

**13<sup>th</sup> International Energy Forum**  
**5<sup>th</sup> International Energy Business Forum**

**Kuwait, 12-14 March 2012**

**Concluding Statement by Host Kuwait and Co-hosting  
Countries Algeria and Netherlands**

1. The 13th International Energy Forum was held in Kuwait from 12 to 14 March 2012 with the participation of Ministerial delegations from 73 countries. 15 international organisations were also represented.
2. Ministers debated developments in the international energy scene relating to energy market volatility, investment to meet future growth in energy demand, sustainability and dialogue. Ministers were also invited to take stock of the results and recommendations from the IEF symposia and reports prepared in the period 2010-2012 as follow-up to Ministerial guidance given at the 12th IEF in Cancun, and to identify longer-term issues and concerns as well as more specific guidance on the priorities for the Forum's ongoing programme of work.
3. Ministers also interacted with industry players in the 5th International Energy Business Forum which was convened on 13 March with the participation of 35 industry leaders. Ministers and business leaders engaged in a constructive and open dialogue with the aim to identify means to achieve greater stability in world energy markets, to facilitate energy investments, to enhance safety of industry operations, to contribute to the protection of the global environment, and to strengthen cooperation between NOCs, IOCs and service companies.

4. The excessive oil price volatility that has characterised the market since 2008 remains a source of concern as it increases uncertainty and undermines global economic growth and investment in all energy sources. **Transparency** in both physical and financial dimensions of the market is important to understanding oil market dynamics, enhancing the price discovery function and improving energy market stability. The importance of exchanging data as a means to improve global oil market transparency and hence energy security was recognised as being beneficial to energy producers and energy consumers alike.
5. The Joint Organisations Data Initiative (**JODI**), previously known as Joint Oil Data Initiative, a concrete achievement of the global energy dialogue, received strong recognition as an important source of information on oil markets. However, it is important to remember that JODI success requires the strong and continuous commitment of all stakeholders. The Forum called on participating countries/economies to scale-up their efforts to improve data submission, completeness, timeliness and quality.
6. Responding to data users' increasing needs for more detailed data on oil markets, the Joint Organisations Data Initiative (**JODI**) has expanded the set of oil data provided to market players and released the extended JODI-Oil World Database to the public during the Forum. With JODI celebrating its 10<sup>th</sup> Anniversary in 2011, Ministers also encouraged JODI organisations (APEC, Eurostat, IEA, IEF, OLADE, OPEC and UNSD) to continue their efforts in training statisticians in participating countries to improve understanding of the data and definitions through transfer of knowledge, and thanked Morocco for hosting the **5<sup>th</sup> regional JODI training session** in June 2012.
7. Ministers reiterated their commitment to support this collaborative effort to achieve more stable energy markets for the benefit of all. They noted the timeline of expansion of JODI to cover natural gas expressing their appreciation for the support of Japan for this task and the kind offer by Qatar to host the **Second Data Transparency Conference** in May 2012. Ministers also invited the JODI organizations to continue their work to collect annual data on supply capacities and expansion plans, and called on the IEF Secretariat and partner organisations to report progress at the 14<sup>th</sup> IEF Ministerial meeting in Moscow in 2014.
8. IEF Ministers stressed the need for improved transparency and welcomed the joint work conducted by the IEA, IEF and OPEC to better understand complex **physical and financial markets**

- interactions** and advise on how to reduce, if not eliminate, impediments to well functioning and stable energy markets. In this respect, Ministers asked the three organisations to continue their work on this area in future workshops.
9. While concurring that fossil fuels retain their role in satisfying the world's energy needs for the foreseeable future, and that oil and gas resources, both conventional and non-conventional, are sufficient to meet future demand, Ministers noted there are considerable uncertainties concerning how future **energy outlooks** will evolve and commended the efforts made by IEA, IEF and OPEC to share their analysis on energy market developments in the short-, medium- and long-term. Ministers encouraged the organisations to take the work forward and to further clarify differences in energy outlooks to the market. In this context, the **third Symposium on Energy Outlooks** to be held in 2013 will provide a good opportunity to take stock and asked the IEA, IEF and OPEC to report on the progress made at the 14<sup>th</sup> Ministerial.
  10. Ministers expressed their satisfaction with the work conducted by the IEA, IEF and OPEC since the 12th IEF Ministerial which has shown the continuing value of technical level discussions on complex market operations and has already delivered useful results. Ministers encouraged IEA, IEF and OPEC to take this important work forward in future and report progress at the 14<sup>th</sup> IEF Ministerial in Moscow.
  11. The significant levels of **investment** required to meet and sustain future demand will only be forthcoming if the global community make concerted efforts to reduce surrounding uncertainties. Ministers concurred that stable legal and regulatory frameworks, and more consistent energy and environmental policies would help to instill industry and market players with the confidence necessary to make informed decisions and to raise the requisite investment capital.
  12. IEF Ministers have been frequent advocates of the notion that **cooperation between NOCs and IOCs** holds significant potential to address key challenges facing the industry as a whole, to secure and better optimize investment in the oil and gas industry, help ensure its development, and by inference, improve global energy security. Ministers welcomed the report on guidelines and principles for successful NOC-IOC cooperation prepared by the IEF Secretariat in consultation with the IEF Industry Advisory Committee, and asked the IEF Secretariat to update this report on regular basis. They encouraged industry players to continue the productive dialogue that is taking place in the IEF NOC-IOC Fora and look forward to the findings of the **third NOC-IOC Forum** in 2013.

13. At the 12th IEF in Cancun, Ministers and industry leaders declared that **energy poverty** alleviation should be added as the ninth Millennium Development Goal (MDG). Indeed, energy poverty alleviation is intimately tied to the achievement of all MDGs, as the causes of energy poverty are inextricably linked to the causes of general poverty. Ministers called on all relevant stakeholders (including the energy industry) to step up their efforts, welcomed the findings and key recommendations of the two symposia held by the IEF Secretariat on ways and means to help eradicate energy poverty. They encouraged the Secretariat to maintain energy poverty in its future programmes of work.
14. Given the projected increase in long-term demand and the prevalence of fossil fuels in the future energy mix, there is an urgent need to improve the environmental sustainability of fossil fuel production and consumption by moving toward low carbon emission technologies such as **Carbon capture and storage** (CCS). CCS development and deployment offer part of the solution that can contribute, along with energy efficiency and renewable energy, to delivering a sustainable energy future. Ministers welcomed IEF Secretariat report on key findings and recommendations learned from the IEF-Global CCS Institute series of symposia, and called for enhanced cooperation among all stakeholders, including governments, industry, international organisations and financial institutions, to make CCS economically viable and CO<sub>2</sub> sequestration technically safe.
15. Most projections indicate that energy demand will increase by 50 per cent by 2035 compared to the current level, with developing countries accounting for most of the increase, by virtue of higher population and economic growth. Meeting future energy demand will require the mobilisation of all options including deployment of technology and development of renewable energy. Of all the energy options, the improvement of **energy efficiency** can provide a substantial amount of energy in the future in a cost-effective manner while at the same time reducing greenhouse gas emissions. Ministers commended the **IEF Energy Efficiency Symposium in Developing Countries** held in Jakarta on 21-22 June 2011, and encouraged the IEF to take this important activity forward working with other relevant organisations while avoiding duplication.
16. Ministers emphasized the role of IEF as neutral facilitator and invited the IEF Secretariat to continue its support to regional and sectoral dialogues that help to focus the energy dialogue on specific issues, thus narrowing the scope of debate and leading to concrete recommendations.

17. The **3<sup>rd</sup> IEF-IGU Ministerial Gas Forum** to be hosted by France in Paris on 16 November 2012 provides a timely opportunity to discuss the impact of the continuing globalisation of gas markets and development of non conventional natural gas on global gas industry and trade, as well as the consequences of recent accidents in nuclear plants and resulting shift in energy policies in some countries on future gas demand.
18. Given the strong growth in Asian primary energy demand is set to continue over the next two decades, Ministers have underlined the benefits of Asian Ministerial energy roundtables as platform to discuss collaborative avenues and invited the IEF Secretariat to extend its support to the Republic of Korea as Host for the preparation of the **5<sup>th</sup> Asian Ministerial energy roundtable** to be held in 2013.
19. Ministers were also invited to identify further priorities with the areas above that should be delivered by next IEF Ministerial.
20. Given increasing uncertainties surrounding the energy sector, the challenges that have to be addressed by the energy industry to meet future energy needs and the growing **interdependence** between producing and consuming countries, an open and frank dialogue in a global framework such as that of the International Energy Forum is increasingly useful. The IEF member countries were invited to support the Secretariat to accomplish its tasks through their annual contributions and further resources that IEF member countries may deem appropriate to grant progress and add strength to the global energy dialogue.
21. The Forum thanks Kuwait for hosting the successful 13th IEF Ministerial and accepted with pleasure the candidacy of Russia as the host for the 14th International Energy Forum Ministerial meeting to be held during 2014 with Iraq and United Kingdom as the co-hosting countries.