

Excellencies,

Ladies and Gentlemen,

It is my pleasure to attend the Fourth Asian Ministerial Roundtable and share with you some viewpoints regarding “Demand Management and Future Investments”.

Mr. Chairman,

The growing economic development trend in the Asian countries which intensified almost three decades ago has moved further ahead and now it seems to have entered into a new important phase, in pursuit of sustainable economic development.

This new economic and social objective aims at ensuring that through safeguarding natural resources as well as training competent human resource capital, future generations will have the opportunity to benefit from sound economic developments.

Today, energy creates interdependence among all developed and developing countries in the international arena.

This process has led to the growth and sustainable development of nations to get intermingled with each other to a considerable degree.

Energy Demand Trend in Asia

Over 4.5 percent long term economic growth foreseen in many outlooks for Asia could be taken as an indicator for the long term growth outlook and magnitude of demand for energy, especially oil and gas in the region.

The rising energy trend in the region is mainly attributed to economic and public welfare growth in Asian countries.

In this regard, it is expected that in the next two decades, a considerable amount of oil and gas from OPEC member countries will be supplied in the Asian market.

Along with this, the significant growth for energy demand in Asia on one hand, and our region as the main supplier on the other, underscores the role of investments in ensuring future supplies from the region.

Obviously, market stability and security and the removal of economic and political impediments are necessary for investment, irrespective of their sources of finance- domestic or foreign.

Meanwhile, cooperation among producers and consumers in sharing risks is a necessity in order to establish stability and sustainability in energy markets.

Any shortfalls in investment principles, can convert the future supply and demand management to a serious concern for players in international oil and gas markets.

[*Necessity of Long-term Investments to Materialize Energy Demand in Asia*](#)

Mr. Chairman,

I would like to draw your kind attention to the demand growth rate for oil during the 2003-2007 period and the lack of sufficient excess capacity within OPEC member countries leading to price escalation and making both producers and consumers concerned.

As you are fully aware, a major part of this can be attributed to a lack of timely and sufficient investment in upstream and downstream sectors of oil industry caused by some political and economic factors.

To avoid problems of this type in the future it is necessary to remove political and economic impediments affecting investment in the oil and gas industry.

Costs escalation in exploration and development of energy resources, together with the production decline rates in mature oil fields and the need to revamp producing fields, are among the reasons which indicate the necessity of investment in oil and gas sectors.

On the other hand, the global economic crisis in 2008 and the reduction of global energy demand, led to uncertainties in planned investment in the energy sector.

Mr. Chairman, Esteemed Colleagues,

Just as security of supply is an important root of concern for consumers, security of demand is the most important issue for producing countries.

In fact, investment in energy sector is a common concern for the both parties to achieve their desired objectives and outlooks.

Excellency,

Some parts of demand management in consuming countries, wherein unattainable policies regarding alternative fuels are being promoted, distorts future outlooks, and as a result significantly increases investment risks in oil and gas industries. In this case, cooperation

among Asian producing and consuming countries in oil and gas projects; upstream or downstream is of special importance.

Role of Iran in Asian Energy Supply

Holding 155 billion barrels of oil and 33 Trillion Cubic Meters of gas, Iran ranks the second in terms of its oil and gas reserves. Iran's geographical location gives it the possibility of having access to international oil and gas transit waterways, and is well placed to play an important role in supplying the required energy of Asian consuming countries.

Asian markets as the main export destination holds a special place in Iran's long-term oil and gas export strategy. Accordingly, the Petroleum Ministry of Iran- in recent years- has continuously made efforts to play a significant role in supplying the required energy of the Asian countries through implementing the required measures.

Mr. Chairman,

At present, Iran's sustainable production capacity stands at 4.2 million barrels per day and according to plans and foreseen investments, there will be an addition of one million barrels per day to this initial capacity.

The implementation of target-oriented subsidy system in Iran and the omission of domestically-used fossil fuels' subsidies are projected to enhance Iran's oil and gas exports in the coming years.

In the gas sector, Iran intends to raise its present annual production of 220 BCM to 400 BCM by 2025 and due to its certain geographic position , a major portion of the enhanced capacity is expected to be exported to Asian markets.

Iran has also been active in devising relevant policies and measures to mitigate the consequences of unmanaged energy demand by reviewing various fuel prices to enhance efficiency, conservation and promoting use of natural gas as an alternative to gasoline and diesel fuel in urban fleet of public and private transportation.

It is also worth mentioning that some R&D efforts in developing electric and hybrid cars and processing bio-fuels are being made.

Mr. Chairman,

Undoubtedly, building high levels of production capacity to manage the required supply to Asian consumers entails huge investments in upstream and downstream sectors.

Access to capital and technologies to increase capacities is indeed a necessity requiring international cooperation and the removal of economic and political impediments.

Thanks for your kind attention