



DrumBeat: May 15, 2008

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Topic: [Miscellaneous](#)

[Malthus, the false prophet](#)

Once again the gloom is overdone. There may no longer be virgin lands to be settled and cultivated, as in the 19th century, but there is no reason to believe that agricultural productivity has hit a buffer. Indeed, one of the main barriers to another “green revolution” is unwarranted popular worries about genetically modified foods, which is holding back farm output not just in Europe, but in the developing countries that could use them to boost their exports.

...Although neo-Malthusianism naturally has much to say about food scarcity, the doctrine emerges more generally as the idea of absolute limits on resources and energy, such as the notion of “peak oil”. Following the earlier scares of the 1970s, oil companies defied the pessimists by finding extra fields, not least since higher prices had spurred new exploration. But even if oil wells were to run dry, economies can still adapt by finding and exploiting other energy sources.

[Petrobras Has Drilled Halfway Through Carioca, Minister Says](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, has drilled halfway through its offshore Carioca deposit and will need more time to determine its size, Mines and Energy Minister Edison Lobao said.

[Shell: Crude shortfalls will boost renewables](#)

Royal Dutch Shell said the failure of crude suppliers to keep pace with accelerating demand may prompt the expansion of renewable energy.

There's "plenty of oil in the world," Shell's Scenario Team said today on a Webcast led by Global Business Environment Vice President Jeremy Bentham. "The important moment is actually not a possible peak of oil production;" it's when demand exceeds supply, which may "come well before a peak" in output.

[OPEC Cuts Oil Demand Forecast; Buyers Shun Heavy Oil](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries cut its 2008 global oil demand forecast for a second time in three months as producers report difficulties selling ``heavy" crude grades.

[Norway's budget surplus soars on oil](#)

The Norwegian government's budget surplus for 2008, benefiting from record oil prices, is expected to soar more than 23 percent over the original projections, the finance minister said Thursday.

[Gazprom joins Quebec gas plant consortium](#)

CALGARY—Russia's Gazprom is joining a consortium developing a Canadian liquefied natural gas terminal and will supply all of the \$840 million plant's gas needs from its huge Shtokman project, the companies said Thursday.

[Congress looks to close 'Enron loophole' in trading](#)

WASHINGTON — Federal regulators would have more authority to monitor electronic energy markets and guard against market manipulation under legislation approved today as part of the congressional farm bill.

[PG&E asks customers to conserve during heat wave](#)

Anticipating triple-digit temperatures in many parts of California this week, Pacific Gas and Electric Co. is asking its "Critical Peak Pricing" customers to voluntarily conserve energy.

[Daimler: UPS Placed Major Order Of Hybrid, Natural Gas Trucks](#)

FRANKFURT -(Dow Jones)- Daimler AG (DAI) said Wednesday that United Parcel Service Inc. (UPS) ordered 200 hybrid electric trucks and 300 compressed natural gas vehicles.

In a statement, Daimler said that this represents its largest of alternative- fuel and drive-train commercial vehicles to-date.

[Memorial Day driving to drop slightly - AAA](#)

More than 12% of the U.S. population will be celebrating the Memorial Day weekend away from home, AAA said. Of those traveling, AAA said 31.7 million people, or 83%, are expected to drive. That's 1% fewer than the 32 million Memorial Day drivers a year ago. And airline travel is expected to decrease 0.5%.

"With Americans working paycheck to paycheck, high energy costs are having an effect," said AAA vice president Mark Brown in a press conference. "Americans are finding themselves at a travel tipping point."

[Why is everyone suddenly gaga over gas?](#)

Crude oil gets all the headlines, but there's another fossil fuel that's had an even more impressive run this year.

Natural gas has surged 55 per cent in 2008, topping the 29-per-cent rise in crude. And it could go higher still, especially if the summer brings scorching temperatures that prompt homeowners to crank up their air conditioners or hurricanes that knock out gas platforms in the Gulf of Mexico.

[Mexico's Battle over Oil](#)

On April 8, President Felipe Calderon dropped a political bomb on the Mexican political scene. The Senate received an executive initiative that would fundamentally change the structure and operations of the oil company, Petroleos Mexicanos (Pemex). Key operations of the state-owned enterprise would pass into private hands.

[Brazil Delays Oil Auctions on Lack of Equipment, Minister Says](#)

(Bloomberg) -- Brazil won't auction new oil properties until at least 2009 because there is a lack of equipment necessary to expand exploration, Mines and Energy Minister Edison Lobao said.

[Record Fuel Prices Spur Sales of Gas Cap Locks](#)

With gas heading toward the \$5-a-gallon mark a surge in gas thefts from parked cars is the latest energy crisis to hit consumers, with widespread police reports coast to coast of tanks being drained in broad daylight.

One woman in a quiet Staten Island neighborhood left her BMW in her driveway with an \$80 full tank of gas to take public transit, only to return from work to find her tank virtually empty.

Even cop cars are getting hit, with the NYPD ordering 400 locking gas caps on certain

vehicles to cut down on the high tabs for replacing stolen gas.

[St. Maarten: Tighten your belt](#)

As expected, fuel prices will go up again Friday, as a result of the ever-rising oil price on the international market. The increase by no less than 30 cents per litre of gasoline and per litre of diesel fuel is sure to be felt by motorists as well as bus and taxi drivers.

No only that, but practically all businesses will be dealing with increased transport cost that will no doubt be passed on to the consumer. The fuel price increase will also lead to higher energy bills, which have already gone up considerably in the past year.

[Cyprus: Government promises measures to offset soaring fuel prices](#)

THE GOVERNMENT said yesterday it was considering counter-measures to offset soaring fuel prices.

This was announced by Commerce Minister Antonis Paschalides as prices at the pump rose again in response to soaring international oil prices.

[Pakistan advances clock to conserve energy](#)

Islamabad (IANS) Facing a huge energy deficit, Pakistan has drawn up a comprehensive plan for conserving power by advancing clocks by an hour and ordering markets to close by 9 p.m. from June 1. The adjustment in the Pakistan Standard Time (PST) would take it six hours ahead of GMT. Henceforth, sunrise in Islamabad will be at 6 a.m. instead of 5 a.m. and sunset at 8 p.m.

Pakistan, which faces an energy shortfall of 4,000 MW, has twice before attempted to introduce daylight saving time but has failed on both occasions, Dawn reported Thursday.

[Author gushing with oil knowledge: Professor speaks at conference](#)

"One hundred and fifty years after the first commercial oil well in Oil Springs, global oil production is about to peak; we are at the zenith of the industry," he said. "It's very fitting that Thomas Homer-Dixon has a message about adjustment to a world of high energy demand and declining resources."

Homer-Dixon's speech at Petrolia's Victoria Hall, "The Great Transition: Coping with the end of the oil age," focused on oil production and the severity of the ongoing climate and

energy crises.

His message: we're running out of cheap oil.

[Celebrate clean coal, come on!](#)

In one TV commercial, Kool and the Gang warble their celebration of good times because coal, yes, coal, makes the party possible in America. In another, white and black, young and old, male and female, and even someone in a doctor's green scrubs, stare into the camera and soulfully declare: "I believe" American know-how will make coal clean and stop it from contributing to climate change. Not sold? Maybe you missed the newspaper ads and billboards warning that turning away from coal could mean blackouts, unemployment and higher electric bills.

[Clean coal, dirty business?](#)

While there may be no question of WWF Australia's good intentions in adding its name to the coalition calling for increased emphasis on research into Carbon Capture and Storage (CCS), is it really advisable to campaign for an increase in government investment (financial, but also philosophical) in this still mythical technology?

[“The Rocky Road to a Real Transition”: A Review](#)

It is flattering that so early in a movement such as the Transition movement, people take the time to sit down and write such a detailed critique of it. Trapeze Popular Education Collective were previously behind the excellent ‘Do It Yourself Manual’. As the first published external examination of the Transition model it is to be welcomed, and the authors raise a number of important questions. From my perspective, “The Rocky Road...” does a very good job of identifying many of the key areas where Transition is distinctly different from other approaches to social activism.

[Woodside drops hot rocks](#)

ALTERNATIVE energy group Geodynamics lost cornerstone investor Woodside Petroleum yesterday.

Woodside, a gas and oil business, offloaded all \$17.3 million of its holdings in Geodynamics, which is trying to tap "geothermal" power from underground hot rocks.

[OPEC trims 2008 global oil demand forecast](#)

LONDON — OPEC on Thursday trimmed its forecast for global growth in oil demand in 2008, the latest sign that record oil prices are slowing consumption in the industrialized world.

The exporter group also cut its estimate for oil supply from non-member countries in 2008, leading to a slight increase in the amount of crude its 13 members need to pump to balance the market.

[Peak-oil spike reshapes the suburbs](#)

The reality of peak oil will see properties classified into two types in the near future, according to Simon Fraser University professor Anthony Perl.

One will be properties from which owners can get to work, leisure activities, and services predominantly by car. The other offers alternatives to the automobile such as public transit, biking, and walking.

[Prices causing people to curb gasoline use - Exxon chief](#)

WASHINGTON (Reuters) - The price of gasoline in the United States is at or near the level where people begin to curb their usage, Exxon Mobil Corp chief executive Rex Tillerson told NBC's "Today" program on Thursday.

"We're already seeing some demand slackening in gasoline demand in terms of miles driven," Tillerson said. "So I think we're very near, if we're not already at, the price where people clearly are altering their daily behavior."

[No peak: Why oil prices will fall again](#)

Although U.S. crude oil inventories have fallen, gasoline inventories are at their highest since March 1993, notes Tim Evans, an energy futures analyst at Citigroup's Futures Perspective. World oil production was up 2.5 percent in the first quarter of 2008 over the same period in 2007, while world oil consumption rose by just 2 percent.

In fact, world production is projected to be 3.3 percent higher in the second quarter and 4.1 percent higher in the third quarter than the same periods a year ago. On the other hand, world demand is projected to rise by just 1.6 percent over the next six months.

[Oil price means BA can barely make a profit on flights](#)

The record oil price means British Airways can barely make a profit on flights despite

being poised to announce a record profit margin on its operations in the year to the end of March.

[Japan's TEPCO doubles oil buy in April y/y](#)

TOKYO (Reuters) - Japan's biggest utility, Tokyo Electric Power Co more than doubled its purchases of crude oil and fuel oil in April from a year earlier, it said on Thursday.

This reflects the need for the company to burn more oil after the extended shutdown of its nuclear power plant.

[Japan facing inflation crisis](#)

Inflation might be of emerging concern to the US, but in Japan it's a real problem now, which shows no sign of slowing.

[Japan's largest utility to build its first wind farm](#)

TOKYO (Reuters) - Japan's biggest utility Tokyo Electric Power Co (TEPCO) said on Thursday it would build its first wind farm in Shizuoka Prefecture, west of Tokyo, to cut carbon dioxide (CO2) emissions.

[China central bank sees ample room for oil product price rises](#)

BEIJING (XFN-ASIA) - China's central bank said that there was ample room for rises in the state-set prices of oil products.

[China's weakness the greater danger](#)

Although recent events in Tibet and western China, and the central government's response, appear to be generating pro-government patriotic feelings, they dramatically display the practical limits of the government's power. Other sources of unhappiness with the regime, including income disparities and the inevitable collapse of unsustainable price controls on fuel and food, could breed both urban and rural discontent that has no ready outlet besides unlawful opposition to the government.

[Venezuela's Chavez Says Attack by U.S. Would Cause \\$500 Oil](#)

(Bloomberg) -- Venezuelan President Hugo Chavez, whose country is the biggest oil exporter in the Americas, said crude oil would rise to ``\$400 or \$500 a barrel" in the

case of a U.S. attack.

The reactivation of the U.S. Fourth Fleet in the Caribbean on July 1 and a possible U.S. base on the Guajira Peninsula, which Venezuela shares with Colombia, are both threats to his country, Chavez said at his country's military academy in a speech broadcast on state radio and television.

[Venezuela to sell oil to Portugal in exchange for food, technology, Chavez says](#)

CARACAS, Venezuela: Venezuela announced plans Tuesday to ship oil to Portugal in exchange for food products and other goods that have been running short in the South American country.

Venezuela, Latin America's largest oil producer, will send as many as 30,000 barrels of crude a day to Portugal by late 2008, President Hugo Chavez told reporters after meeting with Portuguese Prime Minister Jose Socrates.

[Four Indian oil workers kidnapped in Sudan](#)

KHARTOUM (Reuters) - Four Indian oil workers have been abducted in the oil-rich south of Sudan by disaffected locals, diplomatic sources said on Thursday.

[FG, Shell reach crucial stage in funding for oil production](#)

Royal Dutch Shell is close to signing a financing deal with Nigeria aimed at tackling funding shortfalls hitting production at one of its most important oil businesses.

The plan is designed to inject cash into Shell's joint venture with the Nigerian government. The state's failure to pay its share of costs has stalled key projects.

[Running Out of History](#)

A report from the Bureau of Meteorology in Australia makes clear that, despite recent heavy rains in the eastern Australian breadbasket, years of above normal rainfall would be needed "to remove the very long-term [water] deficits" in the region. The report then adds this ominous note: "The combination of record heat and widespread drought during the past five to 10 years over large parts of southern and eastern Australia is without historical precedent and is, at least partly, a result of climate change."

Think a bit about that phrase -- "without historical precedent."

[A cool look at global warming scepticism](#)

Scientists are human, and scientific debates fall short of the ideal. There is turf protection and self-promotion, and rancour is not uncommon. As an advocate of a minority view in my own field for twenty years, a view ultimately vindicated, I am personally acquainted with these imperfections. The IPCC process is specifically intended to step back from the front-line disputes to see what scientists can agree on. This is the part of the IPCC process that seems to have completely escaped Professor Aitkin's understanding.

[Insider: Peak oil](#)

Followers of the peak oil theory argue the world has already or soon will have used up more than half the non-renewable resource. They say current crude prices are just the beginning. Skeptics insist there is no reason to believe that carbon-based capitalism has started to run out of gas. Today's record prices, they argue, are driven by massive market speculation. *Canadian Business* writers Thomas Watson (anti-peak) and Jeff Sanford (pro-peak) debate the issue below.

[Naimi Counters Peak Oil Theorists, Says World Reserves Doubled](#)

Saudi Arabian Oil Minister Ali al- Naimi said global crude oil reserves have doubled since 1980, countering analysts who predict a supply shortage.

[Sechin Looks to Raise Oil Output](#)

Prime Minister Vladimir Putin and his new energy policy director, Deputy Prime Minister Igor Sechin, went on the offensive Wednesday to battle claims that the country's oil production was in decline.

"You think oil production is declining?" Sechin said in an interview with Interfax, a first for the secretive former Kremlin insider who has been thrust into the spotlight with his Cabinet appointment this week.

"Let's wait until the end of the year. I'm sure there won't be a decline, but an increase instead," he said, declining to provide reasoning for the claim.

[Norway trims 2008 oil and gas output forecast](#)

OSLO (Reuters) - Norway's Labour-led government trimmed its 2008 oil production forecast to 2.4 million barrels per day from a previous projection of 2.5 million bpd, according to the revised budget for this year published on Thursday.

"Oil production is expected to continue to decrease gradually in the coming years," the Petroleum and Energy Ministry said in a statement with the revised budget.

[Petrobras Hires 80% of Deepwater Drilling Rigs, Drives Up Costs](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, leased about 80 percent of the world's deepest-drilling offshore rigs to explore prospects including the Western Hemisphere's biggest discovery in decades.

...The company's ``insatiable" demand is forcing producers including Exxon Mobil Corp. and BP Plc to pay more as they compete for the remaining units, said Kjell Erik Eilertsen and Truls Olsen, analysts at Fearnley Fonds AS in Oslo. Explorers that don't have rigs under contract may delay projects or pay rents of more than \$600,000 a day.

[Don't hope for gas prices to drop, says oil economist](#)

Most drivers think \$4 per gallon of gasoline is too much to pay in a weakening economy. Sales for sport-utility vehicles are plummeting. And people are actually driving less.

But don't expect prices to fall anytime soon despite slackening domestic demand, American Petroleum Institute chief economist John Felmy said Wednesday. The API, based in Washington, D.C., represents the U.S. oil and gas industry.

[Greenspan Says Oil to Keep Rising on Capacity Limits](#)

(Bloomberg) -- Former Federal Reserve Chairman Alan Greenspan said oil prices will keep rising as energy companies have invested too little in production and infrastructure to cope with higher demand.

[Alaska first state to hit \\$4 a gallon gasoline: AAA](#)

LOS ANGELES (Reuters) - Alaska hit a milestone on Wednesday that could be a sign of things to come around the United States this summer -- it became the first state where the average price for regular gasoline reached \$4 per gallon.

[Bank of England warns 'the good times are over' as Britons face real cut in the standard of living](#)

Families face a five-pronged assault on their finances, Governor Mervyn King said in his bleakest assessment yet of the state of the country.

In his quarterly Inflation Report, Mr King said although Britain had enjoyed rising living standards over the past ten years, this golden period was over.

[Why does Brazil want to join Opec?](#)

What is it about oil that makes Brazilian officials so talkative? Last month, the country's oil regulator provoked uproar when he claimed, very speculatively, that the recently discovered Carioca field might hold a massive 33 billion barrels of recoverable oil reserves. Now, Luiz Inacio Lula da Silva, Brazil's president, speaking to Der Spiegel, says he wants his country to join Opec.

[Saudi-US relations hit rocky road](#)

Saudis are uncharacteristically blunt when asked about George W Bush, the US president, and what his two-term administration has brought to the Middle East. Most see an abysmal legacy: a dangerous mess in Iraq, a deepening Israeli-Palestinian conflict and a volatile tug-of-war between Washington and Tehran, most recently on display in the embattled boulevards of Beirut.

"We love and admire the United States, I can assure you, and I speak for many people on this matter," said Saeed al Farha al Ghamdi, a retired government employee in Jeddah. "But, unfortunately their foreign policy is disastrous."

[JPMorgan to start physical oil trade, eyes \\$200 oil](#)

SINGAPORE (Reuters) - JPMorgan Chase & Co will begin trading physical oil by year-end, increasing its exposure in a market that could rise to \$200 a barrel, the bank's global head of commodities said on Wednesday.

[PetroChina may scrap Sichuan refinery plan after quake](#)

BEIJING (Reuters) - PetroChina is reconsidering its plan to build a \$5.7 billion refinery and petrochemical complex in Sichuan province after a strong earthquake hit the region this week, a company executive said on Thursday.

The 7.9-magnitude quake on Monday destroyed many buildings, disrupted transport and communication lines as well as fuel and power supplies and had killed an estimated 15,000 people, with thousands more still believed to be buried.

[Total, Saudi Aramco announce 400,000 bpd refinery project](#)

PARIS (AFP) - The French oil group Total and the Saudi Arabian Oil Company (Saudi Aramco) announced plans Wednesday for a 400,000-barrel-per-day refinery in the eastern Saudi city of Jubail on the Gulf coast.

The groups said in a joint statement that the facility would process Arabian Heavy crude oil, with operations expected to begin at the end of 2012.

[South Africa's Eskom Misses Winter Coal Stocks Target](#)

(Bloomberg) -- Eskom Holdings Ltd., South Africa's state-owned electricity utility, missed a target for increasing coal stocks, raising the risk of power cuts with the onset of winter in the southern hemisphere.

[Nigeria: Nationwide Blackout Worsens As Funding Stalls Repairs](#)

The current nationwide blackout may worsen as funding continues to be the major albatross to the maintenance of the existing electricity infrastructure in the country.

THIS DAY learnt that the Federal Government has not released funds for any repair work on the existing power plants. This has left the infrastructure in a state of near collapse.

[T. Boone Pickens orders 667 GE turbines for wind farm in Panhandle](#)

T. Boone Pickens has placed a massive order for wind turbines with General Electric, a big step toward building the world's largest wind farm in the Panhandle.

Mr. Pickens' company, Mesa Power LLP, plans to announce today that it ordered 667 turbines from GE for about \$2 billion.

[On the roof, wind turbines to bring power](#)

Tel Aviv residents are likely to encounter a new sight on local rooftops in the coming years. No longer will there just be the walls and fences on high-rise rooftops that currently surround the various devices and machinery, but there will also be wind turbine farms that will supply part of the building's electricity needs.

[Economic Slowdown Challenges Solar Industry - EPIA](#)

FRANKFURT - The economic slowdown, regulatory conflicts and competition from

China pose the main risks to future growth of the solar industry, the head of the European Photovoltaic Industry Associations told Reuters.

[Ships bring water to parched Barcelona](#)

Climb down the stony banks of the massive Sau reservoir in the mountains above Barcelona and you get a real sense of why this famous city is so short of water that it's resorted to bringing in emergency supplies - by ship.

Nestling in a deep valley of stunning cliffs and forests, this vital source of water has sunk so low it's exposed the eerie sight of a medieval village that was flooded when the reservoir was opened in the 1960s.

The huddle of ancient stone buildings, including a church with its spire, has now re-emerged into the light and stands as a potent symbol of the severity of this water crisis.

[U.S. adds polar bear to threatened list](#)

The Bush administration listed the polar bear as a threatened species Wednesday, agreeing with conservationists that the bear's Arctic habitat is melting due to global warming.

That is where the agreement with conservationists ends.

"This listing will not stop global climate change or prevent any sea ice from melting," Interior Secretary Dirk Kempthorne said while announcing the decision. The Endangered Species Act should not be "abused to make global warming policies," he said.

Kassie Siegel, a lawyer with the Center for Biological Diversity, said the group does not accept Kempthorne's view.

The act requires federal agencies to take steps to reduce or eliminate those impacts on threatened species, she said. "There is no exemption for greenhouse gas emissions."

[Oil cos. expect battles over polar bear listing](#)

JUNEAU, Alaska - The lawyers aren't clearing their calendars just yet, but the oil industry is bracing for some courtroom battles to maintain its stake in Alaska's oil-rich fields now that the Interior Department has listed polar bears as a threatened species.



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