

October 31, 2005 Monday

THERE ARE THREE ELEMENTS OF GLOBAL ENERGY SECURITY-
KHRISTENKO

MOSCOW, October 31

There are "three key elements" of global energy security, a subject which will be among the key items on the G-8 2006 agenda. They seem to be "quite important", Russian Minister of Industry and Energy Viktor Khristenko told the newspaper "Gazeta".

"The first one is the security of the traditional sources of energy," the minister stated. "This means an attempt to assess the factors, influencing market volatility. It is necessary to work out measures that would neutralise those risks, would make the situation more flexible," Khristenko pointed out. In his opinion, "it is difficult to indicate all the methods of dealing with those risks. However, the use of multilateral consultations, UNO instruments, and other measures should make the strategy of nations in this domain transparent, which includes transparency of information on deposits and on the prospects of oil extraction". "It is important to prevent the situation from appearing to be a sort of attempt to speculatively conceal information," Khristenko stressed.

The second element, the minister said, are the "renewable sources of energy. And here we cannot help mentioning nuclear energy, hydrogen economy, and a whole spate of other domains linked with hydraulic energy, with the creation of instruments to stimulate the growth of renewable sources of energy in different countries". "This should be done to prevent disbalance in this field due to lack of resources in individual countries, which will produce a situation when the traditional hydrocarbon resources will be tapped even more intensively, thereby, jeopardising market stability," Khristenko explained.

The third element, he believes, is energy effectiveness. "There are fantastic possibilities to lower the consumption of hydrocarbons and, consequently, to boost their supply to the market. And this is extremely important in light of the fact that the share of energy in Russia's Grand National Product is approximately two and a half times bigger than the average in the developing countries". These three factors, to say the minimum, "are the principal focuses of global energy security", the Russian ministers for industry and energy said, noting that "the problem is what instruments should conform to the global management of such kinds of risks".

Khristenko's pronouncements may be regarded as a sort of prelude to the forum, which opens in Moscow on Monday, where the leaders of the world energy market will discuss problems of energy security in the G-8 countries. Special attention will be given to Russia's role on the oil and gas markets in light of its 2006 presidency in G-8.