



Drumbeat: September 5, 2011

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[Kuwait, Saudi Arabia boost oil output to ease prices](#)

KUWAIT CITY — OPEC members Saudi Arabia and Kuwait boosted their oil production in August to prevent prices from rising sharply and negatively impacting on the world economy, Kuwait's oil minister said Sunday.

"Had not a number of OPEC members, including Kuwait and Saudi Arabia, increased their oil production, prices would have jumped way above the current level," Mohammad al-Baseeri told the official KUNA news agency.

[Saudi Arabia ups Asia crude prices, cuts US](#)

Saudi Arabia has raised the price of its flagship Arab Light crude oil by 90 cents for customers in Asia, who buy more than half its crude exports, and cut prices for US buyers, Saudi Aramco said on Monday.

Saudi Aramco has set the Arab Light price for Asian buyers at Oman/Dubai plus \$1.65 per barrel for October, up from \$0.75 for September and \$1.35 for August.

[Oil shocks in a global perspective: are they really that bad?](#)

Using a comprehensive global dataset, we outline stylized facts characterizing relationships between crude oil prices and macroeconomic developments across the world. Approaching the data from several angles, we find that the impact of higher oil prices on oil-importing economies is generally small: a 25 percent increase in oil prices typically causes GDP to fall by about half of one percent or less. While cross-country differences in impact are found to depend mainly on the relative size of oil imports, we also show that oil price shocks are not always costly for oil-importing countries: although higher oil prices increase the import bill, there are partly offsetting increases in external receipts. We provide a small open economy model illustrating the main transmission channels of oil shocks, and show how the recycling of petrodollars may mitigate the impact.

[Ukraine cites \\$230 as 'fair' price for Russian gas](#)

Ukraine, which is looking to review gas contracts with Russia, would accept a price of \$230 per 1,000 cubic meters, Naftogaz Ukraine head Yevhen Bakulin said on Monday.

[BP May Send Workers Back To Gulf Platforms](#)

HOUSTON -- BP PLC said Monday it may start sending back workers Tuesday to several platforms it evacuated last week in the Gulf of Mexico ahead of what became Tropical Storm Lee.

[Shell says weather hampering U.S. Gulf restaffing](#)

(Reuters) - Royal Dutch Shell said on Monday that high winds and rough seas prevented the company from restaffing and restarting Gulf of Mexico operations south of Louisiana in the wake of Tropical Storm Lee.

[Chevron Begins Restarting Production At Some US Gulf Platforms](#)

HOUSTON--Chevron Corp. said Monday it has started sending workers back to some of the Gulf of Mexico platforms that were evacuated last week ahead of tropical storm Lee and that it was in the process of resuming production.

[BP boss Dudley says investors are "frustrated"](#)

LONDON (Reuters) - BP chief executive Bob Dudley told employees on Monday that investors' patience was wearing thin, as his turnaround failed to show rapid results and the oil giant continues to face headwinds.

Dudley wrote to employees, in an email obtained by Reuters, after a series of problems in recent weeks, including its Moscow offices being raided, its replacement by rival Exxon Mobil in a key Arctic venture, and incorrect reports the Macondo well in the Gulf of Mexico was leaking again.

[Pertamina in Tiaka restart after deadly riots](#)

Indonesian state oil firm Pertamina has resumed production at its Tiaka oilfield where violent protests caused the facility to be shut down for 13 days, Reuters has reported.

[Russia to start producing gas at Shtokman field from 2016](#)

CHEREPOVETS (RIA Novosti) Russia may start producing gas at the giant Shtokman offshore gas field in the Arctic from the fourth quarter of 2016, Prime Minister Vladimir Putin said on Monday.

[Putin Promises Airports Fuel](#)

Prime Minister Vladimir Putin will immediately sign a decree on the allocation of fuel from reserves to supply Moscow airports if needed, his press secretary Dmitry Peskov said.

"A government decision on the allocation of reserve fuel will be signed immediately" if necessary, Peskov said, Rossiiskaya Gazeta reported, citing Itar-Tass.

[Kampala charcoal prices soar](#)

"The energy sector is concentrating on fossil fuels and developing hydro-electric power, while the environment ministry is concentrating on planting trees for timber and not for wood fuel. So the energy crisis is not being addressed," said Diisi.

Over 90% of Ugandans depend on wood fuel, with the urban population using mainly charcoal and the rural areas relying on firewood, according to the latest report released by the Uganda Bureau of Statistics.

[Energy infrastructure of the post-carbon future](#)

In 2008, The New York Times reported 56% of the energy generated in the United States was wasted. In electricity generation, 66% was lost as heat out the smoke stacks of remote power plants and another ten percent lost during transmission. Of transportation energy, 71% was lost from heavy, idling vehicles and cars carrying only a driver. Meaning, in a time when fossil fuel resources are declining around the world, over half the 100 Quadrillion BTU's generated in the US consumed fuel without doing any work.

[A Point of View: The revolution of capitalism](#)

At the time nothing seemed more solid than the society on the margins of which Marx lived. A century and a half later we find ourselves in the world he anticipated, where everyone's life is experimental and provisional, and sudden ruin can happen at any time.

A tiny few have accumulated vast wealth but even that has an evanescent, almost ghostly quality. In Victorian times the seriously rich could afford to relax provided they were conservative in how they invested their money. When the heroes of Dickens' novels finally come into their inheritance, they do nothing forever after.

Today there is no haven of security. The gyrations of the market are such that no-one can know what will have value even a few years ahead.

[Noda Tells Wary Japanese That Atomic Power Needed to Save Nation's Economy](#)

Japan's new Prime Minister Yoshihiko Noda in his first days in office started to deliver a difficult message to a public still in shock from the Fukushima nuclear disaster: Atomic power is needed to save the economy.

Nuclear power provided about 30 percent of the electricity in the world's third biggest economy before the March 11 earthquake and tsunami. Now, about 80 percent of Japan's 54 reactors are offline with more shutting for scheduled maintenance in the months ahead.

[Iran's First Nuclear Power Plant Goes Into Operation](#)

TEHRAN (Reuters) — Iran's first nuclear power plant has finally begun to provide electricity to the national grid, official news media reported on Sunday, a long-delayed milestone in the nuclear ambitions of a country the West fears is covertly trying to develop atomic weapons.

The start-up will come as a relief to Tehran after many years of delays and false starts at the plant it hopes will show the world it has joined the nuclear club, despite sanctions imposed in an effort to curb its nuclear progress.

[Oil Prices Drop on Signs of Slowdown; Gulf Workers Return After Storm](#)

Oil declined for a second day in New York on speculation that slowing economic growth in the U.S. and China will crimp fuel consumption in the world's two biggest crude users.

Futures fell as much as 2 percent after a Chinese services index published today fell to a record low in August. A report tomorrow may say U.S. service industries grew at the slowest pace in more than a year. Crude also declined as Exxon Mobil Corp. and Royal Dutch Shell Plc returned workers to some oil and natural gas platforms after Tropical Depression Lee moved out of the Gulf of Mexico. London-traded Brent widened its premium to U.S. prices for a second day.

[Charter rates driving oil tanker groups bankrupt](#)

Larger oil tanker operators are likely to face insolvency as oversupply continues to weigh on the industry, according to senior figures.

The oil tanker charter industry is currently facing a slump in rates due to over-supply of vessels, with charter rates per day dropping way below the operating expenses.

[Supertanker owners stand to benefit in scramble to fill oil gap](#)

The Syrian oil embargo is good news for supertankers, the massive vessels that carry 2 million barrels of oil at a time.

[Syria's energy sector](#)

The impact of any disruption of Syrian oil exports on global supplies would be small compared with the loss of more than 1.3 million bpd of oil and 956 million cubic feet (mmcf) a day of gas exported by Libya until early 2011.

[Emerald Isle Hopes For a New Oil Rush](#)

TONY O'Reilly, son of the Irish billionaire of the same name, wants to start an oil rush that turns Ireland into the next Aberdeen. He may soon get his wish.

Next month, his company, Providence Resources, starts drilling off the coast of the Emerald Isle as part of a \$500 million-plus (£309 million) programme.

[Nigeria: 'Why International Oil Coys Shun Refinery Projects in Country'](#)

Irrespective of Federal Government's policy four years ago that investment in the downstream sector, particularly in refinery projects, would be the condition for issuance and renewal of concessions and oil licences, none of the International Oil Companies (IOCs) operating in Nigeria has indicated interest to build a refinery in the country.

THISDAY gathered that these oil majors, which currently account for about 95 per cent of Nigeria's oil production, had been unwilling to invest in refinery projects because the downstream petroleum industry sector had remained regulated.

[Ukraine sees no possibility to join Russia-led Customs Union despite gas discount promise](#)

Kiev can not join the Moscow-led Customs Union of Russia, Belarus and Kazakhstan, a concession necessary to get a discount on Russian gas, Ukrainian Foreign Minister Kostyantyn Hryshchenko said on Monday.

But he said that Ukraine would try to solve its long-standing gas price dispute with Russia out of court, a week after Ukrainian President Viktor Yanukovich said that Kiev would seek arbitration in Stockholm if Russia did not offer a better deal on gas supplies.

[Ukraine, Russia give no sign of gas dispute end](#)

MOSCOW—As a new natural gas dispute between Russia and Ukraine brews, the countries' foreign ministers are giving no signs that a resolution is close.

[Rogozin Calls Libya a NATO War for Oil](#)

BRUSSELS — Russia's envoy to NATO said Friday that the alliance's war effort in Libya marks a major strategic shift to focusing on securing oil and gas supplies for the West.

[PetroTrans of China Denies Workers in Convoy Attacked by Ethiopian Rebels](#)

PetroTrans Co., a Chinese oil- exploration company, denied claims by Ethiopian rebels that a military convoy escorting its workers in the restive Ogaden region was attacked last week.

[Cnooc Falls After Cutting Output Estimate on Bohai Oil Leaks](#)

Cnooc Ltd. (883), China's largest offshore energy explorer, had its biggest decline in a month in Hong Kong trading after oil leaks at a field operated by partner ConocoPhillips forced the company to cut its output estimate.

[US oil giant tried to cover up spill: China paper](#)

BEIJING (AFP) - One of China's most influential newspapers on Monday accused the US oil giant behind a huge spill off the country's east coast of trying to cover up the disaster.

The strongly-worded article in the People's Daily - the mouthpiece of the Communist Party - said ConocoPhillips had displayed 'indifference' to the damage to the environment and issued misleading statements over the spill.

[Conoco Facing Chinese 'Wrath' on Oil Leak Says It Acted Promptly](#)

(Bloomberg) -- ConocoPhillips said it acted promptly to seal leaks at China's biggest offshore oilfield, rejecting accusations of negligence by state media after a three-month battle to contain the spill off the nation's northeast coast.

[Solar 'not competitive' in Gulf](#)

Subsidies for fossil fuels are preventing Gulf nations from taking advantage of the falling price of solar technology.

The cost of panels that convert the sun's power into electricity has fallen by half in three

years, but subsidies for power produced from oil and gas make carbon intensive energy much cheaper.

[Beekeeping can supply you and neighbors with honey](#)

The buzz about honeybees lately has been about their vanishing from gardens and farm fields.

New ranks of backyard beekeepers are trying to ease that scarcity, or at least have enough pollinators to produce a decent harvest.

[Early success of Hub bike sharing surprises even program's backers](#)

In its first month, Boston's European-style bicycle sharing-system pedaled past expectations, attracting riders more than twice as fast as similar programs in Denver and Minneapolis.

As of Aug. 28, the one-month mark, the program known as Hubway had attracted 2,319 annual subscribers and witnessed 36,612 station-to-station trips. At its current clip, the system is on track to surpass 100,000 rides before Halloween.

[Stung by the President on Air Quality, Environmentalists Weigh Their Options](#)

For environmental groups, it was the final hard slap that brought a long-troubled relationship to the brink.

In late August, the State Department gave a crucial go-ahead on a controversial pipeline to bring tar sands oil from Canada to the Gulf Coast. Then on Friday, leading into the holiday weekend, the Obama administration announced without warning that it was walking away from stricter ozone pollution standards that it had been promising for three years and instead sticking with Bush-era standards.

John D. Walke, clean air director of the Natural Resources Defense Council, an advocacy group based in New York, likened the ozone decision to a "bomb being dropped."

[Double whammy of taxes for Australian resource industry](#)

The Australian government seems determined to press ahead with heavy taxes on its lucrative commodities and resource industry at a time when both the global and Australian economies lie in the balance.

The carbon tax, which will be imposed from the middle of next year and penalise the country's biggest polluters with a A\$23 (Dh89) a tonne tax on emissions, sits side by

side with a mining tax (known euphemistically as the mineral resources rent tax), which penalises coal and iron ore producers that make excessive profits.

[UN chief vows 'real results' on climate change](#)

UN Secretary-General Ban Ki-moon on Monday vowed to the leader of Kiribati, a low-lying Pacific nation threatened by rising seas, to keep pressing for "real results" against climate change.



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