THE WEEK IN ENERGY: COLD CLIMATE TALKS*

Two incidents at the start of the week highlighted the difficulty of finding global consensus on how to tackle the threat of climate change, or even agreeing what the threat is. Over the weekend, the US teamed up with Russia, Saudi Arabia and Kuwait to water down governments' approval of a report spelling out the consequences of allowing the global temperatures to rise more than 1.5C since pre-industrial times. It was no coincidence that the objecting group included the world's three largest oil producers, and another in the top 10.

Then on Monday, the US delegation held an event to emphasise the importance of fossil fuels, reflecting the Trump administration's support for the country's "energy renaissance", and its plan to withdraw from the Paris agreement. Wells Griffith, the lead official for international affairs at the US Department of Energy, told the meeting "we strongly believe no country should have to sacrifice economic prosperity or energy security in pursuit of environmental sustainability". Patrick Suckling, the head of the Australian delegation at the talks, showed support by speaking at the event, and Mr Griffith said later that there had been "a lot of interest" from other countries, suggesting wider enthusiasm for the US position.

The US is in a minority of one in wanting to withdraw from the Paris agreement. On Wednesday Khalid al-Falih, energy minister of Saudi Arabia, delivered his statement to the conference, raising concerns about an "undue emphasis on energy and particularly oil" in climate negotiations, "with efforts to impose excessive and unrealistic taxes on hydrocarbon fuels", but also reiterated the kingdom's commitment to the goals set in Paris. When the lone dissenter is the world's largest economy, though, it can have a significant impact on the debate. Xie Zhenhua, China's senior climate official, on Thursday warned that negotiations were "deadlocked" in some areas and urged the US to return to the process and "use its leadership". On Wednesday António Guterres, the UN secretary-general, flew back to the talks to deliver an emergency address, urging countries to reach agreement. But by Friday morning there was still no resolution in sight for critical issues such as financing for developing countries' climate efforts.

Oil markets had a relatively quiet week after the turbulence stirred up by the meetings of Opec and its allies last week. The monthly oil reports from Opec and the International Energy Agency suggested the 1.2m barrels a day production cut agreed last week was needed to stabilise prices. Opec estimated that the world would need 31.4m b/d of its oil next year, down 2.1m b/d from 2017, principally as a result of surging production from US shale. The IEA said the supply cut from Opec and its allies had helped to put a "floor" under crude prices at about $60 a barrel. While the US administration and Saudi Arabia found some common ground in Katowice, there was a further sign of strain on the alliance between the two countries. The US Senate voted 56 to 41 to withdraw military support from the Saudi-led coalition in Yemen. The bill is not expected to pass the House of Representatives, but it still represents a symbolic rebuke to the US administration and to the Saudi government.

*"The Week in Energy: Cold Climate Talks", Financial Times