



DrumBeat: July 9, 2009

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Topic: [Miscellaneous](#)

[Oil falls below \\$60](#)

LONDON (Reuters) -- Oil reversed early gains and dropped below \$60 a barrel on Thursday as a downturn in the stock market added to pressure from high oil inventories and persistent concerns about the timing of any economic recovery.

Light crude for August delivery fell 45 cents to \$59.69 a barrel and was on course for the seventh straight day of declines.

[Pay More, Drive Less, Save the Planet](#)

What is the appropriate response to Secretary of Transportation Ray LaHood, who as General Motors prepared to file for Chapter 11 bankruptcy protection declared that he wants to "coerce people out of their cars"? One might be inclined to dismiss these words as overkill -- except for recently introduced legislation by some congressional heavy-hitters that would take us down this road.

[Does Obama Want to Own the Airlines?](#)

Only luck and falling oil prices saved Washington from having to face mass bankruptcy of the airline industry last year. Now the specter is rising again. Fuel prices are up. Traffic continues to plummet amid a global recession. United Airlines last week mortgaged its spare-parts inventory to raise cash at a usurious 17% interest rate.

Yet the Obama Justice Department has come out of the blocks trying to scuttle a promising experiment to stabilize the chronically unprofitable U.S. airline sector. The new administration seemingly won't let companies fail, and won't let them succeed either.

[Eni declares force majeure after Nigeria attack](#)

MILAN (Reuters) - Italian oil company Eni SpA has declared force majeure after rebels

sabotaged oil pipelines in Nigeria, a spokesman said on Thursday.

[Power struggle: The battle to create America's biggest electricity generator continues](#)

IT IS not so much a takeover battle as a war of attrition. It was back in October that Exelon, America's biggest owner of nuclear-power stations, first offered to buy NRG Energy, a big generator which focuses on Texas and relies mainly on coal and natural gas. Exelon wants to create America's biggest electricity generator, with a capacity of more than 47,000 megawatts, enough to power 45m homes. But NRG's management rebuffed the all-stock deal, and its shareholders, at first enthusiastic, got cold feet as NRG's rising share price made the terms less generous. Earlier this month Exelon raised its offer by 12%, but NRG's management rejected the sweetened deal, now worth about \$7 billion, on July 8th. The next skirmish will come at NRG's annual meeting on July 21st.

[Study: Bad roads push up crash-fatality rate](#)

A new study by the Pacific Institute for Research and Evaluation (PIRE) claims that more than half of U.S. highway fatalities are related to deficient roadway conditions – and that poor roads are a substantially more lethal factor than drunk driving, speeding or non-use of safety belts.

[Panama Canal Project Opens a Tropical Window](#)

The Panamanian government initiated the project for purely economic reasons. In its current configuration, the 51-mile shortcut between the Pacific and Atlantic Oceans can grant passage only to boats carrying up to 65,000 tons of cargo. But many international shipping companies increasingly prefer to use mega-freighters that can haul up to 300,000 tons.

As a result, the Panama Canal has been losing business to other transoceanic routes; and with canal tolls amounting to close to \$100,000 per ship per one-way crossing, and potentially more for the giant freighters, the government decided it had no choice but to widen and straighten the canal to make room for the S.U.V.'s of the seas.

[Wind turbine maker gets loan to expand Idaho plant](#)

Nordic Windpower USA, Inc. says it's gotten conditional U.S. Department of Energy commitment for a \$16 million loan guarantee that will help it expand its plant in southeastern Idaho.

The Berkeley, Calif.-based company is hoping to use the low-interest loans enabled by the federal guarantee to expand its Pocatello assembly facility.

Nordic makes two-bladed, utility-scale wind turbines that flex to mitigate negative effects of turbulent winds before they can damage the drive train.

[Hedge fund transparency key to curb oil spikes: IEA](#)

"Transparency in the futures market is certainly the issue: who is trading, is it a commercial trade or a non-commercial trade. We need more transparency," Tanaka told Reuters in an interview on the sidelines of an expanded G8 summit in Italy.

"But we think still that (market) fundamentals are more important to determine the direction of the oil price: speculation is amplifying the movement upwards or downwards but not necessarily determining the price of oil," Tanaka said.

He warned that oil markets could be "really tight" by 2014-2015 unless there was an increase in production and exploration investment. He compared the scenario to last year's market, when oil prices spiked to \$147 a barrel.

[China Car Sales Jump 48% on Economic Stimulus, Most Since 2006](#)

(Bloomberg) -- China's passenger-vehicle sales rose 48 percent in June, the biggest jump since February 2006, as government stimulus spending spurred a revival in the world's third-largest economy.

Chinese motorists bought 872,900 cars, sport-utility vehicles and other passenger vehicles last month, the China Association of Automobile Manufacturers said in a statement today. Overall auto sales, including buses and trucks, rose 36 percent from a year earlier to 1.14 million.

[Iranian protesters defy crackdown](#)

More than 700 people defied government orders in Tehran and took to the streets on Thursday in renewed protest over the results of Iran's presidential elections.

The pro-reform demonstrators chanted "death to the dictator" as baton-wielding police attempted to chase them away and eventually fired tear gas to break up the rally, according to eyewitness accounts.

It was the first public protest in Tehran in 11 days and coincided with the anniversary of a 1999 attack by Basij militia on a Tehran University dorm to stop protests in which one student was killed.

[G-8 Climate-Change Agreement Falls Short](#)

L'AQUILA, Italy -- The Group of Eight leading nations agreed Wednesday to cut their emissions of heat-trapping gases 80% by 2050, but failed to reach an accord on shorter-term targets -- a setback that could have repercussions for a major meeting on climate change in Copenhagen later this year.

[Forget gas, batteries — pee is new power source](#)

Urine-powered cars, homes and personal electronic devices could be available in six months with new technology developed by scientists from Ohio University.

Using a nickel-based electrode, the scientists can create large amounts of cheap hydrogen from urine that could be burned or used in fuel cells. "One cow can provide enough energy to supply hot water for 19 houses," said Gerardine Botte, a professor at Ohio University developing the technology. "Soldiers in the field could carry their own fuel."

[Swimming in Diesel: Huge Oil Stocks Show No Recovery in Sight](#)

More than any other fuel, diesel reflects the current state of the economy because it is used by truckers to deliver goods and by factories to make products. It's also a good gauge on the global economy: Unlike gasoline, the bulk of which is consumed in the U.S., diesel is used all over the world.

And what diesel demand is saying is that the economy is still in a sickly state. U.S. diesel consumption, which has been dismal for most of the year, was down an average 12.3% over the past four weeks. In the futures market, prices for heating oil, a proxy for diesel, tumbled more than 60% from their peak in July of last year. That's a bigger drop than those of gasoline and crude prices, which have fallen 52% and 57% respectively since that time.

[Developing World Consuming More Energy than Developed World. Price, Climate Will Suffer](#)

The tectonic changes in the world's population and urbanization the last twenty years now begs a question. Is it possible that instead of the developing world ever reaching the living standards of the developed world, as many had once thought—is it possible that the developed, OECD nations are rather now on a course to meet the developing world somewhere in the middle? If that's the case, it is very bad news for those concerned with climate change. Because in that middle place, where the new and the old world may be set to merge, it's likely that the primary sources of energy will be wood, and coal.

[We are in the midst of the great baby-boomers economic stagnation of 2007-2017](#)

Indeed, the era of excessive spending and of excessive debt is over. The era of excessive government economic disengagement and of financial deregulation is over. The era of irresponsible Ponzi-scheme finance is over. The era of unregulated derivatives is over. The era of greed as an ideology is over. The era of wild and predatory capitalism is over. The era of cheap oil, of cheap transportation, of cheap commodities and of cheap food is over. The era of excessive concentration of wealth and income is also over. However, the age of political corruption, of incompetent politicians and of destructive wars of aggression is not over. What has arrived is the age of hyperstagflation.

[John Michael Greer: The wealth of nature](#)

Let's take a closer look at the land whose value Ricardo considered "indestructible." He was talking primarily about land as an economic factor in agriculture, and so shall we. What he apparently did not realize, but ecologists have shown in exact detail since his time, is that fertile land suitable for growing crops does not simply happen. Like anything else of value, it must be made, and once made, it must be maintained; the only difference is that the laborers that make and maintain it do not happen to be human beings.

[Foster Wheeler JV wins Aramco Shaybah contract](#)

A joint venture between US oil and gas contractor Foster Wheeler and Saudi Arabian firm Sofcon has been awarded the pre-front end engineering and design (FEED) study for the development of gas supplies from the Shaybah field by the state-owned hydrocarbons giant Saudi Aramco.

The field, located in Saudi Arabia's Empty Quarter, has already undergone a huge US\$3 billion expansion to increase its oil capacity by 250,000 barrels per day (bpd) to 750,000.

[Ghana: Chaos Over Fuel Shortage](#)

There were chaotic scenes at some filling stations in Accra yesterday as motorists, especially commercial drivers, suffer the pangs of a biting fuel shortage in the country.

While some filling stations had anxious motorists lounging due to the winding queues, others were bereft of vehicles as prominent "no petrol" signboards stood ominously.

Long queues stretched out onto the streets, scenes which many Ghanaians could not remember witnessing in the past eight years.

[Opinion: US Should Consider Exploring in Cuban Waters](#)

The Cuban government is not only sitting on a potential oil bonanza but it has already awarded oil and gas exploration leases to companies from Canada, China, Spain, India, Venezuela and Norway. And Cuba is negotiating with Brazil's Petrobras, a company with years of experience in deepwater drilling.

If U.S. firms are forbidden by their own government to drill for oil and gas in Cuban waters, then the national oil companies of other countries will benefit while our investor-owned companies watch from the sidelines.

[Our thirst for oil shouldn't trump fairness as the major reason for ending embargo](#)

COLUMBUS, Ohio -- Oil may soon trump politics in our relations with Cuba. Estimates of Cuban offshore oil reserves as recently disclosed by the Cuban government hover around 20 billion barrels. That would approximate known U.S. oil reserves.

[Loss of Production Even More Dangerous in Times of Low Oil Prices](#)

The 4th Annual Security for Energy Infrastructure Summit, taking place on 18-21 October 2009 in Abu Dhabi, is the preferred platform for Middle East security experts to share innovative solutions that counter the spectrum of threats currently facing critical energy infrastructure.

['Twin calamities' led to bankruptcy](#)

The privately held parent of chemical giant LyondellBasell "genuinely believed" its \$12.7 billion buyout of Houston's Lyondell Chemical Co. in 2007 would work or it would not have committed billions in equity toward the deal, the company said in documents filed with a New York bankruptcy court.

But the "unforeseeable twin calamities" of a global economic crisis and volatility in commodity markets tipped LyondellBasell into bankruptcy a year later, Access Industries said in the filing, dismissing as "economically irrational" the accusations that the company was deliberately set up to fail.

[Cap and Trade Shenanigans](#)

Each year, the government will hand out fewer and fewer emissions indulgences. Meaning there will be fewer credits to trade. And we commodity buffs know that the less there is of something, the higher the price rockets.

And the Chicago Climate Exchange will score larger and larger sums from the corporate carbon largesse. Goldman and company have everything to gain from this.

And you've got to ask: What exotic new derivatives can come out of this? Will institutional investors bet on futures of how much the government will lower the cap in 2025...2030? Wait, there already is a Chicago Climate Futures Exchange. Of course, it's the wholly owned subsidiary of the Chicago Climate Exchange.

[Nuclear proponents address Saskatoon business leaders](#)

Promoters of Canada's nuclear industry made a direct pitch to Saskatoon business people on Tuesday, as the province continues to ponder the future of its uranium resources.

Neil Alexander, president of the Organization of CANDU Industries, told a lunchtime audience of the Greater Saskatoon Chamber of Commerce that a nuclear power plant in Saskatchewan would create jobs and generate other economic benefits.

[Scientist shortage? Maybe not](#)

As the push to train more young people in STEM — science, technology, engineering and math — careers gains steam, a few prominent skeptics are warning that it may be misguided — and that rhetoric about the USA losing its world pre-eminence in science, math and technology may be a stretch.

One example: Numbers from the U.S. Labor Department's Bureau of Labor Statistics issued Tuesday showed the unemployment rate for electrical engineers hit a record high, 8.6%, in the second quarter, more than doubling from 4.1% in the first quarter.

[U.S. Moves to Shackle Oil Speculators](#)

The solution to perceived market manipulation is overt market manipulation.

That's what federal regulators are saying with Tuesday's announcement that they will consider curtailing "excessive speculation" in energy markets. The move comes in response to last year's spike in oil prices, which soared to a record \$145 a barrel a year ago next week and pushed gasoline prices above \$4 at the pump in many parts of the country. Since the start of this year, crude prices have jumped 42 percent, even though the recession has crimped demand and storage tanks are full.

Speculators must be to blame.

No one seems upset about last fall, though, when those same speculators helped drive down prices by more than \$111 a barrel in the last five months of the year.

[Krugman: The Malthusian insult](#)

What very few people realize is that Malthus was right about most of human history — indeed, he was right about roughly 58 out of 60 centuries of civilization: living standards basically did not improve from the era of the first Pharaohs to the age of Louis XIV, because any technological gains were swallowed up by population pressure. We only think Malthus got it wrong because the two centuries he was wrong about were the two centuries that followed the publication of his work.

[The Import Land Model](#)

Today I'd like to talk about another gimmick of the ELM. Veterans who have read a lot of Brown's writing will have noticed that he always focuses on a few carefully selected examples: Indonesia, the UK and of course "Export Land" (the fictional country he uses to illustrate the model). He never seems to bring it all together, and give a coherent picture of the net export situation for the entire world. There is a good reason for this. When you look at the big picture, the ELM "crisis" appears in a very different light.

[Downturn dries up oil demand](#)

Peak oil may have arrived in the developed world — but for the consumption of crude, rather than its production.

The recession has crushed demand across the globe, the Organization of Petroleum Exporting Countries said yesterday. It does not expect demand for production to return to pre-recession levels until 2013.

Consumption in the developed world will remain stagnant for many years to come, OPEC said, even as many economists believe the wealthy world's seemingly insatiable demand for oil may well have peaked permanently.

[Oil rises above \\$61 despite uncertain demand](#)

VIENNA — Oil prices rebounded to above \$61 on Thursday, recouping some losses after tumbling 17 percent since last week.

But rising U.S. gasoline inventories suggested crude demand remains weak, fueling expectations that prices would resume their slide.

[Crude Oil May Rise 35% in 2010, Morgan Stanley Says](#)

(Bloomberg) -- Crude oil may average 35 percent higher in New York next year and rise to \$85 a barrel in 2011 as spending by governments boosts global demand, Morgan

Stanley said in a report.

Benchmark crude futures on the New York Mercantile Exchange will likely average \$48 this year and \$65 in 2010, according to the report dated yesterday. Next year will mark the beginning of a recovery as governments' spending provide the stimulus to maintain the re-stocking phase of a new commodity cycle, it said.

[Russia floats \\$70-80 oil as fair price at G8](#)

L'AQUILA, Italy (Reuters) - Russian President Dmitry Medvedev told other G8 leaders on Wednesday that a poll of oil company executives showed they thought \$70-80 was a fair price, according to his spokeswoman.

[Trade body calls for tax breaks for oil and gas sector](#)

The British government was accused today of putting too much focus on renewables and nuclear while taking "for granted" the oil and gas sector, which supplies two-thirds of the country's total energy needs.

The accusation from a top petroleum industry body came as a report showed there has been a 57% reduction in the amount of North Sea drilling over the last six months.

Oil & Gas UK said 50,000 jobs were at risk unless ministers improved tax incentives. It said government had missed a "massive opportunity" to put the oil and gas sector back on the path to recovery by making only the smallest changes in the last budget.

[New U.S. Natural Gas Pipeline Displacing Canadian Gas](#)

A new natural gas pipeline in the United States is allowing cheap gas from the Rockies to displace more than 10% of Canada's gas exports to the Midwest US, forcing more Canadian gas into storage and lowering natural gas prices for Canadian producers.

[U.S. Natural Gas Fund Grows to Record on Demand Surge](#)

(Bloomberg) -- The United States Natural Gas Fund expanded today to the largest position in its 27-month history as investors snapped up the last of its shares and it awaited government approval to issue more units.

As of early today, the exchange-traded fund owned the equivalent of 124,926 natural gas futures contracts on the New York Mercantile Exchange. The number of shares outstanding reached a record yesterday, rising 14.5 percent to 322.3 million, more than 10 times the total at the start of the year, and worth \$3.97 billion.

[What \(or When\) Is Up with Natural Gas](#)

The fact that there's a contango of such magnitude - at last look, the quarterly premium was 30% of the front-month price - should give bulls pause. A large contango for a storable commodity such as natural gas implies more-than-adequate supplies.

At the least, the current interest in natural gas seems premature given the commodity's inherent seasonality. Natural gas is primarily a heating fuel. Generally, gas is injected into storage during the nonheating season (between April and October). The fuel's then withdrawn from storage over the balance of the year; that is, in the heating season (November through March).

[Saudi Aramco Cuts Heavy, Medium Oil Supplies to Asia](#)

(Bloomberg) -- Saudi Aramco, the world's largest state-owned oil company, deepened cuts in supplies of its Arab Heavy and Medium oil grades sold under term contracts to Asia in August, refinery officials said.

The oil company will reduce overall supplies, which include the Light and Extra Light grades, by as much as 20 percent from contractual volumes, according to a survey of officials at refineries in Japan, Singapore and South Korea.

[Qatar Petroleum Raises Oil Prices to 9-Month High](#)

(Bloomberg) -- Qatar Petroleum, which exports most of its crude oil production to Asia, raised June official selling prices to their highest in nine months.

Qatar Petroleum increased its June price of Qatar Land crude oil to \$71.10 a barrel, up \$11.50, or 19.3 percent, from May, the state-run Qatar News Agency said on its Web site today. The June price of Qatar Marine grade was raised by \$11.80, or 20.2 percent, to \$70.10 a barrel.

[Kuwait Cuts Crude Oil Official Price for First Time in 3 Months](#)

(Bloomberg) -- Kuwait Petroleum Corp. reduced its August crude oil official selling price for the first time in three months because of a lower profit in producing fuel oil.

The state-owned company cut its price to parity to the average of Persian Gulf benchmarks Oman and Dubai grades, from the July premium of 30 cents a barrel, said a trader who asked not to be identified because of company policy.

[No impact on Shell production from Nembe attack](#)

LONDON (Reuters) - Royal Dutch Shell said on Thursday there were no injuries or impact on its crude oil production from attacks on an oil pipeline in Nigeria. The trunkline attacked was in Nembe Creek in Bayelsa state, Shell confirmed.

[Nigeria wants Big Oil to cover amnesty](#)

Nigeria's government has budgeted millions of dollars to an amnesty programme aimed at restoring peace in the Niger Delta, but has yet to receive any financial support from foreign oil companies, a senior minister said.

[Shell May Close or Sell Montreal East Oil Refinery](#)

(Bloomberg) -- Royal Dutch Shell Plc may close or sell its Montreal East refinery in Quebec, Canada, as Europe's biggest oil company carries out a global review of assets.

Other options include converting the 130,000 barrel-a-day refinery into a terminal, establishing a joint venture or leaving the plant running, a Shell spokesman said today by telephone, declining to be identified in line with company policy. The review could take some months and no decisions have yet been taken, he said.

[Indonesia says seeking to revive Iraq oil projects](#)

JAKARTA (Reuters) - Indonesia's state oil firm Pertamina said on Thursday it was planning to revive oil projects it was involved in Iraq that were put on ice because of the security situation in the country.

[Greenland May Mandate Carbon Capture, Petroleum Chief Says](#)

(Bloomberg) -- Greenland's government may require energy companies investing in oil and gas production to capture and store carbon emissions, Joern Skov Nielsen, director of the Greenland Bureau of Minerals and Petroleum, said.

"We will ask companies to develop carbon storage technology," Nielsen said in a telephone interview from Nuuk, Greenland's capital, yesterday. "It's a requirement that you use the best available technology. If carbon storage is usable around the world, they will have to use it in Greenland."

[China Coal Cargo Rejection May Not Signal Market Turn, RBC Says](#)

(Bloomberg) -- The reported cancellation by a Chinese buyer of an Australian coal cargo during shipment may not signal a slump in demand from power-plant operators in the Asian nation, RBC Capital Markets said.

An Australian cargo is being offered after a Chinese customer pulled out of a sale, Reuters reported yesterday, citing unnamed traders. The product appears to be coking coal used by steelmakers that has been marketed as thermal coal, RBC said today.

Chinese buying has almost single-handedly sustained the international coal trade and prices, RBC analyst David Haddad wrote in a note to clients. Early figures for June suggest Australian exports to China will be another record, he said.

[Equatorial Guinea: Elites Hoarding Oil Revenues, Report Charges](#)

The government of Equatorial Guinea has looted billions of dollars in oil revenue instead of improving the lives of its citizens, Human Rights Watch (HRW) said in a report released Thursday.

The report, "Well Oiled: Oil and Human Rights in Equatorial Guinea", details how the dictatorship under President Teodoro Obiang Nguema Mbasogo has used an oil boom to entrench and enrich itself further at the expense of the country's people.

[Pakistan Imposes Fuel Levy After Court Suspends Tax](#)

(Bloomberg) -- Pakistan's President Asif Ali Zardari ordered a new fuels tax effective today to circumvent the Supreme Court's suspension of an earlier levy and avoid a shortfall in government revenue.

The tax restores state-controlled fuel prices to where they were before the Supreme Court suspended a week-old carbon tax on July 7, according to a statement on the Oil & Gas Regulatory Authority's Web site. The Supreme Court order forced the government to cut prices yesterday.

[Simmons sees bright future for Midcoast Maine](#)

Simmons still sees possibilities for the future of Rockland and the Midcoast. Referring to it as a potential "capital of the Silicon Valley for ocean energy," Simmons predicted that tens of thousands of people will be attracted to the region in the coming decades. He praised Maine's politicians and government for supporting exploration of ocean wind, tidal and other energy resources and said he believes the U.S. Department of Energy will soon put a research laboratory in the Gulf of Maine. "This wouldn't happen in Texas," he said.

Comparing Rockland to Aberdeen in Scotland, Simmons predicted that this burgeoning industry will combine with the high quality of life in the region to eventually provide at least 10,000 "fabulously high-paying jobs" in the Midcoast.

[Areva's European Wins Lift Chances in \\$1 Trillion Global Tussle](#)

(Bloomberg) -- Areva SA, the largest builder of nuclear plants, is seeking to use a lead in its home European market over Toshiba Corp.'s Westinghouse Electric Co. to gain an edge in the \$1.05 trillion of global contracts up for grabs.

Areva's new model, the evolutionary power reactor, or EPR, has been chosen for at least 11 of the 41 new plants planned or under construction in the European Union. Westinghouse, which is pushing its AP1000 pressurized water reactor, hasn't built a plant in the region for more than 20 years.

[Vattenfall to Study Kruemmel Reactor After 'Setback'](#)

(Bloomberg) -- Vattenfall AB, the fourth-largest power supplier in Germany, will start a full inspection of its Kruemmel nuclear reactor in the country after the facility shut down due to the absence of a monitoring system.

The Swedish utility has appointed Stefan Dohler, who heads Vattenfall's German power transmission operations, as special investigator for the plant, the Stockholm-based company said in an e-mailed statement today.

[More Ethanol in Gasoline? Automakers say it will "Damage" Cars](#)

Some 54 ethanol producers, grouped together under Growth Energy's banner, are carrying the torch for dramatically increasing the amount of ethanol in pump gasoline from 10 to 15 percent. Will they succeed? There are technical and political arguments to be made on both sides, but for now the momentum seems to be against fast-tracking higher ethanol blends.

[Nuclear dawn delayed in Finland](#)

When it is finished, Finland's Olkiluoto 3 (OL3) nuclear reactor will be the biggest the world has ever seen, the excavation site alone is the size of 55 football fields.

It was to have been a pilot project for bigger, better, cleaner, Generation III reactors, which would lead the charge back to nuclear power in a continent which had gone cold on atomic energy after the accidents at Chernobyl and Thee Mile Island.

But hopes of an early nuclear dawn on the Baltic coast are fading - the May start up date came and went and the OL3 is now not expected to begin pumping out electricity until 2012 - three years later than planned and about \$2.4bn dollars (1.7bn euros) over budget.

[U.K. CO2 Auction Fetches First Premium to Prior Close](#)

(Bloomberg) -- Britain, the European Union's second- biggest economy, sold emission permits today at a higher price than yesterday's close, the first such premium in the country's four auctions over the past seven months.

[In Major Economies, Many See Threat From Climate Change](#)

Awareness is high, except in Indonesia, India, South Africa.

[Global warming impacting Greenlanders' daily lives](#)

NUUK (AFP) – From his trawler that motors along the Nuuk fjord, fisherman Johannes Heilmann has watched helplessly in recent years as climate change takes its toll on Greenland.

Global warming is occurring twice as fast in the Arctic as in the rest of the world.

[G8 emissions pledge is 'scientifically illiterate'](#)

It sounds big, but it just isn't enough. Leaders of the G8 industrial nations meeting in Italy this week are likely to agree that the world must cut greenhouse gas emissions by 50 per cent by 2050. That means cuts of 80 per cent among the rich nations.

They will say that this is essential to keep global warming below 2 °C - widely regarded as the tipping point beyond which scary global feedbacks could wreck the climate system that keeps us fed and watered.

Sorry, guys, but this is scientifically illiterate. We might be lucky: if the atmosphere is less sensitive to those gases than most scientists suppose, it could be enough to keep us below 2 degrees, for a while at least. But the best estimate is that the world needs at least 80 per cent cuts in global emissions, and probably more like 100 per cent, to stay below two degrees.

[Warming Arctic could teem with life by 2030](#)

"Teeming with life" may not be the description that springs to mind when thinking of the Arctic Ocean, but that could soon change as global warming removes the region's icy lid.

A study of what the Arctic looked like just before dinosaurs were wiped off the planet has provided a glimpse of what could be to come within decades.

[G-8 Sets 2050 Emissions Goal, Developing World Delays](#)

(Bloomberg) -- The Group of Eight agreed for the first time to cut greenhouse gases 80 percent by 2050, and developing nations led by China and India pledged to set a mid-century goal by December, a person familiar with the talks said.

The biggest developed countries issued their target in L'Aquila, Italy, in a statement that called on less-wealthy nations to accept a 50 percent global reduction goal. The G-8 also said warming since industrialization began should be limited to 2 degrees Celsius (3.6 Fahrenheit).

[Obama broadens push for climate change pact](#)

L'AQUILA, Italy – Rallying rich and developing nations alike, President Barack Obama wants the world's top polluters to keep driving toward a deal to halt global warming.

[Global warming accord spells lifestyle changes](#)

Leaders of the world's biggest — and dirtiest — economies have agreed for the first time to limit the warming of the earth to a relatively safe 2 degrees Celsius (3.6 Fahrenheit) — an important target in fighting climate change.

It sounds simple, but it implies a dramatic shift in the way we generate electricity, fuel our cars and build our homes and skyscrapers.



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