

Bilateral JODI Training Workshop

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Importance of Data transparency to the Petroleum Industry and the International Oil Market

Rachid Boularas

Senior Energy Analyst

International Energy Forum Secretariat



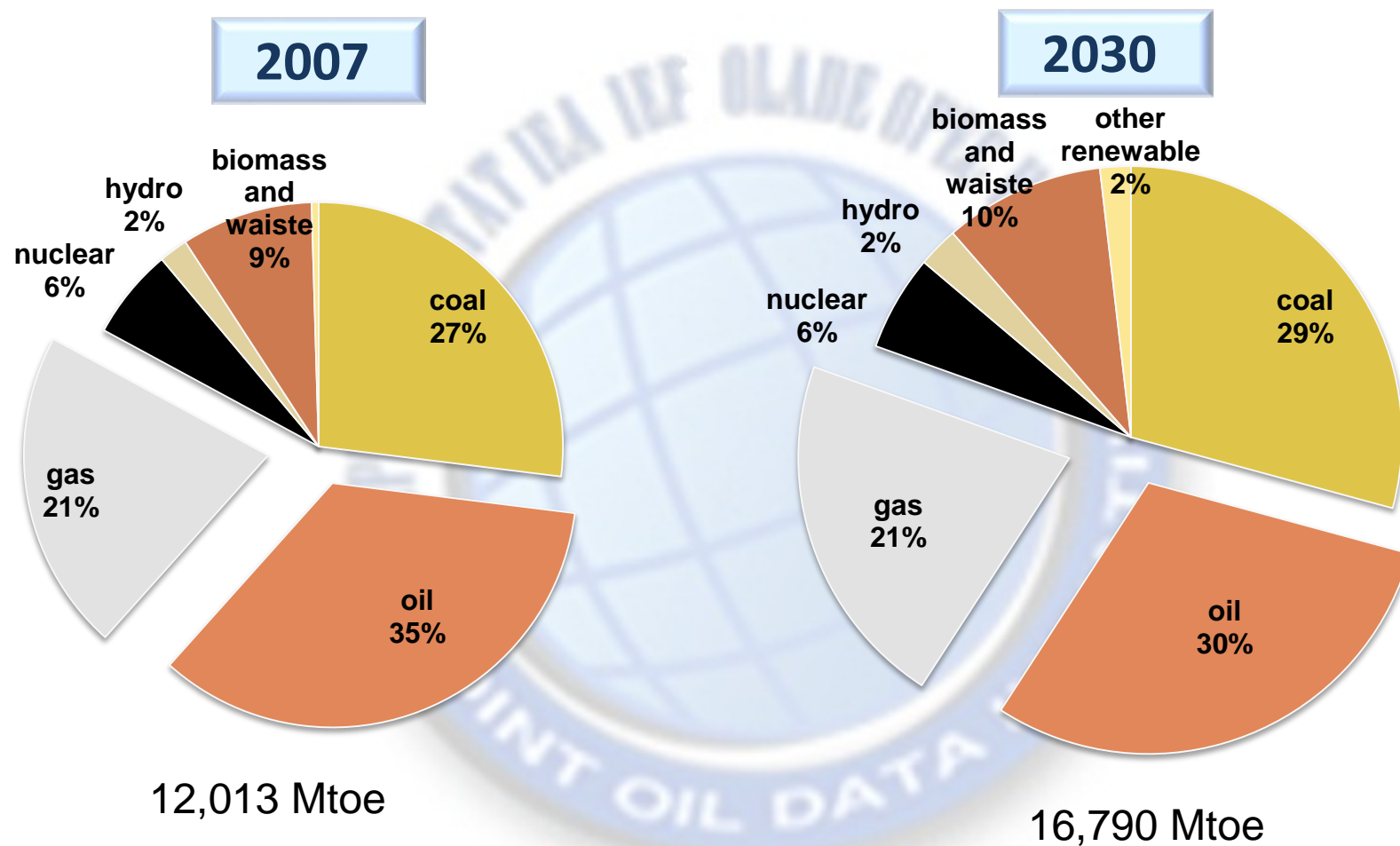
Energy Working Group



International
Energy Agency



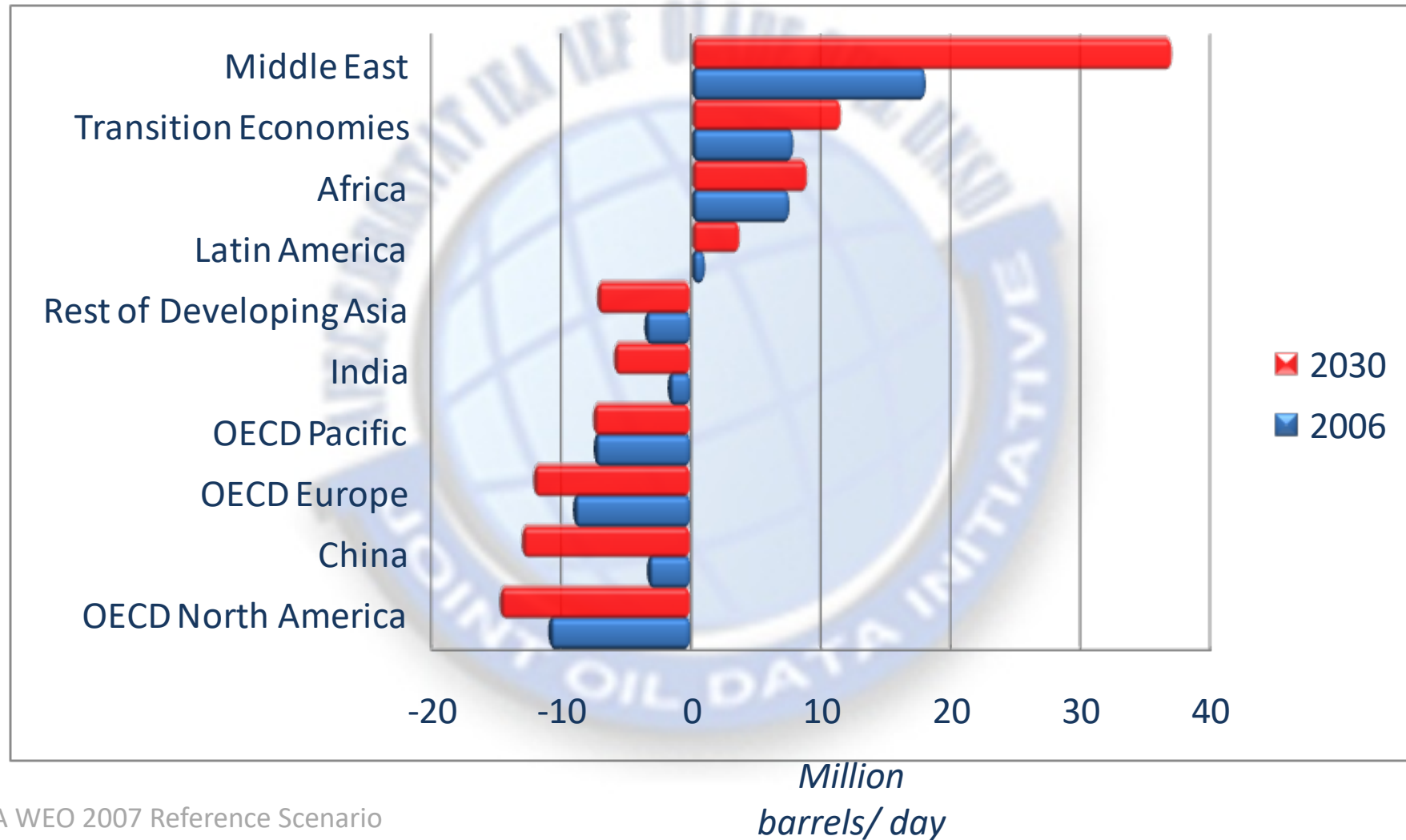
World Primary Energy Demand



Source IEA WEO 2009

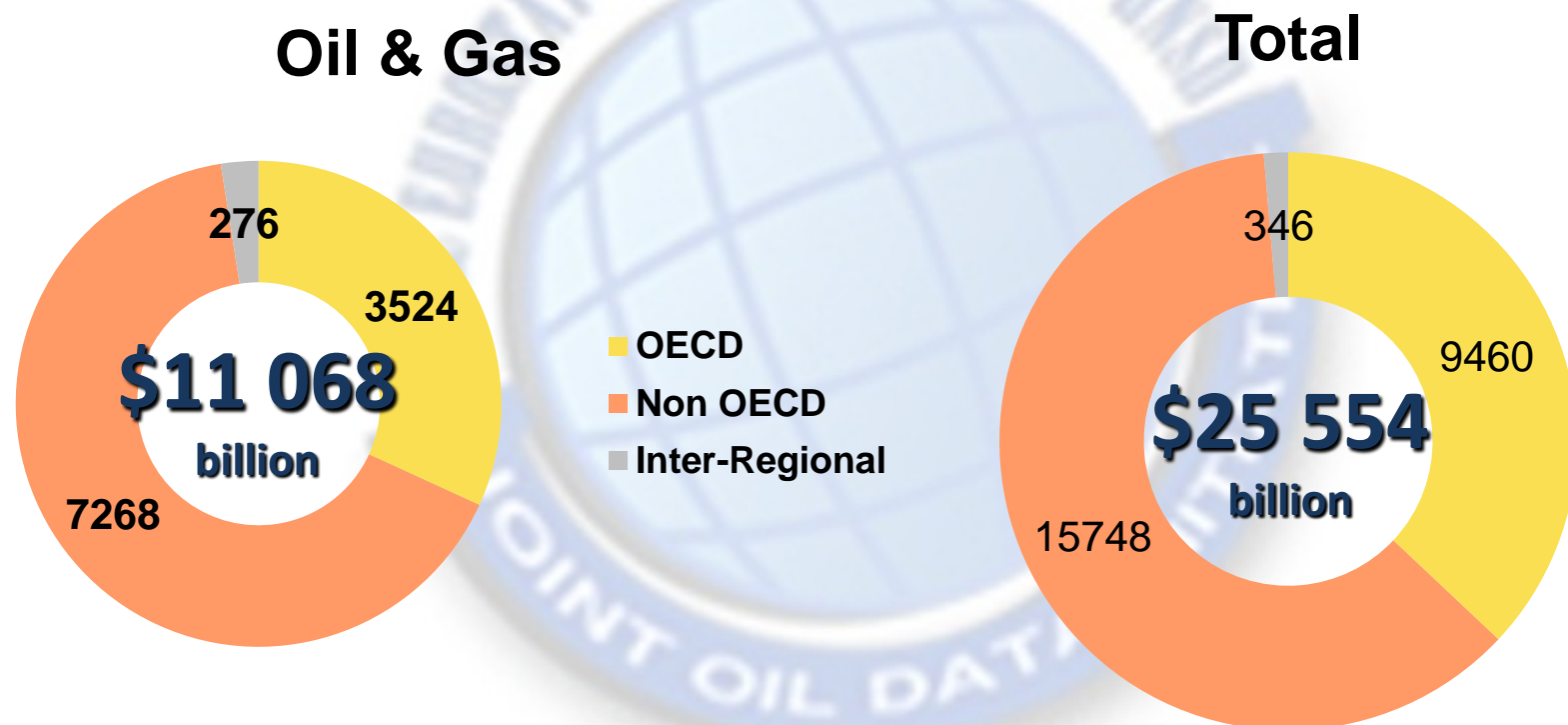
*Mtoe– Million Tons of Oil Equivalent

Net Oil Trade



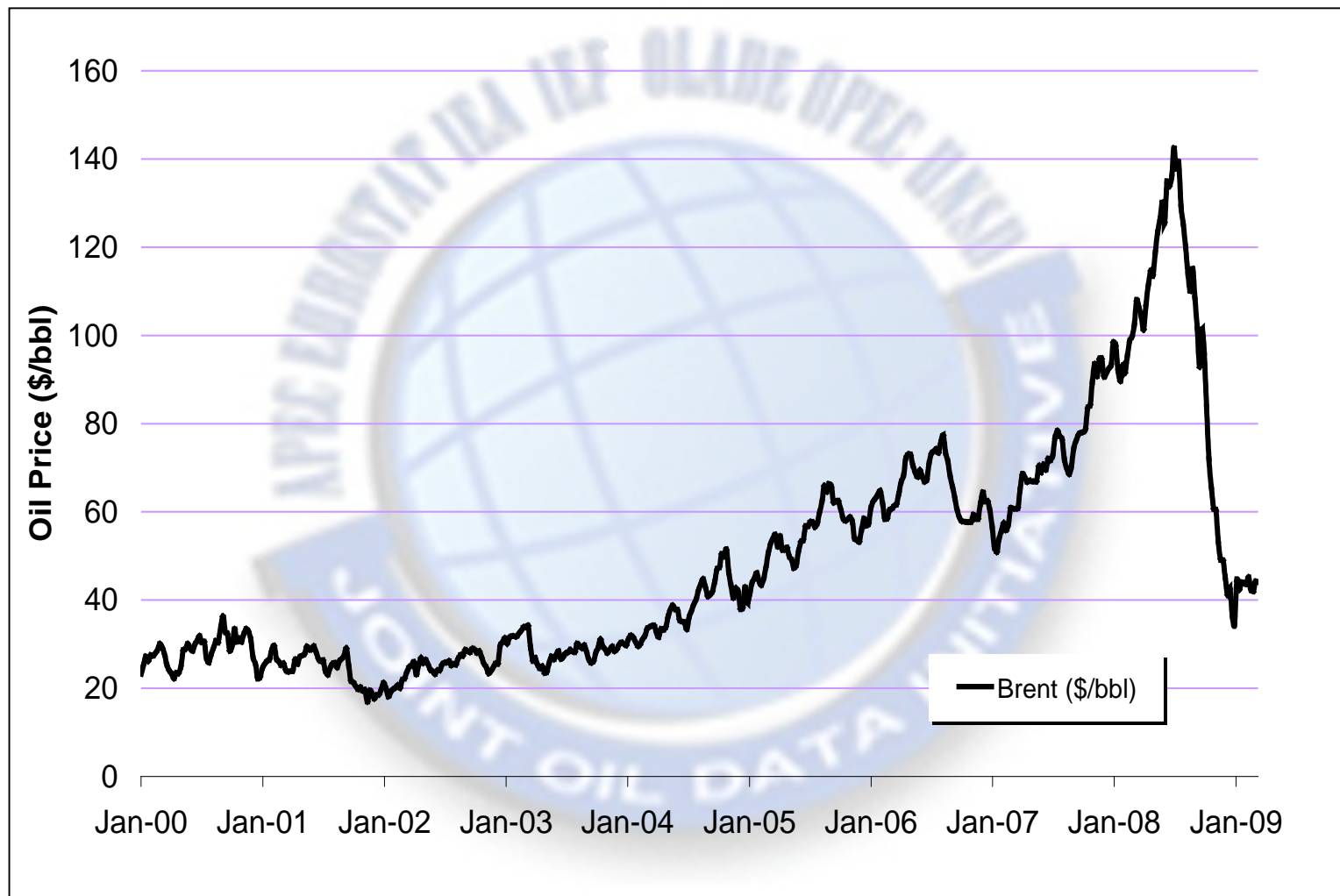
Cumulative Investment in Energy-Supply Infrastructure, 2008 – 2030

(\$ billion in Year 2008 dollars)

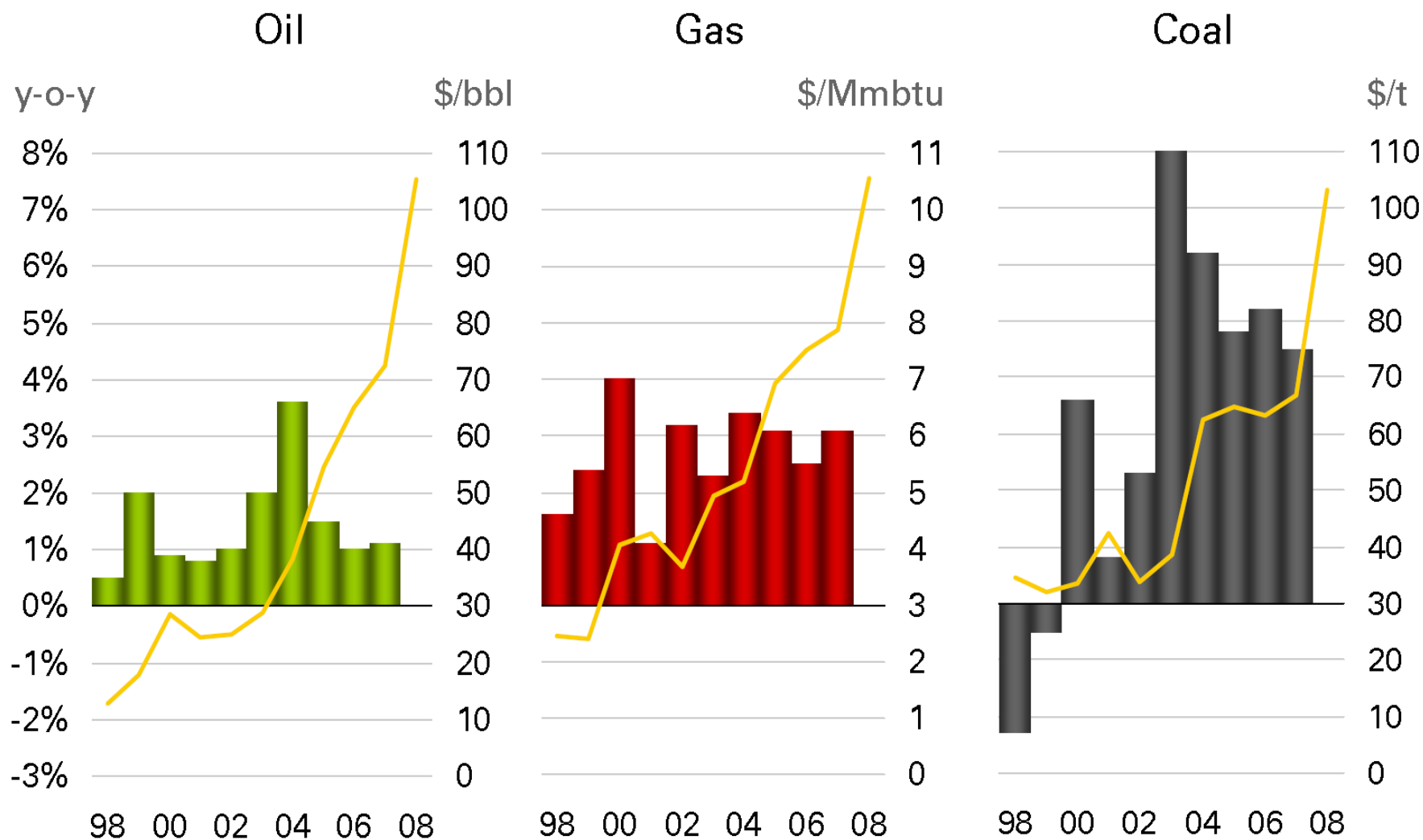


IEA WEO 2009 Reference Scenario

Oil price volatility (2000-2009)



Oil prices drive other energy prices ...



Source: BP Statistical Review, 2008

Oil market development



SHORT TERM:

- Cutbacks in capital spending due to a tougher financial environment
- Demand increase from transitional economies remain strong
- Mixed signals to the market = uncertainty

LONG TERM:

- Influences Investment decisions
- Impacts on future energy supply security

IEA WEO 2009 Reference Scenario

Market data transparency matters

for global energy security

- **SECURITY OF OIL SUPPLY** and **SECURITY OF OIL DEMAND** are actually the two sides of the same coin.
- **SECURITY OF OIL SUPPLY** is better achieved with stable oil prices which provide the right environment for investment to take place. **Accuracy** is important to give oil market actors the real picture of the market balance at any point of time.
- **SECURITY OF OIL DEMAND** is needed by producing countries. Stable oil prices are the best way to give confidence to consumers and to help drawing stable energy policies over time. Lack of transparency favors speculation. **Timeliness** of data submission is important as it closes the window for speculation.
- *Both producers and consumers will benefit from a more **stable and transparent oil market***

Data transparency: strengthening global energy security

Horizon	Objective	Tool
SHORT TERM	Better assessment of oil market conditions for more stable energy markets	Monthly Submission of Core Oil Data
MEDIUM TO LONG TERM	Sound planning and timely investment to meet future demand	Annual Submission of data on Petroleum Reserves, Production capacities, etc.

Global energy security

The concept of energy security has evolved with time, context and circumstances.

- Originally it was understood as fear of dependence on “foreign oil”
- Then it evolved to coincide with the consuming countries’ concern dubbed as “security of supply”
- Lately the concept broadened to include producing countries’ market apprehension, known as “security of demand”
- Global energy security is today understood as a two-side coin: security of supply for consuming countries and security of demand for producing countries

Market data transparency matters

Both producers and consumers will benefit from a more stable and transparent oil market

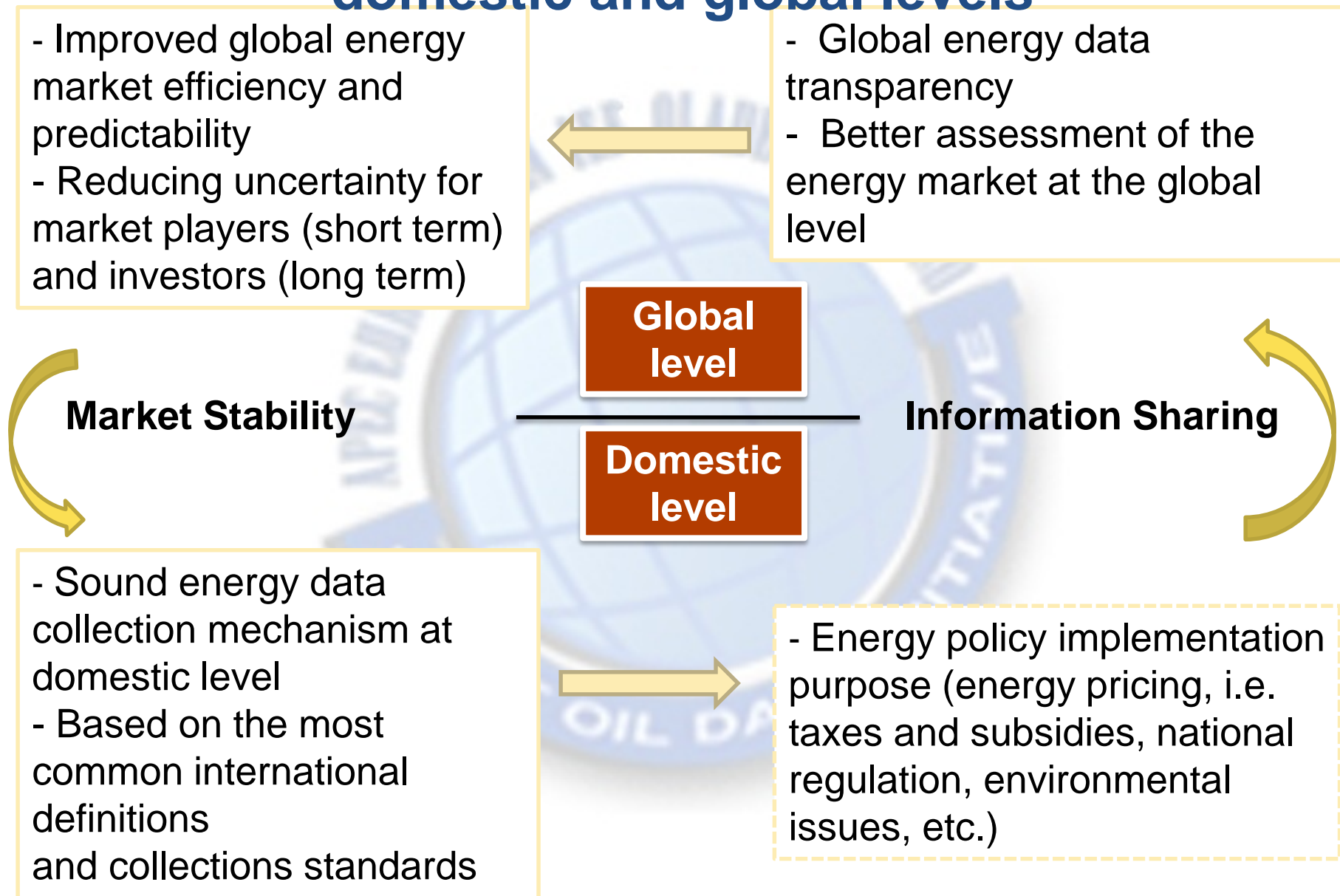
Security of demand

- Market diversification
- Stable and remunerative markets, wealth management,
- Cash flow predictability
- Growth, social and economic development

- Securing reliable energy sources
- Diversification of supply
- Balancing external dependence
- Trade management

Security of supply

Market stability and data transparency needed on domestic and global levels



Increasing global support for JODI

“Participants welcomed the important progress made so far in Joint Oil Data Initiative (JODI) coordinated by International Energy Forum (IEF), in cooperation with International Energy Agency (IEA), Asia-Pacific Economic Cooperation (APEC), and Organization of the Petroleum Exporting Countries (OPEC), other partner organizations and member countries...”

Chair’s Summary, The 3rd Asian Ministerial Energy Roundtable, 26 April, 2009, Tokyo, Japan

“More timely, global, and accurate data on oil demand, supply, and inventories are critical to reducing oil price volatility, given current difficulties in assessing oil market conditions. Markets still rely on a narrow set of data, notwithstanding welcome progress under the Joint Oil Data Initiative (JODI).”

John Lipsky, First Deputy Managing Director,
International Monetary Fund, 4th OPEC International
Seminar, Vienna, March 18, 2009

Increasing global support for JODI

“The Joint Oil Data Initiative (JODI), launched in 2001, can be of enormous help in reducing noise in oil markets by ensuring the supply of more and better information on the global supply and demand of petroleum products. ...

Hopefully, as EITI countries become used to transparency, more of them will sign up to JODI.”

Takatoshi Kato, IMF Deputy Managing Director at the 4th Extractive Industries Transparency Initiative (EITI) Global Conference Doha, Qatar, February 17, 2009

“Quality, completeness and timeliness of oil data submitted through the monthly Joint Oil Data Initiative (JODI) should be enhanced.”

Joint Statement by the Kingdom of Saudi Arabia and IEA, IEF and OPEC Jeddah Energy Meeting, Jeddah, Saudi Arabia, 22 June 2008

Increasing global support for JODI

“We note the Joint Oil Data Initiative as managed by the International Energy Forum (IEF) and”

Leaders' Statement, G20 Summit,
24-25 September 2009, Pittsburgh, USA



“...we continue to strongly support the Joint Oil Data Initiative (JODI), managed by the IEF, and call for all countries to cooperate in improving quality, completeness and timeliness of data...”

G8 Leaders Declaration, G8 Summit,
8-10 July 2009, L'Aquila, Italy

Thank you

For more information at
www.jodidata.org

