The IEA, IEF and OPEC identified the following specific areas for cooperation between the three organisations.

1. Shared analysis of energy market trends and outlook

Both the IEA and OPEC regularly publish energy and oil outlooks covering the short-, medium- and long-term. In addition, on the occasion of the International Energy Forum, both organizations usually contribute by submitting focused energy analysis and outlook, which are presented to IEF Ministers.

Short- to long-term energy outlooks are also published by other government, consultancy, banking and academic institutions.

The Joint Communiqué of the Jeddah Energy Meeting, issued by the host country Saudi Arabia and the Secretariats of IEA, IEF and OPEC, called for shared analyses of oil market trends and outlooks.4

The IEF will act as a platform for sharing insights and exchanging views about energy market trends and short-, medium- and long-term energy outlooks, including analysis of market behaviour and discussion of key drivers of the energy scene and associated uncertainties.

The IEF will organize, in co-operation with the IEA and OPEC, an Annual Symposium at the IEF Secretariat in Riyadh, with participation from the main institutions that publish regular energy outlooks. The Symposium could cover the previous year’s market behaviour, as well as the short-, medium- and long-term energy outlooks. To focus the discussion at the Symposium, the IEF will produce an introductory paper, in consultation with IEA and OPEC. The IEA, the IEF and OPEC will jointly produce a Symposium report.

The first Symposium is scheduled to take place in January 2011.

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4 “There should be immediate collaboration between the IEA and OPEC Secretariats, together with the IEF Secretariat, on preparing shared analyses of oil market trends and outlook, as well as of the impact of financial markets on the level and volatility of oil prices, which can be used to better understand the market situation”. Jeddah Energy Meeting, 22 June, 2008, Statement by Saudi Arabia, IEA, IEF and OPEC Secretariats.
2. Physical and financial markets’ linkages and energy markets regulation

The functioning of energy markets is continuously evolving. The increasing complexity of the different market layers for price discovery and risk transfer, from spot to derivatives, requires a better understanding of the functioning of each of these markets, as well as the interaction between the physical and financial markets.\(^5\) This offers a fruitful area for greater cooperation among the IEA, IEF and OPEC Secretariats, as well as relevant multilateral organizations.

The issue of adequately regulating financial markets in general, and commodity markets in particular, has recently gained prominence. It is recognized that regulations have important effects on market functioning and participants’ behaviour. While markets are increasingly global, regulations remain country-specific and vary among jurisdictions. Changes are also regularly introduced.

The IEF, in co-operation with the IEA and OPEC, could act as a platform to help improve understanding of the linkages between physical and financial markets, and provide an overview of current and proposed regulatory developments:

1. Better understanding requires further research and access to improved data on pricing of crude oil international benchmarks, as well as access to expanded and improved data regarding energy futures and derivatives markets.

2. The dual nature of crude oil, both as a physical commodity and as a financial asset, makes it very difficult to disconnect physical and financial markets. It would be useful to gather a group of knowledgeable experts to share views and analysis on the linkage between physical and financial markets. Workshops on energy market functioning will be jointly held on a regular basis, with participation from government, industry, banks, regulators, multilateral institutions, and academia to share data, analysis, research findings and proposals. Following the EU-OPEC Workshop on the impact of financial markets on the price of oil & volatility (Vienna, April 2009) and the IEA/IEEJ Workshop on oil price volatility (Tokyo, February 2010), the objective would be to organize the first joint IEA/IEF/OPEC Workshop before the end of 2010. The IEF Secretariat will produce a report summarising existing views with regard to the interaction between physical and financial markets, in consultation with the IEA and OPEC Secretariats.

3. Regulators will be invited to meetings, under the Chatham House rule, with the participation of experts from multilateral institutions and academia, to exchange

\(^5\) Jeddah Energy Meeting Statement noted that “the transparency and regulation of financial markets should be improved through measures to capture more data on index fund activity and to examine cross-exchange interactions in the crude market.” Jeddah Energy Meeting, 22 June, 2008, Statement by Saudi Arabia, IEA, IEF and OPEC Secretariats.
views about recent regulatory developments and their impacts on market volatility, to share lessons and best practices, identify new challenges and discuss near-term prospects for regulatory evolution. The first meeting could be arranged back-to-back with the first workshop referred to in para. 2 above.

3. JODI related activities

Joint Oil Data Initiative (JODI) partner organizations’ efforts have contributed to steady improvement in timeliness, comprehensiveness and quality of data submission in recent years and the Initiative is increasingly highlighted in almost every Energy Ministers meeting. Such progress has led to calls by Energy Ministers to do more and collect other relevant information, such as annual data on investment and natural gas data.

3.1 Annual Data on Investment

The Jeddah Energy Meeting Communiqué called for further improvement of market transparency and stability and the seven organizations involved in JODI (APEC, Eurostat, IEA, IEF, OLADE, OPEC and UNSD) are called upon “to start work to cover annual data that includes, among other things, upstream and downstream capacities and expansion plans”.

Participants at the London Energy Meeting (19 December, 2008) noted the importance of providing accurate, complete, and timely data to the Joint Oil Data Initiative, “including information on upstream and downstream capacities and expansion plans”. In this regard, they noted the importance of working with the IEF to enable participants to provide high-quality data to JODI and affirmed that further efforts should be undertaken in this regard, especially with respect to inventories. They emphasized the importance of annual data on investment plans and welcomed the IEF’s plans to implement the collection and publication of this data as soon as possible. Work on JODI should continue to be conducted in close cooperation with the other six JODI partner organizations, especially the IEA and OPEC.

3.2 Natural Gas

The 11th IEF Ministerial Meeting called on the IEF, IEA, OPEC and other JODI partner organizations to build on their experience in collecting monthly oil data through JODI, a concrete outcome of the global energy dialogue, highly commended by IEF Ministers, and work on extending JODI to cover natural gas data.6 7

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6 "Given the trend towards globalization in the gas market, it is time to progressively extend JODI to natural gas. Ministers encouraged the IEF Secretariat to take the initiative to make this happen, working together with other relevant international organizations and to report to the next Ministerial meeting, progress made in this regard." 11th IEF Ministerial Meeting, Concluding Statement, 20-22 April, 2008.

7 "We note the Joint Oil Data Initiative (JODI) as managed by the International Energy Forum (IEF) and welcome their efforts to examine the expansion of their data collection to natural gas.” G20 Leaders’ Statement, The Pittsburg Summit, 25 September 2009.
The IEA, IEF, OPEC and other JODI partners have already started such extension and are testing member countries’ ability to report most relevant information on natural gas (supply, demand, imports and exports both liquid and gaseous) on a regular basis.

The ongoing work to improve and expand JODI will be continued as planned (as per the decision of the last JODI Inter-Secretariat meeting in Paris, 21 October, 2009). In cooperation with the other JODI partner organizations and the Gas Exporting Countries Forum (GECF), the IEA and OPEC as well as the IEF as the co-ordinator of the Initiative will continue to play a leading role in JODI.

4. **Activities related to the G-20 or to energy-relevant organisations**

At the Pittsburgh Summit, the G-20 was designated to be the premier forum for international economic co-operation and the Leaders’ Statement covered energy. The G-20 includes major economies, which are all participating in the IEF.

The IEA, IEF and OPEC will cooperate closely on any joint activities relating to the G-20, or to energy-relevant organisations, as could be agreed by the three Organizations.

5. **Web-based facility**

The IEF, in cooperation with the IEA and OPEC, will provide a web-based facility to access, including through links, i) publicly available energy outlooks and associated studies; ii) energy market legal and regulatory texts and related studies. The IEF, in cooperation with the IEA and OPEC, will also establish an electronic forum dedicated to the subject of market functioning and behaviour, where experts, researchers, multilateral organisations members and others, can exchange views, post research findings and share publications.