

# **Selected IEF Observations on the IEA and OPEC Outlooks**

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**Third IEA-IEF-OPEC Symposium on Energy Outlooks**  
22 January 2013



Aldo Flores-Quiroga  
Secretary General, IEF

# Overview

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1. What We Learned from the Second IEA-IEF-OPEC Symposium on Energy Outlooks
2. Observations Drawn from Recent IEA and OPEC Outlooks
  - a. Short-term Demand | Short-term Supply
  - b. Medium-term Demand | Medium-term Supply
  - c. Long-term Demand | Long-term Supply
3. Mapping Out a Path Towards Shared Progress

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# Lessons from the Second IEA-IEF-OPEC Symposium on Energy Outlooks

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## 1. Comparability of the outlooks could be improved by **promoting action in four areas:**

- More **convergence** in definitions.
- Greater **disaggregation** of datasets.
- More effective **exchange of data and information** through a strengthened and improved JODI.
- Encourage and support **more frequent exchanges** for market actors to discuss energy outlooks.

# Lessons from the Second IEA-IEF-OPEC Symposium on Energy Outlooks

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2. **Energy and environmental policies are key drivers** of future energy demand and supply and are the **most uncertain** determinants of the outlooks.
3. The IEA-IEF-OPEC Symposium is an opportunity to **develop a better understanding of the potential effects of various policy assumptions** on the outlooks.

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# The IEA and OPEC Outlooks We Will Discuss Today

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	IEA	OPEC
Short-term	Oil Market Report (OMR), published December 2012	Monthly Oil Market Report (MOMR), published December 2012
Medium-term	Medium-Term Oil Market Report (MTOMR), published October 2012	World Oil Outlook (WOO 2012), published November 2012
Long-term	World Energy Outlook (WEO), published November 2012	World Oil Outlook (WOO 2012), published November 2012

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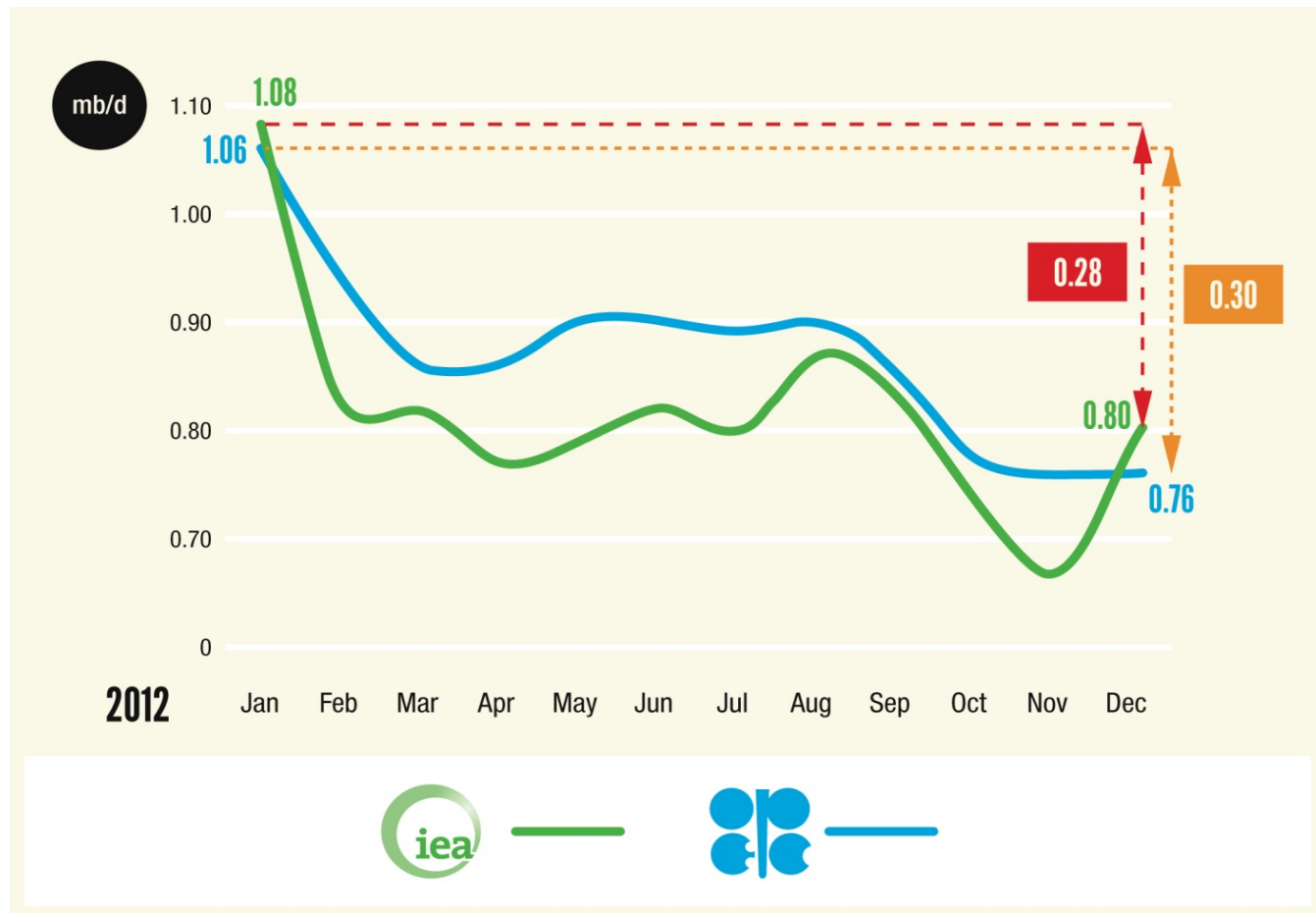
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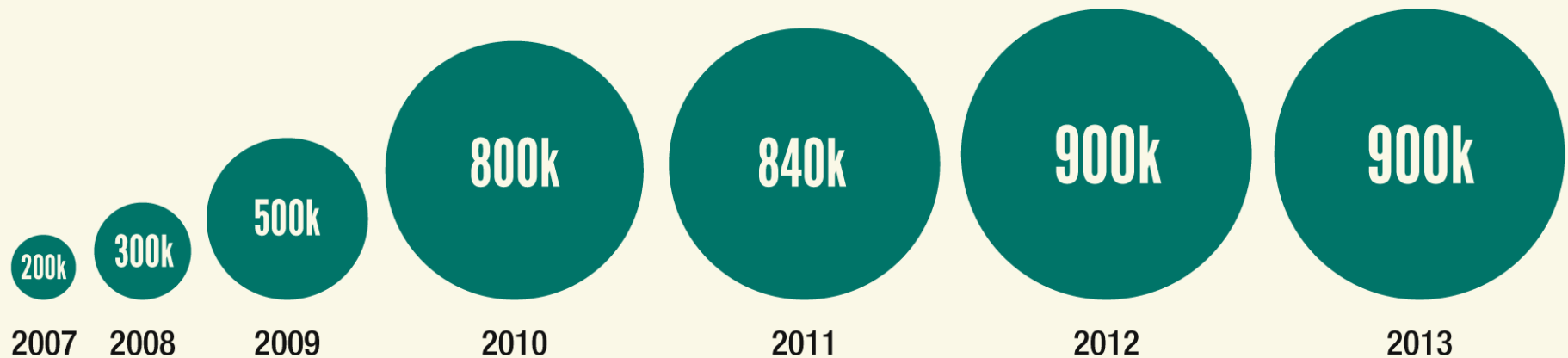
# Ongoing downward adjustments to **short-term demand** during 2012, in light of concerns about the global economic recovery

IEA and OPEC Monthly Revisions of 2012 World Oil Demand Growth Projections



# The gap between the IEA's and OPEC's **global demand** figures (b/d) has risen since 2007

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Part of this trend can be explained by the following factors:

- Different definitions of how demand is measured in some regions
- How stocks in apparent consumption are treated

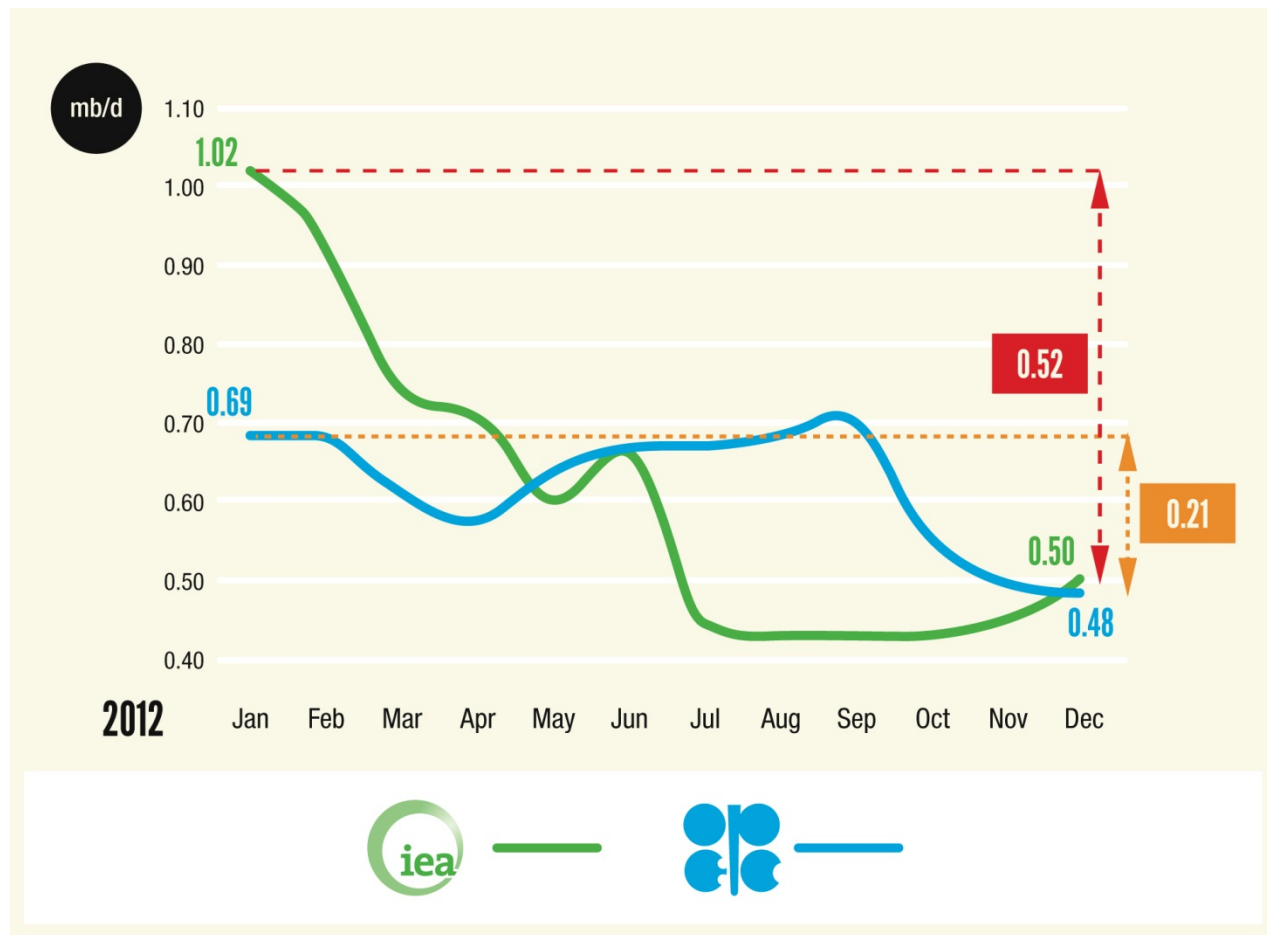
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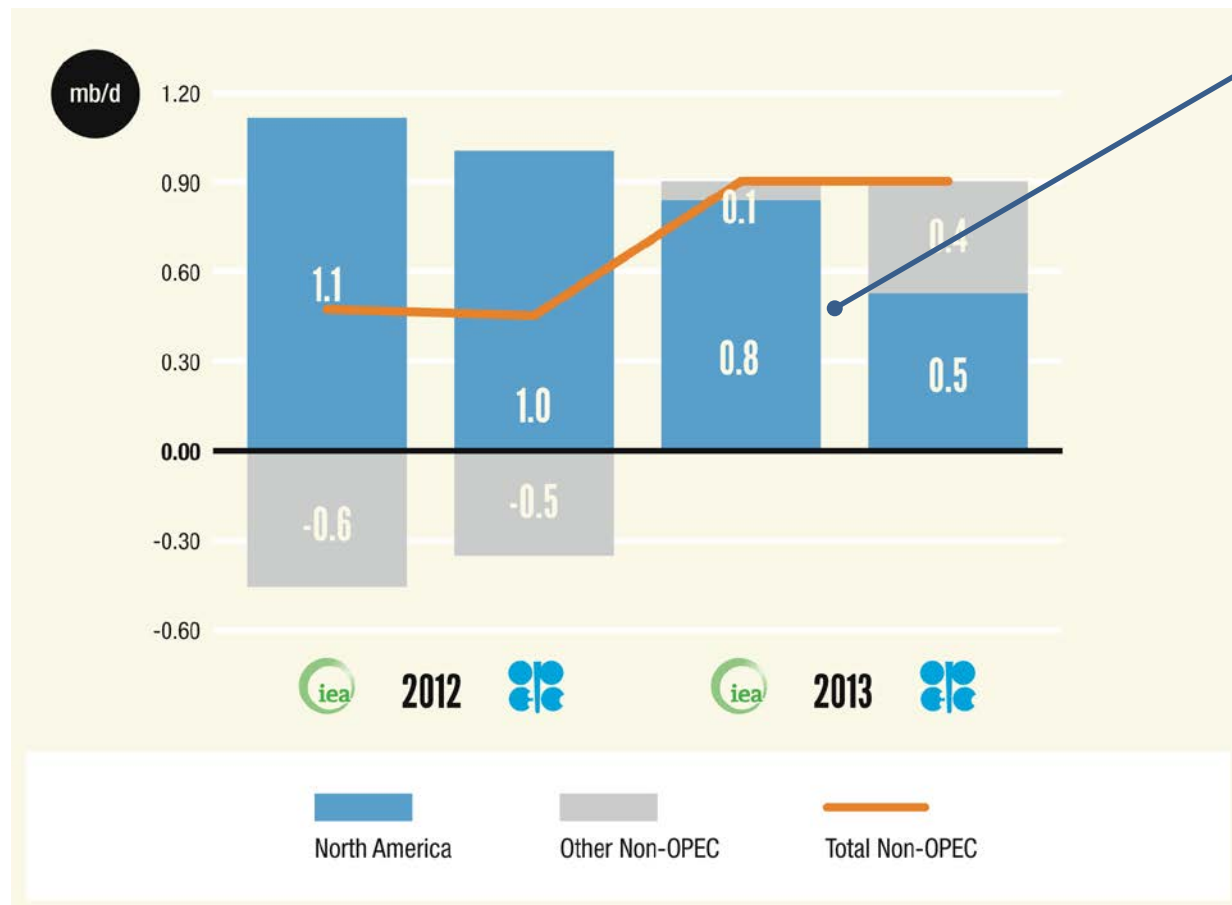
# Ongoing downward **short-term supply** adjustments during 2012, due to unexpectedly high levels of production stoppages

IEA and OPEC Monthly Revisions of 2012 non-OPEC Supply Growth Projections



# North America leads expected **non-OPEC** supply growth, though the IEA and OPEC differ on the size of that growth

Non-OPEC Short-term Supply Growth by Region



Focus:  
differing  
views on  
expected  
supply  
growth  
from North  
America

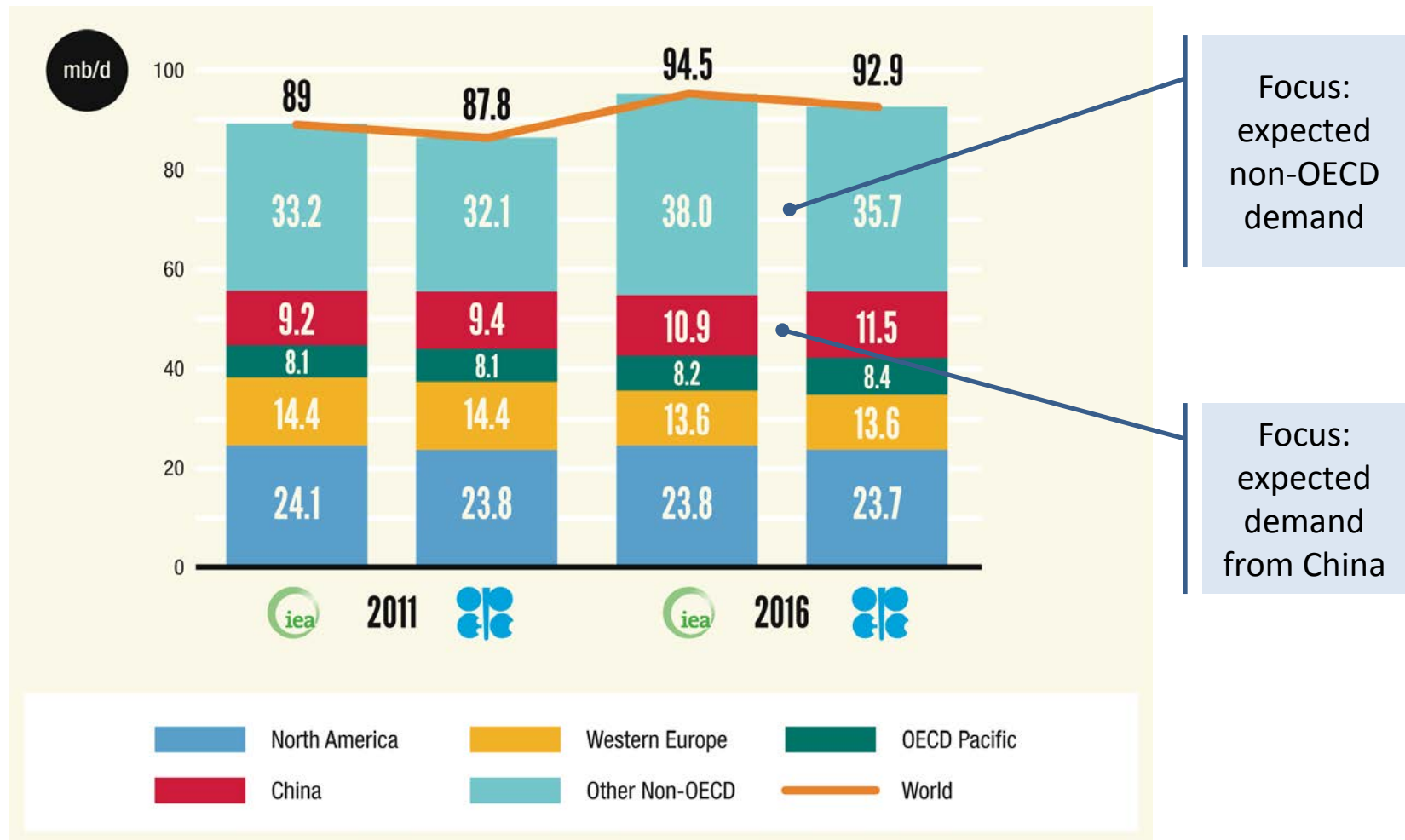
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Though the top line outlook figures are similar, there are differences in **medium-term demand** at the regional and country levels that merit closer analysis

IEA and OPEC Medium-term Global Demand Outlooks



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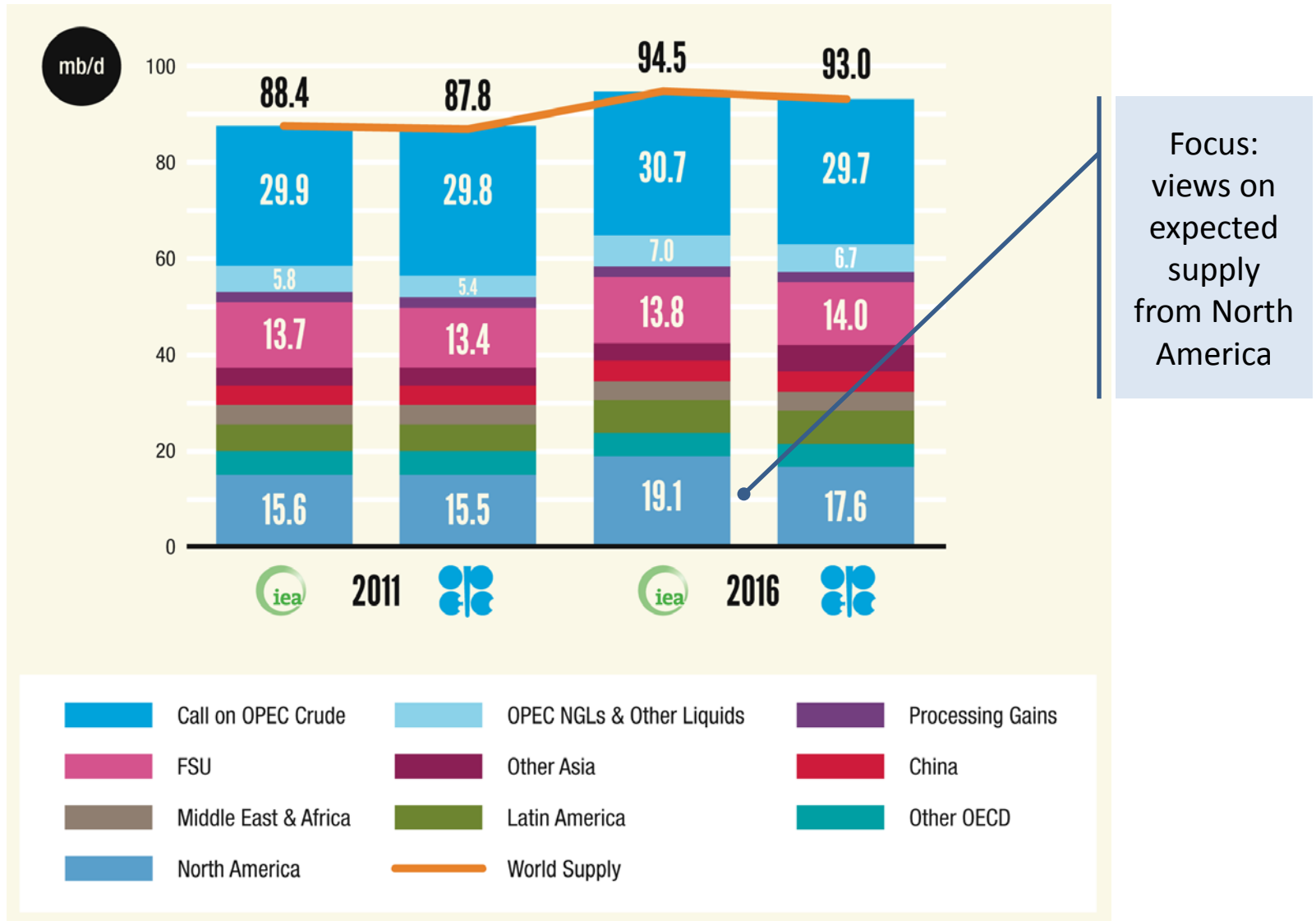
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# The IEA and OPEC medium-term global supply outlooks present different views on North America

IEA and OPEC Medium-term Global Supply Outlooks



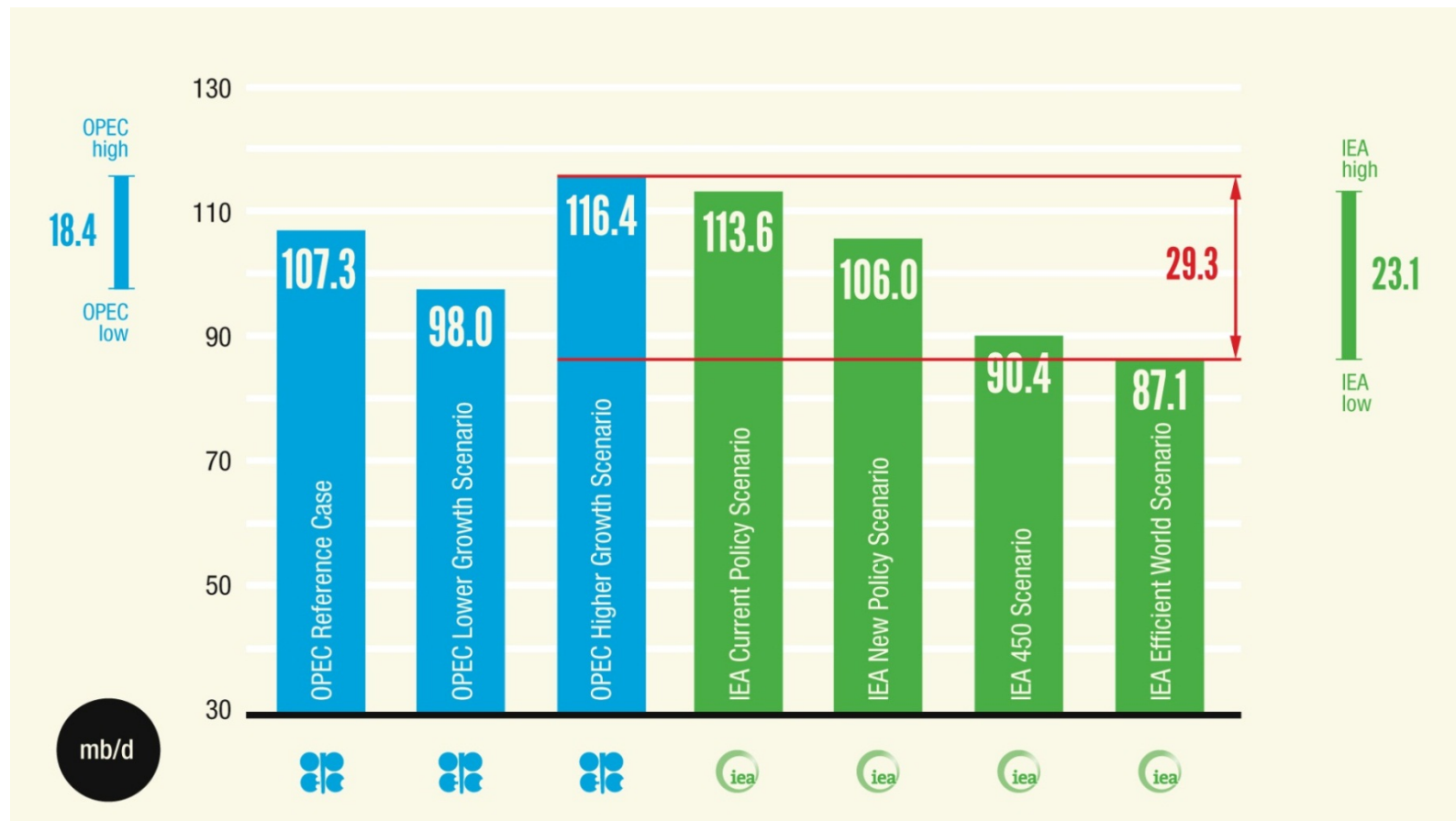
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**Mind the gaps: a 29 mb/d gap between IEA's low long-term demand and OPEC's high; and a 6 mb/d gap between the two central scenarios**

Long-term Global Demand Scenarios

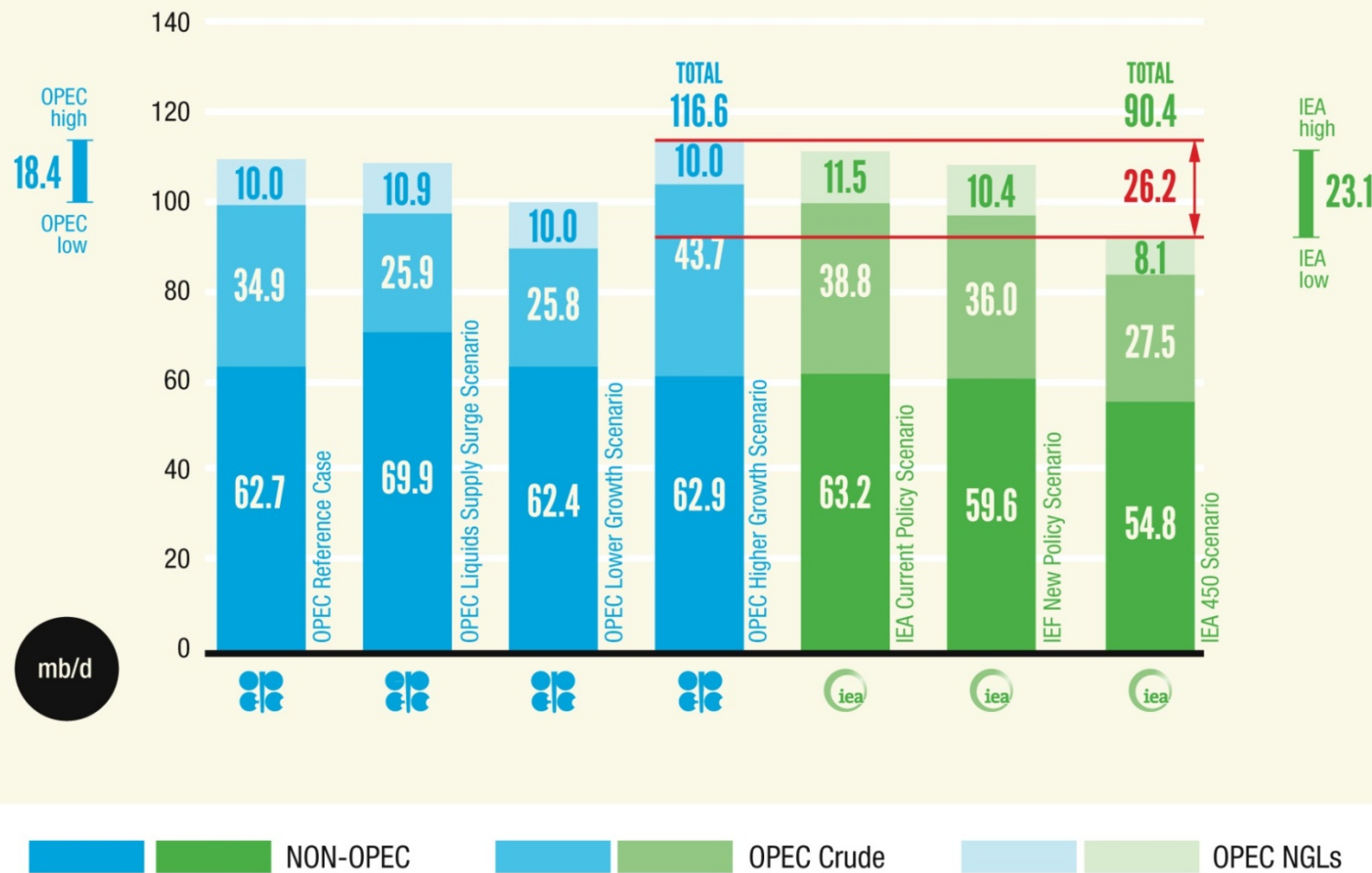


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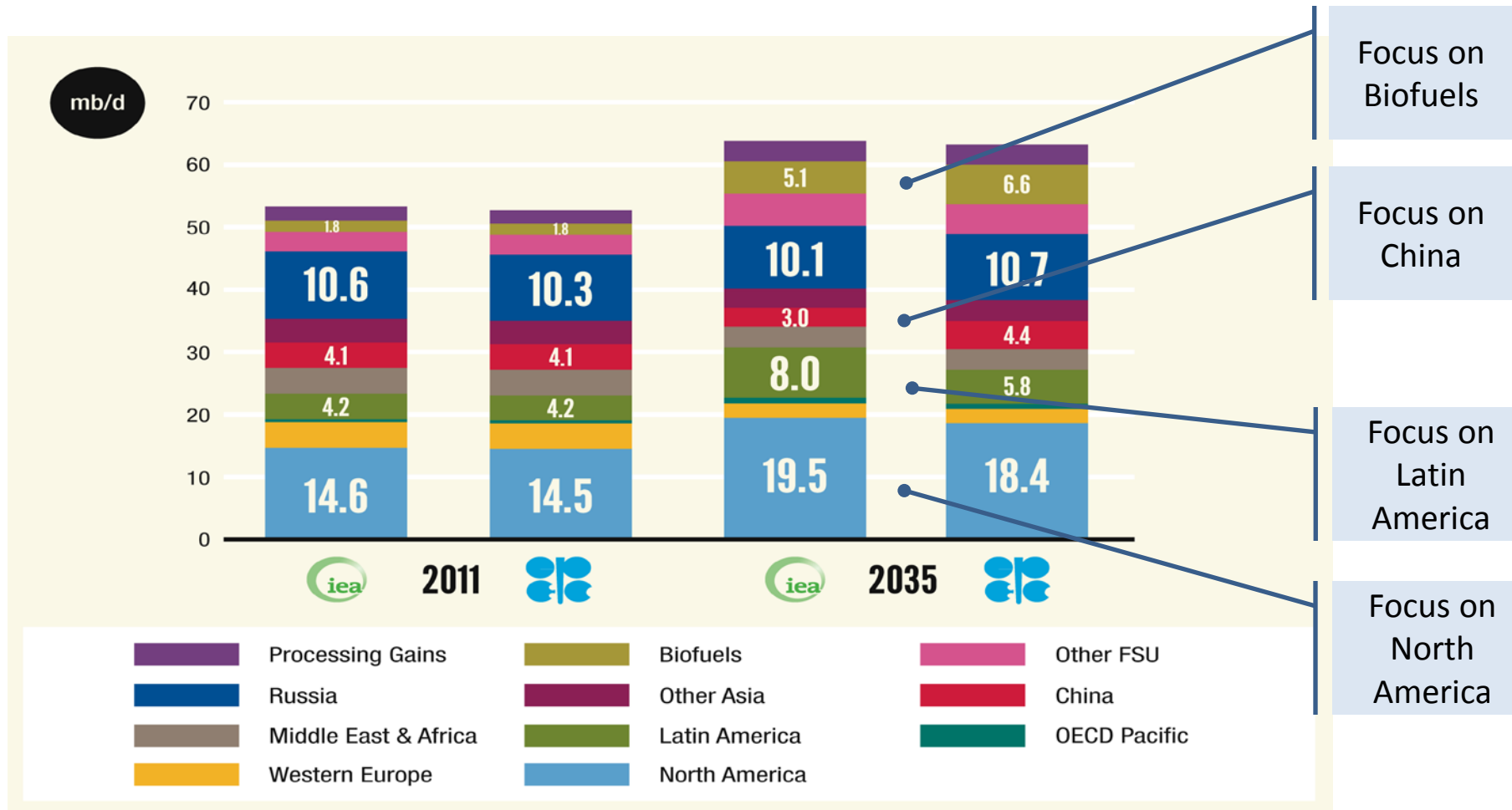
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Different outlooks, methodologies, expected regional crude demand and regional cost assumptions yield different views on projected investment needed to meet demand in 2035



# Long-term non-OPEC supply: National, regional and fuel-type differences merit discussion



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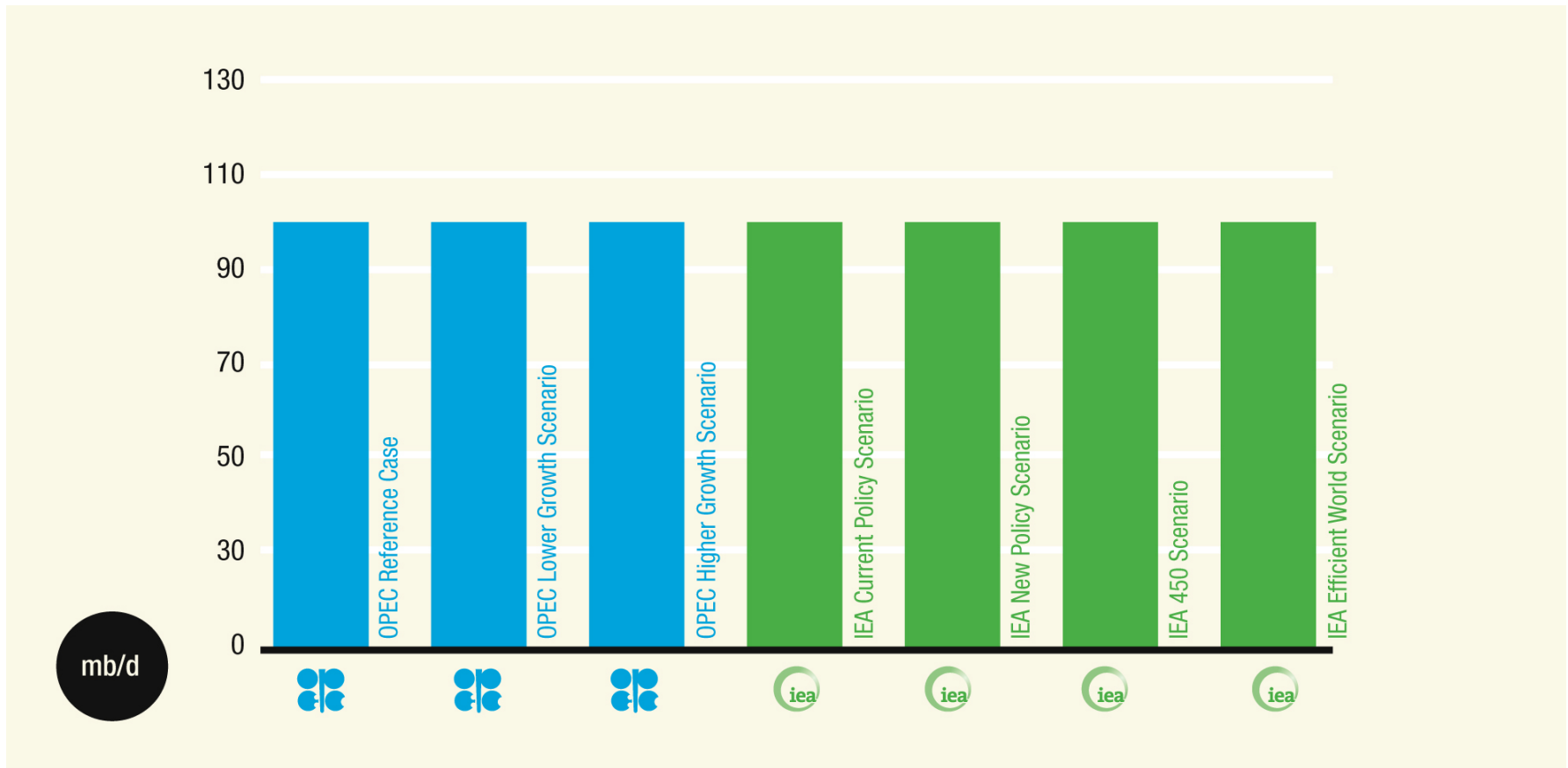
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The goal is not (necessarily) to reach consensus in all scenarios, but to understand their assumptions and drivers

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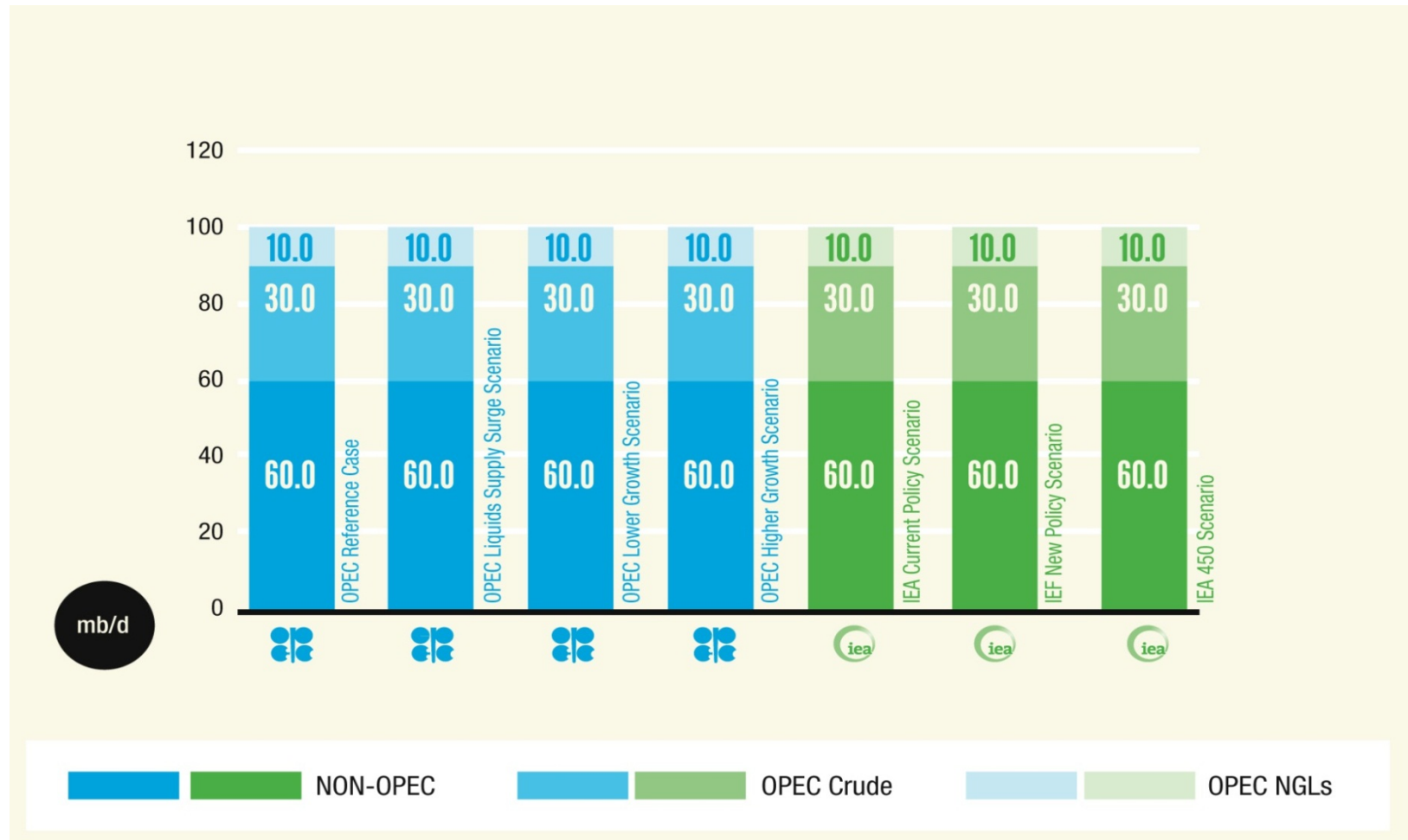
### Long-term Demand Outlooks





The goal is not (necessarily) to reach consensus in all scenarios, but to understand their assumptions and drivers

## Long-term Supply Outlooks

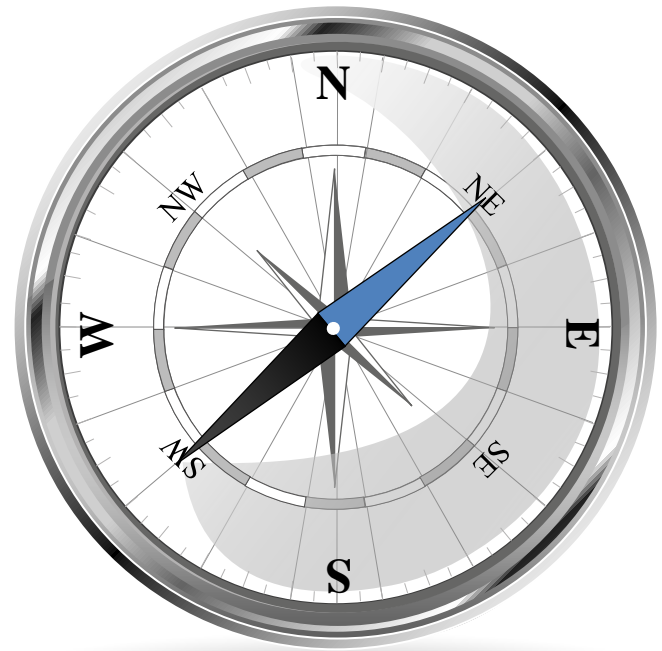


# Mapping Out a Path Towards Shared Progress

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Two objectives are for us to:

1. Collectively leverage this Third Symposium to **gain a better understanding** of the different assumptions held by the IEA and OPEC.
2. **Hear from the experts** who have traveled from near and far to share their insights.

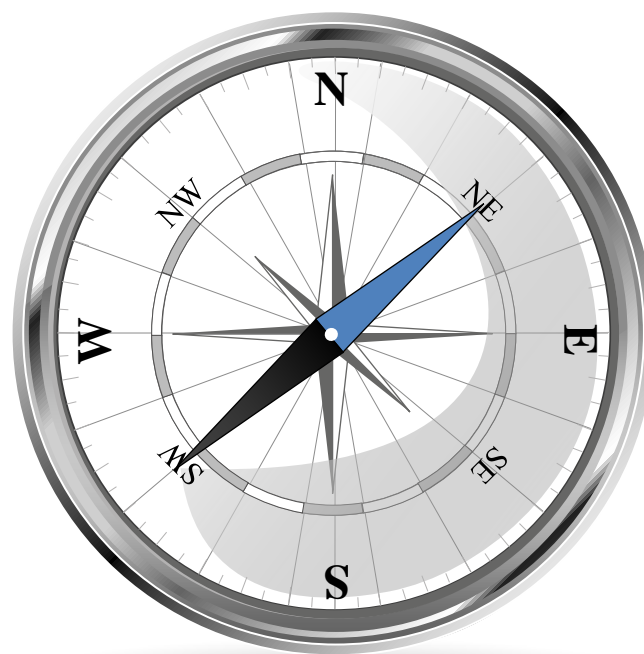


# Mapping Out a Path Towards Shared Progress

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How else can we leverage the Symposium and ongoing IEA-IEF-OPEC cooperation to make concrete progress?

1. **Data presentation:** different presentation of data on a regional level (e.g. OPEC's representation of its member countries). *No methodology change necessary.*
2. **Biofuels:** differences in presentation and assumptions of biofuels demand.
3. **Bunker and aviation fuel:** differences in treatment of bunker and aviation fuel.



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Thank You