



## Drumbeat: February 13, 2010

Posted by [Leanan](#) on February 13, 2010 - 9:18am

Topic: [Miscellaneous](#)

### [Global shift sees Europe oil refineries on the block](#)

Asian refiners want to take advantage of the crisis in European oil refining to buy up capacity from the majors, battered by 15 year-low margins, and shift the power centre of the industry to state-run firms.

Europe's BP and Royal Dutch Shell reported billions of dollars of losses from their oil refining business in the fourth quarter 2009.

Shell is looking to divest 15% of its global refining assets. US major Chevron also plans to close some of its refineries, but has not yet said where.

### [Tracking the Trends of Offshore Rig Construction Costs](#)

With demand for newbuilds stymied by the recent credit crunch and commodity price collapse, virtually no new rig orders have been placed since late 2008, the tail end of a peak period for newbuild orders.

### [This Is Only The Beginning: Latest 2010 Supply-Demand Forecast Revision](#)

To predict annual oil consumption for 2010, then revise that forecast before half the opening month is in the books, is a clear signal that such forecasting is an art, rather than a science.

### [Watching China Run](#)

It was primarily a symbolic gesture. Way back in 1979, in the midst of an energy crisis, Jimmy Carter had solar panels installed on the roof of the White House. They were used to heat water for some White House staffers.

“A generation from now,” said Mr. Carter, “this solar heater can either be a curiosity, a museum piece, an example of a road not taken, or it can be a small part of one of the greatest and most exciting adventures ever undertaken by the American people,

harnessing the power of the sun to enrich our lives as we move away from our crippling dependence on foreign oil.”

Ronald Reagan had the panels taken down.

We missed the boat then, and lord knows we’re missing it now. Two weeks ago, as I was getting ready to take off for Palo Alto, Calif., to cover a conference on the importance of energy and infrastructure for the next American economy, The Times’s Keith Bradsher was writing from Tianjin, China, about how the Chinese were sprinting past everybody else in the world, including the United States, in the race to develop clean energy.

### [Dmitry Orlov: Products and services for the permanently unemployed consumer](#)

Developing and marketing products for a shrinking market poses an interesting set of challenges. Even if a company does an outstanding job and is able to steadily grow its market share, these gains are negated if the market itself continually shrinks by an ever larger amount. For instance, a company might have an outstanding electric vehicle design, but it is destined to by the wayside at a same time the number of consumers that qualify for a car loan is trending downward, the used car market is glutted by repossessions, and federal, state and municipal governments are unable to upgrade their car fleets because their budgets are far in the red.

### [The Endgame Begins](#)

A year ago I predicted that there will be a “decoupling from the unwinding“, as “emerging markets” by and large ride out the temporary shocks of declining Western demand for their exports (China) and the interruption of Western credit intermediation (Russia) before resuming growth. This is one aspect of the trends leading to the imminent demise of Pax Americana, which will be replaced by “the age of scarcity industrialism” / “a world without the West“. We are now entering this Empire’s endgame.

### [Zero Point Of Systemic Collapse](#)

Aleksandr Herzen, speaking a century ago to a group of anarchists about how to overthrow the czar, reminded his listeners that it was not their job to save a dying system but to replace it: “We think we are the doctors. We are the disease.” All resistance must recognize that the body politic and global capitalism are dead. We should stop wasting energy trying to reform or appeal to it. This does not mean the end of resistance, but it does mean very different forms of resistance. It means turning our energies toward building sustainable communities to weather the coming crisis, since we will be unable to survive and resist without a cooperative effort.

### [Climate change: calling planet birth](#)

Family size has become the great unmentionable of the campaign for more environmentally friendly lifestyles.

### [Bill McKibben: Washington's snowstorms, brought to you by global warming](#)

RIPTON, VERMONT -- You want to hear my winter weather story? No, really, I know you do.

The cross-country ski race I've been training for, set for today high in the Green Mountains: cancelled, lack of snow.

Meanwhile, across the continent, backhoes and helicopters are moving snow down British Columbia's Cypress Mountain in an attempt to cover the Olympic ski courses, and technicians are burying cooling pipes beneath the moguls to keep them from melting. Some climate-conscious jokers put out a video pushing the sport of "bobwheeling" for future snow-challenged Olympiads.

And apparently there was some snowfall in the greater Washington area last week.

### [It's time for U.S. to consider targeting Iran's gas imports](#)

A rethinking of the administration's sanctions strategy may also be in order. In addition to the Treasury measures, the State Department has been pursuing a new sanctions resolution at the U.N. Security Council -- the fourth -- that also would be aimed at the Revolutionary Guard. But there's little indication that China's resistance to the measure can be overcome unless most of the resolution's teeth are removed. During his presidential campaign, President Obama spoke about much tougher measures -- including steps to prevent Iran from importing gasoline and other refined products. The administration has since edged away from that idea, partly because of the difficulty of winning support from other governments and partly out of concern that it would persuade average Iranians to rally for rather than against their government.

Yet for every expert who argues that a shortage of gasoline would somehow help Mr. Ahmadinejad, there is one who believes it will deepen popular rejection of the regime. France, among other European governments, has been talking tough about the need for sanctions that bite; a U.S.-backed gasoline embargo would put that resolve to the test.

### [Afghan Offensive Is New War Model](#)

KABUL, Afghanistan — For all the fighting that lies ahead over the next several days, no one doubts that the American and Afghan troops swarming into the Taliban redoubt of Marja will ultimately clear it of insurgents.

And that is when the real test will begin.

### [U.S. natural gas rig count climbs to fresh 11-mth high](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States climbed 13 this week to a fresh 11-month high of 891, according to a report on Friday by oil services firm Baker Hughes in Houston.

The latest gas rig count is the highest since March 6, 2009, when there were 916 gas rigs operating.

### [Commodities For the 21st Century](#)

When asked about Peak Oil—about whether or not we would someday use up all available fossil fuels, he just grinned and replied; “Oil derricks have been around for a long time. Back in the day, they used to capture the kerosene and burn off the petroleum.

Nowadays, they might keep the kerosene...but what they’re really going for is the petroleum.”

He made a simple point, one that stuck with me since I last attended the economics courses he taught while I was in college.

He was saying that there’s no real reason for alarm. That our world was much more complicated than some B-Grade science fiction movie where the oil suddenly dries up.

Instead, changes will happen at the margins.

### [Japanese firms acquire Venezuelan oil field rights](#)

Major petroleum development company INPEX Corp. has acquired the development rights for part of the Orinoco oil field in eastern Venezuela with Mitsu-bishi Corp., according to INPEX.

Observers say the development rights for a part of the giant oil field could help secure a stable supply of energy for Japan, which depends on the Middle East for 87 percent of its crude oil procurement.

### [Mergers in Oil, Gas Seen ‘Buoyant’ in 2010 by Wood Mackenzie](#)

(Bloomberg) -- Mergers and acquisitions of oil and gas companies recovered last year to reach near-record levels and may produce another “buoyant market” in 2010, the U.K.

energy consulting firm Wood Mackenzie Consultants Ltd. said.

### [Japan Calls Hummer H3 Fuel-Efficient](#)

TOKYO — Hummer and “fuel-efficient” are rarely mentioned in the same breath.

But anyone in Japan who buys the Hummer H3 model — with its 5.3-liter, 300-horsepower engine — can receive a 250,000 yen (\$2,779) subsidy under the country’s recently eased fuel-efficiency standards for imported cars.

The change stems in part from criticism, particularly from Detroit automakers, that recent tax breaks and subsidies intended to spur sales of fuel-efficient cars in Japan unfairly excluded foreign brands.

### [Obama nuke plant loan reflects new energy strategy](#)

WASHINGTON -- The Obama administration's planned loan guarantee to build the first nuclear power plant in the United States in almost three decades is part of a broad shift in energy strategy to lessen dependence on foreign oil and reduce the use of other fossil fuels blamed for global warming.

### [Climate sceptics denounced by Brown as he launches climate change group](#)

Prime minister Gordon Brown today accused climate change sceptics of going "against the grain" of scientific evidence, as he launched a new group to raise billions of pounds for the fight against global warming.

### [Hunters Point Shipyard EIR ignores doubled ocean rise predictions with potential ‘Big One’](#)

In December 2009, leading climatologist Dr. James Hansen cited new satellite data doubling or tripling previous sea level rise predictions. Climate change, he said, “is really a moral issue analogous to that faced by Lincoln with slavery,” an apt comparison considering the dangers for peoples of color in the Bayview Hunters Point neighborhood of San Francisco.

### [U.S. Chamber of Commerce Asks Court to Review EPA Carbon Ruling](#)

(Bloomberg) -- The U.S. Chamber of Commerce, the country’s largest business-lobbying group, is asking a federal court to review the Obama administration’s decision to declare greenhouse gases a health risk under the Clean Air Act.



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