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North Sea oil summit announced by Aberdeen City Council



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A plan for a summit to look at the challenges facing the North Sea oil industry has been announced by Aberdeen City Council.

Council leader Jenny Laing said the UK and Scottish governments, [trade](#) unions and industry bodies needed "to get round the table as soon as possible".

The Labour councillor said a "strategic plan" was required to save jobs as the price of oil [continued](#) to fall.

Labour called on Nicola Sturgeon and David Cameron to attend the summit.

It comes after a warning that the UK's oil industry is in "crisis".

On Thursday, Robin Allan, chairman of the independent explorers' association Brindex, told the BBC that the industry was "close to collapse".

He claimed almost no new projects in the North Sea were profitable with oil below \$60 a barrel.

However, Sir Ian Wood, another leading industry figure, said Mr Allan's warning was "well over-the-top and far too dramatic".

Sir Ian predicted conditions would begin to recover next year.

'Undermine confidence'

Ms Laing said Aberdeen was the oil capital of Europe and as such it was her [job](#), as leader of the city council, to work with the governments in Edinburgh and Westminster and the oil industry to ensure [jobs in](#) the city were protected and companies remained based there.

She said: "I have today instructed Angela Scott, our chief executive, to arrange a summit between senior politicians, government officials, industry representatives, [trade](#) unions, and local politicians.

"The aim will be to ensure an agreement to develop a strategic plan to ensure job losses are either avoided or kept to a minimum.

"It must concern us all that the price of oil has dropped so heavily in such a short space of time and we need to agree a strategy to deal with fluctuations that undermine confidence in the North Sea."

Ms Laing said the council chief executive would write to various politicians within both the UK and Scottish governments, as well as UK Oil and Gas, other industry leaders and trade unions to encourage them to take part in the summit.

Scottish Labour has pledged to send its new leader Jim Murphy.

Fiscal changes

A Scottish government spokesman said it was continuing to do all that it can to support Scotland's oil and gas sector.

He added: "As we have long said, what the industry requires is a stable predictable fiscal regime, and that substantial tax incentives are needed to achieve the objective of maximising recovery.

"Unless the UK government acts to bring in further measures, the likelihood is some fields will cease production early."

The UK government's Department of Energy and Climate Change said it was important to highlight that there was "very little evidence of new projects being cancelled or deferred in reaction to lower oil prices".

A spokesman added: "The government recognises the challenges currently faced by the oil industry and that's why earlier this month the Treasury announced a package of fiscal changes and initiatives to stay on the front foot in dealing with them.

"We understand the particular concerns recent sharp reductions in oil prices have raised for companies active in the North Sea and will continue to engage with the Scottish government on this issue, including at this summit."