. In addition, our infrastructure system of highways and sprawling communities were built during that half-century period when oil was cheap. Oil has just broken through the \$100 a barrel barrier. What happens to sprawling suburbia and the commuter lifestyle when oil reaches \$200 a barrel and gas reaches \$3 a litre? Clearly, urban sprawl is not economically sustainable.

[Lawn to farm: Suburbia's silver lining](#)

A century ago, almost 40 percent of the United States population worked on farms. But with industrialization, millions of farm folk, their labor cheapened, headed to the city for better wages. That tide continued until fewer than 2 million farmers -- less than 1 percent of the country's population -- remain today.

Now, though, the seemingly limitless reserves of petroleum that fueled the past century's exodus from the farm are about half gone. From here on, fossil fuels -- and all the everyday essentials that depend on them, like transportation and food -- will grow increasingly costly.

Without some miraculous new energy source, muscle power could soon again be a cheaper alternative to fossil fuels for growing food. Blunt economic pragmatism seems set to out-shout nostalgia in the call to put more farmers on the land.

[Pakistan: Textile fears \\$1b shortfall in exports](#)

KARACHI - Pakistan's textile industry has estimated a shortfall of around one billion dollars in its exports in the current financial year because of three major factors - cotton crisis, energy crisis and political chaos in the country.

[Clooney invited to Nigeria by militants](#)

Militants in Nigeria's restive oil region today invited actor George Clooney to visit the area and asked for United Nations intervention in the conflict.

UN Secretary-General Ban Ki-moon yesterday designated Clooney as a UN "messenger of peace" to promote the UN's activities, especially in its far-flung peacekeeping missions.

[Turkey debates "reliability" of Iran gas](#)

"It is true that Iran has the world's second largest natural gas reserves, but presently it lacks the capabilities for production, and Iran is itself dependent on gas from Turkmenistan," Turkish energy expert Faruk Demir said. "So for the time being, it is not a real alternative to Russian gas."

[China Envoy Aims to Settle Gas Row Soon with Japan](#)

China's ambassador to Japan said Friday he hoped the two countries would reach a deal to share long-disputed gas fields before President Hu Jintao visits Japan in a few months.

Japan and China, two of the world's largest energy importers, have failed in 11 rounds of talks since 2004 to reach any breakthrough on sharing lucrative gas resources in the East China Sea.

[Tribes worry oil pipeline might cross sites important to Indians](#)

PIERRE, S.D. (AP) - A Rosebud Sioux Tribe representative says the Keystone crude oil pipeline could be located on cultural sites important to American Indians even though it would not cross reservations in South Dakota.

Russell Eagle Bear says Indian leaders want to make sure all cultural properties are protected along the route. He says the project is moving "quite fast."

[US energy sec urges OPEC to raise output at meeting](#)

RIYADH - US Energy Secretary Sam Bodman said on Saturday that Saudi Arabia should raise output to ease tightness in world oil supplies and that OPEC should up output at its February 1 meeting.

"I think it is possible for there to be an increase in supply over a period of time because there is a reserve," he told reporters, referring to Saudi Arabia. "I believe they have to alleviate this problem."

[OPEC official says oil price not to blame for 'homemade' US crisis](#)

Berlin - High world oil prices are not to blame for the economic crisis facing the United States, OPEC Secretary General Abdalla Salem al-Badri said in an interview published in Germany Saturday. "If there is a recession, the oil price is not to blame," Badri told Der Spiegel newsmagazine.

He blamed instead the subprime mortgage crisis, along with other financial market problems, insisting the US economic difficulties were "home-made."

[UK: Inquiry demand after third energy price rise](#)

British Gas said yesterday it was raising gas and electricity prices by 15% with immediate effect, meaning most of its 16 million customers will pay around £130 more over the coming year. The inflation-busting rise is expected to take customers' total spending on heating and lighting to more than £1,050 for the year - and add £1bn to British Gas coffers this year.

The government was coming under renewed pressure last night to launch an investigation into the home energy market after Britain's biggest supplier became the third power firm to raise prices substantially. The move, which was blamed on higher wholesale costs, prompted consumer groups to demand a Competition Commission investigation into whether the big six power firms that dominate the market were acting in "tacit collusion".

[Power cuts plague Iraq, hurt oil production](#)

BAGHDAD (Reuters) - Electricity cuts that blacked out Iraq's northern oilfields and main refinery this week were a timely reminder that its hopes of boosting oil production rest on something it does not have -- a dependable power supply.

Iraq has managed to sustain production of around 2.2 million barrels per day (bpd), but levels were close to 3 million bpd before the U.S.-led war on Iraq in March 2003.

[Myanmar to liberalize fuel import](#)

Myanmar is deliberating on liberalizing the import of fuel by allowing the private sector to undertake the business in a bid to increase production, the local weekly Myanmar Times reported in this week's issue.

[OPEC says higher oil output not needed](#)

BERLIN, Jan 19 (Reuters) - OPEC currently sees no need for an increase in oil output but is analysing the market every day, the organisation's Secretary General Abdullah al-Badri told German weekly magazine Der Spiegel in an interview.

"We're carefully analysing the market day in, day out. If we reach the conclusion the fundamental data warrant an increase in production, then our oil ministers will not hesitate to decree this," he told the magazine in comments published on Saturday.

"But at present we see no need for this."

[Peak Oil Passnotes: CERA's Silly Season](#)

In the United Kingdom there is a time each year known as the 'silly season'. It is when parliament has recessed so the poor downtrodden members of parliament can have their holidays. Back in the day before wall to wall 24-hour news channels sprayed our living rooms with infotainment people said the news was 'sillier' with items about skateboarding cats and so on.

These days we should have an oil 'silly season' because surely this is what the 'analysts' at Cambridge Energy Research Associates (CERA) have come up with this week, silliness.

[US Energy Secretary Bodman To Meet Saudi Oil Min Naimi Sat](#)

WASHINGTON -(Dow Jones)- U.S. Energy Secretary Samuel Bodman on Saturday will meet with Saudi Arabia oil minister Ali Naimi, the U.S. Department of Energy said Friday.

Bodman, who began a several-country tour across the Middle East earlier this week, will continue to urge the world's top crude supplier to invest in long- term petroleum production and will express concern about short-term supply shortages, Energy Department officials have said.

[Oil Demand, the Climate and the Energy Ladder](#)

Energy demand is expected to grow in coming decades. Jeroen van der Veer, 60, Royal Dutch Shell's chief executive, recently offered his views on the energy challenge facing the world and the challenge posed by global warming. He spoke of the need for governments to set limits on carbon emissions. He also lifted the veil on Shell's latest long-term energy scenarios, titled Scramble and Blueprints, which he will make public next week at the World Economic Forum in Davos, Switzerland. Following are excerpts from the interview:

Q. *What are the main findings of Shell's two scenarios?*

A. Scramble is where key actors, like governments, make it their primary focus to do a good job for their own country. So they look after their self-interest and try to optimize within their own boundaries what they try to do. Blueprints is basically all the international initiatives, like Kyoto, like Bali, or like a future Copenhagen. They start very slowly but before not too long they become relatively successful. This is a model of international cooperation.

[Argentina to impose sanctions against Shell](#)

BUENOS AIRES, Jan. 18 (Xinhua) -- Argentina is to impose sanctions against the Anglo-Dutch oil company Shell for refusing to reduce the price of gasoline at the pump, Argentina's Interior Trade Department said Friday.

Argentina claims that Shell has failed to comply with its Supplies Law, and said the state will slap a mortgage-type sanction on a Shell processing plant in the locality of Dock Sur, Avellanada, 10 km south of the capital Buenos Aires.

[Gulf oil boom spills over to poorer lands](#)

The Gulf oil boom is sending ripples across the Arab world as capital from the oil-rich states increasingly flows into less developed parts of the region.

From Cairo to Casablanca, Gulf investment, in sectors ranging from real estate to financial services and telecommunications, has been attracted by a liberalisation of the economies and is helping drive faster growth rates.

Gulf companies that have matured at home have been scouting for acquisitions outside their markets.

[Britain, China boost links on tackling climate change](#)

SHANGHAI (AFP) - Britain and China are entering a new era of environmental cooperation and will lead the world in creating a sustainable future, Britain's Prime Minister Gordon Brown said Saturday as he ended a two-day visit.

Brown switched focus from Friday's emphasis on boosting trade ties with the world's fastest-growing economy by inspecting cutting-edge projects in Beijing and Shanghai that aim to radically slash China's greenhouse gas emissions.

[India to stand up to Brown on climate change](#)

"A strong bilateral relationship is of priority for both countries, for economic and commercial, historical and foreign policy reasons and the presence of a large community of Indian origin in Britain," Sarna said.

But he warned that New Delhi had its own views on global warming -- a subject Brown has repeatedly promised to raise with his Indian host Prime Minister Manmohan Singh.

"India's emissions are far lower than many other countries," Sarna said referring to New

Delhi's figure of four percent of the global carbon output.

[Norwegian PM believes US will join climate pact](#)

CAPE TOWN (AFP) - Growing concern in the United States on the dangers of greenhouse gases will lead Washington to ink a new global warming pact, Norwegian Prime Minister Jens Stoltenberg predicted on Friday.



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