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
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>
<thead>
<tr>
<th>Table 1</th>
<th>WORLD OIL SUPPLY AND DEMAND</th>
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<td>Total OECD</td>
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<td>NON-OECD DEMAND</td>
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<td>FSU</td>
<td>3.6 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</td>
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</table>

**STOCK CHANGES AND MISCELLANEOUS**

| Memo Items: | |
| Call or OPEC crude + Stock ch. | 25.9 26.0 28.3 26.1 26.7 28.2 27.3 26.7 25.4 27.3 27.0 28.6 27.8 25.8 27.2 28.6 27.2 |
| Total Demand ex. FSU | 107.2 108.6 106.6 107.6 111.3 119.8 105.5 72.4 72.7 71.9 73.7 118.5 119.7 | 72.3 72.3 72.3 72.3 |
| Total demand ex. FSU %chg. | 3.1 -0.7 -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 |

**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 |

Legend:
1. Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers and refinery fuel and includes crude for direct burning.
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. Includes changes in non-reported stocks, in OECD and non-OECD areas.
4. Includes reported stocks in OECD and non-OECD areas.
5. Represents total demand in OECD, total demand in non-OECD areas and other sources of supply.
6. Separates total demand in OECD and non-OECD areas.
7. Includes "Miscellaneous to balance" for historical time periods.
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

#### Monthly update, M-1 data

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</table>

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

 المعارف

เยODYI has certainly improved the transparency in oil markets

Policy makers and other stakeholders 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
Decision to make the exercise a permanent reporting mechanism (JODE => JODI)

Strong political support reaffirmed + launch JODI database

Launch of the JODE

Focus on Data Quality

Prepare a JODI World Database

5th JODI Conference

55 countries
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