Noe van Hulst, the secretary general of the International Energy Forum (IEF), has the sometimes unenviable job of coaxing energy consumers and producers to talk to each other.

It is not an easy task. There is much historic bad blood between the two camps, and mutual suspicion lingers. But as the head of a unique organisation promoting international co-operation to keep the world comfortably supplied with energy, Mr van Hulst believes his role is essential.

Here he explains why oil producers and consumers must overcome their differences and act together to calm an overheated market, in a world where the two groups need each other as never before.

q What has happened in the oil market since the extraordinary ministerial meeting of the IEF in Riyadh two months ago?

a Certainly things have been heating up since the February meeting. There has been further deterioration in Libyan oil supplies. Now more than 1 million barrels per day (bpd) are off the market. At the same time, producers have been stepping in, especially from the Gulf countries. It hasn't always been easy because there is a quality issue. Libyan light sweet crude is not easy to
substitute. Having said that, there seems to be a tremendous element of fear affecting the whole market. It seems not to be reacting so much to what is happening on the ground. Opec spare capacity is probably still above 4 million bpd and we have relatively comfortable stocks, so the elevated prices are not justified by fundamentals.

So you are saying the big run-up in oil prices we have recently witnessed does not reflect real supply threats?

Unfortunately investors are dwelling on exaggerated worst-case scenarios. There is an overstated geopolitical fear factor in the market. Yes, there is political upheaval in the Middle East, but to infer that significant oil supply disruptions will take place is a non-sequitur.

Since I was born in 1956, we have had about 10 major oil supply disruptions, starting with the Suez crisis. But if you add all that up, you're talking about a disruption of 0.3 per cent of global oil supplies over the past 55 years. You need to put this in the context of the 86 million bpd that we are producing, transporting and consuming without any problems day after day, for long periods. If you put the Libyan crisis into that historical context, it's actually relatively small. That is not to downplay that there are significant political events taking place, but the impacts on oil supply are very much more limited than you would make out from reading newspapers and watching television. We have to calm down a bit, in my view.

Since 2008, there has been an increasing amount of dialogue between oil producers and consumers. But do consumers even now understand the producing countries, especially those in the Middle East?

Sometimes there's a lack of acknowledgement that there are a number of oil-producing states that have very responsible attitudes. They don't want oil prices to go so high that they hamper economies. They have an interest in long-term stability. People do need to respect what is being done from the producers' side.

What can the IEF do to facilitate this?

Speaking as secretary general, our central objective is to do everything we can to help stability in the market. When we live in these turbulent times with market volatility re-emerging, I see it as our responsibility to speak out. I understand that consuming countries are getting more nervous, and I agree with them that if these prices would persist for the rest of the year there might be a heavy impact on economic growth. But I also have to add that if you look at the latest IMF world economic outlook, the IMF is saying that until now the economic impact of these high prices has been relatively mild. I'm taking this concern of consuming countries very seriously. At the same time, I'm saying that I don't see these high prices justified by the physical fundamentals. This doesn't have to be a similar situation to 2008, and everyone has a stake in ensuring that what happened then is not repeated.

What lessons did you learn from the 2008 oil price spike and ensuing slump?
One big lesson we all learnt was that we need stronger dialogue between producers and consumers, especially between the International Energy Agency [IEA] and Opec, with the IEF as the neutral facilitator. And we also need dialogue with the financial community. Oil is now not only a physical commodity but also a financial asset. That's why it's important that we work with the financial market. Recently we had a meeting in London with financial regulators. One of the big points that came out was that we need strong international co-ordination. The good news is that we learnt there is good communication between the different regulators. They are talking to each other a lot. The not-so-good news is that they don't know where they are going to end up. They each have their own constituents they have to report to. We want to convene them again when we know a bit more.

Is there solidarity within the IEF on issues of oil pricing and market volatility?

I think the important point from our perspective is that both consuming countries and producing countries need to stay calm. They need to speak up about what they see happening and collectively do everything they can to calm the markets and put developments in context. Producers and consumers need each other. The interdependency in the world of energy is only going to grow. We should embrace it as a positive force. We shouldn't be so paranoid about it. As oil producers in the Middle East diversify their economies, they will need more imports from the rest of the world.

Are US energy independence aspirations a threat to Middle East oil exporters?

The interesting thing about the US is that they seem to be nervous about this issue although their largest suppliers are actually Canada and Mexico. They import less oil from the Middle East than Europe, and multiples less than Asia. On top of everything else, there is tremendous potential for increasing the fuel efficiency of US cars, so they could import even less oil. The main market for Middle East oil is Asia, and it's not surprising that Middle East-Asia links are intensifying. But the oil market is a global market. Some people tend to forget that. Even if you import nothing, you are still affected by what happens in the rest of the world. Domestic producers will not give their oil to you at a discount. The concept of energy independence, at least in oil, is a fallacy. In this globalised market, you can't hide.

What can Middle East oil producers do to help calm markets?

Communicate, communicate, communicate. I get tired repeating the same thing, but you have to tell your story. Be transparent. You need to talk to the media. Don't let yourself be thrown off course. Be there, be good, tell it. That's my simple message. Here in the Middle East, there's a lot of good stuff going on, but relatively few people know about it. It's not only an issue for this region, but for the whole oil and gas industry. You need to show people what you're doing, how important it is, that it's not a sunset industry. Fossil fuels will be with us for many, many decades; longer than our children and probably our grandchildren are going to be alive.