



Drumbeat: September 23, 2010

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Topic: [Miscellaneous](#)

[Amid Tension, China Blocks Vital Exports to Japan](#)

HONG KONG — Sharply raising the stakes in a dispute over Japan's detention of a Chinese fishing trawler captain, the Chinese government has blocked exports to Japan of a crucial category of minerals used in products like hybrid cars, wind turbines and guided missiles.

Chinese customs officials are halting shipments to Japan of so-called rare earth elements, preventing them from being loaded aboard ships this week at Chinese ports, three industry officials said Thursday.

“Growing confidence in a global economic recovery had inspired hopes of rising oil demand in early 2010, but the Eurozone crisis and a strengthening dollar have encouraged continuing volatility in oil prices,” said Malcolm Wall Morris, CEO, DMCC. “We anticipate that long-term demand growth in China, India, emerging Asian economies and the Middle East region will be the key factors determining the shape of oil markets and prices through this year.”

[Iran's offshore oil stash still high](#)

Opec-member Iran has reduced the amount of crude stored at sea in the past three months but still has as much as 20 million barrels anchored offshore according to reports.

[Putin dismisses possibility of armed clash over Arctic resources](#)

Russia's outspoken prime minister, Vladimir Putin, dismissed forecasts Thursday that Arctic nations would soon clash over resources in the polar region believed to hold up to a quarter of the Earth's undiscovered oil and gas.

[Russia's Putin urges Arctic resources deal](#)

(Reuters) - Russian Prime Minister Vladimir Putin urged Arctic nations on Thursday to cut a deal on how to explore the region's rich mineral resources, and dismissed dire warnings of looming battles over its oil and gas wealth.

[Russia approves lower Caspian Sea oil export fee](#)

(Reuters) - The Russian government approved a lower export duty for oil shipped from northern part of the Caspian Sea where the country's second-largest crude producer, LUKOIL, operates, Interfax said on Thursday.

[How BP Learned to Dance with the Russian Bear](#)

In July 2008, Robert W. Dudley, then chief executive officer of TNK-BP, a joint venture between Britain's BP and a group of Russian billionaires, hastily left Russia after complaining of "sustained harassment" from his local partners. Dudley had been driven to flee the country by a barrage of lawsuits, tax probes, difficulties obtaining work permits, and other legal pressures that became a hallmark of the acrimonious partnership's battles over management control and investment direction. One Russian court even barred Dudley from performing his job for two years for allegedly violating local labor laws.

[The real BP lesson: Oil is killing us](#)

This is a national wake-up call, the Three-Mile-Island of the deepwater drilling industry. I believe it's taught us three things. First, we can't allow this industry to police itself in the way it's done until now. We need stronger safeguards to protect precious waters and habitat from the dangers of offshore drilling. This is difficult, dangerous and inherently risky work. We need to reduce those dangers and manage those risks to make sure nothing like this ever happens again.

Second, the Gulf is a national treasure, and we need to start treating it that way. We need to restore the region, not only from the oil spill damage, but from the ravages of a century of poor management and pollution that is destroying the rich delta that nourishes the Gulf. The country needs a healthy Gulf. We need a healthy delta. And we need to put policies in place to restore that health.

And finally, we need, as a country, to break our addiction to oil and begin moving toward cleaner, safer more sustainable sources of power and fuel.

[U.S., Canadian refiners await Enbridge restart](#)

CALGARY - Royal Dutch Shell Plc said on Thursday it welcomed the approval of plans to restart an oil pipeline that supplies its refinery in Sarnia, Ontario, but will keep its contingency plans in place until the line starts up.

Shell is among several refiners that had to arrange alternative oil supplies in the more than eight weeks since Enbridge Inc's Line 6B ruptured in Michigan and was shut down.

[European nations to review deep oil drill rules](#)

OSLO (Reuters) - Fifteen European nations are set to promise to review rules for oil permits in extreme environments after BP Plc's Gulf of Mexico spill, stopping short of a moratorium urged by environmentalists.

Countries in the OSPAR group, which oversees the North East Atlantic, were to consider a draft recommendation on "a review of existing regulatory frameworks, including the permitting of drilling activities in extreme conditions."

[Mexico's PRI May Widen Deficit, Raise Oil Price to Cut Tax, Videgaray Says](#)

Mexico's largest party in the lower house of congress may propose a wider deficit and increased oil price estimate for next year's budget as it aims to cut the sales tax, the head of the budget committee said.

[Kazakhstan president put forward for Nobel Peace Prize](#)

Nursultan Nazarbayev, the president of Kazakhstan, is being put forward for the Nobel Peace Prize next year by the World Assembly of Turkic Peoples. The name of Mr Nazarbayev, who has ruled the oil-rich Central Asian nation since the last days of the Soviet Union, emerged at a meeting of the assembly in Astana, Kazakhstan's capital.

[Breaking Out of a Wind Ghetto](#)

Saturated with too much energy from wind and water, the Bonneville Power Administration, a federal agency based in the Pacific Northwest, has been forced to look for outside help. For the moment its problems represent an extreme, but experts predict that other systems will find themselves in the same pickle as utilities build more wind machines in an effort to reach state-mandated quotas for renewable energy.

[Amid Tension, China Blocks Vital Exports to Japan](#)

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[IEA says higher oil prices hurt the world's poorest the most](#)

High oil prices have made it more difficult for the world to close a persistent energy supply gap that has left more than 1.4 billion people without access to electricity and double that number dependent on burning wood and waste to cook food, an official report warns.

Governments and international aid organisations would need to invest US\$36 billion (Dh132.23bn) a year over the next 20 years to give everyone on the planet regular access to electricity and modern cookers, the International Energy Agency (IEA) said yesterday.

Relatively high prices for oil and gas would preclude poorer countries from relying on fossil fuels, creating incentives for the development of renewable energy sources including so-called "off-grid" sources such as gas from landfills, the IEA said.

[China follows British footsteps to African wealth](#)

Chinese investment in Angola is bringing back to life one of the greatest rail routes in Africa, the Benguela Railway. In return, China gets oil - but how fair are accusations that China is engaged in a colonial-style scramble for resources?

[Oil Trades Below \\$75 After Falling on Unexpected Increase in U.S. Supplies](#)

Oil fell in New York as the dollar recovered from its weakest level against the euro since April, while an increase in U.S. crude supplies reinforced concern that the recovery is not fast enough to whittle down excess supplies.

Futures declined as much as 1.1 percent after the Energy Department said yesterday stockpiles rose 970,000 barrels to 358.3 million last week. They were forecast to drop 1.75 million barrels, according to the median analyst estimates in a Bloomberg News survey. Gasoline supplies also rose and are now 15 percent higher than their five-year average and distillate stockpiles are now 23.3 percent above the five-year mean.

[Rising European Heating Fuel Demand Draws South Korean, Japanese Supplies](#)

Rising heating oil demand in Europe amid seasonal refinery maintenance has attracted supplies from as far as Japan and South Korea and pushed the benchmark London

futures market into so-called backwardation.

[Peak Oil Consumption - How much oil is left?](#)

Will we have enough oil for future generations?

[Total, Petroplus French Refineries Output Reduced by Strike, Union Says](#)

Output at French refineries owned by Total SA and Petroplus Holdings AG is lower due to a strike, a union representative said.

[South Africa Mulls Shale Gas to Reduce Nation's Dependence on Oil Imports](#)

South Africa's petroleum regulator said Falcon Oil & Gas Ltd. and Bundu Gas and Oil Exploration Ltd. have applied for shale gas exploration permits as the nation looks to reduce its dependence on petroleum imports.

"We're certainly going to have significant exploration in the next three years or so," said Mthozami Xiphu, chief executive officer of Petroleum Agency SA, by phone from Cape Town yesterday. "In the next five, six years, we do expect the beginnings of significant production."

[Iran says nuclear talks can succeed only if fair](#)

(Reuters) - Iran is ready to enter 'fair' negotiations with major powers over its nuclear activities, state radio quoted Foreign Minister Manouchehr Mottaki as saying.

Major powers said on Wednesday they hoped for an early negotiated solution to the stand-off over Iran's nuclear program, which the United States and its allies suspect is aimed at developing bombs, as well as fresh talks on a potential atomic fuel swap plan.

[Southern Sudan Independence Referendum Delay Might Reignite War, Kiir Says](#)

Delaying the referendum on independence in Southern Sudan would risk resumption of civil war, the head of the region's government said, even as the U.S. suggested it will be hard to organize a credible vote on Jan. 9.

[Petrobras 'Reverse Privatization' Looms as Brazil Backs \\$78 Billion Offer](#)

Brazil is reclaiming part of the Petroleo Brasileiro SA stake it sold to investors a decade

ago in a record \$78 billion share sale today.

The government will boost its stake in Petrobras, Latin America's largest company by market value, to as much as 55 percent from 39 percent now, Adriano Pires, head of the Brazilian Center for Infrastructure, a research group based in Rio de Janeiro, said yesterday in a telephone interview.

[Official says Canadian detained in Libya can leave](#)

CAIRO – An official says a Canadian man reportedly detained in Libya on suspicion of spying on a planned BP offshore drilling project can now leave the country.

Canada's Foreign Affairs Department spokeswoman Catherine Loubier said Wednesday that restrictions preventing Douglas O'Reilly from leaving Libya had been lifted. She did not provide further details. Libyan officials have refused to comment on the case.

[Petrobras share sale easily oversubscribed: sources](#)

(Reuters) - Brazilian state oil company Petrobras (PETR4.SA) has received more than enough investor interest to sell all the shares in a massive offer worth up to \$79 billion, two sources familiar with the situation told Reuters on Wednesday.

[Nigerian Rebels Say They're Seeking Custody of Kidnapped French Nationals](#)

Nigeria's main rebel group in the oil-rich Niger River delta region said it's trying to gain custody of three French nationals seized in the West African nation's coastal waters.

The Movement for the Emancipation of the Niger Delta said it's working to transfer the three crew members employed by Bourbon SA, a French company that provides supply vessels for the oil industry, from their kidnappers.

[Enbridge allowed to restart pipeline two months after Michigan spill](#)

CALGARY — Enbridge Inc. has received approval from U.S. regulators to restart its Line 6B oil pipeline after more almost two months of outage following a significant spill in Michigan waters.

The Pipeline and Hazardous Materials Safety Administration said Wednesday the oil line, which supplies refiners in the U.S. Midwest and Ontario, will resume operations slowly and under tight control by the United States regulator.

[Kevin Costner pitches emergency oil spill plan to Congress](#)

WASHINGTON (AFP) – Kevin Costner told US lawmakers Wednesday that clean-up operations during the BP oil disaster were a "tangled mess," as the Hollywood star urged Congress to adopt his 895-million-dollar emergency response plan.

Costner -- the on-screen hero of "Waterworld" who has a real life passion for developing oil clean-up technology -- said that 32 of his company's centrifugal oil-water separators leased by BP sat idle while the British energy giant figured out what to do with them.

[Defending the oil sands](#)

For more than two years, Canada's oil sands have been attacked by environmentalists and left-leaning think-tanks. In particular, these critics accuse the project of producing more carbon emissions than any other energy-extraction effort on the face of the Earth, and of "ravaging" the northern Alberta landscape. In Copenhagen last December, at the largest climate change conference ever convened by the United Nations, Canada was branded as a "climate criminal." In 2009, no less revered a journalistic outlet than National Geographic magazine published an attack on the oil sands.

The lesson from all this is that Alberta politicians and oil sands officials must do a better job defending the project -- its worth to the national economy, its fine record of land reclamation and the manner by which it makes Canada self-sufficient. The benefits even extend to foreign relations: The oil sands have become the largest source of foreign oil to the United States because their supply is stable and reliable -- a fact that both Ottawa and the United States factor into negotiations when disputes arise in unrelated areas of trade. The fact is, the oil sands provide Canada with a major bargaining chip in a world that is increasingly worried about supplying future oil needs.

[Greenpeace plan month-long stay on North Sea drill ship](#)

LONDON (AFP) – Greenpeace campaigners who boarded an oil drilling ship near the Shetland Isles in protest at exploration in the North Sea have enough food and drink to stay for a month, the group said.

Two activists from the environmental lobby group spent Tuesday night in a tent suspended by ropes from the anchor chain of the Stena Carron drill ship, which is owned by US oil giant Chevron.

[Woodward Book Says Afghanistan Divided White House](#)

WASHINGTON – Some of the critical players in President Obama's national security

team doubt his strategy in Afghanistan will succeed and have spent much of the last 20 months quarreling with one another over policy, personalities and turf, according to a new book.

The book, "Obama's Wars," by the journalist Bob Woodward, depicts an administration deeply torn over the war in Afghanistan even as the president agreed to triple troop levels there amid suspicion that he was being boxed in by the military. Mr. Obama's top White House adviser on Afghanistan and his special envoy for the region are described as believing the strategy will not work.

[Murkowski keeps Energy post](#)

Senate Republicans decided not to strip Sen. Lisa Murkowski of her position as the top Republican on the Energy committee, after she mounted a write-in bid for her Senate seat.

"The conference decided not to make any changes," said Sen. Richard Burr. The Conventional Wisdom going into the GOP caucus meeting was the Burr would be selected to replace Murkowski.

[Spending Too Carefully?](#)

The American Recovery and Reinvestment Act, passed in February 2009, allocated \$3.1 billion for distribution by state energy offices to improve energy efficiency and spur the use of renewable energy. But by July 9 of this year, only about 7.2 percent had been spent, the audit indicates.

[Report: NY's electric grid reliable through 2020](#)

The New York Independent System Operator's latest review of the state's power system finds there are no major problems facing reliability in the next decade.

NYISO's board's 2010 Reliability Needs Assessment found generation, transmission and demand-side programs will meet the state's electricity needs through 2020. However, a stronger than expected economic recovery could increase reliability risks in 2019.

[Major EU Renewable Energy Forum In October](#)

The future direction of renewable energy deployment and funding in Europe will be discussed by government ministers and energy industry heavyweights during a three-day alternative energy forum to be held in London next month.

The debate-style forum begins on October 19 and will be chaired by CNBC's Steve Sedgwick. The conference will serve a primary role of informing public opinion and will include presentations on issues such as peak oil, wind farming, the future of solar PV, concentrated solar power, and wave and tidal energy generation.

[Global Wind Power Capacity May Rival Nuclear Within Four Years, GWEC Says](#)

Installed power capacity from wind turbines around the world will probably rival the potential generation of electricity from nuclear plants within four years, the Global Wind Energy Council said.

Installed wind capacity by 2014 will probably reach 400 gigawatts, Steve Sawyer, secretary-general of the council, said in an e-mailed statement. Current nuclear power capacity is about 376 gigawatts, according to the World Nuclear Association.

[Largest offshore wind farm opens off Thanet in Kent](#)

The world's biggest offshore wind farm off the Kent coast has been officially opened.

Swedish energy giant Vattenfall said the 100 turbines are expected to generate enough electricity to power 240,000 homes.

[Palm Oil Body RSPO Rebukes Indonesia's Smart On Sustainability Claims](#)

KUALA LUMPUR -(Dow Jones)- The Roundtable On Sustainable Palm Oil, an industry organization that groups palm producers, environmental groups and food companies, said Thursday that Indonesia-based Sinar Mas Agro Resources & Technology has breached its policies and that the firm's membership in the group is at risk.

["The Moneyless Man" Talks to The Green Prophet About The Middle East](#)

Mark Boyle, otherwise known as the "moneyless man," says that the Middle East's emphasis on caring and sharing should make adopting a "freeconomic" lifestyle easier than in the West.

[Symposium offers hope for us and our troubled planet](#)

"Awakening the Dreamer, Changing the Dream" offers hope and ideas. Created by the Pachamama Alliance, an international partnership of first-world and indigenous people, the symposium is conducted by trained volunteers who clearly present the problems we

and our Earth face today and send us on our way fortified to make changes.

[Spiking Summer Fruit in Order to Preserve It](#)

AT the end of every summer, as the heaps of fresh fruit start to dwindle at the farmers' markets, the urge to preserve it all pulls strong.

Usually, I suppress it.

As much as I love the idea of a pantry full of homemade jams, jellies, pickles and syrups, I rarely have the patience for serious canning, with its macerating, simmering and sterilization of jars.

But there is another, easier way: boozy fruit. There are many incarnations but the basic premise is the same — simply mix fruit and sugar with enough hard spirit to keep the fruit well soused, and let it sit. You can sip the liquid as a cordial and eat the sweet, spiked fruit over ice cream or cake. Apart from freezing, it is about the simplest preserving method there is.

[Paris Offers Water With Bubbles, but No Bottles](#)

PARIS — In the latest in a series of unusual efforts to make Paris green, the city is now offering residents free sparkling water to try to wean Parisians not from red wine, but from overconsumption of plastic bottles.

[10 given Heinz Awards for environmental work](#)

PITTSBURGH — A photographer who took more than 500,000 photographs documenting global warming worldwide is among 10 people who were named Heinz Award winners Tuesday.

This year's awards recognized environmental challenges. The awards each come with a \$100,000 prize.

[Bjørn Lomborg: Use technology to fight climate change](#)

First off, let's get something straight. Exactly how sceptical are you about climate change?

Man-made global warming exists. My problem is with the single-minded focus on drastic carbon emission reductions that have been promised in the 18 years since the Earth Summit in Rio, and have gotten virtually nowhere.

[Pegasus Helping Design 'Green Bank' to Fund Carbon Projects, Tamminen Says](#)

Pegasus Capital Advisors LP, the U.S. private equity firm that manages almost \$2 billion in assets, is helping set up a bank to fund carbon reduction, a former adviser to California Governor Arnold Schwarzenegger says.

Pegasus is “volunteering some time to help with the design and structuring of the green bank,” Terry Tamminen, 58, said in a telephone interview in Melbourne. He is an adviser to the firm, founded in 1995, according to its website.

[Chris Huhne fights Treasury to save his climate department](#)

Climate change secretary Chris Huhne is fighting to defend his department's funding and independence, fending off a suggestion that his civil servants should be moved to the Treasury to cut costs.

[Sea level plan 'will ruin our farmland'](#)

A scheme designed to deal with predicted rising sea levels in a low lying area of East Devon could create malarial swamps, regularly flood a busy road, erode prime agricultural land, wreck buildings, ruin livelihoods and see water meadows disappear forever under acres of mud.

[Professor's book models future of the Arctic](#)

Staring at the devastated shores and towns of New Orleans after Hurricane Katrina, Laurence Smith had one thing on his mind: melting glaciers.

To this geography professor who studies melting ice sheets in the Arctic, the vast damage of the hurricane was a testament to global warming, rising sea levels and more violent storms throughout the world.

[Rising Sea Levels, Disappearing Countries and Floating Houses](#)

While floating houses and urban centers may seem like something out of a sci-fi movie, for nations like the Republic of the Maldives that are in serious danger of losing their land and economy, nothing is too bizarre or ridiculous.

[Canada's glaciers have shrunk significantly in past 50 years: data](#)

Glaciers in Canada's High Arctic and in the mountains of Western Canada have shrunk significantly over the past 50 years, new data released by Natural Resources Canada yesterday show. This, experts say, could have consequences for municipalities that depend on the run-off for drinking water, irrigation and power generation.

[Ocean cooling 'contributed to global warming hiatus during mid-20th century'](#)

A new study has indicated that the ocean cooling in North Atlantic around 1970 contributed to the hiatus of global warming in the Northern Hemisphere during the mid-20th century, and not tropospheric pollution.

David W. J. Thompson at Colorado State University, John M. Wallace at the University of Washington, John J. Kennedy at the Met Office and Phil D. Jones of the University of East Anglia discovered an unexpectedly abrupt cooling event that occurred between roughly 1968 and 1972 in Northern Hemisphere ocean temperatures.

[Vulnerable Arab world lags on climate change action](#)

(Reuters) - The Arab world will be one of the regions worst hit by climate change but still lacks any coordinated response to its potentially devastating effects, experts said at a conference this week.

With hotter, drier and less predictable climates, the amount of water running into the region's streams and rivers is set to fall 20 to 30 percent by 2050, worsening desertification and food insecurity, the United Nations Development Programme says.

Arab states, many rich in petroleum and grappling with fast-growing populations, lack the political will to act, experts said at the UNDP regional meeting that ended on Tuesday.



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