

## **8th IEA-IEF-OPEC Symposium**

### **Mr Keisuke Sadamori, Director, Energy Markets and Security IEA**

Thank you, Dr Sun, for the excellent organization of this important forum. Your excellency Minister Khalid al-Falih, excellencies, ladies and gentlemen, it is an honor to be here in Riyadh representing the International Energy Agency. The IEA's Executive Director, Dr. Fatih Birol, sends his regrets as he was unable to attend this forum as he had a scheduled meeting with Australian Prime Minister, Mr. Malcolm Turnbull, before he received the invitation. He asked me to convey his best regards to you all.

This gathering is one of several joint efforts between the IEA, the IEF and OPEC that has benefited our collective members over the years. The IEF serves as a platform for the dialogue between oil producers and consumers and we appreciate this central role. Despite the rapid expansion of renewables in the electricity sector, fossil fuels will retain their share as the dominant fuel in the energy mix. We are seeing a rapid increase in electric vehicles and other low carbon transportation technologies are being developed, but oil will continue to be the dominant fuel in the transport sector, and demand for petro-chemical feedstock will continue to grow. OPEC will therefore remain a considerable force in oil markets for decades to come.

However, the global oil market, has undergone rapid changes in recent years. The IEA released the February Oil Market Report, yesterday, and its findings show a rapid fall in OECD oil stocks, which are down to only 52 million barrels above the five-year average. This can be attributed largely to the successful implementation of the production-cut agreement between OPEC and some non-OPEC producing countries. On the other hand, US crude production increased by nearly 850 thousand barrels per day in just three months to November 2017, and its liquids production growth in 2018 could equal global demand growth.

With such drastic changes in the oil market, ensuring market transparency on the basis of accurate data has become all the more necessary. Our three organizations work very closely together through the Joint Organizations Data Initiative and hold regular technical meetings to enhance market transparency. Access to accurate data is crucial and we take great pride in our participation in JODI, which now includes a gas database, a reflection of the growing role of natural gas in the years ahead. Yet there is much more to be done to meet the large scale shifts in the global energy system and to meet the demand of current and future generations.

The IEA's World Energy Outlook has adapted to this changing energy landscape. The 2017 WEO includes for the first time the Sustainable Development Scenario, setting out a pathway to achieving the key energy components of the UN Sustainable Development Agenda. These are: universal access to modern energy by 2030, urgent action to tackle climate change and measures to improve air quality. I believe that by working together with IEF, OPEC and other stakeholders, we can make a significant contribution to this process of transition to more sustainable and secure energy systems. I look forward to our discussion today.