



Drumbeat: April 22, 2013

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[Is Saudi Arabia Losing Its Importance in the Oil Market?](#)

For three decades or so, Saudi Arabia has wielded considerable influence on the global oil market. The kingdom's status as the world's only "swing producer" has given it the unparalleled ability to influence oil prices by boosting or reducing its production and exports, which it has done at various times over the past few decades.

Indeed, Saudi Arabia may be the only major oil-producing nation in the world with the ability to influence the global price of oil to a noticeable degree. But now, it appears that the Saudis are gradually losing their powerful grip on the world oil market.

There are at least two major reasons why we could see Saudi Arabia's influence on oil prices wane over coming years. The first is expected growth in non-OPEC oil supplies, mainly from North American shale and oil sands production, while the second is changing oil consumption patterns among the Saudis themselves.

[Brent Above \\$100 to 5-Day High as European Stocks Rise](#)

Brent crude futures rose to a one-week high above \$100 a barrel on speculation last week's drop was excessive.

Brent advanced as much as 1.2 percent after the contract's 14-day relative strength index slipped to 31 on April 19 signaling prices had declined too rapidly. The Stoxx Europe 600 Index increased as much as 0.9 percent. Money managers reduced net-long positions, or wagers that West Texas Intermediate will rise, by 6.8 percent in the week ended April 16, according to the U.S. Commodity Futures Trading Commission. They trimmed holdings on Brent for the second week to the lowest since Dec. 18, data from ICE Futures Europe exchange show.

[UAE seeks to boost oil production to 3.5m bpd - min](#)

The UAE is seeking to increase its production capacity of crude oil to 3.5m barrels per day, according to the Gulf state's Minister of Energy.

Speaking at the Annual Middle East Petroleum and Gas in Abu Dhabi, Suhail bin Mohammed Faraj Faris Al Mazrouei said that the rise would contribute to maintaining stability of global oil markets. He did not give a timetable for the increased production.

[U.A.E. Energy Minister Sees Global Oil Market as Balanced](#)

The United Arab Emirates' energy minister said he considers global oil markets to be "well- balanced," with adequate supplies of crude, a month before OPEC meets to review its production target.

The Organization of Petroleum Exporting Countries, due to convene on May 31, is ensuring that supplies are sufficient, Suhail Mohammed Al Mazrouei told reporters today in Abu Dhabi. Global oil demand may increase by 1 million barrels a day until it reaches 105 million a day in 2030, amid economic expansion in Asia and South America, he said.

[Libya Calls for Higher Oil Quota in OPEC](#)

Libya will seek to increase its oil output quota in the Organization of the Petroleum Exporting Countries, Oil Minister Abdelbari al-Arussi said on Monday.

OPEC dropped individual allocations in 2011 when it adopted a 30-million-bpd output target. But with production rising in Libya and Iraq the issue of quotas may need to be addressed at some stage.

[U.S. Gasoline Prices Fall to \\$3.536 a Gallon in Lundberg Survey](#)

The average price for regular gasoline at U.S. pumps fell 11.04 cents a gallon in the past two weeks to \$3.5363 a gallon, according to Lundberg Survey Inc.

[China's Diesel Exports Rise to Three-Year High as Demand Weakens](#)

China's diesel exports rose to the highest level in almost three years in March and gasoline shipments climbed to a one-year high amid the nation's weakest domestic oil demand in five months.

[Rupee falls on heavy dollar demand from gold importers](#)

MUMBAI (Reuters) - The rupee fell on Monday as gold and crude oil importers bought dollars to meet payment obligations, with dealers also citing outflows related to a gas utility.

Some dealers pegged the dollar outflows related to the gas utility at \$150-\$200 million.

[BP US Mad Dog plan pause may be due to redesign, not oil price: Citi](#)

London (Platts) - BP's decision to rethink its big US Gulf Mad Dog Field development may have more to do with a needed redesign rather than the current falling oil price environment, Citi analysts said Monday.

BP, in a statement, said "market conditions and industry inflation" are why the second phase of the Mad Dog Field plan is not as "attractive as previously modeled."

['Pakistan State Oil near bankruptcy due to energy debt crisis'](#)

Karachi: Continuous cash flow problems due to a debt crisis in the energy sector has brought Pakistan's only public sector oil marketing company Pakistan State Oil (PSO) close to bankruptcy, a report has said.

Pakistan State Oil Managing Director and Chief Executive Naeem Yahya Mir has warned that if the public oil company fails, its bankruptcy will not only shake the entire economy but also take down many banks.

[Circular debt woes: Alarm bells ring in PSO as international bank questions creditworthiness](#)

ISLAMABAD: Prime Minister Mir Hazar Khan Khoso has been informed that Pakistan State Oil (PSO)'s creditworthiness has been questioned in the global financial market, and that at least one leading international bank has expressed serious concern over a default on Letters of Credit (L/Cs) issued by the oil marketing giant. It is feared that PSO's inability to pay its dues may have serious implications on the creditworthiness of the country.

According to sources, Deutsche Bank has written a letter to PSO over a default on a L/C, implying that the latter is losing its credibility in the financial market. "PSO may face problems in dealing with oil businesses in the Middle East if it continues defaulting on L/Cs issued for oil imports," sources said while quoting the letter. They added that this was an alarming development for the state-run giant, which is on the brink of defaulting on other international payments due to the burgeoning circular debt in the nation's power sector.

[UK blocks Shell paying Iran oil debt in food, medicine](#)

(Reuters) - Britain has blocked efforts by oil major Royal Dutch Shell to settle a \$2.3 billion debt it owes Iran by paying in kind with grains or pharmaceuticals, industry sources said.

[Nevermind Peak Oil – What About the Price?](#)

There have been many calls on peak oil – the tipping point at which global production reaches a peak – and, due to dwindling reserves, production declines, even if demand continues to rise.

In reality, the industry and the technology have proved more resourceful than predictions have allowed and production has continued to rise. Indeed, the recent opening up of tight oil reserves in the US heralds the possibility that the US may become self-sufficient in a number of years if rates of production growth continue.

[ANA, JAL Said Set to Start Battery Fixes of Grounded 787](#)

ANA Holdings Inc., the biggest operator of Boeing Co.'s grounded 787 Dreamliners, expects to complete repairs next month to get the jet airborne for the first time since battery flaws halted flights in January.

[Halliburton Reports Loss on Gulf Oil Spill Legal Costs](#)

Halliburton Co., the world's largest provider of hydraulic-fracturing services, reported a first-quarter loss on \$637 million in costs for the 2010 U.S. Gulf of Mexico oil spill.

Net loss was \$18 million, or 2 cents a share, compared with net income of \$627 million, or 68 cents, a year earlier, Houston-based Halliburton said in a statement today on Business Wire. Excluding one-time items, profit was 67 cents a share, exceeding the average of 34 analysts' estimates compiled by Bloomberg.

[France's GDF Suez denies it is planning job cuts](#)

PARIS (Reuters) - French gas and power utility group GDF Suez denied a union's claim that it is planning to cut more than 4,000 jobs over the next three years.

"There are absolutely no plans to reduce the group's workforce," a GDF Suez spokesman said in an emailed statement on Monday, adding that it planned to hire 18,000 people over the next three years.

[Algeria Oasis Towns Clamor for Jobs in Shadow of Al-Qaeda](#)

Rising unemployment is sparking unprecedented unrest in the southern oasis towns in Algeria, the third-largest gas supplier to the European Union. It comes when the authorities are already tightening security after a January attack by militants linked to al-Qaeda in Islamic Maghreb, or AQIM, at the An Amenas gas plant that killed 38 foreign workers and amid preparations for elections next year.

[Florida Sues BP Over Gulf Oil Spill](#)

TALLAHASSEE, Fla. (AP) — The state of Florida filed a lawsuit Saturday against the oil company BP and the cement contractor Halliburton over the Deepwater Horizon oil spill, becoming the fourth state to seek damages for the 2010 disaster.

[Cooling suspended at Fukushima reactor](#)

Tokyo Electric Power Co. said Monday it had suspended cooling operations at a pool for spent fuel rods at its Fukushima No. 1 nuclear power plant after dead rats were found on an electricity transformer.

The utility planned to halt cooling operations at the No. 2 reactor pool for three to four hours in order to check the transformer. The nuclear plant was badly damaged in the March 11, 2011, earthquake and tsunami.

[IAEA tells Tepco to improve critical systems at Fukushima No. 1](#)

The International Atomic Energy Agency on Monday called on Tokyo Electric Power Co., operator of the crippled Fukushima nuclear power plant, to improve “essential systems” as it struggles to deal with leaks and power cuts.

[Turning Toward the Sun](#)

We decided to build on our expertise in providing remote services and to focus on distributing solar energy. We install solar panels free, then sell the energy they generate to customers, often at a lower rate than they pay their utility providers. We have more than \$1.7 billion in backing from investors including banks and companies like Honda North America and Google. We have grown to more than 2,800 employees in 14 states. Last December, SolarCity began trading publicly.

[Global finance officials endorse World Bank target to end poverty](#)

WASHINGTON (Reuters) - Global finance officials endorsed a new World Bank goal to end extreme global poverty by 2030 and emphasized that its focus should be on ensuring that the poorest benefit from strong growth and rising prosperity in developing nations.

"For the first time in history we have committed to setting a target to end poverty," World Bank President Jim Yong Kim said on Saturday following a meeting of the World Bank's Development Committee. "We are no longer dreaming of a world free of poverty; we have set an expiration date for extreme poverty," he added.

[Enbridge's Line 9 pipeline fuels climate of suspicion in Quebec](#)

In many ways, Sainte-Justine-de-Newton is a typical Quebec village. A stone Catholic church anchors the main street, small businesses are scattered about and behind them, towards the nearby Ontario border, dairy farms speckle the landscape.

But in this town, population 973, its mayor, Patricia Domingos, is taking a stand against one of Canada's biggest energy companies: Enbridge Inc.

[Hedge-Fund Billionaire Leads Donors in Pushing Obama on Keystone](#)

President Barack Obama faces growing pressure from Democratic donors to reject the Keystone XL pipeline amid signs that the project is headed for approval.

[Americans more supportive of Keystone than Canadians, poll finds](#)

Americans are more supportive of the proposed Keystone XL pipeline than Canadians are, according to a poll by Woodrow Wilson International Center for Scholars.

Seventy-four percent of Americans surveyed said they support U.S. government approval of the TransCanada Corp. project that would carry oil from Canada through the U.S., compared with 68 % of Canadians, according to polling by Nik Nanos, a scholar at the Washington-based institute. Americans also are more likely to say achieving North American energy independence is more important than reducing greenhouse-gas emissions, according to the poll.

[50 000 Citizens Walk For A World Free of Fossil Fuels](#)

MONTREAL /CNW Telbec/ - More than 50 000 citizens gathered today in Downtown Montreal to signify their opposition to the pipeline projects that would bring, for the first time, tars sands oil to Quebec. The *Walk for Earth* focused on these themes: fossil fuels, the fight against climate change and the rights of future generations. It was part of a larger North American movement against the tar sands expansion.

[Texas can protect, save its water](#)

To some, this might seem like a typical story of the collision between human needs and preservation of the environment. But it's not. Much of the water withdrawn from those rivers, and from rivers, reservoirs and aquifers across Texas each year is simply wasted - evaporating from farm fields, sent up the cooling towers of power plants, leaking from cracked water pipes or injected deep underground after being contaminated during the process of fracking for fossil fuels.

Before we subject Texas rivers to more water withdrawals that threaten wildlife and our ability to enjoy those waterways, shouldn't we first take every reasonable opportunity

available to save water?

[Water Rights Tear at an Indian Reservation](#)

A water war is roiling the Flathead Indian Reservation here in western Montana, and it stretches from farms, ranches and mountains to the highest levels of state government, cracking open old divisions between the tribes and descendants of homesteaders who were part of a government-led land rush into Indian country a century ago.

“Generations of misunderstanding have come to a head,” said Robert McDonald, the communications director for the Confederated Salish and Kootenai Tribes. “It’s starting to tear the fabric of our community apart.”

[All Sizzle and No Steak](#)

Why Allan Savory’s TED talk about how cattle can reverse global warming is dead wrong.

[A wealth of planets: Avoiding bankruptcy and foreclosure](#)

Now Rockstrom has co-authored a solution-oriented book based on that earlier analytical framework - *Bankrupting Nature: Denying Our Planetary Boundaries*. It's written for a wider, non-scientific audience, though not so much the broad general public as those already keyed in to public policy debates. "An abundance of scientific reports clearly point out that we are very close to a saturation point, where the biosphere cannot handle additional stress," the book says, and it proceeds to draw on such reports, along with significant studies of how we might avoid catastrophe. The book makes a compelling case that technological solutions - such renewable energy to replace fossil fuels - are well within our capabilities. But whether economic, political and cultural obstacles can be overcome is another matter.

[The 21st Century Economy Will Be Urban, High Tech, and Green](#)

But there's a third fact many business leaders don't always see: how much money there is to be made in this transition to zero. Climate action is the next great boom opportunity.

Quickly getting to carbon neutral societies cannot be achieved by tinkering at the margins. Up until recently, there's been a kind of consensus image of what action on climate might look like: a pastiche of wind turbines, electric cars, green shopping and LEED buildings.

Such steps are insufficient: indeed, the climate action we need involves innovating at a systems level, not just improving the performance of the components of that system.

[In Europe, Paid Permits for Pollution Are Fizzling](#)

LONDON — On a showery afternoon last week in West London, a ripple of enthusiasm went through the trading floor of CF Partners, a privately owned financial company. The price of carbon allowances, shown in green lights on a board hanging from the ceiling, was creeping up toward three euros.

That is pretty small change — \$3.90, or only about 10 percent of what the price was in 2008. But to the traders it came as a relief after the market had gone into free fall to record lows two days earlier, after the European Parliament spurned an effort to shore up prices by shrinking the number of allowances.

[Group kicks off planting of ancient tree clones](#)

COPEMISH, Mich. — A team led by a nurseryman from northern Michigan and his sons has raced against time for two decades, snipping branches from some of the world's biggest and most durable trees with plans to produce clones that could restore ancient forests and help fight climate change.

[How can we save our planet for future generations?](#)

Activists and scientists have long warned that our overstretched planet is reaching an environmental tipping point after which humanity will face cataclysmic consequences. Natural resources are stretched, climate change is altering the planet's weather patterns and the rising human population will eventually become unsustainable. The time to act is now. Thankfully international governments are taking notice, but these issues are already having a profound impact on the world. Here, *Friday* takes a look at the problems facing the world and asks what can be done to solve them.

[Michael Klare: The Coming Global Explosion](#)

Brace yourself. You may not be able to tell yet, but according to global experts and the U.S. intelligence community, the earth is already shifting under you. Whether you know it or not, you're on a new planet, a resource-shock world of a sort humanity has never before experienced.

Two nightmare scenarios -- a global scarcity of vital resources and the onset of extreme climate change -- are already beginning to converge and in the coming decades are likely to produce a tidal wave of unrest, rebellion, competition, and conflict. Just what this tsunami of disaster will look like may, as yet, be hard to discern, but experts warn of "water wars" over contested river systems, global food riots sparked by soaring prices for life's basics, mass migrations of climate refugees (with resulting anti-migrant violence), and the breakdown of social order or the collapse of states. At first, such mayhem is likely to arise largely in Africa, Central Asia, and other areas of the underdeveloped South, but in time *all* regions of the planet will be affected.



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