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European Mineral Resources Conference 2012

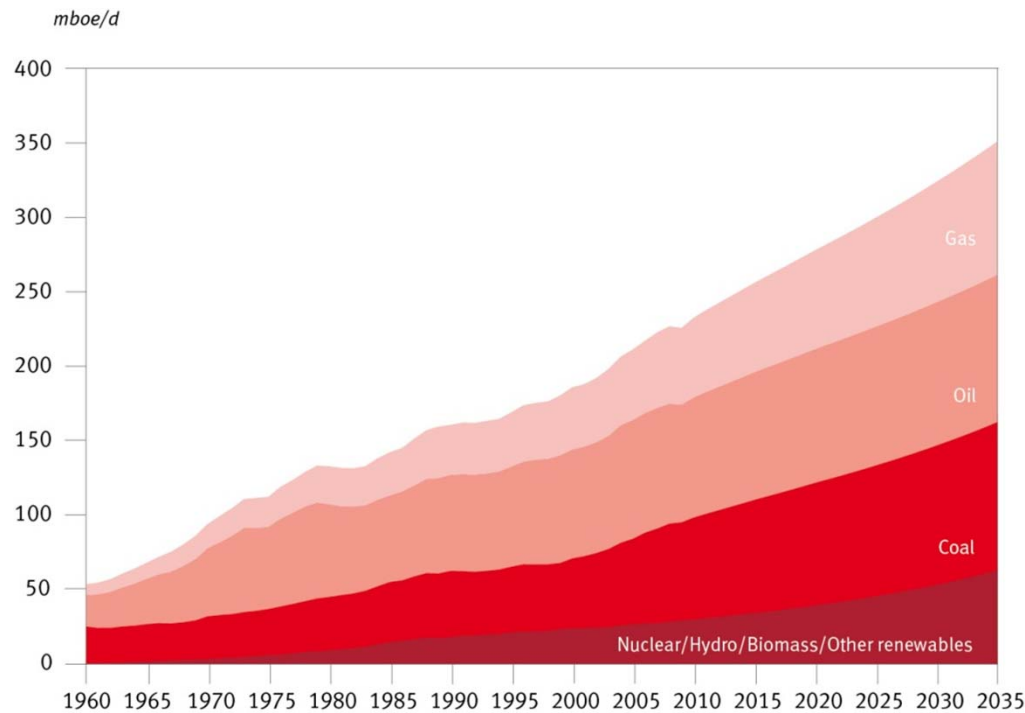
**‘The future development of the oil markets:
what it brings and what it means’**

**Leoben, Austria
19th September 2012**

World energy demand in the Reference Case



Total energy supply, 1960-2035

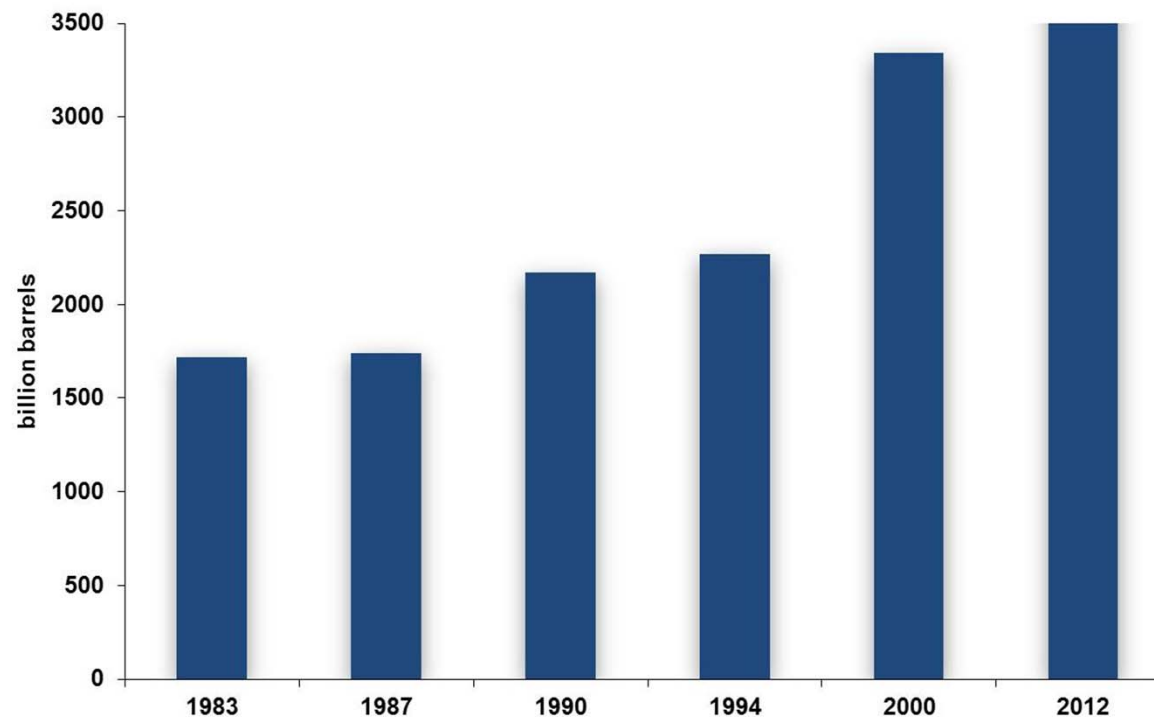


- Over the past 50 years, energy demand expanded dramatically
- Energy demand to increase by around 50% by 2035
- Fossil fuels will continue to satisfy the major share of energy needs
- Renewables grow fast, but from low base
- The overall share of oil will decline
- Oil will still see demand increase by close to 23 mb/d, reaching 110 mb/d by 2035

Remaining recoverable resources are amply sufficient



USGS estimates of World Ultimately Recoverable Resources



- **Technology and people continue to extend the reach of the industry**
- **USGS estimates of ultimately recoverable resources continue to rise**
- **Remaining resources sufficient for the foreseeable future**
- **The industry has always been able to deliver the supply needed to meet demand**
- **Significant investments are being made today**

The importance of the human resource



- **The industry needs more people to drive its expansion, however, there are many challenges facing the industry in terms of meeting future human resource needs:**
 - The large scale downsizing in the 1980s and 1990s that led to a lack of recruitment and many universities cutting back on energy-related courses
 - The fierce competition for talent from other industry sectors
 - A significant percentage of the workforce approaching retirement
- **What can the industry do to meet this human resource challenge?**
 - Make sure its well presented as a prime employment choice
 - Develop better relationships between prospective employees, universities and the industry
 - Nurture new graduates and potential workforce at an early age
- **The oil industry is a creative, dynamic and expanding sector; there are tremendous opportunities for eager young graduates**

Current oil market situation



- **Oil demand growth forecast for 2012 – 900,000 b/d; and 2013 – 800,000 b/d**
- **Non-OPEC supply increase forecast for 2012 – 700,000 b/d; and 2013 – 900,000 b/d**
- **Total commercial stock levels healthy**
- **Spare capacity at comfortable levels**
- **There is NO shortage of oil in the market**
- **Global economic uncertainties**
- **Speculation remains a challenge, behind much of the price volatility**

Three key 'long-term' takeaways



- **The world needs more energy, which means the industry is set to expand**
- **There are plenty of available resources to meet future demand growth. It is not a question of availability, but one of deliverability**
- **The industry needs more people**



Thank you

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