A participant

I have one question and one comment. I would like to comment about the figures you have used for Latin American nonconventional gas resources. The resources, and reserves in the case of Brazil, are much more important than has been indicated by the International Energy Agency, for instance, and commercial production will start within two years, at a huge scale. That is to say that most of the electricity production in many regions will come from processing nonconventional gas. The question is for Mr Levitte. What do you think will happen in the case of the relations between China and the US as regards a deal between Nexen in Canada and the Chinese company? What will be the final decision by the Canadian Government? It is a conflict between the so-called integration of North America and the relationship China would like to increase with Alberta.

Jean-David Levitte, Distinguished Fellow, The Brookings Institution; former Diplomatic Advisor and Sherpa of President Nicolas Sarkozy

I did not cover the whole Latin American landscape, but Argentina has huge shale gas reserves, and now it is a question whether or not the President will take the appropriate decisions; that is an open question. Regarding Nexen, as you may know, the Canadian Government decided a few days ago to say yes, and so the ball is now in Washington's court, more precisely in the offices of the CIFUS administration, which is in charge of saying yes or no to foreign investment, and frankly, I can make no prediction. Nexen is a minor actor in the Gulf of Mexico, and an important actor in Canada, so it is a very difficult question for the US Government.

They can say no, because of Nexen's presence in the Gulf of Mexico, but if they say no it could have consequences for the relations between the US and China at the most inappropriate moment, when the re-elected President of the US will have to meet for the first time the, not elected but chosen, President of China, and I do think this first meeting will be absolutely crucial in deciding about the future of their relationship and their capacity to work together to solve a number of problems. I mentioned East Asia and the Pivot to Asia, I mentioned Iran, and I will explain this afternoon how important it is for the US to involve Russia and China in the Iranian confrontation. Therefore, Nexen is a small problem but at a very sensitive moment, and frankly, I cannot anticipate what might be the decision by CIFUS, but beyond and above, by President Obama himself.

Richard Cooper, Professor of International Economics at Harvard University

CIFUS is supposed to deal only with national security issues, and so one would have to make a persuasive national security connection to this particular transaction. My own judgement, for what it is worth, is that it cannot be done, so I think it will go through.

Jean-David Levitte, Distinguished Fellow, The Brookings Institution; former Diplomatic Advisor and Sherpa of President Nicolas Sarkozy

Nexen is a Canadian company.

A participant from Indonesia

Sorry I did not have time to comment on the earlier intervention, but I could not agree more with Mr Razdan, because what he was saying is exactly what all the emerging countries have been doing. I was really struck by the comment on deforestation; it is indeed 20%, but do not forget that the 80% comes from developed countries. This brings me to the commitment by developed countries to the Copenhagen Accord. I have observed up to today that environmental negotiations, particularly on climate change, represent what we call the deficit of trust. Regarding competitiveness
policy, as Mr Cooper has rightly pointed out, it could be perceived by the rest of the world as a protectionist policy, so perhaps you could comment on that.

Anil Razdan, Former Power Secretary of India

Can I just intervene and maybe throw in another point for discussion? Richard may have been alluding to my interventions. Saying that you should not change the current trade rules or pay mitigation aid to developing countries, as this might hurt the competitiveness of the developed world, this is not going to work. I think, if you really believe that climate change is a concern, then you may have to abandon IPRs in these areas. You should give assistance and aid to those who open up their IPRs, for instance China, India, Indonesia, or anybody. Open up the IPRs. Why do you want to make climate change a business deal, an opportunity for greater investment in the developing countries from the developed world? It is not going to be acceptable. Another solution, if it is acceptable to Richard, is to open up the immigration laws and the borders; let populations migrate; hang onto the IPRs; and then let us see. Maybe the emissions and everything else will get sorted out, and poverty will also be addressed.

Richard Cooper, Professor of International Economics at Harvard University

Firstly, when I was talking about trade rules, I was not specifically talking about intellectual property. That area in my judgement is a mess; it is in a mess in the United States and a mess globally. I was talking about the traditional trade rules, openness for merchandised trade. I think those are in jeopardy. Do not worry about those if you do not think they are important. I am not actually making a normative judgement; I am making a political forecast, which is that, without dealing satisfactorily with the competitiveness issue at the level of the firm when it comes to climate change policy, we will not have a global climate change policy. That is my forecast. It is not a normative statement; it is a forecast, and therefore, if we are serious about climate change policy, we have to integrate our thinking about that issue as we frame it.

Regarding the issue of migration, I actually happen to agree with Anil, as a normative proposition with some qualifications, but it is not on. It is a point that my academic colleagues make, it is a point that people, especially from India, make – not the developing world in general, because this is especially an Indian argument as I perceive it. It is a very nice intellectual debating point, and I have a lot of personal sympathy with it, but again, as a social scientist who observes how societies work, it is not on. Therefore, if you want to make debating points, you and I can be on the same side of the debate on that issue, but we will lose.

Alexander Likhotal, President of Green Cross International

I think we do not have the luxury of sitting on our hands indefinitely, because practically what we are talking about, in order to have a safer future, we need to reduce our emissions of CO2 by 60% by the year 2050. What does this mean? It means that the longer we do nothing, the steeper the trajectory will need to be closer to that time. I agree with the speaker from India that we cannot expect that the developing countries will simply do the same as the developed world. It is clear that in order to give these countries the possibility of digging themselves out of poverty, we will need to give some loans, shall we say. That means that out of 60%, probably 80% will need to be reduced by the developed world by 2050, and if we sit on our hands until 2025, which is not too far away, then the trajectory for us will simply be like jumping off a cliff, which is obviously not possible for many reasons.

Therefore, I agree completely that multilateralism is in a huge crisis, but that is not the reason to say that it is an obsolete mechanism. We simply need to upgrade multilateral platforms by including the corporate world and civil society into the discussion.

Narendrana Taneja, Founder President of the World Energy Policy Summit

I really find the whole debate, including this one, a little divisive, in the sense that we have to ask what the alternative is. We can have a debate, but is there an alternative to oil in 20-25 years? Is there an alternative to gas in the next 40-50 years? However, when you look at the debate, in this room or on any platform, you see oil and gas companies, and look at the size of these companies. India is heavily dependent on imported oil, but even then the biggest company in the country is an oil and gas company, and its turnover is more than the total GDP of Sri Lanka. Look at India, China,
Brazil; all the top three or four companies are oil and gas companies. You find at the same time that they are being put on the defensive; they do not even want to talk about anything. Therefore, you rarely find oil and gas chiefs these days getting into real, honest, straight debate on public platforms, television channels and all that.

Looking at India for instance, and we may be talking about other things, but we depend on fossil fuels for more than 90% of our total carbon. Is there a shortcut? We have 400 million people who can be put in the category of energy poor; the world over, we have 2.5 billion people who can be described as energy poor. Energy poverty is widespread, so I fully understand that we can come to Europe or wherever and have this tremendous focus on emissions. We all want to protect the world. However, at the same time we have to be realistic. Can we really think that just by bashing oil and gas companies we can make the world a better place? The answer is no.

85% of oil and gas reserves, at the same time, are controlled by state entities. There is going to be a transition, and I personally feel that oil and gas companies, because they are big and have resources, they probably know the world better than people who sit in rooms and talk about carbon emissions. Therefore, it is going to be a transition, and we should accept this and work on it. The transitional period is less than 30-50 years, and oil and gas companies have to play a bigger role in that transition. My view is that the solution is simple. Oil and gas companies have to start thinking more like technology players. They have to start thinking like an Apple or a Microsoft, and make sure that they produce more oil, they produce more gas, but at the same time they are protecting nature. Therefore, we have to think more in terms of green oil and green gas.

I have a question for Mr Levitte. You have talked about the Middle East. What is the realistic scenario if the US does decide to pull out of the Middle East, and at the same time India or China do not have the capacity to move in, in the real sense? What would happen to the Middle East?

Jean-David Levitte, Distinguished Fellow, The Brookings Institution; former Diplomatic Advisor and Sherpa of President Nicolas Sarkozy

I do not think that the US will get out of the Middle East, as I said, in terms of military presence; on the contrary, because it is in their national interest, they will decide to stay as the ultimate guarantor of security for Saudi Arabia, the Gulf States, the Straits of Hormuz and the sea lanes, because if they were to leave, you would have a lot of turmoil, and this would immediately have an impact on the price of oil. The price of oil is worldwide, there is only one price of oil, and that would be a disaster not only for your economy but for the economy of the US as well. Therefore, I see a growing presence in the coming years and for the longer term of the Indian and Chinese fleets, but not a withdrawal of the US military presence in the Middle East. I do not see a major investment by President Obama in the Middle East peace process in his second term, but that is for this afternoon.

Thomas Eymond-Laritaz, Senior adviser based in APCO Worldwide’s London office

I was very surprised that we spoke a lot about the shale oil and shale gas revolution in America, in China, and in Latin America, but nobody spoke about Europe. I suppose there is a huge trauma, and nobody dares to talk about that, but we might imagine that there may also be a shale oil and gas revolution in Europe. What is striking is the fact of who are the beneficiaries of shale oil and shale gas in Europe. Firstly, they are the large oil and gas companies, secondly the large corporations which use a lot of energy, thirdly the SMEs, and fourthly the consumers. What is striking is that, if I put them in this order, it is in the order of the least popular to the most popular: large oil and gas companies are not very popular amongst the general population, large corporations are slightly better, SMEs are much better, and we are all consumers. Only the first two of these four actors are defending shale gas and shale oil, so the people who are defending shale oil and gas in Europe are the most unpopular institutions.

My question to Christophe de Margerie is whether we could imagine Total and large corporations not being at the forefront of requesting shale oil and shale gas, but trying to find ways to empower the voice of SMEs and consumers? The political debate would change fundamentally if it were consumers who are requesting shale oil and shale gas because it is good for their capacity to purchase.
William Ramsay, Senior Advisor of the Center for Energy, Ifri; former Deputy Executive Director, International Energy Agency (IEA), former US Ambassador in Brazzaville

I would only add that in the US the major beneficiary is not necessarily the company but the landowner, and land ownership is such a major factor in the acceptability of shale gas in the US that you have to find some totally different way to allocate the rents in the European scene if you want political support.

Christophe de Margerie, Chairman and CEO of Total

I think we have been extremely vocal on this subject, and maybe too much. You have to be pragmatic in how you are manoeuvring if you want to be successful; you have to be transparent but also pragmatic. Each time Total says something about shale gas or anything about shale, in France in particular, everybody says the policy is about money, about shareholders, or I do not know what, so it is killing our ability to be really in charge.

We are not using people. Today the debate is ongoing without us. We are just saying that we are ready to be there if we are needed, and we are providing the figures which are needed when something is to be said. We are being intelligent about it, meaning that today we do not know what it is because we have never tried, we have never drilled a well, so you cannot say what it is. I am also embarrassed that so many people can say that the resources in France are huge, because they may not be huge; they might be interesting, there is certainly shale gas, but we do not know what it will cost or when it can move from being a resource to a reserve.

Therefore, it is moving today, and I hope that civil society can take over our role. It does not mean that we are retiring or that we are not taking on our responsibilities; it means that if it can move without us, it is better for everybody, especially for clients who think that in our world we cannot say something and do the opposite. You cannot say you will do it just because you like it and then not have the answer. Therefore, gas is cleaner than coal, but the debate in France today, for instance, is that we need to prove that gas coming from shale is higher a source of emissions than natural gas. It is untrue, but we have to leave experts and scientists to say this. Therefore, if they do not move enough, we will begin to do so again, but today it is better that we stay a little on the sidelines, even if some people say that my silence is making a lot of noise.

William Ramsay, Senior Advisor of the Center for Energy, Ifri; former Deputy Executive Director, International Energy Agency (IEA), former US Ambassador in Brazzaville

The good news is that it is a geological phenomenon; it will be there when you get around to it.

Meir Sheetrit, Member of Parliament, former Minister of Internal Affairs, Israel

I would like to ask two questions. A lot of gas has been found in the sea, even in Israel; we used to believe that we had no oil or gas in Israel, which is why we say that Moses was taking the people to Israel from Egypt for forty years to the only place there is no oil, but now they have found gas. One of the main problems in the areas where they have found large quantities of gas is to deliver it to the places that it is needed. There is the technology to liquefy natural gas, which costs billions of dollars to do, and the technology is very new. Is there a way to bridge the gap, to overcome the huge costs and bring the gas to the places where it is needed? It seems to me that in the next 20 or 30 years the gas will be the most useful energy in the world.

Secondly, what is going on in the research field for new technologies, for example hydrogen or nuclear? I believe it is possibly a clean energy, and maybe it would be possible to create a nuclear power plant which would be safer and still producing energy. Is there any research in this area? I would also like to ask the president of Total whether it is spending money on this kind of research.

William Ramsay, Senior Advisor of the Center for Energy, Ifri; former Deputy Executive Director, International Energy Agency (IEA), former US Ambassador in Brazzaville

The geopolitics of gas in the eastern Mediterranean are really hairy. We would need another hour to talk about those politics; there are a lot of players and a lot of equities at stake. I am talking about the geopolitics of the gas in the
eastern Mediterranean in terms of getting it out, whether it be LNG, CNG or something else, but that is for a whole
different panel. Regarding whether Total is involved in the business of hydrogen, I suspect it probably is not.

Christophe de Margerie, Chairman and CEO of Total

I think there is a new way of doing business with the change of attitude which is necessary, especially if we want to be
more efficient, but the first thing is oil and gas producers working more with those who are using our products, French
names like Schneider, or German and American ones as well. That is how we have to work, in a chain system. Total
by definition is not an expert in hydrogen, but we are an expert in how to use cars and which is the best fuel. Hydrogen
is one, and we are working with the expert in that area. We are now forming a group of companies in France to achieve
something which is good for everybody and not only for Total or Schneider. Let us prove that it works, and then go and
see the person in charge, the Government, for a common position. It is no longer a state of antagonism, where we
protect our interests and Schneider is complaining that the price of energy is too high.

The company in France which is producing most emissions is EDF, not Total, who is second, but which would really
like to be first. The third one is LET because of hydrogen, so you can see it is not as easy, and LET has to work on
producing hydrogen without being responsible for emissions, and then have carmakers and other use hydrogen
without saying it is clean, because they do not care about what is in the upstream part of the chain. Therefore, let us be
transparent and it will help everybody, just like with biomass without the friends of the agricultural lobby.

William Ramsay, Senior Advisor of the Center for Energy, Ifri; former Deputy Executive Director, International
Energy Agency (IEA), former US Ambassador in Brazzaville

You cannot do without them.

Jacques Lesourne, President of the Scientific Committee of the Energy program at Ifri

I have two remarks after this interesting debate. The first one is that you have never used the word « democraty » and
of course we should not forget that in many countries the political regime is democratic, but democratic in a time of
media, and as a consequence the governments are much weaker, at least in the Western world, than they have ever
been in the recent past. The opinion in democratic countries leads the government to jump only into difficult decisions
when they are under really high pressure. Let us remember the time it was necessary for President Roosevelt to lead
the US towards a war, with a public opinion which was rather hostile to an American intervention. Therefore, public
opinion in the Western world will probably move when climate change appears for them as a real threat, which is not the
case.

Regarding the debate about global values, it is a very sympathetic approach, but it is not a political approach in the real
world as it is. Therefore, my second remark is that we must really work at three levels. We must work at the level, let us
say, of the General Assembly of the United Nations, 200 states: it does not progress very quickly, but it is necessary; it
is a kind of world’s fair. We must work at the level of clubs, the G20 or the forum of the major economies, in order to try
to make progress and we must work at the national level to decrease the discrepancies, the inconsistencies, in
domestic policy, and a lot has to be won from that, especially in the European Union since we have for instance, 27
regulations about subsidies for the renewable energy sources. However, Europeans are not the only ones who have to
do that, and our colleague Anil Razdan has given very good examples of the Indian scene.