



Drumbeat: June 8, 2011

Posted by [Leanan](#) on June 8, 2011 - 10:55am

[The world gets back to burning](#)

NOT since 1973 has world energy use increased by as much, in percentage terms, as it did in 2010. According to BP's annual Statistical Review of World Energy, published today, 2010's energy consumption was up by 5.6% on the year before. In part this is thanks to recovery from the economic crisis; in part it is down to the longer-term shift in economic activity towards emerging economies, which are less efficient in their energy use.

Robust growth was seen in all regions and in almost all types of energy use: the world consumed more of every main fuel bar one than it had in any previous year. Consumption of oil, which accounts for 34% of the world's primary energy by BP's calculations, rose by 3.1%. Coal, at 30% the number two fuel, was up by 7.6%, growing faster than at any time since 2003. Consumption of gas, which contributes 24%, was up by 7.4%, the biggest annual growth since 1984.

[U.S. recovery, rest in peace](#)

The recovery is over.

So says UCLA economist Ed Leamer. He notes that May brought the first year-over-year decline in the Pulse of Commerce Index of domestic diesel fuel use since the end of 2009 – the latest yellow flag to be raised over the sputtering U.S. economy.

[Aramco Speeds Up Manifa Oil Field Project to Feed Refineries](#)

Saudi Aramco, the world's largest oil exporter, is accelerating by a decade plans to boost production capacity at its Manifa oil field development to pump the heavy crude needed to feed three planned refineries.

[Analysis: Manifa project being fast-tracked. Why?](#)

The Safaniya project is in many ways part of Saudi Aramco's ongoing efforts to maintain production capacity and manage decline, but its first phase gives a somewhat fast-tracked appearance, indicating that much of its decline compensation work might come

from this field—and a host of other ongoing projects—further underlining the shift of Manifa from compensatory development to a capacity raiser.

[Petrobras To Produce 6 Million Barrels A Day Of Oil By 2020 - CEO](#)

RIO DE JANEIRO -(Dow Jones)- Brazilian federal oil company Petroleo Brasileiro SA expects to nearly triple crude oil production this decade as it develops recently discovered offshore oil fields, Chief Executive Jose Sergio Gabrielli said Wednesday.

[OPEC Meeting in Shambles as Iran and Venezuela Push Their Agendas](#)

Saudi Arabia's more-or-less stable hand guiding OPEC was yanked from the tiller at the oil producers' meeting today in Vienna.

[Markey says US must prepare oil reserve after OPEC](#)

(Reuters) - U.S. Representative Edward Markey, a key Democrat, said the United States must prepare to use national emergency oil reserves after the Organization of the Petroleum Exporting Countries decided on Wednesday to not boost crude production.

[Who has time to worry about OPEC?](#)

We are getting a jump in oil prices this morning after OPEC's announced decision to punt on Saudi's proposed increase in production, and keep output where it is. Traders are engaging in opportunistic buying. This should last for a day or two until the reality of an oil glut settles in again, along with the multitude of other factors influencing prices.

[Oil's not well: are we reaching the breaking point in the sector?](#)

Something's gotta give during this week's OPEC meeting as GCC favours increased production even as global demand falters. Could this stalemate be causing the absence of petrol in the UAE?

[Gaddafi sells oil on black market - defecting minister](#)

GENEVA (Reuters) - Libya's defecting labour minister was reported on Wednesday as saying the Libyan government is selling oil on the black market as Muammar Gaddafi struggles to hold onto power.

[Facts take a hit in debate over Keystone pipeline](#)

As the deadline for comment to the U.S. State Department on TransCanada's proposed Keystone XL pipeline loomed, prominent environmentalist Bill McKibben and NASA climate scientist James Hansen each voiced calls for the Obama Administration to turn down TransCanada's request for approval to build the pipeline. As has become the norm, their objections were supported by over-estimates of the greenhouse gas implications of oil sands development.

[A note on Hubbert's hypotheses and techniques](#)

This note aims at exploring the scientific foundations and therefore the scope of validity of these forecasting techniques. Looking at the basic assumptions of Hubbert's thesis, it concludes that these techniques should not be used to forecast neither the peak (or plateau) of the annual production rate, nor the ultimate reserves of any mineral, unless given exceptional conditions.

[ASPO-USA asks: "What are we missing?" - Part 3](#)

Even land-locked oil prices like West Texas Intermediate barely dipped below \$100 per barrel. And Brent, the world oil price, never made it below the triple digit price threshold.

How the goals posts have moved. Five years ago, those prices would have been all time highs. Last week, they generated headlines of plunging oil prices.

What hasn't changed however is the intrinsic relationship between oil and economic growth. Ratchet down expectations for economic growth and quite naturally you lower expectations for future oil prices.

But that's only because without burning more oil, there is no economic growth."

[Slowing down for resilience](#)

According to the Slow Living Summit's website, the goal of the summit was for participants to engage in "an intensive exploration of ways to build healthy, thriving local economies while encouraging, mentoring and supporting a new generation of activists, entrepreneurs and engaged citizens."

[Jeff Rubin - Forget OPEC: Russia is key](#)

OPEC production remains well below its level prior to the Libyan civil war, and what ever modest increase its kingpin producer, Saudi Arabia, can muster will be more than consumed by that country's own soaring demand for power from air conditioners in the approaching peak power summer season.

...Russia, the one country actually capable of producing 10 million barrels a day, isn't even at the table at the OPEC meeting. And it's been Russia that has been adding the

most to world exports over the better part of the last decade as OPEC exports have faltered.

[OPEC inching toward deal to raise oil output](#)

VIENNA (Reuters) – OPEC producers worked at a deal on Wednesday to raise oil supplies for the first time in four years to support the fragile world economy.

Under pressure from consumer countries to contain fuel inflation, Saudi Arabia hopes to convince the Organization of Petroleum Exporting Countries to lift production by as much as 1.5 million barrels a day, Gulf delegates said.

[OPEC unexpectedly decides to keep output unchanged](#)

VIENNA — OPEC says it has decided to maintain output levels, with the option of meeting within the next three months for a possible production hike.

The decision is unexpected and reflects unusual tensions in an organization that usually works by consensus.

[OPEC's Oil Production Game: What to Watch Out For](#)

With the stupendous economic growth in Asia showing little sign of abating, who is going to supply us with the extra fuel we need? Who is the swing producer? Who has the largest global reserves? Yep, you guessed it. Saudi Arabia is holding a full house.

[Libyan delegate arrives at Opec meeting](#)

The arrival of Libya's Opec delegate adds uncertainty into the group's already difficult negotiations.

[Iraq is willing to jump over \\$100 psychological barrier](#)

VIENNA // Consumers balk at oil prices above the psychological barrier of US\$100 a barrel, and the world's top crude exporter, Saudi Arabia, declares its ideal price lies below that. Not so Iraq.

Between \$100 and \$120 is just dandy, according to the country's oil minister Abdul Kareem Luaiby. It is easy to see why, given the \$7 billion (Dh25.71bn) Iraq says it took in from oil exports last month alone. "The current price is not too high," he said. "There are many economists worldwide who suggest that the current level does not hurt the world economy."

[Motorists face charges in Belarus following protest against high gas prices](#)

MINSK, Belarus - Belarus has begun fining people who took part in a protest against rising gasoline prices that paralyzed traffic in the capital.

Thousands of motorists took part in Tuesday's action, and some parked in the middle of Minsk's main avenue.

[Oil price soars after OPEC talks yield no agreement](#)

The price of oil soared almost \$2 to near \$101 a barrel Wednesday after OPEC ministers meeting in Vienna came to no consensus on a decision about oil policy.

OPEC talks broke down without an agreement to raise output after Saudi Arabia failed to convince the cartel to lift production.

[How rising gas prices affect consumer decisions](#)

Economists are divided on where gas prices will go by the end of summer. While some believe gas prices will climb to \$5 per gallon by summer's end, others believe prices may stabilize. Regardless of what actually happens to gas prices, already-pained consumers may respond the same way to higher prices or just the threat of \$5 gas. Either way, gas prices are affecting consumer decisions.

[Oil and Natural Gas: Why Has This Historical Correlation Recently Broken Down?](#)

The prices of oil and natural gas have always been historically correlated, as the two resources are substitutes for each other. However, this relationship seems to have broken down recently. Why is this and how should investors react? I will offer several possibilities below.

[Qatar's Golden Age](#)

The world could be entering a "golden age of gas," according to the IEA in a recent report, with Qatar at the forefront of these developments.

[World oil reserves rise in 2010 - BP](#)

(Reuters) - World oil reserves increased again last year as the global oil found more new oil than it used, BP said on Wednesday.

BP said in its annual Statistical Review of World Energy that global proven oil reserves rose by 6 billion barrels to 1.383 trillion barrels at the end of 2010.

[Burbank Contrarian Bets on Saudis Show Why Oil Reality Helps Return 23.6%](#)

The Saudi monarchy's decision to roll tanks into neighboring Bahrain to help quell an uprising -- as well as the rebellions in Libya and Syria -- may give some investors pause. Not Burbank, a hedge-fund manager who made his name by earning a 220 percent net return in 2007 after shorting subprime mortgages.

He sees little chance that the Saudi regime will be overthrown or that crude prices will collapse. As the insular kingdom opens up to foreign investors -- it didn't permit outsiders to buy Saudi stocks until 2008 -- Burbank says now is the time to plow into the country's petroleum-rich economy.

[Project Mthombo not necessary, say experts](#)

FOR a project that is supposed to be commissioned in 2015, not a lot is said about PetroSA's ambitious oil refinery project known as Project Mthombo.

It remains unclear what will be the size of the mooted refinery, to be situated in the Coega Industrial Development Zone outside Port Elizabeth.

[Bubbling crude: America's top 6 oil-producing states](#)

Crude oil production from the United States averaged approximately 5.48 million barrels per day in January 2011, much less than the country consumes. The bulk of this domestic production comes from just a handful of states where the oil and gas industry has been operating for generations. Here are the six states that produce the greatest amount of crude oil.

[EPA objects to proposed oil pipeline from Canada](#)

The Environmental Protection Agency is raising new objections to a proposed pipeline that would carry oil from western Canada to the Texas Gulf Coast.

In a letter to the State Department, the EPA said it remains concerned about the risk of oil spills that could affect drinking water and sensitive ecosystems, as well as the effect of greenhouse gas emissions associated with the \$7 billion Keystone XL pipeline.

[Officials: Tribesmen control parts of Yemeni city](#)

SANAA, Yemen (AP) — Hundreds of armed tribesmen have taken control of part of Yemen's second-largest city, Taiz, security officials said Wednesday.

[China moves to secure food and fuel future](#)

China is a resource scarce country, in spite of its huge size, and they are fanning out worldwide to secure for themselves whatever resources they possibly can against a future where the world is going to be poor on resources. They're after energy, they're after food, they're after mineral resources, it's happening in all areas.

[Gail Tverberg: Observations based on my Trip to China](#)

The various Chinese leaders spoke in response to what I had to say. I was struck by how much they sounded like US leaders. To them, peak oil was not a major concern, although one of them did agree that some of what I was saying seemed to make sense. One thought that natural gas would save the day. Climate change seemed to be a bigger concern than peak oil. At least one of them seemed to think that by raising interest rates, they could solve the problem of rising food and energy prices. It occurred to me that the United States tried the higher-interest rate approach back in the 2004-2006 period, and those higher rates contributed to the 2006 and subsequent crash in home prices, but I didn't think to mention it at the time.

[US: China ends wind power subsidy program](#)

The U.S. says China has ended certain subsidies to Chinese wind turbine manufacturers after Washington filed a case to the World Trade Organization.

[A Hybrid Power Plant Takes Shape in Turkey](#)

Solar and wind power will supplement natural gas at optimal points during the day at the plant, which will be built in Karaman, Turkey.

[Masdar City's Solar Power Plant Is Net Exporter Of Energy To UAE](#)

The largest photovoltaic (PV) plant in the MENA region located in Masdar City has hit all performance targets in the first two years of its operations, demonstrating that utility-scale PV plants in the region are viable, Masdar said today.

[From a Special-Ed Class, Solar Evangelists](#)

A group of autistic students at a California high school are happily proselytizing for solar power in local elementary schools.

[Calling for 'Achievable' Target, Christie Plans Cut in State's Renewable Energy Goals](#)

Gov. Chris Christie said Tuesday that he planned to scale back New Jersey's goals for renewable energy as he looked for an "achievable" approach to generating electricity in the state.

[Poor countries pledging larger emissions cuts than rich ones](#)

A new study for Oxfam reveals that developing countries are pledging to cut their emissions of greenhouse gases by more than developed countries. Oxfam estimates that over 60 per cent of emissions cuts by 2020 are likely to be made by developing countries.

[Law would force bay Area cities to plan for sea level rise](#)

Bay Area cities and counties whose jurisdictions contain the San Francisco and Oakland airports and the ports of Oakland and Redwood City would be required to prepare action plans to deal with rising sea levels under a trailblazing bill passed by the state Assembly last week.

The bill would require roughly 75 cities, counties, harbor districts, ports and sanitary districts that administer state-granted coastal public lands to have a plan in place by 2013 to contend with storm surges and flooding expected to result from rising sea levels by the end of the century. Besides airports and ports, it would apply to commercial harbors, wastewater treatment plants and protected tideland areas.



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