



Drumbeat: July 16, 2011

Posted by [Leanan](#) on July 16, 2011 - 10:53am

[Analysis: Japan power sector oil demand may triple](#)

(Reuters) - Japan's demand for crude and oil products to fuel power plants could triple if the country shuts all its nuclear reactors due to growing public safety concerns after the March earthquake and tsunami.

The country's energy policy was left in tatters after the quake caused by the worst nuclear accident in 25 years. Japan had planned to increase nuclear power supply to meet 50 percent of demand, from 30 percent before the quake. Now, Prime Minister Naoto Kan is talking about a nuclear-free future.

The world's third-largest oil consumer may need to import an additional 350,000 barrels per day (bpd) of crude and fuels to make up for the loss, according to Morgan Stanley. That would be 8 percent of Japan's total oil consumption, straining a market already struggling to compensate for the loss of production from Libya and trading over \$100 a barrel. It may need an extra 20 million tonnes of LNG, equivalent to a third of annual demand.

[Mexico's Pemex closes 80 oil wells due to heavy rain](#)

MEXICO CITY (Reuters) - Mexico's state oil monopoly Pemex on Friday closed 80 oil wells in the north eastern state of Tamaulipas as a precautionary measure in an area that has received heavy rain.

Pemex did not say how long it expects the closures to remain in place, or to what extent production would be affected.

[Iraq key oil player 'for next 20 years': Shahrastani](#)

Iraq will be the key player in international oil politics over the next two decades, the country's top government official for the energy sector said on Saturday.

"If we continue along the path we are on, Iraq will over the next two decades be the country that sets oil policy in the world in terms of price, supply and demand," Deputy Prime Minister Hussein al-Shahrastani said at a conference of Iraqi diplomats in Baghdad.

[Iraq May Increase Proven Crude Reserves by 21% With Kurdish Oil](#)

Iraq may raise its proven oil reserves by 21 percent after adding those from the semi-autonomous Kurdish region, Hussain al-Shahristani, deputy prime minister for energy affairs, said today.

Iraq's oil reserves may increase to 173 barrels by adding 30 billion barrels of Kurdish oil, al-Shahristani said in a speech to ambassadors at the Foreign Ministry in Baghdad. The country's crude production capacity will rise to 12 million barrels a day by 2017, he said.

[Energy crisis threatens to derail Pakistan's growth](#)

Pakistan has a serious electricity problem. Ask Mohammed Yasin, who sells sugarcane juice from a small, rented shop in Karachi's Neelum Colony.

For months, his business has been suffering because of unplanned power outages, often lasting eight to ten hours.

"I got fed up and finally had to buy this run-down diesel generator," he says pointing to the noisy equipment that is helping turn the wheel of his cane-crushing machine.

[Karachi violence brings business wheel to halt](#)

KARACHI: Business life in Karachi, parts of Hyderabad and other cities of Sindh came to a standstill on Thursday amidst sporadic violence, protests and mounting tension between the two former allies ñ the Pakistan Peoples' Party and the Muttahida Qaumi Movement (MQM), industrialists and business leaders said.

All the major markets remained closed in the commercial hub of Karachi where many industries and businesses were also shuttered as staff stayed away from work due to poor law and order situation.

[Has Obama Pushed Pakistan Toward Iran?](#)

The Iranian government did not wait long.

Two days after the announcement that the U.S. will be withholding more than one third of its annual \$2 billion in aid to Pakistan's military, the state-controlled Tehran Times reported that Iran's Interior Minister Mostafa Mohammad Najjar will be visiting Pakistan. The newly announced visit is scheduled to take place at the end of next week.

[Chinese mega projects in Pakistan](#)

China has played a significant role in the economic progress of Pakistan ever since the establishment of diplomatic ties between them. The first major initiative in this regard was the setting up of Heavy Mechanical Complex at Taxila; a project of immense importance that nudged the process of industrial development in Pakistan and continues to contribute to the overall progress of the country in a big way. The construction of KKH Highway, termed as the eighth wonder of the world not only laid the foundation for an infallible and eternal friendship between the two neighbours but also generated tremendous economic activity in Gilgit-Baltistan besides boosting trade between the two countries.

[Utilization Rebounding In GOM](#)

While on the mend, Gulf of Mexico offshore drilling activities, are below levels experienced prior to last year's blowout. Specifically, combined utilization for drillships, semisubs, and jackups is approximately 300 basis points off pace, averaging 57% in 2Q11 versus 60% for the region during 1Q10.

[Saci Lloyd: 'It's not squids in outer space'](#)

"I never want to be a preacher-writer," says teen author Saci Lloyd. It's not hard to see why the accusation might crop up. Her current novel, Momentum, is a fast-paced thriller set in a post-oil age of energy crises and police crackdowns on freedom. It follows two novels, The Carbon Diaries 2015 and 2017, which tackle carbon rationing and environmental meltdown through the eyes of a teenage girl and her family.

[Watching the clock](#)

Each July, World Population Day is celebrated. This year, the day brings more significance. According to the United Nations, the world's population will hit 7 billion this year. In fact, the U. S. Census world population clock estimated the world population to be 6,948,702,619 as I wrote this column. Even though the growth rate is declining, the population continues to rise.

['Ice Wars' heating up the Arctic](#)

The recession of the sea ice and the reduction in permafrost -- combined with advances in technology -- have allowed access to oil, mineral and natural gas deposits that were previously trapped in the ice.

The abundance of these valuable resources and the opportunity to exploit them has created a gold rush-like scramble in the high north, with fierce competition to determine which countries have the right to access the riches of the Arctic.

This competition has brought in its wake a host of naval and military activities that the Arctic hasn't seen since the end of the Cold War.

[Oil climbing on expectations of tighter supply](#)

NEW YORK – There are a few certainties when it comes to predicting oil prices. One of them is that the world will use more oil in coming years.

The question, analysts say, is whether major oil producers like Saudi Arabia, Canada, Venezuela and others, will be able to meet the demand.

[Speculators raise US oil, product net longs-CFTC](#)

NEW YORK (Reuters) - Hedge funds and other large speculators raised their net long U.S. crude futures and options positions slightly in the week to July 12, the Commodity Futures Trading Commission said on Friday.

The speculator group upped its net long futures and options position in New York by 3,342 to 168,833 during the period, an increase of 2 percent when NYMEX front-month crude prices CLC1 rose from \$96.89 a barrel to \$97.43.

[Vietnam: Gasoline prices a one-way street for local consumers](#)

When the government decided in March that local petroleum prices will be adjusted in line with movements in world markets, consumers expected to pay more when global prices rose and pay less when they fell.

Now, it seems as though the pricing policy is a one-way street for end users.

[\\$1 gas price rise cuts SUV value 13%, ups 'econobox' 10%](#)

You don't realize it until it's time to trade or sell your used car, but depreciation is your single biggest auto expense. A lot of things affect how much your new vehicle's value drops, but its mileage rating is becoming a much bigger factor for some vehicle categories.

[Opposition fighters are losing battles – but winning the war](#)

While foreign countries were hailing Libya's rebel administration as the country's legitimate government, rebel fighters were showing their usual failings in combat as another much-heralded offensive in the east failed to capture the oil town of Brega.

Four months into Nato's campaign, Colonel Muammar Gaddafi controls about 22 per cent more territory than in the aftermath of the revolution in February. French and Italian ministers have said the time has come to stop bombing and begin talking. Britain insists that military pressure must continue.

[Syrian activists discuss ways to oust Assad](#)

BEIRUT (AP) — Syrian opposition figures said President Bashar Assad's autocratic regime has lost its legitimacy and urged him to step down at simultaneous meetings Saturday in Damascus and Turkey to discuss ways for a peaceful transition to democracy.

[Oil Companies Fail to Bolster Peace in Nigeria, Presidential Adviser Says](#)

Peace in Nigeria's main oil- producing area is threatened by the failure of companies to invest in improving residents' living standards, a special adviser to President Goodluck Jonathan said.

[U.K. Offshore Drilling Falls to Nine-Year Low, Deloitte Says](#)

Oil companies operating in the U.K. North Sea drilled 43 percent fewer wells in the first half, in part because of a tax increase, Deloitte Touche Tohmatsu said.

Operators drilled 20 exploration and appraisal wells in the period, down from 35 a year earlier, Deloitte said today in its North West Europe Review compiled by the consultant's Petroleum Services Group. That's the lowest rate since 2002.

[Chevron to pay \\$900K fine levied by Maine DEP](#)

Chevron Corp. will pay a \$900,000 fine to the state of Maine to settle claims that an estimated 140,000 gallons of oil leaked from an oil tank farm it owned into the Penobscot River decades ago, officials said Friday.

["In God We Trust; All Other, Bring Data!"](#)

When crucial information is misleading or absent, what is the meaning of democracy? Key indicators are now being hidden or massaged, for example, in the areas of fighter levels abroad, money supply, unemployment, and oil reserves. In this situation, how can we reach intelligent decisions about war, economic recovery, or energy use?

[PetroChina shuts refinery unit after fire -source](#)

(Reuters) - A PetroChina refinery in the northeast Chinese city of Dalian has shut down a unit that processes 8 million tonnes of crude per year after a fire broke out on Saturday afternoon, an industry source said.

[Exxon: Ruptured pipeline carried tar sands crude](#)

(Reuters) - Exxon Mobil said on Friday that a pipeline that failed two weeks ago, leaking oil into the Yellowstone River, routinely transported a heavier and more toxic form of crude than the company and federal regulators initially acknowledged.

[A dash for gas could lock in damaging mistakes](#)

The multi-party climate change committee's Clean Energy Future package has good bits and bad bits and improves somewhat on the old carbon pollution reduction scheme. We should get on with it. There's one big problem: will the carbon tax drive a big switch to coal seam gas for domestic electricity generation?

That's a big problem because (a) there is a high degree of uncertainty about the potential impacts of coal seam gas (CSG) mining on Australia's groundwater and food security, and (b) it is far from clear whether extraction of CSG and other unconventional sources such as shale gas offer much, if any, reduction in greenhouse gas emissions over coal once leaks and other fugitive emissions, and the latest science on the warming potential of methane, are factored in.

[Workers toil under intense heat at crippled nuclear plant](#)

Workers are struggling under intense heat at the crippled Fukushima Daiichi nuclear power plant with as many as 31 people having fallen sick complaining of apparent symptoms of heat stroke, according to Tokyo Electric Power Co. While the utility, which operates the plant, has taken steps to ease labor conditions such as shifting work hours, they are apparently not enough. Sweat begins to build up inside masks, for instance, within seconds of them being donned.

[Glitch shuts Japan reactor, no radiation leak](#)

(Reuters) - Japan's Kansai Electric Power Co said on Saturday it planned to manually shut down the No.1 reactor at its Ohi nuclear power plant in western Japan due to technical glitches, but that no radiation leakage had occurred.

[Panasonic May Build Energy-Saving Homes on Ex-Factory Sites After Quakes](#)

Panasonic Corp. (6752) may build homes in Japan with power-saving devices on sites of factories it closed as the appliance maker looks to tap demand for energy-efficient

products after the March 11 earthquake.

Homes in so-called smart towns, where Panasonic plans to sell to consumers directly, may include solar panels, energy- efficient refrigerators and rechargeable batteries, Teruhisa Noro, a director for Panasonic's systems and equipment business promotion division, said in an interview yesterday.

[Eco-Money: China takes big risk with clean-car upgrades](#)

The Chinese government's drive to adopt electric cars is the biggest gamble in the auto industry's history.

China is to pump US\$1.5 billion (Dh5.5bn) into its electric-vehicle industry over the next 10 years to make the country a leading producer of clean cars.

[Map: Countries' actions and commitments on climate change](#)

The Smith School of at Oxford has rated each country's actions and commitments on climate change.



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