



Drumbeat: September 5, 2012

Posted by [Leanan](#) on September 5, 2012 - 9:05am

[A Chinese City Moves to Limit New Cars](#)

GUANGZHOU, China — It is as startling as if Detroit or Los Angeles restricted car ownership.

The municipal government of Guangzhou, a sprawling metropolis that is one of China's biggest auto manufacturing centers, introduced license plate auctions and lotteries last week that will roughly halve the number of new cars on the streets.

The crackdown by China's third-largest city is the most restrictive in a series of moves by big Chinese cities that are putting quality-of-life issues ahead of short-term economic growth, something the central government has struggled to do on a national scale.

The measures have the potential to help clean up China's notoriously dirty air and water, reduce long-term health care costs and improve the long-term quality of Chinese growth. But they are also imposing short-term costs, economists say, at a time when policy makers in Beijing and around the world are already concerned about a sharp economic slowdown in China.

[Oil Trades Near One-Week Low as U.S. Manufacturing Contracts](#)

Oil traded near the lowest price in almost a week in New York after a report showed manufacturing declined in the U.S., the world's biggest crude consumer. Futures were little changed after slipping 1.2 percent yesterday, the most since Aug. 2. U.S. manufacturing slid for a third month in August, according to the Institute for Supply Management's factory index yesterday, adding to contractions in Europe and China. Concern that supply will increase also weighed on oil as companies resumed output in the Gulf of Mexico. Crude stockpiles dropped 5.5 million barrels last week as Hurricane Isaac shut offshore platforms, according to a Bloomberg survey before a government report tomorrow.

[U.S. Gas Rises on Forecasts of Below-Normal Gain in Inventories](#)

Natural gas climbed for a fifth day in New York, the longest run of gains since July 24, on speculation a government report this week will show a smaller- than-normal increase in stockpiles.

Gas for October delivery rose as much as 1.5 cents, or 0.5 percent, to \$2.869 per million

British thermal units in electronic trading on the New York Mercantile exchange. It was at \$2.86 per million Btu at 10:27 a.m. Tokyo time.

[Despite delays, China seeks full Iran oil volume for third month: sources](#)

BEIJING (Reuters) - For the third month in a row, China has nominated full contract volumes of Iranian crude for September, but refineries have begun to complain about delays in oil deliveries posing a problem, trading sources said.

China, Iran's largest oil customer and top trading partner, is expected to load about 15.5 million barrels of Iranian oil this month, the third that it will be using the tankers of National Iranian Tanker Co. (NITC) to carry home oil and get around a European Union insurance ban that began in July.

[Ahmadinejad admits sanctions hindering banking, oil exports](#)

Speaking on a live TV talk show, Ahmadinejad said, "It is an all-out, hidden, heavy war."

Ahmadinejad admitted that the West's sanctions have created problems in oil exports and banking. "There are barriers in transferring money, there are barriers in selling oil," said Ahmadinejad.

[Libyan Oil Field Fire 'Under Control'](#)

DUBAI – Libya's National Oil Corp., or NOC, said Wednesday that it has controlled a fire that broke out Tuesday at the 35,000 barrel per day Amal field in the eastern Sirte basin, but crude output was still halted.

[Baby survives as family dies in Syrian onslaught](#)

Aleppo, Syria (CNN) -- It is impossible to get used to. The roar of a jet overhead, the hum of helicopter blades hovering around your block, the sudden thud of a blast. When you hear it, at least you know you are safe.

Yet this has become daily life for residents of Aleppo. People living in rebel held territory, among whom the Free Syrian Army (FSA) mingle, and upon whom the Syrian regime's wrath is visited.

[Pirates seize oil tanker, kidnap crew off Nigeria](#)

LAGOS, Nigeria (AP) — Nigeria's navy says pirates have attacked and seized an oil

tanker off the coast of its largest city.

Commodore Kabir Aliyu said Wednesday that the attack happened off the coast of Lagos. Aliyu said he had no other immediate details about the assault.

[Pipeline changes landscape of UAE oil industry](#)

With the inauguration of the Habshan-Al Fujairah pipeline for carrying oil from Abu Dhabi's productive oil fields to the exporting port in Fujairah on the Oman gulf, the UAE has taken an important strategic, economic, and environmental step.

This pipeline, which extends 350 kilometres from oil fields overlooking the Arab Gulf to Fujairah, resembles a quantum leap in the UAE's oil industry.

[Kenya Spends \\$25 Billion on Bond-Backed Port for Oil](#)

Kenya, East Africa's largest economy, is moving to spend \$25 billion on a second port, a crude pipeline and roads that will open up export routes in a region luring investors with oil and gas discoveries.

The Kenyan government has agreed with oil-rich South Sudan to build a 2,000-kilometer (1,243-mile) pipeline to the northern Kenyan coastal town of Lamu. Early-stage construction began in March to clear the way for a deepwater port that will serve Kenya's underdeveloped north, South Sudan, Ethiopia and Uganda.

[Aramco, Total start testing Jubail refinery-sources](#)

DUBAI/KHOBAR, Saudi Arabia (Reuters) - Saudi Aramco and France's Total have started testing their new refinery at Jubail, three sources with knowledge of the project said, raising the prospect of full operation of the \$14 billion facility ahead of a scheduled start-up in the third quarter of 2013.

[Ax Killer's Pardon Reignites War Fears in Oil-Rich Caucasus](#)

Azerbaijan's pardon of a convicted murderer who killed an Armenian army officer with an ax risks reigniting a 20-year-old war between the two foes in the energy-rich South Caucasus.

Ramil Safarov, who was serving a life sentence for slaying Guren Margaryan in Budapest in 2004, was pardoned by Azeri President Ilham Aliyev and promoted after Hungary transferred him home Aug. 31. Armenia's parliament will hold an emergency session today, while Europe, the U.S. and Russia have expressed "deep concern" about regional stability.

[Dhoot Said to Seek \\$3 Billion for Africa Gas Block Stake](#)

Videocon Industries Ltd., controlled by Indian billionaire Venugopal Dhoot, is seeking \$3 billion for its stake in a Mozambique gas field, said a person with direct knowledge of the matter.

Videocon, which runs businesses from making flat-screen television sets to operating mobile-phone services, is in talks with companies including Royal Dutch Shell Plc, the person said, asking not to be identified because the discussions are private. Videocon may find a buyer for the stake in about six months, the person said.

[Saudi oil well dries up](#)

I don't wish to knock shale. It is a Godsend and should be encouraged with utmost vigour and dispatch in Britain. But it is for now plugging holes in global supply rather than covering the future shortfall as the industrial revolutions of Asia mature.

The basic point – common to other Gulf oil producers – is that Saudi local consumption is rocketing. Residential use makes up 50pc of demand, and over two thirds of that is air-conditioning.

The Saudis also consume 250 litres per day of water – the world's third highest (which blows the mind), growing at 9pc a year – and most of this is provided from energy-guzzling desalination plants.

All this is made far worse across the Gulf by fuel subsidies to placate restive populations.

[Saudi Arabia To Become A Net Importer Of Oil?](#)

Is This Really A Possibility?

No, not really. The Saudi economy is still an oil economy, and they're having great growth, but that's not necessarily sustainable. And with most "we're going to run out theories" -- as I've written in my peak oil article -- we see people generally just assume that current consumption trends stay the same without accounting for changes.

One of the most important concepts for understanding long-term human action is the notion of reflexivity. People change because they see trends change. In other words, people react to reality, which changes, and then people react to that reality, creating a feedback loop.

[Peak Oil: Undulating Plateau Shaped By Price](#)

Dr. M King Hubbert famously predicted peak conventional oil. Supporters point to

Hubbert's correct predictions as a source of doom prophecy. Detractors misrepresent Hubbert and point to the unconventional shale oil revolution. Both sides ignore economics and price.

The U.S and world conventional oil production predictions of Hubbert were largely correct. U.S. production peaked in 1970 and world conventional production peaked in 2006, a date later than planned because of political, rather than geological, reasons. Last decade when the oil price was marching higher the peak oil enthusiasts could be heard screaming loudly.

[UK gas rises as Norway diverts gas to Belgium](#)

LONDON (Reuters) - British prompt gas prices rose slightly on Wednesday after the restart of Norwegian exports to Belgium meant less gas was flowing to Britain, but low demand for British gas from continental Europe meant the UK gas system could cope with lower imports.

British gas for within-day delivery rose 0.20 pence on Wednesday to 59.60 pence, but day-ahead gas slipped 0.05 pence to also trade at 59.60 pence.

[Europe Opens Inquiry Into Gazprom Trade Practices](#)

BRUSSELS — European Union antitrust authorities opened a formal investigation Tuesday into whether the Russian export monopoly Gazprom had blocked fair competition in the natural gas markets of Central and Eastern Europe.

The case highlights one of the most pressing issues in Europe: how to create a competitive market for the fuel when Russia supplies about a quarter of Europe's needs and exercises significant leverage over importers.

[Gazprom tells EU it is under Russian state protection](#)

(Reuters) - Gazprom said on Wednesday that the European Union should treat it as a Russian state owned-company while investigating its practices in Europe.

[Europe Might Regret Getting Tough With Gazprom](#)

If the Commission thinks it can force Russia to pay serious fines for sticking to long term (oil indexed) contracts, good luck. No political authority on earth would be able to force payment from the Kremlin short or seizing of assets. Rather, this is more to do with trying to get Gazprom to comply with European liberalization and antitrust rules. Whether it really needed to go down this road to achieve that, is at best, tenuous. Not only will Russia throw its toys out the pram (winter is always the most brutal time to unleash supply cuts in the Balkans), the Kremlin will hire the best energy lawyers

money can buy in London to point out some rather inconvenient market truths.

[Chesapeake Energy losing its grip on Pennsylvania's Marcellus shale](#)

Chesapeake Energy, the once hard charging shale gas company who took the Pennsylvania Marcellus by storm back in 2009, is losing its hold as the market leader within the state. New state production reports out this week show Chesapeake does not own any of the top producing 25 wells in Pennsylvania. All 25 of the best wells are now owned by either Cabot Oil & Gas Corporation (COG), who owns eight of the top ten wells, or private Citrus Energy. State records further show after drilling an average of 235 wells each year for 2010 and 2011, Chesapeake has drilled just 64 wells in Pennsylvania so far this year.

[Gas pipeline operators set sights on NY](#)

ALBANY, N.Y. (AP) — With a decision expected soon on whether to allow hydraulic fracturing in New York state, natural gas pipeline operators are already looking at setting up shop and opponents are predicting environmental damage, safety problems and land seizures through eminent domain.

There's already a proposal for a pipeline to carry low-cost natural gas from Pennsylvania to major Northeast markets, such as New York City and Boston. A \$750 million pipeline proposed for southwestern New York would also provide a route from wells in New York if Gov. Andrew Cuomo lifts a 4-year-old ban on hydraulic fracturing and lets drillers use the technique.

Opponents claim that's the real motive for the pipeline plan.

[Explosive Methane Gas Found in Some N.Y. Wells](#)

About 9 percent of New York state water wells contain enough dissolved methane to require monitoring and other safety measures, according to a new study.

[Venezuela's Amuay to Return to Full Operations in 'Days'](#)

Venezuela's Amuay oil refinery, the country's largest, will return to full capacity in "days" after restarting some distillation units following a fatal gas explosion on Aug. 25, Oil Minister Rafael Ramirez said.

"We're in the midst of our safe restart protocol and currently processing 264,000 barrels a day," Ramirez said today at an oil conference in Puerto La Cruz. "In the next few days we'll have normalized our operations."

[BP Falls as U.S. Reiterates Gross Negligence Charge in Spill](#)

BP Plc the owner of the Macondo well that caused the worst U.S. oil spill two years ago, declined in London after the Department of Justice reiterated it will pursue charges of gross negligence in the case.

BP slipped as much as 4.5 percent, the most in more than a month, and traded down 3.9 percent at 419.70 pence as of 10:40 a.m. BP faces a trial with the DOJ after reaching a \$7.8 billion settlement in March with victims of the spill.

[President of Tokyo Electric Urges Nuclear Future](#)

TOKYO — Japan would be foolish to abandon nuclear power, the operator of the ravaged Fukushima Daiichi Nuclear Power Station warned Wednesday, saying the company had not ruled out reopening two of the plant's less-damaged reactors, as well as four others at a nearby sister site.

The country is expected to outline a new energy policy soon, prompted by the disaster at Fukushima, and one option the government has explored would phase out all nuclear power by 2030.

[French Power Gap May Accelerate on Nuclear Shutdowns, Grid Says](#)

France may be hit by a shortage of generating capacity a year earlier than forecast because of the planned closing of outdated fossil-fuel plants and two nuclear reactors, grid operator Reseau de Transport d'Electricite said.

[Global Frackdown on Fracking Companies: 22 September](#)

A common language made it easy for French people and French local groups to read news coming from Quebec and to forge links with local Quebec groups. Soon, the slogan "Neither here nor elsewhere" became widespread. Following the achievement of the law banning fracking, interest in learning more about the situation in other countries has steadily increased. Many links have been forged, initially interpersonal ones, then some group twinning, especially between French and Quebecois groups has emerged. Now, a new step has been initiated: structuring these links and the building of a European, or even an international coordination, of the grassroots movements. After the meetings we organized in Marseilles (France) during the Alternative World Water Forum FAME (march 2012) and in Rio (Brazil) during the People's summit (June 2012), each with participants coming from several countries, the next step is the Global Frackdown day that will be held on the 22nd of September.

[Ohio's Gas-Fracking Boom Seen Aiding Obama in Swing State](#)

Four years ago, Barack Obama pledged to promote a green revolution, saying the

government would back alternative-energy technologies that could create 5 million jobs and free the U.S. from a dependence on overseas oil tyrants.

Today, the energy industry is one of the main engines of job growth and the U.S. is the closest it has been in almost 20 years to meeting its own needs. Yet the transformation - driven by a surge in oil and natural gas production -- isn't primarily green and has little connection to the president's plans.

[Car sales post strong August](#)

NEW YORK (CNMoney) -- Car sales jumped in August, as major automakers all reported better-than-expected demand on Tuesday.

Industrywide U.S. car sales jumped 19.9% compared to a year ago, according to sales tracker Autodata. That works out to an annual sales pace of 14.52 million vehicles, which topped forecasts and nearly matched the pace in August 2009, when demand was inflated by the "Cash for Clunkers" program.

[China Speeding U.S. Solar-Dumping Case as Election Nears](#)

China is accelerating a dispute with the U.S. over solar-energy taxes, moving forward its next salvo to hit as President Barack Obama faces re-election.

[Illegal Logging Deals Rife in Liberia, Group Reports](#)

For years, the environmental group Global Witness has been investigating the destruction of forests in the developing world. Much of the wood illegally harvested there ends up in the hands of international companies that manufacture furniture, paper and biofuels. Global Witness has campaigned against illegal harvesting of ebony and rosewood in Madagascar, exposed illegal exports of timber from Myanmar to China and documented the killings of antilogging activists in Cambodia.

In a new report that seems to be having some immediate repercussions, the group has now turned its sights on illegal logging in Liberia.

[Do as I Say, Not as I ...](#)

Even as the Energy Department preaches energy conservation and efficiency, it is failing to take advantage of readily available, low-cost opportunities to reduce its energy consumption, the department's inspector general said in a report released on Tuesday.

[Critics Say California Law Hurts Effort to Add Jobs](#)

LOS ANGELES — Environmentalists in this greenest of places call the California Environmental Quality Act the state's most powerful environmental protection, a model for the nation credited with preserving lush wetlands and keeping condominiums off the slopes of the Sierra Nevada.

But the landmark law passed in 1970 has also been increasingly abused, opening the door to lawsuits — sometimes brought by business competitors or for reasons unrelated to the environment — that, regardless of their merit, can delay even green development projects for years or sometimes kill them completely.

['Why Have Kids?' author on parenting's contradictions](#)

Q: You say we need to stop talking about parenting as the default rather than a deliberate choice. Is it still that way?

A: It's becoming less so, but I think it's very much the default — just the way in which women's health care is centered around the idea that one day they'll become pregnant. From policy to culture, the assumption is that everyone — women in particular — will become parents. Parenting is still being considered the default rather than a proactive decision.

[Traveling to Farms, From Dirt to Dining](#)

Many C.S.A. farms in the United States offer apprenticeships for a season, usually from February to December, though you can find some summer-only opportunities. For aspiring farmers, I recommend working a season, because you really see everything, from planting to weeding and trellising to harvesting, washing and packing. To find these apprenticeships, I would suggest contacting the nonprofit farming organization in the region where you'd like to go. All of them do a great job, but to name a few, there's Georgia Organics, Northeast Organic Farming Association, Midwest Organic and Sustainable Education Service (Moses). Attra also has a good internship directory.

[Study sees no nutritional edge in organic food](#)

Organic products have no significant nutritional advantage over conventional foods, even though consumers can pay more for them, a new study finds.

[Food-Stamp Use Climbs to Record, Reviving Campaign Issue](#)

Food-stamp use reached a record 46.7 million people in June, the government said, as Democrats prepare to nominate President Barack Obama for a second term with the economy as a chief issue in the campaign.

Participation was up 0.4 percent from May and 3.3 percent higher than a year earlier and has remained greater than 46 million all year as the unemployment rate stayed

higher than 8 percent. New jobless numbers will be released Sept. 7.

[Durham entrepreneurs developing 'emissions-free' power plant](#)

The first reaction is always the same: It's too good to be true.

The disbelief is directed at a next-generation power plant under development in Durham by NET Power. Its backers say their machine won't emit a particle of pollution.

The emissions-free concept exists only on paper today, but a key mechanical component is getting readied for testing in about four months. It would have to elevate the pressure at which natural gas is burned by a factor of several times, a thermodynamic feat that has only been achieved in the aerospace industry but is limited to computer simulations in power plants.

[Arctic Drilling May Never Heat Up](#)

The oil and gas industry has changed dramatically since the 20th century, when offshore exploration typically meant there were rigs sitting in a few hundred feet of water drilling into the Gulf of Mexico's outer continental shelf. Today, despite the 2010 catastrophe that befell the deepwater Gulf, there's increasing activity there, as well as in Brazil's Santos Basin and the waters off Africa.

But with big new finds becoming scarce, the industry is expanding into the icy and technically challenging -- but promising -- waters of the Arctic, where it's already facing a host of obstacles. In addition to obviously frigid temperatures, the impediments include disruptions from environmental groups, loggerheads that increasingly are characterizing the relationship between the U.S. and Russia, and pokiness on the part of the U.S. government relative to drilling offshore Alaska.

[Turning off Energy, Not Climate Change, Is Biggest Threat, Doctors Say](#)

TUCSON, Ariz. /PRNewswire-USNewswire/ -- Thousands of accused witches were burned at the stake in medieval times in an effort to protect their communities from bad weather, stated Jane Orient, M.D., president of Physicians for Civil Defense. It didn't work then, of course, as Europe continued to suffer greatly during the Little Ice Age. And human beings still do not have the power to control the climate, she said.

[Canada's Mackenzie River needs aid as climate "refrigerator"](#)

OSLO (Reuters) - Canada's Mackenzie River basin needs better protection as a vast northern "refrigerator" slowing global climate change, experts said on Monday.

Canada's longest river also needs a unifying plan to oversee water quality, wildlife and oil

pollution that would be similar to European Union directives governing rivers such as the Rhine or Danube, they said.

[New model: Coastline erosion due to sea level rise greater than previously thought](#)

A new model allows researchers at UNESCO-IHE, Delft University of Technology and Deltares to much more accurately predict coastline erosion due to rising sea levels. It would appear that the effects of coastline erosion as a result of rising sea-level rise in the vicinity of inlets, such as river estuaries, have until now been dramatically underestimated. The scientists have published their research in the online edition of *Nature Climate Change* on Sept. 2, 2012.

[Resource Wars Connect Yanomami Massacre and Shell's Arctic Drilling](#)

It has been a painful day for me. Two pieces of news came in this Thursday morning: one about the massacre of an Yanomami settlement in the Amazon, and the other about Obama green lighting Shell's drilling in the Arctic Ocean. Both are about resource wars that lead to killing—humans and/or animals, fast or slow, one to get gold, and the other to get oil.

[Crops in India Wilt in a Weak Monsoon Season](#)

MURUMA, India — Vilas Dinkar Mukane lives halfway around the world from the corn farmers of Iowa, but the Indian sharecropper is at risk of losing his livelihood for the same reason: not enough rain.

With the nourishing downpours of the annual monsoon season down an average of 12 percent across India and much more in some regions, farmers in this village about 250 miles east of Mumbai are on the brink of disaster. “If this situation continues, I’ll lose everything,” said Mr. Mukane, whose soybean, sugarcane and cotton crops were visibly stunted and wilting in his fields recently. “Nothing can happen without water.”

[Q. and A.: Climate Change and the Monsoon](#)

Scientists who have devoted their careers to studying the monsoon and predicting its dimensions say that the prognostications can be incredibly difficult. Adding to the complexity is global warming, which could potentially cause monsoon patterns to change.

But in a recent paper in *Nature Climate Change*, researchers write that they are beginning to understand more about the systems driving the monsoon and that they hope to improve their projections in years to come. We discussed the challenges recently with Andrew Turner, a researcher in the Department of Meteorology at the University of Reading in England who was a co-author of the article with H. Annamalai. Following are excerpts from the e-mail conversation, edited for brevity and clarity.



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