



DrumBeat: November 2, 2008

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[Saudi Aramco Names Khalid Al-Falih as Chief Executive](#)

(Bloomberg) -- Saudi Aramco, the world's biggest oil supplier, named Khalid A. Al-Falih as chief executive officer.

Al-Falih succeeds Abdallah Jum'ah, who retires after 40 years at the Dhahran, Saudi Arabia-based company and 14 years as its chief, the country's Minister of Petroleum and Mineral Resources Ali Al-Naimi said today in an e-mailed statement.

[Ft. Chip residents, activists protest oilsands intrusion](#)

Mike Mercredi is ready to fight what he calls the "slow industrial genocide" that oil companies are waging on the people in his hometown of Fort Chipewyan.

Last year there were over 20 deaths in the community of 1,200 people. Many were cancer-related deaths, which Mercredi said are linked to the oilsands activities in nearby Fort McMurray.

"Let's put a lid on it and slow things down," he said. "The graveyard is getting full."

[Iraq's cash pile won't protect it from weak oil prices](#)

BAGHDAD (AFP) – Iraq's unspent cash pile won't prevent its economy from being hit by tumbling crude oil prices, endangering stuttering efforts to rebuild the war-battered nation, politicians and analysts say.

[Chilean glacier will vanish in 50 years: study](#)

SANTIAGO (AFP) – Chile's official water authority warned Saturday that the Echaurren glacier near Santiago, which supplies the capital with 70 percent of its water needs, could disappear in the next half century.

In a new report on Chile's glaciers the main water company -- Direccion General de

Aguas de Chile (DGA) -- said the ice fields of Echaurren are receding up to 12 meters (39.37 feet) per year.

"These glaciers are vanishing," said Antonio Vergara of the DGA, who has worked on glacier research on the fields for 35 years.

[Smart car is damaged when flipped by vandals](#)

A multicolored Smart ForTwo coupe owned by Think Financial, a business located in the Cobblestone District in Buffalo, was vandalized sometime late Thursday or early Friday, a company representative told police.

Someone flipped the vehicle, which looks like a souped-up golf cart, on its side while it was parked in the company lot at 26 Mississippi St. The vehicle was damaged on its passenger side.

[A Splash of Green for the Rust Belt](#)

From the faded steel enclaves of Pennsylvania to the reeling auto towns of Michigan and Ohio, state and local governments are aggressively courting manufacturing companies that supply wind energy farms, solar electricity plants and factories that turn crops into diesel fuel.

This courtship has less to do with the loftiest aims of renewable energy proponents — curbing greenhouse gas emissions and lessening American dependence on foreign oil — and more to do with paychecks. In the face of rising unemployment, renewable energy has become a crucial source of good jobs, particularly for laid-off Rust Belt workers.

[Global financial crisis will not cause crash in oil prices -- Kuwaiti expert](#)

KUWAIT (KUNA) -- A Kuwaiti expert on oil expects that the global financial downturn will not lead to a crash in oil prices around the world.

Former Chief Executive in the Kuwait Petroleum Corporation (KPC) Hani Hussain said that the fundamentals of the global supply and demand of oil will protect the market from any unexpected collapse. On the recent drop in oil prices, Hussain mentioned that speculators were largely responsible for the previously witnessed rise, which vanished after their absence affected by supply and demand and market needs.

He said that on the mid-term scale, he objectively viewed that supply will be less than demand which will in-turn create a balance in prices.

[Exxon's Production Falls as Profits Soar](#)

Third-quarter earnings jumped 58%, but production was off. With oil prices plunging, investors think the decline in output may be a bad sign.

[Fear of Deflation Lurks as Global Demand Drops](#)

With economies around the globe weakening, demand for oil, copper, grains and other commodities has diminished, bringing down prices of these raw materials. But prices have yet to decline noticeably for most goods and services, with one conspicuous exception — houses. Still, reduced demand is beginning to soften prices for a few products, like furniture and bedding, which are down slightly since the beginning of 2007, according to government data. Prices are also falling for some appliances, tools and hardware.

Only a few months ago, American policy makers were worried about the reverse problem — rising prices, or inflation — as then-soaring costs for oil and food filtered through the economy. In July, average prices were 5.6 percent higher than a year earlier — the fastest pace of inflation since 1991. But by the end of September, annual inflation had dipped to 4.9 percent and was widely expected to go lower.

[Home solar energy systems on hold for better incentives](#)

PHOENIX — Congress passed new and extended tax credits with the financial bailout package that are expected to prompt thousands of people to add solar- and wind-energy systems to their homes.

But the incentives for some systems are so much better than existing tax credits that many people also are delaying their home improvements until next year when the new credits kick in.

[Firewood supply dries up under pest control rules](#)

The luxurious warmth and crackle of a wood fire may become a pricey comfort this winter.

Firewood supplies are getting tight — some dealers are almost sold out — because of state shipping restrictions designed to halt the spread of invasive pests.

[The Austerity Issue: don't panic](#)

Amid the bewildering complexities of the global financial crisis, one simple fact stands

out: the little we have left needs to go a lot further. Fear not! We'll show you how to endure the forthcoming recession with a bit of grit, some nous and the wise advice of our post-war forebears.

...Rationing and shortages affected almost every area of everyday life. Coal, petrol, cars, clothes, footwear, furniture, bedding, toys – all were hard to come by, being either strictly rationed or near unobtainable. "The greatest disaster is the inability to buy a handkerchief if one has sallied forth without one," bitterly complained one middle-class housewife to the research organisation Mass Observation; another objected that the fuel shortage "entails poor lighting on railways, in waiting rooms etc, with consequent eye strain and depression". But for most people, there was during these bleak years one supreme, overriding obsession: food.

[Global pile-up ahead as US auto industry loses its drive](#)

Ford, General Motors and Chrysler were once supreme; now with consumers rejecting gas-guzzlers and car loans drying up, the outlook is bleak for Detroit - and the rest of the world will soon feel the pain too.

[Opening Up Mexico's Oil to Foreigners: A First Step](#)

For months, the debate over opening up Mexico's petroleum industry to foreign companies raged in the streets. Thousands of riot police held back screaming protesters from invading the Senate. Mammoth rallies screamed that the president was a puppet, selling its nationalized oil wealth out to the gringos. Banner-bearing lawmakers opposed to the president's proposal camped with sleeping bags on the podium of Congress, shutting down the legislature for weeks, as the arguments went back and forth, for and against giving international oil giants the right to sink deep wells in Mexican territory and waters, long the sacrosanct monopoly of the country's national oil corporation.

[Rail fare increase a step backward](#)

Am I the only one mystified by why the fares are skyrocketing when gas prices are plummeting? Does this make sense when we ought to be trying to get people off the roads?

Just last summer they increased fares by 3 percent. That was unwelcome news, but at least understandable when fuel costs were breaking records. But now, when prices at the pump have fallen by more than a dollar a gallon in the past few weeks, why are we about to experience the largest fare increase in VRE's history, with another hike looming next summer? What's wrong with this picture?

[Viet Nam: Nuclear power plan in pipeline](#)

HA NOI — The Ministry of Industry and Trade has announced a plan to build two nuclear power plants in the central province of Ninh Thuan which will be operational from 2020 to 2022.

[Why Pakistan shouldn't manufacture solar systems?](#)

Pakistan is facing the worst ever crisis of electricity shortage these days. It's becoming extremely difficult for a common citizen to pay off his/her monthly electricity bills. The bills keep soaring day by day and there seems to be no respite in the foreseeable future. The electricity generated through the fossil fuel is very costly as its cost is linked to the cost of imported fuel. We are spending a hefty amount (\$ 11 billion plus) on the import of oil annually to meet the country's oil requirements. Hence, there's a need to resort to other forms of generation of electricity, solar being one of them.

[Zimbabwe: The grim reaper approaches](#)

On the food front the situation has deteriorated sharply in the past month. Humanitarian agencies have full warehouses but cannot get the food to the people who need it. The reasons are that the agencies cannot access cash for their operations - hard currency transactions are still illegal and the cash withdrawal limits and other restrictions imposed by the Reserve Bank are making local payments impossible - they cannot pay for hotels or staff salaries and cannot pay transporters to take the food to where it is needed.

[OPEC president urges members to cut, says Saudi key](#)

ALGIERS (Reuters) - OPEC members have no choice but to implement agreed output cuts and inform customers of the reductions if they want a stable oil price between \$70-\$90 a barrel, OPEC President Chakib Khelil said on Sunday.

Khelil, who is also Algeria's energy and mines minister, told Algerian state radio that Saudi Arabia was key to the success of the reductions, and if the world's biggest oil exporter took its time over the operation the oil price could be affected.

"I think that's what the market is waiting for now -- to see that there really is a reduction in the market and not take at face value the declarations of the different deciders about a cut, or another cut, or about their intentions. It's what is seen on the market that will affect prices," he said.

[Prices may slow oil flow](#)

"The more exposed a producer is to credit," said Michelle Foss, chief energy economist for the University of Texas' Center for Energy Economics, "the more difficult it's going to

be for that producer to keep drilling."

Exploration plans for the area's producers vary widely.

"The large percentage are already starting to cut back," said Wink Hartman, owner and president of Hartman Oil.

[Oil producers likely to revise investment plans](#)

Oil producers in the Gulf and other regions could be forced to scale down their investments plans because of tightening crude demand, higher costs and fund shortages, according to Arab and Western officials.

As the world creeps into a recession and lenders reel under credit crunch, demand for oil could largely slacken while costly projects could be delayed because of lack of funding and low profit margins due to weak crude prices.

[Where oil and water mix](#)

PORT ARTHUR, Tex. -By the middle of the next decade, this weathered city in America's deep south abutting the Gulf of Mexico, will receive a flood of oil from Fort McMurray's oil sands plants. About one million barrels a day of Alberta oil will flow into the world's biggest refining market.

[U.S. Oil Companies Paid, Collected More in Taxes Than They Made in Profits in 2006](#)

American oil companies paid and collected more taxes (\$146.8 billion) in 2006 than they made in profits (\$131.5 billion).

[OPEC for gas?](#)

The most effective response by the United States to the development of energy cartels among overseas producers is to improve our domestic energy capabilities. That means moving aggressively, and in an environmentally responsible fashion, to further develop our oil and gas resources and restart our nuclear industry while pursuing development of the full complement of alternative energies, including wind, solar, biomass and geothermal.

[Canada: Pipeline blasts work of locals, police believe](#)

DAWSON CREEK, B.C.—Investigators renewed their call for the public's help yesterday

as they continued to probe a third deliberate explosion targeting natural gas pipelines in northeastern British Columbia.

Crews from oil and gas giant EnCana, whose pipelines have been the target of all three blasts, were still at the scene near Dawson Creek yesterday, trying to stop the flow of gas from the latest blast on Friday.

[A new era of cheap oil is just wishful thinking](#)

Amid the turmoil, falling crude has been a comfort blanket. Many economists foresee oil averaging \$50 a barrel over the next few years as the world economy slows. Some even predict \$30 oil.

I don't buy this. Oil demand is down in the US and some other Western importers but not by much. And the insatiable energy needs of the emerging giants will continue to grow as their economies keep expanding by 5 to 8 pc annually, despite the credit crunch.

This demand surge must be set against a frankly rather scary supply picture. The Opec exporters' cartel just cut daily output by 1.5m barrels, almost 2pc of global production.

[Oil prices called recession culprit](#)

Historians are likely to pick July's peak oil prices as the force that pushed the U.S. economy into a recession that began with September's financial crisis, Mike DiGiovanni, GM's executive director of global market and industry analysis, and economist said Wednesday.

"When it hit \$147 a barrel and damaged Americans' pocketbooks, it just really stretched the budgets and pushed us over the edge," DiGiovanni said. "As those things happened, they couldn't pay their mortgages ... So I think when we look back on it, the trigger point was oil."

[Gordon Brown expects Saudi financial help](#)

RIYADH, Saudi Arabia - British Prime Minister Gordon Brown said Sunday he expects Saudi Arabia to contribute to the International Monetary Fund's bailout reserves after he promised business leaders in the Gulf that they would have a say in any future new world economic order.

Brown is leading calls for oil-rich Middle Eastern countries to be among the biggest donors to the IMF's coffers, which at \$250 billion have already been depleted by emergency cash calls from Iceland, Hungary and the Ukraine totaling some \$30 billion.

[Brown warned not to treat Saudis as 'Milch Cow'](#)

Gordon Brown has been warned not to treat Saudi Arabia like a cash cow as senior Saudi royals made clear that the kingdom already had plans for its windfall profits from the oil price surge.

[Election to benefit some industries, harm others](#)

WASHINGTON – Battered by the financial meltdown, America's business community is anxiously calculating how Tuesday's presidential election will affect it.

Energy, pharmaceutical and telecommunications companies could face tax and other policy changes no matter who wins the White House. The outcome also could determine how well alternative energy developers, generic biotechnology companies, stem cell researchers and others fare.

[Iran says oil sales diverse, no floating stockpile](#)

TEHERAN - Iran is maintaining diversity in its markets for oil sales and is not switching from Europe to Asia, a senior Iranian energy official said on Sunday.

Iran said on Saturday it had reduced sales of crude by 70,000 barrels per day (bpd) to a European buyer, France's Total, in line with a decision by OPEC to cut output by 1.5 million bpd. Iran's share of the OPEC cut is 199,000 bpd.

[Nigeria: The Dark Side Is Winning](#)

While northern Somalia is the site of much pirate activity, Nigeria has also suffered a growing number of attacks on its fishing fleet that, so far this year, 64 Nigerian coastal fishing boats have been attacked by pirates. Currently, eight of these fishing boats are being held for ransom. Unlike the oil companies, the fishing boats cannot afford to hire armed guards, and are very vulnerable to attack by seagoing bandits. The dozens of ships that service the offshore oil facilities now have armed guards most of the time. So the pirates go looking for less dangerous prey.

[Great Lakes eyed for offshore wind farms](#)

TRAVERSE CITY, Mich. - Imagine sections of the Great Lakes dotted with rows of gleaming, 12-story turbines, blades whirring in the stiff breeze as they generate electricity for homes and businesses onshore.

It's only an idea — for now. But government regulators are bracing for an expected

wave of proposals for offshore power generation in a region that never seems to run short of wind.

[County sets wind farm rules](#)

The Natrona County Commission recently approved emergency regulations in anticipation of commercial wind farms, according to county development director Blair Leist.

"If we didn't have the regulations in place, a company could say 'We can build them,'" Leist said Thursday.

[Expert: Amazon may lose 50 percent of tree species](#)

BRASILIA, Brazil -- Global warming could kill off half of the tree species in Brazil's vast Amazon jungle by 2050, a leading international climate change expert said Wednesday.

A worst-case rise of 7.2 degrees Fahrenheit would wipe out half of the region's tree species by making the Amazon much drier and causing increased humidity in Brazil's non-Amazon southern region, said Martin Parry of the U.N. Intergovernmental Panel on Climate Change .

[97 months left](#)

It may be that governments still entangled in the habitual rhetoric of free markets, are embarrassed by their new, unaccustomed role. It could be that, having outsourced the exercising of power to the market place, they feel unpractised and not sure what to do. But the climate clock is still ticking – even speeding up. And, they now have an enormous opportunity to do what democratically elected governments are meant to do – take responsibility and protect their people from disaster.



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