Selected IEF Observations on the IEA and OPEC Outlooks

Fourth IEA-IEF-OPEC Symposium on Energy Outlooks
22 January 2014
Overview

1. The Third IEA-IEF-OPEC Symposium on Energy Outlooks: Key Takeaways and Discussion Points

2. Shared Progress on the Outlooks Harmonisation Front

3. Observations Drawn from Recent IEA and OPEC Outlooks
   a. Short-Term
   b. Medium-Term
   c. Long-Term

4. The Trilateral Programme of Work on Energy Outlooks: The Road Ahead
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Third IEA-IEF-OPEC Symposium:
Key Takeaways and Discussion Points

• The Importance of **Non-OECD Inventory Data**

• A **Realistic** Assessment of **Tight/Shale Oil’s Potential**

• The Impact of **Energy and Environmental Policies** on Future Energy Supply and Demand

• Shared Support for Progress in **Making the IEA and OPEC Outlooks More Comparable**
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The importance of harmonisation: an example regarding regional classifications

<table>
<thead>
<tr>
<th>Table 10</th>
<th>Long-term Liquids Demand (mb/d)</th>
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<tbody>
<tr>
<td></td>
<td>2035</td>
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<tr>
<td>Total OECD</td>
<td>39.7</td>
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<tr>
<td>OECD Americas</td>
<td>23.1</td>
</tr>
<tr>
<td>OECD Europe</td>
<td>10.8</td>
</tr>
<tr>
<td>Asia Oceania</td>
<td>5.9</td>
</tr>
<tr>
<td>Total Non-OECD</td>
<td>66.3</td>
</tr>
<tr>
<td>Asia</td>
<td>36.4</td>
</tr>
<tr>
<td>China</td>
<td>18.2</td>
</tr>
<tr>
<td>India</td>
<td>8.7</td>
</tr>
<tr>
<td>Other non OECD</td>
<td>9.5</td>
</tr>
<tr>
<td>Middle East, Africa &amp; Latin America</td>
<td>24.1</td>
</tr>
<tr>
<td>Europe &amp; Eurasia</td>
<td>5.7</td>
</tr>
<tr>
<td>Bunkers</td>
<td>9.7</td>
</tr>
<tr>
<td>World</td>
<td>115.4</td>
</tr>
</tbody>
</table>
Shared Progress on the Harmonisation Front

• OPEC’s WOO2013 encompasses for the first time non-commercial use of biomass in its total biomass demand calculation;

• As of December 2013, the IEA has started to provide country-by-country biofuels production in its OMR, improving the comparability of the IEA and OPEC short-term liquids supply outlooks;

• OPEC adjusted its medium-term outlook horizon from 4 to 5 years, so now both organisations project five years out;
Shared Progress on the Harmonisation Front: More Work to be Done

• Variations in Geographical Definitions
• Differences in Historical Supply and Demand (Baseline) Data
• Different Treatment of Biofuels and Bunker Fuels
• Categorisation Methods of Liquids Supply
• Different Oil Price Assumption Approaches
• Different Unit Conversion Factors
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Differences in monthly projections for 2013 global liquids demand growth were fairly small, staying within a range of 0.2 mb/d.

Figure 1
Forecast Revisions of 2013 World Liquids Demand Growth
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Medium-term annual growth assumptions differ by ~0.5% throughout the forecast horizon.

OPEC’s WOO was published later than the IEA’s MTOMR this year.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPEC</td>
<td>3.5%</td>
<td>3.8%</td>
<td>3.9%</td>
<td>3.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>IEA</td>
<td>4.0%</td>
<td>4.3%</td>
<td>4.4%</td>
<td>4.5%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

As in 2013 the IMF regularly revised GDP growth forecasts downward for most world regions over the medium-term projection period, the IEA’s MTOMR likely incorporated more optimistic macroeconomic expectations.
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Comparing all long-term demand scenarios presented in the 2012 WEO and WOO yields a wide range of possible levels in 2035.
For 2013, the long-term demand scenario range is slightly wider (+1.6 md/d) versus the prior year.
To be clear, this is not the objective of the conversation.
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