

The Last Waltz: Reflections on Past and Future of the IEF

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Confrontation to Dialogue



1960

Oil Shock I

1973



1974

Oil Shock II

1979



1991 Dialogue | 2003 Secretariat | 2011 Charter

Gulf War

1990

**Excessive Oil
Price Volatility**

2008

Cancun Ministerial Declaration

March 2010

-  **Result of Extraordinary Ministerial Meetings in Jeddah (June 2008) and London (December 2008)**
-  **Enhanced IEF framework**
-  **Mitigating energy market volatility**
-  **Approved by 66 countries**
 - All major energy players



Enhanced IEF Framework

-  **Reinforce commitment** (producers / consumers / transit)
-  **Safeguard informality of dialogue**
-  **More informed and fruitful dialogue**
-  **Draft IEF Charter**



Fresh IEF Charter



- ③ **Signed by 86 countries at Extraordinary IEF Ministerial Meeting (22 February 2011)**
- ③ **Includes all major energy producers and consumers**
- ③ **Reinforces commitment (producers / consumers / transit)**
- ③ **Procedure for Extraordinary Ministerial Meeting**
- ③ **Procedure for additional members: Azerbaijan (July 2011)**

International Energy Forum

Neutral Facilitator of Global Energy Dialogue

Covers key producing, consuming and transit countries including those outside IEA and OPEC

International Energy Forum



Around 90% of Global Oil & Gas Supply and Demand...

Fundamental Aims - IEF



- ☉ **Foster** greater mutual understanding & awareness of common interests
- ☉ **Promote** stable and transparent energy markets, security of supply & demand
- ☉ **Identify & promote** principles / guidelines enhancing energy market transparency, stability & sustainability
- ☉ **Narrow** differences among producing / consuming / transit countries
- ☉ **Build** confidence and trust through improved information sharing
- ☉ **Promote** study & exchange of views on energy-relevant issues
- ☉ **Facilitate** collection / compilation / dissemination of relevant data, information and analyses

Key Results from IEF12 – Cancun, March 2010



Platforms for Dialogue

Investment

3rd Workshop on Asian Energy Outlook (Jun 2010)

4th Asian Ministerial Energy Roundtable (Apr 2011)

2nd NOC – IOC Forum (Apr 2011)

Transparency

2nd IEF – IGU Ministerial Gas Forum (Nov 2010)

Sustainability

2nd CCS Symposium (May 2010)

Energy Efficiency Symposium (Jun 2011)

2nd Energy Poverty Symposium (Nov 2011)

Approval of IEF Charter Ministerial Meeting (Feb 2011)

Research & Analysis

IEA / IEF / OPEC Workshop on Financial and Physical Markets (Nov 2010 / Nov 2011)

IEA / IEF / OPEC Forum of Regulators Meeting (Nov 2010 / Nov 2011)

IEA / IEF / OPEC Symposium on Energy Outlooks (Jan 2011 / Jan 2012)

Data Transparency (JODI)

Extension to Annual Data (2012)

JODI Internship (Jun 2010)

JODI Training Workshop (L. America Jul 2010)

JODI Gas Symposium (Oct 2010 / Feb 2012)

8th JODI Conference (Oct 2011)

Input to IEF13 Ministerial in Kuwait, 13 – 14 March 2012

Main Global Energy Trends

The IEF Consensus...

**World Energy
Demand Grows
Significantly**

**Fossil Fuels
Dominate the
Energy Mix**

**Increasing
Interdependence**

Mitigating Energy Market Volatility

- ④ **IEA / IEF / OPEC cooperation**
- ④ **Shared analysis of future trends**
- ④ **Linkages - physical and financial markets**
- ④ **Enhancing data transparency (oil, gas, investment)**
- ④ **Strong support from G20**



Shared Analysis of Energy Market Trends and Outlook



2011 Oil Markets:

Consensus on comfortable demand / supply balance / high spare capacity

Medium-term:

Reduce uncertainty to facilitate investment

Long-term:

Consensus ample availability of oil resources

Need for:

Harmonisation of definitions and better explanation of divergences to market



Annual Symposium on Outlooks

(2nd will take place on 23 January 2012)

Recent Events Rocking Energy Markets



“Arab Spring”

- New oil price floor?



Fukushima accident

- New “dash for gas”?



Technology

- Shale gas revolution
- Shale oil revolution?



Economy

- Slow down or double-dip recession?



Linkages between Physical and Financial Markets



- ③ **Emergence of oil as an asset class;**
- ③ **Wide divergence of views: Fundamentals vs financials**
- ③ **Consensus:** Greater transparency (oil inventories, OTC)
Need for strong international co-ordination of regulation
Continue “horizontal” dialogue between physical / financial oil markets

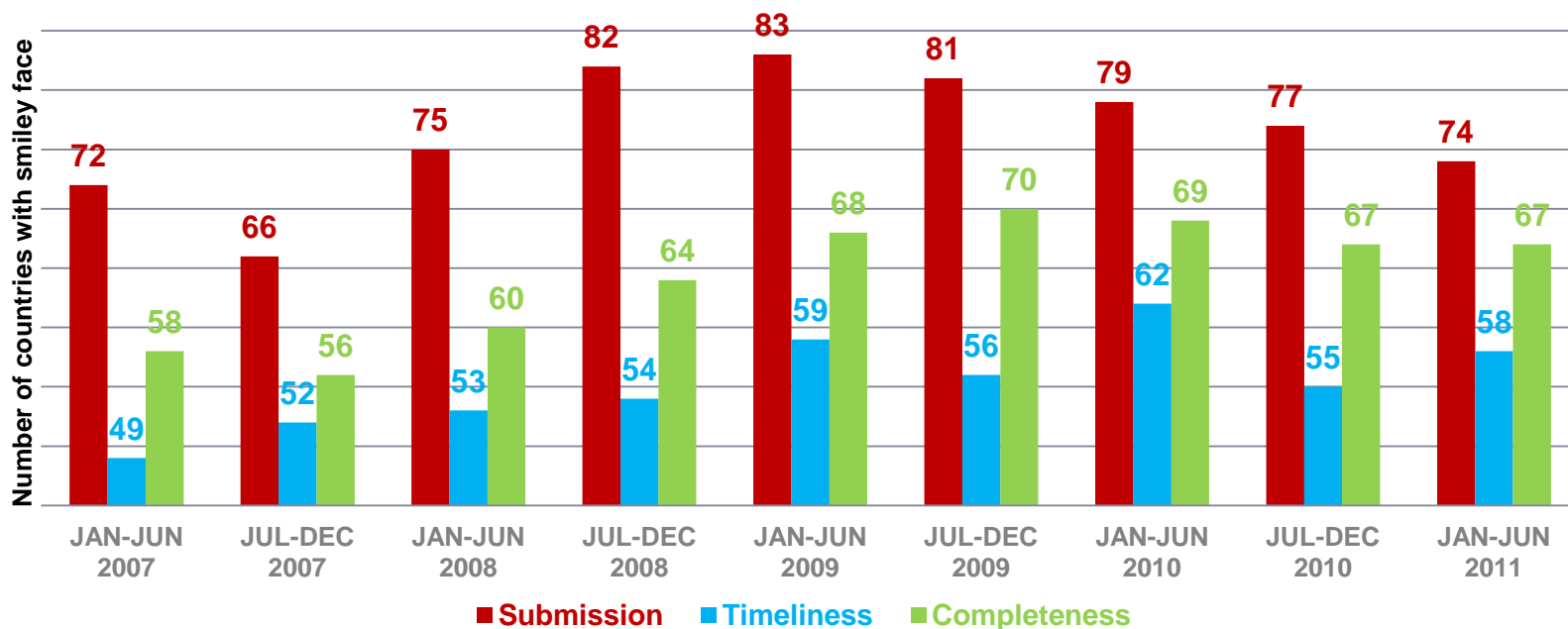


2nd IEA / IEF / OPEC Workshop
29 November 2011

Enhancing Data Transparency

- Report to G20 Finance Ministers (April 2011)
- Report to G20 Finance Ministers (October 2011)
 - Oil spot market prices - assessment by oil price reporting agencies
 - Price volatility of oil / gas / coal
- Joint Organisations Data Initiative (Jodi)

JodiOil Performance



Extension of JodiData to Gas and Annual Investment Data

Monthly gas data JodiGas  Launch before end 2011
supply, demand, stocks

Cooperation with all relevant organisations
(including GECF)

Annual data, start with JodiOil  First results in 2012
capacity expansion, upstream / downstream
critical for demand / supply balance medium - term

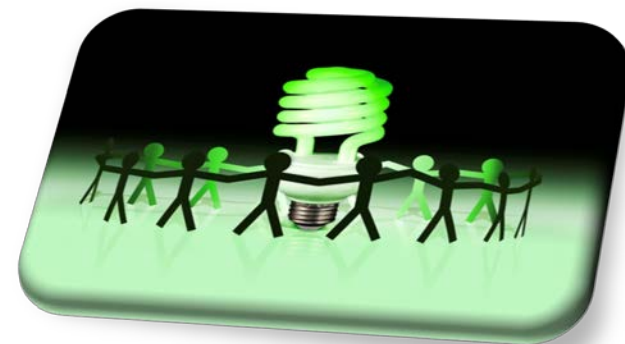
NOC – IOC Cooperation

- ② **2nd NOC – IOC Forum (Total / Saudi Aramco, April 2011)**
- ② **Easternization of Energy Demand**
- ② **Huge investment challenge**
(nearly \$38 trillion up to 2035)
- ② **Innovative long-term partnerships based on trust**
- ② **General principles or best practices as a tool – role for IEF Industry Advisory Committee**



Energy Efficiency

- ④ IEF Symposium June 2011 (Jakarta)
- ④ Fastest, cheapest, cleanest energy source
- ④ Huge potential of existing technology:
30 – 40% across sectors / countries
- ④ Tackle inefficient subsidies, formulate national plans / targets



Energy Poverty

- ④ **Lack of access is inhibiting development**
- ④ **Fighting energy poverty – 9th MDG**
- ④ **New impetus – 2012 “Year of Sustainable Energy for All” (UN)**
- ④ **IEF Symposium November 2011**



Key Achievements

- ③ IEF Charter – solid institutional framework
- ③ IEA / IEF / OPEC Cooperation – well on track
- ③ IEF role widely acknowledged (G20)
- ③ Move into gas: IEF – IGU Forum, JodiGas
- ③ NOC – IOC Forum crucial for investment
- ③ Lively grassroots dialogue on priority topics



What's Next?



Options for advancing:

- ③ **More open and frank dialogue on energy policies**
- ③ **Build trust around realistic and converging energy pathways to sustainability**
- ③ **Stronger co-operation in energy crises**
- ③ **Mediation of energy conflicts between countries and countries / companies**

The Way Forward



- ③ **Strengthen IEF's neutral facilitator role by advancing dialogue**
- ③ **Deliver results for IEF13 (Kuwait 13 -14 March 2012) on:**
 - ③ **Transparency(Jodi-Oil/Gas/Investment)**
 - ③ **Investment (NOC-IOC, Jodi Investment)**
 - ③ **Sustainability (Energy Efficiency, Energy Poverty)**



IEF



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ENERGY SECURITY THROUGH DIALOGUE

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