

Storage and strategic stocks

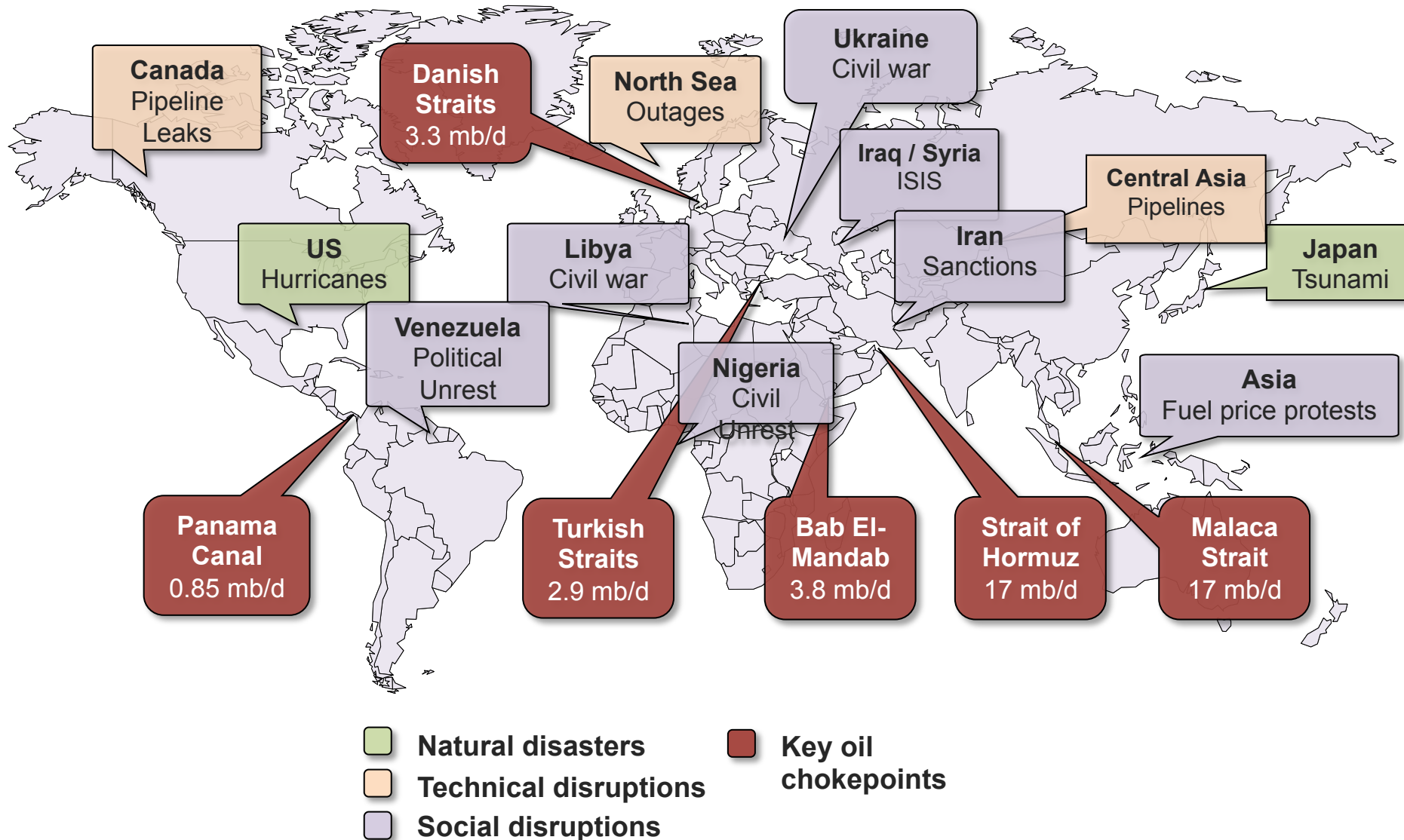
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Deputy Executive Director, International Energy Agency

IEF-KAPSARC Thought Leaders' Roundtable

Riyadh, 17 February 2016

Risks to oil supplies – all supply disruptions different



Supply-side measures

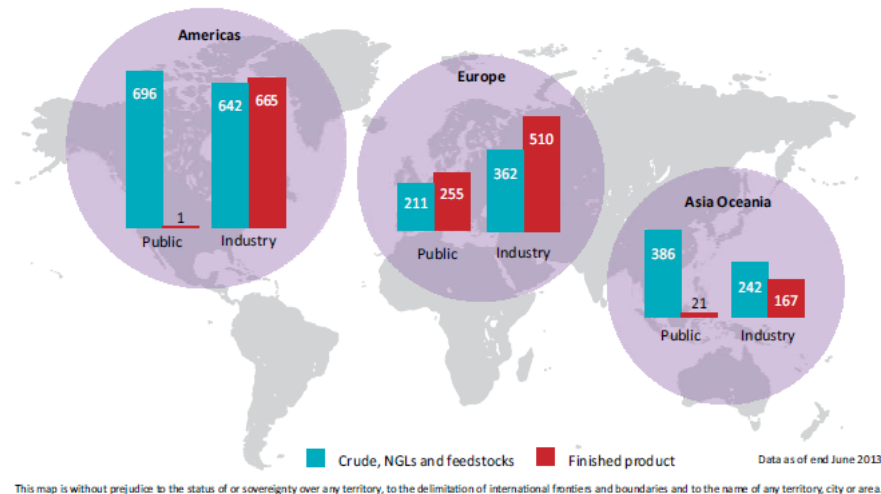
■ Stock-draw

- Most commonly used & most effective measure
- IEA countries obligated to hold at least 90 days net-imports
- 4.2 billion barrels: 1.5 public stocks for emergency

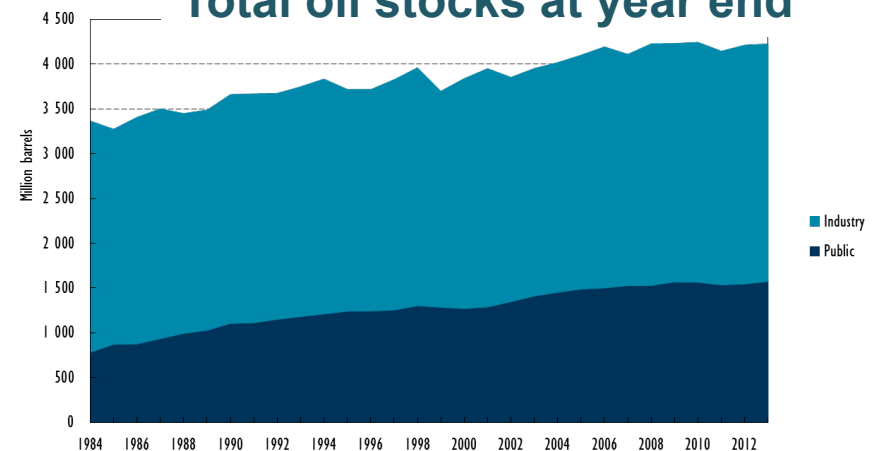
■ Production Surge

- Very limited as non-OPEC production at max economic efficiency
- Little or no spare capacity outside OPEC
- Good oilfield practices limit extent of short-term surge

Total oil stocks in IEA regions



Total oil stocks at year end



Demand-side measures

■ Demand restraint

- Most policies focus on transportation sector
 - Wide range of measures, from light to heavy
- Some potential in heating

■ Fuel switching

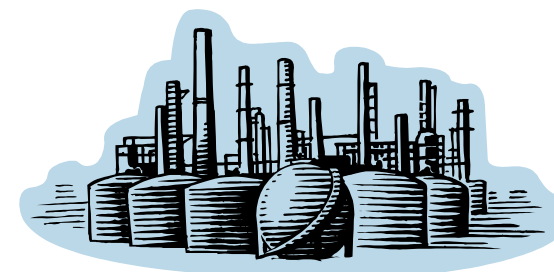
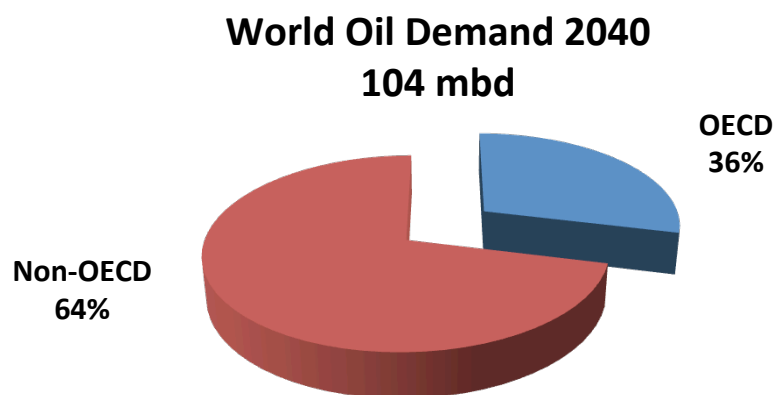
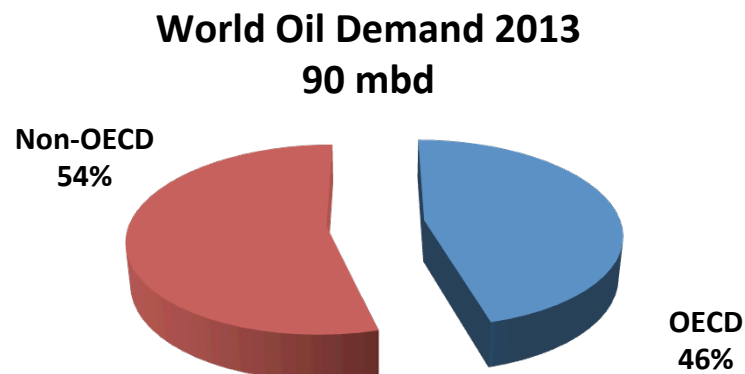
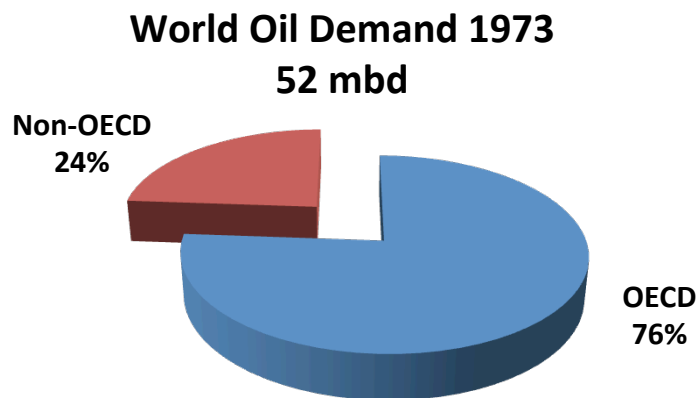
- Significant decline since 1970s
- In 2012 only 3% oil in electricity generation (25% in 1973)
- Virtually no potential for short-term switching in transport

■ Other (Supply-side)

- Relaxation of regulation, e.g. on fuel quality specifications

Growing importance of non-OECD

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* Based on World Energy Outlook 2015
New Policies Scenario

What about partner countries?

■ Supply-side

- China & India building Strategic Reserves, others working on or exploring options
- Some low-level industry obligations in ASEAN countries

■ Demand-side

- Some demand restraint / management policies but frequently undermined by subsidies.

■ Important to keep extending involvement and cooperation