# A Joint IEA-IEF-OPEC Event
# Symposium on Energy Outlooks

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# Objectives

- The IEA, IEF and OPEC jointly hosted a **Symposium on Energy Outlooks** on 24$^{th}$ January 2011 in Riyadh, Saudi Arabia, to
  – share insights and exchange views about the **short-, medium- and long-term energy outlooks**;
  – analyze the **market behaviour** and discuss key drivers of the energy scene, along with **the associated uncertainties**;
  – identify the **main convergences and differences** between the IEA and OPEC's short-, medium- and long-term outlooks, such as those related to definitions, data sources and uses or presentation of the results;
  – and overall improve **clarity** and **understanding** over the various outlooks.

# Summary of discussions (1/3)

- **Economic recovery is under way**, but remains fragile and risks are skewed towards the downside ;
- IEA and OPEC's projections were similar in terms of **supply/demand growth figures for 2011**;
- However, differences in historical demand figures remain; in this regard, the role of **an enhanced JODI** stressed again, particularly for **crude and products stocks data** from high demand-growth countries will help reduce uncertainties over apparent demand for these countries;
- The **differences in OPEC spare capacity figures** in the medium-term between IEA and OPEC are explained by the difference in the projections for the call on OPEC crude and the use by the IEA of the concept of effective spare capacity;
- **The influence of non-fundamentals** on the market was also highlighted.

# Summary of discussions (2/3)

- **Global primary energy demand will continue to grow** in short-, medium and long term;
- Both IEA and OPEC noted that **oil to remain main fuel in satisfying the world's energy needs** for the foreseeable future, but **considerable uncertainties concerning future demand** in particular due to energy and environmental policies;
- Consensus that **oil resources, both conventional and non-conventional, are sufficient** to meet future demand;
- Common recognition and emphasis that **uncertainties complicate the making of appropriate investment decisions**, in an industry with long lead times, huge upfront capital requirements and long pay back periods
- Security of demand and security of supply are **mutually supportive**.

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# Summary of discussions (3/3)

•**Gradual shift in energy demand toward emerging economies** (non-OECD region);

•**Impact of energy and environmental policies on energy outlooks** and energy market;

•Implications of outlooks and associated challenges for **downstream sector**, where a **surplus capacity is emerging**, particularly in the Atlantic basin. This underscores the **increasing potential for refinery closures**;

•Important to explore and better understand the **effect of policy implementation on the results of the outlooks**;

•Difference of views on energy domestic prices and fossil fuels subsidies and taxes.

# General Conclusions (1/2)

- **Methodologies and definitions** important factors in identifying the reasons behind the differences in the outlooks
- Move towards **harmonizing definitions**, where possible and appropriate, and **disclosing more data**, in a more timely manner, to enhance comparability between outlooks
- Need for a **better exchange of data and information through a strengthened and improved JODI**
- Regular contact between organizations to **compare projections** after their public release, to build a clearer understanding of their respective outlooks.

# General Conclusions (2/2)



- Such Symposium is a **valuable opportunity for energy stakeholders** to discuss energy market trends and associated factors that influence these trends. Energy markets increasingly complex and inter-related; **sharing insights and analyses among the organizations** and other experts mutually beneficial.

- **Second IEA-IEF-OPEC Symposium** on Energy Outlooks will be held **in 2012**.

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