

KINGDOM SAUDI ARABIA

TRANSLATION

Speech of His Excellency Ali ibn Ibrahim al-Naimi, Minister of Petroleum & Mineral Resources to the 6th Meeting of the Parties to the UN Convention on Climate Change, Tuesday, 21 November 2000

Thank you your Excellency Minister Pronk, President of Cop-6

Mr. President

Excellencies the Ministers and distinguished Heads of delegations.

It gives me pleasure to convey to you the greetings of the Government of the Custodian of the Two Holy Mosques, which is looking forward to this meeting with great anticipation for adoption of comprehensive and effective resolutions on all articles of the "Buenos Aires Plan of Action", which were approved in the 4th Meeting of the Parties Conference.

Mr. President

I would like to underscore the fact that even though the Kingdom of Saudi Arabia is considered a developing country, it is also a pioneer in the field of environment conservation by its embracing the most recent environmental approaches in its quest for development. We are, indeed, proud of our achievements and records in this field on the local level. The Kingdom also contributes to the global effort to address international environmental issues and concerns. A fact that is further confirmed by our effective participation in international conferences held on the environment, including conferences dedicated to confronting the potential impact of climate change.

Mr. President

We also wish to further clarify that the Kingdom of Saudi Arabia is more than willing to embrace equitable, comprehensive and effective resolutions of each of the Articles in the Buenos Aires Plan of Action, which we all agreed to in the 4th

Conference held in Argentina accordingly, we share the developing countries' resentment and dismay, at the failure of the industrialized countries to achieve tangible and concrete progress in all the subjects of the Plan concerning developing countries; while forcefully seeking to promote adoption of the resolutions that serve their own economic interests.

We must further clarify that the Kingdom is not prepared to assume a burden which is more than its fair share in confronting the potential consequences of climate change. And we cannot possibly accept that the industrialized countries transfer the cost of reducing their green house gas emissions to our countries, by embracing policies and measures that would lead to reducing their imports of our fossil fuel exports on which revenues we depend to a great extent. As they account for up to 85% of our total exports income. This would adversely affect the economic growth rate of our country. And, consequently would aggravate domestic problems, such as unemployment, which must be considered in the light of high population growth rate in our country. Hence, we see no justification for the industrialized countries' reluctance to commit to their agreed obligations under Articles 4.8 and 4.9 of the Convention and Articles 2.3 and 3.14 of the Kyoto Protocol, on the pretext of insufficient information. A pretext intended to stonewall adoption of effective resolutions that are conducive to the implementation of all these provisions.

Mr. President

It hurts us a lot to see the visible bias against oil in the industrialized countries. Where taxation is excessive. And, it is in many of them, averages about 65% of the final price of petroleum products. At a time when some energy sources which are more harmful to the environment, such as coal and the nuclear energy, enjoy great margins of subsidies, amounting to \$18 and 24 billion a year, respectively,

Subsidies that are given to their producers directly or indirectly or in the form of discounted taxation. The large demonstrations by consumers in the industrialized countries against the high taxes stands as evidence of their unfairness and high cost. Many of the taxation policies proposed to implement the obligations of the Kyoto Protocol add, in our opinion, to these high taxation levels on petroleum products is continuation of the biased trend against oil.

Several studies reveal that OPEC countries stand to suffer income losses in excess of \$60 billion annually by the year 2010. The brunt of which will be sustained by the Kingdom, if Kyoto Protocol obligations were implemented with the existing bias against oil in the industrialized countries persists. We are also totally amazed by the current calls in some countries to expand the use of nuclear energy at the expense of oil and natural gas, on the pretext that they do not emit green house gases. While turning a blind eye to their greater and more hazardous damages to the environment.

For this reason, we are demanding that the industrialized countries start eliminating the existing contradictions and double standards in their taxation policies by re-structuring their tax system to reflect the carbon content in each source of energy, also to reflect the negative impacts of nuclear energy and to eliminate any subsidies and incentives offered to encourage production of fossil fuel in their countries.

Mr. President

OPEC leaders pledged, at the summit held in Caracas, Venezuela, last September, to exert every effort to achieve the economic diversification required for their countries and reduce the great dependence on their fossil fuel exports. We are aware that this requires great time and effort. But we are determined to achieve

this goal and to give absolute priority to removing all obstacles [on the path of] to foreign investment and transfer of technology to our countries. It is exactly for this reason that we invite the industrialized countries listed on the first Annex of the Convention to cooperate with us in this area as part of their obligations to mitigate the negative impacts on our economies resulting from their implementation of policies and measures designed to reduce greenhouse gas emissions.

We also believe, that the institution of a financial mechanism to compensate countries affected by these measures constitutes a fundamental requirement for the implementation of Articles 2.3 and 3.14 of the Protocol.

In conclusion, we wish to reassert the Kingdom's solidarity with the developing countries in their quest to attain financial and technological assistance to confront the adverse impacts of the potential climate change, as well as those resulting from implementation of policies and measures, as well as, in their demands of Annex-I Parties to refrain from imposing on them any new commitments, which have not been already incorporated in the Convention or the Protocol. No matter whether such commitments are mandatory or voluntary, as a basic condition for the success of this conference, A success to which we all strive to, in light of the principles of the United Nation Framework Convention on Climate Change and the Kyoto Protocol.

Thank you Mr. President.