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COUNCIL OF THE EUROPEAN COMMUNITIES
GENERAL SECRETARIAT

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PRESS RELEASE

9091/79 (Presse 108)

596th Council meeting

- Energy -

Brussels, 20 September 1979

President: Mr Desmond O'MALLEY,
Minister for Industry,
Commerce and Energy
of Ireland



Netherlands:

Mr G.M.V. van AARDENNE

Minister for Economic Affairs

United Kingdom:

Mr David HOWELL

Secretary of State for Energy

Mr Norman LAMONT

Parliamentary Under-Secretary
for Energy

Commission:

Mr Guido BRUNNER

Member

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ENERGY SITUATION - OIL CONSUMPTION IN 1979

On the basis of an oral report by Commissioner BRUNNER, the Council conducted an exchange of views on recent developments in the energy situation and the further outlook, both in the Community and worldwide.

The Council noted that the situation on the oil markets, which had earlier shown signs of settling down, had again become a matter of concern and reiterated the resolve of the Community and its Member States steadfastly to continue their efforts to save energy and to develop alternative energy sources.

With particular reference to oil consumption in 1979, the Council took note of progress to date in the drive to reduce demand and agreed that this action should be continued and intensified.

The Council also agreed to place the Commission proposals for further Community energy-saving measures on the agenda for a forthcoming meeting.

DISTRIBUTION OF THE COMMON TARGET FOR OIL IMPORTS

The Council held a detailed discussion on the question of the distribution of the common target for oil imports among the Member States; it evolved a number of guidelines which are to be finalized by the Permanent Representatives Committee so as to enable the Community and its Member States to express their position on the subject at the meeting to be held in Paris on 26 September 1979 by the Ministers for Energy of the countries which participated in the Tokyo Summit Conference.

INTERNATIONAL ENERGY TECHNOLOGY GROUP

The Council adopted the Community position on the International Energy Technology Group (IETG) which the Heads of State and Government decided to set up when they met in Tokyo at the end of June 1979.

This Group's terms of reference, composition and operation will be on the agenda for the meeting in Paris on 26 September 1979.

REGISTRATION OF CRUDE OIL IMPORTS

The Council held a detailed discussion on the arrangements for registering imports of crude.

The Council agreed in particular that the representatives of the Community and of the Member States attending the meeting in Paris on 26 September 1979 would discuss with the other major industrialized countries which had participated in the Tokyo Summit whether an early information system should be introduced for a limited number of crude oil transactions.

CERTIFICATION OF PURCHASE PRICES

The Council also discussed for the first time the question of the certification of purchase prices for crude, which will also be on the agenda for the meeting in Paris on 26 September 1979.

DATE OF THE NEXT COUNCIL MEETING

The Council agreed to hold its next meeting in Luxembourg on 9 October 1979.

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A L'ATTENTION DE MELLE BREEDVELD VIA HOTEL SIAM INTERCONT.

NOTE BIO(79)286(SUITE 2 ET FIN) AUX BUREAUX NATIONAUX
CC AUX MEMBRES DU GROUPE , A M. BURGHARDT, DG I ET M. LECOMTE,
DG VIII

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ENERGY COUNCIL (ROBERT ELPHICK)

THE MINISTERS CONTINUED THEIR DISCUSSION ON THE SHARE OUT OF THE IMPORT OBLIGATION DURING LUNCH WITH THE HELP OF A REPORT FROM AN EXPERT GROUP. THIS REPORT WILL BE DISCUSSED FURTHER BY A SPECIAL MEETING OF THE PERMANENT REPRESENTATIVES BEFORE THE PARIS MEETING. MR O MALLEY HOWEVER TOLD THE PRESS CONFERENCE AFTERWARDS THAT HE THOUGHT IT WAS LIKELY THAT THE COMMUNITY WOULD PUT FORWARD THE GLOBAL TOTAL IN PARIS. HOW THIS WAS DEVIDED UP WAS AN INTERNAL QUESTION. MR BRUNNER SAID HE SAW NO DIFFICULTY IN MEETING THE 472 MILLION TONS OIL IMPORT LIMITATION. THIS WOULD BE CONTINUOUSLY MONITORED HOWEVER AND IF THERE WERE SIGNS OF SLIPPAGE ADDITIONAL MEASURES WOULD HAVE TO BE PUT INTO EFFECT.

THE COUNCIL MADE FURTHER PROGRESS IN SETTING UP THE REGISTER OF OIL IMPORTS. THEY AGREED TO EXTEND THE PERIOD FOR THE REGISTER FROM JULY 1980 TO THE END OF DECEMBER 1980. MINISTERS ALSO AGREED SUBJECT TO CONSULTATION WITH THE OTHER PARTICIPANTS IN THE TOKYO FOLLOW-UP MEETING, THAT MEMBER STATES WILL SUPPLY IMPORT INFORMATION ON A MONTHLY BASIS. IF THE OTHERS AGREED THEY WOULD ALSO IMPLEMENT ARRANGEMENTS FOR MORE REGULAR REPORTS OF A LIMITED NUMBER OF CRUDE OIL TRANSACTIONS, PARTICULARLY THOSE ON THE SPOT MARKET.

THE COUNCIL ALSO NOTED THAT ALTHOUGH IT WAS LIKELY THAT OIL CONSUMPTION FOR 1979 WOULD BE ABOUT 515 MILLION TONS (ABOVE THE 500 MILLION TONS LIMIT) BY THE END OF THE YEAR CONSUMPTION SHOULD BE DOWN TO ABOUT THE TARGET FIGURE ON A DAY BY DAY BASIS.

THE MINISTERS GENERALLY WELCOMED THE SETTING UP OF AN INTERNATIONAL ENERGY TECHNOLOGY GROUP AS PROPOSED BY TOKYO WHICH WOULD EMBRACE ALL OECD COUNTRIES WHO WISH TO JOIN. A REPORT ON THE GROUP WOULD BE MADE BY MARCH OR APRIL NEXT YEAR.

ON THE PROPOSAL FOR DEMANDING CERTIFICATION OF PURCHASE PRICES, A STUDY HAD BEEN STARTED BY THE COMMISSION AND THIS WOULD BE CONTINUED.

FINALLY, THE MINISTERS AGREED TO HOLD A FURTHER SESSION OF THE COUNCIL ON 9 OCTOBER. (19H00)

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ENZO PERLOT COMEUR

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DG VIII

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ENERGY COUNCIL (ROBERT ELPHICK)

THE ENERGY MINISTERS OF THE COMMUNITY BEGAN THEIR MEETING IN BRUSSELS TODAY AND IMMEDIATELY GOT DOWN TO THE DIFFICULT PROBLEM OF WORKING OUT HOW TO SHARE OUT THE OBLIGATION OF IMPORTING NO MORE OIL THIS YEAR THAN LAST. THE PRESIDENT, MR DESMOND O'MALLEY (IRELAND), MADE THE POINT ■■■■■■THAT■■■ IT WAS IMPORTANT FOR THE COMMUNITY REPRESENTATIVES AT THE MEETING, CALLED IN PARIS NEXT WEDNESDAY (26 SEPTEMBER) TO FOLLOW UP THE TOKYO INDUSTRIAL SUMMIT, TO BE ABLE TO SAY THAT WE HAVE AN AGREED POLICY AND WE INTEND TO MEET THIS OBLIGATION. FOR THE COMMISSION, MR BRUNNER SUGGESTED SETTING OUT SPECIFIC TARGET RANGES FOR EACH MEMBER STATE. THE TOTAL IS NOW PUT AT 472 MILLION TON■■■ (THE ACTUAL 1978 IMPORT FIGURE). THIS DOES NOT INCLUDE U.K. NORTH SEA OIL WHICH IS REGARDED AS DOMESTIC PRODUCTION. MR BRUNNER ALSO POINTED OUT THAT THE COMMISSION'S FIGURES ARE BASED ON ECONOMIC GROWTH EXPECTATIONS AVERAGING 3.8 PERCENT. EACH PER■■■CENTAGE POINT MORE OR LESS MAKES A DIFFERENCE OF BETWEEN 20/25 MILLION ■ TONS.

AS TO THE GENERAL SITUATION, MR BRUNNER REPORTED THAT THE SUPPLY OUTLOOK WAS STILL PRECARIOUS, WITH POTENTIAL SHORTAGES AND HIGH PRICES. THE ACTUAL POSITION AS REGARDS STOCKS IN THE COMMUNITY IS HOWEVER RELATIVELY FAVOURABLE. THE COMMUNITY HAD 110 DAYS' SUPPLY IN STOCK OF PRODUCTS IN GENERAL, ABOUT THE SAME AS THIS TIME LAST YEAR. EVEN FOR HEATING OIL THE MINIMUM REQUIREMENT OF 90 DAYS ■ STOCKS HAD BEEN REACHED IN ALL MEMBER STATES EXCEPT FOR LUXEMBURG. PRICES HOWEVER ARE HIGH, CRUDE AVERAGING 57% HIGHER THAN IN DECEMBER.

MORE LATER

REGARDS,
ENZO PERLOT COMEUR
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