



Drumbeat: August 13, 2011

Posted by [Leanan](#) on August 13, 2011 - 7:56am

[The other side of the oil story](#)

What a difference five months make.

Five months ago, I was in Saudi Arabia, hoping to gain perspective on the global oil markets and whether the kingdom could maintain its role as the world's oil price cop.

Back then, the oil story was all about supply. That's all changed recently. Now, oil is a demand story — and it isn't a happy tale.

[Crude Oil Falls as U.S. Consumer Confidence Drops to Three-Decade Low](#)

Crude oil declined after a report showed confidence among U.S. consumers plunged in August to the lowest level in 31 years, signaling that economic growth may drop in the world's biggest oil-using country.

Oil fell 0.4 percent after the Thomson Reuters/University of Michigan preliminary index of consumer sentiment slumped to 54.9 from 63.7 the prior month. Futures rose as much as 1.9 percent earlier when the Commerce Department said retail spending increased 0.5 percent following a 0.3 percent gain in June that was larger than previously estimated.

[Drop in oil price could bring little relief at the pump](#)

Unlike in years past, when the price of oil and the price of gas moved closely in tandem, in 2011 the relationship between the two has been murkier. Oil prices have fallen precipitously, but District residents are still paying \$3.83 per gallon of regular gas on average — 22 cents above the national average and only 9 percent less than the District's all-time high of \$4.21, according to the American Automobile Association.

“What we've seen for the first time in recent memory is this disconnect between the price of crude and the price of gasoline. It's almost like it's moving in its own orbit,” said John Townsend, spokesman for AAA of Mid-Atlantic.

[Japan Buying Most Saudi Arabian Crude Oil, Ship Tracking Data Show](#)

Japan will get the biggest share of Saudi Arabian crude oil cargoes loaded in the week ended Aug. 6, according to ship-tracking data compiled by Bloomberg.

Tankers with a combined capacity of 1.49 million deadweight tons, or about 11 million barrels of crude, are sailing to Japan after loading at Ras Tanura, the world's largest oil-export terminal. Europe and the U.S. will get one tanker each, both of which can carry about 2.2 million barrels of oil, according to data captured by satellites and shore-based antennae.

[Basra is wary of the neighbors from Iran](#)

BASRA, Iraq — Iraq will supply the world with its last barrel of oil, according to local lore, and that barrel will come from Basra.

Sitting on an estimated 120 billion barrels of untapped crude, this southern province, tucked between Iran and Kuwait, is key to Iraq's economic future. But local residents and officials worry that they are lagging behind their next-door neighbors, whose infrastructure and oil-drilling capabilities are far more advanced.

[Iran reiterates threat to take gas project off China](#)

TEHRAN (Reuters) - Iran reiterated to China on Saturday it could take back control of a gas field being developed by its national oil company unless it speeds up investment, one week after the new Iranian oil minister said no foreign contractors were needed.

"Ultimatums will certainly be given to the China National Petroleum Corporation (CNPC) if the delays in developing the phase 11 of South Pars continues," Ahmad Qalebani, Head of National Iranian Oil Co.(NIOC) was quoted as saying by the semi-official Mehr news agency.

[Oil leak detected on North Sea platform](#)

A leak has been discovered on a North Sea oil platform owned by Royal Dutch Shell.

[Libyan rebels advance on Zawiyah](#)

(Reuters) - Rebels in western Libya advanced north to within 25 km (15 miles) of the coastal city of Zawiyah on Saturday after a six-hour battle with Libyan leader Muammar Gaddafi's forces.

[Brega battle takes toll on both sides in Libya](#)

BENGHAZI, Libya (Reuters) - At least 21 rebels and government soldiers were killed in fighting for the Libyan oil terminal of Brega over the past two days, hospital workers said on Saturday.

[Syrians flee as tanks enter Latakia: activist](#)

DAMASCUS — Armoured vehicles entered the port city of Latakia and a village near Lebanon Saturday, activists said, causing residents to flee as the West seeks ways to pressure Damascus to end the violence.

[Jeremy Grantham Foresees Oil Decline and Increases Oil Holdings](#)

In his most recent shareholder letter, Grantham discussed what he foresees as the future of oil. What he mainly anticipates is shortage and rising prices. "The transition from oil will give us serious and sustained problems. We passed peak oil per capita long ago and we are within 30 years, possibly within 10, of peak oil itself. The price will be volatile beyond our wildest dreams (or nightmares), and the price trend will rise, although at times this will be difficult to discern through the volatility."

[Mushrooms Join List of Radiation Threats to Japan's Food Chain](#)

(Bloomberg) -- Mushrooms are the latest addition to threats facing Japan's food chain from radiation spewed by Tokyo Electric Power Co.'s Fukushima Dai-Ichi nuclear plant.

[Japanese towns reconsider sea walls after deadly tsunami](#)

"I want everyone to tell their children, they must be better prepared," said Waita, 55, who moved his own house to higher ground 20 years ago after his parents warned of the area's frequent tsunamis. "If you feel an earthquake, don't wait for any announcement, just run to higher ground. I'm no scientist, but building a wall will always have limits," he said.

[Fieldpower Organics signposts the way to zero-carbon farming](#)

"I ain't no farmer", says Paul Sousek, "I had a long career in market research, but when I discovered Peak Oil in 2004 I decided to quit my job and invest my family savings in agricultural land." Paul, in his Cottage Farm in the west of England, is now a leading small-scale organic farmer, calling his brand Fieldpower Organics. He concentrates on zero-carbon farm practices. He decided to implement his own style of organic farming with near-zero use of fossil fuels, powered as much as possible by renewable energy, using local inputs and selling his produce locally, to try to create an example of a self-sufficient and resilient food supply.

[Film on Climate Refugees Strikes a Chord](#)

During the shooting of his 2010 documentary “Climate Refugees,” the Irish-American filmmaker Michael Nash visited nearly 50 countries in about 18 months, interviewing politicians, scientists, health workers and victims of floods, cyclones, hurricanes and droughts.

His conclusion was that short- and longer-term changes in climate are causing vast numbers of people to abandon their jobs, homes and countries to seek better lives elsewhere, or to simply survive.



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