

**BUSINESS**

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**Europe goes vocal over energy supplies**

***The new boss of the International Energy Agency, which represents the interests of developed nations, has claimed the Russian government is holding back oilfield development. This came as leaders from the EU, Russia and world energy majors met in Moscow to ease energy tensions.***

The Moscow Energy Summit comes at a critical moment in EU-Russia relations. The Russian side is still recovering from announcements of plans for a European pipeline designed to bypass them. Now the new chief of the IEA, which represents 26 developed nations' energy interests, has opened up proceedings with a thinly-veiled attack on Russian investment conditions.



*Europe strongly depends on natural gas deliveries from Russia*

Nobuo Tanaka, Executive Director of the IEA stresses that *"The IEA's key concern in terms of sustainability is that Russia's oil productivity growth is mainly based on brownfield development and there is too little focus on greenfield development. In many respects, for direct foreign investment the conditions are worsening."*

Still smarting from the loss of the giant Kovykta field to Gazprom, the boss of TNK-BP was guarded in his criticism of the government.

*"If you look at big new projects in the future, the economics are being squeezed, the margins are being squeezed. So it isn't quite the same. The oil companies aren't seeing the big uptakes in their bottom line like the state is,"* said Robert Dudley, CEO of TNK-BP.

*"We have quite a mature set of assets and we're working extremely hard, spending more and more each year to maintain that level of output,"* he adds.

The summit comes in the middle of frantic efforts to find a deal that will suit both Russian producers and European buyers. The parties are due to continue talks in Portugal on Thursday.

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