



## DrumBeat: December 26, 2006

Posted by [threadbot](#) on December 26, 2006 - 10:05am

Topic: [Miscellaneous](#)

### [Russia threatens gas shut-off in Belarus](#)

MINSK, Belarus - Residents of Belarus' capital stocked up on warm clothes and electric heaters as fears rose Tuesday that Russia is about to cut off the natural gas on which the country depends.

Russia says Belarus must pay more than twice as much for gas next year — and even more later — and turn over a half-share in its pipeline system, a major transit route to Europe, if it wants to avoid a New Year's gas shut-off.

### [Pipe leak in Gulf of Mexico leaves half-mile slick](#)

NEW YORK - A ruptured crude oil pipeline in the Gulf of Mexico spilled approximately 21,000 gallons of crude oil over the weekend, leaving a half-mile-long oil slick in the water, the U.S. Coast Guard said on Tuesday.

"A medium crude oil pipeline ruptured 30 miles southeast of Galveston, Texas, and leaked approximately 21,000 gallons of oil into the Gulf of Mexico Sunday, December 24," the Coast Guard said in a release.

### [Trying to Keep the Price of Oil Up](#)

Someone slipped this little bomb wrapped up like a present under your Christmas tree: Starting next month, the New York Mercantile Exchange is going to let average investors speculate on the price of oil and gasoline.

...Wall Street wants to keep speculation at a maximum so it can make profits, even if it means you and I will have to pay as much as possible for the gasoline, natural gas and heating oil we are obliged to use until enlightened leadership slips into Washington one of these years and breaks our energy addiction.

### [GM slams possible fuel economy changes](#)

DETROIT -- A proposal to increase U.S. fuel economy standards would force Detroit-based automakers to "hand over" the market for trucks and sport-utility vehicles to Japanese manufacturers, a senior General Motors Corp. executive said.

Bob Lutz, GM's vice chairman and the head of the company's global product development team, said the proposed changes to the government's Corporate Average Fuel Economy (CAFE) standards would represent an unfair burden on the traditional Big Three automakers.

### [A regional approach to strategic oil reserves?](#)

Several Asia Pacific countries have begun to develop their strategic oil reserves. China plans to have a 800 million barrel strategic reserve to be stored at four facilities to be fully operational in 2008. Reports suggest that China had completed filling a 16 storage tank facility at Zhenhai in October 2006. Japan has a total of 171 days of consumption reserve. Unlike China which specifies the quantity of reserves i.e. millions of barrels, Japan does not report the actual number of its reserves. It is believed that at current consumption rates, 171 days of oil for Japan would correspond to nearly 980 million barrels. India is a new-comer in the community of strategic oil reserve holders. It has begun the development of a strategic crude oil reserve expected to be pegged at 40 million barrels. South Korea has a reported size of 43 million barrels, Taiwan 13 million barrels and Australia some 90 days of reserves in addition to over 200 days held in private reserves. Among the Asean countries, Thailand recently increased the size of its strategic reserve from 60 days to 70 days of consumption. Singapore has an estimated storage capacity of 31.8 million barrels of crude oil and 64.5 million barrels of oil products.

### [Tanaka: Working with India and China is key](#)

Tokyo: Japan's Nobuo Tanaka, set to become the next head of the International Energy Agency, said yesterday his challenges would include working closely with non-IEA-member countries such as China and India about the use of emergency crude oil stocks.

### [The Republic of Northern America: Disenchantment and growing irritation with the U.S. South could lead northern American states to seek a union with Canadian provinces](#)

The fourth condition is the acceleration of the world energy crisis. The northern American states and the provinces of Central Canada have similar economic and ecological points of view, halfway between economic liberalism and social democracy. Over the years they have learned to look for common solutions and as such have created two entities: the Conference of Governors of New England and Premiers of Eastern Canada; and the Council of Great Lakes Governors. With regards to natural resources, these states are complementary. It could be that several northern states are more sympathetic to fusion, rather than a simple secession, in order to better benefit from Canadian energy resources.

### [Abu Dhabi first with Feb OPEC oil output cuts](#)

TOKYO - Abu Dhabi's state oil firm said on Tuesday it will cut some crude sales in February by 3-5 percent, the first indication of an OPEC member applying new output curbs.

### Tanzania: [29 districts going hungry as high fuel costs hamper food relief](#)

Experts say, however, that unless a permanent solution is found to the energy crisis, the situation could deteriorate further, plunging the country into a serious economic crisis as industries face serious operational interruptions caused by power failures.

Basil Mramba, Minister for Trade, Industry and Marketing, told The EastAfrican in an interview last week that the sector is in a state of total stagnation, as industries are too busy struggling to stay in business to think of expanding their operations.

He said that where industries had resorted to producing their own power, their costs of operation were crippling. "One instance is Tanzania Breweries Ltd, which has already written to the government asking for subsidies," he said.

### Tanzania: [We'll fix the power problem in six months, says Ngasongwa](#)

The Minister for Planning, Economy and Empowerment, Dr Juma Ngasongwa, told The EastAfrican in Dar es Salaam that the problems in the power sector are temporary and will be over in six to seven months' time.

"The energy crisis is temporary, in the next six or seven months, the power sector will stabilise. The fear that we might not achieve the MDGs is unfounded, because even though we may not achieve some, we are already making headway in others," said Mr Ngasongwa.

### [Peru is struggling to go green with natural gas](#)

LIMA: Peru, a sizeable oil producer in the 1970s, is rediscovering its energy export potential but its natural gas output may end up like its gourmet coffee beans – in abundance abroad, hard to find at home.

Peru, which aims to export natural gas to Mexico from 2010 and eventually to the US and Chile, is failing to tap its reserves for domestic use and put an end to pollution-belching oil-powered buses, cars and factories.

### [Nigeria: Fuel Scarcity Bites Harder](#)

Acute scarcity of petroleum products that set in with the yuletide bit harder yesterday as more demand rose against decreasing number of fuel service stations open to customers.

Meanwhile, more street hawkers trooped to the roads with the scarce products especially fuel but sold at cut throat prices to desperate motorists.

### [Gazprom Will Leave Belarus without Gas](#)

Gazprom has officially entered into the same situation with Belarus as occurred with Ukraine last year. The monopoly has warned that the contract to supply that country with gas expires on December 31, and called its negotiating position irresponsible. Both Gazprom and Russian authorities had been saying that the two sides would be able to reach an agreement. However, they prepared themselves in advance for the shutoff of the Belarusian gas by stocking up the needed volumes of gas in German and Baltic reservoirs.

### [Russia defends its gas honor](#)

Moscow has convinced everyone that the many years of subsidized gas prices for neighboring economies are becoming a thing of the past and that it is firmly determined to defend the position of its energy industry on the international stage.

### [China's top advisory body slams buildings that waste energy](#)

China's top advisory body is calling for laws and regulations to promote energy-efficient buildings to counter soaring building energy consumption.

### [Will Iraq's Oil Blessing Become a Curse?](#)

The Iraqi government is considering a new oil law that could give private oil companies greater control over its vast reserves. In light of rampant violence and shaky democratic institutions, many fear the law is being pushed through hastily by special interests behind closed doors.

### [Iran Nuclear Crisis Begins in Moscow](#)

Why is Iran so insistent on the fuel reprocessing? One need not look any further than Moscow.

### Robert D. Novak: [Losing to the Greens](#)

"I've never seen industry so deathly afraid of the current politics surrounding climate change policy," a Bush administration environmental official told me. With good reason. As Democrats take control of Congress, once-firm opposition to the green lobby's campaign of imposing carbon emission controls is weak.

Panicky captains of industry have themselves largely to blame for failing to respond to the environmentalists' well-financed propaganda operation. One government official says "industry appears utterly helpless and utterly clueless as to how to respond." But the Bush administration itself is a house divided with support for greens and severe carbon regulation inside the Energy Department, reaching up to the secretary himself.

### [Thomas Friedman: And the color of the year is ...](#)

...I would not have opted for the "you" in YouTube as Person of the Year - although that was very clever. No, I'd have run an all-green Time cover under the headline, "Color of the Year." Because I think that the most important thing to happen this past year was that living and thinking "green" - that is, mobilizing for the environmental/energy challenge we now face - hit Main Street.

### [Sinopec Group Raises 2006 Production of Oil, Gas to Meet Demand](#)

China Petrochemical Corp., the nation's second-biggest oil company, said it may produce 1.9 percent more crude oil and 11 percent more gas this year as energy demand rises.

### [China oil tycoon held for possible embezzlement](#)

BEIJING -- A tycoon who heads China's largest private oil group has been detained on suspicion of embezzling 1 billion yuan (\$127.9 million) in private and government funds, media reported Tuesday.

### [Let's learn from past mistakes](#)

Those who can not remember the past are condemned to repeat it." Those words of the philosopher George Santayana are worth remembering in our discussion of energy issues. What we are hearing today is hauntingly familiar to anyone who lived through the "coal wars" in Montana in the 1970s and 1980s.

[Garden Girl](#) - A very polished video on urban permaculture by the peak oil-aware Patti Moreno.

### [Iran's nuclear drive linked to looming oil crisis](#)

For at least 18 months, Iran has failed to meet its quota for oil production set by the Organisation of the Petroleum Exporting Countries, he said.

The strong suggestion, Stern said, is that Iran's oil production is now actually falling, despite the bonanza that exporters have enjoyed from a period of record-high crude prices.

...Overall, according to Stern, it "seems plausible that Iran's claim to need nuclear power might be genuine, an indicator of distress from anticipated export revenue shortfalls."

### [Iran says oil industry hit by US pressures](#)

"Iran has been under different sanctions for years and many companies have not been able to cooperate with our country for fear of US pressures," Vaziri Hamaneh said, according to the semi-official news agency Fars on Tuesday.

### [Gazprom says talks with Belarus fail](#)

MOSCOW (Reuters) - Russia said on Tuesday a new round of talks with Belarus on gas prices for 2007 had yielded no results, but Europe was safe as Moscow had stockpiled enough gas in Germany and Austria to guard against possible cuts.

### [Nigerian pipeline explosion kills 200](#)

LAGOS, Nigeria - At least 200 people were killed Tuesday when a gasoline pipeline exploded in Nigeria's biggest city of Lagos, a Red Cross official said. The death toll was expected to rise.

### [Industry: Build reactors to survive hit](#)

WASHINGTON - The nuclear power industry wants the government to require companies to design new nuclear reactors that would better withstand large fires and explosions, such as those that could be caused by a terrorist attack using hijacked aircraft.

### [2nd Largest Oil Field Drying Up Faster](#)

It was an incredible revelation last week that the second largest oil field in the world is exhausted and past its peak output. Yet that is what the Kuwait Oil Company revealed about its Burgan field.



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