Striving for Stability in Global Energy Markets

Abdalla Salem El-Badri
OPEC Secretary General

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The importance of dialogue and cooperation

- **Events since the last IEF Ministerial Meeting in 2008:**
  - Global financial and economic crisis
  - Excessive oil market speculation
  - Huge price swings
  - Demand drop off in 2008 and 2009
  - Investments put on hold, although many projects being revisited
  - Jobs lost
  - Confidence lost and future blurred

- **The Cancun Ministerial Declaration**
Extreme price volatility

- Huge price fluctuations cannot be justified by fundamentals
- Excessive speculative activity led to the extreme price swings
- More stability shown in recent times
Energy use will grow

- Energy use increases by 42% to 2030 in the reference case
- Fossil fuels will continue to satisfy more than 80% of the world’s energy needs
- Expansion in demand largely met with non-crude supply
OPEC spare capacity supports market order and stability

- Spare capacity already over 6 mb/d and set to rise further
- Security of demand is as important as security of supply
Huge uncertainty over the demand for OPEC crude and thus over upstream investment needs.
Other global energy-related challenges

Environment
- Need to continue improving efficiency and environmental credentials of petroleum
- Carbon capture & storage is a win-win solution and needs to be commercialized quickly
- Developed countries should take the lead

Energy poverty
- Every six seconds a child dies of hunger and related causes
- Access to modern energy services is crucial
- This issue needs the urgent attention of world leaders, as much as attention given to climate change
Looking to the future

- Energy crucial for sustainable development in every country
- Constructive cooperation among all stakeholders necessary in striving for stability in global energy markets
- The IEF has played, and will continue to play, an important role in producer-consumer dialogue
- OPEC is committed to having an active role in this dialogue
2010 – OPEC’s 50th Anniversary

Thank you

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