



Drumbeat: May 16, 2011

Posted by [Leanan](#) on May 16, 2011 - 10:13am

[Special Report - In Libyan oil shipment, sanctions prove dumb](#)

(Reuters) - The deal was struck in early April. Two weeks after the U.N. Security Council vote that saved rebel-held Benghazi from near-certain defeat, Libya's ragtag rebels agreed to the first shipment of oil from the chunk of territory they held.

The sale promised to bring in much-needed cash for their bid to set up a parallel Libyan government. If they could pocket just a portion of oil export revenues -- worth around \$145 million (89 million pounds) a day on current prices -- they could also buy the weapons they needed for their fight against Muammar Gaddafi.

Bypassing the naval blockade and braving NATO bombs, the Liberian-flagged Equator sailed into the eastern port of Marsa el Hariga in the first week of April. There, it loaded up to one million barrels of the light, sweet crude so prized by refiners before setting sail through the Suez Canal for east Asia. Oil traders believed it would unload in China.

It never made it. Since refuelling in Singapore on April 28, the Equator has sat anchored off the archipelago. AIS live ship tracking data on Reuters, based on satellite signals sent from the vessel, shows its massive iron hull immersed in 15 metres draft of water -- indicating it was still carrying cargo on May 10.

[Steve LeVine: Oil, gold and Strauss-Kahn](#)

Our list of factors affecting oil and gas prices already includes war, kidnapping, supply and demand, hurricanes, pipeline explosions and threats to tyrants. Add sexual assault.

Dominique Strauss-Kahn's arrest for allegedly assaulting a maid at the Sofitel in Manhattan is causing havoc not just in oil markets -- gold, currencies, and Asian stocks are all in a kerfuffle. Oil dropped below \$98 a barrel; gold fell by \$3 an ounce, and silver declined, too; the Euro plunged to a seven-week low against the dollar.

[Mob attacks Christian protest in Egypt](#)

CAIRO (AP) — An angry mob attacked a group of mainly Christian protesters demanding drastic measures to heal religious tension amid a spike in violence, leaving 65 people injured, officials said Sunday.

The Christian protesters have been holding their sit-in outside the state television building in Cairo for nearly a week following deadly Christian-Muslim clashes that left a church burned and 15 people dead.

[Dozens injured as diesel shortage sparks violence](#)

At least 27 people have been injured in clashes sparked by the shortage of diesel fuel in most governorates.

In Beni Suef, seven taxi drivers were injured in a fight with knives over limited quantities of diesel in gas stations. In Ahnasya, another driver was shot during an attack on a gas station by people looking for fuel.

[Egypt allocates US\\$300mn to import diesel fuel](#)

Egypt's Ministry of Finance on Sunday approved the allocation of US\$300 million for the Petroleum Public Authority (PPA) to finance diesel fuel and butane gas imports from abroad.

The announcement came after a shortage of diesel fuel that hit the Egyptian market. Vehicles that run on diesel, such as tractors and minibuses, crowded into Egyptian gas stations, and disputes among drivers left at least 20 people injured.

[Life has become harder world-wide : Global economic mess affecting every country](#)

The global economic downturn is hitting countries all over the world. It is not only Sierra Leone that is facing problems caused by the global economic chaos. Anti- All People's Congress (APC) Government propagandists and alarmists would want people to believe that it is only in Sierra Leone that these problems are evolving. But the situation would have been worse if the Sierra Leone People's Party (SLPP) had been in power. If they fared so badly at a time of relative global economic stability during the late 1990s and early 2000s , what would have happened if they were ruling Sierra Leone at this time of world economic collapse which started in 2009 ?

[Japan: The new *setsuden* culture](#)

While the kanji for "hot" was chosen as emblematic of 2010, *setsuden*, or electricity conservation, seems to be the keyword for 2011, or at least for the coming summer.

Offices and factories are turning up thermostats and turning off lights, cutting back on overtime, and shifting work hours. Stations throughout Tokyo have turned off lights and escalators. Beverage vending machines are under attack for eating up too much electricity.

[No nukes, No problem. Germany is proving a rapid transition to renewable energy is possible](#)

As Germany is showing, it is very possible to get large penetrations of renewable energy while phasing out nuclear energy. With bold political and social support, a consistent incentive framework for clean energy investment, and creative thinking about how to deploy geographically-dispersed resources, Germany is undergoing a major transition in its energy sector.

[New U.S. Institutes Help Tackle Cleantech Workforce Shortage](#)

Training academies are cropping up to steer students and professionals into clean energy industries that lack manpower to match growing opportunities.

[Splitting water to create renewable energy simpler than first thought?](#)

(PhysOrg.com) -- An international team, of scientists, led by a team at Monash University has found the key to the hydrogen economy could come from a very simple mineral, commonly seen as a black stain on rocks.

Their findings, developed with the assistance of researchers at UC Davis in the USA and using the facilities at the Australian Synchrotron, was published in the journal *Nature Chemistry* yesterday 15 May 2011.

[Entropy, Peak Oil, and Stoic Philosophy](#)

So, I am asking you to follow me with this idea; that the bell curve is a “natural” behavior of production for non renewable or slowly renewable resources. With “natural” I mean that it is the way the system is expected to behave when there are no strong interferences from political or other kind of perturbations. Then, I said that we should look at the inner mechanisms that make the economy behave in this way. I believe that we don't need to invent a brand new law, as Newton did for gravity. We already have the laws we need – even though so far we failed to apply them to this case. These are the laws of thermodynamics.

[Two schools and the path to the steady state](#)

All of economics is divided into two schools: steady state theory and infinite planet theory. They can't both be right. You'd think the choice between them would be obvious, but infinite planet theory still holds sway in classrooms and in the halls of power where policy is made. Last month, though, brought a significant development: the manager of a major hedge fund registered a carefully reasoned dissent from infinite planet theory. And in doing so, Jeremy Grantham offered a glimpse of how and why steady state economic theory will ultimately come to prevail.

[Kurt Cobb: Would vested interests starve the world?](#)

In his latest book entitled *Bottleneck* sociologist and ecologist William Catton Jr. explains in detail why he believes human society is destined for a major dieoff, a "bottleneck" from which few survivors will emerge.

One cause, he says, is an array of vested interests who manipulate the media and the power structure, oblivious to the consequences of their actions. Many would say that this is business-as-usual. After all, what do we expect when governments are thoroughly dominated by the industries they are supposed to regulate? As a result, we may say, a few more people will be maimed or killed or maybe just ripped off than would otherwise be the case. But, would such interests be so crazy as to persist in their manipulations when faced with compelling evidence that suggests their actions could result in widespread starvation?

[Second-Largest U.S. Refinery Threatened as Mississippi Floods In Louisiana](#)

Nine of the 125 gates at Louisiana's Morganza floodway opened yesterday, allowing the muddy Mississippi River to pour into the Atchafalaya River basin as part of the Army Corps of Engineers strategy to save Baton Rouge and New Orleans.

...Alon USA Energy Inc. (ALJ)'s refinery in Krotz Springs is threatened by rising spillway waters. The 83,000-barrel-a-day refinery is within a zone that is under a mandatory evacuation order, St. Landry's Parish spokeswoman Francine Sias said. Alon spokesman Blake Lewis said the parish had granted the company an extension. A temporary levee is being constructed by employees to protect the facility and 243 nearby homes.

[Oil falls near \\$98 as traders eye US crude demand](#)

SINGAPORE – Oil prices fell to near \$98 a barrel Monday in Asia amid investor concern soaring U.S. fuel costs are undermining crude consumption.

[Rising oil prices to fuel expansion of Saudi Arabia's economy](#)

RIYADH // Saudi Arabia's economy will expand 5.3 per cent this year, powered by higher oil prices and more government spending in the Arab world's largest economy, National Commercial Bank said.

[Think Commodity Prices Are High Now? Just Wait](#)

I just returned from a conference with some of the world's leading money managers, and one theme was clear: there has been massive underinvestment in the global supply

chain of industrial metals and raw materials. This is less about oil and gas than about things like copper, iron ore, palladium, titanium, zinc, rhodium, and a host of other “iums” that are the essential, irreplaceable inputs for the industrial world that we all inhabit and that billions are on their way to inhabiting. Simply put there is yawning gulf between demand and supply, and it cannot be narrowed in the coming decade be bridged by technology or spending.

[The New Silk Road is slowly becoming a two-way street for Emirates](#)

China's insatiable appetite for energy continues to mean brisk business with the Middle East's oil suppliers.

The dragon economy imported 21 million tonnes of crude in the first two months of this year, an increase of nearly 30 per cent on the same period last year.

In the other direction, there is plenty of evidence of China's growing footprint in the Gulf, including the UAE. China Railway Construction recently secured a US\$1.8 billion (Dh6.61bn) contract to build a light railway system in Saudi Arabia.

[Biggest Gasoline Price Rise in Three Years in India May Fuel Inflation](#)

India's move to increase gasoline prices by the most in three years may accelerate what is already the fastest inflation rate among Asia's major economies, damping demand for the nation's assets.

[CPI-M fears diesel pricing mechanism will be deregulated](#)

New Delhi (PTI) Accusing the Centre of not listening to its demands for price and tax structuring of petroleum products, CPI(M) today feared the pricing mechanism of diesel will also be deregulated resulting in a hike in its prices.

Party General Secretary Prakash Karat said his party and the Left had many times demanded that price and tax structure of petroleum products be regulated and warned against deregulating petrol prices.

[Iran president takes over oil ministry temporarily](#)

TEHRAN (AFP) – Iranian President Mahmoud Ahmadinejad said he has temporarily assumed the duties of the oil ministry, as the oil cartel OPEC prepares for a biannual meeting in Vienna.

"For now, I myself am the caretaker of the oil ministry," Ahmadinejad said in a televised speech late Sunday, without elaborating.

[BP in last-minute bid to salvage Rosneft deal: report](#)

MOSCOW (AFP) – BP is in last-minute negotiations to buy out its Russian partners in the TNK-BP joint venture and thus rescue its Arctic exploration deal with Rosneft, the Wall Street Journal reported on Monday.

The report came as Russia's state-held Rosneft faced a deadline of Monday to either accept or reject the revised terms of its \$16 billion (11.4-billion-euro) strategic alliance with the British energy firm.

[Kerry presents U.S. demands to Pakistan](#)

ISLAMABAD (AP) — Sen. John Kerry gave Pakistan's army chief a list of "specific demands" relating to American suspicions about Pakistan's harboring of militants ahead of meetings Monday that could shape a partnership dangerously strained by the raid that killed Osama bin Laden, a Pakistani official said.

[Gunmen kill Saudi diplomat in Pakistan](#)

KARACHI (AP) — Gunmen on a motorbike shot and killed a Saudi diplomat as he was driving in Pakistan's largest city on Monday, just days after two hand grenades were tossed at the Arab state's consulate building, police in Karachi said.

The motive for the attack was not clear, but it comes against a backdrop of tensions between Islam's Sunni and Shiite branches, both in the Middle East and in Pakistan.

[Experts note differences in U.S. approach in Syria, Libya](#)

Some foreign policy experts say the White House is conflicted over Syria not because it is any less violent than Libya but because it is critical to Obama's attempt to end Iran's nuclear program and to promote Arab-Israeli peace. They say Obama's State Department wants Syria, which is Iran's greatest ally in the region, to persuade Iran's leaders to end its nuclear program and its support of anti-Israeli terrorism and if not, end its alliance with Iran.

[Official: Libyan oil won't flow until war is over](#)

BENGHAZI, Libya — Libya's biggest oil company will not resume production until the war ends, and that probably holds good for producers across the country, the firm's information director told The Associated Press on Sunday.

Abdeljalil Mohamed Mayuf said that the Arab Gulf Oil Co., responsible for more than a quarter of Libya's former production of 1.6 million barrels a day, stopped pumping for fear of further attacks by the forces of embattled leader Moammar Gadhafi.

"Everything depends on security. We can produce tomorrow but our fields would be attacked," Mayuf said in an interview. "We cannot put an army around each field. We are not a military company and the forces of Gadhafi are everywhere."

[Israel-Palestinian violence erupts on three borders](#)

(Reuters) - Violence erupted on Israel's borders with Syria, Lebanon and Gaza on Sunday, leaving at least eight dead and dozens wounded, as Palestinians marked what they term "the catastrophe" of Israel's founding in 1948.

Israeli troops shot at protesters in three separate locations to prevent crowds from crossing Israeli frontier lines in the deadliest such confrontation in years.

[U.S. appoints first Turkmenistan envoy in 5 years](#)

(Reuters) - The United States has appointed its first ambassador to Turkmenistan in five years, the U.S. Embassy said on Monday, boosting ties with the reclusive Central Asian state as its companies pursue lucrative oil and gas deals.

[Fujairah's oil problem more than skin deep](#)

FUJAIRAH // The Miramar hotel on the northern coast provides towels soaked in a cleanser so guests can scrub off the tar clinging to their skin after a dip in the sea.

The sticky substance is thought to come from the oil tankers that navigate nearby waters, bringing wealth to the emirate's industrial zone but plaguing those who live there and make a living from tourism.

[Our view: Don't close tax loopholes for just Big Oil](#)

Earlier this spring, Republicans indulged in their own game of Trivial Pursuit, cutting some minor agencies, such as public broadcasting, that weren't contributing much to the deficit but which they didn't much like. Now Democrats are saying, in effect, two can play at that game. They are trying to force Republicans to take the side of an industry about as popular as the flu. With gasoline at \$4 a gallon, it's an easy target.

But the initiative is also government at its arbitrary worst, further complicating the tax code by singling out five companies — ExxonMobil, Chevron, ConocoPhillips, Shell and BP — for special taxes not paid by smaller energy concerns, or by similar companies in other industries.

[Another view: End welfare for Big Oil](#)

Big, profitable companies do not need handouts from the government to expand their business. It would be one thing if they were using the subsidies to expand production, helping to lower prices at the pump.

But production levels are at an all-time high, and Big Oil companies have testified before Congress that they do not need incentives for oil exploration. Even when oil prices per barrel were much lower years ago, oil executives said they didn't need the incentives. Jim Mulva, the same CEO with the warped view of what it means to be American, testified, "With respect to oil and gas exploration and production, we do not need incentives."

[Glencore could dynamite the commodity boom](#)

The west struck a Faustian bargain with China in the 1990s and early 2000s. Manufacturing jobs would be outsourced to east Asia in exchange for cheap goods coming in the other direction. That was bad for western production workers, good for consumers.

Now it transpires China's growth miracle is not especially good for western consumers either. The rise in global commodity prices stimulated by China's overheating economy is making fuel, food and industrial goods dearer, thus squeezing living standards.

[Some dealers get more than sticker price for Toyota Prius](#)

The best-selling hybrid, the Toyota Prius, is in such demand that its average sales price is higher than its original price, say two new surveys. But unlike two years ago, when high gas prices drove out-sized demand for high-mpg car, this time publicity about possible supply shortages this summer because of Japan's disaster also is bringing in buyers.

[Auto experts debate carbon fibre's future](#)

Carbon fibre producers are striving towards 60-65,000 tonnes per year of worldwide production capacity by 2015 and automotive CFRP use could account for 4-6,000 tonnes annually by then, Jäger said. He explained: "It takes a while to get into the car development process. So 10% use in automotive by 2015 would be a lot."

But as "peak oil" has arrived, he wondered "how do we get away from an oil base for carbon fibres in future, as 2kg of plastic pre-cursor is needed for 1kg of carbon fibre?"

Deinzer said: "We are not yet ready at Audi for large series production, as a lot of development is needed."

[Drivers face more toll increases](#)

Drivers are facing higher tolls this year to pay for road maintenance and improvement projects that are in some cases being hampered by state budget shortfalls and declining gas tax revenue, officials say.

[New Jersey an unlikely leader in solar energy](#)

MONTCLAIR, New Jersey (Reuters) – New Jersey, home to more industrial waste clean-up sites than any other state, is poised to become an exemplar of solar power usage -- though not everyone is happy about it.

Yet the combination of a strict state mandate and a generous carbon offset program has made New Jersey -- where only three in eight days are sunny -- the second-largest U.S. producer of solar power, after California, where more than half the days are sunny.

[Solar May Equal Cost of Producing Coal Power by 2017 in India, KPMG Says](#)

India, Asia's third-largest energy consumer, may be able to produce electricity from the sun as cheaply as from coal and other fossil fuel-based power plants by 2017, according to KPMG LLP.

India may install three times as much solar capacity as the government intends by 2022 if sun-powered electricity is able to match the cost of conventional power, a point referred to as grid parity, said KPMG's Executive Director Santosh Kamath, lead author of a solar report to be released this week.

[Hydropower's Resurgence and the Controversy Around It](#)

In Chile last week, demonstrators protested against a government plan to dam two rivers that wind through a wild, remote part of Patagonia. Last month, officials from Southeast Asian countries failed to reach an agreement about a proposed dam project on the Mekong River in Laos, amid concerns from Vietnam, Cambodia and Thailand about downstream implications.

An additional environmental issue — one that has caused mounting concern in recent years — is climate change. Changes in rain or snowfall patterns can drastically affect the amount of power a dam produces and also the amount of sediment flowing through the river.

[Market conditions blamed for plant shutdown](#)

Europe's largest wheat bioethanol plant is to shut down temporarily from the end of

May due to "unfavourable market conditions".

[Coming to a Cornfield Near You: Genetically Induced Drought-Resistance](#)

Climate change has yet to diminish crop yields in the U.S. corn belt but scientists expect drought to become more common due to global warming in coming years. That could impact everything from the price of food to the price of fuel planet-wide. As a result, for the last several years agribusiness giants like Monsanto, Pioneer and Syngenta have been pursuing genetic modification to enable the corn plant to thrive even without enough rain. And now the U.S. Department of Agriculture (USDA) is considering approving a new corn hybrid genetically engineered to thrive with less water—the first time such a corn strain would be available.

[Peak Oil: A Chance to Change the World](#)

For advice about life after graduation, students at Worcester Polytechnic wanted to hear from peak oil scholar Richard Heinberg instead of Exxon's CEO. Here's what he told them.

[The Revolution Will Not be Bought](#)

Generally speaking we work to consume. Sure, we work to feed, clothe, and provide shelter for our families and ourselves, yes. I do not mean to diminish the importance of providing for our needs. The point rather is that we fulfill these needs, and many *desires* that we frame as needs, through channels of consumerism. This way of life is killing our planet and is damaging our collective physical and mental well-being.

In order to address these problems we have to take steps away from a life of consumerism. This requires adjusting our expectations about the speed and ease with which we should be able to acquire things, and the labor required to fulfill our needs and to solve the problems of our everyday lives. For many this might seem impossible, or at least, quite the nuisance. But I believe that change is possible for all of us, and that small steps lay the groundwork to significant change.

[Climate study gets pulled after charges of plagiarism](#)

Evidence of plagiarism and complaints about the peer-review process have led a statistics journal to retract a federally funded study that condemned scientific support for global warming.

[Britain Should Scrap Electricity Plans, Curb Utility Dominance, Panel Says](#)

Britain should scrap proposed legislative changes to the electricity market and reduce the power of the six biggest energy companies in order to spur low- carbon investment,

according to a panel of lawmakers.

[U.K. Manufacturers Say Climate Goals Will Damage Industry, Competitiveness](#)

Britain's plans to cut greenhouse gas output in half by 2027 risk damaging the country's competitiveness, crimping growth and curbing investment, a lobby group representing 6,000 companies said.

[Vital Arctic cooperation](#)

The rapid melting of the polar ice cap has pushed a host of difficult issues to the forefront. Canada and its seven partners on the Arctic Council made progress on two of them last week.

[Warming Arctic opens way to competition for resources](#)

NUUK, Greenland — Here, just south of the Arctic Circle, where the sea ice is vanishing like dew on a July morning, the temperature isn't the only thing that's heating up.

Across the region, a warming Arctic is opening up new competition for resources that until recently were out of reach, protected under a thick layer of ice. As glaciers defrost and ice floes diminish, the North is being viewed as a source of not only great wealth but also conflict, diplomats and policy experts say.



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