



Drumbeat: April 12, 2009

Posted by [Leanan](#) on April 12, 2009 - 9:45am

Topic: [Miscellaneous](#)

[Cheap Oil Forever: Why Prices Will Keep Falling](#)

Despite all the worries over "peak oil," the fact is that the major bear markets in oil have been demand, rather than supply led. And when demand eventually picks up, there's usually some new alternative (nuclear energy, natural gas, green technologies) waiting to pick up some of the slack. The real price of oil today is now at the same level as in 1976 and, before that, in the 1870s, when oil was first put to mass use in the United States. This long-term price decline is due mainly to the constant discovery of new fields and greater energy efficiency, making nonsense of the idea that the world is rapidly running out of oil. The experience of the 1980s is instructive in the current context as well.

Japan and Europe continued to grow strongly in the 1980s, and yet oil consumption remained essentially flat through that decade as both the regions strived to achieve better fuel efficiency and switched to alternative sources of energy, such as nuclear power. Similarly, 90 percent of the growth in new oil capacity since 2004 has come from biofuels, synthetic oil and natural-gas liquids. As countries get richer, their per capita consumption of commodities declines. It's a myth, then, that the boom in China and India will inexorably drive up oil and other commodity prices.

[Is Energy Security Desirable?](#)

The pursuit of "energy security" has brought us to the brink. It is directly responsible for numerous wars, big and small; for unprecedented environmental degradation; for global financial imbalances and meltdowns; for growing income disparities; and for ubiquitous unsustainable development.

It is energy insecurity that we should seek.

The uncertainty incumbent in phenomena such "peak oil", or in the preponderance of hydrocarbon fuels in failed states fosters innovation. The more insecure we get, the more we invest in the recycling of energy-rich products; the more substitutes we find for energy-intensive foods; the more we conserve energy; the more we switch to alternatives energy; the more we encourage international collaboration; and the more we optimize energy outputs per unit of fuel input.

[The global crisis foretold](#)

The pleasures of playing Cassandra are fleeting. Just as you prepare to enjoy your vindication, the juddering realisation hits that the doom you prophesied is at hand.

[With electricity ventures, H.L. Hunt's grandson bringing dynasty into 21st century](#)

In the last eight years, by applying Ray Hunt's contrarian business principles and his own unassuming, brainy style, Hunter Hunt, 40, has changed the way the Texas electricity industry operates.

"We clearly see the energy mix of the country and the world evolving," Hunter Hunt said.

"Oil is certainly part of the future of Hunt as far as the eye can see," he said, but "30 years from now, if the fuel mix of the globe looks like it does today, it's a perilous situation," threatening the security of the U.S. energy supply.

[Crude prices could hit \\$60 in Q3](#)

Iran's oil minister said on Sunday he believed crude prices could rise to \$60 a barrel in the third quarter of 2009, but that \$75-80 was needed to secure future supply.

Gholamhossein Nozari also called for cooperation between Opec and producers outside the 12-member organisation to help stabilise the market, with oil prices still trading about 65 percent below their peak in mid-2008.

[Power plants drive new construction projects](#)

From Kuwait to Saudi Arabia, power plants are becoming the Gulf's new symbols of growth as the region's development focus shifts from soaring towers to infrastructure. The recent drought in project financing has left the Gulf's shores littered with the shells of half-built property developments, some of which may never be completed. GCC governments are now pushing the region's banks to direct lending to power and water projects instead, and have announced plans to award contracts for a flurry of developments in the sector.

[Demand for refined oil to rise in GCC](#)

The Gulf Co-operation Council (GCC), along with Iran, remains one of the last regions in the world where demand for refined oil will grow in 2009.

Demand for refined products in the region is expected to increase by 205,000 barrels per day this year, even as global demand contracts substantially, a study said.

[China and Kazakhstan may sign \\$10b accord for oil](#)

China, the world's second-biggest energy consumer, may agree next week on lending \$10 billion to Kazakhstan in return for the right to take a stake in an oil producer in the Central Asian country.

[Iraq, Russia discuss oil, military cooperation](#)

MOSCOW — Iraqi Prime Minister Nouri al-Maliki met Saturday with Russian business leaders to encourage them to take an active part in rebuilding Iraq's economy.

[Turkmenistan flexes muscles in gas tiff](#)

Turkmenistan's rebuke of Russia over a pipeline explosion this week reflects the Central Asian state's unease over Moscow's reliability but is unlikely to spark a new "gas war," analysts said. In an unusual step for the secretive ex-Soviet state, Ashgabat publicly blasted energy-giant Gazprom for an explosion on the Central Asia-Centre supply network that caused the interruption of Turkmen gas supplies to Russia.

[Global crisis may block GCC nationalisation drive](#)

Ambitious job nationalisation plans by Gulf oil producers could become the latest victim of the global financial turbulence as private sector retrenchment policies would scare off citizens, according to a key Kuwaiti bank.

[Oil](#)

Oil companies are committing more than 300 safety breaches on North Sea oil and gas rigs every year, raising fresh concerns about dangers faced by offshore workers following the Super Puma helicopter tragedy earlier this month in which 16 people died.

Figures obtained by The Sunday Times reveal that inspectors from the Health and Safety Executive (HSE) investigated more than 1,000 incidents between 2006 and 2008. They included evacuating rig workers without supplying them with the immersion suits essential to survival in the North Sea, and failing to maintain gangways and railings, leading to serious injury.

[South Africa: Call for oil firms and state to join forces](#)

A partnership between government and oil refineries is needed to secure the fuel supply, said Peter Noke, national director of the SA Petroleum Retailers' Association.

Noke suggested major oil companies be offered a share in a planned multibillion-rand PetroSA refinery at Coega industrial zone near Port Elizabeth.

[Power outage hits industrial output in Punjab](#)

Industrial productivity remained under pressure in Punjab during the week due to shortage of power.

The industries that used to run three shifts a day now operate only two shifts resulting in a steady decline in the workforce. The All Pakistan Textile Mills Association (APTMA) strongly protested against unscheduled disruption of gas supplies to its member units.

Textile exports that are already under pressure would suffer further as a result of uncertain energy supplies.

[Kenya: Motorists' association wants govt to enforce fuel price control measures](#)

The national association of motorists is appealing to the government to enforce fuel control measures to prevent random increases in pump prices.

The association says such increases will affect the citizens through higher transport charges, compounding further to the hunger crisis and record high food prices.

[Graft in China Covers Up Toll of Coal Mines](#)

ZHONGLOU, China — When an underground fire killed 35 men at the bottom of a coal shaft last year, the telltale signs of another Chinese mining disaster were everywhere: Black smoke billowed into the sky, dozens of rescuers searched nine hours for survivors, and sobbing relatives besieged the mine's iron gate.

But though the owner and local government officials took few steps to prevent the tragedy, they succeeded, almost completely, in concealing it.

[Help Iran go nuclear](#)

Should the United States sell advanced civilian nuclear reactors to a Middle East country

that doesn't seem to need them? A country that can keep pumping oil for the next 100 years, that has a pipeline to a vast natural gas field next door and enough desert for a solar panel array of biblical proportions?

No, it's not Iran. It's the United Arab Emirates, that federation of seven states, proposing the efficient and safest nuclear-generating program money can buy. It intends to purchase third-generation nuclear reactors from France, the United States, South Korea or Japan to power and air-condition its glittering desert cities and use the surplus heat to desalinate its drinking water at the same time. And it's in the U.S. national interest to help the UAE do it, as counterintuitive as that may seem to the American right wing, the green wing or nonproliferation hawks.

[Woods burner](#)

On April 30, 1844, Thoreau started a blaze in the Concord Woods, scorching a 300-acre swath of earth between Fair Haven Bay and Concord. The fire was an accident, but the destruction of valuable woodland, the loss of firewood and lumber, and the narrowly avoided catastrophe that almost befell Concord itself angered the local residents and nearly ruined Thoreau's reputation. For years afterward, Thoreau could hardly walk the streets of his hometown without hearing the epithet "woods burner."

That the father of American environmentalism could have been the scourge of the Concord Woods may seem too ironic to be true. Yet, not only did this unlikely event actually occur, but it seems quite possible that, given Thoreau's general lack of direction at the time, as well as his growing interest in pursuing a career as a civil engineer, America's first great naturalist might not have undertaken his Walden experiment at all, had it not been for the forest fire he sparked a year earlier.

[Briefing: Electric cars: Plug in, drive off](#)

The government is promoting the use of electric cars through a subsidy for new purchases. Is this really the way to save the environment?

[The race is on to create more mean drivers](#)

Today's green cars are fitted with systems that reward drivers for their economy.

[Dyer: Half an ark won't do](#)

"We want to be in (the new UN climate pact), we want to be pragmatic, we want to look at the science," said Jonathan Pershing, the head of the US delegation, during the talks on cutting greenhouse gas emissions in Bonn last week. So how will the Obama administration reconcile political "pragmatism" with the scientific realities? "There is a

small window where they overlap. We hope to find it," Pershing explained. But it doesn't really exist.

[Cows With Gas: India's Global Warming Problem](#)

Indolent cows languidly chewing their cud while befuddled motorists honk and maneuver their vehicles around them are images as stereotypically Indian as saffron-clad holy men and the Taj Mahal. Now, however, India's ubiquitous cows — of which there are 283 million, more than anywhere else in the world — have assumed a more menacing role as they become part of the climate change debate.

[Monnbiot: Plastic bag obsession is carrier for environmental ignorance](#)

Don't get me wrong – I don't like plastic bags either. We use too many of them, just as we use too many of all the earth's resources. They litter the countryside and cause problems for wildlife when they end up in the sea. But their total impact is microscopic by comparison to almost anything else we do. As environment writer George Marshall records in his excellent book Carbon Detox, our annual average consumption of bags produces 5kg of carbon dioxide a year. Total average emissions are 12,500kg.

[Why the Ecologist has gone online](#)

We are closing down our print edition to focus on the internet in search of a broader, more immediate impact.

[Poor prognosis for our planet](#)

Every patient with an incurable illness will ask how long they have to live. The answer goes something like this: "No one can say how long you may live, because every individual is different, but focus on the changes you observe and be guided by those. When things start changing for the worse, expect these changes to accelerate. So the changes that have occurred over a year may advance by the same degree in a few months, then in weeks. And that is how you can judge when the end is coming."

Apply that thinking to climate change. When An Inconvenient Truth opened in 2006 it was generally supposed we had a window of two or three decades to deal with climate change. Last year that shrank to a decade. Last month Australia's chief scientist, Penny Sackett, told a Canberra gathering that we have six years to radically lower emissions, or face calamitous, unstoppable global warming.

[UK goes into ecological debt on Easter Sunday](#)

Think-tank study points to the date Britain's ecological debt begins - when the country starts living beyond its means and relying on international imports.

[A Blueprint for a Safer Planet: How to Manage Climate Change and Create a New Era of Progress and Prosperity by Nicholas Stern](#)

Climate change is an issue to which economists in the past have contributed some spectacular idiocy. Even if they accepted the reality of man-made global warming, they argued that risks were small and that the potential benefits to the unborn were not enough to justify investment. In their opinion, money would be better spent on more pressing problems such as fighting disease, improving crop yields and providing clean drinking water. Adapting to a warming climate would cost less than trying to mitigate it, they said.

These are the arguments that fuelled America's fears of unemployment and gave a spurious academic gloss to the Bush administration's retreat into protectionism and its refusal to look science in the face. Stern winnows them away like so much chaff. He makes the obvious point that communicable disease and water shortages will be exacerbated by global warming. They are not competing imperatives, they are one and the same. So it is with global poverty. The effects of warming will make poor people poorer, and the hungry hungrier. "The two great challenges of the 21st century, fighting world poverty and tackling climate change," he says, "must be tackled as an integrated whole by a united world."

Happy Easter!



(Darn cars!)



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).