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G8 PUSHES OPEN MARKETS TO EASE ENERGY SECURITY FEARS

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Eight world powers pledged Sunday to promote "open, transparent" energy markets in a step that may ease friction between Russia and European consumers of its vast energy resources.

They also vowed to pursue development of alternative energy sources, including nuclear power, to address "serious and linked challenges" in the energy sector including soaring oil prices and limited fossil fuel reserves.

"Ensuring sufficient, reliable and environmentally responsible supplies of energy at prices reflecting market fundamentals is a challenge for our countries and for mankind as a whole," G8 leaders said in a statement.

They said the application of fair and competitive market-based responses to energy problems "will help preclude potentially disruptive actions affecting energy sources, supplies and transit."

Russia, hosting a Group of Eight summit for the first time this year, put energy security at the top of the agenda but came under fire early this year after cutting gas for Ukraine, resulting in supply disruptions in Europe.

In a statement, the G8 leaders pledged to work for more "open, transparent, efficient and competitive markets for energy production, supply, use, transmission and transit."

Russia joined its G8 partners in agreeing in the statement to "support the principles" of the Energy Charter, a framework of rules governing energy markets that the European Union has been pushing Moscow to ratify.

Ratification would compel Russia to open, for example, its natural gas pipeline network to domestic and foreign companies that would compete with the state gas monopoly Gazprom -- a notion that Moscow has so far flatly rejected.

President Vladimir Putin has argued that greater access for foreign firms to Russia's

energy resources must be matched by reciprocal access for Russian companies to European assets, and Sunday's statement addressed this point.

"It is especially important that companies from energy producing and consuming countries can invest in and acquire upstream and downstream assets internationally in a mutually beneficial way," the G8 statement said.

The leaders of the G8 nations -- Britain, Canada, France, Germany, Italy, Japan, Russia and the United States -- singled out nuclear energy as an important component of any strategy to increase global energy security.

But the statement also reflected Germany's opposing views on nuclear energy -- Germany wants to phase it out altogether -- saying plans to increase nuclear power applied only to "those of us who have or are considering" such plans.

The G8 said access to nuclear power should be available to any country that wanted it but needed to be based on "a robust regime for assuring nuclear non-proliferation".

The statement was adopted a day after the United States and Russia unveiled an initiative to cooperate in averting nuclear terrorism and announced plans for closer cooperation in the international nuclear energy sphere.

Putin has proposed the creation of a network of internationally-supervised sites to enrich uranium for civilian use, a proposal that grew out of efforts to resolve the standoff over Iran's nuclear program.

"We reaffirm the objective... to allow reliable access of all countries to nuclear energy on a competitive basis, consistent with non-proliferation commitments and standards," the statement said.

The leaders described record high oil prices as a "serious" problem and acknowledged complaints from producer countries that refinery capacity development was important in solving it.

"We encourage construction and development of hydrocarbon-processing facilities to increase energy market flexibility and confidence," the leaders said.