



Drumbeat: May 7, 2012

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[What Is the Limiting Factor?](#)

In yesteryear's empty world capital was the limiting factor in economic growth. But we now live in a full world.

Consider: What limits the annual fish catch — fishing boats (capital) or remaining fish in the sea (natural resources)? Clearly the latter. What limits barrels of crude oil extracted — drilling rigs and pumps (capital), or remaining accessible deposits of petroleum — or capacity of the atmosphere to absorb the CO₂ from burning petroleum (both natural resources)? What limits production of cut timber — number of chain saws and lumber mills, or standing forests and their rate of growth? What limits irrigated agriculture — pumps and sprinklers, or aquifer recharge rates and river flow volumes? That should be enough to at least suggest that we live in a natural resource-constrained world, not a capital-constrained world.

[Oil Falls to Four-Month Low on European Votes, U.S. Jobs](#)

Oil fell to the lowest level in more than four months after European election results fed speculation that austerity efforts will be derailed and weaker-than-expected jobs data underscored concern the U.S. economy may falter.

Futures pared losses after slumping as much as 3.2 percent to the lowest intraday price since Dec. 20. The euro declined to a three-month low after France elected Socialist Francois Hollande as president and Greek voters backed anti-bailout parties. Crude extended a 4 percent drop on May 4 after U.S. payrolls rose by the least in six months.

[Survey: U.S. gasoline prices drop 7 cents](#)

"The price decline comes from lower crude oil prices," said publisher Trilby Lundberg.

That's good news for consumers, but it comes from a negative place, she said.

"Oil prices themselves are down because the oil market sees economic weakness in Europe and the United States, which is a negative for oil demand," said Lundberg.

[OPEC output target rise not yet on agenda: Algeria](#)

ALGIERS (Reuters) - Raising the output target set by the Organization of the Petroleum Exporting Countries is not on OPEC's agenda for now but probably will be, Algerian Energy and Mines Minister Youcef Yousfi said on Sunday.

Asked about the prospect of increasing the target, Yousfi told state radio: "For the moment that is not the object of our discussions, but probably that will come at the OPEC level."

[MidEast oil supply reliable - Qatar energy min](#)

Qatar's energy minister said on Monday oil production in the Middle East remains reliable and there is no shortage of supply in the market.

"Supply from the Middle East has been reliable despite perceived disturbances in the region... there is no shortage of oil," Mohammed Saleh al-Sada said during a Middle East Petroleum & Gas Conference in Bahrain, organised by Conference Connection.

[South Korea says UAE, Saudi promise more oil](#)

(Reuters) - The United Arab Emirates and Saudi Arabia have promised to fill any gap in South Korea's oil imports if supplies from Iran are disrupted, South Korean Minister of Strategy and Finance Bahk Jae-wan said on Monday.

"So far the UAE and Saudi Arabia have promised to provide more oil than now if things get worse. They have promised to fill the gap," he told reporters on the sidelines of a bilateral economic meeting with UAE officials in the capital Abu Dhabi. He said no oil volumes had been specified so far.

[Effects of Arab awakening on the global oil industry](#)

The MENA region has massive hydrocarbon resources (some 60 percent of the world's proven oil reserves and 45 percent of global gas reserves). Most of those resources are concentrated in the Gulf Cooperation Council (GCC) region, which is home to approximately 40 percent of the world's proven oil reserves and 25 percent of natural gas reserves. So, the MENA region, and the GCC region in particular, is of great importance to the global energy market and to the economic stability and prosperity of the world. The current political unrest has already been reflected by a surge in oil prices, but the world hopes that this will be the only short-term effect of the transitional phase that the region is currently experiencing.

[Fuel-Oil Shipments to Singapore Rebound in June; 16 Ships Booked](#)

Fuel-oil shipments to Singapore rebounded from May, with 16 tankers carrying 3.38 million metric tons scheduled to arrive in Singapore from outside Asia in June, vessel-charter data compiled by Bloomberg show.

The tankers, including 10 very large crude carriers, have been booked to collect the fuel for ships and power generators from ports in Europe and the Caribbean, according to data from shipbrokers including Poten & Partners Inc. in New York. The cargo volume compares with 2.68 million tons reported for June arrival as of last week.

[Record Gas Use by U.S. Utilities Fails to Drive Up Price](#)

U.S. utilities led by Southern Co. (SO) are burning a record amount of natural gas for generating electricity without triggering a forecasted boost to the fuel's price from near 10-year lows.

The power companies used 34 percent more gas in February than a year earlier, Energy Department data show. Even Atlanta-based Southern, historically one of the largest U.S. coal-plant operators, is on pace to consume more of the cleaner-burning fuel than coal in 2012 for the first time in its 100-year history. Utilities are the nation's biggest gas consumers.

[Hedge Funds Bet Wrong Before Biggest Slump Since October](#)

Hedge funds raised bets on higher commodity prices for the first time in six weeks, just before the biggest three-day slump since October as U.S. jobs data fell short of expectations and European manufacturing contracted.

[For China, Oil Helps Lift Other Exports](#)

BEIJING — A \$1 trillion oil-fueled trade windfall could not be better timed to help companies move into higher-value products and rebalance the economy in China, the world's biggest exporter.

Fast-growing countries producing oil and other commodities are taking advantage of the windfall from the recent gains in prices for those commodities, buying about half of the \$2 trillion worth of goods sold by China overseas.

[Iran government denies plans to treble gasoline price](#)

DUBAI (Reuters) - Iran's government denied on Monday it would treble the price of gasoline as part of subsidy reforms that have been commended by the IMF but caused anger at home among a population struggling under Western trade sanctions.

In a statement carried by the Fars news agency, the office of President Mahmoud

Ahmadinejad said talk of a threefold price increase - broadcast on Friday by Ahmadinejad's bitter critic, the speaker of parliament - was "entirely false".

[Clinton presses India to cut oil imports from Iran](#)

U.S. Secretary of State Hillary Rodham Clinton urged energy-starved India on Monday to reduce its Iranian oil imports to keep up pressure on the Islamic republic to come clean about its nuclear program.

In meetings in the capital, New Delhi, Ms. Clinton was expected to push for India to find alternative sources of oil on the international market.

[Iran's strategic relevance for India](#)

United States Secretary of State Hillary Clinton's statement in Kolkata urging India to curtail its oil import from Iran signifies increasing pressure that India is likely to face on its dealings with Iran from the US in an election year.

It is not to undermine the threat to global peace that might emanate, should Iran decide to go in for nuclear weapons, but the US also needs to understand India's strategic compulsion and its critical dependence on Iran for its sustained growth and development. India and Iran have had long civilizational links, but that did not prevent Iran from providing material support to Pakistan, in its wars with India, both in 1965 and 1971.

[India Said to Plan 20% Cut in Iran Oil Imports This Fiscal Year](#)

India plans to cut its oil imports from Iran by 20 percent this financial year, four Indian government and refinery officials with direct knowledge of the matter said.

Asia's third-biggest importer of crude will curtail its purchases from the Persian Gulf nation to 14 million tons from 17.5 million tons in the 12 months ending March 31, the officials said. They asked not to be identified because they aren't authorized to speak on the subject.

[India Said to Deny Local Branch for Iran Bank on U.S. Pressure](#)

India barred an Iranian bank from opening a branch in the country because of U.S. pressure, making it harder for the Persian Gulf state to settle oil trades with its second-biggest crude customer, two people with knowledge of the matter said.

[Polls open in Syria amid heavy security, scattered violence](#)

(CNN) -- Polls opened Monday in Syria, with more than 7,000 candidates vying for 250 seats in parliament amid mounting international pressure on President Bashar al-Assad to step aside.

The opposition urged Syrians to boycott the elections, saying a vote for any of the candidates amounted to a vote for al-Assad.

[Airstrike in Yemen kills al-Qaeda leader on FBI wanted list](#)

SANAA, Yemen (AP) – An airstrike Sunday killed a top al-Qaeda leader on the FBI's most wanted list for his role in the 2000 bombing of the USS Cole warship, Yemeni officials said. The drone attack was carried out by the CIA, U.S. officials said.

[Aquino Open to China Sea Oil Deal Separate From Territory Spat](#)

Philippine President Benigno Aquino said he's open to an agreement with China that would allow companies to exploit oil and gas resources while the governments separately resolve South China Sea border disputes.

[China's 1st deep-water rig to drill in S China Sea](#)

The first deep-water drilling rig developed in China will be put into service in the South China Sea on Wednesday, the country's largest offshore oil producer said Monday.

[Argentina Taps Ex-Schlumberger Executive Galuccio to Oversee YPF](#)

Argentina President Cristina Fernandez de Kirchner named Miguel Galuccio, a former Schlumberger Ltd. executive, to head YPF SA after Congress approved the government's seizure of its biggest energy company.

[Kuwait's Gulf Oil wants 350,000 bpd by 2014-15 - KUNA](#)

Kuwait Gulf Oil Company (KGO) is aiming to increase its oil output to 350,000 bpd by 2014-2015 from 250,000 bpd now, the company's chairman told state-run news agency KUNA.

KGO, a unit of Kuwait Petroleum Corp (KPC), is also aiming to boost the gas it extracts from oil fields to 500m cubic feet by the same date, Hashem al-Rifae said.

[Libya's NOC Says Arabian Gulf Oil Co. Hasn't Cut Crude Output](#)

Libya's Arabian Gulf Oil Co. has not reduced crude production, its parent National Oil Corp. said on its website, refuting an earlier statement from the company known also as Agoco.

[Aramco to increase trading in oil products](#)

(Reuters) - Saudi Aramco Products Trading Co expects its refined oil products trading volumes to rise to 1.5 million barrels per day (bpd) as its downstream business expands, the firm's chief executive said on Monday.

Aramco Trading, a subsidiary of state-run Saudi Aramco which plans a major increase in its refining capacity, started commercial operations in January.

[Bahrain to award LNG terminal contract this year](#)

(Reuters) - Non-OPEC producer Bahrain plans to award a contract to build its liquefied natural gas (LNG) terminal by year-end, Bahrain's energy minister said on Monday.

[Debate over continued incentives for energy companies](#)

Public money supports the development of nearly every form of energy -- a point not lost on a budget-conscious public after California solar company Solyndra Inc. wasted a \$500 million federal loan and oil companies continued to rack up profits with nearly record gasoline prices.

A hodgepodge of incentives, from loan guarantees and grants to tax breaks, support coal, oil, nuclear, solar, wind and other projects.

[Total 'on track' to begin Elgin well operation within days](#)

Total SA (FP), Europe's third-largest oil producer, said it's "on track" to begin a well intervention operation to plug a North Sea gas leak in the coming days.

The monthlong gas leak has shut production at the Elgin and Franklin fields and cost the company 50,000 barrels of oil a day. Total's three platforms at the Elgin and Franklin fields are about 240 kilometers (150 miles) east of Aberdeen, Scotland.

[Two Years Later, Grim Photos From the BP Disaster](#)

It's been two years since the Deepwater Horizon disaster unleashed 4.9 million barrels of oil on the Gulf of Mexico. In the midst of the disaster, BP and its contractors did everything they could to keep people from seeing the scale of the disaster. But new

photos released Monday offer some new insight to just how grim the Gulf became for sea life.

The government does a poor job of estimating what it will cost to tear down a nuclear reactor, Congressional auditors say, and it may not be overseeing plant owners well enough to assure that they set aside enough money to do the job.

For a study it plans to issue on Monday, the Government Accountability Office scrutinized 12 of the nation's 104 power reactors and found that for 5 of them, the decommissioning cost calculated by the Nuclear Regulatory Commission was 76 percent or less of what the reactor's owner thought would be needed.

[Japan shuts down last nuclear reactor](#)

Tokyo (CNN) -- As Japan began its workweek Monday morning, the trains ran exactly on time, the elevators in thousands of Tokyo high rises efficiently moved between floors, and the lights turned on across cities with nary a glitch.

What makes this Monday so remarkable is that for the first time in four decades, none of the energy on this working day is derived from a nuclear reactor.

[Ford Focus will offer choice side by side: gas or electric](#)

LOS ANGELES -- Car shoppers will soon find two Ford Focus sedans sitting side by side when they visit the dealership -- one with a gas tank and another with batteries.

[The case for interdependence](#)

The physicist-turned international environmental activist Dr. Vandana Shiva gave the opening keynote address at the Living Future "unconference" on May 2 in Portland, Oregon. Shiva is the author of *Earth Democracy* and *Water Wars*, among other books, including *Soil Not Oil: Environmental Justice in an Age of Climate Crisis* (South End Press, 2008). This book posits that the triple threat of climate change, peak oil, the food and agrarian crisis, together, represent a "triple opportunity"—but only if we change our thinking and our systems.

[Amid Brazil's Rush to Develop, Workers Resist](#)

JACI PARANÁ, Brazil — The revolt here on the banks of the Madeira River, the Amazon's largest tributary, flared after sunset. At the simmering end of a 26-day strike by 17,000 workers last month, a faction of laborers who were furious over wages and living conditions began setting fire to the construction site at the Jirau Dam.

Throughout the night, they burned more than 30 structures to the ground and looted company stores, capturing the mayhem on their own cellphone cameras, before firefighters extinguished the blazes. The authorities in Brasília flew in hundreds of troops from an elite force to quell the unrest.

[Food fears feed global scramble for land](#)

LONDON (AlertNet) - It was designed to increase production and exports of vegetable oil, a commodity in short supply after World War Two, and foster growth in post-war Britain and Tanganyika.

Instead, Britain's scheme to carve out million-acre plantations for growing groundnuts in what is now Tanzania ended in disaster - scuppered by the thick bush that rendered machines to clear land for cultivation useless, and a lack of suitable soil and rainfall for the crop to grow.

[Food competition to leave poor hungrier by 2050-expert](#)

LONDON (AlertNet) - In 2008, as world food prices soared as a result of drought-hit harvests, growing grain demand and high oil prices, South Korea had an uncomfortable glimpse of the future.

The country, which imports 70 percent of the grain it needs, suddenly found major wheat and maize producers such as Russia and Argentina imposing export bans, aimed at keeping enough food at home to satisfy demand.

['Green bullet' innovations aim to feed world of 9 billion](#)

LONDON (AlertNet) - In flood-hit fields in the Philippines, farmers are testing a hardy new variety of rice that can survive completely submerged for more than two weeks.

In Kenya's Kibera slum, poor urban families are turning around their diets and incomes just by learning to grow vegetables in sack gardens outside their doors.

And in India, a push to help marginalised rural communities gain title to their land is leading to a significant drop in hunger.

[Curbing food speculation - right step to stop hunger?](#)

Some experts say speculation does nothing more than aggravate other factors blamed for price rises, such as climate change, rising demand for food, export bans and soaring oil prices.

However, critics accuse banks, hedge funds and traders of exploiting the deregulation of the global commodity markets, initiated by the United States in 2000, to make a financial killing at the expense of the world's poor.

[FACTBOX-Innovative ways to tackle urban hunger](#)

NEW YORK (AlertNet) - With the world's population set to swell to 9 billion people by 2050, hunger and undernutrition is expected to take on an increasingly urban face, as 70 percent of the planet's population become city dwellers.

One promising, if limited, solution is urban gardening.

From Bangkok to Boston, gardens are sprouting on the roofs of high rises, former factories, churches, and garages. Chicken coops and beehives dot rooftops and back gardens from London's Hackney neighbourhood to the grittiest sections of Chicago.

Here are some innovative urban food projects:

[Kenyan villagers grow their way out of food aid](#)

They started to invest in ways of harvesting and conserving water, and to experiment with a mix of indigenous and innovative methods of dry-land farming. The approach quickly bore fruit.

The scheme now has a membership of 3,000 registered households, with 2,000 more hoping to take part.

"It is the first programme I have seen that has managed to end dependence on food aid," says Lawrence Kiguro, associate director for livelihoods and resilience at international aid group World Vision Kenya, which helped the community-led scheme get off the ground.

[Sipping From the Garden Hose? Think Again.](#)

The group tested nearly 200 gardening products, including hoses, gloves, kneeling pads and tools, for lead, cadmium, bromine, chlorine, phthalates and bisphenol A. Over all, they found that two-thirds of the products tested contained levels of one or more chemicals in excess of standards set for other consumer products.

For example, 30 percent of all products tested contained lead exceeding the Consumer Product Safety Commission's standard of 100 parts per million for children's products.

[EU nations get cold feet over climate change fund](#)

(Reuters) - EU nations are dithering over how to fill a multi-billion-euro fund to help tackle climate change, just as the region's executive body hosts talks with countries likely to bear the brunt of extreme weather.

[The Climate Fixers](#)

Is there a technological solution to global warming?

[Safeguarding Mammoth Trees, Champs of the Ecosystem](#)

Among their many other invaluable roles, the oldsters also store a lot of carbon. In a research plot in California's Yosemite National Park, big trees (those with a diameter greater than three feet at chest height) account for only 1 percent of trees but store half of the area's biomass, according to a study published this week in PLoS ONE.

[Glacial lake bursts in Nepal, flood kills at least 13 people](#)

A glacial lake burst Saturday in the Nepalese Himalayas, causing a flash flood that killed at least 13 people and left 60 more unaccounted for, PTI reports.

Another signal of the potentially deadly mounting cost of climate change, the flash flood, like several other glacial lakes that have burst in China, is believed to be the result of the melting of the Himalayan glaciers.

[NREL develops more precise look at cradle-to-grave greenhouse gas emissions for energy technologies](#)

(Phys.org) -- A new approach to assessing greenhouse-gas emissions from coal, wind, solar and other energy technologies paints a much more precise picture of cradle-to-grave emissions and should help sharpen decisions on what new energy projects to build.

The method – a harmonization of widely variant estimates of greenhouse gas emissions by the U.S. Department of Energy's (DOE) National Renewable Energy Laboratory (NREL) – is being heralded as an important step forward in life-cycle assessments that paints a clearer picture of the environmental penalties and benefits of different technologies.



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