



## DrumBeat: January 27, 2008

Posted by [Leanan](#) on January 27, 2008 - 9:51am

Topic: [Miscellaneous](#)

### [Massive delays plague Middle East expansion drive](#)

“Despite higher capital budgets, Middle East and North Africa energy investments appear to be losing momentum,” said an Apicorp report. “Policy makers and project sponsors who, until recently, have been boasting ambitious investment plans, have voiced concerns about two critical issues that can seriously impede future development prospects.”

On the one hand, project costs have been escalating unrelentingly and show no sign of abating. And problems in the international credit markets, which are looming larger, may also constrain capital flows into the region. Past reviews up to 2006-2010 had shown that rising capital investment was mostly matched with an increase in the number of projects.

### [Secret of treasure islands](#)

The Falklands is sitting on deep-sea oil riches that could turn out to be worth a fortune.

### [Why Does Washington Want OPEC to Increase Supplies Despite the Decline in Price?](#)

Amidst the decelerating US and global economies, Bush demanded that OPEC raise its production ceiling in its upcoming summit without openly setting the desired ceiling. The request was confirmed by US energy secretary Samuel Bodman during his visit to the Gulf states last week, still without announcing the desired increase in production. The American demand comes at a very unusual time as prices were already sliding before any of these statements were made and without the need for any political interference. The slide in prices is attributed to market elements dominated by the fear of a worsening and spreading economic slowdown. Interestingly, American officials have not linked highly oil prices to the current global economic crisis as if no relationship existed between high oil prices with this crisis. Nor did any prominent international economist link the slowdown in the US with high oil prices.

### [India: Full oil price burden cannot be passed on](#)

Indicating a possible moderate hike in fuel rates, Finance Minister P Chidambaram has said India cannot pass the full burden of runaway rise in crude prices to consumers who will be pushed to "misery" by such a move.

### [Dmitry Orlov: Mind the ruins](#)

Lists of things worth saving from collapse and destruction can be made arbitrarily long: the wetlands, the symphony orchestra, the public library, the public transportation system, the solar sewage treatment plant... the list can go on and on. Saving something generally means preserving it in some intact, functional state, and often involves some fund-raising activities, and political lobbying to secure the much-needed funds. But in the US there is one category that never makes the list, and it is the most important one: ruins.

### [Zimbabwe: Getting Harder To Keep Children In School](#)

"During our time education was free," said Mufundisi. "My parents could send me and my siblings to boarding schools on my father's civil servant salary, but now I am in danger of not being able to do the same for my children."

Schools opened in Zimbabwe on Jan. 15 and teachers in Harare have reported growing absenteeism. To make matters worse the country is facing acute shortages of food, hard currency and fuel in the economic meltdown that began in 2000.

### [Rethinking the Meat-Guzzler](#)

A SEA change in the consumption of a resource that Americans take for granted may be in store — something cheap, plentiful, widely enjoyed and a part of daily life. And it isn't oil.

It's meat.

### [South Africa: Maize Farmers Lobby to Supply Biofuel Industry](#)

South African maize farmers are pushing hard to change a government decision to exclude their crops as feedstock for bioethanol, in view of food security concerns.

### [India: Govt to prioritise natural gas allocation](#)

NEW DELHI: Fertiliser plants will have the first right over domestic natural gas,

followed by petrochemical and existing power units if the government approves a draft natural gas utilisation policy.

According to the draft prepared by the Petroleum Ministry, natural gas produced from fields like eastern offshore KG-D6 field of Reliance Industries or Panna/Mukta and Tapti field off Mumbai, would first be given to the fertiliser sector as existing gas-based fertiliser units were running at less than designed capacity because of shortage of gas.

### [Higher prices food for dismal thoughts](#)

Until last week, I put this down to the burgeoning food demands of the fast-growing, heavily populated emerging economies of the East.

That, and the needs of the bio-fuel industry.

But a thoughtful new paper from UK-based consultants Bidwells Agribusiness suggests something else is driving global food prices higher - namely an ever more pressing world-wide shortage of both fresh water and arable land.

### [Official worries fuel pipeline will draw insurgents](#)

State Rep. Chente Quintanilla says head of Texas' homeland security is ignoring his concerns that a proposed Pemex pipeline could attract leftist Mexican insurgents to the U.S.

Quintanilla, D-El Paso, worries that a proposed pipeline that would transport gasoline from stateside petroleum tanks directly through El Paso County into Juárez could be sabotaged by Mexican insurgents protesting Petroleos Mexicanos, or Pemex.

### [China's Snowstorms Trigger Alert, Coal-Shipment Boost](#)

(Bloomberg) -- China issued a weather alert and boosted coal shipments as snowstorms were forecast to continue. At least 30 flights from Beijing airport were canceled and Xinhua News Agency reported about 150,000 rail passengers were stranded.

### [China feels new year chill as coal shortage bites](#)

The shortage could not have come at a worse time for the ruling Communist Party. The leadership is anxious to ensure plentiful supplies of power for the most important holiday of the year, the Lunar New Year holiday, which begins on February 7, just as rising prices – particularly for food – are fuelling popular discontent.

The transport ministry has roped in two state shipping giants to help move coal more swiftly to southern China. China Shipping Group has diverted six ships from its overseas shipping fleet to queue at the ports, while Cosco has diverted 11 vessels.

### [Marshall Islands faces fuel shortage](#)

For the past two years, the Majuro utility has repeatedly faced the threat of fuel shortages because its debt coupled with rising prices and an inability to generate adequate revenues from electric customers has forced it to reduce orders of diesel to minimum amounts. The utility came close to running out of diesel on several occasions in 2006-2007, but in recent months its situation stabilized after it secured a \$12 million loan from the Bank of Guam allowing it to pay off some of its debt and get fuel orders regularized.

### [Pakistan: Shutdown of CNG stations annoys Lahoris](#)

LAHORE: The 24-hour shutdown of Compressed Natural Gas (CNG) stations on Saturday caused mayhem for the Lahoris, as massive traffic jams were observed on the major roads of the city.

### [Mines may remain closed next week](#)

GOLD and platinum mines in South Africa could remain closed until well into next week while industry and government discussed ways of reducing power, the minerals and energy department (DME) said.

### [Solution to Eskom and mine energy problems](#)

I have reviewed technology that solves wet coal problems as it crushes the coal it dries it from plus 15% to 5%, uses less energy to crush material hence can replace or work in tandem with mines and Eskom and mines to crush their coal and other resources, can work on a generator and can continue crushing material using a generator thus reducing mine losses during this dark time, and may be worthy of a story from your investigative team.

### [China: Nuclear Energy is No Solution](#)

Developing nuclear power is obviously one route away from fossil energy and hence can be seen as environmentally sound. Given the advanced safety technology, including the inherently safe fuel designs of Generation VI Pebble-bed reactor technology, there will be far less chance of a failing that would lead to a Chernobyl style disaster again.

But the problem is how to quadruple China's nuclear energy output in merely ten years: from approximately 10GW to 40GW during 2010-2020.

### [Why the Nuclear Energy Path is Suicidal](#)

Nuclear energy is the poorest yielder in terms of investments and is also the unsafest. Its every step bristles with radioactive hazards while the solar and other forms of renewable energy are abundant producers, non-polluting, free from hazards, and are far cheaper in costs.

The following are the reasons why the nuclear path must not be trodden at all.

### [KEPCO Eyes 1st Atomic Power Plant in Turkey](#)

Korea Electric Power Corp. (KEPCO) has signed a memorandum of understanding (MOU) with ENKA, the largest construction firm in Turkey, in a move to win an order to build a nuclear power plant there, according to the South Korean state-run firm.

### [Lead the way in cutting carbon](#)

MBAs in carbon management will become increasingly important as companies are forced to tackle climate change.

### [The stuff of life](#)

The artificial creation of, frankly, a rather dull chromosome, will not solve climate change or spark bioterrorism. Don't get so excited.

### [China Offers Plan to Clean Up Its Polluted Lakes](#)

HONG KONG — The Chinese government unveiled a detailed plan on Tuesday to limit pollution in China's lakes by 2010 and return them to their original state by 2030.

The State Council, China's cabinet, ordered strict regulation of the release of wastewater, the closing of heavily polluting factories near lakes, the improvement of sewage treatment facilities and strict limits on fish farms, according to the official Xinhua news agency.

### [Plan to Extend Shanghai Rail Line Stirs Middle Class to Protest](#)

SHANGHAI — Yang Yang, a 29-year-old saleswoman, had never imagined herself in the role of advocate.

But when she learned from her housing development's electronic bulletin board of the city's plans to extend Shanghai's futuristic magnetic levitation, or maglev, train line within 30 yards of her house, she was angered about the effect on property values and began networking with other middle-class opponents both in her neighborhood and all along the planned train route.

### [Waving Goodbye to Hegemony](#)

It is 2016, and the Hillary Clinton or John McCain or Barack Obama administration is nearing the end of its second term. America has pulled out of Iraq but has about 20,000 troops in the independent state of Kurdistan, as well as warships anchored at Bahrain and an Air Force presence in Qatar. Afghanistan is stable; Iran is nuclear. China has absorbed Taiwan and is steadily increasing its naval presence around the Pacific Rim and, from the Pakistani port of Gwadar, on the Arabian Sea. The European Union has expanded to well over 30 members and has secure oil and gas flows from North Africa, Russia and the Caspian Sea, as well as substantial nuclear energy. America's standing in the world remains in steady decline.

### [A New France in the New Middle East: Forget Glory](#)

The American setback in Iraq, the winding down of the Bush presidency, a longing in the region for an alternative to American power, a turn inward by Britain's new leaders and soaring prices for oil have created opportunities for Mr. Sarkozy.

### [Energy crisis challenges everyone](#)

The energy crisis is bad news for all consumers and business and hits especially hard in states like New Hampshire that rely almost exclusively on fuels imported from outside the region. Everyone is affected, but the impacts are most serious for consumers with lower or fixed incomes and for small businesses that cannot increase their prices to compensate.

### [Cuban permaculturalist to tour Australia](#)

After the collapse of the Soviet Union and Eastern Bloc in the early 1990s, Cuba lost access to the oil, fertilizers and virtually all trading partners that the small island nation depended upon to survive. Cuba faced economic collapse virtually overnight.

Cuba, however, refused to give up on building a socialist society — maintaining, for example, its universal free healthcare and education — while it entered into the period

of economic hardship known as the “Special Period”, and the United States tightened its decades-long blockade of the country.

### [A Dying Breed](#)

In recent decades, global trade, sophisticated marketing, artificial insemination and the demands of agricultural economics have transformed the Holstein into the world's predominant dairy breed. Indigenous animals like East Africa's sinewy Ankole, the product of centuries of selection for traits adapted to harsh conditions, are struggling to compete with foreign imports bred for maximal production. This worries some scientists. The world's food supply is increasingly dependent on a small and narrowing list of highly engineered breeds: the Holstein, the Large White pig and the Rhode Island Red and Leghorn chickens. There's a risk that future diseases could ravage these homogeneous animal populations. Poor countries, which possess much of the world's vanishing biodiversity, may also be discarding breeds that possess undiscovered genetic advantages. But farmers like Mugira say they can't afford to wait for science. And so, on the African savanna, a competition for survival is underway.

### [OPEC To Keep Output Level At Feb Meeting - Gulf Delegate](#)

DUBAI -(Dow Jones)- The Organization of Petroleum Exporting Countries is expected to keep its crude oil output level unchanged when the group's 13 members meet in Vienna on Feb. 1, a senior OPEC delegate told Dow Jones Newswires on Sunday.

"I don't think an action will be taken during the meeting," the Gulf-based delegate said.

"During our last meeting in December, it was agreed that any decision will be taken in March, unless something major happens that warrants action during the extraordinary meeting that was set for February. But there is no need, the market situation is still where it was in December," he added.

### [Pan American Energy finds oil reserve in Argentina](#)

BUENOS AIRES (Reuters) - Pan American Energy has discovered an oil reserve in southern Argentina in one of the biggest such finds of recent years in the energy-hungry country, a provincial governor said on Saturday.

### [Open the Gulf of Mexico to oil and gas exploration](#)

World oil supply and demand is complicated, however some bare facts are obvious; OPEC crude oil production spare capacity is barely existent, oil prices are hovering around \$100 per barrel, the value of the dollar is falling, our country is on the edge of a recession, our President recently traveled to the Middle East with hat in hand asking for

help and is now proposing a \$150 billion tax break to avert a recession. Not good.

We cannot drill our way into energy security, but we can delay shortages for several years while new sources of energy technologies are developed. It is time to lift the moratorium in the Eastern Planning Area of the Gulf of Mexico for exploration and development.

### [Palin, lawmakers: Don't let Conoco derail pipeline plan](#)

ConocoPhillips is like a kid on the playground who doesn't like the rules of the kickball game and is trying to woo kids away to create another competition it knows it can win.

When it comes to who's going to build a natural gas pipeline in Alaska, the state's largest oil producer is engaged in a sort of bullying, though far more subtle and complex than anything you'd see on a playground. A few legislators seem to be suckers for Conoco's tactics, but let's hope Gov. Sarah Palin and the majority of lawmakers have the moxie and intelligence to resist the oil company's ploys.

### [Iraq's Oil Ministry changes procedures of selling Kirkuk oil](#)

(MENAFN) A statement issued by the Iraqi Oil Ministry said that the ministry has changed the procedure of selling Kirkuk crude oil to Turkey's Ceyhan port, Iraq Directory reported.

The statement also disclosed that the selling of Kirkuk crude oil by the Ceyhan port will be made on term contracts instead of auctions.

### [Future of Venezuelan oil company will have ripple effects far and wide](#)

Since Chavez took power in 1999, oil production in Venezuela has declined by 28 percent, the company's debt has soared, corruption has flourished, foreign oil partners have pulled out, PDVSA's payroll has skyrocketed and the company has taken to hiring employees for their fealty to Chavez, not their expertise.

PDVSA will continue to supply mountains of money to Chavez as long as oil prices remain high, said David Mares, a professor at the University of California at San Diego who co-authored an in-depth analysis of PDVSA last March.

"But PDVSA is not generating more money through better performance," Mares told The Herald. "PDVSA is generating this money in spite of its deteriorating performance. The threat to PDVSA will be when prices go down, and I don't mean collapse. When the oil market weakens, PDVSA won't be able to increase output to keep up income."



### [Bulgarian president reassures EU over gas project](#)

SOFIA (AFP) - Bulgaria is still committed to the EU's Nabucco gas pipeline project despite signing a deal with Russia on its South Stream pipeline, President Georgy Parvanov said Sunday.

"Bulgaria will play an active role in the Nabucco project," Parvanov told reporters on the first anniversary of his second mandate as president.

### [Pakistan & Indian petroleum ministers discuss gas pipeline project](#)

LONDON: Petroleum Ministers of India and Pakistan held discussions here on a multi-billion-dollar gas pipeline project involving the two countries and Iran, with both sides expressing their keenness to put it on stream.

### [Australia: Fuel crisis looms by 2015](#)

Australian Association for the Study of Peak Oil and Gas Brisbane spokesman Stuart McCarthy said yesterday it was time for governments to act, now that big businesses were speaking openly about the problem.

..."We need the Government to act. This will impact far sooner than climate change," Mr McCarthy said.

### [UK: Wind farms turn huge profit with help of subsidies](#)

According to new industry figures, a typical 2 megawatt (2MW) turbine can now generate power worth £200,000 on the wholesale markets - plus another £300,000 of subsidy from taxpayers.

Since such turbines cost around £2m to build and last for 20 or more years, it means they can pay for themselves in just 4-5 years and then produce nothing but profit.

### [Green daze](#)

The fashion industry has caught the eco bug and is blinding us with a barrage of ethical products. Is this really going to save the planet?

### [The greening of nuclear power](#)

A founder of Greenpeace has done an about-face on nuclear power, and now says building new plants to help the United States overcome its dependence on foreign oil for its energy needs is the way to go.

### [Japan, Denmark set new climate goals](#)

DAVOS, Switzerland - The United States, China and India must be part of the follow-up treaty to the Kyoto Protocol and agree to cut carbon emissions, Denmark's prime minister said Saturday. Japan's leader offered them a bold strategy for doing it.

Climate change returned to the fore at the World Economic Forum's annual meeting, where Japanese Prime Minister Yasuo Fukuda proposed a 2020 deadline for countries to boost their energy efficiency by 30 percent. He added that Japan would try to spread its high-quality environmental technology around the world.

### [Big business says addressing climate change 'rates very low on agenda'](#)

Global warming ranks far down the concerns of the world's biggest companies, despite world leaders' hopes that they will pioneer solutions to the impending climate crisis, a startling survey will reveal this week.

Nearly nine in 10 of them do not rate it as a priority, says the study, which canvassed more than 500 big businesses in Britain, the US, Germany, Japan, India and China. Nearly twice as many see climate change as imposing costs on their business as those who believe it presents an opportunity to make money. And the report's publishers believe that big business will concentrate even less on climate change as the world economy deteriorates.



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