



## Drumbeat: December 6, 2010

Posted by [Leanan](#) on December 6, 2010 - 10:11am

### [ANALYSIS-Colombia defies "peak oil" but for how long?](#)

BOGOTA (Reuters) - Half a century ago, Colombia helped plant the first inklings of a theory that became known as "peak oil" -- the idea that conventional oil extraction has crested.

Today, Latin America's No. 4 crude producer is defying expectations by increasing its output. But experts say the Andean country must now find new reserves to keep up production levels and sustain its ambitious growth targets.

The cause of Colombia's rebound has less to do with geological maturity than with politics and security -- which, in many emerging markets from Iraq to Nigeria are perhaps a greater constraint to boosting production.

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### [Analysis: Drilling Contractors Bullish on Ultra-Deepwater Outlook](#)

Drilling rig contractors are bullish on the long-term outlook for the global ultra-deepwater drilling sector, with rig demand beginning to recover following the global financial crisis of 2008 and ultra-deepwater rig demand appearing outside the "Golden Triangle" markets of West Africa, Brazil and the U.S. Gulf of Mexico.

### [The 'tax' you can't avoid: Oil prices rising](#)

NEW YORK (CNNMoney.com) -- The price of crude is perilously close to \$90 a barrel and the average cost for a gallon of gas is inching toward \$3 nationwide. If they keep climbing, that could put a serious dent in economic recovery hopes for 2011.

A spike in oil and gas prices is often referred to as a tax on consumers. That's because people have little choice but to suck it up and pay higher prices. As a result, consumers may spend less on other things that are not considered as vital.

### [Oil Inventories Decline in Survey on Demand From Refiners](#)

U.S. oil supplies probably dropped for the first time in three weeks on increased demand from refiners as they boosted production, a Bloomberg News survey showed.

Inventories fell 1.5 million barrels, or 0.4 percent, in the seven days ended Dec. 3 from 359.7 million a week earlier, according to the median of eight analyst estimates before an Energy Department report tomorrow. Seven of the respondents forecast a decrease and one projected a gain.

### [Fire At Czech Refinery To Hit Production For Two Weeks](#)

PRAGUE -(Dow Jones)- Czech petrochemical group Unipetrol AS, majority-owned by PKN Orlen SA, Monday said a fire earlier in the day at its key refinery would lead to several weeks of disrupted production.

### [Russia ready to supply as much gas to Europe in winter as necessary](#)

WARSAW (Itar-Tass) -- Russia is ready to supply as much natural gas to Europe during winter as necessary, Energy Minister Sergei Shmatko said.

“The contracts that exist today allow our European partner companies to receive as much as they need,” he said on Monday, December 6.

### [Latin American Oil: More Than Just Petrobras](#)

When conversation turns to Latin American oil stocks, it's apt to begin and end with Petrobras, Brazil's booming energy giant.

But increasingly, Colombian-focused oil companies like state-controlled Ecopetrol (EC) and upstart Canadian outfit Pacific Rubiales Energy, deserve to be part of the discussion.

### [US embassy cables: Fears of terrorist attacks on Saudi oilfields](#)

The Saudi government agrees to a program under which the US military will train and equip a Saudi force to protect the country's oil fields, desalination plants and any future nuclear energy reactors.

### [KenolKobil warns on Kenyan petrol price controls](#)

NAIROBI (Reuters) - Kenyan oil marketer KenolKobil said on Monday proposals for government control of petrol prices could lead to shortages of fuel.

KenolKobil, which has operations in seven African countries, said it was concerned over government involvement in all facets of the industry.

### [Suicide blasts kill 40 in Pakistan's northwest](#)

Pakistan's Taliban militants have staged suicide bombings in a bid to destabilise the U.S.-backed government, which faces an array of problems from a fragile economy to growing discontent over an energy crisis.

### [Pakistan: Rapid increase in population serious threats to economy](#)

Due to lack of education and medical facilities mother and child mortality rate was alarming in rural areas of the country while tendency of fast birth rate was posing serious health problems for women in the country she said. The Minister said this bent had become a risk not only to national economy but also generating unemployment as well as creating various social problems in the society. The rapid increase in population was generating problems like unemployment, shortage of food, environmental problems and energy crisis and hindering socio-economic development of the country she added.

### [Pemex one step closer to new contracts](#)

Mexico's top court today threw out a legal challenge to regulations allowing private companies to operate oilfields in the country, moving state oil monopoly Pemex one step closer to signing contracts.

### [LA court can hear Peruvian case against oil giant](#)

LOS ANGELES (AP) -- An appeals court ruled Monday that a case filed by indigenous plaintiffs from the Peruvian Amazon against Occidental Petroleum Corp. should be heard in Los Angeles.

The 9th U.S. Circuit Court of Appeals ruling overturns an earlier district decision that the case should be litigated in Peru.

### [Interview: Straight Talk With Independent Journalist, Charles Hugh Smith, Part 1](#)

**1. Of the many forces at play that you write about within the economy, society, and politics, which ones do you see as the most defining for the future? How do you expect things to unfold?**

**Charles Hugh Smith:** Clearly, demographics and Peak Oil are forces which cannot be massaged away by policy tweaks or financial engineering. I think the exhaustion of Global Neoliberal Capitalism and State Capitalism is apparent, as is the bankruptcy of the two ideologies that more or less define our politics. The reliance on expansion of credit and State power is a dynamic with only unhappy endings.

## [Nigerian Militant Leader Okah Says No Military Solution in Oil-Rich Delta](#)

Nigeria militant leader Henry Okah, who's currently on trial in South Africa on terrorism charges, said there's no military solution to the rebellion under way in the oil-rich Niger River delta.

"There are thousands of people who are willing to fight and they'll continue to fight," Okah said in an interview on Dec. 5 after he called Bloomberg from prison in Johannesburg. "If I can have access to weapons, I'll give thousands of weapons to people in the delta to defend their lives and their land."

## [U.S. energy chief says improved car batteries 5 years off](#)

(Reuters) - Cars that run on batteries will begin to be competitive with ones that burn petroleum fuels in about five years, the U.S. energy secretary said at the annual U.N. climate talks.

"It's not like it's 10 years off," Chu said at a press conference on U.S. clean energy efforts on the sidelines of the climate talks. "It's about five years and it could be sooner. Meanwhile the batteries we do have today are soon going to get better by a factor of two."

## [Powerpoint Diplomacy in an Energy Push at Climate Talks](#)

In a packed room, Chu gave his trademark illustrated tutorial, leading from basic climate science through the disturbing implications of global energy trends and efforts by the Obama administration to stimulate energy innovation with research hubs and dozens of grants for work on the frontiers of energy sciences that might produce breakthroughs.

The presentation reflected a bit of Powerpoint diplomacy, with subtle, but significant shifts from another one given just over a week ago to a Washington audience.

## [UK: Energy minister 'confident of bringing forward' Smart Metre roll out](#)

Energy minister Charles Hendry said today he is confident the national roll-out of smart metres can be brought forward.

## [GE Wins Orders for Wind Turbines in Brazil Auction and Gas Plants in Iraq](#)

General Electric Co., the world's biggest provider of power-generation equipment, won orders for more than 400 megawatts of wind turbines in an auction in Brazil and three gas generators to expand a plant in Iraq.

### [Nassim Taleb looks at what will break, and what won't](#)

Most of the technologies that are now 25 years old or more will be around; almost all of the younger ones “providing efficiencies” will be gone, either supplanted by competing ones or progressively replaced by the more robust archaic ones. So the car, the plane, the bicycle, the voice-only telephone, the espresso machine and, luckily, the wall-to-wall bookshelf will still be with us.

The world will face severe biological and electronic pandemics, another gift from globalisation.

Religious practice will experience a revival, seen as a conveyor of robust heuristics, cultural values and rituals. Science will produce smaller and smaller gains in the non-linear domain, in spite of the enormous resources it will consume; instead it will start focusing on what it cannot—and should not—do. Finally, what is now called academic economics will be treated with the same disrespect that rigorous (and practical) minds currently have for Derrida-style post-modernist verbiage.

### [Herman Daly: A Shift in the Burden of Proof](#)

It is no small thing to shift the burden of proof. Yet that is what Lawn and Clarke, and their colleagues, have done in this remarkable study. The presumption in the “empty world” has been that growth in GDP is “economic” in the sense that it increases benefits faster than costs, as well as in the sense that this thing we call the economy is getting physically bigger. It was not previously considered necessary to distinguish the two meanings of “economic” growth. Lawn and Clarke have shown that in a large part of today’s “full world” growth in GDP often costs more than it is worth at the margin, and thus should be called “uneconomic” growth. (In this book’s language uneconomic growth occurs after a threshold at which the Genuine Progress Indicator (GPI) levels off or declines while GDP keeps on increasing). Advocates of GDP growth, who generally point to Asia as their best success story, heretofore were never asked to prove that such growth was in truth economic. Now, after the theoretical demonstration that uneconomic growth in the macroeconomy is quite possible, followed by the empirical demonstration that it is in fact often the case, the burden of proof in policy arguments must shift from the shoulders of growth critics to the shoulders of growth advocates. This is quite an accomplishment and needs to be strongly claimed and emphasized.

### [Global Warming Claims Against AEP, Utilities to Get U.S. High Court Review](#)

The U.S. Supreme Court said it will hear an appeal by four power companies including American Electric Power Co., agreeing to decide whether they must face a suit by states seeking a reduction in carbon dioxide emissions.

### [Strong hearts to the front, weak hearts to the back](#)

Actually, one of the things I spoke about that night in Winona was global collapse. Regardless of anything I have said or done, or what any Indigenous person in the U.S. has said or done, the American way of life is coming to an end. Given the realities of peak oil and peak debt, we are simultaneously facing the collapse of a civilization based entirely on cheap oil and the collapse of the American economy. This coincides with growing crises emerging from global climate change and collapsing eco-systems due to hyper-exploitation. Everything Dakota people have been told about the superiority of Western civilization is a lie, as is everything we have been told about progress and technology. We have experienced a unique period of global history only possible because of fossil fuels, and that era is about to come crashing down.

### [Peak oil to drive changes in Dunedin](#)

Dunedin residents will face radical cuts to car use and fundamental changes in the city's design when peak oil hits in the next few decades, says the writer of a report on the city's reliance on fossil fuels.

With 95% of all trips in Dunedin made in private vehicles, changing such behaviour has been identified as the most effective way of lessening demand for fuel in Dunedin.

"Urban villages" and inner city living will need to replace the system of travelling from suburbs to the city for shopping.

### [Conversion to trolley bus service would cost millions](#)

Converting Dunedin's passenger bus fleets to electric trolley buses could cost many millions of dollars - and ratepayers, rather than public transport users, might have to foot the bill, insiders suggest.

### [Black Hole For Oil Price Policy](#)

In his 2009 Jackson Hole warning, Bernanke identified oil as the looming threat, a kind of Black Hole for the green shoots of growth. He said: "Last year, oil at \$145 a barrel was a tipping point for the global economy as it created negative terms of trade and a disposable income shock for oil importing economies".

He went on to add the oil-phobic punch line: "The global economy could not withstand another contractionary shock if similar speculation drives oil rapidly to \$90 a barrel."

In early December 2010, with oil near \$90 a barrel on the Nymex and ICE, we could ask if Bernanke's warning still holds true, especially since he now publicly wants higher inflation rates, as a kind of surrogate sign of would-be economic growth.

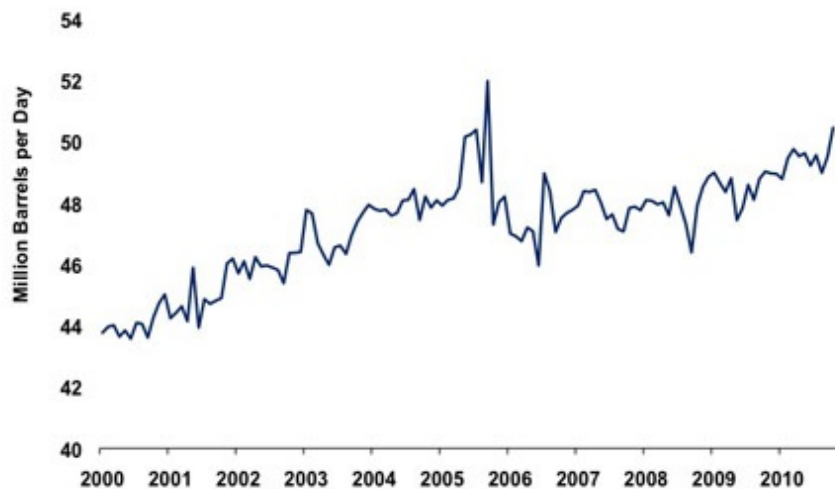
### [The Long-Distance Climate Campaigner](#) (interview with Bill McKibben)

*Could we be stuck with stasis because of human nature?*

It's possible that we're just not cut out to deal with these things. There are days though, I think when it's just as much as anything just a problem of power. The most powerful industry that the world has ever seen by an order of magnitude is the fossil fuel industry. They've won every fight so far, and we've somehow got to acquire some power instead of just talking all the time.

[Peter Tertzakian: Look for oil price between \\$80 to \\$100 per barrel in 2011](#)

Figure 1: Oil Production From Non-OPEC Countries



Oil bulls point to production declines in places like Mexico's Cantarell oilfield and Venezuela's political mess to fortify the suggestion that supply can't keep up with demand. To be sure, peak oil arguments held valid sway no less than two years ago and there continue to be many problem areas in the world of oil. However, new oil production from non-OPEC countries is offering surprises on the upside. Figure 1 shows monthly volume since 2000. The output dip between mid-2005 and 2009 helped heighten a sense of constraint and drove up prices, but note the pickup starting in 2009. Barrels from Canada's oilsands have been a significant contributor alongside Russia, Central Asia and other prolific regions. Early indications suggest that new, emerging resource plays such as the Bakken in North America could contribute more surprise barrels in 2011. The market is not saying much about a challenged supply side these days, perhaps because the edge is off the story.

[I Don't Want Speculation, I Want Clear Investment](#)**Do you think the peak oil scenario is something we all should pay more attention to?**

Well, I think there is peak oil in a way, but not in the way it is being described. There is enough oil on the earth in my eyes, but the reserves we can get hold on are limited currently due to the price scenario. In that respect, yes, peak oil plays a role in pushing prices higher for the foreseeable future. Eventually we will exploit new resources and

use these new resources. There are plentiful resources on a longer time frame, but at higher prices.

### [Kunstler: The Jobs Picture](#)

Among the surprises I've suggested over the years is the idea that people used to spending long hours in cubicles staring at video screens may, at some point ahead, begin to spend their days in the fresh air, cultivating food crops. I'm sure this sounds outlandish. But we begin to see the new dynamic of this world resolving in the nexus between a crisis of capital, climate change, and peak oil.

Food is getting scarce. Worldwide grain reserves stand at unprecedented lows. Droughts in Russia and Australia mean that basic foods will be in short supply on the margins - that is, the impoverished countries we used to call "third world" that depend on grain imports. The American supermarket aisles still groan with every conceivable staple and delicacy, but note the prices of things. A buck and a half for four little onions. \$1.18 for one apple. \$4 for a jar of jam. Compare these numbers with the wages that have not gone up effectively since around 1970.

### [Capital Institute's John Fullerton Discussed the Role of Finance in Creating a Sustainable Economic System at Investors' Circle Fall Forum in Washington D.C.](#)

John Fullerton, President and Founder of the Capital Institute, an organization bridging mainstream finance with the new economy movement and related efforts to rethink the nature of economics and our financial system, discussed the role finance and impact investment should play in advancing a sustainable economic system at Investors' Circle Fall Venture Fair and Forum in Washington D.C. on November 10, 2010.

"The problems we face: climate change, peak oil, wealth inequality, and even the financial crisis, can all be understood as symptoms of our unsustainable system," explained Mr. Fullerton. "To effect change we must look beyond the symptoms and transform the paradigm in which the system operates. Finance is the key to realizing this transformation."

### [Russia's Putin says wind turbines kill birds](#)

(Reuters) - Russian Prime Minister Vladimir Putin said on Monday that wind power can pose environmental risks, casting doubts over plans to develop this alternative energy source in the oil-rich country.

Putin, who has overseen all major energy deals Russia made in recent years, is keen for the country to maintain its role as a major oil and gas producer. He has repeatedly expressed his skepticism about alternative energy.



## [Cancun, a case of lowered expectations](#)

Major industrialising nations, such as China and India, have made it very clear that they will never sign up to anything that might limit their economic growth, whatever the consequences. Nevertheless, they have signed up to the Copenhagen Accord, along with 137 other nations (the US being notable by its absence) and are making huge strides towards investing in sustainable energy. China, for example, has plans to cover deserts with solar panels and it has the industrial might to bring down the unit cost of manufacturing using economies of scale. And these changes are being driven not by idealism but by economic and political reality. Fears of peak oil and energy security are forcing green policy through where in the past well-meaning environmental rhetoric has failed.

## [How the US aims to reduce Iran's oil-barter power](#)

And sure enough, last week's explosive Wikileaks cables show that US diplomats are deeply concerned about Iran's role in the world energy market. Equally, they confirm the country's paranoia that the West is intent on sapping its huge reserves.

“Even if Iran compromises on the nuclear issue, the United States would always find another reason to criticize because they hate us – all the United States wants is to conquer the entire region and steal the oil.”

According to the intelligence documents, this is what Iran's supreme leader Ayatollah Khamenei told the Kazakh president, who later recounted his meeting to the Americans.

General David Petraeus, former commander of the Gulf surge, responded to the slight by interjecting: “We could have bought all the oil in the region for 100 years for what we've spent in Iraq!”

## [Oil remains above \\$89 a barrel on Europe cold snap](#)

Oil prices remained above \$89 a barrel on Monday after rallying to a 26-month high last week, fueled by hopes of increased demand amid a cold snap in Europe and rising speculative interest.

By early afternoon in Europe, benchmark oil for January delivery was up 11 cents to \$89.30 a barrel in electronic trading on the New York Mercantile Exchange. The contract added \$1.19 to settle at \$89.19 on Friday, the second time in less than a month that oil has reached the level where it was in the fall of 2008.

Prices were kept in check by a stronger dollar, which makes crude more expensive for investors holding other currencies.

## [Oil Backwardation to Lure Buyers as Crude Market Rallies, Commerzbank Says](#)

The prospect of backwardation in oil markets, in which earlier-delivery futures trade

above contracts for later supply, is likely to lure investors as prices rise, according to Commerzbank AG.

“The present shape of the forward curve suggests further tightening on the crude oil market,” a team of analysts including Frankfurt-based Carsten Fritsch wrote in a report today. “This backwardation, which was rarely evident in the past few years, is likely to bring more buyers into the arena.”

### [Gas prices rise nearly 4 cents in last two weeks](#)

CAMARILLO, Calif. — A new survey finds the average price of regular gasoline in the United States has jumped 3.92 cents in the last two weeks.

The Lundberg Survey of fuel prices released Sunday says the price of a gallon of regular is \$2.91.

### [Asia Fuel Oil Rises to 26-Month High; Refining Profits Slip: Oil Products](#)

Asian fuel oil and gasoil swaps rose for a third day to the highest in 26 months. Product crack spreads narrowed in Singapore, Asia’s biggest oil-trading and storage center, signaling reduced refining profit.

### [China's Unipet Said to Increase December Diesel Imports to 200,000 Tons](#)

China International United Petroleum & Chemical Co., the nation’s largest oil trader, will import 200,000 metric tons of diesel in December, 67 percent more than it initially planned last month, a company official said.

China International, or Unipet, originally intended to bring in 120,000 tons to ease a domestic shortage of the transport fuel, according to the official, who declined to be identified because of company policy.

### [Hedge Funds Increase Bullish Oil Bets Most in Eight Weeks: Energy Markets](#)

Hedge funds increased bullish bets on oil by the most in eight weeks as signs that the global economic recovery is gaining pace stoked speculation demand for crude will rise.

### [Nigeria militants say hit oil pipeline in delta](#)

(Reuters) - A militant faction in Nigeria's restive Niger Delta said on Monday it had ruptured an oil pipeline in Delta state, close to where the security forces launched a major offensive last week.

### [China to Meet Year-End Goal of Cutting Energy Intensity by 20%, NDRC Says](#)

China, the world's fastest-growing major economy, will meet its year-end energy conservation targets, said Zhao Jiarong, a deputy secretary general at the National Development and Reform Commission.

The country will meet its goal of cutting energy consumption per unit of gross domestic product between 2006 and 2010 "on time," Zhao said at a forum in Beijing on Dec 3.

### [Oil potential is huge in Iraq: Analysts](#)

Of the many variables impacting the global energy equation, Iraq remains the most unknown and perplexing. What the Iraqi output would be years from now is such an unknown that none have a definitive answer. There are too many, ifs and buts to this entire imbroglio that confounds the pundits all around.

If Iraq could match its potential, it could definitely emerge as the game changer. Yet the billion-dollar question remains: Would Iraq ever be able to live up to the expectations?

### [Kurdistan to see flows early 2011](#)

A dispute between Iraq's northern Kurdish region and the central government is "supposed to be resolved" and the region should start pumping oil for export early next year, Iraqi Oil Minister Hussain al-Shahristani said today.

### [YPF set to announce 'major' new find](#)

YPF, the Argentine company controlled by Spain's Repsol YPF, has made a major unconventional gas find in the vicinity of the giant but mature Loma da Lata field, according to press reports emanating from Buenos Aires.

Business daily Cronista suggested that President Cristina Fernandez will announce a "mega" discovery on Tuesday.

### [Branson Says Oil Might Hit \\$200 a Barrel Without New Policies](#)

Oil prices may soar to \$200 a barrel if the world doesn't move more rapidly to a clean-energy economy, Richard Branson, founder of Virgin Atlantic Airways Ltd., said in an interview.

"It's certainly conceivable unless we can start to conserve energy quickly and come up with alternative fuels," Branson said yesterday in Cancun, Mexico, where countries are

meeting to negotiate a new accord to combat climate change.

### [Ocean-going ships to get ratings on energy efficiency](#)

A free internet database set up by Richard Branson will today list the energy efficiency of almost every ocean-going vessel, in a scheme designed to reduce shipping emissions by nearly 25%.

Using publicly available data on the engine size and CO<sub>2</sub> emissions of nearly 60,000 ships, exporters and importers, as well as holidaymakers on cruises, will be able to choose between clean and dirty ships.

### [Book Review: Drowning In Oil By Loren Steffy](#)

After reading Loren C. Steffy's "Drowning in Oil: BP and the Reckless Pursuit of Profit" (McGraw-Hill, 256 pages, \$27.00) I had no doubt that the April 20, 2010 explosion and resulting oil spill -- the worst in the nation's history -- was no accident. The resulting inferno claimed 11 lives and, as Steffy demonstrates, was caused by the abysmal safety procedures -- and lack thereof -- of BP (British Petroleum), which leased the Deepwater Horizon semisubmersible drilling platform 40 miles off the Louisiana coast.

### [Book Review: The Impending World Energy Mess](#)

I felt the book became much more interesting when they started to discuss "*How is the oil debacle likely to unfold?*" This is where I began to find a lot of value in the book for me personally. Future scenarios were very well thought-out, and pros and cons were given for them. The authors delve pretty deeply into potential mitigation pathways. For instance, I have often thought about how people will cope as gasoline prices head higher. One of the possible options is that gas will be rationed. This book takes scenarios like that a step further. First, it makes a strong argument that it is a no-brainer that gasoline will be rationed, and then goes into several well thought-out options of how that might be accomplished.

### [The immediacy of resource depletion and the murmur of global warming](#)

The increased public and political focus on global warming has diverted discussion away from world resource depletion, particularly the depletion of fossil fuel energy with its potentially disastrous impact on world food production. According to its own internal whistleblowers, the International Energy Agency (IEA) appears to have falsified information on world fossil fuel depletion – on the grounds that telling the truth that world energy resources may already have vis-à-vis peaked in production and are exceeded by demand, could cause skyrocketing oil prices and stampede the world into a new recession.

## [Sarkozy Pushes for Areva Nuclear Reactor Deal to Meet India's Power Needs](#)

France and India signed an agreement that will allow Areva SA to build two nuclear reactors for \$9.3 billion to help meet soaring energy demands in Asia's second-fastest growing major economy.

French President Nicolas Sarkozy told reporters at a joint press conference with Indian Prime Minister Manmohan Singh in New Delhi that there was "no limit" to the countries' nuclear cooperation, and that today's pact, the first between the two nations, would eventually be expanded to six reactors. "We propose a total partnership for the civil nuclear" sector, he said.

## [Kuwait weighs nuclear future](#)

Kuwait has launched a feasibility study into nuclear power development with the aim of having one or two atomic plants in operation by 2020.

The study, undertaken by the French government's Agency France Nuclear International and the US nuclear consultant and fuel developer Lightbridge, will assess potential project sites in southern Kuwait, where water from the Gulf could be used to cool reactors.

## [Start of pluthermal generation at Hamaoka plant to be postponed](#)

SHIZUOKA — Chubu Electric Power Co has decided to postpone the January start of so-called "pluthermal" power generation at the No. 4 reactor of Hamaoka nuclear plant in Shizuoka Prefecture to fiscal 2011, starting in April, or later, company sources said Saturday. The postponement comes as the government has not yet produced its quake-resistance assessment for the reactor, located in Omaezaki, Shizuoka, according to the sources.

The No. 4 and No. 5 reactors at the plant were automatically suspended when a strong earthquake shook Shizuoka Prefecture and its vicinity in August last year.

## [In East Texas, Piles of Wood Look Like an Electric Opportunity](#)

The case for biomass power is that it derives from a renewable resource: trees. The power plants can produce electricity around the clock, unlike wind turbines and solar panels, which work only when the weather is right. They also create jobs.

The Texas biomass boom comes at a curious time, however. Natural gas prices have fallen to about one-third of their highs from two years ago, which means that the plants may have to sell their electricity for far less than they had originally hoped.

### [Hitachi Develops Machine to Recycle Rare Earths to Cut Reliance on China](#)

Hitachi Ltd. said it developed machinery to harvest rare earth metals from discarded hard- disk drives and compressors as electronics makers seek to reduce their reliance on Chinese supply.

The machine can extract 100 rare earth magnets from hard disk drives per hour, about eight times faster than manual labor, Tokyo-based Hitachi said in a statement today. The company plans to get 10 percent of its rare-earth needs through recycling when the business begins operating in fiscal 2013, according to spokeswoman Satoko Yasunaga.

### [Russia faces foreign Yukos loss charges](#)

The international arbitration court in Stockholm may force Russia to pay compensation to foreign companies which suffered losses over the Yukos affair, according to reports.

### [Russia's eastern regions to produce from 70 to 100 billion cubic meters of gas by 2020 - PM](#)

KHABAROVSK (Itar-Tass) - Russia's eastern regions will produce from 70 to 100 billion cubic meters of gas by 2020, Prime Minister Vladimir Putin told a regional conference of the United Russia Party on Monday.

The implementation of the Eastern gas program "can be compared with the largest industrial projects in the history of our country," he said. "In 2006 the country's eastern regions produced only 8 billion cubic meters of gas. In 2009 – already 22 billion cubic meters and by 2020 there will be from 70 to 100 billion cubic meters."

### [Nature talks see mood of compromise emerge](#)

The second week of this year's UN climate summit opens in Mexico with signs that countries are keen to find compromise on key issues.

China and India have softened some hard lines that helped drive last year's Copenhagen summit to stalemate.

New draft agreements released over the weekend have so far been met with cautious approval.

However, fundamental divisions remain - not least over the future of the Kyoto Protocol.

### [Africa: Climate Change - Turning Agriculture From Problem to Solution](#)

Cancun — Global agriculture contributes in the region of 17 percent to the greenhouse gas emissions that cause climate change, but according to the World Bank, climate smart agriculture techniques can both reduce emissions and meet the challenge of producing enough food for a growing world population.

"As much as agriculture is part of the problem, it is also part of the solution," said Inger Anderson, the World Bank's vice president on sustainable development.

### [Europe Can Lift UN Carbon Market From Cancun Gridlock, Gazprom Says](#)

Europe needs to reinvigorate the world's second-biggest emissions market as global climate talks to reduce greenhouse gases stall, the head of a carbon-trading unit of Russia's OAO Gazprom said.

### [UN Climate Negotiators Considering Two-Year Deadline for New Emission Cuts](#)

Diplomats at United Nations climate talks this week will consider a two-year deadline for industrial nations to sign up for further cuts in greenhouse-gas emissions after Kyoto Protocol limits expire in December 2012.

### [Business urge government action on energy efficiency](#)

CANCUN (Reuters) - Governments are missing out on an easy opportunity to cut greenhouse gas emissions by not legislating clear energy-efficiency targets, corporate executives said on Saturday.

Reducing energy consumption through more efficient buildings, power plants and vehicles is still the most cost-effective way to reduce greenhouse gas emissions, but projects are often hampered by unclear policies from governments, said speakers at a business forum on the sidelines of the U.N. climate conference.

### [Subarctic wildfires a 'runaway climate change' risk](#)

PARIS (AFP) – Global warming is driving forest fires in northern latitudes to burn more frequently and fiercely, contributing to the threat of runaway climate change, according to a study released Sunday.

Increased intensity of fires in Alaska's vast interior over the last decade has changed the region from a sink to a source of carbon dioxide, the greenhouse gas most responsible for heating up the planet, the study found.



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