



DrumBeat: September 8, 2008

Posted by [Leanan](#) on September 8, 2008 - 10:07am

Topic: [Miscellaneous](#)

[Algeria says OPEC cut to be discussed, oversupply looming](#)

VIENNA (AFP) - Algerian Energy Minister Energy Minister Chakib Khelil said Monday the OPEC oil cartel would discuss a cut in production at a meeting here and that members saw "an oversupply problem" looming.

"Everybody agrees that we will have an oversupply problem of between half a million and one and half million (barrels per day) by early next year," said Khelil, who is acting OPEC president, as he arrived in Vienna.

Asked if OPEC would cut its output, he replied: "I don't know. I think there will be a discussion on that."

[Russia's BP 'Signal'](#)

BP managed to keep its 50% stake in oil-and-gas joint venture TNK-BP, and suddenly we're supposed to believe that it's safe to do business in Russia. "This is the right signal to the whole market," Deputy Prime Minister Igor Sechin crowed after Thursday's pact between BP and its Russian partners.

There wasn't a bullet in the chamber this time, but investing in Russia remains a dangerous game. The fact that BP stood to lose a multibillion-dollar investment over a disagreement with the Russian shareholders is the signal that markets will have received loud and clear.

[Mexico's 2009 budget projects oil at \\$80 a barrel](#)

Mexico's federal government is sending Congress a budget that projects improving world economic conditions.

The \$270 billion plan projects the price of Mexican crude oil at \$80 a barrel. Budget officials traditionally use a conservative figure for projected oil prices.

[Chicago Transit Authority to cut jobs, overtime, maintenance](#)

The budget crisis has been caused in part by soaring fuel and energy costs, which will be \$37.3 million higher than last year.

[Young, childless, and snipped](#)

In a 2007 Pew Research Center telephone survey of 2,000 U.S. men and women, only 41 percent said children are "very important to a successful marriage." In 1990, that figure was 65 percent.

[Turkey moves to diversify gas supply after Russia row](#)

ISTANBUL (Reuters) - Turkey is seeking to diversify its natural gas imports as increased tensions with its main supplier Russia has raised fears of a shortage in winter.

Moscow has established a reputation as a reliable supplier to Ankara by increasing gas supplies to Turkey when Iran cuts its exports to meet domestic demand, a near annual occurrence.

But fears about Russia's reliability as a partner have risen since a recent trade row that began when Russian customs officials curbed Turkish exports. Moscow has offered no explanation and Turkey has since responded in turn.

"Turkey is in a sort of a bind, because it is vulnerable to Russia for more than 60 percent of its natural gas and 50 percent of its oil. And it is vulnerable because we see there are no alternatives," said Wolfango Piccoli, analyst at Eurasiagroup.

[Russia, Venezuela may hold joint naval maneuvers](#)

MOSCOW, Russia (AP) -- A Russian Foreign Ministry spokesman said that Moscow may hold joint naval maneuvers with Venezuela, a deployment that comes amid increasingly tense relations with the United States.

Andrei Nesterenko said a squadron of Russian navy ships is to visit Venezuela before the year's end. Nesterenko said that deployment had been planned before Russia's war last month with Georgia.

[Democrats compromise on oil drilling](#)

Democratic leaders in the House and Senate, who long-resisted Republican-led calls to lift the ban on off-shore oil drilling, changed course over the recess and now say they will

push comprehensive energy plans in September that will include expanded drilling.

But Democrats will insist energy bills also include their own priorities, such as repealing tax breaks for big oil companies, something many Republicans oppose.

[Oil Crisis Hiding in Plain Sight: Pump Prices and Crude Still Way Ahead of Year Ago Levels](#)

It's time for a reality check. Oil prices are not plunging. Compared with this time last year, U.S. pump prices are more than 80 cents a gallon higher, while spot crude prices are roughly \$30 a barrel higher.

Even if crude falls another \$30 a barrel, that will still only put its price at roughly year-ago levels after a summer when Americans drove a lot less than the year before, precipitating all the talk about "demand destruction."

[Zambia: State Assures Nation On Fuel](#)

GOVERNMENT has assured the nation that there will be enough fuel when Indeni Refinery closes down for routine maintenance in two weeks time.

Ministry of Energy and Water Development Permanent Secretary, Peter Mumba said in an interview in Lusaka yesterday that there was no need for people to panic.

He said the Government had put up adequate measures for the importation of fuel especially gas oil that was said to have been in short supply.

[An urban legend to comfort America: demand for oil creates new supply](#)

It is a race, and the clock has started. Will there be a gap in time between the decline old sources and the emerging new sources? If so, prices must spike during that period to destroy demand — priced-based rationing — so that supply and demand balance. Since many years (or even decades) will be required to build these new sources, fecklessness today could mean a long, deep recession like nothing we have seen in America since WWII.

[South Africa: The Oil Crisis and the Search for a New Way of Living](#)

It took five years from 2002-2007 for the oil price to go up by \$60/barrel; but in the last 12 months, the price of oil surged by an additional \$70/barrel.

The surge in oil prices is making life for everybody uncomfortable, as its ripple effects are being felt throughout the global and South African economies. It has, however,

brought home the urgency to find solutions. The whole world is in the throes of a massive cycle of innovation. There lie two possible pathways before us.

[Kurt Cobb: It's just a phase](#)

Some deep ecologists have suggested that agriculture was a fundamental mistake in human evolution and has created more ills than it purports to address. There is perhaps a larger group of people who believe that it was the discovery of fossil fuels and their contribution to the industrial revolution that constitute a critical wrong turn in human history. After all, the power which fossil fuels put in the hands of humans has enabled them to affect the ecosphere in profound ways that not only threaten the human future, but the future of every living thing on the planet.

Then, there are those, probably an even larger group, that believe we have simply misused our technological prowess, and that if we could turn that prowess toward harmonizing ourselves with nature, we could preserve ourselves and our technical society while allowing nature to flourish once again.

[Power firms try to duck £1bn energy saving plan](#)

Britain's big power producers have been making last-ditch attempts to prevent them being forced to contribute to a £1bn energy-saving scheme that the Government is hoping to announce tomorrow.

After Prime Minister Gordon Brown's decision to shelve proposals for a windfall tax on gas and electricity companies, the Government is now looking at longer-term plans to make homes and businesses more energy-efficient.

[Iraq expects to sign Shell gas deal within a month](#)

BAGHDAD (Reuters) - Iraq expects to sign a natural gas deal with Royal Dutch Shell within a month, the Oil Ministry said on Monday.

Iraq's cabinet on Sunday approved a preliminary deal between the energy giant and the state-run South Oil Company that covers the venture in southern Basra province.

[DOE to deliver 250,000 barrels of oil to Marathon](#)

WASHINGTON (Reuters) - The U.S. Energy Department said on Monday it will deliver 250,000 barrels of oil from the Strategic Petroleum Reserve to Marathon Oil Corp.

[Shell May Shut Crude Unit at U.K.'s Stanlow Refinery Next Month](#)

(Bloomberg) -- Royal Dutch Shell Plc may shut a crude unit at its Stanlow refinery in the U.K. next month, cutting fuel output at a time when Europe's biggest plants will also undergo maintenance, two people familiar with the work said.

[Frequent fliers: No more free ride](#)

NEW YORK (CNNMoney.com) -- The old adage - Nothing in life is free - is the new reality for frequent fliers.

As a struggling airline industry looks for new ways to alleviate high fuel costs, it is becoming increasingly difficult for passengers to cash in miles and expect them to cover the cost of a ticket.

[Is it better to lease, hire or borrow than to buy?](#)

But given that the average power drill is used for just four minutes every year – a slothful work rate matched by many other garden and DIY tools – it makes sense as a consumer to join a tool-sharing scheme, or even to start one.

It all helps to take the ecological heat out of consumerism, a strategy that needn't only be applied to prosaic stuff such as washing machines. You can even take a transumerist approach to that icon of contemporary fashion, the 'it' bag. Yes, with an annual subscription to a bag library (www.be-a-fashionista.co.uk) you can borrow a Birkin or lease a Louis Vuitton and nobody will be any the wiser.

[Meet the greenshifters](#)

For the first time in generations, more people are moving to the countryside than are leaving, chicken keeping is the UK's fastest-growing hobby and for many self-sufficiency is no longer a pipe dream.

[Electronic smog 'is disrupting nature on a massive scale'](#)

Mobile phones, Wi-Fi systems, electric power lines and similar sources of "electrosmog" are disrupting nature on a massive scale, causing birds and bees to lose their bearings, fail to reproduce and die, a conference will be told this week.

[The Challenge of Population Growth](#)

The world's population reached six and a half billion in 2006, and is quickly approaching 7 billion. It appears to be increasing at a rate of about 6.5 million a month or 78 million a year. From a purely mathematical point of view, at the current growth rate of 1.16 per cent per year, the world's population will double in 60 years. However, it is being projected to grow to 9 billion by 2050 (as per the United Nations). If this projection holds, it would be an improvement over an earlier forty-year period (1960 to 2000) during which the population of the world practically doubled, from 3 to 6 billion.

The key point here is that the world's population keeps growing and will continue to grow unless there is a conscious effort by us to limit its growth, or nature imposes some kind of control (like the recent earthquake in China, or the cyclones and tsunami in South and Southeast Asia).

[Wind of change on farms as cows help to save the Earth](#)

Chopped straw and hay are the vital ingredients to settle a cow's stomach and reduce emissions of methane by 20 per cent.

This material is used as bedding for cattle and cows usually have little appetite for it. But just as children are coaxed to take their medicine by cloaking it in a syrup, cattle are being fed a blend of foods that makes it irresistible.

The secret is to cut straw or hay into strips 6cm-7cm long and to mix them with silage, wheat, maize, soya or sugar beet. A dairy cow needs only 4.4lb (2kg) a day, a tiny percentage of the 130lb daily ration of forage it would otherwise eat.

[New York Times Columnist Calls for a Green Revolution: Read an Excerpt From Thomas Friedman's Latest Book, 'Hot, Flat and Crowded'](#)

In a follow-up to "The World Is Flat," his book about globalization, New York Times columnist Thomas Friedman brings a new perspective to climate change and the energy crisis.

In "Hot, Flat and Crowded," Friedman argues that the new presidential administration must take strong and decisive steps to create a green revolution in order to save the planet, "reknit America at home [and] reconnect America abroad."

[Thaw of polar regions may need new U.N. laws](#)

OSLO (Reuters) - A new set of United Nations laws may be needed to regulate new Arctic industries such as shipping and oil exploration as climate change melts the ice around the North Pole, legal experts said on Sunday.

They said existing laws governing everything from fish stocks to bio-prospecting by pharmaceutical companies were inadequate for the polar regions, especially the Arctic, where the area of summer sea ice is now close to a 2007 record low.

"Many experts believe this new rush to the polar regions is not manageable within existing international law," said A.H. Zakri, Director of the U.N. University's Yokohama-based Institute of Advanced Studies.

[Where did all the oil men go?](#)

Oil has been one of the most discussed subjects in recent years. Of the many concerns we have about the energy sector, the labor shortage worries me most.

According to industry reports, the average age of workers at major oil companies is between 48 and 50 years.

As retirement looms in the next five to seven years, the potential loss of industry expertise may threaten the sustainability of this sector as a whole.

[How low can the oil price go?](#)

Now that international crude oil prices have retreated to around \$106 (about Rs4,706) a barrel from a high of \$147, the question everybody is asking is how much further can they ease. If we assume we're going to have a global recession similar to the one we had after the bursting of the technology bubble, then it's worth our while checking what happened to oil prices at that time.

[Azerbaijan at crosswinds of a new cold war](#)

The crisis in Georgia is, however, a powerful wake-up call to Baku concerning "roads not taken". On the one hand, Baku is interested in cultivating closer military ties with the West, in light of the Azeri parliament's recent ratification of an action plan for greater military cooperation with the US. A top US State Department official has recently called for a strategic, trilateral cooperation between US, Azerbaijan and Turkey. And yet, on the other hand, this is precisely the kind of initiative that Baku would be wise to stay away from, unless it is prepared to embrace serious backlashes from its powerful neighbors, Iran and Russia.

[Mideast spot cargo market may stay discounted](#)

SINGAPORE: Spot Middle East crude oil cargoes may continue to be mired in discounts next week in Asia, even though several producers have slashed their monthly official selling prices.

While these term price cuts, particularly on lighter sour grades with a high yield of money-losing “clean” products such as gasoline and distillates, have lent support, soft demand and a lingering risk aversion continue to weigh on sentiment.

[No place like suburban home: Many happy outside cities, despite cost of commute](#)

Hallahan's roughly 15-mile commute takes at least 25 minutes and, with a few errands thrown in, costs \$200 a month. He said that's up from about \$150 a year ago, when gas was cheaper. But instead of bailing on suburban life, the family has absorbed the increases by cutting back on discretionary spending, Hallahan said.

"I don't think 50 bucks a month is enough to make you live somewhere else," Hallahan said.

Hallahan is typical of most Capital Region suburban dwellers who, several months into America's modern day energy crisis, do not have buyer's remorse, residents, planners and home association leaders say.

[Congress must act: Ensure electricity remains affordable](#)

For most Iowans, the summer of 2008 has been one for the record books as the price of gasoline has blasted a hole through family finances. While gasoline may grab the headlines, it is essential that U.S. policymakers address another equally urgent energy concern: ensuring affordable electricity at a time when the cost of power and demand for it are rising and when climate-change goals loom.

[Welsh methane discovery may ease UK energy crisis](#)

Test drilling in Wales has revealed huge quantities of high-quality methane gas, which could be piped out and used to help Britain's growing energy crisis.

[India: Tired of persistent power-cuts, residents dash letter to CM](#)

That the suburbs are facing a bad time when it comes power management is nothing new. However, in a bid to make their power problems heard by the government, a local consumer body has adopted a unique method. The body has sent a missive to the Chief Minister of Maharashtra requesting him to ensure that the government offices keep their ACs switched off in this dark hour and set an example.

[Off-shore liquefied natural gas terminals get poor marks from ocean advocacy group](#)

TRENTON -- An ocean advocacy group released a report Wednesday that lambasts liquified natural gas and three different proposals to build liquefied natural gas terminals off New Jersey's shore.

The report, which characterizes liquified natural gas, or LNG, as expensive, dirty and a threat to the nation's energy independence, is meant to jumpstart Clean Ocean Action's effort this fall to lobby state lawmakers and Gov. Jon S. Corzine to stop the LNG terminal projects off the coast of Monmouth and Ocean counties from moving forward. Corzine's final Energy Master Plan is expected this fall, and the group's leaders said they're working to ensure LNG doesn't make it into the report.

[Russia aims to corner energy market: U.S. official](#)

ROME (Reuters) - Russia aims to extend its control over energy deliveries to the West and it is important that European countries push forward on efforts to diversify routes for oil and gas supplies, a senior U.S. official said on Monday.

As Vice President Dick Cheney visited Italy to seek support for Georgia after its brief war with Russia, the official, said: "The fact is Russia has worked hard to try to corner the market, so to speak, and is working to foreclose options to transit for those energy products across Russia.

"They want everything to come out through Russia and a lot of us think it's more important that there be diverse means of gaining access to those resources," he said, speaking on condition of anonymity.

"No one country ought to be able to totally dominate those deliveries."

[OPEC ministers gather, set for no change](#)

VIENNA (Reuters) - OPEC ministers on Monday gathered in Vienna ahead of a meeting to review output policy, but were widely expected to leave formal targets unchanged, especially as a powerful hurricane could lift oil prices.

[Iran leads calls for OPEC oil cut](#)

VIENNA (AFP) - Iran led calls on Monday for OPEC to cut output ahead of a meeting of the oil producer group, with analysts expecting the cartel to begin scaling back production to help support prices.

Oil prices have plummeted from their highs of 147 dollars a barrel in July to about 107 dollars, with the OPEC meeting on Tuesday seen as a test of what price level the cartel wants to defend and its power to influence the market.

[OPEC to Pump at Near Record as Prices Stunt Growth](#)

(Bloomberg) -- OPEC, the supplier of 40 percent of the world's oil, will probably keep producing at a near record pace as \$107-a-barrel crude squeezes the global economy.

[Iran sees possible oil over-supply in 2009: report](#)

TEHRAN (Reuters) - Continued OPEC production at current levels would lead to over-supply of its crude in the first half of 2009, causing prices to drop, Iran's OPEC governor was quoted as saying on Sunday.

Mohammad Ali Khatibi, speaking two days before OPEC ministers meet in Vienna, also told the official IRNA news agency that oil prices could not fall below \$80 per barrel as this was the production cost cited for some new fields.

[How the West is losing the energy cold war](#)

Russia's victory in Georgia is having far-reaching effects as its neighbours rethink the wisdom of selling gas and oil to Europe.

[China marches past USA to stake a claim to Iraq's oil](#)

While China opposed the Iraq war and stood back from post-war rebuilding, Beijing has quietly outflanked its global rivals to grab a large slice of Iraq's oil industry. The pioneers of its overseas quest for fuel are already exploring vast tracts in the Kurdish north of the war-torn nation.

With an extensive foothold in the only part of the country where new oil wells have been built since 2003, Chinese firms are already believed to have more personnel than their American rivals.

[UK: Warning over growing fuel poverty](#)

Almost a quarter of the population will be in fuel poverty by next year and those on low incomes will be especially badly hit, new figures have shown.

A report published by the National Housing Federation shows that by the end of 2009 5.7 million UK households will be spending at least 10% of their annual income on energy bills - an increase of 100% since 2005.

[A future without oil](#)

South Africa cannot pin its hope on a miracle to rescue it from the coming global oil crisis, and needs to take urgent and radical steps to avoid an "unprecedented" meltdown in the country's economy and transport network.

All the signals point to a rapid and irreversible decline in world oil production within the next five to 10 years - and unless South Africa acts fast and intelligently, the country could be forced into taking draconian measures like petrol and diesel rationing, slashing speed limits on the highways or reserving fuel for essential services such as the police, army, ambulance services and farmers.

[Gas crisis threatens to derail Bangladesh economic growth](#)

CHITTAGONG, Bangladesh (AFP) - An acute gas supply crunch caused by lack of hydrocarbon exploration is threatening to derail Bangladesh's record industrial expansion, officials say.

The South Asian nation's economy has been growing by more than six percent annually over the last four years -- its strongest pace since independence in 1971 -- thanks to unprecedented double-digit manufacturing growth.

But industrialists say trouble looms as a severe gas crisis has left scores of big factories without power and halted some of the impoverished country's most ambitious industrial projects.

[Kazakhstan lays out oil tax plans](#)

A new oil tax proposed by the Kazakh government will apply to about 60% of the country's crude output next year, Economy Minister Bakhyt Sultanov said today.

Sultanov was presenting a reform package designed to shift the tax burden onto the oil, mining and metals sectors - mostly through a new mineral extraction tax - to foster the development of other industries.

[Operator says Dubai oil rig remains shuttered](#)

DUBAI, United Arab Emirates - The operator of the oil rig involved in last week's deadly helicopter accident off the Dubai coast said production remained halted on the platform Sunday.

The rig serves the Rashid oil field, one of four offshore deposits controlled by the government-run Dubai Petroleum. Work in that field was suspended after a Bell 212

helicopter carrying contractors crashed into the platform and sparked a fire on the main deck Wednesday evening.

[International Biochar Conference Uses False Claims to Promote Dangerous Technology in the name of Climate Change Mitigation](#)

Campaigners today warn that an international conference on biochar, which will be held in Newcastle, UK from 8 to 10 September, will be misleading governments and the public with claims that biochar - a by-product of second generation agrofuel production - can curb climate change and improve soil fertility.

[Jason and the secret climate change war](#)

A shadowy scientific elite codenamed Jason warned the US about global warming 30 years ago but was sidelined for political convenience.



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