



DrumBeat: September 3, 2008

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Topic: [Miscellaneous](#)

[OPEC's Crude Oil Production Fell 0.6% in August, Survey Shows](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries' oil production dropped 0.6 percent in August, led by declines in Iraq and Saudi Arabia, a Bloomberg News survey showed.

OPEC pumped an average 32.575 million barrels a day last month, down 200,000 barrels from July, according to the survey of oil companies, producers and analysts. July output was revised down by 50,000 barrels a day. Production by the 12 members with quotas, all except Iraq, declined 50,000 barrels to 30.265 million barrels a day.

[Russia's deal-making in Africa raises alarms in Europe](#)

RABAT, Morocco: Russia is reviving an interest in Africa that collapsed along with the Cold War, and its growing appetite for deals in oil and natural gas is an added cause of unease in an energy-hungry Western Europe.

Companies from Russia say their goal is to diversify energy interests and secure raw materials for a fast-growing economy, but the businesses are also seen as tools of an increasingly assertive Kremlin foreign policy.

[Lynch Sees 'A Lot More Oil Supply' and Very Weak Demand: Video](#)

(Bloomberg) -- Michael Lynch, president of Strategic Energy & Economic Research, talks with Bloomberg's Erik Schatzker about the outlook for crude oil prices, supply and demand, and the impact of hurricanes on the oil market.

[Oil: How low can it go?](#) - *With oil prices heading toward \$100, that should be good news for consumers. But some think there won't be true relief until crude hits \$80 again.*

"The fact that oil has come down is a sign that perhaps the worst is over. Predictions that oil would go to \$200 a barrel now seem more like a fleeting possibility," said

Kenneth Kim, economist with Stone & McCarthy Research Associates in Princeton, N.J..

Still, even though crude prices have slipped more than 25% since hitting a record high in mid-July and the average price of a gallon of gasoline has fallen more than 10%, it's not yet a huge cause of celebration.

After all, at about \$108 a barrel, the price of oil is around 50% higher than it was a year ago. Gasoline is higher by a third at \$3.68 a gallon.

[Ford sales plunge](#)

Despite a slide in gas prices last month, sales of Ford's trucks and more fuel-efficient cars plunge nearly 27% in August -- far worse than forecasts.

[BP's Ballooning Gas Assets](#)

As oil becomes increasingly harder to extract, energy companies are scrambling to secure rights to natural gas assets. BP signed its second deal in little over a month with natural gas producer Chesapeake Energy on Tuesday, bringing its stake in top North American shale assets to a potential 1.0 billion barrels of oil equivalent.

[Green Gold?](#)

Wal-Mart and Tiffany are trying to clean up the gold-mining industry. Not everyone is cheering them on.

[Nuclear Shortcuts Exposed In U.S. Nuclear Fuel Facility](#)

US regulators have ignored expert safety advice in an attempt to cut corners and fast track the completion of a \$4 billion nuclear fuel facility currently under construction near Aiken, South Carolina.

[Trading the carbon market](#)

London (CNN) -- Debate is rife in Australian political circles about whether carbon trading is the way forward for climate change abatement.

There, Prime Minister Kevin Rudd is looking to introduce a mandatory carbon trading system by 2010 which will cap the amount of pollution industry can release. The proposed Australian system will be similar to the European Union emission trading system which was established in 2005.

With Phase 1 of the European system complete, there are a few lessons about carbon trading that Australia -- and other countries looking to go down this path -- could benefit from.

[Solar panels 'take 100 years to pay back installation costs'](#)

Solar panels are one of the least cost-effective ways of combating climate change and will take 100 years to pay back their installation costs, the Royal Institution of Chartered Surveyors (RICS) warned yesterday.

In a new guide on energy efficiency, RICS said that roof panels for heating water and generating power are unlikely to save enough from bills to make them financially viable in a householder's lifetime. In the case of solar panels to heat water for baths and showers, the institution estimates the payback time from money saved from electricity and gas bills will take more than 100 years – and up to 166 years in the worst case.

Photovoltaic (PV) panels for power – and domestic, mast-mounted wind turbines – will take between 50 and 100 years to pay back.

Given that the devices have a maximum lifetime of 30 years, they are never likely to recoup the £3,000 to £20,000 cost of their installation, according to RICS' building cost information service. Instead, it suggested people wanting to cut fuel bills should insulate lofts and cavity walls, install efficient light bulbs and seal windows.

[Solar Powered Desalination Farm to Bring Life to the Sahara](#)

It was the Greek philosopher Plato who first coined the phrase 'necessity is the mother of invention' and given the current global food shortage and ever increasing population trend, his old adage could never be more appropriately illustrated than with the latest plan to bring life to the barren sands of the Sahara.

The ingenious plan, known as the Sahara Forest Project is simple: combine huge greenhouses with concentrated solar power (CSP) and plain old seawater. The solar power provides electricity for the farm of greenhouses, the desalination of the seawater provides both the freshwater and cooling required to grow a wide variety of crops.

[UK makes Atlantic sea bed claim](#)

Britain is to formally present its case to the UN in New York for extending its territorial rights around Ascension Island in the South Atlantic.

States have rights over their resources - including oil or gas reserves - up to 200 nautical miles from the shoreline.

But the UK wants to extend those rights around Ascension on the grounds that the island's landmass actually reaches much further underwater.

[Mexico's makeshift coal pits try to boost output](#)

Mexicans have been mining "pozitos," or little holes, like this one in the town of Nueva Rosita in much the same way for more than a century. Now, with energy prices sky high and Mexico's electricity needs surging, these rudimentary and dangerous mines are working at full capacity.

[Coal plans go up in smoke](#)

Environmentalists in the US have halted a huge new wave of coal-fired power stations. What lessons can Europe learn from them?

[Oil is too valuable to drill](#)

Drilling will be an environmental disaster, foes warn - something we know a thing or two about here in Louisiana. And even when it comes on line it won't make a whit of difference in the price at the pump. Maybe so, the pro-drilling crowd replies, but there's an important psychology in pushing jack-up rigs into waters off Florida and California and maybe even New England. It will spook speculators into a sell-off.

All true, perhaps - and utterly irrelevant. The real reason to retain the ban is not that drilling is too messy or that the oil won't be valuable enough to make a difference at the gas pump. It's that it's entirely too valuable. Too valuable to squander on an economy as wasteful as ours.

[US refinery runs to stay low for years - Conoco exec](#)

NEW YORK (Reuters) - U.S. refineries will continue to run at current reduced utilization rates in the next few years due to slowing demand for fuel, a ConocoPhillips executive said on Wednesday.

"Utilization rates have come off from their highs of the last few years... we expect this trend to continue for the next few years," James L. Gallogly, ConocoPhillips executive vice president of refining, marketing, and transportation, said in a presentation to market analysts.

With U.S. demand for gasoline waning under the weight of high prices and a slowing economy, gasoline supply in the market will continue to be plentiful, Gallogly said.

[Dutch government warned against rising sea levels](#)

THE HAGUE (AFP) - Low-lying Netherlands must spend more than 100 billion euros on dike upgrades and coastal expansion to avoid the ravages of rising sea levels due to global warming, experts warned Wednesday.

The country, nearly two-thirds of which lies below sea level, must spend up to 1.5 billion euros (2.1 billion dollars) per year over the next century on additional safety measures, said a report compiled by a government appointed commission.

"The security challenge is urgent: the climate is changing, the sea level rising and river flows increasing while a quarter of dikes and dams do not meet the current safety norms," states the report presented to Prime Minister Jan Peter Balkenende in The Hague.

... "If the problem gets worse, we will have to talk with our European partners about how we can share the costs within Europe," Veerman said, adding that Dutch rivers were the "drain" of the continent.

Predicting a sea level rise of between 0.65 and 1.3 metres (2.15 and 4.3 feet) by 2100, and up to four metres by 2200, the commission said the chances of flooding multiplied 100-fold with every 1.3 metre rise in the sea level.

And it warned of Dutch fresh water resources dwindling as salty sea water is forced further and further inland.

"The rising sea level ... longer dry periods and encroaching salt water via rivers and ground water puts the country's fresh water under threat," says the report.

[Airlines expected to lose \\$5.2 billion this year](#)

NEW YORK - The International Air Transport Association said Wednesday it predicts airlines will lose \$5.2 billion this year as oil prices remain high and demand weakens, and suggests this weak financial performance will continue in 2009.

This compares with a June prediction of \$2.3 billion to \$6.1 billion in losses, indicating a great deal of uncertainty over oil prices. The June prediction was based on an average oil price of \$106.50 per barrel to \$122 per barrel. The current prediction reflects an expected average oil price of \$113 per barrel.

[Portland-based startup takes to the sky](#)

The company operates a trio of Pilatus PC-12 aircraft, fuel-efficient turbo-props with pressurized cabins, two pilots and seats for nine passengers. Like corporate jets, they're regulated under FAA's general aviation rules, which means they can fly into smaller airports where TSA screening isn't required. Translation: Instead of getting to the

airport the recommended 90 minutes before departure, passengers can show up 15 minutes before takeoff, check in and be on their way.

[Russia, Nigeria Reach Energy Cooperation Deal](#)

Russian gas giant Gazprom said on Sept. 3 it has signed a cooperation deal on oil and gas exploration in Nigeria. The agreement covers exploration and production of oil and gas plus associated operations in several projects.

A joint Russian-Nigerian company will develop the projects, it added.

[Venezuela urges OPEC output cut - Ecuador oil min](#)

QUITO (Reuters) - Venezuela will propose that OPEC cut world oil production at the organization's meeting next week, Ecuador's oil minister, Galo Chiriboga, said Wednesday, adding that he wants to keep current output levels unchanged.

Ecuador's leftist government is a close ally of its Andean neighbor Venezuela.

"The Venezuelan (oil) minister has made a proposal for a reduction in world oil production, but we don't share that opinion ... we will propose to maintain (output levels) to stabilize prices," Chiriboga told a local radio station.

[Poland mulls oil reserve changes for refiners](#)

WARSAW (Reuters) - Poland may free PKN Orlen PKNA.WA and Lotos LTOS.WA from keeping obligatory oil and fuel reserves in return for fees, the economy ministry said on Wednesday.

In its proposal for its energy industry strategy, the ministry said it may push for legal changes that would allow companies to pay an unspecified government entity to keep reserves instead.

[Saudi Aramco starts Khursaniyah flow](#)

Saudi Arabia has started pumping oil from the 500,000 barrels per day Khursaniyah oilfield, a source at state oil firm Saudi Aramco said today.

The oilfield is the largest single increment to global oil production for several years and was initially due to start up in December.

"The facility is operational and producing crude," the source told Reuters.

[Oil industry tallies the damage from Gustav](#)

HOUSTON - Initial inspections of the Gulf Coast's extensive energy complex confirmed Tuesday that Hurricane Gustav was nowhere near as destructive as Katrina and Rita three years ago, but resumption of production and refining may be a few days away, or more.

Oil companies, rig and pipeline owners and refiners spread out across the region to look for damage from Monday's storm, and some were already putting equipment and people back in place to resume operations. The full impact should be known in the next couple of days.

"Preliminarily, we don't know of any major damage at this time," John Rodi, deputy regional director of the U.S. Minerals Management Service, said Tuesday.

[BP says no visual damage to US Gulf oil platforms](#)

NEW YORK (Reuters) - BP found no visual evidence of damage to its offshore oil and gas platforms in the Gulf of Mexico after overflights of the operations in the wake of Hurricane Gustav, the company said on its telephone hotline Wednesday.

[Richard Heinberg: Hurricane destroys oil infrastructure; oil price falls](#)

Sometimes you just have to stand in awe and wonder before the all-knowing wisdom of The Market. Common sense would say: Hurricane Gustav (even considering the fact that it never achieved its advertised category 4 status before landfall) is likely to result in 40% of US Gulf of Mexico oil production being taken off-line for 30 days, with longer outages for some rigs, terminals, and refineries; therefore, given the fact that fuel supplies in the US are already tight, this is a good time to load up on oil futures.

But Nooooo. That's not how the market works. Because the expectation of storm damage was higher, Monday's trading was actually dominated by a sell-off.

This tells us just how important the market and price signals are in helping us prepare for the inevitable decline in world oil production. To wit: not very.

[Cheney pays visit to Russia's neighbors](#)

BAKU, Azerbaijan - Vice President Cheney arrived in Azerbaijan on Wednesday, the U.S. Embassy said, as part of a tour in support of Russia's southern neighbors.

Cheney was expected to meet with President Ilham Aliyev and other top officials in this

Caspian Sea nation, home to some of the largest oil and gas reserves in the former Soviet Union.

[UK media watchdog bans ExxonMobil LNG advert](#)

LONDON (Reuters) - Britain's Advertising Standards Authority has banned U.S. oil major ExxonMobil from continuing to show a TV advert saying liquefied natural gas is one of the cleanest fuels, the watchdog said on Wednesday.

Four viewers had challenged Exxon's claim that "natural gas is one of the world's cleanest fuels" and complained that the advertisement, which had been running on British television over summer, falsely implied LNG was environmentally friendly.

[Australia's oil production down, but SA defies trend](#)

AUSTRALIAN oil production dropped 11.5 per cent over the past financial year with all but one of the major oil producing basins experiencing a decline, a report from EnergyQuest says.

[Taiwan's CPC Eyes Expanded Joint Oil Exploration with China's CNOOC](#)

Taiwan's state-owned CPC Corp. said it wants to expand joint oil exploration with China National Offshore Oil Corp (CNOOC) to the East China Sea and areas off Australia, Chad and Kenya.

"We are interested in oil exploration in any areas that could provide possible opportunities," CPC's vice-president Chu Shao-hua said.

[SIEA rations power supply in Kirakira](#)

SOLOMON Islands Electricity Authority (SIEA) is rationing power supply to Kirakira since last week.

Kirakira is the provincial capital of Makira-Ulawa Province. This was due to fuel shortage.

At the moment, electricity is supplied from 6am to 12 noon and from 6pm to 12 midnight. SIEA officers in Kirakira said the fuel shortage started just last week.

"At the moment we have borrowed fuel from the police to keep the power on until our new supply arrives," a spokesman said.

[Shortage of water forces tough decisions](#)

Due to high fuel costs, Ms. Kister says her customers in Texas, where many of her plants are shipped, want enough inventory to fill an entire truckload. If she further reduces her production and cannot deliver enough plants to fill her customers' orders, she may lose those accounts, she says.

... A San Luis Obispo grower who operates a 10-acre U-pick farm of pumpkins and tomatoes wrote that she had to let one of her main fields lie fallow because of dry conditions.

"Our ag well is on a gas generator. We have very little soil moisture this year and must rely heavily on irrigation," she wrote. "The price of gas is literally killing us."

[Richard Heinberg: New Coal Technologies](#)

For coal, the future of both extraction and consumption depends on new technology. If successfully deployed, innovative technologies could enable the use of coal that is unminable by gasifying it underground; reduce coal's carbon emissions; or allow coal to take the place of natural gas or petroleum. Without them, coal simply may not have much of a future. Are these technologies close to development? Are they economical? Will they work?

[China Coal net profit up 74.8% in Jan-Aug](#)

(China Knowledge) - China National Coal Corp (China Coal), the country's second-largest coal producer, announced its profit in the first eight months surged 74.8% to RMB 8.66 billion because of the significant rise in coal prices.

[Want better mileage? It's going to cost you](#)

Mileage-minded Americans will have plenty of small cars from which to choose the next few years, but they'll have "sticker shock" prices.

Automakers are raising prices to regain profits lost when sales of lucrative trucks and SUVs collapsed this year. They'll camouflage some of the boosts with fancy, high-margin features such as navigation and leather seats. The idea: lure well-heeled, move-down buyers who want better mileage but won't give up features.

[Discounting Costco to Wal-Mart Signals Rebound on Record Sales](#)

The last time gasoline as a component of personal spending was as high as in September 1982, during an energy crisis triggered by the revolution in Iran, OPEC's second-largest producer.

``Consumers are stressed," said McGranahan. ``Discretionary spending is down and they're being crowded out with food and energy prices."

[Energy crisis puts pressure on Norway](#)

We find ourselves in an exposed situation, since we are neighbours with Russia, not a member of the EU and in alliance with the US. We will become even more in the spotlight, and must be prepared for the global conflict situation which could arise, says Leiv Lunde, another co-author of the book to NRK.

[A Storm Called Cantarell](#)

I am getting increasingly frustrated by how little attention Americans are paying to this major crisis brewing in their backyard. So, I think maybe the mainstream news should start treating Cantarell the same way they do a hurricane. Maybe that would generate some attention!

After all, Cantarell's decline has already cost us — 1.2 million barrels per day — the same amount we lost from Gustav.

[Cantarell Is Not Mexico's Only Oil Production Problem](#)

There are problems in two other large oil fields, the Chicontepec Basin and Ku-MaloobZaap. These two fields make up 72% of Mexico's non-Cantarell proven reserves. The fields differ significantly from Cantarell in terms of geology, potential productivity, distance from distribution systems, and technical requirements.

[Category 5 fleecing](#)

Today, cash-strapped Canadians take another Category Five fleecing as pump prices in the GTA fall by only 3.8 cents a litre to \$1.259 for regular self-serve, when some analysts predicted a 7.9 cents-a-litre break, after gasoline futures fell yesterday with falling crude prices that wiped a whopping 450 points from Bay Street's energy-sensitive TSX.

[Argentina Natural Gas Crisis Crosses Over To Neighboring Chile](#)

Chilean electric generators are not the only ones being hurt by the natural gas shortage in Argentina. The Argentine pipeline companies are also affected as the scarcity of natural gas has increased the near-term credit concerns of its two gas transportation companies: Transportadora de Gas del Norte S.A. (TGN) and Transportadora de Gas del Sur SA. (TGS).

[Nigeria: Fuel scarcity in Port Harcourt as tanker drivers embark on strike](#)

Port Harcourt, Rivers State and its environs since Monday, September 1, had been experiencing fuel scarcity following strike embarked upon by tanker drivers.

A source close to the refinery disclosed to Business Day in Port Harcourt that the tanker drivers embarked on strike in protest of the persistent power outage in the refinery.

[India: Residents block roads in protest against rostering](#)

LUCKNOW: Angered with repeated power outages in their locality, residents of Telibagh blocked the Lucknow-Rae Bareli highway near the Sanjay Gandhi Post-graduate Institute of Medical Sciences (SGPGIMS), throwing traffic out of gear on Tuesday afternoon. It was not until the police intervened that the blockade was removed.

[China May Raise Retail Power Prices, Official Says](#)

(Bloomberg) -- China may raise retail electricity prices by 4.5 percent, the second increase this year, to help narrow losses at power producers and ease a nationwide shortage.

[Despite Iraq's Oil Oases, Its Citizens Still Live in Darkness](#)

While I can understand Americans' fears about fuel prices and availability, I have a harder time understanding why Iraqis — with their oases of crude oil reserves and untapped oilfields in the south and the north — have had to put up with high oil prices and severe shortages of gasoline, diesel and cooking gas.

[Obama Must Include Fast Neutron Reactors in His Energy Plan to End Dependence on Foreign Oil in Ten Years](#)

After hearing Barack Obama's speech from Denver on Thursday night, energy expert Joe Shuster responds, " If Obama thinks he will end US dependence on foreign oil in ten years, he better include nuclear in his energy plan, specifically fast neutron reactors."

[Oil prices drop as US opens reserve taps](#)

LONDON (AFP) - Oil prices fell on Wednesday as the US government decided to release crude stocks from its strategic reserve after Hurricane Gustav halted energy production in the Gulf of Mexico.

"The release of the oil will prevent any shortage and that will, of course, help calm the market," said Victor Shum, an analyst with energy consultancy Purvin and Gertz.

... The United States announced late on Tuesday that it was releasing 250,000 barrels of oil from its strategic reserve to help cover lost production.

There was no oil production on Tuesday in the Gulf of Mexico region, where a quarter of US oil is normally produced, the US Department of the Interior said. Ninety-five percent of natural gas production was also offline.

[Peak oil, tech boom share some parallels](#)

So if investing is about acting on the best information you can get your hands on, where should you turn for oil intelligence? You might start by ignoring the investment banks.

Oil companies and OPEC seem to be a little more conservative and forthcoming, but then again they sure love \$125 oil, so they're not likely to come perfectly clean.

Tanker counters? See above.

How about your dog-eared economics textbook though? The one that says commodity prices inevitably move in cycles? Simply put, peak oil or not, the faster prices rise, the harder they'll fall.

[Rudi on Thursday](#)

I was getting tired of repeating that crude oil should have never been at US\$147 per barrel, and now that the mass-euphoria was gone (or was it mass-hysteria?) it wouldn't be long before oil would fall through support at US\$110, and after that US\$100 would follow and not long thereafter we would see oil priced back in double digits - just like I have been saying for months now.

I do realise that for the most part of the past few months I, and my colleagues here at FN Arena, have been a lone voice amidst a tsunami of reports about the new era for oil - essentially US\$100-plus forever- intertwined with peak oil theories and other upbeat claims and predictions, none of which will stand the test of reality.

[When inflation isn't really inflation](#)

Take oil. Let's say that, whatever the cause - peak oil, speculators or dysfunctional governments - the price of crude oil doubles in a short period of time. In this case, consumers must necessarily spend more at the pump and the energy component of the CPI rises. They must necessarily, however, spend less on other things and the "other things" component of the CPI falls. Category changes aside, these consumers spend the same amount of money.

The "average" cost of living doesn't change. Prices simply do the job they are supposed to do - alerting consumers to shortages and advising conservation.

[Four Ways to Fight the "Oil-Flation Epidemic"](#)

Want to know what the price of a barrel of oil will be in eight years?

Exactly \$119.50 a barrel.

[Exxon raises 2008 Sakhalin oil output forecast](#)

MOSCOW (Reuters) - Exxon Mobil (XOM.N: Quote, Profile, Research, Stock Buzz) said oil output at its Russian Sakhalin-1 project, shrinking after reaching a peak level, will decline less than expected this year and will continue falling in 2009.

Exxon raised its Sakhalin-1 output forecast to 9.2 million tonnes in 2008 (184,251 barrels per day) from the previously planned 7.9-8.2 million tonnes, a press officer from Exxon's Moscow office said on Wednesday.

The new forecast represents a 17.9 percent decline from the peak production of 11.2 million tonnes reached in 2007.

[China's Manufacturing Economy in Recession?](#)

On other boards I am reading, many are anticipating a huge jump in oil and gas prices next week. I do not know if that will happen, but I will offer the opinion that if it does not happen, or if it happens and prices quickly reverse lower, they will keep going a lot lower than most energy bulls think.

Short to intermediate term, it is highly likely that the slowing global economy will have far more effect on energy prices than peak oil.

[Conflicting Oil Price Drivers Confuse](#)

Weakening economic indicators across Europe and North America might seem to have a dampening effect on demand for oil. But really, common sense refutes any such logic.

Because the economy is contracting, does that mean people will travel less? Or is it more likely that people will find themselves having to travel further to find scarcer jobs, and have to live in cheaper neighbourhoods far from their traditional centers of employment?

I think the second statement is closer to reality. And the chart above that predicts the continuing increase globally in fuel consumption tends to bear out this prophecy.

[Megaprojects Predict Decline of Oil Production](#)

I think megaprojects analysis gives us the best insight on near-future oil supply levels. Some other observers prefer to predict future supplies using the formulas of Dr. M. King Hubbert, which are based on original oil in place and decline rates. But Hubbert's math was done before the current technologies for enhanced oil recovery were available. These new techniques and technologies change the timing of oil extraction over the life of a field resulting in more oil being produced more rapidly than could be done when Hubbert was writing. That puts Hubbert's mathematical model into question, I believe, as a near term predictor of peak oil.

[KNPC says fire at Kuwait's largest oil refinery under control](#)

KUWAIT CITY (Xinhua)-- A fire which broke out early Wednesday morning at Kuwait's largest oil refinery, Kuwait National Petroleum Company (KNPC) said.

According to Kuwait news agency (KUNA) reported, citing the head of KNPC's Public Relations Mohammad Al Ajmi, that the fire occurred during maintenance duty at one of the pipelines in Ahmadirefinery.

[Venezuela, South Africa sign oil deal](#)

PRETORIA, South Africa (AP) -- South Africa and Venezuela sealed a major oil deal Tuesday during a visit by Venezuela's President Hugo Chavez, who touted it as an example of southern nations cooperating in a new strategic alliance.

[South Africa - Venezuela oil deals in pipeline](#)

As part of the agreement South Africa's PetroSA would also gain access to Venezuela's oil reserves.

"PetroSA should immediately go to Venezuela to start working with us to exploit our oil reserves," he said.

[Climate change target may lead to 'dangerously misguided' policies](#)

In a paper published in a special geo-engineering edition of *Philosophical Transactions of the Royal Society A*, which is published online today, Prof Kevin Anderson and Dr Alice Bows say that by focusing on long-term emission targets, such as 50% by 2050, climate policy has essentially ignored the crucial importance of current emission trends and their impact on cumulative emissions.

They say that as a consequence, although countries should aim to reduce global emissions in line with a 2°C target, adaptation policy must focus on climate change impacts associated with 4°C or more.

[UN climate panel re-elects Rajendra Pachauri as chairman](#)

GENEVA (AFP) - The United Nations Intergovernmental Panel on Climate Change (IPCC) said Tuesday it has re-elected chairman Rajendra Pachauri for a second term.

Pachauri has been head of the organisation since 2002 and oversaw its seminal assessment report in 2007 which gave graphic forecasts of the risks posed by global warming.

[Massive Canada Arctic ice shelf breaks away](#)

OTTAWA (Reuters) - A huge 19 square mile (55 square km) ice shelf in Canada's northern Arctic broke away last month and the remaining shelves have shrunk at a "massive and disturbing" rate, the latest sign of accelerating climate change in the remote region, scientists said on Tuesday.

They said the Markham Ice Shelf, one of just five remaining ice shelves in the Canadian Arctic, split away from Ellesmere Island in early August. They also said two large chunks totaling 47 square miles had broken off the nearby Serson Ice Shelf, reducing it in size by 60 percent.

"The changes ... were massive and disturbing," said Warwick Vincent, director of the Centre for Northern Studies at Laval University in Quebec. ...

Mueller said the total amount of ice lost from the shelves along Ellesmere Island this summer totaled 83 square miles -- more than three times the area of Manhattan island.

The figure is more than 10 times the amount of ice shelf cover that scientists estimated on July 30 would vanish from around the island this summer.



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