



Drumbeat: August 13, 2012

Posted by [Leanan](#) on August 13, 2012 - 10:10am

[Will high oil costs permanently ruin world's economy?](#)

WASHINGTON — For President Barack Obama and Republican rival Mitt Romney, the race for the White House seems indisputably centered around one issue: Who can do more to bolster the sputtering U.S. economy.

But to some experts, spikes in oil prices over the last several years have signaled an ominous turn that could make it nigh on impossible for any president to expand the economy as it has in the past.

Unlike previous oil price jumps stemming from turmoil affecting Middle East oil producers, prices surged over the last eight years because tightening supplies couldn't keep pace with Third World demand, researchers have concluded.

[Oil Gains Amid Concern Mideast Tensions May Curb Supply](#)

Brent crude rose to a three-month high amid concern that Middle East political tension may disrupt oil supplies.

Brent climbed as much as 1.9 percent after the U.S. said one of its guided-missile destroyers collided with an oil tanker near the Strait of Hormuz in the Persian Gulf. Israel will hold home defense drills this week as the Haaretz daily reported that the nation is considering a strike against Iran over its nuclear program. Brent has advanced 17 percent since European Union sanctions against Iran took effect last month.

[N. Sea output drop sends key Brent oil to 3-month high](#)

LONDON (Reuters) - A fall in the number of North Sea crude oil cargoes in September due to oilfield maintenance and natural decline has helped push global benchmark Brent to a three-month high and raised fears a distorted market could drive near-term prices even higher.

[Alaska looks to Hawaii as customer for natural gas](#)

For more than a year, some Alaska political leaders have been quietly pursuing an

untapped market for the state's vast stores of natural gas: Hawaii.

And Hawaii, with electric bills so steep they rival those in rural Alaska, is interested.

[China's oil demand uncertain on mixed economic outlook: analysts](#)

Singapore (Platts)- China's oil demand outlook remains uncertain despite expectations that the government will do more to stimulate the economy.

Apparent oil demand -- net oil product imports plus refinery throughput -- fell to 36.84 million mt or 9 million b/d in June, the lowest level since September last year, according to Platts' calculations last month. This was a 1.9% contraction year on year.

[Hedge Funds Reduce Wagers After Longest-Ever Rally: Commodities](#)

Hedge funds trimmed bets on a commodity rally for the first time in nine weeks as signs of U.S. growth and speculation that central banks will do more to stimulate economies drove prices to a three-month high.

[Gas prices rise on lower Norway, LNG imports](#)

(Reuters) - Wholesale gas prices in Britain rose on Monday morning as the system opened under-supplied and firm oil and power prices helped lift the market, traders said.

[S Korean Kogas' July LNG sales rise 16.5% on year to 2.26 mil mt](#)

Seoul (Platts)- South Korea's state-owned Korea Gas Corp. said Monday that its sales of LNG in July rose 16.5% year on year on demand from the power sector due to higher temperatures.

[One in ten Scots in fuel poverty](#)

MORE than one in ten people in Scotland are living in fuel poverty, according to government figures obtained by shadow energy minister Tom Greatrex.

The Westminster MP challenged the SNP and the Scottish Government, saying more should be done to reach people struggling to pay their bills.

[Iraq Daily Oil Output Reaches 3.2 Million Barrels, Minister Says](#)

Iraq's crude-oil production has risen to 3.2 million barrels a day and will increase as planned to 3.4 million barrels a day by year's end Deputy Prime Minister for Energy Affairs Hussain al-Shahristani said.

[Energy industry leaders discuss technology at Woodward conference](#)

Horizontal drilling and other technological and regulatory approvals have helped create the oil and gas boom throughout western Oklahoma, according to speakers at the Tri-State Oil & Gas Convention in Woodward.

[Oil services firm Petrofac warns of contract delays](#)

Petrofac, which designs and builds oil and gas infrastructure, counts state-run national oil companies among its largest customers.

Chief Financial Officer Tim Weller said Petrofac was seeing a slowdown in awards in Iraq and Saudi Arabia in particular, where it is bidding for contracts to construct the pipelines and plants that help extract and process oil and gas.

[BP sells US refinery, Arco retail to Tesoro](#)

LONDON (AP) — Oil company BP says it has agreed to sell its refinery in Carson, California and other West Coast assets to Tesoro Corp.

[Saudi Electricity signs 700 mln riyals power deals](#)

(Reuters) - State-owned Saudi Electricity Co is splashing out hundreds of millions of riyals to improve its power distribution network, after thousands of people suffered blackouts last month including some in two of the kingdom's biggest cities Jeddah and Riyadh.

[E.ON triples net profit as nuclear past fades](#)

FRANKFURT (Reuters) - E.ON AG, Germany's largest utility, said net profit more than tripled in the first half of the year, benefiting from a gas price deal with Russia's Gazprom and absence of charges related to Germany's exit from nuclear power.

German utilities have posted strong first-half results so far, thanks to renegotiated gas purchase contracts and higher selling prices, in a recovery from the downturn caused by the government's decision last year to shut nuclear power stations.

[Is the World in Need of Iran's Oil?](#)

Almost a month ago, the United States requested that countries stop purchasing oil from Iran, as an attempt to put pressure on Iran to curb its nuclear ambitions. Iran gets nearly 80 percent of its revenue from oil, but since the U.S. sanctions—the demand has been cut pretty drastically. So in other words, the world is still turning and oil markets aren't looking disturbed. “That’s mostly because we’re swimming in crude as it is. Saudi Arabia is overproducing. Iraq just passed Iran as OPEC’s second-largest oil producer. Libya is back. And production in the U.S. is rising faster than anyone thought.”

[Eni's Iran oil imports stall](#)

Italy's Eni has been unable to import Iranian oil for a second month running, due to bank payment and insurance problems, despite having European Union clearance to receive the oil to recover \$1 billion in debts, industry sources said.

An EU ban on imports of oil from Iran came into force on July 1, but the bloc exempted Eni to allow it to recoup long-standing debts it is owed by Tehran for work it undertook in the energy sector, which are being paid in oil.

[Mursi Sidelines Egypt's Top Generals Amid Power Struggle](#)

Egyptian President Mohamed Mursi ordered the retirement of the country's two top generals, in his most ambitious push yet to reclaim some of the authority the military had stripped from his office.

[Qatar offers Egypt \\$2bn loan package](#)

Qatar has agreed to lend as much as US\$2 billion (Dh7.34bn) to Egypt in an effort to buoy the country's depleted finances and support an economy ravaged by 18 months of political turmoil.

The Arabian Gulf state will become the second country after Saudi Arabia to forward a big loan to Egypt without waiting for an agreement with the IMF as insurance.

[Fire-hit Chevron refinery unit may be down 6 mths-report](#)

(Reuters) - The sole crude oil unit at Chevron Corp's Richmond, California, refinery may be shut for at least four to six months due to "extensive damage" from last week's fire, industry intelligence group IIR Energy said in a report.

In the report issued on Friday that suggested the outage could last twice as long as previously estimated, IIR Energy said investigators have found serious damage in the cooling towers, pipe racks and heater tower.

[US Navy ship collides with oil tanker in Gulf](#)

DUBAI, United Arab Emirates (AP) — A U.S. Navy guided missile destroyer was left with a gaping hole on one side after it collided with an oil tanker early Sunday just outside the strategic Strait of Hormuz.

[Alaska Governor Asks Salazar to Expedite Point Thomson Decision](#)

Alaska Governor Sean Parnell asked U.S. Interior Secretary Ken Salazar to help expedite an Army Corps of Engineers decision on permits to develop the state's Point Thomson oil and gas field after it was delayed.

[What Voters Don't Know About Energy](#)

More than half of Americans cannot name one type of renewable energy and nearly 40 percent can't identify a fossil fuel, according to New York-based research organization Public Agenda. Many wrongly think the US gets most of its oil from the Middle East, and few realize that it will be years before green energy makes up a large portion of our resource mix.

Even when there is money on the table, we are often oblivious. An Associated Press-NORC Center for Public Affairs Research poll found that less than 20 percent of Americans know important details about energy efficiency rebates, tax credits, and other incentives available to them.

[Peak Oil? How about Peak China?](#)

It may be hard to believe, but it's been a full four years since China hosted the Olympics. At the time, Beijing 2008 appeared to herald China's return, after a 500 year hiatus, to great power status. Commentators were falling over themselves to pronounce the inevitability of China's rise and its implications for American influence in Asia.

But is it possible we will look back on those Olympic Games as the peak of Chinese power, rather than the beginning of its rise?

[World over-using underground water reserves for agriculture](#)

The study, published in the journal Nature, found that 80 percent of the world's aquifers are being used sustainably but this is offset by heavy over-exploitation in a few key areas.

Those areas included western Mexico, the High Plains and California's Central Valley in the United States, Saudi Arabia, Iran, northern India and parts of northern China.

[US drought exposes water management problems](#)

The historic drought withering much of the United States this summer has revealed a need for strategies to better manage water supplies that could remain under severe pressure both this year and in the longer term.

[Redirecting Fresh Water Raises Fears for Farmers](#)

Prime farmland in the Sacramento River's delta would be affected in the diversion of fresh water to the state's more economically vital areas.

[Shrinking Mississippi River Means Higher Prices](#)

The giant American Queen has to let passengers off on a levy because the water is too shallow where it normally docks.

Huge areas of river bed sit exposed; looking like desert, causing one law maker to quip the Mississippi's got more beaches than Florida.

Which would be funny if it wasn't about to cost us all.

You see the Mississippi moves all sorts of things we use a lot of – like grain, oil, coal and steel.

[Severe dry spell to hit Pakistan next year](#)

Karachi: A lacklustre monsoon and the slow melting of glaciers in Pakistan's northern altitudes may cause a severe dry spell in the country adding to economic and social woes, the latest weather forecast suggested.

Earlier, the Pakistani met office forecast that the country might witness 20 per cent more rainfall during the current monsoon season that began in July and lasts until September. On the contrary, however, the monsoon rains remain quite poor and erratic.

[Ban Ki-moon launches new UN initiative to protect oceans](#)

The UN chief announced a new project to protect oceans from pollution and over-fishing and to combat rising sea levels which threaten hundreds of millions of the world's people.

The initiative, called "Oceans Compact", wants to tackle the the "precarious state" of the world's seas, said United Nations Secretary-General Ban Ki-moon.

[Gambia: Banjul Risks Sinking As Sea Level Rises](#)

Banjul is at risk of going under water as sea levels rise by one meter as a result of climate change and other environmental ramifications, the minister of works, constructions and infrastructures, Francis Leity Mboge warned Thursday.

[Editorial: Sea-level rise must be taken seriously](#)

Plan for the worst; hope for the best.

That's the best strategy to follow with regard to global warming, rising sea levels and development along the North Carolina coast. But our General Assembly and Gov. Bev Perdue are using a totally irresponsible approach in planning for the best and hoping that the worst doesn't happen any time soon.



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