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

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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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