



Drumbeat: September 20, 2010

Posted by [Leanan](#) on September 20, 2010 - 8:55am

Topic: [Miscellaneous](#)

[Michael Klare: China, Energy, and Global Power](#)

If you want to know which way the global wind is blowing (or the sun shining or the coal burning), watch China. That's the news for our energy future and for the future of great-power politics on planet Earth. Washington is already watching -- with anxiety.

Rarely has a simple press interview said more about the global power shifts taking place in our world. On July 20, the chief economist of the International Energy Agency (IEA), Fatih Birol, told the Wall Street Journal that China had overtaken the United States to become the world's number one energy consumer. One can read this development in many ways: as evidence of China's continuing industrial prowess, of the lingering recession in the United States, of the growing popularity of automobiles in China, even of America's superior energy efficiency as compared to that of China. All of these observations are valid, but all miss the main point: By becoming the world's leading energy consumer, China will also become an ever more dominant international actor and so set the pace in shaping our global future.

or not, that's the good news. The bad news is that the problems we face in the emerging depression will be aggravated by fossil fuel depletion, in particular, the onset of world peak oil production. When one questioner asked Foss when she thought we might return to even the tepid economic activity we see today, she had a one-word answer: "Never."

[U.S. lawmaker wants China oil firms investigated](#)

(Reuters) - The chairman of the House Foreign Affairs Committee called on the Obama administration to make sure Chinese and other foreign oil companies are not supplying gasoline to Iran in violation of new U.S. sanctions.

[Analysis: Shale Gas to Play Long-Term Role in Global Gas Demand](#)

Long-term growth in shale gas production is expected to play an important role in shaping North American, European and Asian natural gas demand, according to a new report released by Ernst & Young at the World Energy Congress.

"The unconventional natural gas business may have already changed the overall supply and demand balance in North America, and perhaps globally," said Barry Munro, Leader of Ernst & Young's Canadian oil and gas practice. "It's possible we could be onto something big, but there are many underlying uncertainties including growing environmental concerns, technology challenges, water availability, and land issues."

[Valero to build two Gulf refinery hydrocrackers](#)

(Reuters) - Valero Energy Corp (VLO.N) is restarting delayed plans to build two 50,000 barrel-per-day hydrocrackers at two Gulf Coast refineries, a company spokesman said on Monday.

[Traders cashing in on diesel scarcity](#)

Some unscrupulous traders in Malawi's Central Region are taking advantage of the current diesel scarcity on the market to over-price the commodity, Business News has established.

Business News snap survey at the weekend in Central Region districts of Lilongwe, Kasungu and Dowa indicates that on the parallel market, diesel is selling at prices above the official pump price of K231.20.

In Lilongwe, the unscrupulous traders are selling the commodity at prices between K2 500 and K2 600 per five-litre jerrycan.

[Kenyan government blames marketers for fuel shortage](#)

The government maintains that oil marketers are to blame for the unwarranted hike in prices, insisting that there is enough fuel in the country.

[Punjab raises alarm bells as queues grow](#)

LAHORE – Punjab Chief Minister Shahbaz Sharif has written a letter to Prime Minister Yousuf Raza Gilani, strongly protesting interruption in the fuel supply to the country's biggest province and urging him to have the matter probed.

[China's nuclear sector faces shortage of specialists](#)

BEIJING (Reuters) - China's rapidly expanding nuclear power industry is demanding more professionals than the country can produce, a potential threat to safety, senior government officials said on Monday.

China, soon to overtake the United States as the world's No.1 energy user, is building about 28 reactors or roughly 40 percent of the world's total, part of a massive drive to reduce its heavy dependence on dirty coal, and cut carbon emissions.

[Volt without the gas: GM looks at electric-only car](#)

NEW YORK (CNNMoney.com) -- General Motors is building an experimental fleet of electrically powered Chevrolet Cruze compact cars that will have a driving range of up to 100 miles without using any gasoline.

Unlike the Chevrolet Volt, which GM plans to sell in the United States beginning in November, these cars will be purely electric with no gasoline engine for long-range driving. The Cruze and the Volt are closely related vehicles.

[Demand a Supply of Common Sense; Just Don't Price It](#)

"Natural resources originate from the mind, not from the ground, and therefore are not depletable." Robert Bradley, President, Institute for Energy Research.

Ah, the confusion of economics students when they encounter the subject of supply and demand in introductory "micro." They learn that prices are determined by supply and demand. Then they're taught that the quantities supplied and demanded are determined by... prices!

[The backlash begins against the world landgrab](#)

Rich countries do not face a Malthusian crisis. They face a shift in the terms of trade between country and city, a reversal of urban dominance since the industrial revolution. We are on a thinner margin of food security, just as we are on a thinner margin of oil security.

But those who live in poor countries that rely on food imports most certainly did have a Malthusian moment in 2008 when bread riots swept Egypt, Indonesia, and a string of states in Africa.

[A vision of the future : In the Mothers' Land](#)

Feminist science-fiction, like all militant literature can be godawfully bad; it can also, occasionally, turn out surprisingly well and reach beyond its original intent, asking all sorts of hard questions about our society and our future. Elisabeth Vonarburg's *In the Mothers' Land* is one such work. I must avow, to my great shame, that when it first

came out in France, I hesitated to buy it because the summary presented it as a book about gender relations. Gender issues are indeed important in Vonarburg's work, but what made me read on beyond the first chapters is the setting. In fact, the world of In the Mother's Land is one of the few credible descriptions of what a realistic ecotechnic society could look like, and this description does ask hard questions about our future and our vision of it.

[Michael Klare: China, Energy, and Global Power](#)

If you want to know which way the global wind is blowing (or the sun shining or the coal burning), watch China. That's the news for our energy future and for the future of great-power politics on planet Earth. Washington is already watching -- with anxiety.

Rarely has a simple press interview said more about the global power shifts taking place in our world. On July 20, the chief economist of the International Energy Agency (IEA), Fatih Birol, told the Wall Street Journal that China had overtaken the United States to become the world's number one energy consumer. One can read this development in many ways: as evidence of China's continuing industrial prowess, of the lingering recession in the United States, of the growing popularity of automobiles in China, even of America's superior energy efficiency as compared to that of China. All of these observations are valid, but all miss the main point: By becoming the world's leading energy consumer, China will also become an ever more dominant international actor and so set the pace in shaping our global future.

[Polish gas monopoly warns of industry shortages](#)

Warsaw - Poland's largest gas monopoly, PGNiG, warned of gas shortages for industry clients this autumn if Warsaw fails to sign a deal with Russia on increasing deliveries.

[Russian oil cos vying for last unalloted big fields](#)

MOSCOW (Reuters) - At least five oil companies are in the running to win development rights to Russia's giant Arctic Trebs and Titov oil deposits, the country's last big unalloted fields that will be sold at auction on Dec 2.

[Russia's LUKOIL announces 4 tenders in Iraq](#)

MOSCOW (Reuters) - Russia's No. 2 oil producer, LUKOIL, and partners have issued four new tenders for construction and energy projects at Iraq's West Qurna Phase Two oilfield, the company said Monday in a press statement.

The tenders are for the construction of an oil export pipeline; a tank farm at Tuba; a power distribution station and an associated gas processing plant; and an oil gathering system, central processing facilities and a water supply system.

[Oil Scene: Time to open up!](#)

SHALE gas might have already changed the overall supply-demand balance in North America and perhaps globally, but “there are (still) many underlying uncertainties, including growing environmental worries and technology challenges besides water availability and land issues.”

Gas is no panacea for environmental issues either. Pierre Gadonneix, the president of the World Energy Council, invited me, along with a handful of others for lunch.

[Saudis hold oil reserves for 80 years of production](#)

At current production rates, Saudi Arabia has oil reserves for more than 80 years of sustained production, according to Khalid A. Al-Falih, the president and the CEO of Saudi Aramco.

Addressing the 21st World Energy Congress in Montreal, Al-Falih said that Aramco’s capability went even beyond, as it was expecting to increase its current reserves of 260 billion barrels by an additional 40 per cent and was endeavouring to raise the rate of recovery from its major existing fields to 70 per cent — twice the world average.

[The Future of Fossil Power Generation: An interview with Michael Suess, CEO of Fossil Power Generation at Siemens](#)

“Even in 20-30 years we cannot replace fossil fuels with solar and wind,” Suess said. “There is no way around [the need for] clean natural gas plants.” This conclusion will be hotly debated by some renewable proponents. Also worth considering, though, is that gas plants play well with renewables. Unlike coal (or nuclear, I note) generation, gas can be turned on or shut down quickly to balance out the load to accommodate intermittent wind and solar.

[The shrinking assessment](#)

The more cheap and easily available oil is, the more is the chance of we getting economically stronger and prosperous. That no way suggests that expensive oil would stop economic growth and push us into the dark ages. Not at all, but it will definitely pose new challenges that need to be countered to keep the global engine going. The new world of costly oil prices will open new opportunities and might also be better than the current state. Triple digit oil prices, recently seen during the economic boom preceding the recession, might no longer remain an aberration.

[Kalamazoo College speaker to address future with fossil fuel](#)

KALAMAZOO — Richard Heinberg, noted author who advocates for an end to the world's reliance on fossil fuel, will be speaking at Kalamazoo College at 7:30 p.m. on Monday.

Heinberg's talk, "Living In Transition: Navigating the End of the Fossil Fuel Era" will take place in the Light Fine Arts building at the corner of Academy and Thompson streets on the college's campus.

[Future Human Returns With End of the Oil Age](#)

Another month, another very exciting-looking lineup at Future Human, our salon event at The Book Club, Shoreditch. This time round it's End of the Oil Age, and we'll be discussing the future of energy both at home and abroad. It takes place from 7-9.30pm on Wednesday October 13, and you can buy tickets [here](#).

Rather than merely say what a nasty man Tony Hayward is, we want to create a constructive look at how energy is changing, how it'll impact upon our lives, and how the UK government, private industry, and ordinary people can ease our passing into a post-oil world.

[Residents in West apprehensive about oil boom](#)

CHEYENNE, Wyo. — A well named Jake and a controversial drilling technique are fueling a Western oil rush, raising hopes for economic revival and questions about the environment — and who's going to share in the wealth.

Not many wells have been drilled yet, but just about everything else is in place for an oil boom in eastern Wyoming, northern Colorado and western Nebraska, where the Niobrara Shale and its hard-to-tap crude lay nearly two miles underground.

Preliminary work is under way to map underground geological formations to figure out the best places to drill. Oil prospectors are poring over courthouse records to see who holds mineral rights so they can negotiate deals.

[Oil hovers below \\$74 as traders eye US economy](#)

"We have seen the fundamentals exert a more powerful influence upon prices over the latest week or so and if it continues, the bulls could be in for a genuinely rude awakening," Cameron Hanover said in a report.

"The only reason oil prices are above \$70 a barrel is because investors have been using

oil as a surrogate for the economy, equities or currencies."

[Societe Generale Reduces Oil Price Forecast for 2011 by \\$7 to \\$85 a Barrel](#)

Societe Generale SA cut its oil price forecast for next year to \$85 a barrel from \$92 as demand growth slows and production outside OPEC expands.

Growth in worldwide crude consumption in 2011 will decrease to 1.4 million barrels a day from 1.8 million a day this year, as the pace of economic recovery slackens, France's second- largest bank by market value said in a report today.

[Thirsty Europe boosts gas demand](#)

Norwegian giant Statoil said European industrial gas demand is picking up far more quickly than expected, adding that demand in Asia is also on the rise.

"We see European industrial consumption coming back more quickly than we initially expected," Rune Bjornson, Statoil's executive vice-president for natural gas, told Reuters.

[Hedge Funds Cut Bullish Natural Gas Bets to Lowest This Year](#)

Hedge funds reduced their bets on rising natural gas prices to the lowest level this year as mild weather and a lack of storms in the Gulf of Mexico forced traders to unload their bullish positions.

Hedge funds and other large speculators cut wagers on gas gaining by 16 percent in the seven days ended Sept. 14, according to the weekly Commitments of Traders report from the Commodity Futures Trading Commission. Gas has tumbled 28 percent this year amid rising production from shale formations and a supply glut that air-conditioning demand in the hottest summer in at least 60 years didn't significantly dent.

[Pakistan's Biggest Refinery Restarts After Six-Week Shutdown From Flooding](#)

Pak-Arab Refinery Ltd., Pakistan's biggest oil processor, resumed production from its plant in Multan after the nation's deadliest floods receded, Saba Ahmed, a spokeswoman for the company, said by telephone from Karachi.

The plant, which processes a third of the country's crude, was shut down six weeks ago because fuel tankers couldn't pass flooded roads. The 100,000 barrel-a-day refinery lies about 900 kilometers (560 miles) northeast of the port city of Karachi.

[Kuwait to hike oil output in northern fields: report](#)

Kuwait will hike oil output in the country's northern fields to 850,000 barrels per day by the end of December, local daily Kuwait Times reported Monday, citing sources from the Kuwait Oil Company (KOC).

The report said the state-owned KOC, in charge of the Gulf emirate's oil exploration, was in negotiations with several foreign firms to further develop the northern fields.

[Typhoon Fanapi Causes Flooding, Shuts Petrochemical Factories in Taiwan](#)

Formosa Plastics Corp. and Nan Ya Plastics Corp. are among more than 30 petrochemical makers in Kaohsiung in southern Taiwan that have halted production since yesterday afternoon because of flooding caused by Typhoon Fanapi.

“Floodwaters in Kaohsiung’s petrochemical parks were higher than 100 centimeters (39 inches) yesterday and Taiwan Power Co. cut the electricity supply for safety reasons,” Kuo Chao-chung, head of the petrochemical section at the Ministry of Economic Affairs’ Industrial Development Bureau, said by telephone. “It’s still raining there and production may resume tonight or tomorrow morning at the earliest.”

[California catastrophe focuses concern over Snohomish pipelines](#)

Two major fuel lines run through Snohomish County, and while failures are rare, the consequences of a ruptured line can be catastrophic.

[Hess Refinery in New Jersey Has Spill Into Waterway Through Hole in Pipe](#)

Hess Corp. reported a hole in a pipe at its Port Reading refinery, according to a filing with state regulators.

[Dudley Faces Fight to Drill in Gulf as BP Says Goodbye Macondo](#)

The BP Plc relief well that killed the worst U.S. oil spill may be the last it drills in the Gulf of Mexico for some time.

Robert Dudley, the American who takes over as chief executive officer from Tony Hayward on Oct. 1, risks being shut out from the region where BP is the biggest producer as he deals with legal battles over blame for the spill. The London-based company, called “reckless” by President Barack Obama, will come under greater

scrutiny than rivals from regulators when drilling resumes, analysts said.

[Family business knocked to its knees by oil spill, moratorium](#)

June 1 was supposed to have been a good day at R&D Enterprises of Louisiana, the family oil-field service business Dan Ness and Leslie Bertucci founded eight years ago in their home on Hesper Avenue in Metairie.

After nearly a decade of steady growth providing specialized tanks and storage racks to offshore rigs, R&D was ramped up to meet a surge of orders that promised to double the company's annual revenue.

And then the roof fell in.

[Science and the Gulf](#)

Getting a fix on how much oil lies below the surface and where it is going will make possible more-educated guesses about its effects on the natural system.

[TNK's Fridman Aims to Buy BP Oil Fields in Push Beyond Russia](#)

Mikhail Fridman, executive chairman of Russian oil producer TNK-BP, said the company is ready to buy fields in Venezuela, Vietnam and other countries BP Plc is selling to cover costs for the Gulf of Mexico spill.

TNK-BP, an equal partnership between London-based BP and a group of Russian billionaires, should “expand broadly in the world,” Fridman, who is also interim chief executive officer, said in an interview at his Moscow office. BP “has no need to sell to a competitor and make them stronger.”

[China Suspends Ministerial-Level Talks With Japan Over Boat Clash](#)

Diplomatic ties between the world's second- and third-biggest economies soured as China escalated a dispute over Japan's extended detention of a fishing boat captain for a collision in disputed waters.

China yesterday severed senior-level government contacts with Japan, halting aviation talks and suspending a meeting on coal because of the incident. Foreign Ministry spokesman Ma Zhaoxu pledged “strong countermeasures” if Japan failed to release the captain. Japan's government hasn't been informed of the measures, a spokesman said today.

“Any so-called judicial proceedings the Japanese side takes against the Chinese captain are illegal and invalid,” Ma said in yesterday’s statement. “Japan will have to bear all of the consequences.”

[Cnooc Falls in Hong Kong as China-Japan Dispute in East China Sea Worsens](#)

Cnooc Ltd., China’s biggest offshore energy producer, fell in Hong Kong trading as a growing territorial dispute between China and Japan in the East China Sea threatens to disrupt oil and gas development in the area.

[Glencore Said to Seek \\$750 Million for Stand-by Credit, Trade Guarantees](#)

Glencore International AG, the world’s biggest commodities trader, is seeking \$750 million of loans for stand-by credit and guarantees, a person familiar with the situation said.

[Leaders must counter bogus oil sands spin](#)

What do the seal harvesters of Atlantic Canada have in common with workers in Alberta’s oil sands? Both are targets of sustained attacks aimed at the demise of their livelihood. And in both cases, the main strategy of attackers is to eliminate the market.

[Used Hybrids Good Value Now - Blue Book](#)

IRVINE, Calif. -- Kelley Blue Book www.kbb.com, a provider of new car and used car information, today reports that now may be a great time to buy for those who purchase hybrids with the intent of reducing emissions and greenhouse gases as opposed to savings at the pump, as covered in the company’s Blue Book Market Report for September 2010.

[Sri Lanka to build 1-GW nuclear power plant by 2030](#)

(Reuters) - Sri Lanka is to have its first nuclear power plant within the next 20 years to generate cheap electricity to draw large investments and boost its post-war economy, a top government official said on Monday.

[Environmental Groups Sue European Union for Lack of Biofuels Transparency](#)

Four environmental groups are suing the regulator of the 27-nation European Union for lack of transparency on its biofuels policy.

The lawsuit was filed today in the European Union's General Court in Luxembourg by ClientEarth, Transport and Environment, the European Environmental Bureau and BirdLife International, the groups said in an e-mailed statement.

[Shell, UN to Back \\$100 Million Plan for Clean Energy Cookstoves](#)

The United Nations Foundation and Royal Dutch Shell Plc's Shell Foundation plan to help organize an effort to raise as much as \$100 million over five years to provide clean-burning cooking stoves to the world's poor, according to a document outlining the plan.

To combat what they call a significant danger to women's health in the developing world, the two foundations are seeking cooperation and funding from other corporate, government, philanthropic and academic entities and have received "strong expressions of interest from other donors," according to the document.

[Emissions Group IETA 'Disappointed' by Regulator Decision on HFC Requests](#)

The International Emissions Trading Association said it was "disappointed" by the United Nations carbon market regulator's decision to review all requests for issuance of credits linked to hydrofluorocarbons.

"This decision will certainly have an impact on the market over the short-term, but any long-term impact will be determined by the Board's decision at its 58th meeting," IETA said in an e-mailed statement. "It could be that after that date, all of the issuances that are currently postponed are processed. We have no choice but to wait and see."

[Hong Kong's Air Pollution May Climb to Third-Quarter Record](#)

Hong Kong's roadside air pollution reached record levels for the third quarter, putting the city's government under more pressure to clean up the environment.

[U.S. companies lag global ones on carbon disclosure](#)

WASHINGTON (Reuters) - European companies are working harder at disclosing their financial risks associated with greenhouse gas emissions than North American companies, according to an annual report.

[Siemens, Texas Instruments Find Opportunities in Climate Change](#)

More companies foresee business opportunities that may offset the market risks of

climate change, a survey by institutional investors found.

Almost 90 percent of those responding in the survey of 500 of the world's largest public companies identified "significant opportunities" from climate change, up from 80 percent last year, the Carbon Disclosure Project said in a report today. Siemens AG, Europe's largest engineering company, and Texas Instruments Inc., the U.S. chipmaker, were among those citing new markets for sustainable products and more demand for energy-efficient appliances.

[Eat meat and save the planet, says eco-warrior and former vegetarian](#)

Simon Fairlie, a farmer and writer, is now shattering the consensus that we should avoid eating any meat or raising any animals in order to save the planet.

In a new book that questions the impact of meat-eating on greenhouse gases, he says the vegan diet espoused by many environmentalists is "neither sensible nor attainable for society as a whole".

[Australian regions prepare to roll out emission trading for electricity generators](#)

The New South Wales (NSW) state government is preparing to export its emissions trading scheme to the rest of Australia, after the state opposition government confirmed they would back a plan to take the scheme to other states.

Although responsibility for pricing carbon should fall under federal jurisdictions, state governments are frustrated with the lack of progress and could effectively introduce a nationwide scheme if they all agree to price carbon in the same way.

[Australia Needs 'Simpler and Softer' Emissions Approach, Norton Rose Says](#)

Australia should start with a "simpler and softer" emissions trading plan that is limited to fewer industries and eases the financial burden on polluters, a lawyer at Norton Rose LLP said.

[World powers to tackle climate amid skepticism](#)

NEW YORK (AFP) – The 17 nations responsible for 80 percent of carbon emissions blamed for global warming will seek to unblock stalled climate negotiations this week but analysts expect little progress.

The two-day Major Economies Forum on Energy and Climate kicks off Monday and will include top government envoys, including US special envoy for climate change Todd

Stern.

[A Threat to California's Climate Change Progress](#)

SAN FRANCISCO — California's ambitious climate change agenda could evaporate in a vote in November that pits renewable energy advocates and allies against oil companies and manufacturers.

The U.S. Senate has scuttled President Barack Obama's goal of putting a price on carbon, leaving state and regional efforts the key drivers in the effort to move the country past coal and oil.

[A new front](#)

WITH LITTLE chance of passing comprehensive climate legislation anytime soon, Congress has moved the debate under the radar -- but it's no less rancorous. Now environmentalists and their opponents are battling over the Environmental Protection Agency's plans to regulate the carbon emissions of power plants, cement kilns and other "stationary sources," which the agency is preparing to begin doing early next year.

This rankles many lawmakers, since some areas of the country will be disproportionately hurt in any carbon clampdown, and the EPA won't compensate them for the costs of the agency's mandates. Perhaps even worse from lawmakers' point of view: Congress doesn't have any say in the regulation, since the EPA is acting under the existing Clean Air Act.

[A new way for the world to bank?](#)

Bangladesh is geographically dominated by the Ganges delta, acutely prone to floods and drought. It's at the sharp end of two converging crises – climatic and economic – which are to some extent threatening us all. The country has made great strides in protecting vulnerable villages through simple techniques such as tree belts, embankments and buffer strips along rivers. But it cannot pay for the hugely sophisticated – and costly – defences which guard rich world cities from climate upheaval. And even if it could afford to borrow the money required, the economic crisis means there's little to be lent.

It's just one example of the way in which life gets a lot harder when crises converge. We can expect more of the same in the not so distant future. As peak oil looms, we face the chilling prospect of a combined energy and food crisis. And we will surely face an even greater, more lasting economic one, unless we devise a financial system that is better connected to the real, physical economy. A system which attaches value to the environmental and social impact of investments, not just to their short-term financial reward. One which helps developing countries achieve a sustainable society and economy, without incurring the hugely detrimental environmental cost of our own

economic development in the industrialised West.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/us/).