

IEF charter aims at stability of oil market

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RIYADH: A momentous expansion of the International Energy Forum (IEF) takes place in Riyadh on Tuesday when energy officials from more than 80 nations and leading international organizations sign a charter committed to bringing stability to global markets.

It is the highlight of the Extraordinary IEF Ministerial Meeting, which will also spotlight new levels of international cooperation designed to increase transparency and access to information on both the supply and demand sides of the energy equation.

Dialogue between oil producers and oil consumers is extremely important to keep market volatility in check, said Assistant Minister of Petroleum and Mineral Resources Prince Abdul Aziz bin Salman during a Tuesday evening press conference at the King Abdullah Conference Center.

He said representatives from 87 countries will sign the IEF charter, which calls for protecting the interests of both the producers and the consumers. "Both the producers and the consumers have learned their lessons of price volatility, and both have shown keen interest in continuing dialogue to avoid volatility in the energy markets," he said. "When oil prices skyrocketed, it was the consumers who wanted dialogue, and when the prices became too low the producers wanted a dialogue. So essentially dialogue is required to keep the markets stable," said the prince.

About the fair price for oil, he said: "We are going by the views of King Abdullah who said \$70-\$80 a barrel is a fair price. This is a suitable price for both producers and consumers, and it is justified because it enables producers to invest, it is justified because it does not harm consumers."

IEF Secretary-General Noe van Hulst also addressed the press conference. "With such a large number of ministers meeting to sign the IEF Charter, 20 years after the humble start of a ministerial producer-consumer dialogue in Paris, we are really living a historical event. It is appropriate that this is happening in Riyadh, 11 years after the then-Crown Prince and now Custodian of the Two Holy Mosques King Abdullah first launched the initiative to establish a permanent IEF secretariat in Riyadh," said van Hulst.

He said the ministers will also review and discuss the conclusions and recommendations of the International Energy Agency (IEA) — IEF-OPEC cooperation program on the linkages between physical and financial oil markets, shared analysis of energy trends and enhancing data transparency. "The signing of the IEF charter by so many countries and the strengthening of a focused cooperation between the IEF, IEA, OPEC (and other organizations where relevant) in our view signals a new and promising era of international energy governance," he said.

The agreement paves the way for expanded cooperation between the IEF; the IEA, affiliated with the Organization for Economic Cooperation and Development; and OPEC through the IEF secretariat.

Among the initiatives to improve stability in international markets is the joint organizations data initiative (JODI), which creates a massive global energy database with partner organizations Asia-Pacific Economic Cooperation (APEC), the European Union, IEA, the Energy Organization of Latin America (OLADE), OPEC and the United Nations Statistics Division.

"In addition we are in the process of implementing the extension of JODI to natural gas and to investment, both of which are essential elements in enhancing data transparency in the energy sector," van Hulst said in a preliminary statement. "When it comes to JODI-gas, the IEF as coordinator will not only work together with its traditional JODI partners, but we also welcome a newly established cooperation with the Gas Exporting Countries Forum."

India, which is among the top Asian consumers of oil along with China, is being represented by Petroleum and Natural Gas Minister Jaipal Reddy.