Asian Energy Outlook up to 2030

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Sustainable Growth and Energy Interdependence

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Unforeseen events in 2011

- Japan’s huge earthquake, devastating tsunami and subsequent nuclear crisis
- North Africa & Middle East witnessed unrest in a number of countries

*These events, alongside the continued uncertainties surrounding the global economy, have impacted oil and energy markets…*
Physical oil markets have adjusted…

- No shortage of oil
- Stock levels are high
- Spare capacity remains sufficient
- Refining system has adequate flexibility
- OPEC current production level at what it was in December
...but rising prices are a concern

- Price rises even more pronounced at consumer-end
- Might consuming countries consider revising down high taxation levels, at least temporarily?

- Speculator activity on Nymex surged to record highs
Asia becoming increasingly important in terms of economy and energy demand

Asian GDP will rise from 37% of World total to 49% by 2030, and 52% by 2035

And three quarters of the net growth in oil demand to 2030 will be in developing Asia
Energy use will continue to rise – but energy poverty will remain a major issue

Increase in number of passenger cars, 2007-2030

Significant increase in vehicles expected in Asia

Energy use per capita

But energy use per capita in developing countries stays well below OECD levels
The context of sustainable development

- Intertwined and mutually supportive pillars of economic development, social progress and the protection of the environment

- Economic and social development and poverty eradication are the first and overriding priorities of developing countries

- Developed countries should take the lead in combating climate change and the subsequent adverse effects...

- ...However, Asian countries, both developed and developing, already playing a role
Adequate supply to meet growing demand

- Clear from both production and resource perspectives
- OPEC Member Countries are expected to invest $290 billion in upstream projects between 2011-2015
- Resources are plentiful: in the Middle East alone there are over 750 billion barrels in proven crude oil reserves
Middle East–Asia interdependence set to grow

By 2030 the Asia-Pacific will account for over 16 mb/d of Middle East crude oil exports...

...while Asia-Pacific imports of crude oil will continue to be mainly from the Middle East
Stability is key

- Countries and regions facing an array of challenges
- No-one can afford to act alone
- Goal must be stability to allow the industry to develop and deliver energy in an efficient and economic manner
- Benefit producers and consumers
- Deliver a better standard of living for all
Thank you