



Drumbeat: October 12, 2011

Posted by [Leanan](#) on October 12, 2011 - 8:52am

[Why big-money men ignore world's biggest problem](#)

SAN LUIS OBISPO, Calif. (MarketWatch) — Last year Bill Gates said if he had “one wish to improve humanity’s lot over the next 50 years” he would pick an “energy miracle,” some magical “new technology that produced energy at half the price of coal with no carbon-dioxide emissions,” says CNN editor Fareed Zakaria in the New York Times.

And he said “he’d rather have this wish than a new vaccine or medicine or even choose the next several American presidents.”

Energy miracle? But that’s not where he’s giving his billions.

[Oil rises to above \\$86 on weaker dollar to euro](#)

Oil prices inched up above \$86 a barrel Wednesday, supported by a weaker dollar even as concerns persisted about the sovereign debt crisis in Europe and the International Energy Agency slightly lowered its demand growth forecasts.

[Opec forecasts slower oil demand growth](#)

Opec cut its oil demand forecast for the fourth month in a row as worries mount over the world's ability to hold off a recession.

The oil producers group cut 180,000 barrels per day (bpd) from its forecast for this year's oil demand growth as the euro-zone crisis deepens. Demand in emerging economies, it noted, was also tinged with uncertainty because of China's new policies to cut fuel consumption and a fuel price hike in India.

[IEA Cuts Oil Demand Forecast a Second Month on Slower Growth](#)

(Bloomberg) -- The International Energy Agency cut forecasts for global oil demand in 2012 for a second month as the economic recovery loses momentum.

The Paris-based adviser reduced estimates for world demand for next year by 210,000

barrels a day, to 90.5 million a day in its monthly oil market report. That means consumption will increase by 1.3 million barrels a day, or 1.4 percent, from this year. Oil inventories in industrialized nations fell below their five-year average for the first time in more than three years, according to the IEA.

[Most Supertankers Idled Since '80s Still Won't Buoy Charter Rates](#)

Owners of supertankers, losing money for a sixth consecutive quarter, will probably idle the most ships in more than two decades as they contend with a glut that drove charter rates to the lowest in at least 14 years.

The combination of too many ships and slowing demand growth for oil means that about 6 percent of the fleet will be anchored in a year from almost none now, according to the median in a Bloomberg survey of eight brokers and analysts. That may not be enough to end the slump.

[Record Coal Price Risk Gaining as Australia Prepares for Rain](#)

The record rains that flooded Australia and led to surging coking coal prices last year are brewing again.

[Norway raises drill costs alarm](#)

The head of Norway's oil agency has sounded the alarm over high drilling costs on the country's continental shelf that are putting a serious restraint on its ability to tap new reserves to reverse a production decline.

[India, Vietnam sign oil exploration agreement, ignoring China's objections](#)

NEW DELHI — India and Vietnam on Wednesday signed an accord to promote oil exploration in Vietnamese waters that could escalate long-standing tensions with China as it presses territorial claims to much of the South China sea.

[Ukraine PM sees "compromise" soon with Russia on gas](#)

(Reuters) - Ukrainian Prime Minister Mykola Azarov said on Wednesday that he expected a "just and acceptable" compromise to be worked out with Russia soon over the price of Russian gas.

[Putin Says Russia Is Close to Agreement on Supplying Natural Gas to China](#)

Prime Minister Vladimir Putin said Russia is nearing an agreement with China to supply natural gas to the world's biggest energy consumer.

"Those who sell always want to sell at a higher price, while those who buy want to buy at a lower price," Putin said yesterday at the start of a meeting with Chinese Prime Minister Wen Jiabao in Beijing. "We need to reach a compromise that will satisfy both sides."

[Thailand Needs Cambodia Deal to Avoid Gas Shortages, Energy Minister Says](#)

Thailand's petrochemical industry may lose billions of dollars if the government fails to strike an agreement with neighboring Cambodia on overlapping claims in the Gulf of Thailand, Energy Minister Pichai Nariphaphan said.

"Thailand is running out of gas in 15 years," he said in an interview in Bangkok today. "Petrochemical companies rely on components of wet gas from the Gulf of Thailand. Billions of dollars every year will be gone if we can't get more supply."

[Iran looks home for oil, gas production](#)

TEHRAN (UPI) -- Tehran said it suspended a Chinese gas contract and replaced Russia's Gazprom Neft with a domestic company as energy production in the country slumps.

The Iranian Oil Ministry announced it signed a contract with state-controlled oil companies to develop the Azar oil field within the next five years. Tehran said production there could reach more than 50,000 barrels per day. The field, along Iran's western border, is shared with Iraq.

[U.S. aims to punish Iran for Saudi envoy plot](#)

WASHINGTON (AP) – The Obama administration plans to leverage charges that Iran plotted to assassinate Saudi Arabia's ambassador to the United States into a new global campaign to isolate the Islamic republic.

[U.S. issues world travel alert linked to Iran plot](#)

(Reuters) - The U.S. State Department late on Tuesday issued a worldwide travel alert for U.S. citizens, warning of the potential for anti-U.S. action after the United States accused Iran of backing a plot to kill Saudi Arabia's ambassador to Washington.

[Al-Qaeda chief urges Islamic rule in Libya](#)

CAIRO (AP) – Al-Qaeda's new leader is calling on Libyan fighters who overthrew Moammar Gadhafi to set up an Islamic state and urges Algerians to revolt against their longtime leader in remarks in a new Internet video.

[Ukraine jails Tymoshenko for 7 years, irks EU, Russia](#)

KIEV — A Ukrainian court on Tuesday sentenced former prime minister Yulia Tymoshenko to seven years in prison for abuse of office in relation to a 2009 gas deal with Russia that she brokered, a case regarded widely in the West as politically orchestrated.

The United States, Russia and the European Union reacted sharply to the verdict and the sentence, the maximum sought by state prosecutors.

[Norway oil/gas output seen steady for 10 years](#)

STAVANGER, Norway (Reuters) - Norwegian oil and gas production will probably remain unchanged over the coming decade, its Oil Directorate (NPD) said on Wednesday, as it waits until 2012 before adding major recent oil find to the country's overall resource estimates.

"Future oil and gas production is expected to stay at current levels for the next ten years," Bente Nyland, the head of the agency tasked with managing Norway's oil and gas resources, told reporters.

[DoD Energy Use in 2010](#)

DoD spent \$15.2 billion on energy in (Fiscal Year) 2010. Seventy four percent of this (or \$11.2 billion) can be attributed to operations while the remaining 24% (or \$3.7 billion) to the Department's permanent installations and 2% (or \$0.3 billion) to non-tactical vehicles.

[Deep Offshore Technology 2011: Assessing future global deepwater prospects](#)

In his presentation on "Global Deepwater Prospects," Negherbon said that over the next decade, the developing economies of the world will drive oil demand and thus offshore development projects. Production will need to rise to meet this demand, and developing countries may "bid away" supplies from OECD nations. In the near-term, he said that oil supply may be re-allocated from OECD countries to the growing markets in non-OECD countries.

Negherbon said that he did not believe that the world had reached "peak oil," but commented that future oil supplies will be harder to find and more expensive to produce.

[A Slippery Peak - The New Oil Equation](#)

The idea of peak oil caught the world's imagination a decade ago. Peak oil, the point in time when the maximum rate of global oil extraction is reached, after which the rate of production would get into terminal decline, was supposed to be sometime in 2007, 2008 or 2009 — depending on who you were talking to.

[Toronto Money Show: Dennis Gartman, Petrobras, Allana Potash, And Tahoe Resources](#)

Keynote speaker Dennis Gartman, trader and publisher of The Gartman Letter, took the stage sharing his thoughts on the markets and where we were heading in the future. Looking forward, Gartman believes that food demand will outstrip production growth in the coming years and investors should gain more exposure to fertilizer stocks as food stocks get tighter.

Dry shippers will rise after prices collapsed earlier this year but do not try and catch a falling knife. Investors looking at dry bulk shippers should wait until after the stocks base and begin to rise. Gartman is not a peak oil believer because we will substitute. We used whale oil in the past before switching to oil and will switch again in the future. He is not sure what we will switch to, but at some point the world will make a move.

[A Year Of Shocks For BP](#)

The company has also learnt that it is becoming increasingly difficult to find new oil reserves to replace old, depleted fields. A lot of the easy pickings have either gone or are in the possession of national oil companies such as Saudi Arabia's Aramco or Malaysia's Petronas.

And as this is not the time to go deep-sea drilling in America, this leaves companies like BP having to deal with less welcoming regimes in countries like Nigeria and Russia.

Perhaps this is a sign that the much-debated theory of 'peak oil' is correct, and that oil companies now have to look further and further afield to replace their dwindling oil reserves. I suspect that this could be the beginning of a long-term decline in oil reserves for companies such as BP.

[Iran to open accounts with Indian banks for oil payment](#)

(Reuters) - Iran's central bank will open accounts with two Indian banks to receive part payment for New Delhi's oil imports and use that money to pay for Indian exports, according to an industry source and newspaper report.

[NC begins public debate on natural gas 'fracking'](#)

The issue is percolating in North Carolina now because geologists have identified promising deposits of natural gas along a 150-mile-long ancient trench where the state's coastal plain meets the Piedmont. The main target zone is a diagonal slash from the South Carolina border in Anson and Union counties northeast through Durham County to near Oxford and the Virginia border.

[New Zealand: Spill its worst environmental sea disaster](#)

TAURANGA, New Zealand (AP) – Rough weather has jostled a cargo ship stuck off New Zealand's coast and worsened its oil leak fivefold to make it the country's worst-ever maritime environmental disaster, the government said Tuesday.

[New Zealand oil spill ship captain charged](#)

The captain of a cargo ship that has grounded off New Zealand and is leaking oil into the sea has been arrested and charged, officials say.

The captain was charged with "operating a vessel in a manner causing unnecessary danger or risk".

[Gulf shrimp are scarce this season, as are answers](#)

LAFITTE, La. — The dock at Bundy's Seafood is quiet, the trucks are empty and a crew a fraction of the normal size sits around a table waiting for something to do. But the most telling indicator that something is wrong is the smell. It smells perfectly fine.

"There's no shrimp," explained Grant Bundy, 38. The dock should smell like a place where 10,000 pounds of shrimp a day are bought off the boats. Not this year. In all of September, Bundy's Seafood bought around 41,000 pounds.

[Japan mayor wants reactor near Tokyo decommissioned](#)

(Reuters) - A Japanese mayor has called on the government to decommission the nuclear reactor in his village, 110 km northeast of Tokyo, the first local leader to urge scrapping a reactor as Prime Minister Yoshihiko Noda tries to rehabilitate the tarnished nuclear sector to help meet the nation's power needs.

[In Japan, a Long-Term Study on Radiation Leaks' Effects](#)

TOKYO — In an effort to track the long-term health effects of the nuclear disaster at Fukushima, Japan has begun a survey of local children for thyroid abnormalities, a problem associated with exposure to radiation.

[Japan: Seven Months After the Cataclysm](#)

What is incredible is that nuclear power, against all odds, appears to be recovering throughout the world. Japan will join this crowd because they must.

[Drivers paying more tolls to use roads, bridges](#)

ATLANTA – Drivers across the USA are digging deeper into their pockets as more states and communities raise tolls or impose them for the first time to build and repair highways, bridges and tunnels.

[Ban Hybrids From the Fast Lane, and Everyone Slows Down](#)

While the empirical test of their theory on Bay Area highways was not long enough to give definitive results, the researchers did speculate about what might be happening to slow the carpool lane down even as it became less congested.

Their guess is that when lanes next to the carpool lane slow down, those driving in the carpool lane slow down preventively because going 30, 40 or 50 miles per hour faster than the traffic in the next lane feels inherently dangerous.

[Saudis Lay 2,400 Miles of Rail to Ease Oil Dependence: Freight](#)

(Bloomberg) -- Saudi Arabia is laying 2,400 miles of rail lines, almost enough to stretch across the continental U.S., in a push to diversify from oil that will also benefit Saudi Basic Industries Corp. and Saudi Arabian Mining Co.

The construction in the kingdom, which relies on crude exports for 86 percent of government revenue, aims at developing mines of bauxite -- Saudi Arabia holds at least 11 percent of the world's estimated deposits -- phosphate and precious metals. The first major rail line began running test shipments in May.

[Paralysis possible if rail lost](#)

Rail uses under a quarter of the energy of road transport because rolling friction of steel wheel on steel rail is one-30th that of rubber wheel on asphalt, and steel wheels emit no pollution unlike dangerous tyre particles. Rail's maximum gradient is 2 percent, against a common 10 percent for roads, and its exclusive corridor eliminates the large braking and acceleration energy losses of trucks in mixed traffic, particularly through towns.

[Airlines Weigh the Advantages of Using More Biofuel](#)

The speed of the progress in recent years has been remarkable, leaving many of the airline and aviation executives who gathered in Hong Kong for a conference on aviation and the environment in late September shaking their heads in near disbelief.

[A Conversation With Allison Arieff, Writer and Editor on Sustainability](#)

What's a sustainability trend that you wish would go away?

Again "trend" is the operative word here. Making sustainability a trend has minimized its relevance and stymied its progress. Climate change, declining resources, peak oil -- these aren't passing fads. "Green is the new black," "eco-chic," "eco-fabulous," -- I even got a pitch from Eco-Stiletto! All that marketing-speak has done little for sustainability except validate old behaviors. It's a notion that you can go green by buying more stuff. We'll always need things, but we need a real focus on making those things less expendable, less, well, "trendy," and more efficient, healthier, durable, built to last.

[SSE energy auction plan may shake up power market](#)

Scottish and Southern Energy (SSE) will start auctioning its entire electricity supply on the wholesale market.

This is the first time such a move has come from any of the big six suppliers, which use their own power stations to generate electricity.

[San Antonio keeps water flowing amid a deep drought](#)

Even as nearby fields wither and lakes dry up under a relentless drought, water continues to flow in San Antonio.

Texas' second-largest city is weathering the state's historic drought better than most cities because of innovative water conservation techniques in place for more than a decade.

[Groups Sue After E.P.A. Fails to Shift Ozone Rules](#)

WASHINGTON — Five health and environmental groups sued the Obama administration on Tuesday over its rejection of a proposed stricter new standard for ozone pollution, saying the decision was driven by politics and ignored public health concerns.

[Rice professor accepts Gulf article's fate](#)

GALVESTON - A Rice University oceanographer said he accepts a decision by the state's environmental agency to kill an article he wrote on sea-level rise in Galveston Bay, ending a standoff over the article's references to rising sea levels and human-caused environmental change.

"I'm willing to live with not having it published," John Anderson said Tuesday. "I refuse to have it published with their deletions."

[Changes in Rainfall Patterns Are Projected for Next 30 Years On Hawaii's Oahu](#)

ScienceDaily — Scientists at University of Hawaii - Manoa have projected an increased frequency of heavy rainfall events but a decrease in rainfall intensity during the next 30 years (2011-2040) for the southern shoreline of Oahu, according to a recent study published in the *Journal of Geophysical Research*.

[Europeans fear climate change more than financial turmoil, poll shows](#)

Europeans believe that dangers of climate change represent a more serious problem than the current financial turmoil, according to a new poll.

[Australia's Lower House Narrowly Passes Carbon Tax](#)

HOBART, Tasmania — Prime Minister Julia Gillard's proposal for Australia to adopt the second-largest emissions trading scheme in the world, after the European Union's, cleared its biggest hurdle yet on Wednesday as the lower house of Parliament voted to pass it.

But in a sign of how high emotions continue to run over the contentious bill, scores of angry protesters had to be ejected from a parliamentary viewing gallery after heckling and jeering Ms. Gillard.

[Canadian firms warming to climate-change measures](#)

Canadian companies, once leery of the costs and headaches of dealing with climate change, now realize that it may provide a significant business opportunity.

[Canada needs system change not climate change](#)

The slogan "System change not climate change" is well known in Europe, and is becoming a central rallying cry in the growing global movement for climate justice. But to many people in North America, it is still an unfamiliar and even threatening slogan. So what does "system change" mean where the rubber hits the road?



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