

High-level experts convene for 3rd Joint IEA-IEF-OPEC Technical Meeting on the Interactions between Physical and Financial Energy Markets

No --
Vienna, Austria
28 Mar 2019

[Joint Press Release] The International Energy Agency (IEA), the International Energy Forum (IEF) and the Organization of the Petroleum Exporting Countries (OPEC) met today at the OPEC Secretariat in Vienna, Austria, to participate in the 3rd Joint IEA-IEF-OPEC Technical Meeting on the Interactions between Physical and Financial Energy Markets. The Technical Meeting is part of the trilateral work programme established by the IEA, IEF and OPEC, and endorsed by energy ministers at the 12th International Energy Forum in Cancún, Mexico, held in March 2010. In addition to the 6 Joint Workshops held over the years, the Joint Technical Meeting represents the 9th event in this ongoing dialogue.

The high-level meeting was chaired by OPEC Secretary General, **HE Mr. Mohammad Sanusi Barkindo**, together with **HE Dr. Sun Xiansheng**, Secretary General of the IEF, and **Mr. Neil Atkinson**, Head of the Oil Industry and Markets Division at the IEA.

In his welcoming remarks, **HE Mr. Barkindo** said: “The three organizations represented here today are prime examples of the powerful benefits that the strengthening consumer-producer dialogue continue to bring to the global energy markets.” The Secretary General also noted that the dynamics and functioning of the oil market continue to evolve on a daily basis, with the increased financialization of the oil market exposing the physical oil market to increased levels of speculative activity and volatility.

Addressing participants, the Secretary General noted that dialogue and cooperation among industry stakeholders is rising to unprecedented levels, as most clearly displayed by the landmark Declaration of Cooperation which has been in place since the beginning of 2017. He added that “This spirit of openness and the sharing of perspectives and knowledge has been a major supporting factor to the market stability we have witnessed of late.”

HE Dr. Sun underscored the important role the joint IEA-IEF-OPEC events play in enriching the dialogue between consumers and producers, having just successfully concluded the Ninth IEA-IEF-OPEC Symposium on Energy

Outlooks, alongside two meetings in partnership with the European Union and the King Abdullah Petroleum Studies and Research Centre this February in Riyadh.

He further observed that the dialogue on the Interactions between Physical and Financial Energy Markets, was launched after a period of increased oil market volatility, at the 12th IEF Ministerial Meeting in Cancun on 2010. “Just as comparing outlooks has become easier over successive meetings and dialogue is now better informed and more collegial, so too are physical and financial energy market dynamics better understood thanks to the meetings we held over the years.”

Mr. Atkinson of the IEA noted that “ ...[the IEA] is in regular dialogue with our member governments, non-member governments, energy companies, banks, trading companies, and other interested parties to exchange views on a wide range of topics; not least in trying to understand how the enormous weight of investor money is influencing the market and, of course, keeping up with the growing importance of machine learning, algorithmic trading, and many other developments.”

Discussions during the high-level one-day event were structured into three sessions focusing on the following key topics:

- Review of interaction of financial markets and oil prices
- Developments in crude oil futures exchanges and the emergence of new crude oil benchmarks and their impact on regional markets
- Climate-related financial disclosures and the impact on global investment in the oil industry

At the conclusion of today’s meeting, the three co-hosting organizations thanked the experts and analysts that had convened at the OPEC Secretariat in Vienna for their active participation. Their valuable insights, expert evaluations and open discussions on the complex and evolving issues helped further a common understanding among participants. The organizations expressed their ongoing commitment to the dialogue process – and said they looked forward to convening the next Joint Workshop scheduled to take place in **March 2020**.