

**ASSOCIATION DES PRODUCTEURS DE PETROLE AFRICAINS
AFRICAN PETROLEUM PRODUCERS' ASSOCIATION**

**ADDRESS BY Mr Dave LAFIAJI, EXECUTIVE SECRETARY OF THE
AFRICAN PETROLEUM PRODUCERS' ASSOCIATION (APPA) AT THE
OPENING SESSION OF THE JOINT OIL DATA INITIATIVE (JODI) TRAINING
WORKSHOP,**

JOHANNESBURG, 30 JANUARY - 02 FEBRUARY 2007

I am delighted to be here this morning for the opening session of the Joint Oil Data Initiative Training Workshop, which kicks off shortly. As it has been appropriately described, JODI is a bold statement of the willingness and the ability of institutions representing the interests of producers and consumers of hydrocarbons to work together in promoting oil market stability by way of improved information flows. It is an initiative that looks to make us all, oil producers and consumers alike, winners. The African Petroleum Producers' Association fully supports this initiative as it is being ably coordinated by the IEFS.

I am as much delighted that this workshop is being organised here in South Africa, which as you probably know already, joined APPA, last year, as a full Member. South Africa's robust technological infrastructure, notably in energy research and production, provides a good fit with the profile and fundamental objectives of APPA.

As an inter-governmental organisation created to serve as a platform for African petroleum producing countries to cooperate, collaborate, share knowledge and competences as well as promote common policy initiatives in all facets of the petroleum industry, APPA believes that the pursuit of its mission of contributing to the optimisation of the developmental and welfare benefits accruable to its Member Countries from petroleum exploitation activities is enhanced in an environment of orderly growth of the global oil and gas industry. The JODI effort has the potential to make a significant impact in this regard. Indeed, we believe strongly that institutional collaboration on multi-dimensional issues of global importance is the way to the future

Excellencies, Ladies and Gentlemen,

As you may be aware, APPA Members Countries currently control the near-totality of Africa reserves and production of hydrocarbons, standing at about 113 billion barrels of oil which represents around 10% of the world total. They also hold as a group, the greatest potential to add to Africa's share in the global numbers for oil, gas and their derivative products and this where the significance of these indicative figures really lies.

The on-going implementation of the APPA data bank system dedicated to the oil and gas sector of our Members grew from our conviction that data exchange is a driving force for cooperation among Members. Coupling our platform to the JODI World Database for oil and gas is thus a plausible progression of our current efforts and in that regard, we wish to work with our institutional partners.

It is important that we realise that the mere publication of information can neither diminish nor increase the quantum of oil-in-place or reserves underlying a given territory. On the other hand, its transparent delivery and honest interpretation can produce salutary effects on decision-making to the extent that it reduces the number of uncertainties, thereby contributing to the reduction or moderation of oil market volatility.

A key issue that confronts institutions involved in data gathering/publishing is the perceived notion encountered in certain circumstances whereby the gathering and transmission of data by the competent bodies to user national or international institutions, is seen as an optional rather than a mandatory business function. This will remain a major challenge for JODI as it has been for some of its partner institutions. The enthusiasm shown for JODI in very influential global energy circles should prove very helpful in meeting this challenge.

Over the past several decades, a number of public and private sector institutions have individually shouldered the burden of gathering, processing and ensuring worldwide publication of oil and gas data from around the world. These companies and institutions, among those frequently cited as sources in academic and corporate strategy papers, include, BP, Energy Information Administration (US), International Energy Agency (OECD), World Bank/IMF, the United Nations. The efforts of these institutions in filling the energy information role, are worthy of commendation. The JODI effort must look to leverage the resources of these institutions, some of which, in fact, already form part of JODI. The active collaboration of the major oil companies on this initiative must also continue to be sought.

The joint oil data platform being developed under this initiative should rapidly command industry acceptance and support by virtue of its multi-institutional perspectives and the fact of its coverage of the oil aggregates and flows in the major oil producing and consuming centres. The process of harmonising and standardising oil data gathering and sharing across territories and companies needs to be set in motion and I believe the production of the JODI manual is a suitable beginning. In a truly global industry like oil and gas, nothing short of this type of framework will fit the bill. One clear advantage of this for all stakeholders is the reduction in the cost per unit of published data, and this will even be further enhanced by a higher data quality in terms of completeness and timeliness of delivery.

Excellencies, Ladies and Gentlemen,

Let me conclude by wishing participants in this programme a most instructive and enriching workshop. As part of the people that are or will be involved in using the tools and deploying the capabilities acquired from this workshop in the collection and delivery of oil data in your countries, your field performance is ultimately critical to the success of the collaborative approach that JODI is championing for the good of all of us.

Thank you for your kind attention.