



DrumBeat: January 28, 2008

Posted by [Leanan](#) on January 28, 2008 - 9:48am

Topic: [Miscellaneous](#)

[Total sees more pressure on oil price](#)

PARIS (Reuters) - French oil major Total sees continued pressure on oil prices and will increasingly look for oil in less accessible areas to boost production, its head of exploration told the Le Figaro newspaper.

"The upward pressure will be maintained because there is too limited production capacity worldwide to deal with the increase in consumption, notably in emerging countries," Yves-Louis Darricarrere said in an interview to be published on Tuesday.

[Ukraine demands Gazprom cut out middleman](#)

MOSCOW: The prime minister of Ukraine, Yulia Tymoshenko, demanded Monday that Gazprom, the Russian natural gas monopoly, deal directly with the Ukrainian state oil and gas company rather than through an intermediary as it does now.

The demand sets Tymoshenko, a politician with a reputation for fierceness and tenacity, against the interests of Gazprom regarding natural gas trans-shipments through Ukraine to Western Europe. That is an issue that is important for Gazprom's bottom line.

[No reason for OPEC output change - Nigeria oil min](#)

ABUJA (Reuters) - Nigeria sees no reason for OPEC to change its agreed oil output at its next meeting in Vienna on Feb. 1, Minister of State for Petroleum Odein Ajumogobia said on Monday.

Ajumogobia said Nigeria was concerned about the risk that high oil prices would depress global oil demand, he told a news conference in the capital Abuja.

[Reasons to buy a hybrid - or not](#)

(AOL Autos) -- OK, it's official: Hybrid vehicles are definitely the wave of the future or at least one of them. With gas prices remaining over \$3 a gallon and oil prices up around \$100 a barrel, the need to save on fuel -- and fuel costs -- is clearly not just a passing trend. And, of course, concerns about air quality and global warming seem to mount every day.

So, it would seem that this is the right time to take the plunge and buy a hybrid. But first there are some questions you need to ask yourself. One key question is this: Why are you buying a hybrid? Is it to save on gas costs -- or is it to do your part when it comes to cutting back on fossil-fuel emissions, which foul the air and contribute to rapid climate change?

[Hershey ups candy price](#)

HERSHEY, Pa. (AP) -- Chocolate maker Hershey Co., faced with rising costs for commodities and energy, said Monday it will boost its wholesale prices by about 3 percent on one-third of its domestic candy line.

[The Chemicals Within](#)

Clearly, there are chemicals in our bodies that don't belong there. The Centers for Disease Control and Prevention conducts a large, ongoing survey that has found 148 chemicals in Americans of all ages, including lead, mercury, dioxins and PCBs. Other scientists have detected antibacterial agents from liquid soaps in breast milk, infants' cord blood and the urine of young girls. And in 2005, the Environmental Working Group found an average of 200 chemicals in the cord blood of 10 newborns, including known carcinogens and neurotoxins. "Our babies are being born pre-polluted," says Sharyle Patton of Commonweal, which cosponsored "Is It in Us?" "This is going to be the next big environmental issue after climate change."

[Iraq halts Korea oil exports over Kurd deal](#)

Iraq has halted crude exports to South Korea's SK Energy in protest of an oil deal between Korean companies and the Kurdistan regional government, an Iraqi oil ministry source said on Monday.

Baghdad suspended a contract to export 90,000 barrels per day (bpd) to SK Energy on Jan.1 and has given SK Energy until Jan.31 to back out of the deal if it wants exports to resume, the source said.

[Valero sees no restart date yet for Aruba refinery](#)

NEW YORK (Reuters) - Valero Energy Corp said Monday that some of the units at its

fire-stricken refinery in Aruba are on circulation, but there was still no timeline for restarting the refinery, a company spokesman said.

"We are not producing anything," said Bill Day, adding that by keeping some units running it makes it easy to implement the restart process.

[Ethanol fuel is not so green](#)

ETHANOL is not the answer for Australia's future fuel needs. It is not green, it is not economically viable, and any move to mandate its inclusion in fuel would have enormous repercussions for other sectors of Australian industry.

It is something of a relief, therefore, to read a just-released parliamentary research paper on the economic effects of an ethanol mandate.

The paper concludes that "no prima facie economic case for a mandate has been established".

[Value of U.S. House's carbon offsets is murky](#)

The House of Representatives has presumably learned that money cannot buy love or happiness. Now, it turns out it's not a sure solution to climate guilt, either.

[China's growth could spark political tensions](#)

China's booming economy is expected to consume more than half of the world's key resources within a decade, according to Rio Tinto.

The rapid industrialisation of China's economy means that it is likely to consume a majority of the world's supply of all the major metals and minerals, potentially leading to clashes with other countries over access to resources. Rio Tinto, the world's second-largest miner, said last week that China already accounted for 47 per cent of all iron ore consumption, 32 per cent of aluminium and 25 per cent of copper.

Tom Albanese, Rio's chief executive, has predicted that within the next couple of years this will move to 58 per cent of all iron ore, 45 per cent of aluminium and a third of all copper. He said: "Even with the assumption that the current growth intensity will slow, we are looking at China consuming a higher percentage of global supply."

[Kurt Cobb: Cornucopians and their magical thinking](#)

And, so it is with the cornucopian thinker. He (or she) explains that most accepted

measures of human well-being have been rising since 1800. But so has population. Ergo, population increases simply *cannot* result in human misery in the future. The correlation - a rise in living standards while population increased - means that rising populations *cause* beneficial things to happen to most human beings. (Never mind that fossil fuel usage was increasing exponentially during most of this period. And, never mind that the cornucopian only considers human well-being, especially the ability of humans to extract their needs from nature in the short run. Never is the long-term health of the ecosphere on which all humans depend seriously considered.)

[China's Snowstorms Halt Fuel Shipment, Flights, Power](#)

China's heaviest snowstorms in five decades crushed homes, grounded flights, disrupted electricity and left hundreds of thousands of travelers stranded, a week before millions take to the roads for Lunar New Year holidays.

As many as 5 percent of China's coal-fired power plants, which generate 78 percent of electricity, were shut because snow hampered coal shipments, the National Development and Reform Commission said today. Zhuzhou Smelter Group Co., China's largest zinc refiner, said shortages forced it to cut production.

[Weather steams coal prices](#)

COAL prices rose to a record in Asia as flooding in Australia, power cuts in South Africa and snow storms in China restricted output, contributing to electricity shortages in the world's fastest-growing major economy.

[China cuts Australia coal imports 34% on congestion](#)

Beijing, Jan 27 China cut its 2007 coal imports from Australia by 34% as insufficient rail and port handling facilities restrict shipments from the world's biggest exporter of the fuel.

China increased coal purchases from countries including Indonesia, North Korea and Vietnam to offset the decline from Australia, figures released in Beijing on Sunday by the Customs General Administration of China show. Shipments from Vietnam accounted for half of China's total imports.

[Yemen: Students protest increase in bus fares](#)

A demonstration that started with a few university students and grew to include over a hundred protestors took place at the New Sana'a University roundabout on Sunday, Jan. 27.

The students, who gathered at around 12:30 pm, protested against the sudden bus fare increase from 20 Yemeni Riyals to 50. Although the increase has been attributed to a rumoured increase in fuel prices, the actual price of fuel has not yet increased.

[Malawi: Paraffin shortage hits local traders](#)

THE current paraffin shortage hitting the country has spread its tentacles across households in rural and urban areas that use the product for lighting lamps.

Government on January 18 increased the price of fuel, and paraffin that is mostly used in rural areas went up to K132 per litre from K125.

Despite the increase, paraffin is not readily available on the market, a development that has negatively affected traders who sale the product for a living.

[Fuel delivery delay triggers islandwide outages](#)

Delays in fuel delivery at two power plants on Saipan triggered sudden rotating outages throughout the island yesterday.

[Anglo says all SAfrica coal mines back in production](#)

JOHANNESBURG (Reuters) - Global diversified miner Anglo American said all its South African coal mining operations had resumed full production on Monday, except the Kleinkopje mine, which was operating at a reduced level.

... Ramchander said the mines re-started following a series of weekend meetings with officials from state-owned utility Eskom [ESCJ.UL], which relies on coal-fired power generation for more than 90 percent of its electricity supplies.

The coal mines stopped operations on Friday owing to a power crisis that has halted most mining in South Africa.

[Reopening Kozloduy blocks 3 and 4 only way to head off energy crisis - BCE](#)

Bulgarian Branch Chamber of Energetics (BCE) issued a media statement on January 28, saying that restarting blocks 3 and 4 of the Kozloduy nuclear power plant (NPP) was "the only way to head off the energy crisis in the region."

According to BCE, an NGO of employers in the energy branch, there was no technical reason to shut down the two blocks of the Kozloduy NPP.

[Mexican Parties on Strike for Oil](#)

Mexico (Prensa Latina) - Mexican political parties in the Broad Progressive Front (FAP) threatened to go on a "legislative strike" to avoid the privatization of the country's oil industry.

According to Javier Gonzalez Garza, coordinator of the PRD parliamentary group, the Front will try to prevent the passing of a bill that would open state-owned Mexican Oil Co. (PEMEX) to national and foreign private investment.

[Pakistan: A country on the edge](#)

Pakistan, even before the assassination of Benazir Bhutto, was gripped by a severe political and social crisis. There are country-wide protests against the price hikes and power shortages. There seems to be no end to the suicide bombings and terror unleashed by the reactionary armed Islamic groups. The state apparatus is dysfunctional in many parts of the country. The January elections have been delayed until February 18.

[Carmakers hit by soaring price of platinum](#)

The soaring price of platinum is set to have serious consequences for the automotive business and other industries using the precious metal in environmental technologies.

[Central Indiana Ethanol consensus: Success](#)

Six months after grinding its first bushel of corn, the board and management at Central Indiana Ethanol is thrilled with how smoothly the plant is running. But as talk of ethanol fuel heats up across the country and around the planet, the increasingly volatile price of corn has put some in the industry on edge.

[Oil reserves fuel fight](#)

WASHINGTON – Underground salt caverns holding millions of barrels of oil in Louisiana and Texas are the subject of a clash between the Bush administration and lawmakers who say it's too expensive to fill them.

Senate Energy and Natural Resources Committee Chairman Sen. Jeff Bingaman, D-N.M., and other lawmakers want the administration to stop filling the caverns – two in Louisiana and two in Texas --that make up the Strategic Petroleum Reserve, the nation's defense against a disruption of oil imports.

“Filling the Strategic Petroleum Reserve is having a counterinfluence on supply. Instead of easing the price pressure, it’s adding to it,” Bingaman has said.

The reserves are more than 90 percent full, but President Bush made it a priority to fill them.

[South Africa mines still starved of power; heavy daily losses](#)

Johannesburg - South Africa's leading gold, platinum and diamond mines were at a production standstill Monday for the fourth day running after state electricity supplier Eskom last week ordered them to halt mining to save power. After meeting with Eskom to discuss the energy crisis that has plunged homes and businesses across the country into darkness repeatedly over the past two weeks the mining companies said they were still uncertain of when they would be able to resume production.

[Botswana: Power Cuts Plunge Business Into Turmoil](#)

The business community in Gaborone has expressed grave concern that they will lose millions of Pula during the expected power shortage that has already manifested itself in frequent outages.

Since January 16 some parts of the country has experienced unexpected power blackouts. This is because Botswana's major power supplier, Eskom, of South Africa, has decided to cut the outside supply to meet local demand.

[India - A Hobbson Choice: Oil for Food or Oil for Fuel?](#)

Oil is central to the economy. Be it the oil for food or oil for fuel. In both the cases the country is dependant on imports.

[Gas: Highly prized reserves in a tightening market](#)

In the past decade Africa may well have been the most exciting region in the world for oil exploration but, for many multinational companies, the continent has also emerged as an important gas play.

With Europe concerned over Russia’s political motives in exploiting its energy wealth and big international companies shut out or deterred from investing in the Middle East, many eyes have turned to Africa in the hope of securing future supply.

[The oil majors: Trickier times ahead for big fish](#)

“In the past the risks that affected companies in Africa were technical, but the above-ground risks are counterbalancing this scenario,” says Bob Frylund, vice president of industry relations at IHS, the energy consultants. Over the past two years, the continent’s main producing countries have signalled or even demonstrated their willingness to use high prices to push for tighter fiscal terms and conditions and actively court state-owned companies from Asia and elsewhere.

[Bankers at Davos See Slump, Firms Yet to Feel Effect](#)

Financiers tramped through the snow, glued to their Blackberries, as news broke of an emergency interest-rate cut by the Federal Reserve and Societe Generale SA's record loss at the hands of a rogue trader. Industrialists took comfort from the prospect of further rate cuts, demand from oil producers and the likelihood of continued -- albeit slower -- growth in China.

“There's a split between those who are in finance and those who are in more general industries,” Daniel Yergin, chairman of Massachusetts-based Cambridge Energy Research Associates Inc., said in an interview. “The buildup of these very large financial surpluses in the energy exporters and the Asian manufacturing exporters has coincided with this crisis.”

[Addicted to oil](#)

In President Bush's recent request to the Saudis for more oil, he has once again turned his back on the nation's need to reduce consumption.

Instead, he chose to embrace a policy not unlike that of a junkie who would rather fill the pockets of his filthy-rich dealer than to kick the habit.

[Maldives Builds Barriers to Global Warming](#)

The Republic of Maldives was one of the first countries to recognize the danger of rising sea levels. It's also one of the first to come up with a plan to adapt to a warmer world.

[Australia: Oil companies told to explain](#)

THE nation's price watchdog is demanding answers from petrol companies after motorists were denied the benefits of a recent fall in the world price of oil.

The chairman of the Australian Competition and Consumer Commission, Graeme Samuel, said he would begin talks with each of the companies after the divergence between the Singapore oil price and bowser prices blew "off the graph" before the

Australia Day long weekend.

[Iraq's oil exports via Turkey suspended since Friday, shipping agent says](#)

AMMAN (MarketWatch) -- Iraqi crude oil exports from northern Kirkuk oil fields to Turkey's Ceyhan port have been suspended since Friday, a shipping agent at the terminal said Monday.

The agent said Kirkuk crude oil pumping to Ceyhan was suspended at 2000 local time Friday. Iraq only resumed the flow last Wednesday after a two-week suspension on a fault that occurred at one point of the export pipeline.

[Gazprom aims for 14 pct of UK gas market in 3 yrs - co's trading head](#)

LONDON (Thomson Financial) - OAO Gazprom is targeting 14 pct of the UK's commercial and industrial gas market within three years, up from 1.5 pct today, said Vitaly Vasiliev, the Russian energy giant's head of Marketing and Trading.

'Gazprom wants to be an energy company, not just a supplier of gas. We want to participate in the whole value chain,' the Wall Street Journal quoted Vasiliev as saying.

[Iran resumes gas supplies to Turkey: report](#)

ANKARA (AFP) - Iran began pumping natural gas to Turkey on Sunday after cutting supplies for three weeks, but the flow was far less than normal, the Anatolia news agency reported.

The gas began flowing at around 4:00 pm (1400 GMT) at a rate of between 1.5 and 2.0 million cubic metres a day, far below the usual 29 million cubic metres a day, the agency said.

[Gasoline black market thrives in Iran](#)

BANDAR ABBAS, Iran - Each day, the boulevard in this port city derisively dubbed "OPEC Street" is lined with dozens of vendors selling plastic jugs of black-market gasoline to desperate drivers who haggle over the price of a tankful.

Iran is the world's fourth-largest producer of oil. But its government imposed gasoline rationing last year in hopes of trimming extensive government subsidies. That has created a booming black market across the country — feeding Iranians' discontent with the economic policies of hardline President Mahmoud Ahmadinejad.

[Drivers to see major toll hikes](#)

"People view highways as free, but they're not," says Patrick Jones, chief executive of the International Bridge, Tunnel and Turnpike Association, which represents toll authorities. He says Congress' decision to keep the federal gas tax at 18.4 cents per gallon, unchanged since 1993, has led to a greater reliance on tolls.

[Gazprom strikes deal on European gas hub in Austria](#)

Russia's state-run gas giant Gazprom and OMV, an Austrian oil and gas company, signed a cooperation agreement in Vienna to set up a gas trading platform and storage facility in Europe.

[24 disabled North Sea oil divers sue Norwegian government, claiming human rights violations](#)

OSLO, Norway: A group of 24 deep sea divers who claim their health was ruined when they worked at extreme depths in the early years of Norway's offshore oil boom sued the government on Monday for violating their human rights.

The so-called pioneer divers were sent to extreme and sometimes experimental depths while working on offshore oil installations in the 1970s and 1980s, according to a government commission that studied the case.

[Oil group expected to post UK's highest-ever record profits](#)

Anglo-Dutch oil group, Shell is expected to break the UK's highest-ever record profits when it announces its annual accounts for 2007 on Thursday, according to City analysts.

[China promises to ensure supplies of oil and coal](#)

BEIJING — China's government promised Monday to increase output of gasoline, coal and power to ease shortages amid severe winter weather that has forced rationing in some areas.

The announcement came as coal prices hit a record high Monday and heavy snows blocked deliveries to power plants.

[The kinder, gentler energy superpower](#)

Canada is the kind of oil supplier the U.S. can rely on, and no one knows it better than the Texans.

[Ethnic tension rises in oil-rich Kirkuk](#)

Baghdad - An Arab political bloc threatened Monday to pull out of the local council of the oil-rich, ethnically mixed city of Kirkuk in northern Iraq unless anti-Arab measures taken by the Kurdish majority are stopped.

[Syrian president calls for rapid construction of joint refinery](#)

Syrian President Bashar al-Assad in a state order to the country's oil ministry called for rapid construction of a joint venture refinery to be built by Syria, Iran, Venezuela and Malaysia.

The project was proposed by Venezuelan President Hugo Chavez during his visit to Syria in August 2007 and its agreement document was later signed by these four countries.

[China looking for energy supplies at home](#)

BEIJING: After a scramble by China's big oil companies to secure energy reserves overseas, they seem to have found their best prospects in the most unexpected place: under their own feet.

China is turning inward for energy resources to feed its economy as it faces increasingly nationalist governments from Venezuela to Russia that want bigger oil profits and competition for remote deep-water fields or unconventional resources, like Canada's oil sands.

[Beijing wary of investing in oil sands](#)

Yet despite China's insatiable demand for energy to power its booming economy, the Alberta oil sands are largely off the Chinese map. Beijing is obsessed with diversifying its oil sources and avoiding any dependence on a single supplier. It sees Canada as a country in the U.S. sphere of influence, a country where oil could be held hostage to political concerns. And it has little enthusiasm for multibillion-dollar oil deals in a country whose relations with China have been soured by human-rights disputes.

[Ecuador wants to end oil negotiations in 45 days](#)

QUITO, Jan 28 (Reuters) - Ecuadorean President Rafael Correa said he wants oil firms to strike an agreement with the government to overhaul their contracts in 45 days as the state seeks to increase its control over the key sector.

Ecuador started negotiations with five oil firms to switch from contracts that allow companies keep part of the oil they extract to deals in which the state will keep all the crude in exchange for a service fee.

[Oil peak: a crude ruse?](#)

Were Hubbert right, the productivity of oil wells should be plummeting about now. In fact, my next trip in my Toyota could be my last car ride ever.

So are we running short of oil? Far from it. As of 2007, exploitable reserves of oil were well over one trillion barrels. Current world demand, according to the United States-based Energy Information Administration, is 31,4-billion barrels a year.

[Sheryl Crow's peak oil song](#)

"Gasoline" - on *Detours* CD to be released Feb 5th

*Way back in the year of 2017
The sun was growing hotter
And oil was way beyond its peak
When crazy Hector Johnson broke into a refinery
And the black gold started flowing
Just like Boston tea*

*It was the summer of the riots
And London sat in sweltering heat
And the gangs of Mini Coopers
Took the battle to the streets
But when the creed was handed down
For no more trucks and no more cars
They threw cans of petrol through the windows at
Scotland Yard...*

[Tony Blair to advise Zurich Financial on climate change](#)

ZURICH (AFP) - Former British prime minister Tony Blair will advise Zurich Financial Services (ZFS) on a range of issues including climate change, the Swiss company said on Monday.

Blair, who stepped down as Prime Minister last June after 10 years in office, will advise CEO James Schiro and provide "general guidance on developments and trends in the international political environment," the company said in a statement.

He will also work with ZFS's recently-launched climate change advisory council, which will focus on the business risks posed by global warming.

[Auto companies press states on California emissions](#)

WASHINGTON (Reuters) - Automakers and their allies have stepped up lobbying to convince states that a proposal by California to cut tailpipe emissions sharply to fight global warming could further depress the struggling U.S. industry.

There is concern among General Motors Corp, Ford Motor Co, Chrysler LLC -- and supporters in Congress and at state level -- that the California initiative may survive court challenges and possibly be adopted by New York, Pennsylvania, and more than a dozen other states.

[Researchers say sea levels rising faster than predicted](#)

Rises in sea levels during the coming decades could be much higher than previously believed, say experts. A new report by a consortium of scientists from the National Oceanography Centre in Southampton, UK, and research centres in Germany and the US says that sea levels rose by an average of 1.6 m every hundred years when the Earth was last as warm as it is predicted to be by the end of the present century.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).