

**The Joint Oil Data Initiative
Regional Training Workshop for
Sub-Saharan African Countries
Johannesburg, South Africa
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THE JOINT OIL DATA INITIATIVE
An Achievement of the Producer-Consumer Dialogue

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

The Joint Oil Data Initiative is a concrete outcome of the producer-consumer dialogue. It is a response to the political call for the better data and more transparency that are so important for efforts to enhance global energy security. It is a pleasure for me, on behalf of the International Energy Forum and our partner organizations, to welcome you to this Regional JODI Training Workshop for Sub-Saharan African Countries, graciously hosted by the Government of South Africa.

We are greatly honoured that H.E. Buyelwa Patience Sonjica, the Minister of Minerals and Energy of South Africa, has kindly consented to inaugurate the workshop. We are very much looking forward to her address. Not least in light of South Africa's longstanding support to the global energy dialogue in the International Energy Forum. But also in light of South Africa's role, present and future, in Regional African and wider global co-operation. South Africa hosted the Sixth IEF Ministerial in 1998. It has been a Member of the Executive Board of the IEF Secretariat. As a Member of our Informal Support Group of Countries, South Africa will be making an important contribution to our next Ministerial, which Italy will host next year.

Let me also thank the Government of Norway for providing financial assistance to our efforts to promote JODI among developing countries within their "Oil for Development Programme". My friend of almost forty years, Ms. Inger Stoll, the Charge d'Affaires and Development Counsellor of the Embassy of Norway here in South Africa, will add some Norwegian perspectives following Minister Sonjica's inaugural address.

I am also very pleased that the Executive Secretary of the African Petroleum Producers' Association (APPA) Mr. Dave Lafiaji has joined us this morning, representing as he does wider African energy interests and ambition. Dave and I both represent inter-governmental organizations. His is regional. Mine is global. Regional energy dialogue and co-operation provide corner-stones and guidance for our global endeavours in the IEF. We are in close contact given the increasing importance of Africa and given the potential of energy in helping to meet many of the challenges facing your Continent. South Africa's very successful hosting of the 18th World Petroleum Congress in September 2005, did, indeed, bring South Africa and the Continent to the centre of attention in international energy affairs. The African dimension of the global energy dialogue is a truly important one. And South Africa has a role to play as its voice.

Unique Global Dialogue

Energy security continues to top the political agenda worldwide, for energy importing as well as exporting countries, for industrialized as well as developing economies. Energy is crucial for our efforts to reach the Millennium Development Goals articulated at the World Summit on Sustainable Development here in Johannesburg in 2002. Energy is the focal theme of the UN Commission on Sustainable Development at its 15th Session in New York in May. In a word, energy is a defining issue of our day and age.

The past has shown how energy, especially the strategic commodity oil, and market volatility could impact domestic economic development and also how it could create conflict or exacerbate political tensions between countries and groups of countries. An image of confrontation had developed between producers and consumers of petroleum. OPEC and the IEA emerged as the bi-polar and multilateral expression of conflicting producer-consumer interests. Happily, the OPEC and the IEA are in close co-operative contact today. And both are providing much appreciated support to the wider global dialogue in the IEF.

The global dialogue on energy in the IEF gathers more than 60 countries at the level of Ministers. Their informal and frank dialogue transcends traditional political, economic and energy policy dividing lines. The IEF gathers under one global umbrella Ministers not only of the petroleum-exporting countries of OPEC and the Ministers of the industrialized, energy-importing countries in the IEA. It also gathers Ministers of countries outside these organizations, such as Russia, China, India, Brazil, South Africa and others, that will have increasing impact on the global scenario in a multi-polar energy world.

The 10th IEF took place in Doha, Qatar in April last year. Ministers discussed energy security as a "Shared Responsibility". They also highlighted the interrelationship between energy, environment and economic development. Minister Sonjica's predecessor, Minister Hendricks, took active part bringing African and developing country perspectives forcefully to bear on the discussions. Ministers discussed energy security with the CEO's of leading national and international energy companies in the 3rd International Energy Business Forum that preceded their own Ministerial discussions.

Heightened Global Concern

Our JODI Workshop is taking place at a time of heightened energy consciousness around the world. A time of uncertainties, not only in energy, but also political and environmental uncertainties and concern, and with increasing interdependencies among nations. Global producer-consumer dialogue acquires increasing importance as nations revisit and modify established policies, and shape new ones, in their quest for energy security.

Amid these uncertainties, there is a fundamental certainty. That is that 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. The political challenge lies in operationalizing this energy imperative in a fair and sustainable way. Through national policies as well as in bilateral, regional and wider global co-operation.

In the coming years, producer-consumer dialogue and relations will evolve against a complex backdrop, some catchwords of which are that:

- Fossil fuels will remain paramount for quite some time with increasing attention to development of alternatives.
- Increasing energy demand, efficiency and trade.
- Increasing competition for energy resources and among energy resources.
- Resource nationalism. Nations wanting to make the most of their endowment.
- Energy interdependence or energy independence for energy security?

- Environmental concern. Catastrophe or environmentally benign technological breakthroughs?
- Vulnerability of energy production and supply to politically motivated disruption, technical mishap and forces of nature.
- Call for good governance and transparency.
- Energy a "Public Good". People expect their Governments to provide sufficient, reliable and affordable energy.
- Energy poverty. Demands for equitable access to energy for the quarter of the world's population who do not have it, but who want it and need it for a better life tomorrow.
- The shift to Asia of global economic gravity with geopolitical and energy implications.
- Increasing awareness of long-term communality of interests among producers and consumers in a globalizing world.

An Energy Scenario

We know that the increase in global energy demand in the years ahead will be substantial. The resources are there, but timely investments of some USD 20 trillion, half of this in developing countries, are needed to meet projected demand over the next 25 years.

The IEA's "business-as-usual" scenario sees energy demand increasing by more than half over today's level by 2030. Fossil fuels will remain the primary sources of energy and account for four-fifths of total demand. Oil would account for 32%, natural gas for 23% and coal for 26% of the energy mix. These fossil fuels would dwarf the 5% share of nuclear, the 4% share of hydro and other renewables as well as the 10% share of biomass and waste.

Fossil fuels are expected to meet more than 80% also of the total increase in global energy demand by 2030, most of which will come in the developing countries as they industrialize and their economies grow. Global energy related CO2 emissions would grow correspondingly, increasing by more than half from today's level. Over three quarters of this increase would come from developing countries.

Today, 1.6 billion people lack access to electricity and two-fifths of the world's population rely mainly on traditional biomass for their basic energy needs. Energy poverty is widespread, a serious problem and contrary to any ambition of sustainable economic and social development.

JODI – A Flagship Activity

I have wanted to sketch a wider political backdrop against which our JODI Training Workshop is taking place. Co-ordination of this unique inter-organizational initiative is a flagship Secretariat activity with the full and active support of our partners – the pioneers of JODI - the Asia-Pacific Economic Co-operation (APEC), the European Union through Eurostat, the International Energy Agency (IEA), the Latin-American Energy Organization (OLADE), the Organization of Petroleum Exporting Countries (OPEC) and the United Nations through their Statistics Division.

Governments of both energy-importing and energy-exporting countries as well as industry share a fundamental interest in having the best possible data and information at hand, when policy and investment decisions are made. JODI and other transparency initiatives can thus promote better decision-making. IEF Ministers have on repeated occasions underlined their support of JODI and the importance of transparency and exchange of data for market predictability and for the investments required to enhance energy security. They envisage JODI, in due course, being expanded to include also other sources of energy that are important in the world energy mix.

The importance of JODI was also underscored by the G8 Heads of Government in their St. Petersburg Plan of Action on Global Energy Security last summer. They invited the IEF to work on the expansion of JODI membership and to continue to improve the quality and timeliness of data. High level political support to JODI is being echoed also in other regional contexts and by the G20 Finance Ministers a few months ago.

The IEF Secretariat hosted the 6th International JODI Conference in Riyadh last November against this backdrop of high political expectation. Inaugurated by the Minister of Petroleum and Mineral Resources of Saudi Arabia, the Conference gathered 120 participants, representing thirty governments, including South Africa, as well as international energy organizations, energy companies, research institutes and consultants. It marked the first anniversary of the release to the public of the JODI World Database, which the IEF Secretariat is managing with input and support of our partners. More than 90 countries, representing 90% of global supply and demand, are now submitting data on production, demand and stocks through their organizations.

With the objective of improving national data submissions, and following up the G8 Summit call for us to expand JODI membership, the IEF Secretariat will organize a series of regional JODI training workshops in co-operation with our JODI partners and governments concerned. The first was held in Caracas in August last year for Latin American countries. The second regional training session is this one, for Sub-Saharan African countries hosted by South Africa. We envisage additional regional workshops next year, one for Middle East and North African countries and one for Caspian countries.

Let us use this opportunity to announce for the first time that we can now offer, thanks to the special Norwegian financial contribution, scholarships to officials from developing countries to come to Secretariat headquarters in Riyadh for a few weeks to familiarize themselves further with JODI. I hope to see some of you come in such capacity.

JODI is international ambition translated into action. It is a co-ordinated, inter-organizational response to the political call for the better data and increased transparency that are important for market predictability, investment decisions and energy security. For its success, we rely on the active support of participating countries and their submission of timely and accurate data.