



## Drumbeat: August 23, 2009

Posted by [Leanan](#) on August 23, 2009 - 10:07am

Topic: [Miscellaneous](#)

### [Peak Oil And The Generation Gap](#)

Discussions of survival tactics in a post-oil world can be categorized in many ways: pessimistic and optimistic, pacific and militaristic, technophobic and technophilic. But a curious dividing line can be seen between older and younger speakers. The old tend to think of little more than their bank accounts, often to the point of dismissing all else with the comment, "Well, anyway, I'll probably be dead before much happens." The young, on the other hand, expect to be entering a strange new world - if they think anything at all. The difference can be seen in terms of whether one expects to be living mainly before or after the end of the money economy.

We stand on the peak between the rise and the fall of the Oil Age, and descriptions of the future may be either scientific analysis or science fiction, the latter serving a useful temporary role when the former is insufficient. The many studies of oil depletion seem to indicate that the peak itself was around 2008, and that by about 2030 oil production will be about half the peak rate. An older person of today might not have to worry about that 50-percent decline in production. A 20-year-old of today, on the other hand, will be 40 years old at that time, still planning to live for another few decades.

### [Iraqi oil export reaches highest level since 2003](#)

Iraqi oil exports in July reached their highest level since the 2003 US-led invasion that toppled Saddam Hussein, said oil ministry spokesman Assem Jihad.

Exports rose to 63.1 million barrels last month from 57.7 million in June, he said.

### [Brazil develops fossil-fuel fever](#)

Brazil, long proud of its push to develop renewable energy and wean itself off oil, has a bad case of fossil-fuel fever.

An enormous offshore field in territorial waters — the biggest Western Hemisphere oil discovery in 30 years — has Brazilians saying, "Drill, baby, drill," while environmentalists fear the nation will take a big leap backward in its hunt for crude.

There has been virtually no public debate on the potential environmental costs of retrieving the billions of barrels of oil, a project one expert said will be as difficult as landing a man on the moon.

### [Brazil gov vows opposition to new oil rules - report](#)

SAO PAULO (Reuters) - The governor of Rio de Janeiro state, where most of Brazil's oil production is located, said he opposed changes to regulations that would reduce the state's tax revenue, a newspaper reported on Sunday, days before the country's revamped oil rules are unveiled.

### [GCC seaports have \\$40bn investment pipeline – study](#)

New research on the GCC Port sector from the Kuwait Financial Centre (Markaz) has found that CC governments have benefited from high oil prices during the last several years, aiding them in reducing external debt and increasing expenditure.

The majority of this expenditure has been focused on infrastructure building. Among the various facets of infrastructure development, the sea ports segment is witnessing a robust growth in investments.

### [Could gas shortage happen again?](#)

While local station owners and officials have made some changes to ensure a quicker response to a crisis and better access to different suppliers, we're still largely at the mercy of the storms. Last September, back-to-back hurricanes Gustav and Ike shut down 15 Gulf Coast oil refineries, as well as the Colonial Pipeline, which supplies much of the East Coast. That left much of the Southeast with deeply curtailed supplies.

Some in the industry think it could happen again.

### [Industrial and energy projects see 17% fall in value until July](#)

The value of energy and industrial investments in the UAE has dropped by 17 per cent in the first seven months of this year due to continuous liquidity problem and investors' low-risk appetite.

### [Power shortage sparks big shift in petroleum market](#)

A deepening electricity supply crisis in the middle of an economic slowdown is shaking

Kenya's petroleum supply chain, opening new avenues for small players to grab market-share, the latest industry data shows.

Industry lobby, the Petroleum Institute of East Africa's (PIEA), data shows that the top four players lost market share in the past 12 months as small players broke into the high value bulk fuel oil supply business and petroleum consumption dropped with the steady rise in prices and continued slowdown in economic growth.

### [In Japan, bikes now use battery power](#)

Chie Igawa is part of a trend that's transforming Japan's roads. The 36-year-old Tokyo homemaker zips her kids around on a battery-boosted bicycle without breaking a sweat or having to worry about traffic rules.

Domestic sales of the bikes eclipsed those of scooters for the first time last year and have jumped 24 percent since January, according to the Tokyo-based Bicycle Promotion Institute. In 2008, Yamaha Motor Co. sold more of the bikes in Japan than motorcycles. Rival maker Panasonic Corp. predicts the market will triple to a million units a year.

### [In Maine, Tensions Over Ailing Lobster Industry](#)

Lobstering is as vital as oxygen on Matinicus, which is smaller than Central Park. But the global recession has made an already fragile livelihood all the more so, forcing Maine's lobster fleet to grapple with the steepest price decline in decades.

Soft-shell lobster was fetching about \$2.30 a pound at the docks last week, down from \$4.25 in August 2005; the hard-shell variety was going for about \$4.50 a pound, down from \$6.50. That drop, combined with higher costs for bait, fuel and gear, has made tensions in the industry as thick as Down East fog.

### [Gardening from the couch: Michael Pollan](#)

Uber food writer Michael Pollan, the New York Times reporter who has written such in-depth and unsettling books about agribusiness and our food chain, was asked in an interview with NPR's Fresh Air what he thought of Michelle Obama's vegetable garden and President Obama's food policies in general.

In this interview with host Dave Davies, Pollan says Obama hasn't done much to take on the toxic health and environment effects of agribusiness, but he expressed surprise at the magnitude of the impact of Michelle Obama's garden.

### [Debating How Much Weed Killer Is Safe in Your Water Glass](#)

The E.P.A. has not cautioned pregnant women about the potential risks of atrazine so that they can consider using inexpensive home filtration systems. And though the agency is aware of new research suggesting risks, it will not formally review those studies until next year at the earliest. Federal scientists who have worked on atrazine say the agency has largely shifted its focus to other compounds.

### [Our Water Supply, Down the Drain](#)

In the United States, we constantly fret about running out of oil. But we should be paying more attention to another limited natural resource: water. A water crisis is threatening many parts of the country -- not just the arid West.

...Droughts make matters worse, but the real problem isn't shrinking water levels. It's population growth. Since California's last major drought ended in 1992, the state's population has surged by a staggering 7 million people. Some 100,000 people move to the Atlanta area every year. Over the next four decades, the country will add 120 million people, the equivalent of one person every 11 seconds.

More people will put a huge strain on our water resources, but another problem comes in something that sounds relatively benign: renewable energy, at least in some forms, such as biofuels. Refining one gallon of ethanol requires four gallons of water. This turns out to be a drop in the bucket compared with how much water it takes to grow enough corn to refine one gallon of ethanol: as much as 2,500 gallons.

### [Saudi raises oil output to benefit from prices](#)

Saudi Arabia boosted its oil production by 144,000 barrels per day (bpd) in June apparently to net higher revenue after crude prices climbed by more than \$10 a barrel, official figures showed yesterday.

Kuwait increased its production by 30,000 bpd, while Iran cut supplies by 30,000 bpd and the UAE gave no figures for its June output. Qatar pumped about 2,000 bpd below its May output.

Reporting its crude production to the Riyadh-based Joint Oil Data Initiative (Jodi), Saudi Arabia said it pumped 8,357 million bpd in June against 8,213 million bpd in May, an increase of 144,000 bpd.

### [Energy companies poised to exploit oil riches](#)

THOSE who see oil as the motive behind all western dealings with the Middle East will no doubt be feeling vindicated by the deals currently being struck in Libya by British energy companies.

Libya is already Africa's leading oil producer and also has huge natural gas resources, but it remains largely unexplored because of the effects of repeated sanctions on the country.

The UK government and British companies now joining the queue to invest are well aware that licences to explore depend on the goodwill of the Libyan regime. Lord Trefgarne, the former trade minister who chairs the Libyan-British Business Council, said last week that there would be "benefits" for British firms from the decision to release Megrahi. He said: "In Libya, business matters and political matters are inextricably entwined."

### [Iraq budget outlook firms on oil's rise](#)

The Iraqi budget outlook appears more stable given the recent rise in oil prices above \$70 a barrel, the governor of the Central Bank of Iraq said.

'Because of the dependence of Iraq's economy on the oil sector, it is very important that oil prices are back to a respectable level,' Sinan Al-Shabibi told Reuters Television.

### [Iranian Lawmaker Criticizes Nominee for Oil Minister](#)

(Bloomberg) -- The head of the Iranian parliament's energy committee expressed concern about President Mahmoud Ahmadinejad's choice to take over at the Oil Ministry.

The nominee, Masoud Mir-Kazemi, is ill-suited because he lacks relevant experience, senior lawmaker Hamidreza Katouzian told state-run Mehr news agency.

### [Mexico senator eyes deal with Brazil's Petrobras](#)

MEXICO CITY (Reuters) - An alliance between Mexican oil monopoly Pemex and Brazil's Petrobras would be an "important and fundamental" way to help boost Mexico's flagging output, a ruling party senator said in a newspaper report published on Saturday.

Last week, Mexican President Felipe Calderon said during a trip to Brazil he was interested in a deal with Petrobras to help increase both countries' oil production.

### [Nigeria Rebels Suspend Peace Talks, May Resume Attacks in Delta](#)

(Bloomberg) -- The Movement for the Emancipation of the Niger Delta, the main armed

group in Nigeria's oil region, said it suspended peace talks with the government and may resume attacks on oil infrastructure.

The group, also known as MEND, is opting out of an amnesty program because the government "expects disarmament without the real issues being addressed," spokesman Jomo Gbomo said in an e-mailed statement today. "MEND will be compelled to resume with ferocious attacks on the oil industry at the end of our cease-fire on Sept. 15."

### [Sinopec's Net Surges on Fuel Prices; Beats Estimates](#)

(Bloomberg) -- China Petroleum & Chemical Corp., Asia's biggest refiner, said first-half profit rose more than four-fold, beating estimates, after the government eased curbs on fuel prices and the nation's economic recovery spurred demand.

Net income increased to 33.2 billion yuan (\$4.86 billion), or 0.381 yuan a share, from a restated 7.7 billion yuan, or 0.057 yuan a share, a year earlier, Sinopec, as China Petroleum is known, said in a statement to the Hong Kong stock exchange today. That compares with a 27 billion-yuan median estimate in a Bloomberg survey of four analysts.

### [Timid oil giants hand back their cash](#)

The world's top six oil companies have showered investors with \$130 billion (£79 billion) in dividends and share buybacks over the past year and a half, according to new research.

The payouts have coincided with a global buying spree by government-controlled rivals from China, India and the Middle East, prompting some to wonder if the companies that once dominated the world oil industry have given in to the increasingly powerful state-backed groups.

### [More Single-Hull Ships May Be Scrapped, Aiding Rates](#)

(Bloomberg) -- Shipping rates may gain support as more single-hulled supertankers head to scrap yards, as owners of these vessels see demolition as the best option in a weak market, E.A. Gibson Shipbrokers Ltd. said in a report today.

Three so-called Very Large Crude Carriers, which can carry two million barrels of oil, have been sent for demolition so far this year, matching the total for all of 2008, when shipping rates were higher, the broker said.

Two VLCCs sold for scrap this month "is perhaps an indication that more owners may be considering cutting their losses as more charterers turn their back on the singles,"



Gibson said in the report.

### [Energy companies sparse for offshore bids](#)

NEW ORLEANS — A huge glut of natural gas, a recession and an uncertain economic picture led to a largely quiet auction for government offshore leases today.

Energy companies bid \$115 million for 162 separate tracts in the western Gulf of Mexico, about half of the leases bid on last year for \$483.9 million.

### [Gulf Coast vulnerable as refiners hit hard times](#)

The Gulf Coast could be the biggest loser in a shakeout of the U.S. refining business that some analysts and industry executives view as inevitable in coming years as rising costs and weaker demand for petroleum fuels pummel the industry.

The region is especially vulnerable not only because it has more plants than other areas and competition is more intense, but because a reduction in refining anywhere would hurt oil and gas companies that support jobs and economic growth in this part of the country.

Yet permanently closing oil refineries may be unavoidable if the industry is to remain profitable in the long term and adjust to what is likely to be a smaller U.S. market for petroleum fuels over time, analysts said.

“If it doesn't happen, it's going to be bad for refining in general,” said Alfred Luaces, an industry consultant with Purvin & Getz in Houston.

### [PTT Says It May Need 50 Days to Plug Oil, Gas Leak](#)

(Bloomberg) -- PTT Exploration & Production Pcl said it may take at least 50 days to plug an oil and gas spill at its Montara project in the Timor Sea off Australia by using another rig to intercept the leak and plug it with mud.

### [Power move: In praise of the University of Houston's electrifying Energy Research Park](#)

Houston took a big step toward becoming an energy city, not just an oil city, this past week when the University of Houston officially closed the deal to buy the old Schlumberger Well Services property. On that roughly 70 acres, not far down the Gulf Freeway from the main campus, UH plans to launch its Energy Research Park: an ambitious place where all sorts of bets are being placed on The Next Big Thing.

### [Does the wind blow enough?](#)

The short answer, according to experts who work for neither wind power companies nor anti-wind advocacy groups, is yes — building wind turbines will reduce emissions from fossil fuels.

The longer answer is, well, longer. Wind is no magic bullet, according to the experts, but its alleged shortcomings fail to crowd out its benefits when you look at the big picture.

### [Honda looks to the future with fuel-cell technology](#)

TOKYO — Honda Motor Co. is backing hydrogen power for the cars of the future, waving aside a decision by the Obama administration to drop the so-called fuel-cell technology in favor of battery-run vehicles.

"Fuel-cell cars will become necessary," said Takashi Moriya, head of Tokyo-based Honda's group developing the technology. "We're positioning it as the ultimate zero-emission car."

### [Boris Johnson takes to the hydrogen highway](#)

Boris Johnson is to help create Britain's first "hydrogen highway", using a scheme to promote zero-emission cars modelled on one introduced in California by Arnold Schwarzenegger, the state's governor.

The mayor of London wants to make Britain a leader in fuel cell technology and is planning a network of hydrogen filling stations in the capital. He intends to assemble a pilot fleet of about 150 hydrogen cars in the run-up to the 2012 London Olympics, together with five buses and 20 black taxis.

### [Honda to unveil electric car in U.S. by 2015: report](#)

TOKYO (Reuters) - Honda Motor Co Ltd plans to develop an electric car to debut in the U.S. market by around 2015 as tighter environmental regulations push demand for zero-emission vehicles, the Nikkei newspaper said on Saturday.

### [USDA releases report on use of manure for energy](#)

Manure can be used to produce energy commercially and on farms without competing with the supply needed for fertilizer, but the economics might not be beneficial to all farmers, according to a report the USDA produced for Congress titled "Manure Use for



Fertilizer and for Energy.”

### [The vegetable gardeners of Havana](#)

With no petrol for tractors, oxen had to plough the land. With no oil-based fertilizers or pesticides, farmers had to turn to natural and organic replacements.

Today, about 300,000 oxen work on farms across the country and there are now more than 200 biological control centres which produce a whole host of biological agents in fungi, bacteria and beneficial insects.

Havana has almost 200 urban allotments - known as organiponicos - providing four million tons of vegetables every year - helping the country to become 90% self-sufficient in fruit and vegetables.

### [India to import food amid drought](#)

India will import food to make up for shortages caused by a drought thought to be affecting 700 million people, the finance minister has said.

...The farm minister, Sharad Pawar, said the government would take action to ensure prices remained stable.

He added: "[The] situation is grim, not just for the crop sowing and the crop health but also for sustaining animal health, providing drinking water, livelihood and food, particularly for the small and marginal farmers and landless labourers."

### [Kurt Cobb: The show must go on](#)

So quickly is Lake Mead falling that an intake pipe which supplies 40 percent of Las Vegas' water may emerge above the lake's surface by 2012. The Southern Nevada Water Authority (SNWA) is working furiously to lay pipe for a new intake that will assure continued supplies should the lake fall below the current intake on schedule. The authority is a consortium of water districts that act together on water issues.

But the new intake may not be enough. A recent report from two researchers at the Scripps Institution of Oceanography calculates that there is a 50 percent chance that Lake Mead will cease to supply water to the millions that rely on it by 2021. They calculate a 10 percent chance that this could occur by 2014 and a 50 percent chance that lake levels will drop below those necessary to generate electricity from Hoover Dam's many generating turbines. Their study assumes no changes in water management. But they hope to prompt radical changes in that management with their conclusions.

[IBM-Sponsored Report: Utilities Not Ready For Climate Change](#)

NEW YORK -(Dow Jones)- A report sponsored by International Business Machines Corp. (IBM) says that 90% of utilities around the world know they are at risk from climate change but fewer than a third said they have performed any financial review of the possible impacts on their business.

Utilities face a variety of potential problems from climate change, including shortages of water to cool plants, increased generation demand from hotter summers and power outages from more frequent severe weather, according to the report. They also face challenges as society tries to address the need to curb carbon emissions with new technologies like electric vehicles, which will increase electricity demand.



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