Your Excellency Mohammad Sanusi Barkindo, Secretary General Sun Xiansheng, ladies and gentlemen, good morning. I would like to thank the IEF for hosting this symposium on energy outlooks, a regular event in our trilateral programme of cooperation and one that is a very useful exercise in the producer-consumer dialogue. I have been visiting regularly the kingdom over the last few years and I am very glad for the opportunity to return and witness first hand the many changes that have transformed this nation into one of the world’s leading economies. Saudi Arabia sits at the G20 table, where it plays a significant role in shaping the global economic agenda.

The energy world is undergoing a dramatic transformation that will play out in the years and decades to come. It is, therefore, essential to understand the dynamics that are shaping this new landscape. And they are many. The surge in OPEC and non-OPEC production in 2015 and 2016 that weighed heavily on oil prices may have provided immediate relief to consumers but carries implications for upstream investments in oil and gas, where we have seen two consecutive years of declines. It is encouraging to see that OPEC and non-OPEC producers were able to agree measures to try to balance the oil market and we expect this to occur later this year. Our latest Oil Market Report shows a high level of compliance by OPEC members with the agreed cuts since they came into effect on January 1 and this should help to bring markets closer to balance and encourage the industry to invest in new projects because as we have said in our World Energy Outlook, we expect demand for fossil fuels to grow in all our scenarios because of continued strong demand from the transport, aviation and petrochemicals sectors, where there are few alternatives. Where there has been a dramatic shift is in renewable generation, where additions of renewable capacity in the power sector were higher in 2015 than coal, gas oil and nuclear combined.

Despite the landmark COP21 agreement in Paris, fossil fuels are likely to retain a very important share of the future energy mix and timely investment is needed now if we are to avoid a mismatch between supply and demand in the future. This is of particular concern to some of the biggest consumers in Asia, which, like China and to some extent India, are highly import dependent. Some of these countries are taking advantage of low oil prices to fill strategic stocks and lock in new supplies, particularly from the Middle East.

We at the IEA have observed these changes in world energy demand and trading patterns and recognize that security of both oil and gas supply in the future is of paramount importance to the major consumer economies. We have initiated a new era of international energy co-operation with our Association initiative, enhancing collaboration on energy security, energy data and statistics and policy analysis. We have already activated this with five partner countries - China, Thailand and Indonesia, Morocco and Singapore - we are in advanced discussions with other major economies. The activation by these five countries of
Association marks an important milestone in the IEA’s global engagement and its efforts to become a truly inclusive organisation, a process that is being steered by our Executive Director Fatih Birol with the full support of our members and our Governing Board. It is also a recognition of the shift in the energy demand centre from the industrialised nations to the Asian and other important growing markets such as Latin America and Africa and our determination to become a truly international organisation representing the interests not only of the OECD member states but of major consumers worldwide.” I should also mention that Mexico and Chile are also candidate countries for accession to the IEA.

Here in the Middle East, energy demand growth is second only to China and India and will need to be addressed if there is to be sufficient export capacity in the future to meet the demand of these growing economies to the East of Suez. We at the IEA have been among the voices urging governments in the Middle East to take advantage of low oil prices to implement subsidy reform and we are heartened to see that the process has begun, including here in Saudi Arabia, allowing also for the fair competition for electricity generation, and in particular for Solar PV, with a source that the region is blessed with.

Another axis of the transformation of the IEA is in becoming the Clean Energy Hub. We have stepped the efforts in energy efficiency and created a new unit on the integration of variable electricity. In June 2016, the Ministers of the Clean Energy Ministerial have unanimously agreed to have the IEA as the host of the CEM, an organization, that out host Saudi Arabia are members of, with the objective of promoting a faster deployment of clean energy technologies from both supply and demand. On February 1, 2017, the organization officially started at the IEA Secretariat with the appointment of Mr Christian Zinglersen as the head of the CEM Secretariat.

In a few minutes, I will be presenting the World Energy Outlook, which for all the reasons I have listed, offers you a menu of options -- our central scenario, the business as usual scenario, the low oil price scenario and the 450 ppm scenario. We have also considered for the first time scenarios with a well-below 2 degrees, as per the Paris Agreement. It is our flagship publication and one that serves as a guide to investment decisions by many in the industry and by governments. I look forward to hearing from members of the panel representing the international oil companies on their analysis of the impact on their businesses of the current oil price environment. I would also like to add here that oil price weakness now does not mean that we have to abandon our monitoring of market behaviour and the role of the price reporting agencies, as referred to in several of our joint declarations since 2008.