



DrumBeat: November 25, 2008

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Topic: [Miscellaneous](#)

[ANALYSIS - Oil drop won't ease Latin American resource nationalism soon](#)

CARACAS (Reuters) - Latin American energy producers are unlikely to ease taxes on foreign oil companies in the near term, despite tumbling crude prices, in an attempt to keep government coffers full.

Leaders such as Venezuela's Hugo Chavez -- at the fore of a charge for resource nationalism during a six-year oil rally -- and Ecuador's Rafael Correa are facing budget shortfalls as prices tumble from records over \$147 a barrel to near \$50.

The price drop has prompted Canada to ease back on a proposed royalty hike, but left-wing Latin American leaders will maintain high taxes on their vast oil reserves to ensure a steady flow of cash for social programs, analysts said.

[Shell Signs Up to Join Australia's Global Carbon Capture Body](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's biggest oil company, will become a founding member of Australia's A\$100 million (\$64 million) carbon capture and storage institute aimed at speeding low-emissions power output.

[Melting Arctic, Afghanistan top general's concerns](#)

OTTAWA - Global warming is melting Arctic ice faster than the military projected, posing greater challenges for Canadian Forces already facing a deteriorating security situation half a world away in Afghanistan, says Canada's top soldier.

"Global warming is happening very quickly. I think any projection we have has been underestimated. Flying over Ellesmere Island and not seeing very much snow up there and seeing the Arctic Ocean as a blue water ocean was quite revealing to me," Gen. Walt Natynczyk, the chief of the defence staff, said Monday in a candid and sweeping assessment of the challenges faced by the military from the sun-baked deserts of Afghanistan to the not-so-frozen Far North.

[Getting Warmer? Prehistoric Climate Can Help Forecast Future Changes](#)

The first comprehensive reconstruction of an extreme warm period shows the sensitivity of the climate system to changes in carbon dioxide (CO₂) levels as well as the strong influence of ocean temperatures, heat transport from equatorial regions, and greenhouse gases on Earth's temperature.

[Food: Employers may have to become providers](#)

Dr Elizabeth Stephens, head of credit and political analysis at Jardine Lloyd Thompson, a risk management specialist, says rising food prices have led to increased political risk.

"There have been food protests in 35 countries in the past year," she said. "In Indonesia the price of rice is directly correlated to the number of strikes or riots.

"A sharp increase in prices could cause production problems if there are strikes by workers and civil unrest could damage vital infrastructure like roads or telecoms or the government could impose a political crackdown.

"What companies can do is look after the social welfare of employees and secure a source of food for them such as buying wheat or rice. They also should look at increasing wages for workers if inflation is causing prices of food to rise, although this feeds into an inflationary spiral." she says.

[Is World in Obama's 'Shock and Trance' Mode?](#)

Is the world poised to make the transition from shock to trance on climate policy — using the terminology that President-elect Barack Obama chose to describe America's cyclical interest in moving beyond fossil fuels?

[Petro-Canada offshore work to lower 2009 output](#)

CALGARY, Alberta (Reuters) - Petro-Canada said on Tuesday it is expecting a series of major maintenance turnarounds in 2009 at its three oil fields off the coast of the Canadian province of Newfoundland and Labrador, lowering output next year.

Alan Brown, vice-president, east coast Canada, at Canada's No. 4 integrated oil exploration and refining firm, said at a company-sponsored investor event that Petro-Canada expects major turnarounds at the Hibernia, Terra Nova and White Rose fields next year for maintenance and to tie in new production.

[Drill, Garner, Drill](#)

In the history of the Iraq War, one name is perhaps synonymous with the collapse of the Bush administration's hopes for a post-Saddam world: Retired Lt. General Jay M. Garner. It was Garner who served as the first post-war administrator for Iraq, running the country during the fateful two months immediately following the invasion before being replaced by L. Paul Bremer III.

However, Garner's frustrating tenure in Iraq wasn't entirely wasted. This year, he and a small group of former US military leaders, officials, and lobbyists have quietly used their deep connections in Kurdistan to help Canadian companies access some of the region's richest oil fields.

[Hard times mean leaner Thanksgiving dinners](#)

Even though prices of commodities like oil have been plummeting, grocery stores prices still reflect a surge in producer prices over the summer. "The pasta that you bought in the store last weekend is based on wheat that was grown months ago — potentially as much as a year ago," Ramsey said.

That formula applies to Thanksgiving dinners as well. Turkeys on sale in the supermarket now were fed corn back when corn was at a higher price.

...But there is hope for the near future, Ramsey says. With the price of oil going down, fuel surcharges on food transport are being scaled back.

He said prices could start going down in certain sectors of the food chain in about six months.

[Obama's Energy Department](#)

Let the speculating begin. Not oil speculation, but job speculation for the new Obama administration.

[Nigerian military battles oil thieves in delta](#)

PORT HARCOURT, Nigeria (Reuters) - Gunmen seeking to protect a trade in stolen crude oil have attacked Nigerian military positions in the Niger Delta for the third time in under a week, the security forces said on Tuesday.

Attackers in speedboats engaged Nigerian troops in a gunbattle on Monday in Okwagbe in Delta state, days after similar raids near major oil sites operated by U.S. firm Chevron and Anglo-Dutch group Royal Dutch Shell.

[Petro-Canada Won't Proceed With Fort Hills Without New Lease](#)

(Bloomberg) -- Petro-Canada, the country's third- largest oil company, won't proceed with the next phase of its Fort Hills oil-sands project unless Alberta's government agrees to new lease terms, Chief Executive Officer Ron Brenneman said.

[LNG Deals In High Demand](#)

The current slump in global energy demand may have crushed oil prices to around \$50.00 in recent weeks, but even a short-term recession can't disguise the fact that demand in the long term is growing and needs to be satisfied.

That is why Abu Dhabi and China have announced big investments in liquefied natural gas, or an easily transportable form of gas that avoids the need for a pipeline network.

[Vt. engineer designs a good life for \\$5,000 a year](#)

Most of Merkel's choices are calculated. Consider whether he should eat meat. He tapped a mathematical formula to determine that, because gardening consumes less land and resources than raising animals, a soybean-based tofu burger impacts the environment four times less than a chicken burger and 14 times less than a beef burger.

Merkel has enjoyed boiling maple sap into sugar. Then he discovered he had to burn nearly three cords of wood to make 16 gallons of syrup, "so I got a beehive."

Sending an e-mail requires a few seconds of electricity, while mailing a letter consumes a tree and truck fuel. But when the engineer weighed all the metal and plastic in his computer, he discovered an electronic message is three times as ecologically damaging as a letter.

[Kuwait's ruler puts cabinet resignation on hold](#)

KUWAIT (Reuters) – Kuwait's ruler decided to put on hold the resignation of the OPEC country's cabinet on Tuesday, leaving his options open for intervention to end a crippling crisis between the government and parliament.

The cabinet tendered its resignation as parliament was about to look into a request by three legislators to question the prime minister, a member of the royal family, over the visit of an Iranian Shi'ite cleric accused of offending Sunni Muslims.

But the three deputies had also wanted to question Sheikh Nasser al-Mohammad al-Sabah over a wide range of accusations including alleged corruption and mismanagement in the world's seventh-largest oil exporter.

[Kyrgyz energy minister fired amid crisis](#)

BISHKEK, Kyrgyzstan: Kyrgyzstan's president fired the energy minister Tuesday amid mounting public criticism over his handling of electricity shortages in the impoverished Central Asian nation.

Industry and Energy Minister Saparbek Balkibekov presided during a worsening power crisis that could leave large swaths of the country without electricity over the coming winter months.

[Venezuela's Chavez welcomes Russian warships](#)

LA GUAIRA, Venezuela - Russian warships arrived off Venezuela's coast Tuesday in a show of strength aimed at the United States as Moscow seeks to expand its influence in Latin America.

The deployment is the first of its kind in the Caribbean since the Cold War and was timed to coincide with President Dmitry Medvedev's visit to Caracas — the first ever by a Russian president.

[Egyptians protest fuel shortages caused by Gaza smuggling](#)

EL-ARISH, Egypt (AFP) — About 150 people demonstrated in the Egyptian coastal city of El-Arish on Monday to protest a fuel shortage because of smuggling to the Gaza Strip, a security official said.

"About 150 drivers, farmers and construction workers protested the lack of diesel and petrol due to smuggling to Gaza," the official said.

[Gazans using tattered notes because of cash crunch](#)

GAZA CITY, Gaza Strip (AP) — Desperate Gazans crowded into banks Monday, jostling to get to the front of lines as they sought to withdraw money amid a worsening currency shortage caused by Israeli sanctions.

Israel has refused to allow cash to enter Gaza in recent weeks to ratchet up pressure on the ruling Hamas militant group. With the supply of currency dwindling, banks have limited withdrawals over the past two weeks, and some have posted signs telling customers they cannot take out any more money.

[Relax - the recession will keep the lights on](#)

Complacency seems to rule. A spokesman for the National Grid said today, apparently with a straight face, there were "suggestions" that the credit crunch "could lower demand, so the situation has become more comfortable."

So there we have it. The only thing that will keep the lights on in the years ahead is the fact that the economy is collapsing.

[Iraqi lawmaker criticizes gas deal signed with Shell, says oil ministry was not transparent](#)

BAGHDAD (AP) — An Iraqi lawmaker has accused the Oil Ministry of a lack of transparency when it signed a preliminary deal with Royal Dutch Shell PLC to tap natural gas in southern Iraq.

Hassan Balo, head of the parliamentary committee on oil and gas, says other companies should have been allowed to bid. He says the deal grants a 25-year monopoly on gas development in southern Iraq to Shell.

[Pre-Salt to Make Brazil's Reserves World's 9th Biggest](#)

About \$400 billion will be needed to develop Brazil's promising pre-salt oil area over a 10-year period, according to a preliminary estimate, Haroldo Lima, the president of Brazil's National Petroleum Agency, or ANP, said Monday.

[The Philippines: Electrifying injustice in the Visayas](#)

General managers of electric cooperatives are questioning why electric consumers in Leyte and Samar Islands would have to contribute to the cost recovery of the Panit-An plant. The geothermal plants in Leyte are the only sources of power in Leyte and Samar Islands.

[Now, animal power can light up your house](#)

Bangalore: Forget horse power, it is over to cattle power! They can provide a solution to the energy crisis faced by rural masses. A pair of them and a generator can light up a house.

The process called as "energy generation through animal power" is simple - rotate the generator with a pair of cattle. This is a simple equipment with only a shaft, gear box and a permanent magnet alternator. As the animal rotates, like in a traditional gana (place where oil is extracted using animal traction), the central shaft moves in sync. By making the alternator run, electricity is generated.

[Monbiot: The planet is now so vandalised that only total energy renewal can save us](#)

It may be too late. But without radical action, we will be the generation that saved the banks and let the biosphere collapse.

[World on cusp of clean tech revolution: Merrill Lynch](#)

Clean technology will rival the Industrial Revolution and every major technological development since then to become the "Sixth Revolution," as the world grapples with the threats of peak oil, global warming and the need for energy security, says financial analysis firm Merrill Lynch.

While such revolutions occur only about every 50 years, and can deliver "a golden age" based on the new technology's transformative possibilities, we are now on the cusp of the next great change, says Merrill Lynch clean-tech strategist Steven Milunovich.

...It also foresees: A world in which energy is not to be conserved but, paradoxically, so abundant as to be wasted, and one in which power generation is no longer the integrated monolith it is now, but one that is decentralized among users. A world in which electric automobiles navigate our roadways, solar panels heat our homes, and where hotels and large buildings use "utilities in a box" that offer electricity, heat, hot water and cooling on site by recapturing waste heat. And with transmission costs and new power plants adding dramatically to power costs, it will be a world in which "microgrids," or clusters of small on-site generators, serve office buildings, industrial parks and homes without overburdening aging transmission lines.

[Economic Slump May Limit Moves on Clean Energy](#)

Just as the world seemed poised to combat global warming more aggressively, the economic slump and plunging prices of coal and oil are upending plans to wean businesses and consumers from fossil fuel.

From Italy to China, the threat to jobs, profits and government tax revenues posed by the financial crisis has cast doubt on commitments to cap emissions or phase out polluting factories.

[Global crisis hits downstream oil projects](#)

Gulf downstream oil projects are expected to be the main victim of the global financial crisis as strong Asian demand for crude could keep upstream ventures on track, according to a key Gulf investment bank.

[Pirate Attacks Fail to Revive Tanker Rates as Oil Demand Slows](#)

(Bloomberg) -- Oil shipping costs may extend this year's 76 percent rout as shrinking energy demand and a global recession eclipse disruptions caused by pirates off east Africa capturing their largest-ever freighter.

Tanker rates next month are about 7 percent lower than yesterday's level on the Persian Gulf to Japan route, according to derivative contracts called Forward Freight Agreements that trade privately among banks, brokers, hedge funds and shipping companies. Transport costs plunged this year as OPEC curtailed production, lowering demand for vessels.

[Russia May Coordinate Oil Production Cut With OPEC](#)

(Bloomberg) -- Russia may coordinate oil production cuts with OPEC as the world's second-largest crude exporter reels from falling energy prices.

"Russia will coordinate with OPEC to defend its interests," Energy Minister Sergei Shmatko said at a conference in New Delhi today. "We cannot rule out cutting production."

[Total to Buy Heavier Crudes as North Sea Oil Supplies Dwindle](#)

(Bloomberg) -- Total SA, Europe's third-largest oil company, is planning to source heavier crudes for its Lindsey refinery in the U.K. as North Sea supplies dwindle.

"Total foresees a requirement for the ability to bring deeper draught vessels into Immingham Oil Terminal" and is investigating the possibility of deepening the approach to the Humber estuary, the Paris-based company said yesterday in an e- mailed statement.

Total is planning to secure heavier, sour, highly sulfurous crude grades from the Middle East and Russia as it shifts from using light, sweet oil from the North Sea, it said.

[Kenya readies for oil spill scenario](#)

NAIROBI (AFP) – Kenya is preparing to counter a possible oil slick from a Saudi super-tanker seized by Somali pirates should efforts to free the vessel and its two million barrels of crude go awry, officials said Tuesday.

[Venezuela's Chavez Seeks 'Fair' Oil Price of \\$80-\\$100](#)

(Bloomberg) -- Venezuelan President Hugo Chavez said the Organization of Petroleum Exporting Countries should return to a system of setting a price band for crude oil in order to guarantee stability in the market.

The country would consider a price of \$80 to \$100 a barrel to be ``fair," Chavez said today in a televised press conference in Caracas. OPEC created price bands in the late 1990s to try to keep oil between \$22 and \$29 a barrel.

[Gazprom: Ukraine to pay part of gas debt by Dec 1](#)

MOSCOW (Reuters) - Russian gas export monopoly Gazprom said on Tuesday Ukraine has agreed to repay by Dec. 1 its gas debt to Russia for all September and some October deliveries.

Gazprom said in a statement, issued after talks in Moscow between Chief Executive Alexei Miller and the head of Ukraine's Naftogaz, Oleg Dubina, the sides would continue talks on gas cooperation after Dec. 1.

[Will the Financial Crisis Put an End to Reckless, Planet-Destroying Consumption?](#)

The spiraling economy has forced the American consumer to halt and take stock. And that's a good thing.

[Financial crisis? That's nothing](#)

The coming energy crisis is going to dwarf the financial crisis, says the head of Shell: if only he were wrong.

[Kunstler - Zombie Economics: Don't Bail out the System that Gave Us SUVs and Strip Malls](#)

Why squander our remaining resources on a lifestyle that doesn't have a future?

[Food system "can't cope with crisis"](#)

London Mayor Boris Johnson's food adviser has warned that the capital's current food system is not equipped to cope with a crisis.

Rosie Boycott questioned where London would get its food from if faced with a crisis, adding that we are likely to be on the brink of a crisis due to the baking collapse, wildly fluctuating oil and food prices and climate change.

[Silver lining to global financial storm clouds](#)

HERE'S a counter-intuitive thought to balance the gloomy news pervading investment markets.

All the weighty problems investors and companies were fretting over a year or two ago have disappeared.

Back then, soaring oil prices and the peak oil theory was viewed as a serious threat to profitability for businesses ranging from airlines to manufacturers to retailers. Politicians were clucking about easing the bowser burden through poorly devised monitoring schemes or rash promises to cut excise.

[Fewer holiday travelers despite cheaper gas](#)

Even though gasoline is more than a dollar lower than it was this time last year, more Americans are staying home this holiday weekend.

AAA estimates that 41 million people nationwide will take a trip 50 miles or more from home this Thanksgiving, a 1.4 percent decrease from the 41.6 million who traveled last year.

[British Gas cuts prepayment energy price premium](#)

LONDON (Reuters) - British Gas will reduce the premium that customers on prepayment meters are charged for their power and gas compared to other payment methods from Dec. 18 and may cut all bills next spring, the subsidiary of Centrica said on Tuesday.

Householders who pay for their electricity and gas using prepayment meters are charged more by energy suppliers because of the higher costs associated with running them.

[Norway Slips On Scarcer Oil](#)

The Norwegian economy contracted by a sharper than expected 0.7% in the third quarter, in part because North Sea crude is becoming harder to extract.

[Dreaming of oil, Greenland votes on more autonomy](#)

COPENHAGEN, Denmark (AP) — Dreaming of oil wealth, Greenland voters are

expected to decide in a nonbinding referendum Tuesday to extend the island's self rule in what many see as a key step toward independence from Denmark.

Potential reserves of oil and minerals have increased hopes of independence though the small, mostly Inuit, population still grapples with social problems such as alcoholism and a high rate of suicide.

[23-billion ton ultra large coal field discovered in China's Turfan Basin](#)

After efforts by geological exploration teams for over a year, an ultra large coal field with a forecasted 23 billion tons of total reserve was found in the famous Turfan Basin in China.

[ElBaradei to West: Syria nuclear aid not bomb risk](#)

VIENNA (Reuters) – Syria's bid for aid in planning a nuclear power plant poses no bomb-making risk and a Western move to block the project threatens to discredit the U.N. nuclear watchdog, the IAEA's director said in remarks released on Tuesday.

[Jordan, China sign nuclear protocol](#)

AMMAN (AFP) – China on Monday signed a protocol with Jordan to help the tiny desert kingdom produce nuclear power to meet its growing energy needs and desalinate water, a senior official said.

"China is going to assist Jordan in mining and enriching uranium as well as training and studies related to building a nuclear station," Khaled Tukan, head of the Jordan Atomic Energy Commission, told the state-run Petra news agency.

[Thorium may surpass uranium - ex-Uranium One CEO Froneman](#)

JOHANNESBURG (miningweekly.com) – Thorium may in time surpass uranium as a nuclear fuel, says former Uranium One CEO Neal Froneman.

While remaining bullish on uranium, the current Gold One CEO says that thorium has a fuel cycle of its own.

"You will hear a lot more about thorium from an energy point of view in the not-too-distant future," he adds.

[The car of the future – but at what cost?](#)

Car manufacturers still haven't figured out how to produce hybrid and plug-in vehicles cheaply enough to make money on them. After a decade of relative success with its hybrid Prius, Toyota has sold about a million of the cars and is still widely believed by analysts to be losing money on each one sold. General Motors has touted plans for a plug-in hybrid vehicle called the Volt, but the costly battery will prevent it from turning a profit on the vehicle for several years, at least.

[More than 195,000 wind turbines to appear outside homes by 2020](#)

More than 195,000 wind turbines will spring up outside homes across Britain over the next 12 years, according to energy advisers, after the Government pledged to pay people for generating their own electricity.

[Wind power meets record demand in Spain: industry group](#)

MADRID (AFP) – Wind power supplied a record 43 percent of all electricity demand in Spain, which is being lashed by heavy winds and rain, for a brief period on Monday, the Spanish wind power association said.

[Palm oil price crash spells misery for SEAsian farmers](#)

KUALA LUMPUR (AFP) – The global economic slowdown has sent palm oil prices crashing, spelling misery for countless smallholders who have been forced to watch their harvests rot on the trees.

Hundreds of thousands of farmers in Indonesia and Malaysia, which produce 85 percent of the world's palm oil, are reliant on the industry which has gone from boom to bust in just a few months.

[Obama Under Pressure Over Role of Ethanol in Energy Policy](#)

Environmentalists agree with President-elect Barack Obama on many points, but his policy on ethanol isn't one of them.

In the ongoing debate over the future of the country's energy policy, biofuels occupy a unique and precarious position: reviled in some quarters, championed in others. Ethanol producers have enjoyed meteoric rises in the amount of ethanol they can make and sell, but they also have been accused of harming the environment, prompting food riots abroad, and throwing away government money on unsustainable endeavors.

[Brazilian Farm Credit Dries Up, Forces Growers to Reduce Crops](#)

(Bloomberg) -- Coffee farmer Joao Carlos Terra says his trees will yield about a third less than planned next year because he can't get a big enough loan to buy fertilizer and pesticide as the global credit crunch bites in Brazil.

[China sets a green standard](#)

WASHINGTON - China's efforts to green its financial sector have earned a thumbs-up from US environmentalists, who say regulators in the US could learn from Beijing's recent success in stimulating investments that don't despoil the planet.

Friends of the Earth-US, highlighted in a recent report Chinese financial sector policies designed to limit pollution and climate change and to encourage lenders and investors to take a longer-term and broader view of risk, one that factors in the risk of losses stemming from potential environmental problems.

[Going green saves money, spins profits in coal-addicted Poland](#)

KISIELICE, Poland (AFP) — Standing in the shadow of a massive windmill, Mayor Tomasz Koprowiak thinks part of the answer to Poland kicking its coal habit is blowing in the wind and growing in farmers' fields.

"Our new straw-fired heating plant serves 80 percent of the community and is saving everyone money," Koprowiak says of Kiselice, a poor north-eastern rural municipality of 6,500.

[Brazil, Mexico Lawmakers Back CO2 Limits for Some Poor Nations](#)

(Bloomberg) -- Brazilian and Mexican lawmakers backed a proposal to impose greenhouse-gas limits on some developing countries after 2020, as long as the richest nations first curb their output of emissions blamed for global warming.

The plan represents a departure from the traditional negotiating stance of most poor nations to reject any binding targets. The proposal was formed during a meeting of legislators from North and South American countries who met in Mexico City through yesterday to address ways to stem carbon-dioxide emissions that contribute to climate change.

[Ocean growing more acidic faster than once thought](#)

University of Chicago scientists have documented that the ocean is growing more acidic faster than previously thought. In addition, they have found that the increasing acidity

correlates with increasing levels of atmospheric carbon dioxide, according to a paper published online by the *Proceedings of the National Academy of Sciences* on Nov. 24.

[Little gain from oil sands carbon capture: report](#)

Canada's government saw only limited opportunities to cut greenhouse gas emissions from the oil sands using carbon capture and storage technology, according to briefing notes obtained by a Canadian media. Skip related content

The notes, prepared by a carbon capture task force, were used by Canadian federal and provincial politicians and were obtained by the Canadian Broadcasting Corp, which said it requested them under freedom of information legislation.



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