



THE FUTURE OF GLOBAL ENERGY SECURITY

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For over a quarter century the IEF has been a place where consumers and producers meet to understand each other's viewpoints, a stronghold for dialogue where we can come together and discuss questions such as: How can energy help create opportunities for all, regardless of nationality? How can we reduce inequality by providing reliable energy to our communities? How can energy continue to fuel economic growth? And how can the energy community ensure that this economic growth is sustainable and does not harm our planet?

In recent years the oil industry has been subject to many changes. As we like to say, change is the name of the game and with this in mind the joint effort, that started in the 15th IEF Ministerial Meeting, tackled head on the imbalances in the oil market. Today the work done by OPEC and non-OPEC producers is bearing fruit, and we are seeing a more balanced market. This is fundamental to avoiding cycles of price shocks where everybody loses and immense pressure is put on these people who are not able to cope with the swings of the market.

As oil producers it is our common duty to help create a world where everybody has access to secure, reliable and affordable energy. In every forecast oil is, and will remain, a fundamental part of the energy mix in the years to come (over 27 per cent by 2040 according to OPEC). Energy security will play a fundamental role in poverty reduction, as where there is electricity, heat and fuel, communities are able to flourish and unleash their full potential. Our job as change agents is to provide this opportunity to everyone around the globe.

We live in an era where there has been more data created in the past two years than in mankind's history, where communications are faster than ever and where the world is developing at a pace never seen before. These are truly amazing times, but nevertheless we also face the great challenge of climate change. The world has almost unanimously taken action against it and is outlining a framework under which we can start solving this problem together. In order to pursue the proposed 2° C pathway we view accountability, pragmatism and technology as the three essential pillars of success, where we have to focus our attention.

Every nation has to be accountable for their share of responsibility for climate change and in every measure agreed under the "Paris Agreement" there has to be

a clear differentiation between developing countries, which historically have not been the main contributors to climate change, and developed nations.

A pragmatic approach to solving this problem is key. We have to understand that in order to be successful in this endeavour we have to take a multi-pronged approach where there will be need for investment in the de-carbonisation of fossil fuels as well as in renewables. Oil will be needed to ensure global energy security in the years to come, but it has to become more environmentally friendly. The investment drought in the oil industry since 2014, has also become an obstacle in attracting new investment aimed at reducing the impact of the oil industry on climate change. Because this industry has great potential in contributing to the reduction in CO² emissions, there is the need for coordination between the oil industry and climate fund, (future investments related to CO² reduction), and this is why we believe that these investments should be prioritised mainly based on their potential for emissions reduction regardless of industry or country. For example, in Ecuador we have already invested in around US\$600 million reducing approximately 200,000 tons of CO² per year, but there still remains more than US\$700 million in planned projects which are waiting for funding.

Technology development and transfer will be essential in achieving our reduction targets, we have to further develop renewables as well as reduce CO² emissions per energy unit generated by fossil fuels. Given the magnitude of the challenge we have to be conscious that there will be a need for cleaning up fossil fuels, we will need a "greener" oil. Technology and successful experiences have to be shared globally in order to replicate fruitful projects and multiply their scope and effectiveness.

It is clear that in an energy sector that is more interconnected than ever, and that faces broad challenges, the IEF provides a strong platform to further articulate joint efforts aimed at improving the wellbeing of nations and the environment. We believe that the IEF which has already been witness to historic decisions such as the Algiers accord, will continue to deliver such landmark moments and will continue to be an enabler of such necessary actions. We are looking forward to a successful 16th IEF Ministerial Meeting and would like to thank the Government of India for hosting such an important event. ■