



## G20 COUNTRIES CALL FOR STABLE OIL PRICES, ENERGY SUPPLY

XIANGHE, China Oct 16

The Group of 20 most industrialized and largest developing countries called Sunday for stable oil prices and a stable supply of energy at the close of their two-day meeting here.

"We are concerned that long-lasting high and volatile oil prices could increase inflationary pressures, slow down growth, and cause instability in the global economy," they said in a joint statement.

"We agreed to strengthen our cooperation on these issues and stress the need to increase investment, production and refining capacities and to enhance dialogue between oil suppliers and consumers through the relevant fora, such as International Energy Forum (IEF)."

In addition to seeking improved production and refining capacities, the G20 finance ministers and central bank governors also called for more transparency in the oil market to improve market efficiency.

The ministers stressed the importance of promoting energy conservation and efficiency, including adopting and transferring new technologies, and developing alternative and renewable energy sources.

Subsidies on oil products must also be reduced, they said.

They welcomed the upcoming creation by the International Monetary Fund of a mechanism to help poor countries cope with commodity shocks, including oil price hikes.

The meeting of the G20 finance heads in the scenic spot of Xianghe outside Beijing comes against the backdrop of volatile oil prices.

Although the price of crude oil has fallen since it topped 70 dollars a barrel in late August after Hurricanes Katrina and Rita hit the southern US, both developed and developing countries fear high oil prices will hurt economic growth.

Producers have blamed consuming nations for failing to invest in sufficient refinery capacity. Consuming countries, however, have reproached exporters for deliberately limiting investment in their domestic oil industries by imposing restrictions on foreign

participation.

Among the countries in the G20 are the world's largest oil consumers such as the United States and China, as well as major oil producers Saudi Arabia, Russia and Indonesia.

The group brings together the seven biggest industrialized nations -- Britain, Canada, France, Germany, Italy, Japan and the United States -- with population giants and key developing nations such as China, India and Brazil.