

STATSMINISTERENS APNINGSTALE VED OFFSHORE NORTH SEA,  
STAVANGER. 5. SEPTEMBER 1978 . -

Your Royal Highness, Ladies and Gentlemen,

The large participation of delegates to the conference and of visitors to the exhibition tells us that there is a great interest in the offshore petroleum activities in the North Sea.

We are strongly reminded of the fact that the offshore petroleum industry is not a national venture. It is a very international activity.

In the North Sea countries, and in countries outside

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this region, new maritime technology and new industrial products are being developed with a view to satisfy the requirements of the North Sea. You find ambitious hopes in many industries in many countries to gain ground in this fast expanding market.

I will freely admit that the Government of Norway pays great attention to the development of our own maritime and industrial technology and production. We see this as a new possible line of expansion in our economic development, both for satisfying the demand on our own continental shelf, and for export markets. I realize that governments and business in other countries have the same hope and intention for their industries.

In the present depressed economic international situation we see tendencies in many countries for more protection in international trade. I think it is understood that in certain industries which are strongly hurt by the present economic recession, as the ship building industry, governments have found it necessary to take measures for a certain support to their domestic industry.

However, it is my sincere hope that all interested governments, including my own, will be able to retain their general liberal attitude to international trade. I hope that we will all be able to realize that in the long run the free flow of ideas, products and services across borders, is one of the important elements which has helped us to reach our present advanced stage of economic development.

I consider the exhibition here at the Offshore North

Sea 1978, as a forum for a sharp, but fair international competition in industrial activities related to the petroleum industry in the North Sea. I think there is a good reason to believe that within each of the interested countries you will find companies and industries which have developed specialities where they are competitive. Through this, we will all benefit from the competition and free international trade in this important sector in our economies.

The petroleum policies of Norway are well defined on the basis of parliamentary decisions. I think it is generally known that we lay emphasis on a controlled and long term exploitation of our resources. We do not envisage to exploit these resources at a maximum rate. This would cause to great changes in rest of the economy. We are also concerned

to have the oil era in our economy to be stretched out in time to give benefit to the country over a longer period than if we tried to exploit it at a maximum rate.

The last few allocations of new concessions on the Norwegian continental shelf were not very promising.

Therefore we are now faced with a situation that it will take a rather long period to reach a production level in the neighbourhood of 90 million tons a year. That figure has been referred to as an illustration to what we understand by a "reasonably high level" of output.

The Government is now processing applications for a new round of concessions. We deem a new round of concessions to be desirable to secure a satisfactory level of output beyond the late 1980'ies. We have also in mind that it is

desirable for the national economy to have the stimulus of new oil explorations which this concession round will lead to.

The Government will continue its basic policy of having the Norwegian State Oil Company, The STATOIL, to play a leading role in exploration and exploitation of our continental shelf. However, there is still a strong need for a substantial participation of other companies. We need the expertise of other companies, we need the financial sharing of the very high investment in question. We are also interested in foreign participation in the context of a wider international cooperation in petroleum and industrial development. Therefore, besides the functions allocated to

STATOIL as the main governmental instrument in our oil policies, I think there will be ample opportunities both for two other Norwegian companies, Norsk Hydro and Saga Petroleum, and for foreign oil companies.

Similarly, when it comes to all the various and highly specialised jobs which are carried out both in the exploration and in the exploitation phase, I see large possibilities for contractors and all the very specialised companies, both national and foreign, which also hitherto have made valuable contributions to our oil industry. The Norwegian Government is deeply interested in drawing upon all the international expertise which is available to us, and which is necessary for us. In the long run

Norwegian companies will gradually become more qualified for the various tasks. But I do not foresee that the oil industry can ever become a purely national industry. The need for specialisation is so great, and the Norwegian economy with its limited size, can never expect to develop the necessary quality and competitiveness in all these complicated areas. Therefore we welcome today, and we shall welcome tomorrow, the participation and competition by the international industries taking part in the venture of North Sea Petroleum industry.

To-day we do all realize, both government and business, that our technological and professional level 10 years ago were very far from satisfactory to meet today's

needs in the North Sea. To-day we apply in the North Sea an advanced technology which did not even exist 10 years ago. We have also learned from experience that our methods and our policies have needed development and improvement compared to the level of 10 years ago. Within the government responsibility, the views and the knowledge of safety and environment problems have advanced greatly. I think governments and oil companies all agree that the great achievements which have been made during the last few years, and which still are in progress, have been quite necessary to reach an acceptable level of safety and preparedness.

We have all learned from experience and from the accident which occurred in the EKOFISK-field 16 months ago.

The government of Norway has presented to the parliament its report on that accident. This report includes the conclusions on the measures which the government finds necessary for future operations. The Norwegian Parliament will presumably discuss this report before the end of this year. After that discussion, and in light of the recommendations which the parliament may issue, the government will be prepared to present to the parliament its programme for starting oil exploration north of the 62nd parallel. It is understood in government that only after the parliament has discussed that program we can

start the field work. This means that it will not be possible to start the actual drilling as early as in 1979.

It is the intention of the government to start test drilling operations in that area as soon as the parliament have given its go-signal.

I hope that conference participants will benefit from these days in Stavanger, from the professional discussions and the personal contacts which will develop in this environment. I wish that both producers and buyers will be able to make use of the exhibition to their mutual benefit. To all of you I wish pleasant days in Stavanger.

Within this audience I think we find the majority of individuals who are responsible for planning and managing the difficult responsible tasks of the oil industry in the North Sea. It is a great responsibility, but it is also a great challenge. I wish you all good luck in this endeavour.