



## Drumbeat: October 1, 2012

Posted by [Leanan](#) on October 1, 2012 - 9:22am

### [So Far Unfruitful, Fusion Project Faces a Frugal Congress](#)

For more than 50 years, physicists have been eager to achieve controlled fusion, an elusive goal that could potentially offer a boundless and inexpensive source of energy.

To do so, American scientists have built a giant laser, now the size of a football stadium, that takes target practice on specks of fuel smaller than peppercorns. The device, operating since 1993, has so far cost taxpayers more than \$5 billion, making it one of the most expensive federally financed science projects ever. But so far, it has not worked.

### [Oil Declines From One-Week High as China Manufacturing Weakens](#)

Crude slipped from the highest close in a week in New York as manufacturing contracted unexpectedly in China, raising speculation that fuel demand may decline in the world's second-biggest crude consumer.

Futures slid as much as 1 percent after capping the biggest quarterly gain since December on Sept. 28. China's Purchasing Managers' Index was 49.8 in September, the government said today. That compares with the median forecast of 50.1 in a Bloomberg survey. An index from HSBC Holdings Plc and Markit Economics showed an 11th contraction. Data released later today will probably show U.S. output shrank a fourth month.

### [Norway may send more gas to UK, Europe take more Russian](#)

LONDON (Reuters) - Britain may receive more Norwegian gas in the 2012/2013 gas year as continental European customers take more Russian supplies, which became more competitive following contract negotiations during the past months, analysts said on Monday.

European gas buyers and sellers adjust supply volumes on Oct. 1, starting the new gas year, as the winter heating season starts in Europe.

### [U.S. Natural Gas Gains a Fifth Day After Supply Forecasts](#)

Natural gas futures rose in New York for a fifth consecutive day, their longest streak of gains in more than three months, as concern ebbed that stockpiles will reach storage limits before colder weather increases demand.

### [EU gas demand expected stable/softer in 2012 vs 2011](#)

(Platts) - European gas demand is expected to remain "relatively stable" in 2012 overall compared with 2011, gas industry association Eurogas said in a statement Monday.

It said 2012 gas demand could correspond to about 5,090 TWh (470 billion cubic meters) across the EU27 and Switzerland.

### [Serbia Seeks 10% Russian Gas Price Cut Next Year](#)

BELGRADE (RIA Novosti) – Serbia expects Russian energy giant Gazprom to cut the price of natural gas supplies next year by a further 10 percent, Srbijagas CEO Dusan Bajatovic said on Monday.

Under a contract signed between Srbijagas and YugoRosGaz, a Gazprom subsidiary in Serbia, the Balkan republic currently pays \$470 per 1,000 cubic meters for Russian gas supplies, or 12 percent less than last year.

### [Bull Wagers Tumble Most in 16 Weeks as Prices Slump](#)

Speculators cut wagers by the most in 16 weeks as commodities capped the first monthly loss since May on mounting concern that central bank stimulus measures won't be enough to halt slowing economic growth.

### [Gazprom, India's GAIL agree 20-yr LNG sales deal](#)

(Reuters) - Russia's Gazprom Marketing and Trading has signed a legally binding agreement to supply liquefied natural gas (LNG) to India's GAIL for 20 years, the companies said on Monday.

Under the terms of the agreement, GAIL will receive 2.5 million tonnes of LNG sourced from Gazprom's own production facilities and global trading portfolio, they said in a statement.

### [High oil price: fuel for Russian manufacturing, decelerator for Europe](#)

Russia's manufacturing output kept growing in September, largely reflecting higher oil prices. More expensive commodities have been the main drag on European economies.

Operating conditions for Russian manufacturing kept on improving in September, as its Purchasing Manager Index (PMI) – an indicator of business activity in the sector – rose to 52.4 from the August figure of 51.0. The latest reading was also slightly above its historic average of 52.1 and a far better performance than Eurozone economies, where the PMI slipped to a 3 year low of 46.1.

### [Shell hopeful on Arctic drilling despite setback](#)

Royal Dutch Shell PLC has spent \$4.5 billion on Arctic offshore drilling, moving ahead in fits and spurts to overcome delays from court challenges and the added scrutiny that followed BP's Deepwater Horizon blowout in the Gulf of Mexico.

Odum said glitches were expected and the payoff from significant resources in the Chukchi and Beaufort seas will make the trouble worthwhile.

"If they prove up the way we hope they will, and the way the U.S. government thinks they may, then this will be very much worth all our time and effort," he said. "There is still great enthusiasm for that."

### [Kuwait's KOTC deploys armed security on board its oil tankers: report](#)

Kuwait City (Platts) - State-owned Kuwait Oil Tanker Co has deployed armed security squads on board its oil and product tanker fleet, KOTC chairman Bader al-Khashti told the official news agency KUNA Monday.

Effective Monday, the security teams will be on the tankers especially when passing through pirate-infested regions. KOTC implemented the security move after assessing "the risks and recurrence of piracy in several regions around the world," al-Khashti said.

### [Iran to build an oil exporting pipeline to Afghanistan](#)

Azerbaijan, Baku /Trend S.Isayev, T. Jafarov/ Iran will be building a pipeline to export oil to Afghanistan, Head of the Office of the Campaign against Smuggling Goods and Foreign Currency, Fada Hossein Maleki said, Shana reported.

Maleki noted that upon the approval of the Cabinet of Ministers, the pipeline to Afghanistan will be built from Iran's Dogharoon city (Masshad province) to Afghan city of Eslam Qaleh (Herat province).

### [Thousands displaced as Syrian authorities demolish Hama neighborhood](#)

(CNN) -- Syrian forces are uprooting thousands of people and then demolishing their homes in part of a flashpoint city that has been the center of an anti-government

rebellion, according to residents there.

Tanks and bulldozers have been tearing down houses in the Mesha Alarbeen district of the city of Hama, the site of intense fighting during an uprising against the Syrian government.

### [Officials: Suicide attacker kills 3 NATO forces, 4 Afghan police](#)

Kabul, Afghanistan (CNN) -- A suicide attack in eastern Afghanistan Monday killed 14 people, including three NATO service members and four Afghan police, and wounded 57 others, a spokesman for the Afghan interior ministry said.

The bomber targeted a joint patrol of ISAF forces and Afghan police, using an explosives-packed motorcycle, according to Sediq Seddiqi, a spokesman for the ministry, which condemned the attack.

### [Venezuelans might well ask, 'Where has the money gone?'](#)

It is said Venezuela does not have good or bad presidents, just presidents who serve at times of high or low oil prices.

Venezuelans vote on Sunday to decide whether Hugo Chávez, who has enjoyed unprecedented benefits from the oil effect, deserves a fourth term.

### [Angola New Oil Law Taking Force May Boost Liquidity](#)

An oil law in Angola, Africa's second-biggest crude producer, that enters into force today may increase domestic banks' liquidity and strengthen the currency, the Economist Intelligence Unit said.

The legislation, which requires foreign oil companies to pay suppliers from accounts with local banks, may funnel \$10 billion a year through Angola's economy and support the value of the kwanza while risking higher prices if lending increases, according to the London-based EIU. It may also delay projects.

### [Miners owe East Timor millions in unpaid taxes](#)

Potentially billions of dollars of tax is being withheld from the government of East Timor by some of the world's richest oil and gas companies operating in the Timor Sea, Four Corners has revealed.

The amount owing to East Timor, or Timor Leste as it is known in the country, could be as much as US\$3 billion, once interest and penalties are added to the unpaid taxes.

### [Iraq to Pay Kurdish-Area Oil Companies Today, Hawrami Says](#)

Iraq will pay money today that it owes to international oil companies pumping crude in the country's northern Kurdish region, an official with the semi- autonomous Kurdistan Regional Government said.

Ashti Hawrami, the Kurdish natural resources minister, told reporters in Baghdad the central government informed him of the decision to resume payments. He spoke today before meeting Iraqi Oil Minister Abdul Kareem al-Luaibi for talks about drafting a national energy law.

### [IDB eyes investment in Kazakh, Central Asia energy, farming](#)

ASTANA (Reuters) - The Islamic Development Bank is looking to resource-rich Kazakhstan and Central Asia as a fertile ground for investment, with the launch of a \$50 million renewable energy fund on Monday and plans to finance agricultural projects, an official said.

### [Europe refiner majority-owned by Libya rises from ashes](#)

Oilinvest, a European refiner majority-owned by Libya's National Oil Corporation, has fought a battle on two fronts.

Refineries have struggled in recent years to stay afloat on falling margins, particularly in Europe. Add to that a political revolution at home that led to a near shutdown of the industry supplying most of Oilinvest's feedstock and raised the threat of sanctions.

### [Transocean Ban on Renting Rigs to Petrobras in Brazil Eased](#)

Transocean Ltd., the world's biggest offshore driller, can keep renting equipment to Petroleo Brasileiro SA after Brazil's top court partially lifted a ban on operations related to an oil spill.

The Superior Court of Justice allowed Transocean to continue operating its rigs in Brazil, except for the Frade project that is operated by Chevron Corp., Transocean said in a statement distributed by Marketwire yesterday. Eight of Transocean's nine other rigs in Brazil are under contract with Petrobras, as the state-controlled producer is known.

### [Pipeline fire in southeast Nigeria kills 20](#)

ABUJA, Nigeria (AP) — A government spokesman says 20 people in southeast Nigeria

died when a broken gasoline pipeline caught fire, burning alive those gathering the fuel.

The fire happened in a remote village in Abia state, near Nigeria's oil-rich southern delta. Abia state government spokesman Ugochukwu Emezue said Monday that the fire happened Sept. 23, but it took days for the information to reach officials.

### [Romney Shifted Right on Energy as Presidential Politics Beckoned](#)

Today in Massachusetts, environmentalists credit Mr. Romney with helping to promote smart growth and reducing air pollution by putting in place tough regulations curbing certain toxic emissions from power plants. They also praise him for signing into law a bill embracing oil spill prevention measures. But many feel betrayed by his surprise reversal on the climate change pact.

“He was ahead of his time and very progressive,” said Jack Clarke, who was appointed to an ocean management task force by Mr. Romney and now directs public policy at Mass Audubon, a conservation group. “But by the end of his administration, he seemed to have gotten Potomac fever. The conservation agenda he had didn’t seem to be a core conviction.”

### [Shift by Cuomo on Gas Drilling Prompts Both Anger and Praise](#)

ALBANY — A few months after Gov. Andrew M. Cuomo was poised to approve hydraulic fracturing in several struggling New York counties, his administration is reversing course and starting the regulatory process over, garnering praise from environmental groups and stirring anger among industry executives and upstate landowners.

### [Want a job? Look to the energy field](#)

In 2009, Andrea Conaway was an X-ray technician whose career plan was showing a few fractures.

Hospitals were consolidating around Pittsburgh, so she went searching for oil, in a sense. She went back to school, got an associate's degree in computer electronics, and in August, began a job as an associate systems analyst at EQT, a Pittsburgh-based natural gas driller.

"I figured this industry was the future," says Conaway, who says she boosted her income to almost \$50,000 a year from \$38,000. "It's growing like crazy around here. My friends were getting raises and great benefits, and I knew I wouldn't be."

### [Tanks, a lot: Thieves drill holes in gas tanks at N.H. auto dealer, siphon gas](#)



The trouble was first spotted when a customer was interested in one of the trucks. But when workers brought it over, the truck suddenly ran out of gas, CBS Boston reported.

Upon closer examination, police determined the gas tanks to the vehicles had been drilled out, and the gas was drained.

### [Downward sales spiral plagues Europe's automakers](#)

The European Automobile Manufacturers Association, or ACEA using its French initials, expects 2012 to bring the market's worst sales in 17 years. Industrywide, car registrations dipped 8.5 percent for August. And only Volkswagen, among major manufacturers, posted a sales gain — largely by including Porsche results in its corporate numbers.

Sales have been plunging in the southern European markets hardest hit by the Continent's economic slump, notably Italy and Spain. But even the economic powerhouse is sliding downward, with ACEA reporting that German registrations dropped 4.7 percent last month.

### [Hybrid delivery vans show nearly 20 percent higher fuel economy, study says](#)

(Phys.org)—The U.S. Department of Energy's (DOE)'s National Renewable Energy Laboratory (NREL) recently completed a performance evaluation report that showed significant fuel economy benefits of hybrid electric delivery vans compared to similar conventional vans.

"During the on-road portion of our study, the hybrid vans demonstrated a 13 to 20 percent higher fuel economy than the conventional vans," said NREL Project Engineer Michael Lammert. "During dynamometer testing, three standard drive cycles were chosen to represent the range of delivery routes. The hybrids showed a 13 to 36 percent improvement in fuel economy and up to a 45 percent improvement in ton-miles-per-gallon. This wide range in fuel economy is largely dependent on drive cycle."

### [Lightening the Load for Manufacturers](#)

SHIPPING pallets, those slatted platforms that fill warehouses, are intended to move heavy loads, not people.

But innovations in their design and manufacture may play an important role in creating a fleet of more environmentally sustainable cars and trucks.

### [To Encourage Biking, Cities Lose the Helmets](#)

In the United States the notion that bike helmets promote health and safety by preventing head injuries is taken as pretty near God's truth. Un-helmeted cyclists are regarded as irresponsible, like people who smoke. Cities are aggressive in helmet promotion.

But many European health experts have taken a very different view: Yes, there are studies that show that if you fall off a bicycle at a certain speed and hit your head, a helmet can reduce your risk of serious head injury. But such falls off bikes are rare — exceedingly so in mature urban cycling systems.

On the other hand, many researchers say, if you force or pressure people to wear helmets, you discourage them from riding bicycles. That means more obesity, heart disease and diabetes. And — Catch-22 — a result is fewer ordinary cyclists on the road, which makes it harder to develop a safe bicycling network. The safest biking cities are places like Amsterdam and Copenhagen, where middle-aged commuters are mainstay riders and the fraction of adults in helmets is minuscule.

### [Danes set the pace on green energy vision](#)

By 2050, the Danes hope to power their country entirely by alternative sources. Even cars are to be fuelled by renewable energy. They believe this revolution will be made possible by an abundance of wind, which is already blowing fossil fuels out of the energy mix.

### [Nuclear plant in Abu Dhabi set to be operational in five years](#)

Abu Dhabi's nuclear power plant is "on track" to go online by 2017.

Thousands of workers have been deployed at Baraka, a remote site on the emirate's coast, to build the US\$20 billion (Dh73.46bn) power station in partnership with Emirates Nuclear Energy Corporation, the Abu Dhabi Government company overseeing the programme.

### [Sumitomo Sees 'Solar Bubble' as Japan Rejects Nuclear](#)

As Goldman Sachs Group Inc. (GS) and billionaire Masayoshi Son lead a swarm of investors exploiting Japan's solar power subsidies, the world's biggest, Sumitomo Corp. (8053) is betting on wind.

The trading house, Japan's second-largest investor in power generation outside utilities, will add wind farms and at least two biomass plants to take advantage of the above-market rates for electricity from renewable sources the government introduced in July. Sumitomo's local utility, Summit Energy Corp., expects profits from wind power to triple in as many years, said the unit's president, Shinichi Kitamura.



### [Suzlon Sues Edison Unit Over Payment for Turbines to Big Sky](#)

Suzlon Energy Ltd., the Indian wind-turbine maker seeking an extension on debt repayments, has filed a lawsuit against a unit of Edison International (EIX) claiming its improperly refusing to make a pre-payment for turbines supplied to a U.S. wind farm.

Big Sky, a unit of Edison Mission Group, claims defects in some components don't require it to make the payment, according to Suzlon's complaint, filed Sept. 14 in New York Supreme Court. Suzlon, based in the western Indian city of Pune, is the second-biggest wind-turbine maker in the world by sales.

### [Obama Bars Chinese-Owned Company From Building Wind-Farm](#)

President Barack Obama barred a Chinese-owned company from building wind farms near a U.S. Navy base in Oregon, the first time in 22 years a president has blocked a transaction as a national security risk.

Obama ordered Delaware-based Ralls Corp. to remove all property and installations from its sites within two weeks and divest all of its interests in the wind-farm project within 90 days. In the area around the sites, the Navy conducts training for bombing, electronic combat maneuvers and develops drones, according to the base's website.

### [Sany Vows Legal Battle as Obama Blocks Wind Farms, Xinhua Says](#)

Sany Group Co., China's biggest machinery maker, will use all legal efforts to win compensation after U.S. President Barack Obama barred the building of wind farms near a navy base in Oregon, according to the official Xinhua News Agency.

The farms pose no threat to U.S. national security and Obama's move was probably made to serve his election campaign, Xinhua reported Sept. 29, citing Zhou Qing, a legal official with Sany. Zhou said his company will seek a "fair and square result," according to the news agency.

### [How the mafia is destroying the rainforests](#)

It's not as glamorous as cocaine or diamonds, but the illegal logging industry has become very attractive to criminal organisations over the past decade. A new report finds that up to 90 per cent of tropical deforestation can be attributed to organised crime, which controls up to 30 per cent of the global timber trade.

### [One Proposal to Cool a Warming Planet: An Umbrella Made of Asteroids](#)

The idea, from researchers at the University of Strathclyde's Advanced Space Concepts Laboratory, goes like this: We locate a suitably sized asteroid. We harden it into a

position near Earth. And then we blast its surface to create a cloud of dust, which the asteroid's own gravitational pull would suspend around it, encompassing Earth at the same time.



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