As a key energy supplier in the Asia-Pacific region and net oil importer, Australia is acutely aware that our economic prosperity, and the prosperity of all consumers and producers, will be greatly affected by the way these energy security challenges are addressed. The global economic slowdown has seen some moderation in demand, but we can’t afford to relax. We must, as a matter of priority, take appropriate steps to deal with these challenges. We need to do this together. An effective consumer-producer dialogue founded on a clear understanding of our mutual inter-dependence can become a driving force for cooperation to help mobilise timely and effective global action.

Efficient, transparent and competitive regional and global energy markets are central to meeting these challenges in a way that delivers cleaner, more reliable, adequate and affordable energy. Transparent markets offer the best means of attracting necessary investment at least cost, particularly in the wake of the global economic slowdown. They also create strong incentives for energy efficiency and support the timely and effective roll-out of innovative, low-carbon energy technologies.

The International Energy Forum (IEF) is already making an important contribution to promoting transparent and efficient global oil markets through the Joint Oil Data Initiative. This work is important and I encourage the IEF to continue strengthening the quality and coverage of its oil data.

Improved transparency is a good start, but more is needed. The global financial crisis must not be allowed to give rise to a retreat to protectionism. Consumer and producer governments need to work together to create the stable, predictable and effective policy, legal and regulatory frameworks needed to build resilient global energy markets that can deliver timely investment. Undue barriers to energy trade and investment need to be identified and removed where possible. Related challenges, including improving cooperation between international oil companies and national oil companies, and addressing looming skill shortages, will also need to be addressed. We look forward to reviewing the proposals being developed by the Expert Group in this context.

Continued large-scale use of fossil fuels by developing economies is an inescapable reality for the foreseeable future. New technologies that reduce associated carbon emissions, such as carbon capture and storage (CCS), need to be developed and deployed, along with the full suite of renewable technologies. Energy efficiency also has an important role to play in reducing global greenhouse gas emissions.
The Institute. I look forward to further fruitful cooperation between the IEF and development and deployment of these technologies. I look forward to working with the IEF to that end.

The Symposium clearly highlighted the potential of CCS to contribute towards the mitigation of climate change. In oil-producing countries, CCS presents a win-win option, enhancing both environmental sustainability and energy security through its deployment, where suitable, in combination with enhanced oil recovery (EOR). However, the Symposium also delivered messages about the level of concerted effort required to overcome the major barriers to commercial deployment of CCS: high cost (throughout the value chain), large-scale demonstration projects, suitable sites, regulation and public acceptance. The CEO of Shell, Mr Voser, in this Newsletter aptly stresses the urgent need for “a hard piece for carbon dioxide” to stimulate investment and rapid advances in CCS technology.

It is often said that cleaner fossil fuels are necessary as a “bridge” to a distant energy future built on renewable energy. The realities of science, technology and economics may well dictate that this bridge is longer than many anticipate, and as we cross it, our energy mix at the destination may still include cleaner use of fossil fuels. That is why I prefer the term “low-emissions economy” to the popular term “low-carbon economy.”

The public debate about the sustainability of our energy future is too often focused on environmental sustainability. But how sustainable is an energy system in which 1.6 billion people don’t have access to electricity and more than 2 billion people use traditional biomass for cooking? This situation is not only morally unacceptable, but also has an adverse impact on health, education and economic development. We need to at least halve energy poverty if we are to achieve the Millennium Development Goals (MDG). The IEF will organize a Symposium on this subject in December 2009 in Johannesburg, hosted by the government of South Africa.

Certainly during this global economic recession and in a period of weak energy demand, it is easy to lose sight of the inescapable trend that global energy demand will grow significantly in the coming decades as a result of steady population growth and rising standards of living in the developing world. The Turkish Minister, H.E. Yildiz, rightly emphasizes the needs of the emerging economies in this Newsletter. This is exactly why the global energy challenge is so demanding: the world needs to produce more energy and emit less greenhouse gases.

In any case, it is clear that the world must commit to significant investments in all energy sources over the next decades, with all likely to remain the dominant energy source. The contribution in this Newsletter of the CEO & President of Saudi Aramco, Mr Al-Falih, gives us an insight into how the world’s largest oil producer maintains its investment commitments despite the short-term downturn in demand. More than ever, it is of crucial importance to take the long-term view when investment is concerned.

Towards a Low-Emissions Economy

IEF Secretary General Noé van Hulst

The sustainability of our energy future has the full attention of the world’s policy-makers. With a growing recognition that fossil fuels will continue to provide the lion’s share of the energy mix for many decades to come, Ministers are acutely aware of the impact that the production and consumption of fossil fuels has on CO₂ emissions. The global scale of the issue and the pressing need for effective mitigation of climate change calls for large-scale commercial deployment of new technologies supportive of cleaner use of fuels. Carbon Capture and Storage (CCS), as one of the most promising emerging technologies, is of crucial importance. As H.E. Minister Ferguson points out in this Newsletter, Australia has taken a leading role in this field through its Global CCS Institute, jointly with this Institute the IEF organized a successful CCS Symposium in Beijing, hosted by the Energy Research Institute (ERI) of China’s National Development and Reform Commission (NDRC), gathering experts from consuming and producing countries.

The IEF Secretary General

Noé van Hulst

www.iefs.org.sa

www.jodidata.org
For decades, oil has taken first place in world primary energy consumption. It still maintains its importance in being the number one input for countries’ economic development. It is widely accepted that oil cannot be easily replaced by any other alternative energy resource. This is especially the case in the transportation sector in the short and medium term. On the other hand, natural gas and nuclear power cannot compete fully with oil. Furthermore, transportation of oil is much more convenient than its alternatives, ie natural gas. Needless to say, renewable energy resources are far from replacing this crucial energy commodity, at least in the near future.

Global oil consumption has taken the biggest share in energy commodities, at least in the near future. Global oil consumption has taken the biggest share in energy commodity, at least in the near future. Energy resources, such as nuclear power or natural gas, have significantly expanded.

According to some projections, oil will keep its dominant position at least for another 20-30 years. Moreover, most of current oil reserves will be depleted and they will be limited to some countries. This foresight increases the significance of a constructive dialogue between oil producers and consumers.

It is important that the major oil producing countries need to take the lead in devising more effective and useful dialogue among themselves, with oil consuming countries as well as the international institutions, starting with International Energy Forum. Such a dialogue should also include minor oil consumers and producers, as well as international oil companies, which play a major role in the global oil industry.

On the other hand, transparent policies are vital for a sustainable oil market. These policies can provide important contributions to improve dialogue amongst the companies, the international institutions, and above all, the producing and the consuming countries. The main motive behind the establishment of the international Energy Forum (IEF) was to develop dialogue and provide solidarity between producers and consumers.

Today, oil data of more than 90 countries, representing more than 90% of global oil supply and demand, are collected with the efforts of the IEF, which includes both producer and consumer countries. This cooperation significantly contributes to the global oil market in making accurate projections and in pursuing policies for the interest of those countries. Obviously, we should have a closer focus on exploring and designing new mechanisms for furthering and strengthening this dialogue.

Taner Yildiz  
Energy Minister of Turkey

Turkey: oil and gas infrastructure

Taner Yildiz  
Energy Minister of Turkey

For decades, oil has taken first place in world primary energy consumption. It still maintains its importance in being the number one input for countries’ economic development. It is widely accepted that oil cannot be easily replaced by any other alternative energy resource. This is especially the case in the transportation sector in the short and medium term. On the other hand, natural gas and nuclear power cannot compete fully with oil. Furthermore, transportation of oil is much more convenient than its alternatives, ie natural gas. Needless to say, renewable energy resources are far from replacing this crucial energy commodity, at least in the near future.

Global oil consumption has taken the biggest share in energy commodities, at least in the near future. Global oil consumption has taken the biggest share in energy commodity, at least in the near future. Energy resources, such as nuclear power or natural gas, have significantly expanded.

According to some projections, oil will keep its dominant position at least for another 20-30 years. Moreover, most of current oil reserves will be depleted and they will be limited to some countries. This foresight increases the significance of a constructive dialogue between oil producers and consumers.

It is important that the major oil producing countries need to take the lead in devising more effective and useful dialogue among themselves, with oil consuming countries as well as the international institutions, starting with International Energy Forum. Such a dialogue should also include minor oil consumers and producers, as well as international oil companies, which play a major role in the global oil industry.

On the other hand, transparent policies are vital for a sustainable oil market. These policies can provide important contributions to improve dialogue amongst the companies, the international institutions, and above all, the producing and the consuming countries. The main motive behind the establishment of the international Energy Forum (IEF) was to develop dialogue and provide solidarity between producers and consumers.

Today, oil data of more than 90 countries, representing more than 90% of global oil supply and demand, are collected with the efforts of the IEF, which includes both producer and consumer countries. This cooperation significantly contributes to the global oil market in making accurate projections and in pursuing policies for the interest of those countries. Obviously, we should have a closer focus on exploring and designing new mechanisms for furthering and strengthening this dialogue.

Taner Yildiz  
Energy Minister of Turkey

Turkey: oil and gas infrastructure

Taner Yildiz  
Energy Minister of Turkey

For decades, oil has taken first place in world primary energy consumption. It still maintains its importance in being the number one input for countries’ economic development. It is widely accepted that oil cannot be easily replaced by any other alternative energy resource. This is especially the case in the transportation sector in the short and medium term. On the other hand, natural gas and nuclear power cannot compete fully with oil. Furthermore, transportation of oil is much more convenient than its alternatives, ie natural gas. Needless to say, renewable energy resources are far from replacing this crucial energy commodity, at least in the near future.

Global oil consumption has taken the biggest share in energy commodities, at least in the near future. Global oil consumption has taken the biggest share in energy commodity, at least in the near future. Energy resources, such as nuclear power or natural gas, have significantly expanded.

According to some projections, oil will keep its dominant position at least for another 20-30 years. Moreover, most of current oil reserves will be depleted and they will be limited to some countries. This foresight increases the significance of a constructive dialogue between oil producers and consumers.

It is important that the major oil producing countries need to take the lead in devising more effective and useful dialogue among themselves, with oil consuming countries as well as the international institutions, starting with International Energy Forum. Such a dialogue should also include minor oil consumers and producers, as well as international oil companies, which play a major role in the global oil industry.

On the other hand, transparent policies are vital for a sustainable oil market. These policies can provide important contributions to improve dialogue amongst the companies, the international institutions, and above all, the producing and the consuming countries. The main motive behind the establishment of the international Energy Forum (IEF) was to develop dialogue and provide solidarity between producers and consumers.

Today, oil data of more than 90 countries, representing more than 90% of global oil supply and demand, are collected with the efforts of the IEF, which includes both producer and consumer countries. This cooperation significantly contributes to the global oil market in making accurate projections and in pursuing policies for the interest of those countries. Obviously, we should have a closer focus on exploring and designing new mechanisms for furthering and strengthening this dialogue.

Taner Yildiz  
Energy Minister of Turkey

Turkey: oil and gas infrastructure

Taner Yildiz  
Energy Minister of Turkey

For decades, oil has taken first place in world primary energy consumption. It still maintains its importance in being the number one input for countries’ economic development. It is widely accepted that oil cannot be easily replaced by any other alternative energy resource. This is especially the case in the transportation sector in the short and medium term. On the other hand, natural gas and nuclear power cannot compete fully with oil. Furthermore, transportation of oil is much more convenient than its alternatives, ie natural gas. Needless to say, renewable energy resources are far from replacing this crucial energy commodity, at least in the near future.

Global oil consumption has taken the biggest share in energy commodities, at least in the near future. Global oil consumption has taken the biggest share in energy commodity, at least in the near future. Energy resources, such as nuclear power or natural gas, have significantly expanded.

According to some projections, oil will keep its dominant position at least for another 20-30 years. Moreover, most of current oil reserves will be depleted and they will be limited to some countries. This foresight increases the significance of a constructive dialogue between oil producers and consumers.

It is important that the major oil producing countries need to take the lead in devising more effective and useful dialogue among themselves, with oil consuming countries as well as the international institutions, starting with International Energy Forum. Such a dialogue should also include minor oil consumers and producers, as well as international oil companies, which play a major role in the global oil industry.

On the other hand, transparent policies are vital for a sustainable oil market. These policies can provide important contributions to improve dialogue amongst the companies, the international institutions, and above all, the producing and the consuming countries. The main motive behind the establishment of the international Energy Forum (IEF) was to develop dialogue and provide solidarity between producers and consumers.

Today, oil data of more than 90 countries, representing more than 90% of global oil supply and demand, are collected with the efforts of the IEF, which includes both producer and consumer countries. This cooperation significantly contributes to the global oil market in making accurate projections and in pursuing policies for the interest of those countries. Obviously, we should have a closer focus on exploring and designing new mechanisms for furthering and strengthening this dialogue.
Investing Today for Stability Tomorrow: The Need for Oil Industry Reliability

Today, the petroleum industry finds itself buffeted by the aftershocks of the global financial crisis. Over the last year, both energy demand and crude oil prices have dropped sharply, as markets around the world absorb the impact of the worst economic downturn in generations.

And yet in the years and decades to come, global demand for energy – including petroleum – will increase markedly as a result of steady population growth and rising standards of living in the developing world, even as consumption in the OECD nations flattens. If we couple that fact with the essential role that petroleum plays in modern life, then the importance of the oil industry’s ability to serve as a reliable, responsible and dependable supplier of energy becomes clearer.

Therefore, decisions made today on whether, when, where and how to invest all along the value chain will be critical tomorrow – not just for petroleum companies and institutions, but for economies and societies the world over. Of course, timely investments depend in large part on an enabling environment characterized by a level playing field among energy sources, decreased price volatility, and reduced uncertainty surrounding energy policies – which is why the wider energy landscape is so important.

At Saudi Aramco, we’ve consistently maintained a long-term view of our business, and thus have stayed the course in making suitable investments in the upstream, midstream, refining and petrochemical segments. In terms of exploitation and production, we view timely investments as critical to achieving three key objectives: offsetting the natural decline of our producing fields, growing production capacity to meet incremental calls on our production, and maintaining the spare capacity which helps to underpin global market stability and dampen volatility. This year, in fact, we reached our stated goal of 12 million barrels per day of sustainable crude oil production capacity by commissioning Khurais, the largest crude increment in the history of the industry – and despite the short-term downturn in demand.

In the midstream segment, we continue to expand the gas-processing facilities, which help to meet domestic energy demand and power Saudi Arabia’s economic development and diversification. Downstream, we’re developing three world-scale refining projects, each with 400,000 barrels a day of capacity: export-oriented joint-venture refineries in Ras Tanura and Yanbu’, and a major expansion of our flagship Ras Tanura refinery. We’re also partnering with leading international chemicals concerns to integrate petrochemicals with domestic refining assets, both at PetroRabigh on the Kingdom’s Red Sea coast and with the Ras Tanura Integrated Project, on the country’s eastern shores.

However, investments don’t always centre on infrastructure; equally important are the resources the company devotes to the development and deployment of cutting-edge technology, and to the professional development of our employees. As the rate of technological change and the pace of business both continue to accelerate, we recognize that highly skilled and highly motivated people will become an even more important factor in Saudi Aramco’s continued success – and we invest accordingly. At the same time, we are also committed to reducing the environmental footprint of both our operations and our products, and in recent years have allocated more than a billion dollars to an environmental master plan designed to do just that.

Clearly, if our industry is to fulfill its future role as a reliable provider of energy for economic and social development, we must make wise and timely investments in infrastructure, technology, and human resource development, while also working to minimize the environmental impact of petroleum production and use. At the same time, governments around the world need to promote sensible energy policies which create an environment conducive to those essential investments. Similarly, institutions such as the International Energy Forum can enhance the exchange of ideas and information among all concerned parties, helping them to make better-informed choices, while meeting its mission of promoting the producer-consumer dialogue.

Failure among any of these entities to act wisely now may curtail necessary investments, which could in turn jeopardize the availability of adequate and affordable future petroleum supplies. The stakes are indeed high, as the ultimate cost of lagging investments and stretched production, refining and transportation capacities will be borne not just by the industry, but also by consumers around the world and the economies and societies in which they live – a fact that energy decision-makers need to consider as they craft their investment plans, resource development strategies, and policy frameworks.

Khalid A. Al-Falih
President & CEO, Saudi Aramco
IEF-Global CCS Institute Symposium
27-28 September 2009, Beijing, China

The Weyburn oilfield, in southeast Saskatchewan, Canada is the world’s largest carbon sequestration site.

The first IEF-Global CCS Institute symposium was held in Beijing on 27-28 September 2009, hosted by NDRC/ERI with the participation of representatives from oil and gas companies, technology and service providers, research centres, financial and international institutions and representatives from producing and consuming countries, and from developed and developing countries.

This symposium was held following the recommendations of the 11th IEF which concluded that “a sustainable energy future implies efficiency improvements, technological advances in both production and consumption of fossil fuels, and development of alternative low-carbon energy sources”. IEF Ministers noted that carbon capture and storage (CCS) is an important option to reduce GHG emissions from fossil fuels.

This symposium represents a strategic step in enhancing the producer-consumer and industry-government dialogues for the reduction of barriers to commercial-scale CCS and offered key insights for participants in the CSLF ministerial meeting in October 2009 and the UNFCCC meeting in Copenhagen in December 2009, as well as the 12th IEF, in Mexico in March 2010.

Participants discussed the current state of CCS development and deployment and the potential for CCS to be deployed in conjunction with enhanced oil recovery (EOR). They reviewed critical issues related to CCS, exchanged views on how to accelerate its deployment, and examined ways and means to enhance cooperation and partnerships between all stakeholders.

A number of initiatives and activities are under way to support widespread deployment of CCS technology, including CCS research and development, construction of pilot-scale CCS demonstration projects and the development of directives and regulatory frameworks. The progress of CCS to date is encouraging; however, there are still a number of social, technical, economic and legal barriers to large-scale CCS deployment, particularly regarding its cost, energy consumption and infrastructure requirements for integrated systems. CCS technology used in conjunction with carbon dioxide/enhanced oil recovery (CO2/EOR) is a “double-win” option as it reduces GHG emissions while increasing recoverable reserves in mature oil fields, contributing to global energy security. The oil and gas industry’s knowledge and experience in EOR and gas transportation and storage can be leveraged to accelerate CCS deployment.

Accelerating CCS deployment requires the joint and coordinated efforts of all stakeholders to address existing barriers and to develop effective policies and measures. There is a need for more large-scale demonstration projects and international partnerships, increasing investment in applied R&D to reduce CCS costs and knowledge-sharing to achieve greater efficiency. A key factor will be the establishment of an effective price for carbon. CCS stakeholders must better address public concerns and perceptions and invest more to educate and communicate with the general public to build acceptance. Existing pilot plants, particularly those associated with EOR, provide good starting points for communicating the feasibility and public value of CCS. Cooperation among stakeholders – be they producing and consuming countries, developed and developing countries, industry or government – is a prerequisite to the acceleration of CCS deployment on a commercial scale. New, coordinated and cohesive policies must be implemented and concrete actions taken to curb GHG emissions.

The success of any effective global climate-change strategy will depend on strong, coordinated and sustained commitment from the major fossil-fuel producing and consuming countries. Development of business cases and international mechanisms for funding deployment of CCS in developing countries are key elements that should be supported in future Ministerial meetings to provide greater predictability for industry.

CCS should be included as soon as possible in the CDM and future mechanisms, as it can accelerate CCS development and deployment and improve the economics of CCS projects thereby lowering perceived risks for investors. In order to have a significant impact on CO2 emission abatement, CCS deployment needs to be effective across the globe, including major energy consumers such as the USA and China.

A second IEF-Global CCS Institute symposium is to be held in Algeria in early June 2010, hosted by the Government of Algeria.
JODI has a vital role to play in enhancing market transparency and strengthening producer-consumer dialogue, according to HE Derlis Palacios Guerrero. “Dialogue is not just a concept, but it can achieve a concrete outcome,” Ecuador’s Minister of Mines and Petroleum told delegates in the inaugural address to the 7th International JODI Conference (Quito, 4-5 June 2009). Carlos Arturo Flórez Piedrahíta, Executive Secretary of the Latin American Energy Organisation (OLADE), stressed the importance to governments of reliable data for planning and energy supply and said the 26-member organisation was determined to utilize the conference to enhance its commitment towards the initiative. And, applauding the JODI partner organisations for their efforts to enhance JODI data quality, Noé van Hulst, the International Energy Forum’s (IEF) Secretary General, said participating countries have a “crucial” role to play in providing transparent oil data. Organized jointly by the IEF Secretariat and host OLADE, in cooperation with other JODI partner organisations – Asia-Pacific Economic Cooperation (APEC), European Office of Statistics (Eurostat), International Energy Agency (IEA), the Organization of the Petroleum Exporting Countries (OPEC) and the United Nations Statistics Division (UNSD) – the event gathered some 90 participants from 27 countries, 8 international organisations, 12 oil companies and representatives from financial as well as research institutions. During the two-day event, participants assessed progress since the last International JODI Conference, which took place in Riyadh, Saudi Arabia, in November 2006, and discussed ways to improve this market transparency initiative.

JODI users now in driving seat

The Quito event differed from previous JODI conferences in that oil-market analysts and other data users, rather than data providers, led the debate. And the message from the market is that the data are already useful, but could be further improved.

JODI is about “data for grown-ups”

According to Joel Course, Vice-President of Total’s Trading and Shipping Division, JODI is a useful tool in helping analysts assess global and regional oil demand and supply balances – especially in light of improvements in data coverage and the promptness of submissions by participants. Course strongly supports the extended JODI questionnaire designed to provide more detailed breakdowns of data on oil products such as naphtha and jet kerosene, and oil flows, including direct crude oil uses and inter-product transfers, which are essential for building an accurate picture of oil balances. Calyon Oil Analyst Christophe Barret said access to monthly data from non-OECD countries is among the most useful aspects of JODI. Before JODI, regular and comprehensive monthly oil data were available only from OECD countries, Barret pointed out – meaning analysts had to crunch numbers from a variety of sources, including annual databases, to generate a realistic picture of the global oil market on monthly basis. With energy-demand growth being driven by non-OECD countries, JODI is set to increase in importance. Data from Middle East countries should become especially valuable, on the demand as well as the supply side. Indeed, participants agreed that JODI demand data for the region are an important element of global market development.

The way forward

Following the 7th International JODI Conference, the JODI partner organisations are set to push the Initiative forward with three continuing projects: the extended JODI questionnaire; extending JODI to natural gas; and annual data collection. Noting the steady improvement in the submission of the extended JODI questionnaire over the trial period, the Conference welcomed the questionnaire’s adoption in which is designed to prevent third parties from interfering with the data, means interpretation is left to the market. JODI data are useful, but there should be a greater focus on data quality, said Horsnell. According to Joel Course, Vice-President of Total’s Trading and Shipping Division, JODI is a useful tool in helping analysts assess global and regional oil demand and supply balances – especially in light of improvements in data coverage and the promptness of submissions by participants. Course strongly supports the extended JODI questionnaire designed to provide more detailed breakdowns of data on oil products such as naphtha and jet kerosene, and oil flows, including direct crude oil uses and inter-product transfers, which are essential for building an accurate picture of oil balances. Calyon Oil Analyst Christophe Barret said access to monthly data from non-OECD countries is among the most useful aspects of JODI. Before JODI, regular and comprehensive monthly oil data were available only from OECD countries, Barret pointed out – meaning analysts had to crunch numbers from a variety of sources, including annual databases, to generate a realistic picture of the global oil market on monthly basis. With energy-demand growth being driven by non-OECD countries, JODI is set to increase in importance. Data from Middle East countries should become especially valuable, on the demand as well as the supply side. Indeed, participants agreed that JODI demand data for the region are an important element of global market development.

Following the 7th International JODI Conference, the JODI partner organisations are set to push the Initiative forward with three continuing projects: the extended JODI questionnaire; extending JODI to natural gas; and annual data collection. Noting the steady improvement in the submission of the extended JODI questionnaire over the trial period, the Conference welcomed the questionnaire’s adoption in

“ENERGY-MARKET ANALYSTS ARE INCREASINGLY USING THE JODI DATABASE – NOT JUST STATISTICIANS INVOLVED IN THE INITIATIVE”

– Christophe Barret, Calyon Oil Analyst

“ENERGY-MARKET ANALYSTS ARE INCREASINGLY USING THE JODI DATABASE – NOT JUST STATISTICIANS INVOLVED IN THE INITIATIVE”

– Christophe Barret, Calyon Oil Analyst
called for the collection of annual data covering, among other things, upstream and downstream capacities and expansion plans. The practicalities of establishing effective and sustainable methodologies to collect such data are being evaluated by the JODI partner organizations, with some tangible progress being achieved.

"JODI IS CLEARLY SET TO BE THE WORLD’S OIL AND GAS DATA SOURCE OF PRIMARY REFERENCE"

AH Mhya, Nigerian National Petroleum Corp.

In their Inter-Secretariat Meeting (Paris, 21 October 2009), the JODI partner organizations reviewed the decisions taken from the Quito conference on the extended JODI questionnaire and the extension of the Initiative to natural gas data as well as annual data collection. IEF Ministers have decided for the collection of annual data covering, among other things, upstream and downstream capacities and expansion plans. The practicalities of establishing effective and sustainable methodologies to collect such data are being evaluated by the JODI partner organizations, with some tangible progress being achieved.

The tangible support from the IEF Ministers enables the Initiative to improve dramatically the quality and promptness of JODI data submissions. This has since been exceeded by the average over the last six months: 72 countries. Following these improvements in data coverage of global oil demand, in the last edition of this newsletter, the participation of 71 countries with their most up-to-date (M-1) data was the highest since the beginning of the Initiative. This record has since been exceeded by the average over the last six months: 72 countries. Following steady participations from China and India with M-1 data, Brazil also starts providing its most up-to-date report. This implies that all so-called BICC countries show their full commitment to the Initiative. The data-collection architecture has been proved to be effective at providing timely oil market information, but timeliness must not occur at the cost of accuracy and completeness. Every data point needs background information in order to be proved credible, especially when the value is unusually low, high or nil, therefore, country notes must be enriched substantially. To overcome these challenges, the series of JODI Regional Training Workshops has been a key tool for IEF and the JODI partner organisations. These regional training workshops are designed to offer statisticians and experts from participating countries an opportunity to clarify and improve their knowledge of definitions, data quality assessment and oil data issues. These workshops are also a good opportunity to share experiences on best practices of oil-data management among participants themselves. The 5th Regional JODI Training Workshop will take place in Ankara on 18-20 November 2009 for Caspian, East European and Central Asian Regions.

An extract from the Joint Oil Data Initiative Report

- For the latest October 2009 JODI World Database update, 49 countries reported crude oil production data (representing roughly 67% of the global oil supply*) and 63 countries reported total products demand data (representing roughly 79% of the global oil demand*) for August 2009, the month before and the same month of the last year.
- Among the 49 countries, crude oil production in August 2009 was 0.8% lower than the previous month and 3.7% lower than August last year.
- Among the 63 countries, total oil products demand in August 2009 was 0.9% higher than the previous month and 2.9% higher than August last year.

**JODI data: Crude oil* production**

<table>
<thead>
<tr>
<th>Country</th>
<th>Aug 09</th>
<th>1 month chg</th>
<th>1 year chg</th>
<th>M-1 year chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>9966.2</td>
<td>0.5</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>8189.0</td>
<td>-0.7</td>
<td>-14.1</td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>5199.9</td>
<td>-0.6</td>
<td>6.2</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>3854.1</td>
<td>1.1</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>Iran</td>
<td>3520.0</td>
<td>-0.3</td>
<td>-14.1</td>
<td></td>
</tr>
<tr>
<td>Venezuela</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>2520.7</td>
<td>-0.8</td>
<td>-8.3</td>
<td></td>
</tr>
<tr>
<td>Iraq</td>
<td>2390.0</td>
<td>-0.9</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>Kuwait</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>UAE</td>
<td>2239.0</td>
<td>-0.8</td>
<td>-12.8</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>2103.1</td>
<td>-0.5</td>
<td>-5.1</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>1967.5</td>
<td>-5.1</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>Nigeria</td>
<td>2028.0</td>
<td>1.5</td>
<td>-3.7</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Angola</td>
<td>1792.0</td>
<td>0.3</td>
<td>-7.0</td>
<td></td>
</tr>
</tbody>
</table>

**Total 49** |56441.6 | -0.8 | -3.7 |

**JODI data: Total products**

<table>
<thead>
<tr>
<th>Country</th>
<th>Aug 09</th>
<th>1 month chg</th>
<th>1 year chg</th>
<th>M-1 year chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>19340.5</td>
<td>3.0</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>8932.4</td>
<td>-1.2</td>
<td>36.1</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>4194.9</td>
<td>3.5</td>
<td>-4.0</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>2636.8</td>
<td>-1.9</td>
<td>7.8</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>2242.1</td>
<td>-6.4</td>
<td>-14.7</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>N/A</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>2379.0</td>
<td>11.2</td>
<td>20.8</td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>2106.1</td>
<td>-1.2</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>2001.0</td>
<td>0.1</td>
<td>-1.1</td>
<td></td>
</tr>
<tr>
<td>Mexico</td>
<td>2053.1</td>
<td>7.3</td>
<td>5.9</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>1653.1</td>
<td>-10.9</td>
<td>-10.2</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>1401.6</td>
<td>-17.4</td>
<td>-7.6</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>1540.8</td>
<td>-0.8</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>1399.3</td>
<td>-7.4</td>
<td>-6.0</td>
<td></td>
</tr>
<tr>
<td>Iran</td>
<td>1490.0</td>
<td>-0.8</td>
<td>-7.3</td>
<td></td>
</tr>
</tbody>
</table>

**Total 63** |68654.1 | 0.9 | 2.9 |

**NOTE ON CHARTS** Number of countries that reported data for August 2009, the month before and the same month of the last year.

(1) Crude oil includes lease condensate
(2) Total products demand includes direct use of crude oil
Further information on flow/product definitions available on the Joint Oil Data Initiative (JODI) website (www.jodidata.org)

Ranking based on available JODI data and therefore (Top 15) varies from one product/bloc to another.

Detailed information: Data for Ecuador are missing for 2007. Russia does not report complete data set for LPG, kerосene and total petroleum products. Singapore reports only trade data.
Ministerial IEF-IGU Gas Forum

The International Energy Forum and Natural Gas

Following the success of the 1st IEF-IGU Ministerial Gas Forum, which was held in Vienna, Austria, on 24 November 2008, with the participation of Ministerial delegations and industry leaders from 14 countries, 20 companies and 7 international organizations, the IEF and IGU will organise their Second Ministerial Gas Forum in 2010 in Doha, Qatar, hosted by the State of Qatar.

During the first IEF-IGU Ministerial Gas Forum Ministers and industry leaders discussed the globalisation of the natural gas markets, in particular through LNG, and exchanged views on how partnership and cooperation, including between NOCs and IOCs, can be fostered to enable the development of the gas industry and the achievement of its full economic and environmental benefits. Participants underscored the need for an enhanced and open dialogue between producing and consuming countries to improve understanding and reduce uncertainties that hamper investment. The importance of extending JODI to natural gas to improve the transparency of the gas market was stressed.

**DURING THE FIRST IEF-IGU MINISTERIAL GAS FORUM MINISTERS AND INDUSTRY LEADERS DISCUSSED THE GLOBALIZATION OF THE NATURAL GAS MARKETS**

Ministers and industry leaders at the 1st IEF-IGU First Ministerial Gas Forum noted that expanding markets, their globalization and the development of capital intensive infrastructures require enhanced cooperation and a global sustained dialogue between the natural gas stakeholders. They affirmed that the IEF-IGU Ministerial is an important step forward in promoting and strengthening a global dialogue between natural gas producing and consuming countries.

The 2nd IEF-IGU Ministerial Gas Forum will gather Ministers and gas industry leaders from producing, consuming and gas transit countries to discuss the changing dynamics of the gas markets and the key challenges facing the natural gas industry. Participants will review key factors that will drive gas demand, production and trade in the medium and long term, in the context of the current economic crisis.

- How will natural gas demand develop and will the power sector remain its main driver?

IEF Participation in World Gas Conference (WGC)

Buenos Aires 5-9 October 2009

Following the successful cooperation with the International Gas Union (IGU), the IEF Secretariat actively participated in the WGC. For the first time in its history, the IEF Secretariat attended the principal gas industry event in Argentina as a full participant, with a stand at the exhibition. As the only invited organization, the IEF was able to inform key stakeholders in the gas industry on IEF’s activities and development of the Gas Data Transparency Initiative and the 2nd Ministerial IEF-IGU Gas Forum in 2010 in Doha, Qatar.

The Joint Oil Data Initiative: extension to natural gas

**Development of the Gas Data Transparency Initiative**

As the gas market is increasingly globalizing through the growing natural gas trade, particularly in the form of LNG, the IEF had the opportunity to brief the IGU Council on its activities. The IEF Secretariat has maintained a Ministerial Panel discussion on security of gas supply and demand at the conference. The key gas activities of the IEF that are currently underway are the development of the Gas Data Transparency Initiative and the 2nd Ministerial IEF-IGU Gas Forum in 2010 in Doha, Qatar.

The Joint Oil Data Initiative: extension to natural gas

**Development of the Gas Data Transparency Initiative**

As the gas market is increasingly globalizing through the growing natural gas trade, particularly in the form of LNG, the 11th IEF Ministerial (Rome, April 2008) has called for an extension of the Joint Oil Data Initiative (JODI) to cover monthly natural gas data and hence provide more information about the gas market. The extension of JODI to natural gas was also discussed at the 7th International JODI Conference (7-9 June 2009, Quito) and JODI partner organizations were invited to assess gas data collection challenges and how these can be addressed. The IEF has reiterated the importance of extending JODI to natural gas.

Meanwhile, the IEF Secretariat has held several inter-Secretariat meetings with JODI partner organizations (APIE, Eurostat, IEA, OLADE, OPEC, UNSD) in which the feasibility of such an extension has been discussed and reviewed. In February 2009, the IEF Secretariat commissioned a study to assess the feasibility of collection of the most relevant natural gas data on a monthly basis. The report’s principal conclusion is that such an initiative is challenging but feasible. The new initiative will cover key gas data such as demand, supply, trade and stocks.

The extension of JODI to natural gas was also discussed at the 12th IEF Ministerial on 29-31 March 2010 when Energy Ministers will gather again in Cancun, Mexico. At this stage experience gathered in developing the JODI already suggests that the process of extending the data transparency initiative to include natural gas will prove no easy task. However, globalization of the gas market calls out for a JODI-like architecture to collect the requisite natural gas data and provide greater transparency to the emerging market structure.

Active involvement of the world gas industry in the establishment of regular reporting mechanisms of monthly natural gas data is very important and thus IEF-IGU cooperation will play an important role in the initiative.
The 12th International Energy Forum (IEF) and 4th International Energy Business Forum (IEBF) will take place in Cancun from 29-31 March 2010, hosted by the government of Mexico with co-hosting countries Germany and Kuwait.

The International Energy Forum (IEF) is the world’s largest recurring gathering of Energy Ministers. It is unique in that participants include not only IEA and OPEC countries, but also key players such as Brazil, China, India, Mexico, Russia and South Africa. The IEF countries account for more than 90% of global oil and gas supply and demand. Through the Forum and its associated events, Ministers and energy industry executives participate in a dialogue that is of increasing importance to global energy security.

The IEF and the global energy dialogue are promoted by a permanent Secretariat based in the Diplomatic Quarter of Riyadh, Saudi Arabia.

IEF Participants

ALGERIA
ANGOLA ARGENTINA
AUSTRALIA AUSTRIA
AZERBAIJAN BAHRAIN BANGLADESH
BELARUS BELGIUM BOLIVIA BRAZIL BRUNEI
BULGARIA CANADA CHAD CHINA COLOMBIA
CONGO (DR) CONGO (R) COTE D’IVOIRE CROATIA
CUBA CYPRUS CZECH REPUBLIC DENMARK ECUADOR
EGYPT ETHIOPIA FINLAND FRANCE GABON GERMANY
GREECE HUNGARY INDIA INDONESIA IRAN IRAQ IRELAND
ITALY JAPAN JORDAN KAZAKHSTAN KUWAIT LEBANON
LIBYA LITHUANIA MALAYSIA MALTA MAURITANIA MEXICO
MOROCCO NETHERLANDS NEW ZEALAND NIGERIA NORWAY
OMAN PAKISTAN PHILIPPINES POLAND PORTUGAL QATAR
ROMANIA RUSSIA SAUDI ARABIA SLOVAKIA SLOVENIA
SOUTH AFRICA SOUTH KOREA SPAIN SRI LANKA SUDAN
SWEDEN SWITZERLAND SYRIA THAILAND TRINIDAD & TOBAGO TUNISIA TURKEY TURKMENISTAN UAE
UK UKRAINE USA UZBEKISTAN VENEZUELA
VIETNAM YEMEN APEC EC IEA IGU IMF
OAPEC OLADE OPEC UN WB
WPC

INTERNATIONAL ENERGY FORUM
Postal address: P.O. Box 94736 • Diplomatic Quarter Riyadh-11614 • Saudi Arabia
Telephone:+966 1 4810022 • Fax: +966 1 4810055
Website: www.iefs.org.sa

www.iefs.org.sa