

# ENERGY AND CLIMATE SECURITY TAKE CENTRE STAGE IN JUNE

Increasing concern about changes in the climate of the planet have made co-operation on climate security - and particularly reductions in emissions of carbon dioxide - a growing priority for our two countries in recent years. The high price of oil in recent months has made energy security a more immediate priority subject. In June the combined topics were the focus of intensive contacts and co-operation between the UK and Saudi Arabia.

The Prime Minister, Gordon Brown; Secretary of State for Business, Enterprise and Regulatory Reform, John Hutton; and Minister of State for Energy, Malcolm Wicks all visited Saudi Arabia. The Prime Minister and John Hutton both came to show their support for and attend the Jeddah Energy Meeting on 22 June. Malcolm Wicks visited on 13-15 June, having accepted some time before an invitation from His Excellency Ali Naimi to visit Saudi Arabia.

The Prime Minister came to Jeddah to deliver one of the keynote speeches at the opening of the Jeddah Energy Meeting. On arrival at Jeddah Airport he went straight into a bilateral meeting with HRH Prince Saud to discuss a range of regional issues. He then joined King Abdullah for the official opening of the Ministerial session of the Energy Meeting. After the official opening the Prime Minister then had further talks with His Majesty, HRH Crown Prince Sultan and other senior members of the Royal family.



In his speech the Prime Minister said that the current levels of oil prices are not sustainable and are damaging the world's economy. He highlighted the need for the world to develop commercially viable carbon capture and storage (CCS) technology to tackle climate change. He outlined a number of initiatives the UK is already involved in: delivering a pilot project coal-fired power station that used CCS technology; working with the government of Kuwait to develop a model for International Oil Companies to work with National Oil Companies; and working with the government of Qatar to tackle the skills shortage currently facing the oil industry. He also highlighted the investment opportunities in alternative energy such as wind farms and nuclear that exist in consumer countries. He called upon oil producing countries to take advantage of these opportunities by re-cycling petro-dollars into other forms of energy production.

John Hutton (pictured right) represented the UK during the Ministerial discussions that followed the official opening. He took the opportunity to have a bilateral meeting with Ali Naimi and also had meetings with many other energy ministers in the margins of the main session. He left Saudi Arabia delighted that the meeting had agreed a communiqué that put in place a number of work plans that will be reviewed at a follow up meeting in London in December.



There were some comments in the global media that the meeting was in some way a failure because it did not deliver an immediate reduction in oil prices (although prices are now well below the peak of US\$147). Those who made such comments missed the point: the meeting was never intended to provide a quick fix to the current high price of oil. The objective was to agree a series of joint studies between producers and consumers that would lead to clear recommendations that would need to be implemented so that the world could return to a stable oil market at a fair price. This is a long-term strategy that will ensure a balance between producers getting a fair return on their investment and consumers paying a reasonable and predictable price for their energy.