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**Presentation of the IEF and JODI**  
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**THE JOINT OIL DATA INITIATIVE**  
**An Achievement of the Producer-Consumer Dialogue**

*Opening remarks by Ambassador Arne Walther, Secretary General of the International Energy Forum*

The Joint Oil Data Initiative, JODI for short, is increasingly being recognized as a unique international co-operative vehicle to more transparency and less volatility in the oil market. JODI can thus contribute to better predictability for investment decisions crucial to overall energy security. It is an achievement of the producer-consumer dialogue at political level in the International Energy Forum.

G8 Heads of Government emphasized the importance of JODI in their St. Petersburg Plan of Action for Global Energy Security, adopted at the G8 Summit last month. The G8 plan of Action also underscored the importance of the producer-consumer dialogue in the International Energy Forum. At the 10th IEF in Doha in April, Energy Ministers reaffirmed their strong endorsement to JODI. As did CEOs of leading international and national energy companies, when interacting with Ministers at the preceding 2nd International Energy Business Forum. The IEF Secretariat coordinates and manages JODI with the support of the IEA and OPEC, APEC, Eurostat, OLADE and the UN.

Let me thank Deputy Minister Anita Utseth for honouring us by her presence this morning. Norway is a strong supporter of the Joint Oil Data Initiative. This is not her first appearance at an international JODI event. When the IEF Secretariat and the UN presented JODI at a joint side event at the 14th UN Commission on Sustainable Development in New York in May, Deputy Minister Utseth likewise made a supportive, introductory statement, that time along with the Executive Director of the African Energy Commission. The UNCSD is focusing on energy this year and next in light of the importance of sustainable energy for reaching the Millennium Development Goals. And energy security concern is today at the top of the political agenda world-wide for both industrialized and developing countries.

**Political level energy dialogue**

Before giving the floor to Deputy Minister Utseth and subsequently to the IEF Secretariat's JODI analyst Bruno Castellano, who will make a detailed presentation of the initiative, let me first say a few words about the global, political level dialogue in the International Energy Forum.

The World Commission on Environment and Development emphasized in its report "Our Common Future" almost twenty years ago the importance of energy for sustainable economic and social development and not least the importance of oil prices for international energy policy. It recommended that new mechanisms for encouraging dialogue between consumers and producers be explored.

On that note, the Chairperson of the Commission and Prime Minister of Norway, Dr. Brundtland called in the late 1980's for an informal "Workshop" of Ministers of energy producing and consuming countries to discuss the resource and market perspectives as well

as the links between energy and environment. Many were ready to try, but important countries regarded the very idea of a dialogue on these matters at political level as a non-starter, even as outright dangerous. Some seemed to regard the differences and conflicts between producers and consumers as permanent facts of life, a divide that no political level dialogue could bridge, or should even attempt to bridge.

### **From Confrontation to Dialogue**

The Gulf War in 1990-91 highlighted again the geo-political and economic importance of oil. It proved a turning point for the idea of dialogue at political level. A more co-operative atmosphere between producers and consumers ensued. It had become increasingly clear that sharply fluctuating oil prices were detrimental to both producers and consumers and that there could be no long-term winners in troubled energy markets. Less volatility in energy markets and stable prices at a reasonable level for consumers and producers emerged as a shared ambition and new co-operative mantra.

The first Ministerial meeting, in what developed as the informal energy dialogue in the IEF took place in Paris in 1991. The second Ministerial took place here in Norway at Solstrand. The 10th Meeting of Ministers in the International Energy Forum took place in Doha, Qatar in April gathering Ministers and senior officials of 59 countries. Ministers of energy producing and consuming countries, the major industrialized as well as developing countries met under the IEF's global political umbrella, across traditional political, economic and energy policy groupings and dividing lines in our ever-more interdependent world. They focused on a cluster of issues related to energy security and the links between energy, environment and economic development.

### **Shared perspectives**

Their consensus was clear: The world will need more and cleaner energy used in a more efficient way, accessible and affordable to a larger share of the world's population.

Ministers noted that world economic growth had remained strong despite increasing oil prices and market volatility. They expressed, however, concern over the effects of sustained high price levels on the world economy, especially on developing countries. The current higher oil prices were attributed to a number of factors, including increasing demand, tight up- and down stream capacities, intervention of non-industrial actors and geo-political developments, which have increased anxiety in the market.

Ministers confirmed their shared interest in reduced market volatility and prices at reasonable levels for both consumers and producers. They noted increasing producer and consumer interdependencies in energy. They called for a stepping up of investments across the energy chain to meet the substantial increase in demand required for global economic growth and social development in the years ahead.

As the world will continue to rely strongly on ample supplies of fossil fuels, Ministers underlined the need to accelerate the development of cleaner fossil fuel technologies. They underlined the need to develop alternative sources of energy as well. And to increase energy efficiency.

It is crucial for the long-term energy security of both consumers and producers, Ministers underscored, to improve access to markets, resources, technology and financial services. Bolstered by fair and transparent economic, fiscal and legal regulatory frameworks, and by good governance.

Ministers underlined the importance of transparency and exchange of data for market predictability and the investments required to enhance energy security. They reaffirmed their support to the Joint Oil Data Initiative. And some Ministers called for JODI to be expanded, in due course, to include also other sources of energy important in the world energy mix.

### **Data and transparency**

The Joint Oil Data Initiative is a concrete outcome of the producer consumer dialogue. Co-ordination of this unique inter-organizational initiative is a flagship Secretariat activity.

More than 90 countries, representing more than 90% of global oil supply and demand, are now submitting data to JODI. The data cover production, demand and stocks of seven product categories: crude oil, LPG, gasoline, kerosene, diesel oil, fuel oil and total oil. For many countries, especially the top 30 producers and consumers, timeliness, coverage and reliability are already at reasonable levels.

The IEF Secretariat is managing the World Database of the Joint Oil Data Initiative on behalf of partner organizations. This World Database was released to the public in November last year by King Abdullah of Saudi Arabia in the presence of Ministers of key energy producing and consuming countries, including Norway, on occasion of the inauguration of our Secretariat headquarters in Riyadh.

To help enhance the quality of data, the IEF Secretariat held last week in Caracas, in cooperation with OLADE, the Government of Venezuela and our other partners, a regional training session for Latin American countries on JODI and energy statistics. We envisage a similar regional training session later this year in Johannesburg for countries of Southern Africa. Furthermore, the Secretariat will host the 6th Annual JODI Conference in Riyadh in November this year.

Please have a look at the back page of the special brochure on JODI, that we have distributed. You will see a chart with smiling, neutral and grumpy faces for each country participating in JODI. These faces indicate the degree of JODI partners' satisfaction with each individual country with regard to the submission, timeliness and completeness of their data.

JODI is international ambition translated into action with the objective of improving the quality and transparency of international oil statistics that are important for investments and energy security. JODI is promising work in progress with great potential. The success of the initiative will be determined by the collective ability of participants to sustain and improve their efforts. The submission of timely and accurate data by participating countries is crucial for its success.