



THE IEF – SERVING ALL, DOMINATED BY NONE

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The world's precious natural resources are key to human progress. They contribute towards alleviating poverty, stimulating economic growth and creating opportunities for people around the world to improve their lives.

Energy issues will, therefore, always form a fundamental aspect of geopolitical relations. This is why the aims and objectives of the International Energy Forum remain as important today as they did when the organisation was first conceived more than 20 years ago.

The 88 country members, accounting for around 90 per cent of global oil and gas supply and demand, is testament to this – but let us be under no illusions. It is easy to meet and to speak; it is much more challenging to meet the fundamental aims and objectives of the IEF, without continuous collaboration. It may be worth reminding ourselves as we meet here in Kuwait, about some of these goals.

A central IEF ambition is to foster greater mutual understanding and awareness of common energy interests among members, through the sharing of information, the exchange of views and the acceptance and promotion of clear principles.

It is clear that hydrocarbons will continue to be the major source fuelling the world's economy for many decades, with petroleum accounting for much of that energy. Stability and predictability in oil markets helps.

It is indisputable that energy interests are shared interests, and that in our interconnected world, all countries can be impacted by events in other parts of the world.

The 24-hour news media has a role to play, but it is incumbent on leaders, and on nations, to understand situations for themselves and to act in an appropriate, and measured, fashion. The IEF has an important role to play when it comes to engendering better understanding.

Another stated aim of the IEF is to promote a better grasp of the benefits of stable and transparent energy markets for the health of the world economy, the security of energy supply and demand, and the expansion of global trade and investment in energy resources and technology.

For its part, Saudi Arabia's position in the world oil market is based on its commitment to maintaining spare capacity for the sake of market stability. The Kingdom's policy in this regard is clear and has been consistent: moderation in all decisions that concern the global petroleum market.

Improving the lives of citizens should be a fundamental priority for all nations and it is clear that increased trade and

investment, and stable energy markets, contribute towards that goal. The IEF can, and does, play an important role, but it is just as clear that more effort and work is required.

The IEF also aims to identify and promote principles and guidelines that enhance energy market transparency, stability and sustainability. Reliable and transparent information is vital in reducing volatility in oil markets. It is the IEF's mission to encourage all members to provide such information in order to improve understanding and reduce instability.

The Joint Organisations Data Initiative (JODI) aims to help achieve a degree of market stability by providing timely, accurate and transparent oil market data. That the initiative has started is a positive, but it clearly has some way to go before we can be satisfied that the collection and dissemination of sound data is being done in a timely manner. Some countries struggle to meet the demands of JODI, but it is important that they work towards doing so to ensure the future success of the initiative.

Of course, no system will ever be perfect; it is a vast and dynamic industry, and there are so many competing interests, but more can be done. The IEF, and JODI, presents an opportunity for increasing the dialogue and enhancing the transparency.

One ultimate purpose of the JODI initiative is to reduce instability in markets. Price volatility is in no-one's interest, apart, perhaps, from the speculators, who make their money whether markets rise or fall. But as the recent financial crisis reminds us yet again, it was the lack of openness and transparency which helped create, and indeed exacerbate the problems, and this is something we are striving to avoid in the energy sector.

The organisation seeks to narrow the differences among energy producing, consuming and transit member states on global energy issues and promote a fuller understanding of their interdependency. It is an honourable, if sometimes challenging, target and one closely linked to another IEF goal, that of building confidence and trust. This meeting in Kuwait is another opportunity to build confidence and trust.

The International Energy Forum is precisely what it says: international. It is the sum of its parts, not steered or controlled by one country or group of interests. In that sense, the IEF is unique in the world of energy and energy policy. The IEF's mission is in the interest of all governments, countries and people. Openness, trust, stability and understanding – these are the ultimate aims to which Saudi Arabia is committed. ■