Excellencies, ladies and gentlemen,

It is a great pleasure to be here in Riyadh for this eighth edition of the IEA-IEF-OPEC Symposium on Energy Outlooks.

Allow me first to acknowledge with sincerest gratitude His Royal Highness Prince Abdulaziz bin Salman Al Saud. I would like to thank him and Saudi Arabia’s esteemed delegation to OPEC for their ongoing leadership, and the pivotal role they continue to play within our Organization.

Saudi Arabia’s leadership role has never been more evident than during the last year, when it assumed the Conference Presidency in 2017 and helped author a new chapter in the history of the international oil industry.

Indeed, we witnessed the dawning of a new age of
collaboration, as 24 OPEC and non-OPEC participating producers voluntarily made significant progress in advancing the mandate of the ‘Declaration of Cooperation’, bringing us, step-by-step, closer to our common goal of the return of a balanced, stable and healthy oil market in the interest of the global economy.

Our success last year would not have been possible without the extraordinary efforts and dedicated leadership of HE Khalid Al-Falih, Minister of Energy, Industry and Mineral Resources.

In his capacity as President, he was instrumental in ensuring that these noble efforts remained on track throughout the year. His vast industry experience and wisdom were extremely effective during the many high-level meetings and shuttle diplomacy he conducted on behalf of this process.

The ‘Declaration of Cooperation’ will continue to benefit from his expertise and vision in the months ahead, with HE Al-Falih now serving as Chairman of the Joint Ministerial Monitoring Committee, the JMMC, in 2018.

I am also extremely pleased to see HE Alexander Novak, Minister of Energy of the Russian Federation here
today. In his role as **Alternate Chairman** of the **JMMC**, and the driving force behind non-OPEC participation, HE Novak has been a leading light to the success of the ‘**Declaration of Cooperation**’

HE Al-Falih and HE Novak are our apostles to the value of cooperation. They have proven to be the key strong pillars on which the historic OPEC and non-OPEC cooperation has been built.

There is no doubt that the participation of these two great industry icons today will lift the Symposium to another enviable level. In this regard, may I congratulate the IEF and our chief host – my twin brother – **HE Sun Xiansheng, Secretary General** of the **International Energy Forum**. His energy, commitment and positivity towards the work of the IEF, as well as his promotion and advocacy of its values, are evident to all. In a very short span of time, you have transformed the face of the IEF.

**Excellencies, ladies and gentlemen,**

May I invite you, Excellencies and distinguished delegates, to cast your mind back to the **7th Symposium held in February of last year**.
At that point in time, we were only just over a month into the ‘Declaration of Cooperation’ and there was still much scepticism surrounding the efforts of participating countries, in terms of bringing down the OECD stock overhang and helping return a sustainable stability to the market.

Stock levels were not showing signs of trending lower, and the key benchmarks remained in contango.

Slowly, but surely, however, the market began to turn around throughout 2017.

The market has now rediscovered its optimism and confidence – others have even remarked that it has finally found its compass.

In December 2017, the 24 participating countries achieved an extraordinary conformity level of 129%, the highest since the start of the ‘Declaration of Cooperation’. Monthly levels rose steadily throughout last year, from 87% in January to December’s record level, with an overall yearly average of 107%. The preliminary data for January seems to point to another record-breaking level of conformity.

The signs of improved market stability and momentum are, in turn, providing much needed support to the global
economy and providing a spur to much needed industry investment.

Moreover, throughout 2017 we saw the global economic recovery gather momentum, with expected economic growth for the year improving from an estimated 3.2% at last year’s Symposium to 3.8% today. This positive trend is expected to be maintained in 2018, with growth also estimated at 3.8%.

Correspondingly, global oil demand growth also picked up during the year, rising from an estimated 1.3 mb/d at last year’s Symposium for 2017, to the present level of 1.6 mb/d. The same healthy level is expected in 2018.

I should stress here that we will continue to look through the dynamics of markets such as that which we experienced last week. The solid overall market fundamentals remain as strong as the rock of Gibraltar.

The JMMC, under the able leadership of HE Al-Falih, and Co-Chair, HE Alexander Novak, along with the full support of the OPEC Secretariat, will keep its focus on our key objectives. It will continue to work hard to build upon the success of 2017.

Excellencies, ladies and gentlemen:
Much of the world’s focus of late has been on the developments related to the ‘Declaration of Cooperation’ and its short-term market dynamics. But, let us not forget the importance of maintaining a longer-term perspective.

Indeed, our industry is inherently a long-cycle industry that depends on massive long-term investments in research, development, exploration and production to ensure its future, and to be a dependable and reliable supplier of oil to consumers across the globe.

Today, we will have an opportunity, as in previous editions of this Symposium, to do just that. We will hear from a wide spectrum of views on the future energy outlook, across all timeframes.

OPEC’s longer-term outlooks are based on research that was published in the 2017 edition of the World Oil Outlook, which, for more than a decade now, has been providing in-depth analysis of the major industry trends and dynamics, while offering keen insights into the challenges and uncertainties facing our industry.

In addition, I am pleased to see that a portion of today’s agenda, namely in Session 3, is being devoted to the crucial
issue of investment in both conventional and unconventional oil and gas production, a topic featured prominently in the WOO 2017.

This was an issue at the top of the agenda of the Egypt Petroleum Show in Cairo where I spoke on Monday. We heard from both NOCs and IOCs about the crucial need to reinstate adequate levels of long-term investment to the industry.

The market downturn that occurred in mid-2014 put a severe dent in industry budgets, with exploration and production spending falling by a massive 27% in both 2015 and 2016. Overall, nearly one trillion dollars in investments were frozen or discontinued.

Although investments are expected to pick up slightly this year, we are still not at the levels we have seen in the past. In addition, we continue to see more short-cycle rather than long-cycle projects, which are vital to future industry growth.

It is also important to remember that this is not only about boosting new production. Oil producers will need to account for natural decline rates, with a general industry consensus of around 5% per year. Thus, in order to maintain
current production levels, the industry could be required to add more than 4 mb/d each year.

With this in mind, let us be clear that the foundation for investment and growth will only come through a lasting stability in the market. And that is why the ongoing efforts of the 24 participating nations of the ‘Declaration of Cooperation’ are so key to the future of our industry. There is a direct link between long-term security of supply and short-term conditions.

Excellencies and distinguished delegates,

Today’s Symposium is a further bridge to enhancing a common understanding between the IEF, the IEA and OPEC.

It is also just one aspect of OPEC’s ongoing efforts in international dialogue and cooperation. We conduct annual bilateral and multilateral energy dialogues with a wide range of international stakeholders, including the European Union, Russia, China, India, the World Bank, the International Monetary Fund, the G20 and international oil companies. We have also recently held fruitful meetings with various stakeholders in the US.
These proactive efforts are a priority for OPEC, because, in today’s increasingly complex and interdependent world as well as an interlinked global oil market, no one player can go it alone – cooperation and dialogue are more crucial than ever before to meet with success.

Looking ahead, I believe there is great potential in expanding these collaborative efforts and instituting them as longer-term platforms for cooperation. This would help us to enrich our processes for data collection and the sharing of outlooks.

More generally, through open and transparent communication, we can help foster a more sustainable stability in the global oil market, and all industry stakeholders will stand to benefit.

I look forward to robust and productive deliberations today.

Thank you.