

## 7<sup>th</sup> Regional JODI Training Workshop

8-10 October 2012, Rabat, Morocco

# Extending JODI to Natural Gas (JODI Gas)

**Fuad A. Al-Zayer**  
**International Energy Forum**



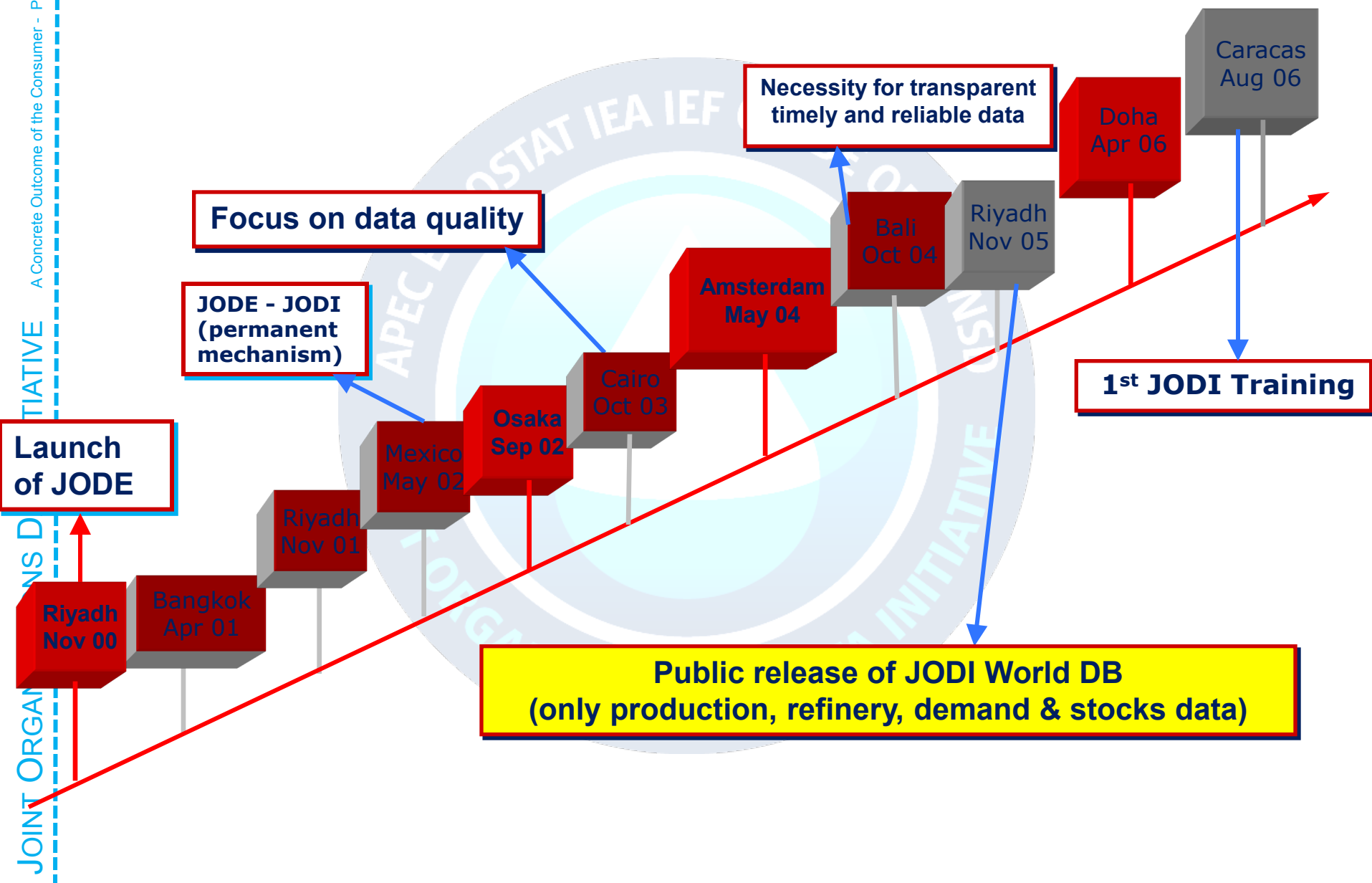
Energy Working Group



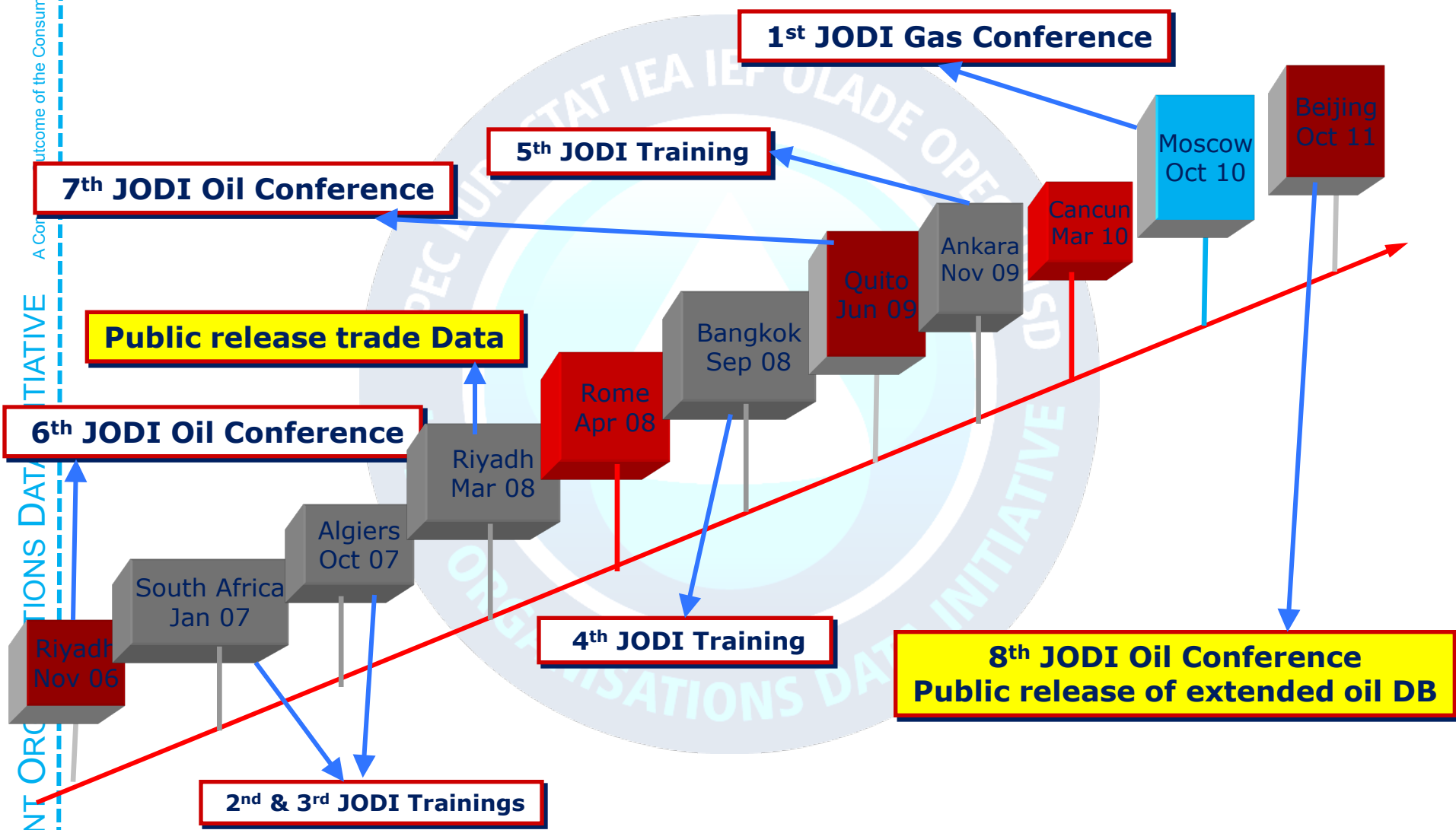
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Energy Agency



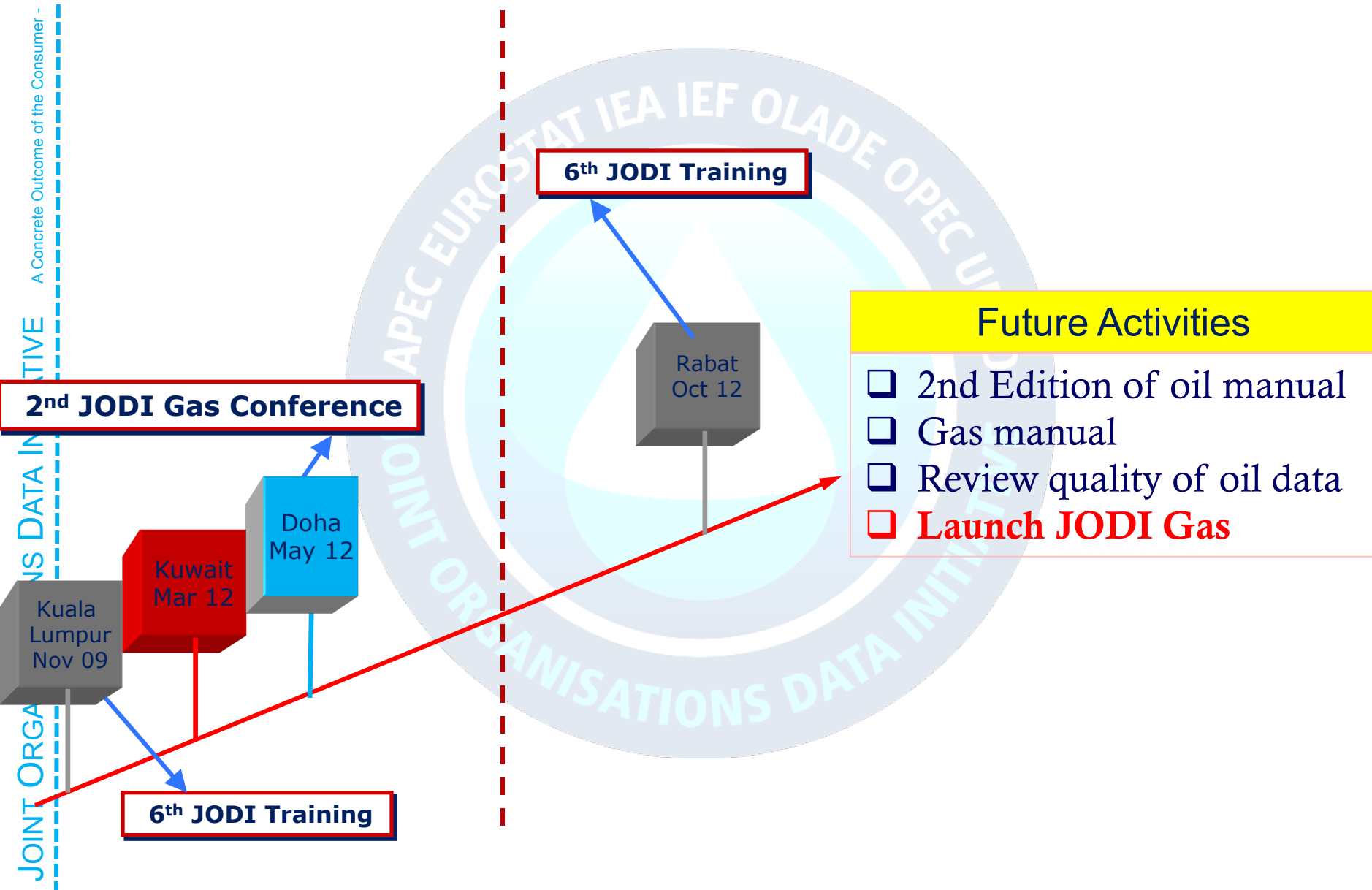
# Evolution of JODI – Part I



# Evolution of JODI – Part II



# Evolution of JODI – Part III



# Why JODI Gas?

- The need for more Transparency in the Gas Market.



# Recent Changes in Gas Market

- Global natural gas trade expanded, and price interactions increased as the volumes of spot and short-term LNG traded worldwide rose sharply.
- The global spot market has matured, which implies greater potential for interconnections between regional markets.
- The increase in shale gas sources has reduced imports of LNG in the US with major consequence. ( The US shale gas revolution occurred simultaneously with the great recession and consequently with the collapse of gas demand in the US.)
- LNG producers now focus on Asian region. (Natural gas prices trading higher in Asia due to increased demand as a consequence of the Fukushima tragedy and linkage of natural gas prices with oil and products prices.)

# Global Dynamics in Gas Market

- Increasing globalization of the natural gas business. (Markets are influenced by changes in supply and demand globally, as well as locally.)
- Producers, consumers and traders of gas need information on conditions elsewhere in the world.
- Natural gas is consumed and produced in seven major regions—Asia-Pacific, Europe, Eurasia, North America, Latin America, the Middle East, and Africa.
- Market players in all regions have an interest in seeing an improvement in the quality of information and data to enable them to conduct their business more efficiently.

# The Need for Dialogue and Transparency

- The long term nature of the gas business, and the need for security of supply & demand, essential for the development of the LNG industry.
  - The future of global gas consumption hinges on the ability of natural gas to compete with other sources of energy in a global market.
  - Companies need information on supply/demand, among others, to mitigate financial risks to their activities.
- (Dialogue between importers and exporters would enhance transparency in the international gas market, & support efficiency.)**



# The need for a JODI gas Database

- Implementation of JODI-Gas database is the initial step to increase transparency: This will help reduce uncertainty, improve predictability and facilitate project planning.
- JODI offers a unique and practical platform on which to build an information infrastructure, similar to oil with JODI-Oil.
- The type of information that can most usefully be provided by governments in the interest of enhancing market transparency are: (Supply + Demand + Storage (Stocks) + Import + export.)

# Calls by IEF Ministers

- IEF Ministers first called to extend JODI to other sources of energy goes in the 10th IEF Ministerial held in Doha in 2006.
- Explicit reference to natural gas was made at the 11th IEF Ministerial in Rome and the Extraordinary Energy Ministerial Meetings of Jeddah and London, held in 2008, asking the IEF to collaborate with other relevant international organizations.
- It was subsequently supported at the 12th IEF Ministerial in Mexico in 2010 and at the G20 Summit in Cannes in 2011.
- Finally, this interest again received strong support from Energy Ministers at the 13th IEF Ministerial in Kuwait (March 2012).

# Calls by G20 & G8

- Heads of State at the G8 Summit in L'Aquila (July 2009) and the G20 Summit in Pittsburgh (September 2009) asked to start work on JODI Gas similar to JODI Oil.
- A joint (OPEC-IEF-IEA) report to the G20 Cannes meeting in November 2011, called for improvement in the quality of information to improve market transparency.
- G20 Cannes Summit Declaration in November 2011 requested Joint Organizations Data Initiative (JODI) extension to natural gas to:
  1. increase transparency in the international markets for gas,
  2. improve the economic efficiency of the markets
  3. and reduce price volatility.

# What work has been done so far?

- The IEF and JODI partner organizations conducting a gas data collection exercise to assess MC's abilities on a monthly basis since 2009 .
- Today, 52 countries are participating in this exercise, accounting for 66% of the global natural gas supply and 72% of the world natural gas demand.
- The first Gas Data Transparency Conference was held in Moscow in October 2010 to discuss the necessary conditions for establishing a monthly gas data collection mechanism at the global level.
- The second Gas Data Transparency Conference was held in Doha, Qatar on 22 – 23 May 2012.

# Present Participation in gas data collection exercise

## Total 52 Countries and economies

Eurostat: 23 MC / EU candidates		APEC: 19 countries/economies	
<ul style="list-style-type: none"> <li>● Austria</li> <li>● Belgium</li> <li>● Bulgaria</li> <li>● Croatia</li> <li>● Denmark</li> <li>● Estonia</li> <li>● Finland</li> <li>● France</li> <li>● Germany</li> <li>● Greece</li> <li>● Hungary</li> </ul>	<ul style="list-style-type: none"> <li>● Ireland</li> <li>● Italy</li> <li>● Latvia</li> <li>● Lithuania</li> <li>● Norway</li> <li>● Poland</li> <li>● Portugal</li> <li>● Romania</li> <li>● Slovakia</li> <li>● Slovenia</li> <li>● Spain</li> <li>● Turkey</li> </ul>	<ul style="list-style-type: none"> <li>● Australia</li> <li>● Brunei</li> <li>● Canada</li> <li>● Chile</li> <li>● China</li> <li>● Chinese Taipei</li> <li>● Hong Kong</li> <li>● Indonesia</li> <li>● Japan</li> </ul>	<ul style="list-style-type: none"> <li>● Korea</li> <li>● Malaysia</li> <li>● Mexico</li> <li>● New Zealand</li> <li>● Peru</li> <li>● Philippines</li> <li>● Russia</li> <li>● Thailand</li> <li>● USA</li> </ul>
*There are some data submission from Vietnam, Peru prior to Jan 09			
OLADE: 5 countries		UNSD: 5 countries	
<ul style="list-style-type: none"> <li>● Bolivia</li> <li>● Brazil</li> </ul>	<ul style="list-style-type: none"> <li>● Dominican Rep.</li> <li>● Trinidad/Tobago</li> <li>● Uruguay</li> </ul>	<ul style="list-style-type: none"> <li>● Azerbaijan</li> <li>● India</li> </ul>	<ul style="list-style-type: none"> <li>● Ukraine</li> <li>● South Africa</li> <li>● Tunisia</li> </ul>

# 2<sup>ND</sup> Gas Data Transparency Conference

22-23 May 2012, Doha, Qatar



Hosted by the Government of Qatar with the support of the Joint Organisations Data Initiative (JODI) partners



Joint Organisations Data Initiative



# Recommendations of JODI Gas Doha Conference

- The Conference built upon the experience from the 1st Gas Data Transparency Conference (Moscow, 2010)
- The Conference recommended to establish a *permanent* initiative to be called *JODI-Gas* in symmetry with JODI-Oil.
- The conference called for countries to have access to data for internal testing purposes as a pre-cursor to the public launch.
- The conference called for organizations to leverage experience gained to ensure the development of a natural gas information resource of similar standing to JODI Oil.

**(The SG of IEF sent a letter to IO's to officially Launch this initiative . )**



← PROBLEM

SOLUTION →



# JODI-Gas Challenges & Related Countermeasures

Challenge	Countermeasure
<b>Confidentiality</b>  Participants noted that <b>while some nations and companies have concerns about releasing data</b> , in the end not supplying data has a negative effect on the marketplace -- raising uncertainty and fueling price volatility.	<b>Exercise to an Initiative</b>  After conversations with JODI partners, <b>the IEF has requested that all JODI partner organisations to transform the JODI-Gas exercise into a permanent initiative</b> . If JODI-Gas becomes a permanent initiative that should encourage broader participation.

# JODI-Gas Challenges & Related Countermeasures

Challenge	Countermeasure
<p><b>Political Will</b></p> <p>Participants discussed how in some cases <b>companies are not providing data because they are not mandated to do so by law.</b> Some Conference attendees requested support for the creation of data reporting legislation, while others mentioned that their countries were waiting for JODI-Gas to be launched so that they would feel obligated to participate.</p>	<p><b>Beta Testing of JODI-Gas</b></p> <p><b>Launch a beta version of the JODI-Gas database, which will at first only be made available to participating countries</b> so that they may provide feedback/share insights, with the next step to be a public launch of the database (as soon as technically feasible). This should help to build on the existing momentum.</p>

# JODI-Gas Challenges & Related Countermeasures

Challenge	Countermeasure
<p><b>Lack of Trained Personnel</b></p> <p><b>Technical support and training are vital to improving data quality</b>, and a lack of expertise or understanding of key definitions or methodologies can be a barrier to sourcing reliable and consistent data. Topics such as measurements, conversion factors and calorific values can be a source of problems when comparing gas data and sources.</p>	<p><b>Ongoing Training &amp; Requests for Support</b></p> <p>The IEF will continue to organize regional <b>training sessions</b>, both to train statisticians and to generate awareness for the JODI principles of cooperation and greater transparency.</p> <p>The IEF is also sharing this message with its key stakeholders to <b>request resources to ensure that member nations can train staff</b>.</p>

# JODI-Gas Challenges & Related Countermeasures

Challenge	Countermeasure
<p><b>Need for Data Harmonisation</b></p> <p>Gas markets are shifting from being regional toward global – hence the <b>need for harmonized definitions</b>.</p> <p>Participants in Doha underscored the <b>need for a JODI-Gas training manual</b>, and possibly the development of a “knowledge-based platform” for the sharing of countries’ experience in the collection of JODI-Gas data.</p>	<p><b>Development of a JODI-Gas Training Manual</b></p> <p>The <b>United Nations Statistics Division</b> graciously offered to take the lead in <b>creating a JODI-Gas manual</b>.</p> <p>The IEF will also <b>launch an online forum</b> through which participants in the JODI initiative will be able to share ideas, ask questions and post answers.</p>

# Timeline Toward JODI-Gas

## A Clear Roadmap to Launch

**2009**

- Ministers had been calling for the extension of JODI to other fuels since 2006.
- The JODI-Gas exercise was launched in October 2009.

**2012**

- Support reaffirmed at the 13<sup>th</sup> IEF Ministerial in Kuwait.
- 52 countries currently participating.
- **Exercise to an Initiative.**
- **Launch beta version.**

**2013**

- **Finalise JODI-Gas Manual.**
- **Organise JODI-Gas regional training.**
- **Review findings of beta test.**
- **Launch JODI-Gas.**

# Thank You



IEF Secretariat in Riyadh

# Back Up Slides

