

## DISCUSSION

### THE BRITISH PETROLEUM INDUSTRY AND ITS PLACE IN THE WORLD

Chairman: G. W. GOVIER, Chairman, Scientific Programme Committee  
Scientific Secretary: K. A. D. INGLIS, World Petroleum Jubilee Congress Ltd. (UK)

C. W. PERRY (USA) asked what were the prospects for future North Sea production, and when secondary and tertiary production methods might be applied; K. MANAFI (Iran) subsequently asked MR GREGORY to expand on his mention of changes in the tax regime.

MR GREGORY pointed out that secondary recovery techniques such as water flooding had already been applied and that, despite the anticipated decline in fields already in production, recent changes in the tax regime would mean that small fields would, in broad terms, be taxed only when they proved to be profitable. The tax changes thus created conditions to bring in the new generation of fields. In the case of gas, he believed that it could be possible to meet demand through to the year 2000.

MR ION emphasized that, despite the rapid build up of production, much oil remained to be discovered, and he believed that the potential would be increased with improved technology and a widening of geological concepts.

The next questions concerned the potential contribution in the UK in the period to the year 2000 of coal and nuclear energy.

MR GREGORY gave his opinion that—excluding any major change of policy to open the UK energy market generally to coal imports—with the retirement of uneconomic pits, and despite the opening up of new capacity, UK coal consumption was likely to fall below its present level of approximately 100 million tons. Expectations for nuclear energy were

now well below the optimistic forecasts of ten years ago and growth was likely to be slow for technical reasons, because of the procedure of public hearings and the attitude of the public in general. There was, however, little comfort in this for the fuel oil salesman in the UK as demand was, and was likely to be, low in the electricity and heavy energy-intensive industries.

J. G. CORONADO (Venezuela) was concerned to know how experience in the North Sea was likely to benefit offshore developments elsewhere.

MR GREGORY and MR ION believed that this was already happening and that experience in the hostile weather conditions of the North Sea and of the complex geology which it had proved to contain would be of great value elsewhere. The experience was not only of development of oil fields but equally of dealing with the related problems of environmental protection.

F. L. HARTLEY (USA) was interested to know when it was likely that the production of fuel oil in UK refineries would be eliminated.

MR GREGORY believed that the headlong decline in fuel oil demand which had characterized the last decade was unlikely to continue at the same pace. There was now already in the UK as high a proportion of cracking capacity as anywhere else in Europe. Further changes in fuel oil demand and hence refinery configuration would be less dramatic than in recent years.



# THE WORLD'S ENERGY SUPPLY PROBLEMS

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The World's Energy Supply Problems

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