



Why Data Transparency is Essential for Energy Market Research

Presented by:

Dr. Adedapo Odulaja
Head, Data Services Department, OPEC



This Report is intended solely for the use of OPEC Member Country officials and may be legally privileged and/or confidential. Any unauthorized use, disclosure or copying of this Report or any parts of it or its attachment(s) by any unintended recipient is strictly prohibited. If you have received this Report in error, please immediately return or destroy it. The OPEC Secretariat does not warrant or assume any liability or responsibility for the accuracy, completeness, or usefulness of any information contained in this Report. Nothing in this Report shall be construed as interpreting or modifying any legal obligations under any agreement, treaty, law or other texts; or expressing any legal opinions or having probative legal value in any proceedings.



- Definitions
- Energy Data: Increasing need for more granularity
- Energy Data vs. Market Stability
- Data transparency
- Importance of data transparency for all commodities
- Challenges to energy data transparency and remedies
- Conclusion



- **Energy markets:** Information on energy supply, demand and trade
- **Research:** systematic inquiry/study to address a situation or a problem, establish facts and reach new conclusions
 - ✓ Significant reliance on data
- **Energy market research:** analysis of various factors related to energy markets to support investors, consumers and producers decisions
 - ✓ analyze the evolution of the fundamentals - supply, demand, stocks, etc.
 - ✓ evaluate trends and potential risks related to the economy, policies, technology, etc.)



- ✓ Energy is on the top of the international political agenda
- ✓ Countries reassessing their energy policies (investment in upstream, downstream)
- ✓ New energy measures are being discussed (alternative fuels, taxes, subsidies...).

Hence

- More in-depth studies/research
- More detailed, reliable and timely data
- Energy-related data are the backbone of a comprehensive information system to support decisions



- Market Stability essential for adequate supply, demand and growth

- Decision about the future requires market stability

- Market Stability closely related to data transparency
 - Well defined by G20 principles on energy collaboration
 - Encourage and facilitate well-functioning, open, competitive, efficient, stable and transparent energy markets that promote energy trade and investment.
 - Encourage and facilitate the collection and dissemination of high quality energy data and analysis



- Data transparency - timely availability of complete and accurate data on essential market fundamentals to all industry players
- Includes data accessibility - both technical and legal aspects involved

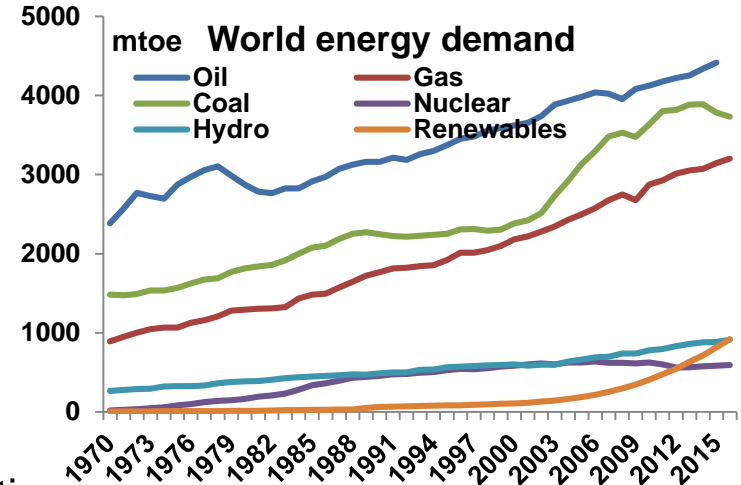
Advantages

- Promotes market stability and spurs industry growth through better targeted investments
- Contributes to reducing uncertainties and volatility, improving predictability and facilitating project planning
- Avoids contradictory and wrong assessment/market sentiment, as well as misleading signals with regard to market fundamentals

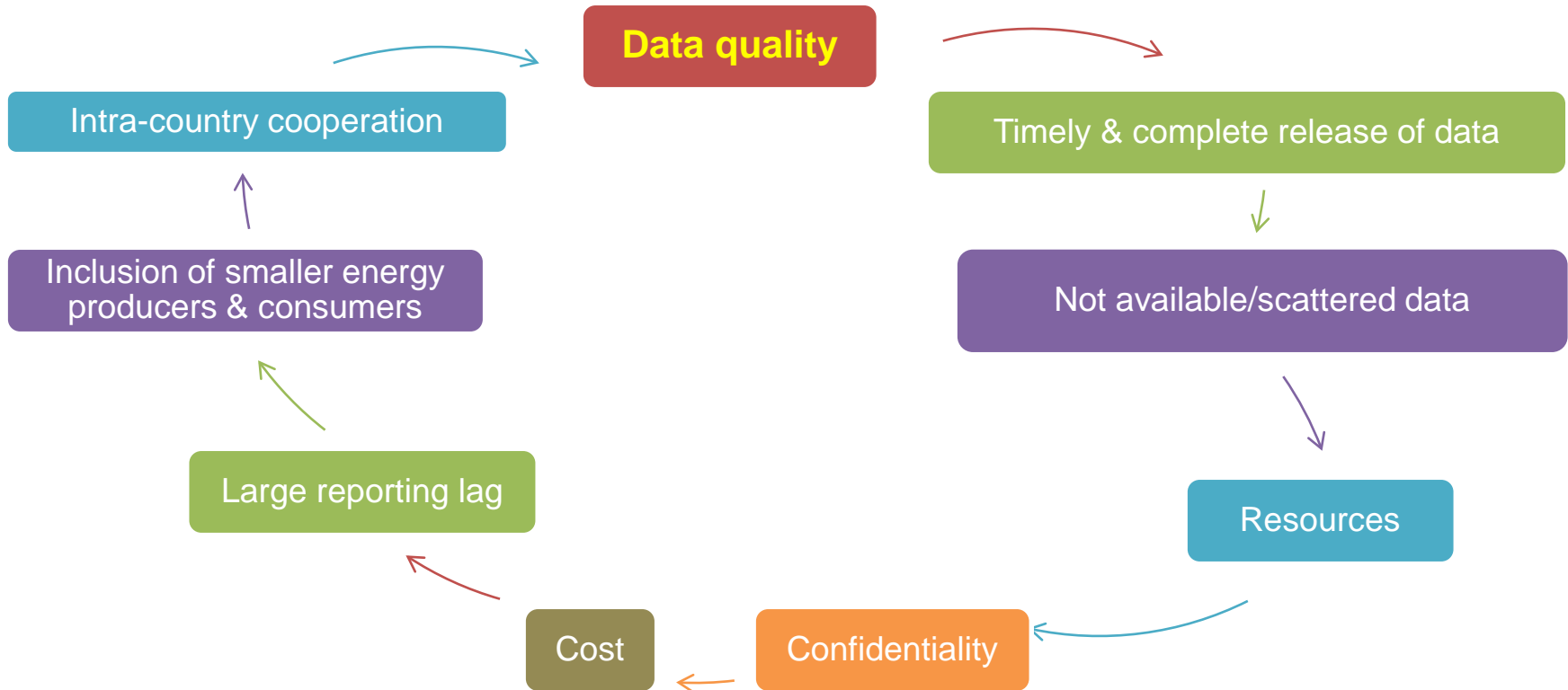
Data transparency equally important for each energy commodity



- Energy markets are becoming more inter-related
- Interaction among energy commodities, i.e. oil, natural gas, coal & renewables strengthened as a result of technological advancements
- Data transparency is necessary
 - Granularity
 - Timeliness in reporting
 - Frequency (annual vs. quarterly & monthly)
- Oil the most transparent energy commodity;
- Natural gas with improvements lately
- Calls for data transparency in other energy commodities



Challenges to energy data transparency





Challenges can be surmounted, or at least have their effects moderated, with:

- Strong high-level political support continuing to encourage energy data transparency through dialogue, cooperation and commitment
- Frequent collaboration among all energy industry stakeholders
- Appropriate portrayal of the importance/value of data transparency
- Strong awareness drive to educate about the accrued collective gain – e.g., access to other countries' data to enable benchmarking
- Users of the data – companies, researchers and analysts - should play their part by working closely with the data custodians (feedbacks, support, etc.)
- Visibility of direct incentives and/or benefits of data transparency
- Active participation of more economies will encourage and foster further contributions
- Sustained capacity building programme to enhance data quality, harmonized methodology and knowledge transfer



Data transparency

Data accuracy

Forecast accuracy

Understanding energy markets

Decisions and investments

Better data

Better decisions

OPEC's commitment will continue to be strong



OPEC and its Member Countries will continue their strong commitment towards data transparency to facilitate energy market stability and aid energy market research



Thank You.

