

IEF14: 14th International Energy Forum Ministerial; His Excellency Ali Al-Naimi, Minister of Petroleum & Mineral Resources, Kingdom of Saudi Arabia; Plenary session one: “The new geography of energy: business as usual or a new era for energy supply and demand?”; 15-16 May 2014, Radisson Royal Hotel, Moscow

Excellencies, distinguished guests, ladies and gentlemen.

I would like to thank the IEF for inviting me to speak today and the Russian Government for hosting this important event. I'd like to briefly comment on the new geography of energy, then reflect on the purpose and contribution of the IEF, before turning my thoughts towards the future.

Excellencies, ladies and gentlemen. The world is changing, the global economy is expanding and the global middle class is increasing. This rising level of prosperity is having a fundamental impact on long-term global energy demand. So it is clear to me that the energy challenges of the 21<sup>st</sup> century will not be business as usual.

New sources of energy are coming on stream, technological innovation is increasing and global energy markets are becoming ever more complex. Mitigating supply disruptions and understanding demand growth are global issues. We can only fight climate change together. And no single country can ensure global energy poverty is eradicated. Achieving these shared goals requires us to enter a new era of cooperation and transparency, with new thinking and creative solutions.

Excellencies, ladies and gentlemen.

OPEC was established to promote and defend the interests of producers. The IEA was created to put the case for consumers. There was a time when the heads of OPEC and the IEA could not be seen in the same room. Those days are gone, I'm pleased to say, thanks to the IEF. We have moved from a fragmented world of energy to one that is much more integrated.

Consumers and producers have come to appreciate that their aims are more aligned than they previously realized and the dialogue has come a long way. IEF membership includes countries from OPEC and the IEA but, crucially, also nations such as Russia, China, India and Brazil. It is clear that these countries are becoming increasingly vital parts of the global energy scene. Some of the largest energy companies in the world play an active role in the IEF, as do leading academic think tanks. It is a unique gathering of key players – all with the primary interest of energy.

The IEF is about promoting knowledge and transparency through dialogue. It is about business, not politics.

The IEF has taken great strides forward since the consumer/producer dialogue of the early 1990s. It has consistently grown in stature and importance over the past 20-plus years, and it has proved that countries can and should work together to ensure global oil market stability.

The IEF's influence on global energy markets was first felt in Amsterdam in 2004. It has continued to take a lead. When prices spiked in 2008, the IEF Jeddah meeting, which was called for by the Custodian of the Two Holy Mosques, King Abdulla bin Abdul Aziz, brought countries and companies

together. That meeting helped calm market fears. This collaboration and dialogue must continue – and it must deepen.

Over time, the IEF has become an ideal place for testing new ideas and exploring the possible impacts of new energy developments. The Joint Organizations Data Initiative has brought a step-change in terms of the integrity of data – vital for oil market stability. It is increasingly gaining acceptance and trust.

So progress has been made, which is good, because we're not living in the 1970s any more. Today, there is a new geography of energy. It cannot be business as usual. We are grappling with issues that simply were not on the agenda 40 years ago. Issues such as Asia's economic rise, the growing importance of gas, the energy market's interaction with financial markets, and the increasing debate on climate change.

Excellencies, ladies and gentlemen.

This brings me to the future.

The IEF's strength comes from its non-political nature. It is not producers against consumers. It is not north versus south. It is not the West versus the East. I believe it is already playing a truly positive role in global energy affairs, and it is needed now more than ever.

Energy will continue to be the foundation for economic growth and development around the world. We all need modern forms of energy to live. Believe me, I once lived without it and I wouldn't recommend it. We need energy to help feed us, clothe us and keep us warm – or in our case, cool. We need it to help educate our young people, for transport and to enable mankind to communicate like never before.

So energy is vital and it requires the highest priority. I hope all nations can commit themselves to working with the IEF to enhance its purpose and structures, regionally and internationally. Clearly, it could be leaner and stronger. And I think there is an argument for taking the IEF to the level of a full international organization, which would reflect the vital importance of energy in the world today.

Of course, the IEF Secretariat itself needs to clearly articulate its vision to members going forward. But it also requires commitment from countries, from policy makers, from business and from the world of academia. The IEF is the sum of its parts, but it can be so much more.

Excellencies, ladies and gentlemen. To conclude. The IEF provides the ideal architecture for policy makers and the global energy industry as it heads into the 21<sup>st</sup> century. It is only together that mutual energy issues can be tackled and resolved, and I believe the IEF should become the principal organization for energy debate in the 21<sup>st</sup> century. The time for dialogue is when there is relative market stability, not when there is an emergency. Let's not wait until the next crisis. Let's act now. Thank you.

ENDS