

**Remarks by IEF Secretary General Joseph McMonigle  
7<sup>th</sup> IEA-IEF-OPEC Workshop on Physical and Financial Energy Markets  
Hosted Virtually OPEC Headquarters  
Vienna, Austria  
22 October 2020**

It is a great pleasure to see so many friends and colleagues at this gathering of the 7<sup>th</sup> IEA-IEF-OPEC Symposium on Physical and Financial Energy Markets hosted on the virtual platform of OPEC in Vienna.

Much happened since we last met in person in Riyadh at the 10<sup>th</sup> Anniversary Session of the Symposium on Energy Outlooks in February this year. The 2016 Declaration of Cooperation among OPEC and OPEC-plus countries has proven to be of pivotal importance to restore global energy market stability after the unprecedented volatility caused by COVID-19. I compliment His Excellency Mohammed Sanusi Barkindo for his foresight and thank him for his stewardship of this historic framework.

It is also a great pleasure for me to be joined by Keisuke Sadamori, Director of the Office for Energy Markets and Security of the IEA, that plays such a crucial role informing market stakeholders on the impacts of the COVID-19 Pandemic and searching for green energy pathways to recovery and growth.

Since we launched our dialogue at the 12th IEF Ministerial Meeting in Cancun in 2010 in response to the Global Financial Crisis, complex physical and financial energy market dynamics are better understood, better regulated, and more transparent. As the COVID-19 pandemic shows this does not create a risk-free world energy market. Unforeseen external shocks will continue to take us by surprise. Energy market volatility spiked by a multitude of standard deviations far beyond the peaks we saw a decade ago during the global financial crisis. More than 20 million barrels per day where whipped of world energy market balances this April: not on the supply side but the demand side.

Today global oil markets find their way towards new balances by the guardrails, consuming and producing countries also set through the closer collaboration between IEF and G20 countries. The Extraordinary G20 Energy Ministerial Meeting hosted virtually on 10 April by the Presidency of Saudi Arabia reinforced the cooperation between the IEA, IEF, and OPEC and enabled the successful outcomes of the G20 Energy Ministers meeting that concluded less than a month ago on 28 September.

The IEF has worked to sharpen focus on the measures that governments should consider to effectively respond to an emergency of this scale. Improved dialogue on demand and supply recovery trajectories and energy data transparency remain central. The IEA's and OPEC's global oil balances continue to imply the market was oversupplied by ~1.4-1.5 billion barrels build up in storage during the first half of 2020. Less than 60 percent of this volume is accounted for in readily available inventory data. This has great implications for physical and financial energy market

interactions and the risk of excessive volatility resurging on energy markets harming global economic recovery inclusive growth and sustainability prospects.

With the support of the IEA and OPEC as well as other relevant international and regional organisations, the IEF will take the G20 Ministers conclusions forward in respect of:

- energy security and market stability by collaborating on comprehensive transparent and broader geographical energy data coverage,
- Public and private investment across energy sectors and sharpen focus on
- Short-term issues that need to be addressed to balance markets

The Pandemic also calls for dialogue on physical and financial energy market links focused on energy stability to bring in broader perspectives on investment, energy access, and climate neutral growth.

I look forward to learning from the three distinguished all-star panel discussions on COVID-19 impacts and discuss the policy pathways to recovery and growth.