



DrumBeat: August 2, 2008

Posted by [Leanan](#) on August 2, 2008 - 8:25am

Topic: [Miscellaneous](#)

[Shipping Costs Start to Crimp Globalization](#)

Cheap oil, the lubricant of quick, inexpensive transportation links across the world, may not return anytime soon, upsetting the logic of diffuse global supply chains that treat geography as a footnote in the pursuit of lower wages. Rising concern about global warming, the reaction against lost jobs in rich countries, worries about food safety and security, and the collapse of world trade talks in Geneva last week also signal that political and environmental concerns may make the calculus of globalization far more complex.

“If we think about the Wal-Mart model, it is incredibly fuel-intensive at every stage, and at every one of those stages we are now seeing an inflation of the costs for boats, trucks, cars,” said Naomi Klein, the author of “The Shock Doctrine: The Rise of Disaster Capitalism.”

“That is necessarily leading to a rethinking of this emissions-intensive model, whether the increased interest in growing foods locally, producing locally or shopping locally, and I think that’s great.”

[Russia ‘sticks foot in door’ of Arctic riches](#)

Russia has begun a push to claim a vast chunk of disputed Arctic territory in an aggressive campaign to win control of the region's oil and gas resources.

A state-sponsored expedition, led by a Moscow geographical institute, is in the region gathering scientific data in an attempt to prove that vast swathes of the seabed belong to Russia.

[Drought forces Iran to halt fuel oil exports](#)

TEHRAN, Aug 2: Iran has temporarily halted exports of fuel oil because of domestic needs during a severe drought, a senior official was quoted as saying on Saturday.

Iran is a regular exporter of fuel oil to Asia. But industry sources said on Saturday it will

halt exports of the heavy fuel from August as it builds domestic stockpiles ahead of winter, and due to a heavy maintenance schedule in the fourth-quarter.

[Ditch the Gas Guzzler? Well, Maybe Not Yet](#)

Your neighbors may turn up their noses, but keeping your gas-guzzling sport utility vehicle, or buying one coming off a lease, may be a smart move.

[Baker Institute report proposes strategies to ensure global energy security](#)

A new policy report released by Rice University's Baker Institute for Public Policy suggests strategies to deal with the current turmoil in the global energy markets, including the role of petrodollars in the U.S. credit bubble.

"Sharp changes in energy prices are having dramatic effects on the stability of the global economy," the report states. "Threats to the global energy market could have dangerous corresponding impacts on the world financial system."

[Nigerian Militants Clash in Main Oil Town of Port Harcourt](#)

2 (Bloomberg) -- Rival militant gangs in Nigeria's Niger Delta fought a gun battle in the main oil city of Port Harcourt yesterday, security officials and aid workers said.

Ten people who sustained gunshot wounds in the clashes were brought to a clinic operated by French aid group Doctors Without Borders last night, Alex Thomson, a security official at the facility, said in an interview today.

[Thousands protest over Iraqi city of Kirkuk](#)

BAGHDAD—More than 1,000 Sunni Arabs and Turkomen staged a demonstration Saturday to protest calls by Kurds to annex the oil-rich city of Kirkuk to their autonomous region as Iraqi officials met in Baghdad to defuse tension over the disputed city.

[FACTBOX - Mexico energy reform debate](#)

(Reuters) - Latest developments as Mexico's ruling conservatives court opposition lawmakers to approve an energy reform to allow more private investment in the state-controlled oil industry in hopes of bolstering falling output.

[Dug in over oil](#)

Mexican voters are resisting foreign investment in Pemex, but such a move could help the country.

[Iran: SSF crackdown on Shahinshahr shopkeepers protesting to power outage](#)

NCRI - The State Security Forces (SSF) – mullahs' suppressive police – opened fire on a crowd of local shopkeepers protesting to power outage on July 30.

Eyewitness reports from the scene indicate that some local shopkeepers were gathered outside the governor's office carrying banners protesting to 5 hours of power outage causing their businesses huge damage.

[Forget 25 cents; Metro Transit weighs higher fare hike](#)

A planned 25-cent bus-fare increase is on hold while King County Metro Transit considers a bigger increase or service cuts, because of a rapid drop in sales-tax revenue.

Metro had planned an Oct. 1 increase, blaming it on a spike in diesel-fuel prices. New buses were recently added to a few busy routes, but now cutbacks – unthinkable a few weeks ago – are on the table as a last resort, County Councilmember Dow Constantine, D-West Seattle, said Friday.

Another option is a new car-tab fee for transit. But car taxes are unpopular, said Constantine, chairman of the council's Transportation Committee.

[Auto sales sink to 1992 rate](#)

Consumers continued their yearlong hunt for the most affordable, fuel-efficient models in this environment.

Sales of light trucks, a category that includes vans, pickups, SUVs and some crossovers, plummeted 25.2%. Sales of passenger cars, meanwhile, were flat, with the smallest cars receiving a big thumbs-up from consumers. Subcompacts were up 35% in July.

Several Detroit and import automakers said they could have sold more cars in July, if they had more in inventory.

Toprak said the growing shortage of desirable cars "played a huge role" in July's dismal sales performance.

[Sign of the times: Cupboards growing bare at food bank](#)

For the first time in eight years, the food bank recently ran out of frozen and canned meat. The shelves, once stocked with canned and dry goods, also have dwindled.

It is a crisis situation, considering the growing effects of high fuel and food prices on consumers. And because of those factors, more lower-income households continue to fall behind.

[Energy descent preparation - interview with Vermont peak oil educator Carl Etnier](#)

Every day, year-round, Carl Etnier hops on his bicycle and rides three miles from East Montpelier, Vermont to downtown Montpelier, the state's capital, to work full-time on educating Vermonters and the nation regarding the realities of Peak Oil. I caught up with him at a Montpelier café owned and operated by the New England Culinary Institute which endeavors to use primarily local ingredients for its delectable luncheon menu.

At the top of my list of questions for Carl was: What would make a private consultant with a solid, secure income quit his day job to teach people about Peak Oil?

[The end of travel](#)

High oil prices are crippling airlines and travellers alike and we may only be at the start of a new, global class divide between the stranded and the mobile

In Europe's late medieval period, the labouring masses rarely travelled further than a few dozen miles from where they were born. For them, travel was dangerous, onerous and slow.

But wealthy aristocrats travelled far and wide in the name of diplomacy, meeting leaders from other countries and extending their power and influence.

For Steven Flusty, an associate professor of geography at York University, this is what society could once again look like if predictions that the lower-middle classes will no longer be able to afford to fly in just a few years come true.

It would be tremendously debilitating and could wind up "breaking down everything below a certain class level, where they are being held in space as if it's some kind of a container," he says.

[The Lure of Black Gold: Is offshore drilling gaining more acceptance?](#)

Until recently, coastal states had taken a "not in my backyard" approach to offshore

drilling. But that's beginning to change, now that gas prices are hovering at or above \$4 per gallon. In Florida, 60 percent of voters now support drilling off their coasts. Perhaps more surprising, a majority in eco-conscious California is also willing to tap waters off the state's shorelines.

[Electricity Expert Dan Scotto: Indispensable or Not, Age Issues May Shut Down U.S. Nuclear Power Plants](#)

The U.S. couldn't function without its 100+ operating nuclear power plants, but age issues could force many of them to reduce output or shut down completely over the next several years, warns electric utility expert Dan Scotto in Part 3 of his four-part exclusive video news report with EnergyTechStocks.com.

[Wind won't solve energy crisis](#)

Last year wind generators nationally produced only 30 percent as much energy in a year as they would if they ran at full tilt, every hour of the year, a measure called "capacity factor." Unlike nuclear power plants such as Wolf Creek, which achieve capacity factors of 90 percent or more, the wind operator cannot decide when the wind generator will run.

Texas has more wind energy than any other state, and bigger problems as a result. Last year the Electric Reliability Council of Texas said that wind power could be counted on as being reliable only 8.7 percent of the time during periods of peak demand. The rest of the time electric utilities were forced to use backup power generation, usually high-priced natural gas.

[Massachusetts: Decoupling order seeks energy efficiency, may cut electric bills](#)

The state's Department of Public Utilities has moved to break the link between utility profits and electricity sales, a change that could help consumers reduce their energy use and the size of their electric bill.

In an order issued July 16 the department began the process of "decoupling" revenues from sales for all electric and natural gas utilities in the state.

[The way we live](#)

The debate in Ottawa over public transit continues to be difficult. There is agreement that the city needs a light-rail system, but determining what kind of light-rail system is a technical affair, in terms of both the economics and the engineering.

[Building a Greener America](#)

Forget the common icons of global warming. Fuming tailpipes and industrial smokestacks, it turns out, are less culpable for climate change than a set of offenders hidden in plain sight: buildings. According to the U.S. Energy Information Administration, buildings are responsible for almost half of all annual greenhouse gas emissions in the U.S., consuming more than three-quarters of all the electricity produced by American power plants.

[How Texas Struck It Rich Beneath Suburbia](#)

In the 1980s, Houston wildcatter George Mitchell drilled the first well into the Barnett Shale formation that stretches through north and central Texas. He tapped into what would turn out to be one of the largest onshore natural gas reserves in the United States.

It would take nearly two decades and millions of dollars to develop the horizontal, hydraulic technology necessary to bring that gas to the surface. But today there are about 7,500 gas wells in the Barnett Shale -- many located in the city limits of Fort Worth, and some a stone's throw from suburban homes and schools.

[Gas price falls during prayer at the pump](#)

When the prayer vigil started at 4 p.m. Friday at the corner of Madison Boulevard and Shelton Road, a gallon of Texaco unleaded gas cost \$3.92, as it had for a few days.

But even before the praying stopped, the price dropped three cents.

"Prayer works fast," said Rocky Twyman, a 59-year-old public relations consultant from Maryland who has organized Pray at the Pumps vigils in eight cities across the country.

[Obama shifts on offshore oil drilling](#)

WASHINGTON: In a sudden and major shift, Democrat Barack Obama said he would be willing to support limited additional offshore oil drilling if that would help promote alternative energy sources, a proposal he has repeatedly blasted rival John McCain for supporting.

...Obama, who has campaigned on a platform of change, previously ridiculed a push by Republicans to open offshore areas to oil exploration in a bid to bring down surging energy prices. The country's economic woes have largely eclipsed other issues, such as the war in Iraq, in the presidential race.

[Oil majors' output growth hinges on strategy shift](#)

ONDON (Reuters) - Western oil majors need to speed up a strategic shift into more complex oil and gas projects if they wish to return to consistent production growth after another quarter of disappointing output.

The world's largest fully public-traded oil company by market capitalization, Exxon Mobil, on Thursday reported an 8 percent fall in oil and gas production, compared to the same period in 2007.

Industry No 2 Royal Dutch Shell said output dropped 1.6 percent while No 3 BP Plc's was flat.

The results follow a trend of falling output and ditched or scaled back growth targets across the sector in recent years.

[Lawmakers to Big Oil: invest in alternative energy](#)

WASHINGTON (Reuters) - Congressional Democrats on Thursday urged big oil companies to invest more of their record profits into boosting U.S. oil production and developing renewable energy instead of buying back their own stock.

[Weathering the Storm](#)

The specter of rising food and fuel prices now threatens to destroy an era of unprecedented global prosperity, with two notable exceptions: Brazil and Canada. Both countries produce and export enough food and fuel not just to offset the worst of global inflationary pressures but even to turn the price spike from a menace to a boon. They are the only two major economies where prices have not burst the upper limit of the central bank's inflation target. And of the two, Brazil is by far the more surprising success story. The country that suffered the longest and perhaps the most debilitating bout of hyperinflation in recent history is now a rare island of relative stability and prosperity. Brazil's inflation is running at 6.5 percent, a rate that worries the country's money minders but thanks to their zeal is still the lowest level in all the major emerging markets.

[Fuel prices hit chaotic West African travel](#)

DAKAR (Reuters) - Chaotic transport is a part of life in West Africa, but getting to work has become even harder as rocketing fuel prices ignite protests by bus and taxi drivers, squeeze family budgets and encourage fuel smuggling.

Global oil prices doubled in the past year and continued to rise strongly in 2008, hitting

hard those who earn a living on the roads of some of the world's poorest countries.

This has fuelled social unrest in some fragile countries whose governments do not have the means to indefinitely soak up the higher fuel prices with subsidies.

[Ukraine clash threatens oil to Europe](#)

MONTREAL - Corruption and politics in Ukraine threaten to choke off, at least in the near term, the expansion of oil exports from Azerbaijan and eventually Kazakhstan to Europe. This is the significance of Ukrainian Prime Minister Yuliya Tymoshenko's efforts in July to halt what she called the "shadowy privatization" of the Odessa-Brody oil pipeline.

[U.S. Congress starts break with no gas price fix](#)

WASHINGTON (Reuters) - The U.S. Congress began a five-week recess on Friday, leaving unresolved how to ease the surge in gasoline prices that is certain to be an issue until the November elections and beyond.

Lawmakers will resume wrangling over how to bring down the cost at the pump and move the United States toward energy independence when they return from vacation on September 8.

[Iran says OPEC to consider oil rationing](#)

TEHRAN (Xinhua) -- Iranian Oil Minister Gholam Hussein Nozari has revealed that the Organization of Petroleum Exporting Countries (OPEC) will seriously consider rationing its oil production, the semi-official FARS news agency reported.

"I think OPEC will be serious about this issue" in case of continuous decline of crude oil prices and lack of oil output control by some OPEC members which keep high level oil production, Nozari was quoted as saying.

[Lawmakers award gas line license to TransCanada](#)

JUNEAU, Alaska - Alaska lawmakers approved a state license Friday for TransCanada Corp. to pursue construction of a natural gas pipeline, ending a decades-long battle to open up 4.5 billion cubic feet of North Slope natural gas daily for use in North American markets.

[U.S. shift to smaller cars raises safety questions](#)

WASHINGTON (Reuters) - An accelerating U.S. consumer shift from sport utility vehicles and pickups to more fuel-efficient cars should reduce rollover, but safety experts worry a lighter fleet poses serious risks despite air bags, anti-collision systems and other advances.

"Shifting to smaller vehicles will make the problem worse," said Adrian Lund, president of the Insurance Institute for Highway Safety, a group that measures crash test performance that is backed by insurance companies. "You're better off in a bigger vehicle than in a smaller one."

[Electric cars - It's the economy, stupid!](#)

LONDON (Reuters.com) -- Much as I would like to say that I bought my electric car over two years ago to single-handedly save the planet, the reality is much less noble. I like to drive. I like to have my own personal space, to listen to the radio and to think. Perhaps it was growing up in South Africa where everyone who could drove a car.

As Bill Clinton said: "It's the economy, stupid." The arrival of the congestion charge in central London in July 2005, and my dislike of the Underground system, is what prompted the thought of it. It's been quite calming driving past the petrol stations lately, watching the price go up on a daily basis. I think that the UK has one of the highest petrol prices in the world with an average price now around 1.20 pounds a liter (\$9 a gallon).

[World Bank unit taps growing solar market](#)

WASHINGTON (Reuters) - A World Bank investment in a Russian polysilicon producer this week will help expand supplies of the key ingredient used to make solar cells and bring down costs of solar energy, an official said on Friday.

[Despite sceptics' noise, scientific consensus is growing](#)

Anyone keeping up with current affairs could be forgiven for thinking scientists are riven with doubt over climate change. Climate sceptics have enjoyed a resurgence as the federal Coalition danced around the introduction of carbon trading and heavy-polluting industries began an intensive lobbying effort to convince the Federal Government of their special needs.

...The noise has been loudest on the internet, where websites give voice to people who believe scientists are suppressing evidence to protect their careers.

Unfortunately for the sceptics, and for everyone else, the evidence for human-induced climate change is stronger than ever.

[Climate chill came exactly 12,679 years ago: study](#)

OSLO (Reuters) - A drastic cooling of the climate in western Europe happened exactly 12,679 years ago, apparently after a shift to icy winds over the Atlantic, scientists said on Friday, giving a hint of how abruptly the climate can change.

...The findings adds to evidence about conditions needed for abrupt climate shifts. Some modern scientists fear such wrenching changes may be caused by global warming widely blamed on human emissions of greenhouse gases from fossil fuels.



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