



Drumbeat: February 1, 2013

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[Reshaping Panama Canal Trade Means Boom in U.S. Gas to Asia](#)

Six years after the Panama Canal began a \$5.25 billion expansion to capture shipments of Asian-made goods to the U.S. East Coast, the flow of liquefied natural gas in the opposite direction promises to be a better bet.

Shipments of the fuel, along with rising commodity and energy cargoes between the U.S., Latin America and Asia, are likely to provide the largest sources of demand growth when the project is complete in June 2015, Administrator Jorge Luis Quijano said in an interview. Shipping containerized goods, which generate most business for the 50-mile link, has yet to return to the same level as 2007, two years before the global economy had its worst recession since World War II.

The shift shows how rising U.S. shale-gas output is reshaping global energy markets. The Panama Canal enlargement is central to the change because the route cuts voyages by more than 7,500 nautical miles (8,500 miles) to Asia, where fuel demand is growing fastest. The waterway, handling 5 percent of world trade and shipping 333 million metric tons in the year to Sept. 30, is used by as many as 14,000 ships a year, connecting 160 countries and 1,700 ports, according to its website.

[Oil Heads for Longest Run of Weekly Gains Since 2004](#)

Oil headed for the longest run of weekly gains in more than eight years in New York before a report that may show the U.S. added jobs last month, signaling economic recovery in the world's biggest crude consumer.

West Texas Intermediate, little changed today, is poised for an eighth weekly advance, the longest since August 2004. U.S. employers probably added 165,000 workers last month after a 155,000 increase in December, according to a Bloomberg News survey before Labor Department data. Israeli jets hit Syrian trucks carrying anti-aircraft missiles for the Islamic militant group Hezbollah Jan. 29, according to an official who asked not to be named.

[Saudi Arabia must shoulder blame for high oil prices: Kemp](#)

Saudi officials will blame speculators for the renewed rise. In a narrow sense they are right. But the fundamental cause is the kingdom's decision to slash production at the end

of 2012. The kingdom cut output and exports much too quickly and deeply.

By removing the threat of oversupply, the production cuts removed much of the downside price risk, and encouraged speculators to bet on further rises as the economy recovers and in the event of an upsurge in violence in the Middle East.

[Brent Oil Rally May Stall Near \\$118 a Barrel: Technical Analysis](#)

Brent crude, which gained the most in five months in January, may slow its advance in London as prices reach technical resistance starting at \$118 a barrel, according to Societe Generale SA.

The North Sea oil, a benchmark grade for more than half the world's crude, is approaching a downward-sloping trend line that halted rallies in 2011 and 2012, the bank said in its first- quarter outlook. Beyond that resistance level, further price increases may stall around \$127, along the top of a range within which futures have traded since mid-2010.

[Chevron profit rises on refining gains, asset swap](#)

(Reuters) - Chevron Corp posted a larger-than-expected rise in quarterly profit on Friday as its refining arm managed to improve earnings despite a fire that crippled the company's oldest refinery last August.

The second-largest U.S. oil producer said fourth-quarter net income rose to \$7.2 billion, or \$3.70 per share, from \$5.1 billion, or \$2.58 per share, a year earlier.

[Exxon Profit Rises as Cheap U.S. Oil Lifts Refining](#)

Exxon Mobil Corp., the world's biggest energy company by market value, said fourth-quarter profit rose to a five-year high as growing supplies of cheap U.S. oil boosted margins from refining crude into fuels.

Net income increased to \$9.95 billion, or \$2.20 a share, from \$9.45 billion, or \$1.97 a share, the Irving, Texas-based company said in a statement today. Per-share profit was 20 cents higher than the average of 20 analysts' estimates compiled by Bloomberg.

[SK Innovation Profit Misses Estimate as Refinery Margin Wanes](#)

SK Innovation Co., which owns South Korea's biggest oil refiner, reported a smaller-than-expected quarterly profit as earnings from cracking crude into fuel products narrowed on weak demand.

Net income was 228 billion won (\$209 million) in the three months ended Dec. 31, from 151.2 billion won a year earlier, the Seoul-based company said today in a regulatory filing. That was less than the 392.9 billion won average of 18 analyst estimates compiled by Bloomberg News

[Rosneft 2012 profit below forecasts, cash flow halved](#)

MOSCOW (Reuters) - Rosneft, Russia's No.1 oil producer, reported on Friday a forecast-missing 7 percent increase in 2012 net profit, while free cash flow halved ahead of its \$55 billion takeover of TNK-BP, sending its shares down.

Rosneft's shares fell 2.3 percent, underperforming a 0.1 percent decline in the Moscow market as the state oil major joined gas export monopoly Gazprom in delivering weak cash flow numbers symptomatic of heavy investment.

[North Dakota Went Boom](#)

North Dakota's last oil boom, 30 years ago, collapsed so quickly when prices crashed that workers in the small city of Dickinson left the coffee in their cups when they quit their trailers. Apostles of "Bakken gold" insist that what's different this time is that this time is different, the history of frontier avarice notwithstanding. This is the boom that is going to change everything without the remorse and misgivings that have marked the aftermath of so many past orgies of resource extraction. This is the boom that won't leave the land trashed, won't destroy communities, won't afflict the state with the so-called Dutch Disease in which natural-resource development and the sugar rush of fast cash paradoxically make other parts of the economy less competitive and more difficult to sustain. This is the boom being managed by local people certain they know how to look after their interests and safeguard the land they live on. This is the Big One that North Dakota has been waiting for for more than a century.

[S. Korea Approves Private Coal Power Plants to Spread Investment](#)

South Korea granted approval for Samsung C&T Corp. and three other private companies to build eight coal-fired power plants as part of an energy plan that spreads investment among state and private power generators.

The companies, including Tongyang Power Co., SK Engineering & Construction Co. and a Dongbu Group unit, will build the plants by 2027, the Ministry of Knowledge Economy said in an e-mailed statement. Combined, the plants will generate 8,000 megawatts. Investment amounts weren't revealed.

[The winners and losers from the Syria conflict](#)

All roads lead to Damascus...and back out again. Financial and military aid flowing into

Syria from Iran, Russia, Libya, Saudi Arabia, and other Arabian Gulf states aims to influence the outcome of the conflict between a loose confederation of rebel factions and the Bashar al-Assad regime. But this outside support could merely perpetuate the existing civil war and ignite larger regional hostilities between Sunni and Shia areas, reshaping the political geography of the Middle East.

In many ways, this is a continuation of the historical struggle between Sunni against Shia for dominance in the Islamic world, with Israel as another nearby target. Historical hatred between extremists on both sides of the conflict has already begun to spread fear and influence political sentiment north and east into Turkey and Iraq, west into Lebanon, Israel, and Palestine, and south into Jordan and the Arab Gulf. To understand these trends, it is important to ask: Who benefits from the conflict in Syria, and who loses?

[Suicide bombing kills one outside U.S. Embassy in Turkey](#)

(CNN) -- One person died Friday in an apparent suicide bombing outside the U.S. Embassy in Ankara, Turkey, police said.

Ankara police and health officials said two others were injured in the blast, while Ankara Gov. Aladdin Yüksel said one person was wounded in addition to the one fatality. The suicide bomber also died, authorities said.

[Mexico explosion: How will the Pemex blast affect the country's race for oil?](#)

Mexico City - The deadly explosion that shook a national symbol of Mexico – its giant state-owned oil company – threatens to shake public confidence in an oil industry at a crossroads.

[Pemex Blast Triggers Security Boost at Oil Plants](#)

Mexico is increasing security at units of Petroleos Mexicanos, power plants and airports as it probes a blast at the headquarters of the state-owned oil company that killed at least 26 people and injured 101.

President Enrique Peña Nieto, who had an emergency meeting with Pemex Chief Executive Officer Emilio Lozoya Austin yesterday, plans to visit hospitalized victims today, Pemex said on its Twitter page. The government is increasing security at Pemex storage and production plants, radio Noticias MVX said on its website. The inquiry into the blast is continuing and no cause has been determined, Deputy Interior Minister Eduardo Sanchez said in a telephone interview from the nation's capital. The Attorney General's office is probing the explosion.

[Algerian army to deploy around energy sites](#)

ALGIERS, Algeria -- Algerian soldiers will start protecting sensitive hydrocarbon sites and electrical plants in this energy-rich country, officials told journalists touring a gas complex where a recent standoff between militants and the army left dozens of foreign hostages dead.

The military also is investigating if an insider helped the militants whose attack led to the four-day hostage crisis at the Ain Amenas complex, the officials said. That probe comes amid unconfirmed reports that BP energy executives were holding a meeting at the site when the attackers arrived, and that the militants sought them out.

[Colombia rebels free seized oil workers, kill four soldiers](#)

BOGOTA (Reuters) - Colombia's FARC rebels on Thursday freed three oil contractors kidnapped a day earlier, military sources said, though the guerrillas killed four soldiers in the south as they step up pressure during peace talks.

The kidnappings and other violent incidents came days after the Revolutionary Armed Forces of Colombia, or FARC, made clear during peace negotiations in Cuba that it would continue to capture armed forces, possibly hampering the talks.

[China's narrow focus on oil in South Sudan won't work: US envoy](#)

WASHINGTON (Reuters) - China needs to move beyond a narrow focus on oil issues in South Sudan and help tackle that country's larger political disputes with Sudan, the outgoing U.S. special envoy to the two African states said on Wednesday.

[Nigeria Spill Fines on Shell, Chevron, Not Backed by Law](#)

Fines amounting to \$8 billion sought by Nigeria from Royal Dutch Shell Plc and Chevron Corp. for oil spills are not backed by law, said Bukola Saraki, chairman of the country's Senate Committee on Environment.

"Under the existing law, there is no penalty for oil spills apart from just to clean it up," Saraki, a senator representing the ruling People's Democratic Party from central Kwara state, said in an interview in Abuja on Jan. 29. "You only pay 1 million naira (\$6,362) for late reporting."

[Ex-BP Trader Accuses Company of Manipulating Gas Prices](#)

The former head of natural gas liquids trading at BP Plc's BP Energy Co. in Texas accused the company in a lawsuit of wrongfully firing him in order to manipulate the market and gouge Americans with inflated prices.

Drew Sickinger, in a complaint filed Jan. 30 in state court in Houston, said his removal

leaves BP positioned to engage in price manipulation by establishing a dominant and controlling position in the market. Details of the plan aren't revealed in the complaint. BP didn't immediately respond to an e-mailed request for comment, sent to its U.S. press office after regular business hours.

[Balance oil and gas with deer's best interest](#)

Fortunately, there's an additional option out there dedicated to shedding light on the proposal to potentially drill more than 16,000 new oil and gas wells in the Piceance Basin region surrounding Meeker some refer to as the "mule deer factory." Sportsmen have found interpretive assistance through groups such as the Theodore Roosevelt Conservation Partnership, the Colorado Wildlife Federation and Colorado Backcountry Hunters and Anglers, who spell it out in plain English.

"The proposed management plan allows for a 30 percent decline in mule deer and elk numbers compared to Colorado Parks and Wildlife's long-term population objectives," CBHA co-chairman David Lien told members last week via e-mail.

[Equal Pay For Women Has Most Support In New York, Quinnipiac University Poll Finds; Voters Back Minimum Wage 5-1, Split On Gas Drilling](#)

Voters, however, remain divided on the issue of drilling for natural gas in the Marcellus Shale as 43 percent support drilling because of the economic benefits while 42 percent oppose drilling because of environmental concerns.

Support is 48 - 40 percent upstate and 48 - 36 percent in the suburbs while New York City voters are opposed 48 - 36 percent.

[Could Scientists Have Prevented the Fukushima Meltdown?](#)

What is the responsibility of Japan's scientists? To overcome the safety myth, scientists and policymakers need to strike a delicate balance of proximity and distance. This balance was lost in the case of Fukushima, said John Crowley, leader of UNESCO's Social Dimensions of Global Environmental Change team.

"The experts were far too close to the decision makers ... the expertise was not independent enough," said Crowley. "If scientists are too far from the policy process, then science cannot meaningfully contribute to it, but if they are too close, then it distorts and perverts the science."

[America's Nuclear Dumpsters](#)

While the rest of America spent January debating new gun control laws, one

government agency announced its plans to expand the use of high-capacity magazines, assault weapons, and even fully automatic machine guns. The Nuclear Regulatory Commission, which oversees the nation's nuclear plants, is seeking the firepower not for securing the plants themselves, but to defend their nuclear waste.

[Tough sell for a nuclear energy radical](#)

Takashi Kamei criss-crosses the globe with a packed briefcase, spreading his creed like an evangelist.

His dream is straightforward: raise US\$300 million (Dh1.1 billion), build the world's first commercial thorium-fuelled reactor and then convince the world to copy it en masse.

[Scam-Ridden U.S. Biofuel Program Targeted for Fix by EPA](#)

The Environmental Protection Agency is proposing rules to expand the use of renewable fuels and thwart scams in a program hit by fraud and facing increasing criticisms from U.S. refiners.

The EPA yesterday called for a mandate of 16.55 billion gallons for renewable fuels such as ethanol for this year, up 8.9 percent from 2012 and in line with a target set by Congress. Parties have 45 days to comment before a final mandate is set. The agency also issued rules aimed at preventing scams, after the EPA determined that three separate companies sold fraudulent Renewable Identification Numbers, or RINs, for fuel they never produced.

[Texan-sized battery aims to green up the grid](#)

In a remote corner of west Texas, in the shadow of a sprawling wind farm, one of the world's largest batteries was switched on last week. Deep in oil country, the battery is at the vanguard of efforts to help renewable energy sources realise their potential and, ultimately, oust fossil fuels in the US.

Built for energy giant Duke Energy by local start-up Xtreme Power, the array is the biggest and fastest battery in the world. It can store 36 megawatts of wind power and feed it to the grid over a period of just 15 minutes.

[Saudi Arabia Completes Its Biggest Solar Power Plant](#)

Saudi Arabia completed its biggest ground-mounted photovoltaic plant as the world's largest crude oil exporter seeks to generate a third of its electricity with energy from the sun by 2032.

[Officials Back Deep Cuts in Atlantic Cod Harvest to Save Industry](#)

PORTSMOUTH, N.H. — Fishery management officials meeting here on Wednesday voted to impose drastic new cuts to the commercial harvest of cod along the Atlantic coast, arguing that the only way to save the centuries-old cod fishing industry was to sharply limit it.

[EU proposes to ban insecticides linked to bee decline](#)

Insecticides linked to serious harm in bees could be banned from use on flowering crops in Europe as early as July, under proposals set out by the European commission on Thursday, branded "hugely significant" by environmentalists. The move marks remarkably rapid action after evidence has mounted in recent months that the pesticides are contributing to the decline in insects that pollinate a third of all food.

Three neonicotinoids, the world's most widely used insecticides, which earn billions of pounds a year for their manufacturers, would be forbidden from use on corn, oil seed rape, sunflowers and other crops across the continent for two years.

[That Daily Shower Can Be a Killer](#)

Traditional New Guineans have to think clearly about dangers because they have no doctors, police officers or 911 dispatchers to bail them out. In contrast, Americans' thinking about dangers is confused. We obsess about the wrong things, and we fail to watch for real dangers.

Studies have compared Americans' perceived ranking of dangers with the rankings of real dangers, measured either by actual accident figures or by estimated numbers of averted accidents. It turns out that we exaggerate the risks of events that are beyond our control, that cause many deaths at once or that kill in spectacular ways — crazy gunmen, terrorists, plane crashes, nuclear radiation, genetically modified crops. At the same time, we underestimate the risks of events that we can control ("That would never happen to me — I'm careful") and of events that kill just one person in a mundane way.

[Progress or Collapse? New Book Explains Why Market Greed Fails Us All](#)

DAVIS, Calif. /PRNewswire/ -- Economic progress is heading towards collapse: climate change, peak oil, overpopulation, excessive consumption of natural resources, global financial instability, startling economic inequalities, widespread political inertia, civic disengagement and psychosocial degradation. The global economy is like a train, without a driver, approaching a precipice. How can we change its direction?

[A One-Stop Shop for Water Worries](#)

Water, or the lack thereof, is one of the defining challenges of the 21st century. As temperatures rise and droughts become more frequent, the threat of dwindling water resources worries not just environmentalists and governments but companies and their investors, too.

Nearly every industrial sector, from food and beverages to mining to pharmaceuticals, depends on water for its operations. Figuring out which places are likely to be hit hardest can help a company either steer clear of a certain region or plan ahead to minimize damage to its business or supply chain.

Now, a new interactive tool is at hand to help clarify those risks.

[Why Climate Scientists Have Consistently UNDERestimated Key Global Warming Impacts](#)

A paper recently published in *Global Environmental Change* by Brysse et al. (2012) examined a number of past predictions made by climate scientists, and found that they have tended to be too conservative in their projections of the impacts of climate change. The authors thus suggest that climate scientists are biased toward overly cautious estimates, erring on the side of less rather than more alarming predictions, which they call "erring on the side of least drama" (ESLD).

[Humans Have Already Set in Motion 69 Feet of Sea Level Rise](#)

Last week, a much-discussed new paper in the journal *Nature* seemed to suggest to some that we needn't worry too much about the melting of Greenland, the mile-thick mass of ice at the top of the globe. The research found that the Greenland ice sheet seems to have survived a previous warm period in Earth's history—the Eemian period, some 126,000 years ago—without vanishing (although it did melt considerably).

But Ohio State University glaciologist Jason Box isn't buying it.

At Monday's Climate Desk Live briefing in Washington, DC, Box, who has visited Greenland 23 times to track its changing climate, explained that we've already pushed atmospheric carbon dioxide 40 percent beyond Eemian levels. What's more, levels of atmospheric methane are a dramatic 240 percent higher—both with no signs of stopping. "There is no analogue for that in the ice record," Box said.

[Al Gore attacks George Osborne's 'short-sighted' approach to climate](#)

Al Gore, the former US Vice President, has accused Chancellor George Osborne of taking a "short-sighted" approach to climate change and green economic growth, warning that businesses increasingly want to see ambitious action on global warming.

Speaking to tonight's Channel 4 News, Gore, who won a Nobel Prize for his role as climate campaigner, said the UK government was making "a terrible mistake" by diluting its commitment to environmental issues.

[Carbon Swings Hit Year High Amid Supply Concern](#)

European Union emission permit prices are swinging in the widest range since January 2012, encouraging speculation that may be exacerbating losses amid a supply glut.

Thirty-day historical volatility for December carbon allowances rose to 78 percent yesterday on ICE Futures Europe in London, the highest in a year, according to data compiled by Bloomberg. The benchmark contract has fallen in 18 of the past 22 sessions and slid 20 percent last week, its biggest drop since the five days through June 24.

['Environment-growth balance not a zero-sum game'](#)

New Delhi -- Prime Minister Manmohan Singh on Thursday said that balancing environment and growth was not a "zero sum" game and there was a need for "transparent, accountable and subject to oversight and monitoring" regulatory framework to pursue the two goals in tandem.

The PM made these observations while inaugurating the annual Delhi Sustainable Development Summit (DSDS) amid the Prime Minister's Office pressing for diluting environmental norms for faster project clearance without an adequate and transparent monitoring mechanism.

[India to meet domestic mitigation goal of reducing emissions by 2020: PM](#)

New Delhi (ANI): Prime Minister Dr. Manmohan Singh on Thursday said India is committed to meeting its domestic mitigation goal of reducing the emissions intensity of our GDP by 20-25 percent by 2020.

Addressing at the Inaugural Session of Delhi Sustainable Development Summit here, Dr. Singh said: "Our country is committed to meeting its domestic mitigation goal of reducing the emissions intensity of our GDP by 20-25 percent by year 2020 compared with 2005 levels. We have already taken several major steps on the path of low carbon growth. Now is the time for the richer industrialized countries to show that they too are willing to move decisively along this path."

[US carbon emissions fall to lowest levels since 1994](#)

America's carbon dioxide emissions last year fell to their lowest levels since 1994, according to a new report.

Carbon dioxide emissions fell by 13% in the past five years, because of new energy-saving technologies and a doubling in the take-up of renewable energy, the report compiled by Bloomberg New Energy Finance for the Business Council for Sustainable Energy (BCSE) said.

The reduction in climate pollution – even as Congress failed to act on climate change – brings America more than halfway towards Barack Obama's target of cutting emissions by 17% from 2005 levels over the next decade, the Bloomberg analysts said.



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