

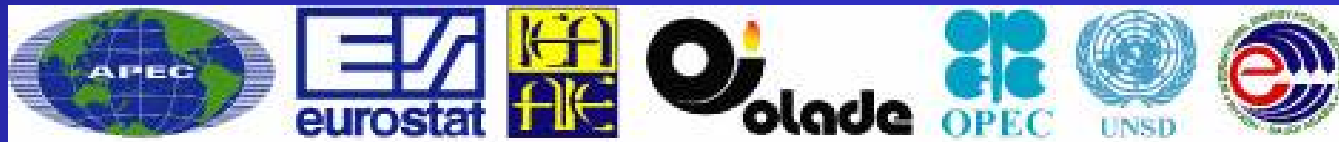


The Joint Oil Data Initiative

A concrete action to improve transparency in oil markets

Workshop on the economic impact of rising oil prices
European Parliament, 28 June 2006

P. Lösönen, Eurostat





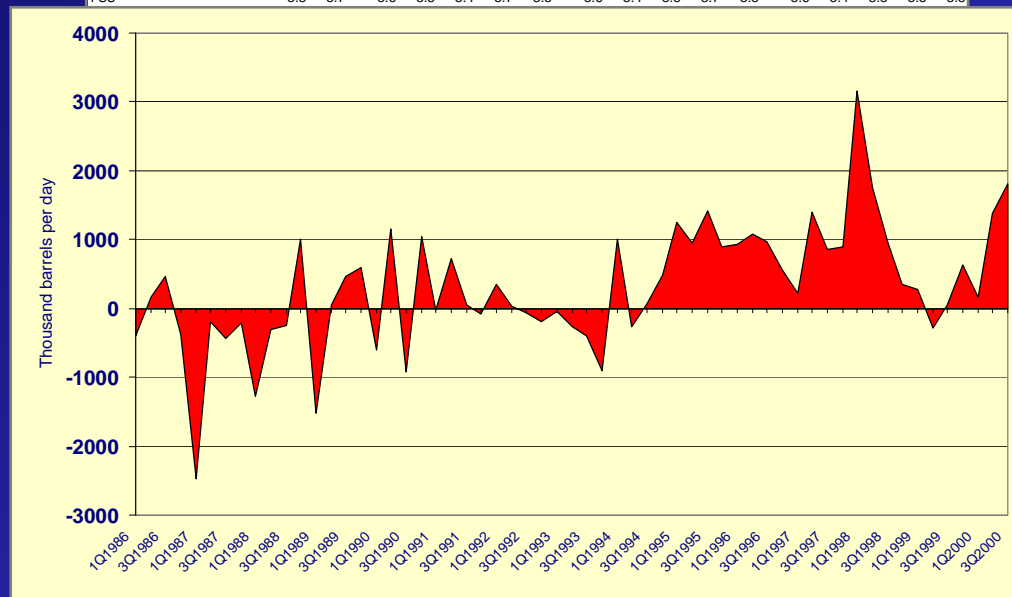
Background

- At the end of the 90's
 - there was an unusually high volatility of oil prices
 - At the same time quality of global oil statistics was not satisfactory:
 - Supply did not match with demand
 - Real production, stocks and demand were not known
 - The poor quality of oil statistics was identified as an aggravating factor for the volatility
- The need for reliable oil data became evident to have more transparency in the oil market



**Table 1
WORLD OIL SUPPLY AND DEMAND**

	1997	1998	1Q99	2Q99	3Q99	4Q99	1999	1Q00	2Q00	3Q00	4Q00	2000	1Q01	2Q01	3Q01	4Q01	2001
OECD DEMAND																	
North America	22.7	23.1	23.6	23.5	24.1	24.3	23.9	23.6	23.7	24.3	24.4	24.0	24.3	23.9	24.5	24.7	24.3
Europe	15.0	15.3	15.8	14.4	14.7	15.6	15.1	15.1	14.5	15.0	15.3	15.0	15.3	14.6	15.1	15.6	15.2
Pacific	9.0	8.4	9.4	7.9	8.2	9.1	8.6	9.3	8.0	8.3	8.8	8.6	9.5	8.1	8.4	9.0	8.7
Total OECD	46.7	46.8	48.7	45.7	47.0	49.0	47.6	47.9	46.3	47.7	48.4	47.6	49.1	46.6	48.0	49.3	48.2
NON-OECD DEMAND																	
FSU	3.8	3.7	3.6	3.3	3.4	3.7	3.5	3.6	3.4	3.5	3.7	3.5	3.6	3.4	3.3	3.5	3.5



	1997	1998	1999	2000	2001							
Total Supply	74.4	73.3	73.3	73.1	73.0	74.1	73.2	76.2	77.0	76.3	76.7	
STOCK CHANGES AND MISCELLANEOUS												
Reported OECD												
Industry	0.3	0.2	-0.7	0.4	-0.2	-2.4	-0.7	-0.3	0.9	0.4	-0.1	0.2
Government	0.0	0.1	0.0	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.3	-0.1
Total	0.3	0.3	-0.7	0.4	-0.3	-2.5	-0.8	-0.3	0.9	0.4	-0.4	0.2

Miscellaneous to balance 0.9 1.6 0.2 -0.3 0.0 0.5 0.1 0.1 1.4 0.7 1.9 1.0

	1997	1998	1999	2000	2001												
Memo items:																	
Call on OPEC crude + Stock ch. ⁵	25.9	26.0	28.3	26.1	26.7	28.2	27.3	26.7	25.4	27.3	27.0	26.6	27.8	25.6	27.2	28.0	27.2
Total Demand ex. FSU	69.3	69.8	72.1	69.6	70.6	72.9	71.3	71.9	70.5	72.4	72.7	71.9	73.7	71.6	73.3	74.7	73.3
Total demand ex. FSU (% ch) ⁶	3.1	0.7	3.7	1.8	1.5	1.7	2.2	-0.3	1.2	2.6	-0.2	0.8	2.5	1.6	1.2	2.7	2.0

¹ measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers and refinery fuel and includes crude for direct burning, oil from non-conventional sources and other sources of supply
² net of volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
³ comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
⁴ includes changes in non-reported stocks in OECD and non-OECD areas
⁵ equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
⁶ year on year % growth in global oil demand excluding FSU

OIL MARKET REPORT

INTERNATIONAL ENERGY AGENCY - ORGANISATION INTERNATIONALE DE L'ENERGIE

11 February 2001

HIGHLIGHTS

- World oil supply held level in January at 73.0 million barrels per day (mbo/d) compared with 72.9 mbo/d in December 2000. The increase in supply was due to rising production in the United States and increases in non-OPEC supply and refinery output.
- OPEC oil supply production rose 0.2 mbo/d in January to 27.2 mbo/d from 27.0 mbo/d in December 2000. Production in the United States rose 0.2 mbo/d to 26.7 mbo/d. Non-OPEC supply rose 0.1 mbo/d to 26.6 mbo/d.
- Global oil demand growth for 2000 has been modest at 0.8 mbo/d to 73.3 mbo/d. Demand growth in some developing countries led to 0.5 mbo/d. There is a notable increase in demand for refined oil products in Europe. In January, the International Energy Agency's report said demand for refined oil products rose 0.2 mbo/d to 27.2 mbo/d from 27.0 mbo/d in December 2000. Demand for refined oil products rose 0.2 mbo/d to 27.2 mbo/d from 27.0 mbo/d in December 2000.
- Stocks of refined oil products in OECD and non-OECD areas rose 0.2 mbo/d to 27.2 mbo/d from 27.0 mbo/d in December 2000. Stocks of refined oil products rose 0.2 mbo/d to 27.2 mbo/d from 27.0 mbo/d in December 2000.

Next issue: 11 March 2001



JODE (2001)

- 7th International Energy Forum (IEF) meeting in Riyadh, 2000
- In 2001 six international organisations (APEC, Eurostat, IEA, OLADE, OPEC and UNSD) launched the Joint Oil Data Exercise (JODE)
- A small questionnaire including main flows of crude oil and petroleum products
 - ➔ Deadline one month after the reference month (M-1 reporting)
 - ➔ Organisations collect the data from their member countries



From JODE to JODI

- 8th IEF meeting in Osaka, 2002
 - Full political support to continue the efforts to increase transparency of oil data
- The six organisations made the exercise permanent and renamed it **Joint Oil Data Initiative (JODI)**
 - Rotating coordination
 - Inter-secretariat meetings
 - Conferences



Milestones of JODI after the IEF meeting in OSAKA 2002

- Creation of JODI database in 2004
 - Data quality (timeliness, completeness and accuracy) had improved significantly
- IEF secretariat (IEFS) situated in Riyadh, Saudi Arabia started its work in December 2003
 - IEFS took over the coordination role of JODI in 2005 (the 7th international organisation in JODI)
- Comprehensive quality evaluation of the JODI data in 2005 (world top-30 oil producers, consumers and stock holders)
- Opening of the World Jodi Database to public, 19 November 2005



King Abdullah of Saudi Arabia launching the JODI World Database



King Abdullah launches the database of world oil producers and consumers in Riyadh on Saturday. Riyadh Governor Prince Salman and Oil Minister Ali Al-Naimi, left, are also seen. (SPA)



World JODI database

- Accessible to public
 - www.jodidata.org
 - Currently production, stocks, stock change and demand of crude oil and petroleum products are in public domain
- Data covers more than 90% of the world crude oil production and consumption
- Includes data from 92 countries
- Indication of the quality of the data by the color of the cell, a unique feature



A View of the Live Database

Beyond 20/20 WDS - Table View - Microsoft Internet Explorer

Address: http://iefs-cmn/WDS/TableViewer/tableView.aspx

English

Reports Joint Oil Data Initiative Global data Help

Actions

OTHER: Unit - Thousand Barrels (kbbl) Product - Total Products Balance - Demand

TIME	Jul2004	Aug2004	Sep2004	Oct2004	Nov2004	Dec2004	Jan2005	Feb2005	Mar2005	Apr2005	May2005	Jun2005	Jul2005	Aug2005
Country	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓	↑↓
Hong Kong	9,978	9,737	9,818	8,795	10,067	10,087	10,810	8,426	8,513	8,279	9,435	8,322	8,320	8,917
China														
Hungary	3,902	4,018	4,047	4,388	4,316	4,482	3,750	3,518	4,105	4,120	4,526	4,279	4,627	4,120
Iceland	645	1,118	533	510	630	105	653	34						
India	71,116	61,773	67,294	70,736	68,626	78,457	71,314	67,09						
Indonesia	38,037	36,270	0	37,603	36,810	0	37,820							
Iran (Islamic Rep.)	33,294	37,262	35,340	35,340	35,700	37,603	38,068	36,960	43,338	35,310	36,828	0	40,424	41,819
Iraq	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ireland	4,762	4,790	5,191	5,473	4,881	5,670	5,121	5,339	5,945	4,952	4,938	5,530	4,649	5,241
Italy	59,715	52,889	57,379	58,602	54,046	58,187	52,416	51,878	56,586	52,613	51,936	52,205	55,036	51,041
Jamaica	1,188	1,123	995	1,170	1,204	124	1,145	1,145	0	0	0	0	0	0
Japan	160,497	166,360	151,021	161,008	158,607	187,922	183,288	177,169	189,948	157,929	144,998	154,802	157,841	158,375
Kazakhstan	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Korea	61,557	65,631	64,743	69,214	69,713	78,6								65,600
Kuwait	10,230	11,067	8,640	8,928	7,410	8,0								12,183
Latvia	704	837	829	1,048	1,044	1,3								1,212
Libya	5,983	6,293	5,550	6,634	6,660	6,386	7,533	6,356	7,285	7,080	7,006	6,780	0	0
Lithuania	1,775	1,947	1,939	1,837	1,697	1,861	1,533	1,548	1,736	1,689	1,775	1,767	1,814	1,986

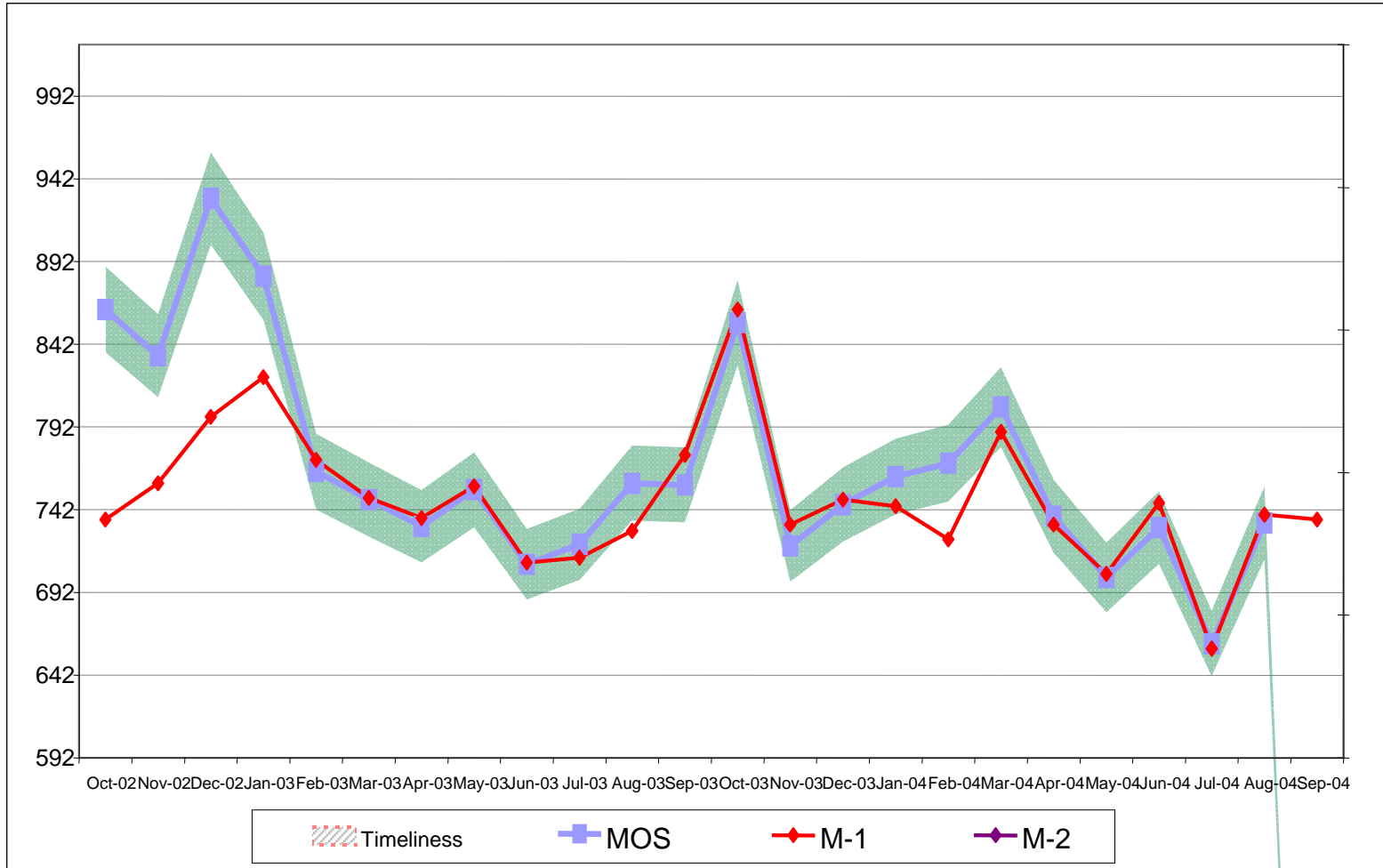
Monthly update, M-1 data

Color code indicating data comparability (blue, yellow, white)

Done Local intranet



Denmark



MOS Range
3.0%

Product
Total Oil

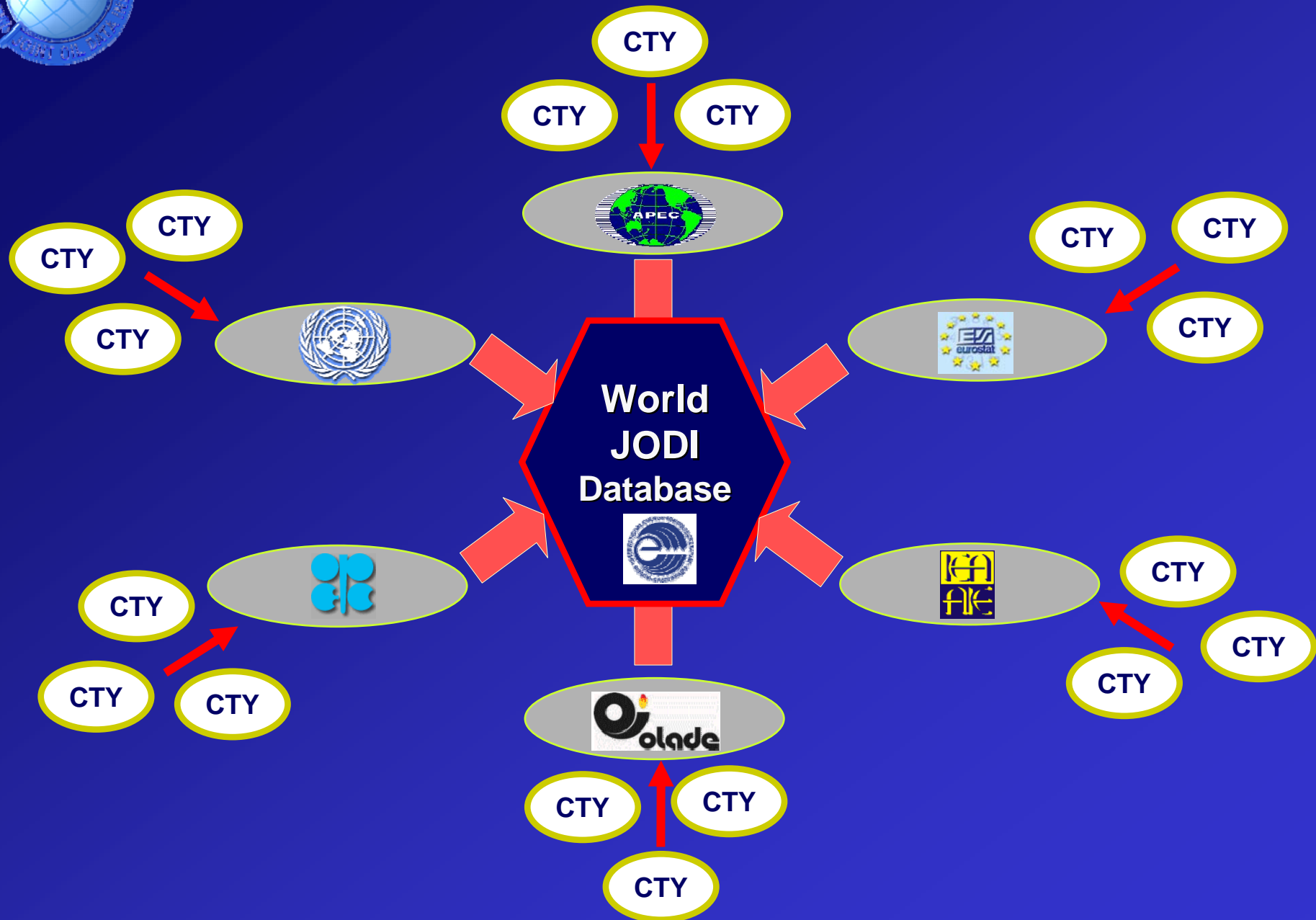
Flow
Demand

MOS M-1 M-2 Timeliness





Six Organisations plus the IEFS as Co-ordinator





Ongoing activities

- **Creation of JODI user and methodology manual**
 - **First edition scheduled by the end of June 2006**
 - **Data providers and data users**
- **Training of statisticians**
 - **Venezuela in August 2006 for Latin American countries**
 - **South Africa at the end of 2006 for African countries**
- **Enlargement of public part of JODI database**
 - **Currently crude oil production, stocks, stock change and demand of petroleum products are in public domain**
 - **Quality evaluation of refinery input and output data in view to opening this data into public in 2006**
- **Preparation of the 6th JODI conference at the end of November in Riyadh**



Main achievements of JODI beyond data collection

1. Political **awareness** of the difficulties encountered in improving data quality has risen
2. Statistical **systems** in many countries are improving / have improved
3. **Attitudes** towards confidentiality and reliability are evolving
4. A world-wide **network** of oil statisticians have been created multiplying contacts between oil companies, countries and organisations paving the way for the global harmonisation of energy statistics
5. **JODI has demonstrated that oil producer – consumer dialogue is has lead and is further leading to concrete actions**



And then, what's next?

- Expanding the JODI Questionnaire
 - ➔ Horizontally: more products (NGLs, ...)
 - ➔ Vertically: more flows (stocks, trade,...)
- Duplicating the approach to gas?
- Using a similar approach to reserves?



Can transparency in oil statistics improve financial stability

- High volatility of oil prices can create instability in economy
- There are several possible reasons for fluctuating oil prices
 - Uncertainty in supply / demand
 - Natural disasters, for example hurricane Katrina in the US in 2005
 - Wars, for example Iraqi war
 - Political instability, case Venezuela
 - **Unknown oil stock level, production and demand = POOR STATISTICS**



Can transparency in oil statistics improve financial stability

😊 JODI has certainly improved the transparency in oil markets

😊 Policy makers and other stake holders can be more sure about the stocks levels and have a better view the probability of real shortage in supply

😞 Natural disasters etc. cannot be predicted

😞 Speculation of oil futures cannot be stopped just by improving the statistics

- *Feedback from the data users is essential*
 - If the data does not fulfill expectations,
 - Proposals for improvements are welcome
 - More resources have to be engaged



Strong political support reaffirmed + launch JODI database

Strong political support

Decision to make the exercise a permanent reporting mechanism (JODE => JODI)

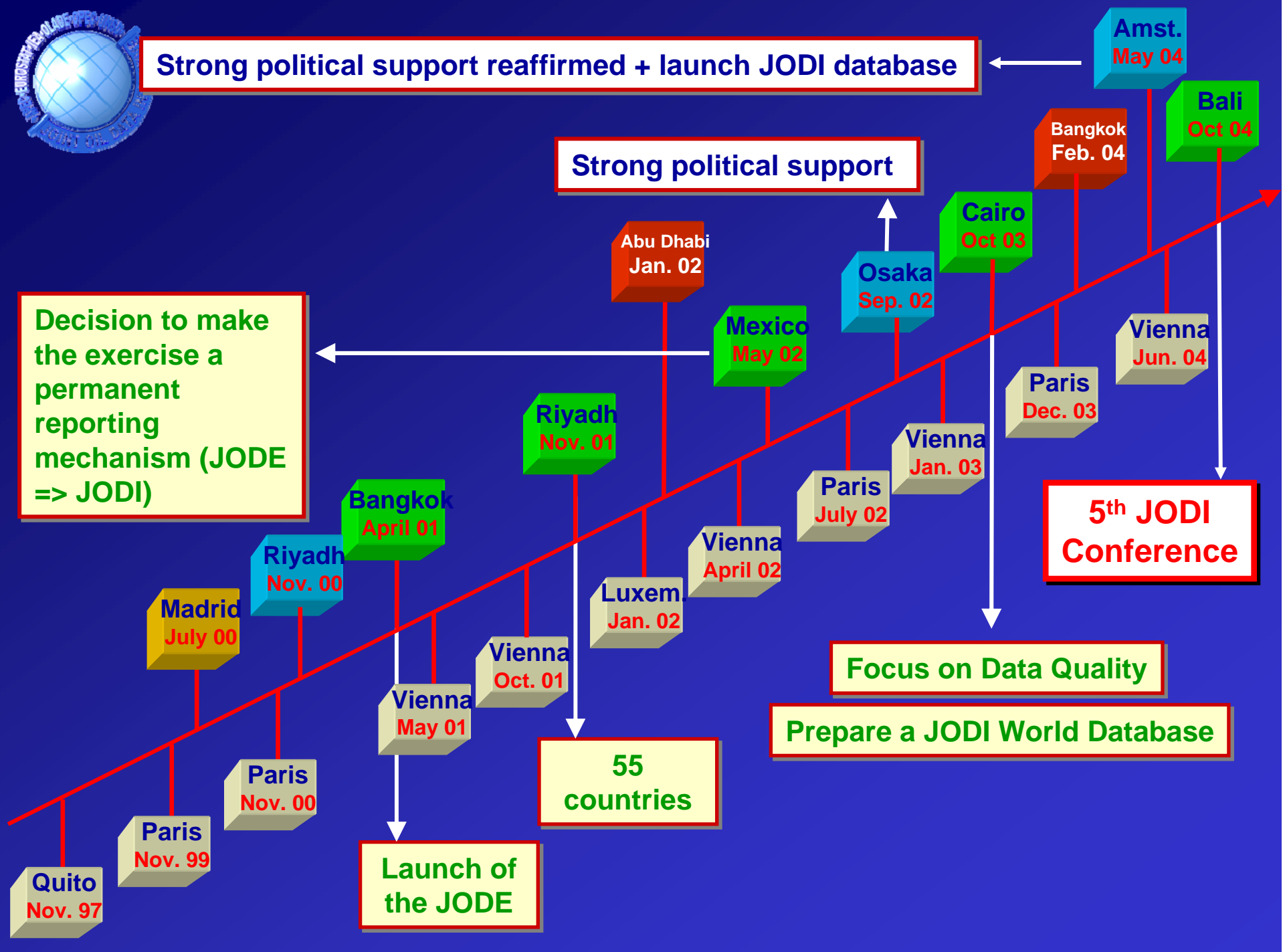
5th JODI Conference

Focus on Data Quality

Prepare a JODI World Database

55 countries

Launch of the JODE





Lessons from the Initiative

- A lot can be achieved by working together
- A close interaction between organisations, countries and the industry is key to move a process
- Improving data transparency will not happen over night
- Transparency will not happen if not all the parties do not full participate



www.jodidata.org



Thank you