



DrumBeat: January 3, 2009

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Topic: [Miscellaneous](#)

[Russia oil output falls for first time in a decade](#)

MOSCOW (Reuters) - Russian oil production fell by around one percent in 2008, official data showed on Friday, the country's first annual decline in a decade after large increases in previous years and a sign of things to come.

The decline is widely expected to continue because of ageing reserves and plunging oil prices, which combine with heavy taxation to leave producers with limited cash to invest in maintaining production and opening new fields.

[Russia gas row disruption spreads](#)

Russian gas flows to four European Union countries were below normal levels on Saturday after Moscow cut off supplies to Ukraine in a pricing row, and there were no talks in sight to resolve the dispute.

Temperatures were below zero overnight in Europe, and Bulgaria's Bulgargaz joined energy firms in Poland, Romania and Hungary in saying they had noted falls in supply, though flows to Europe's biggest economy, Germany, were not affected.

[The carbon footprint of nuclear war](#)

Almost 700m tonnes of CO₂ would be released into the Earth's atmosphere by even the smallest nuclear conflict, according to a US study that compares the environmental costs of developing various power sources.

[Lester R. Brown: Planting Trees And Managing Soils To Sequester Carbon](#)

As of 2007, the shrinking forests in the tropical regions were releasing 2.2 billion tons of carbon per year. Meanwhile, expanding forests in the temperate regions were absorbing 0.7 billion tons of carbon annually. On balance, a net of some 1.5 billion tons of carbon were being released into the atmosphere each year, contributing to global warming.

[Obama sketches out recovery plan](#)

NEW YORK (CNNMoney.com) -- President-elect Barack Obama on Saturday offered the most detailed statement yet of his economic recovery plan, sketching out broad-based spending proposals and tax incentives aimed at reviving an economy mired in recession.

In his weekly radio and video address describing what he called the American Recovery and Reinvestment Plan, Obama spelled out five main goals. He said his plan proposes to:

- double renewable energy production and make public buildings more energy efficient;
- rebuild crumbling roads, bridges and schools; computerize the health care system; modernize classrooms, labs and libraries;
- and provide tax breaks to American workers.

[Aramco, Dow seek cost cuts](#)

JEDDAH - Saudi Aramco and the US Dow Chemical are approaching contractors to gauge their interest in bidding for work on the Ras Tanura integrated refinery and petrochemicals complex on a build-own-operate basis in an effort to minimize cost exposure.

[Pakistan: Gas crisis hits over 2500 factories](#)

KARACHI: Gas crisis in the country continued unabated, as the supply and demand gap has widened up to 700mmcf (million, million cubic feet per day).

The intensifying shortage of gas supply has now hit over 2500 industrial units in Lahore, Faisalabad, Multan and other cities/towns, whose supplies remain severed for the last several days and were forced to lockout, which has severely hit the production process resulting difficulties in meeting the export orders deadline and rendering the workers to unemployment in large numbers.

[Govt acts after riots, orders end to gas cuts](#)

ISLAMABAD: As violent energy riots raged in various cities and towns, President Asif Ali Zardari here on Friday ordered an immediate end to gas load-shedding for domestic consumers and elimination of circular debt in the power sector that has bulged to Rs400 billion, crippling the power generation system, in six months.

[Volatile Fuel Prices Shift Off-shore Drilling Debate](#)

The past year's volatile gas prices are impacting the ongoing debate on whether to drill for oil off the coasts of Virginia and California. Spencer Michels reports on how the price swings and new technology are affecting the controversy.

[Iran welcomes OPEC emergency meeting in February](#)

TEHRAN (Xinhua) -- Iran's representative to the Organization of Petroleum Exporting Countries (OPEC) Mohammad Ali Khatibi said here on Sunday that Iran welcomed OPEC emergency meeting in February, the semi-official Fars news agency reported.

[EU resists participating in Russia-Ukraine dispute](#)

PRAGUE (Reuters) - European Union president the Czech Republic said on Saturday it did not intend to become a participant or mediator in gas contract disputes between Russia and Ukraine, but urged both sides to reach an agreement soon.

[Nigeria military: Oil pipeline blown up in south](#)

WARRI, Nigeria — An oil pipeline was blown up with dynamite in Nigeria's restive south, a military official said Saturday.

Regional army chief Brig. Gen. Wuyep Rintip said he did not know how severe the damage was or if there were any casualties as a result of the blast late Friday in Delta State in Nigeria's restive south. Officials from the pipeline's owner Agip — a subsidiary of Italian energy giant Eni SpA — were not immediately available for comment.

[Bosses lay off thousands of workers throughout Mexico](#)

With 80 percent of its exports dependent on a rapidly contracting U.S. market, Mexico has been hard hit by a series of factory closings and layoffs. Mexico is Latin America's second largest economy after Brazil.

Ford, Chrysler, General Motors, Nissan Mexicana, and Volkswagen de México have all announced they are closing factories across Mexico for the next month or more—the first time they have ever done so. Honda and Toyota have said they do not plan to suspend production at this point.

[Ford sees sharp drop in U.S. sales](#)

DEARBORN, Mich (Reuters) - Ford Motor Co (F.N) expects industry-wide December U.S. auto sales to drop by some 35 percent from a year earlier with no sign of a turnaround in the first quarter of this year.

Ford, the No. 2 U.S. automaker, expects that full-year sales of light vehicles in the world's largest market will drop to near 13.2 million for 2008, down from near 16.2 million in 2007, Ford's chief sales analyst George Pipas said on Friday.

[Fighting the tide](#)

IMAGINE your home is slowly sinking into the sea, and then consider Australia's Pacific neighbours who do not have to use their imagination.

A climate change seminar in Sydney heard that scientists are starting to recognise the 52 island nations of the South Pacific as the mine canaries of climate change.

But that is little consolation for the people whose homes and ancestral lands are in danger of disappearing beneath the waves.

[California greening](#)

Masdar's green city is soon to rise from the sands of Abu Dhabi. Green buildings are being designed and created across the UAE. And a rapidly increasing number of private and commercial homes around the world are going off-grid.

More and more blueprints show this could be the dawning of a new sustainable age in architecture and design.

[Robert Bryce - Obama, Vilsack and Salazar: The Ethanol Scammers' Dream Team](#)

Barack Obama promised to deliver "the change we need."

Alas, the president-elect cannot seem to change his thinking about the ethanol scam. Over the past few weeks, Obama's delusions about ethanol have become even more pronounced. On December 16, Stephen Power of the Wall Street Journal reported that Obama's transition team has been talking to the Renewable Fuels Association (RFA) -- the trade group funded by the corn ethanol producers -- about a bailout for the ethanol industry. Two days later, Obama announced that the former governor of Iowa, Tom Vilsack, would be the next Secretary of Agriculture and that Colorado Senator Ken Salazar would be the next Secretary of Interior. Announcing the selection, Obama said Vilsack and Salazar would be part of the "team we need" to strengthen rural America, create "green jobs" and "to free our nation from its dependence on oil."

The fact that Obama continues to repeat this line about "dependence on oil" shows a

near-complete ignorance of the scale of America's energy needs. The U.S. currently has about 251 million registered motor vehicles, 8,200 commercial aircraft, 224,000 general aviation aircraft, and 12.7 million recreational boats. And nearly every one of those machines runs on oil.

[Michael T. Klare: Time to Kill the Oil Beast](#) - *America's overreliance on petroleum is the source of all its energy problems.*

If the recent Presidential campaign demonstrated anything, it was that Americans want and expect the next president to make dramatic changes in U.S. energy policy. Americans want to see a substantial reduction in their country's reliance on imported oil— especially from hostile countries or those perceived as posing a significant security threat, such as the nations of the Middle East or Russia and Venezuela. With concern over global warming growing, Americans also want to see a large increase in reliance on renewable energy sources, such as wind and solar power. And they want any progress on the energy front to create jobs and economic opportunities at home, rather than in foreign countries.

[The Ghost of Crude Oil Futures](#)

Matthew Simmons, who I quoted in last week's article in his recent interview with *Fortune*, believes that demand has not fallen to the extent that prices are reflecting. Furthermore, he states that \$40 oil (much less \$30 oil) is so devastating to oil-based economies, that OPEC will actually continue to make supply cuts as necessary. On top of this, companies in the oil and gas industry are cutting production (and hence supply) for the very same reason.

Here is the problem: there is no way of collecting precise, reliable demand data in such a short period of time. So, we are essentially guessing in terms of where we think demand actually is and how this should affect prices.

[Uganda Government News: Workers appeal to government over fuel crisis](#)

Workers under their umbrella organizations, National Organization of Trade Unions have appealed to the government of Uganda to intervene in the fuel market to stop an already bad situation from getting worse.

NOTU says many workers and other Ugandans are reeling from the bad effects of escalating fuel prices which have got worse in recent days.

[Toyota's Solar Concept Might Not Be a Car At All](#)

It seemed fitting that the first viable solar car would come from the Land of the Rising Sun, but a chorus of online skeptics have begun dismissing reports that Toyota's "top secret" solar concept would ever see the light of day.

[Global Warming Is Just the Tip of the Iceberg](#)

The Cold War shaped world politics for half a century. But global warming may shape the patterns of global conflict for much longer than that -- and help spark clashes that will be, in every sense of the word, hot wars.

We're used to thinking of climate change as an environmental problem, not a military one, but it's long past time to alter that mindset. Climate change may mean changes in Western lifestyles, but in some parts of the world, it will mean far more. Living in Washington, I may respond to global warming by buying a Prius, planting a tree or lowering my thermostat. But elsewhere, people will respond to climate change by building bomb shelters and buying guns.

[In Obama's Team, 2 Camps on Climate](#)

WASHINGTON — In the fall of 1997, when the Clinton administration was forming its position for the Kyoto climate treaty talks, Lawrence H. Summers argued that the United States would risk damaging the domestic economy if it set overly ambitious goals for reducing carbon emissions.

Mr. Summers, then the deputy Treasury secretary, said at the time that there was a compelling scientific case for action on global warming but that a too-rapid move against emissions of greenhouse gases risked dire and unknowable economic consequences.

His view prevailed over those of officials arguing for tougher standards, among them Carol M. Browner, then the administrator of the Environmental Protection Agency, and her mentor, Al Gore, then the vice president.

[Mass. launches effort to protect coast residents](#)

Massachusetts is kicking off an innovative pilot program to defend the state's 78 coastal communities against rising sea levels and fiercer storms brought on by global warming.

[Opposition claims Perth needs flood gates for the Swan](#)

Western Australia's Opposition Climate Change spokeswoman Alannah MacTiernan wants the State Government to consider installing flood gates along the Swan River.

Ms MacTiernan says sea levels are rising more rapidly as a result of climate change and

putting Perth at risk of regular flooding.

[New bill would cut greenhouse gases emitted from Texas refineries](#)

HOUSTON—If Texas were a country, the refineries lining the Gulf would make it the eighth-largest producer of greenhouse gases in the world.

“Texas is a major emitter of carbon, in part because we fuel the rest of the country,” State Sen. Rodney Ellis said.

Ellis wants the state to lead the way in cutting back. He’s filed a bill to give state regulators the authority to force energy companies to slash their greenhouse gas production.

[Can we remake Ireland's future?](#)

THE COLLAPSE OF THE BANKING system is not just a short-term glitch. It is a symptom of the much larger set of epochal shifts that are now unfolding - the end of the American hyper-power and the rise of a new multi-polar world; peak oil and the beginning of the end of the energy economy that was created in the 19th century; global warming and the need for a fundamental and rapid shift in the nature of our economies; the collapse of free-market ideology and the realisation that the pursuit of short-term growth for its own sake creates more problems than it solves.

[A year after \\$100, oil prices cut in half](#)

HOUSTON – Exactly one year after crude eclipsed \$100 a barrel for the first time, 2009 trading began Friday with prices roughly half their year-ago levels, and some believe oil could be headed even lower.

[From peak to plenty - oil's tumultuous journey through 2008](#)

(MENAFN - Arab News) And what an extraordinary year 2008 has been! From peak to plenty, the energy world has covered an exceptionally long - rather tumultuous - distance over a period of less than six months. As 2008 began, global energy markets crossed the Rubicon - the \$100 mark - for the first time in history. And then it continued and continued registering one peak after the other, touching the \$147 a barrel mark on July the 11th to be exact.

And precisely at that moment, there were discussions all along of oil going even beyond the \$200 mark. Those were the days it were the proponents of the peak oil theory who were reigning. Mat Simmons and Co. had a mesmerized audience before them.

[The 'permabear' keeps on growling in 2009](#)

What set Mr. Prechter's call for 2008 apart from some other strategists such as Eric Sprott who got the popping of the credit bubble right, is Mr. Prechter didn't call for an associated runup in commodity prices as investors fled to hard assets.

He's been calling for oil to go as low as \$10 (U.S.) a barrel for a long time, even as oil surged toward \$150 six months ago.

"It sounded crazy at the time," he says. "Not so much now. We counted about 60 'peak oil' books published from 2005 to 2008, all very popular. People can burn them this winter to keep warm if they went broke buying oil futures."

[Georgia reduces gas tax as prices dip even lower](#)

ATLANTA -- Georgians can celebrate a reduction in the state's gasoline tax as they welcome in the New Year. But it will mean less revenue for transportation projects.

The state tax was lowered by 4 cents per gallon to 14.6 cents starting Thursday. Georgia's gas tax is adjusted twice a year based on the average price of gas. When that average price dips - as it has in recent months - the tax goes down as well. Gov. Sonny Perdue rescinded an executive order he issued in June that froze the tax as prices skyrocketed over the summer.

[Gazprom official says Ukraine stealing gas for Europe](#)

PRAGUE (AFP) – The deputy head of Russia's Gazprom, Alexander Medvedev, accused Ukraine Saturday of stealing 35 million cubic metres of Russian gas a day intended for Europe, saying Kiev would have to pay for it.

[Ukraine is sending its own gas to EU states, Kiev says](#)

Kiev/Brussels - Ukraine is sending gas from its own reserves to EU states Romania and Hungary to compensate for a fall in supply from Russian gas monopoly Gazprom, Ukraine's gas company said Saturday.

[Russian Gas Exports to Bulgaria Fall by 15 Per Cent](#)

Bulgaria is receiving 15% less natural gas from Russia due to the dispute between Gazprom and the Ukrainian government, state-owned gas provider Bulgargaz reported, quoted by Reuters on Saturday.

[Russia said to be awaiting Ukraine response to talks offer](#)

Negotiations over disputed gas contracts cannot resume because there has been no relevant response from the Ukrainian side, Gazprom's export head Alexander Medvedev said in Prague on Saturday.

[Oman says to trim 2009 spending if sub-\\$45 oil](#)

MUSCAT (Reuters) - Oman will cut public spending this year if the average oil price slips below the \$45 per barrel it budgeted for 2009, the economy minister said on Saturday.

[The curse of Nigerian oil](#)

Attacks on oil industry facilities and kidnappings for ransom are frequent in the creeks of the Niger Delta, which is home to Africa's biggest oil and gas industry.

The BBC's Sue Lloyd-Roberts argues that Nigeria's "black gold" has brought wealth to a few but fuels greed and corruption on a grand scale.

[6 Reasons Why Nuclear Power Can't Save Us](#)

1. Length of time to come on stream

Commissioning and building new plants is a time-consuming business (at least twenty years), so they would have little or no impact on cutting emissions over the next twenty years, nor build any resilience in the face of peak oil.

2. Insurance

The insurance industry refuses to underwrite nuclear power, a gap it looks like the government will have to fill, resulting in a huge invisible subsidy for nuclear power.



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