



20th World Petroleum Congress

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OPEC Secretary General**

**Producer-consumer dialogue:
expectations and deliverables**

**7 December, 2011
Doha, Qatar**



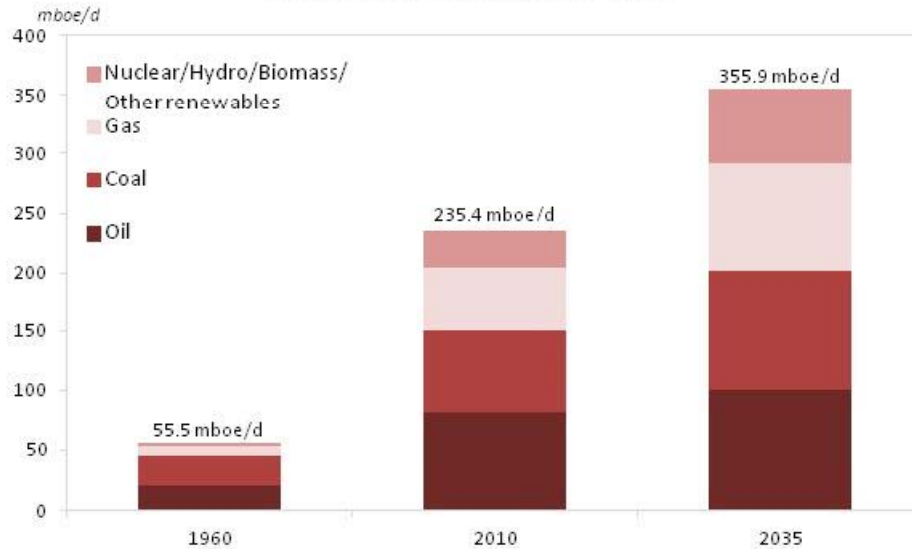
Importance of the producer-consumer dialogue

- **OPEC long recognized the value of dialogue and cooperation**
- **Today, the importance of cooperation has never been greater; increasingly interdependent world**
- **The heartbeat of this world is the global energy system**
- **Critical all stakeholders work together for market stability**



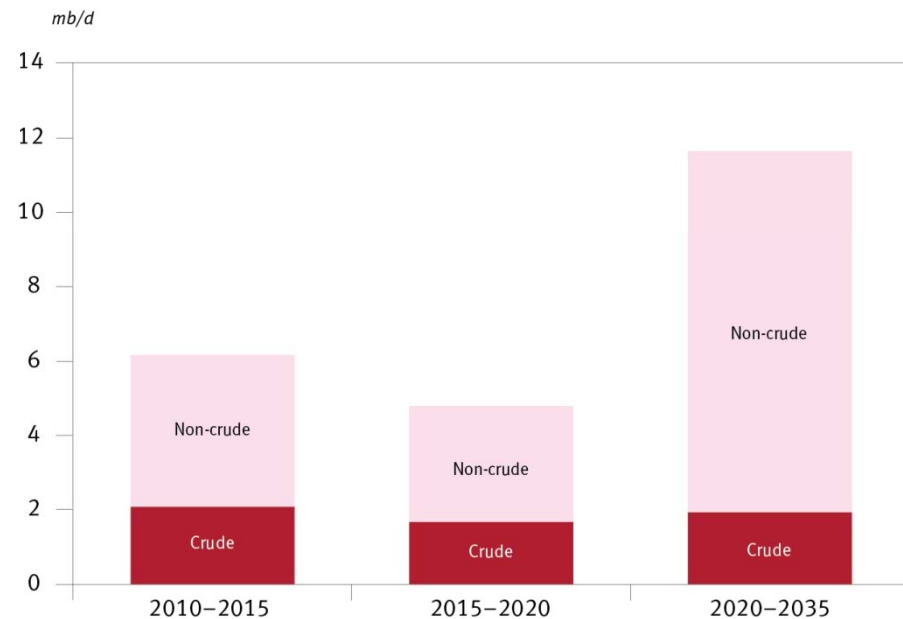
World energy supply by fuel type in the Reference Case

Total energy supply, 1960-2035



- Oil remains key
- And there will be a diversity of oil supply

- Energy demand to increase by over 50% by 2035
- Fossil fuels will continue to be the major source of energy supply
- Renewables will increase, but from a low base
- There are plenty of resources to meet these growth patterns





World oil demand outlook in the Reference Case (mb/d)

	2010	2015	2020	2035
OECD	46.1	46.0	45.2	41.9
Developing countries	35.9	41.8	47.2	61.9
Transition economies	4.8	5.1	5.3	5.9
World	86.8	92.9	97.8	109.7

- **By 2035, oil demand is 110 mb/d, 23 mb/d higher than today**
- **The transportation sector is key to this increase**
- **80% of demand increase is in developing Asia**
- **Per capita oil use remains vastly different between the OECD and the developing countries**
- **But there are many uncertainties**



World oil supply outlook in the Reference Case (mb/d)

	2010	2015	2020	2035
OECD	19.9	20.3	20.4	22.2
Developing countries, excl. OPEC	16.9	18.4	19.4	19.3
Transition economies	13.4	14.3	14.9	16.1
Total non-OPEC	52.3	55.3	57.3	60.5
OPEC NGLs	4.8	6.2	7.2	9.4
OPEC GTLs	0.1	0.3	0.4	0.6
OPEC crude	29.3	31.3	33.2	39.3

- **Increases in non-OPEC supply come from non-conventional and conventional oil, the latter mainly from Caspian and Brazil**
- **OPEC increases crude supply by 10 mb/d by 2035, while OPEC NGLs also rise strongly**
- **OPEC has a broad portfolio of investment projects**
- **But security of demand remains a genuine concern**



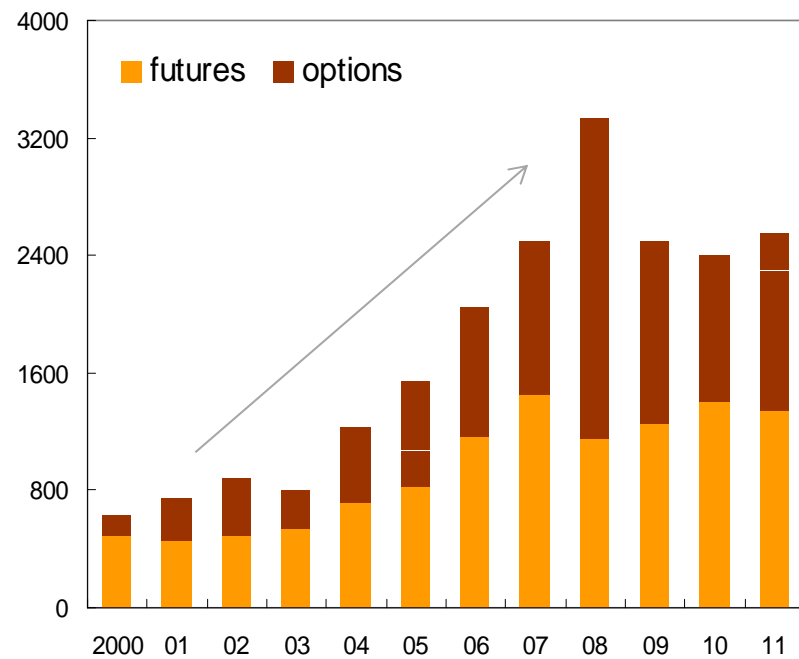
The current oil market situation

- **This year the oil market has been in constant flux**
 - Ups and downs for the global economy
 - Japan's multiple disaster
 - Unrest in parts of North Africa and the Middle East
- **However, no shortage of oil**
- **OPEC Member Countries helped balance the market**
- **Libya production and export capacity returning**
- **Spare capacity at comfortable levels**
- **Average price level for the year satisfactory for producers and consumers**
- **Speculative activities in the market persist**

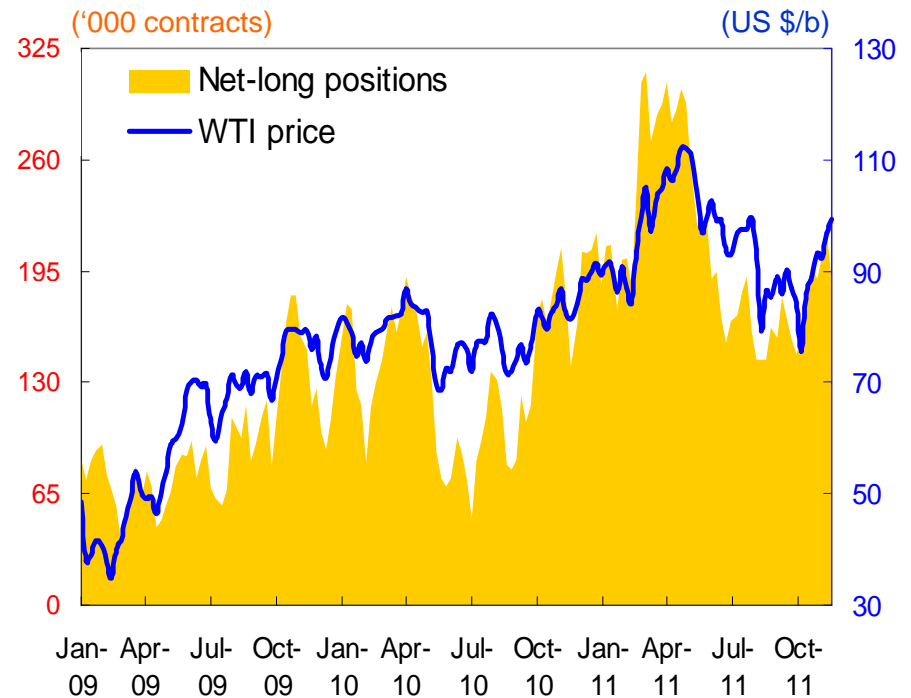


Increased speculative activities

Increased trading activity in NYMEX
(Open interest, '000 contracts)



Co-movement between speculator
activity and crude oil prices



- **Climate change negotiations**
 - Need to reach an agreement that is comprehensive, balanced, fair and equitable and respect principles, commitments, provisions and obligations of the UNFCCC and the Kyoto Protocol
- **Eradicating energy poverty**
 - Access for all to reliable and sustainable modern energy services
 - Energy poverty needs the urgent and critical attention of world leaders (Rio+20)
- **Excessive market volatility and the role of speculation**
 - Events have shown that excessive speculation can cause prices to detach from fundamentals
- **Human resources**
 - Address the difficulties in finding and hiring labour, and facilitate education and training in energy disciplines



Maintaining strong and constructive relationships

- **International Energy Agency (IEA)**
 - Cooperation goes back many years
 - Next year joint workshop in Kuwait on CO₂ for enhanced oil recovery
 - IEA Greenhouse Gas Emissions Programme
- **IEA-OPEC-International Energy Forum (IEF)**
 - Joint workshops (e.g. financial markets, energy regulation)
 - Annual symposium on energy outlooks
- **IEF**
 - Participation in JODI
- **European Union**
 - Ministerial-level dialogue; joint studies and roundtables (e.g. Impact of economic crisis on oil investments; technology and the transportation sector; CCS)
- **G-20 Energy Agenda (with World Bank, OECD and IEA)**
 - Energy subsidies; study on price reporting agencies; Global Marine Environment Protection Initiative
- **United Nations**
 - UNCSD, UNFCCC, UNCTAD, UNEP, UNDP
- **Other non-OPEC producers**



Evolving the producer-consumer dialogue

- **Need to find common ground**
- **Shared solutions, where and when appropriate**
- **Producer-consumer environment that is conducive to reaching constructive end results**
- **Input from each and every stakeholder**
- **Objective: stable and sustainable energy future for all**



Thank you

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