



## Drumbeat: February 27, 2012

Posted by [Leanan](#) on February 27, 2012 - 10:00am

### [The world in 2050: Deutsche Post DHL releases a study on the future](#)

#### **Scenario 1, Untamed Economy - Impending Collapse**

The world is characterized by unchecked materialism and mass consumption. This non-sustainable way of life is fed by the relentless exploitation of resources, a development that stokes climate change and causes natural disasters to mount. In a world characterized by tumultuous growth, demand for logistics and transport services climbs sharply. A global transportation supergrid ensures a rapid exchange of goods between centers of consumption. But as climate change advances, supply chains are increasingly disrupted, a development causing additional challenges for logistics companies.

#### **Scenario 2: Megaefficiency in megacities**

"Megacities" have emerged as the world's power centers. They are both the main drivers and beneficiaries of a paradigm shift toward "green" growth. To overcome the challenges of expanding urban structures, such as congestion and emissions, megacities have become champions of collaboration. Robotics has revolutionized the world of production and services. Consumers have changed their habits: Products are now usually rented, instead of purchased. Highly efficient traffic concepts have relieved congestion. A global supergrid with mega transporters, including trucks, ships and aircraft, as well as space transporters, has opened important trade connections between the megacities of the world. The logistics industry has been entrusted to run city logistics, utilities, and system services for airports, hospitals and shopping malls.

### [Demand for oil and gas to grow 'for decades'](#)

THE world's biggest oil company says the next 30 years are looking good for oil and gas suppliers and consumers, but perhaps not so good for miners.

Texas-based ExxonMobil says there is no sign of peak oil and energy efficiency is growing along with demand.

Exxon's 2012 energy outlook -- which the company is presenting in Australia this week -- backs up the long-held industry view that gas and liquefied natural gas demand will grow steadily over coming decades.

But it also provides less than buoyant forecasts for the coal industry and warns readers not to get too excited about Chinese, Indian and African growth.

## [Oil Drops From Nine-Month High After IMF Warns on Global Economic Growth](#)

Oil fell, halting its longest rally in two years, after a warning from the International Monetary Fund on the global economy sparked concern that prices have climbed too fast.

Futures slid as much as 1.4 percent in New York after seven days of gains. Oil's relative strength index signaled that the longest winning streak since January 2010 may have been exaggerated. The world economy is "not out of the danger zone" amid fragile financial systems and rising oil prices, IMF Managing Director Christine Lagarde said yesterday. Prices gained the most in two months last week amid tensions with Iran, OPEC's second-biggest producer.

## [Oil bulls regain confidence as Iran tensions rise - poll](#)

(Reuters) - Bulls are back in charge of oil markets as they were during the Libyan war in 2011 as fears of an Israeli strike on Iran and a loss of Iranian oil supplies eclipse a collapse in oil demand in debt-laden Western economies.

## [Gas prices climb for 20th day](#)

NEW YORK (CNMoney) -- Gas prices continued their march toward \$4 on Monday, rising for the 20th day in a row.

The nationwide average rose to \$3.70 a gallon, up one cent from a day earlier, according to the motorist group AAA.

Only a month ago, the nationwide average was \$3.41 a gallon.

## [\\$5 gas, 50-cent postage stamps?](#)

(CNN) -- Remember those carefree days when a gallon of gas was only \$5? And when you could cheerfully mail a letter for the rock-bottom price of 50 cents?

Just saying those words out loud here to see what they sound like -- just trying to imagine what it will be like, 50 or 60 years from now, when Americans who are young today look back over their lives and recall fondly the second decade of the 21st century, when prices were low and reasonable.

## [Sorry, But You Can't Blame Oil Prices On The Dollar](#)

U.S. regular gasoline price has spiked almost 4% in one week to \$3.688 a gallon as of Feb. 26, the highest level since last September, with residents in three states--Alaska,

Hawaii, California-- are already seeing above \$4 at the pump, based on AAA's Daily Fuel Gauge Report.

The current price level is roughly 11% above a year ago. Analysts estimate that every 1-cent increase in the price of gasoline costs the economy \$1.4 billion. Consumers are starting to feel the pinch, and a new Associated Press-GfK poll says 7 in 10 Americans find the issue "deeply important".

### [Why oil prices are so high: Production shortfall, Iran concerns, and low interest rates](#)

Between 1983 and 2005, world oil supply rose by 1.64% per year. If world oil supply had continued to rise at that rate, oil production would have been about 5 million barrels a day higher in 2011 than it actually was. The fact that oil production has remained relatively flat since 2005 is the primary reason oil prices have continued to rise, except during the 2008-2009 recession.

### [Domestic gas price should be market determined, BP India chief](#)

NEW DELHI: Energy major BP's India arm has said a predictable market-determined natural gas pricing regime is a must for developing future projects in the country and help BP-Reliance joint venture to take crucial investment decisions.

"Clarity on gas pricing is vital for the development of the next wave of projects which will add production beyond 2015, but for which investment decisions need to be made in 2012," BP India head Sashi Mukundan said referring to Reliance Industries-operated D6 block. BP had formally picked up 30% stake in 21 oil and gas blocks of Reliance six months ago.

### [Blast outside Kathmandu oil office kills 3](#)

Three people, including a child, have been killed and half a dozen injured in an explosion outside the offices of the state-owned petroleum-trading company in Kathmandu, police say.

The firm had been the object of week-long, nationwide protests for hiking fuel prices 10 per cent last month until it relented and reduced prices on January 26. Weeks later, however, the firm hiked prices again by more than it had reduced them.

### [Kinder Morgan Energy Partners and Martin Midstream Partners Announce Rail Terminal Joint Venture in Permian Basin of West Texas](#)

Kinder Morgan Energy Partners, L.P. and Martin Midstream Partners L.P. today announced a new joint venture, Pecos Valley Producer Services LLC, to develop a multi-commodity rail terminal in Pecos, Texas. The new terminal will serve the growing oil

and natural gas industries in the Permian Basin. The facility will be constructed and operated by a subsidiary of Watco Companies, Inc., the largest privately held short line railroad company in the United States. KMP holds a preferred equity position in Watco.

### [Buffett Says Energy Future Bet at Risk](#)

Warren Buffett, who bought about \$2 billion in bonds of power company Energy Future Holdings Corp., said the investment is at risk of losing all its value after natural gas prices fell.

### [Blackstone to finance Cheniere natural gas exports](#)

NEW YORK (AP) -- Cheniere Energy Partners will receive \$2 billion in financing from The Blackstone Group to fund the construction of a natural gas export plant in Southern Louisiana.

The facility was built to import natural gas, but huge increases in production of natural gas from shale formations under several states has created a glut of natural gas in the U.S. Prices in the U.S. fell to a 10-year low this winter. Now Cheniere and others are hoping to export natural gas to markets that pay prices up to 5 times higher.

### [Shell to close Ill. plant after 94 years](#)

Shell Oil Co. plans to close its oil blending and packaging plant in Roxana, where Shell began operations in 1918.

A company spokeswoman says the Wood River Blending Plant is closing because it needs major upgrades and because it is on property Shell doesn't own.

### [Exxon breaks silence over Kurdistan oil talks](#)

LONDON (Reuters) - Exxon Mobil has disclosed its plans to explore for oil in Iraq's Kurdistan in the company's annual report, breaking months of silence over the investment that has outraged Baghdad.

### [Iran to export power to UAE, Qatar, Oman](#)

(MENAFN) Iran may sell USD2 billion worth of electricity to the UAE, Qatar and Oman once a gas field in the Arabian Gulf is operational, Tehran Times reported.

### [Iran may be "struggling" with new nuclear machines](#)

(Reuters) - Iran is still relying on old technology to expand its nuclear program, in what may be a sign it is having difficulties developing modern machines that could speed up production of potential bomb material.

### [Sanctions risk rerun of oil's 2011 flash crash](#)

(Reuters) - Soaring oil prices and the loss of exports from South Sudan, Syria and Iran pose awkward questions for investors and policymakers.

Last year, a similar surge following the outbreak of the Libyan civil war eventually resulted in the flash crash on May 5 and the decision to release emergency stocks by the United States and other members of the International Energy Agency (IEA) on June 23.

### [Top Japan insurer to cut coverage for ships in Iran](#)

TOKYO/SINGAPORE (Reuters) - Japan's main shipping insurer will only be able to provide a fraction of the coverage to tankers transporting Iranian oil under new European Union sanctions, officials said on Friday.

Starting in July, European insurers and reinsurers will be prohibited from indemnifying ships carrying Iranian crude and oil products anywhere in the world as per sanctions on Tehran.

### [Russia, Ukraine agents foil Putin assassination plot](#)

MOSCOW (AP) — Russian and Ukrainian special services have arrested a group of suspects accused of attempting to assassinate Prime Minister Vladimir Putin, Russia's state television said Monday.

The Channel One said that the suspects were plotting to kill Putin in Moscow immediately after the March 4 presidential election, in which he is all but certain to reclaim the presidency.

### [Syria promises referendum results as EU imposes new sanctions](#)

(CNN) -- The Syrian regime will announce Monday the results of its much-touted constitutional referendum, but for residents fearing for their lives in Homs -- unsure whether the next government rocket will fall on their house -- the vote is of little concern.

### [Nigeria ex-Delta state governor James Ibori guilty plea](#)

James Ibori, a former governor of one of Nigeria's oil-producing states, has pleaded guilty in a UK court to 10 counts of money-laundering and conspiracy to defraud.

British police accuse him of stealing \$250m (£160m) over eight years.

### [BP Ignored Well Test Warning, Transocean Says on Eve of Trial](#)

BP Plc officials overseeing the Macondo well that spewed millions of gallons of oil into the Gulf of Mexico ignored questions about whether safety tests done hours before a fatal blast on the drilling rig were flawed, lawyers for Transocean Ltd. said in a court filing.

### [BP Said to Consider \\$14 Billion Spill Settlement](#)

BP Plc and plaintiffs suing over the 2010 Gulf of Mexico oil spill are discussing a \$14 billion accord that would be funded with money originally set aside by the company for out-of-court settlements, according to three people familiar with the talks.

### [As one arm of the government seeks to fine BP, another pays it \\$1 billion](#)

Next week, the massive legal case against BP and other companies involved in the Deepwater Horizon disaster is set to get underway in a New Orleans courtroom. Lawyers for the government will argue that the companies should potentially pay billions for unleashing the worst offshore oil spill in U.S. history two years ago.

But that didn't stop the government from increasing its fuel purchases from BP in the year after the spill. BP's contracts to supply fuel to the military rose 33 percent, to \$1.35 billion, in the fiscal year that ended in September, Bloomberg News reported.

### [Japan cities press utility to switch from nuclear](#)

TOKYO (Reuters) - Three of Japan's major cities called for Kansai Electric Power Co, its second largest nuclear generator, to draw up a plan to switch to other energy sources nearly a year after the country suffered the world's worst nuclear accident in 25 years.

The mayors of Osaka, Kobe and Kyoto, home to a total of 5.7 million people, on Monday submitted questions on prospects for alternative energy supplies and price incentives to curb demand.

### [US faces dilemma on nuclear treaties](#)

It was to be the gold standard: a promise from the UAE to the US that the Emirates would not enrich or reprocess nuclear fuel, a shining example in the Middle East of non-

proliferation and international cooperation. Related

Three years later, the UAE remains the only nation that has signed on to such conditions, and the US is facing the reality that other nations are less willing to adopt similar terms in nuclear cooperation agreements, the bilateral treaties that pave the way for knowledge and technology exchange in atomic energy.

### [Jordan and Qatari bank in nuclear energy discussions](#)

A Qatari bank is in talks with Jordan to back the Arab world's second nuclear energy programme.

### [Higher bills 'for vacant houses'](#)

Many of the higher energy bills for not using enough electricity may be for vacant holiday cottages, Minister for Energy Pat Rabbitte said this morning.

His comments came after it emerged that more than 100,000 domestic customers of Electric Ireland are being billed with a "low user standing charge" if they use two units or less per day.

### [Will Price Inflation Of Meat, Corn, Food, And Farmland Continue?](#)

Today's corn prices are triple the price they were three years ago. High corn demand and high gasoline and diesel prices are having a ripple effect throughout every component of the food and agriculture system. In 2011, we saw many grocery store food item prices rise by double digits and Midwestern farmland prices went up 25%, attributable to high corn and soybean returns for farmers.

The consumer is getting squeezed at the supermarket and at the gas pump. According to the Bureau of Labor Statistics, in 2011, grocery store prices rose six percent on average, or nearly three times the rate of core price inflation excluding food and energy. The median American family spends ten percent of its after tax income on food, and 17 percent on food plus energy.

### [Campus food banks help students through tough times](#)

Oregon State is one of a growing number of colleges and universities nationwide that have a food pantry on campus for students and others struggling to get enough food and supplies.

The pantries offer food and supplies, from cereal to meats to produce to toiletries, as well as a feeling of camaraderie and dignity, according to pantry staff members and volunteers.

### [Monks, nuns fight poverty until it hurts](#)

Elsewhere in the New Testament are Christ's famous words to a rich young man: "If you would be perfect, go, sell what you possess and give to the poor ... and come, follow me."

The passage has inspired religious communities since the first centuries of Christianity to take a vow of poverty, putting aside extraneous things and sharing their basic goods. Today, it means giving up personal bank accounts, cars, computers, cellphones, and the like.

Most people would wince at the prospect of giving up those things for a day, let alone a lifetime. For religious orders, however, the sacrifice is not a burden but a form of freedom. If you're free from materialistic distractions and narcissism, you can open yourself up to a loving God — and to your neighbors.

### [The only way is full steam ahead](#)

Any attempt to stop growth would have an unequal effect on the poor and retired, writes Bryan Leyland, a power industry consultant.

### [3 doomsaying experts who foresee economic devastation ahead](#)

While bulls are urging investors to get back into stocks, the doomsayers are advising a far different strategy. Dent's investment advice is simple: "Get out of the way." He recommends buying short-term U.S. Treasury bills and the U.S. dollar, which will benefit from safe-haven cash flows. He says stocks will fall sharply in value.

Celente's advice centers on survival. He says buy gold so you don't lose purchasing power when the value of the dollar plummets. He says buy a gun to protect your family against desperate people in search of food and money. He says plan a getaway to places with more stable finances and governments.

Prechter says to keep your powder dry and buy when things get really bad: "When things get really scary, as in early 2009, I get bullish."

### [Getting ready for doomsday](#)

A recent National Geographic survey produced the statistic that 41% of Americans think it's more important to prepare for a catastrophic event than save for retirement.

Scott Hunt is co-owner of Practical Preppers, a business that specializes in helping people get ready for any number of world-changing events.



## [A Pile of Straw at the Bottom of the Cliff](#)

I presented these graphs at the ASPO conference, where they were greeted with polite silence. There were some “investors” at the conference, but they were busy attending a session dedicated to discussing opportunities to invest in the fossil fuel economy. Nobody offered any counterarguments, but then nobody felt compelled to act based on what I said either. Why do you think that is? Why is that reasonably rational individuals who are able to follow an argument and who are unable to refute it are at the same time incapable of making the transition from thought to action? What is stopping them? Humans are clearly smarter than yeast, what does that matter if they are incapable of acting any more intelligently?

## [8 great fuel-efficient cars](#)

These days, if you're shopping for a new car, you're probably making fuel economy a priority. Here are a few excellent choices.

## [China to Impose Quotas on Renewable Energy This Year, News Says](#)

China will this year implement a quota-based system for provinces and cities that dictates the amount of renewable energy that they need to consume, buy into their grid and produce, the China News Service reported.

## [China Copper Demand to Rebound on Clean Energy Use, Nexans Says](#)

China is the world's largest copper user and demand from its power sector accounts for almost half of consumption. The economy expanded 8.9 percent in the fourth quarter, the slowest since the second quarter of 2009 as Europe's debt crisis curbed export demand and the property market weakened. The People's Bank of China has reduced reserve requirements for banks twice in three months to sustain growth.

## [Fire rages at RWE's biomass power plant](#)

(Reuters) - RWE npower said on Monday that a fire had broken out in a fuel storage area at its wood-pellet-fired Tilbury power station, which is located to the east of London and is Britain's largest dedicated biomass plant.

## [Humanity has already had four major ecological collapses: how can we avoid a fifth?](#)

**You say most of history we've lived in balance, but when have we stepped out of balance and collapsed?**

Well, there have been four collapses in Northern Europe. The first such collapse was

round about 3000BC, and that was due partly to climate change the temperature got a great deal warmer but also to the fact that we had deforested the uplands, where we lived. By 3000BC we had completely changed the forest and the woodland nature of Britain, and the same is true for most parts of Northern Europe. The climate changed, the soil blew away, we had not kept the hedges or the shrubs or the tree cover to ensure the soil stayed. It's very difficult to say, but it would appear that probably around about one-third of the population died of starvation as a result of the collapse of that agricultural system.

### [Is Cleaning Coal Worth It?](#)

Later this year, Duke Energy is planning to unveil coal's best hope: a 618 megawatt coal gasification plant in Indiana that is purporting to scrub the toxins before they would leave the smokestack. It's a \$3 billion public-private initiative that is expected to materialize in September — one that is taking an existing 160 megawatt coal plant and converting it.

### [Time for a rethink on climate change, say top environmental economists](#)

Governments have done so little to reduce greenhouse gas emissions, they should consider investing into the Rand D of large scale geo-engineering projects and their governance, according to 26 of the world's leading environmental economists.

### [U.K. Government Close to Opening 1 Billion Pound CCS Competition](#)

The U.K. government is almost ready to open a contest for 1 billion pounds (\$1.6 billion) in funds that would back carbon capture and storage technology, Energy Minister Charles Hendry said at a conference in London today.

“The U.K. government is taking forward a carbon capture and storage delivery program with 1 billion pounds of capital funding to support a portfolio of commercially focused projects,” Hendry said. He aims for the projects to be commercially deployed in the 2020s.

### [The greening of faith](#)

Santorum is at odds with his own church on environmental issues.

### [Global warming feeds bark beetles: Are they unstoppable?](#)

Hear the sound of chewing out in our vast forests of lodgepole pine, spruce and fir, the chewing that's already destroyed half the commercial timber in important regions like British Columbia? That's the sound of climate change, says biologist Reese Halter. Global

warming in the form of a bark beetle.

Halter's short but disturbing new book, "The Insatiable Bark Beetle," addresses one of the biggest and most visible issues facing global forests, and particularly the relatively large forests left in the U.S. and Canada. As winters grow warmer and summers drier, the West's evergreen forests are being eaten alive. And the infestation is not showing any signs of slowing.



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