ETIENNE DAVIGNON : "LET US NOT BE MESMERISED BY THE OIL MARKET SITUATION" (Summary of Vice-President DAVIGNON's Speech at the HAMBURG CONGRESS AND FAIR "ENERGY '83" - 19 April 1983)

"I do not want to be labelled a Cassandra: one should be pleased with the prospects of an upturn in economic growth which lower oil prices will help to bring about.

However, it is of paramount importance, to maintain acceptable levels of economic growth in the medium and longer-term. It would indeed be tragic if Governments and industrialists were to be mesmerised by the short-term signals from the oil markets and were to reverse the real progress which the industrialised countries have made over recent years in reducing their dependence on oil. I know that all the Governments of the Community have subscribed to commitments to reduce the risks in overdependence on imported oil and to spread the risks by diversifying energy supplies.

I also know that there is certainly a widespread recognition among Governments about the need to avoid the mistakes of the past. But I would be failing in my duty as the Vice-President of the European Commission responsible not only for energy but also for industry and R&D, if I did not sound a note of warning about the disastrous consequences, if we were simply to pay lip-service to commitments to get away from imported oil without doing anything to ensure that they are fulfilled.

International cooperation is central.

The framework for closer relations between the European Community and other industrialised countries already exists - through well-established bilateral contacts and through the OECD and the IEA.

On the other hand, the framework for cooperation with the oil-producing countries is less well-established. There are, moreover, those who do not see the need to develop it. We have nothing to gain, so they say, from engaging in any kind of "dialogue".

This is a short-sighted view. The whole world will gain, if better understanding between oil-producing countries and oil-consuming countries leads to greater predictability on the oil markets and a larger measure of consensus about future energy developments more generally."