Thank you, Mr. Chairman.

Ladies and gentlemen: We have each been asked to provide some remarks to help frame the discussion that is expected to ensue over the next hour and a half.

I start with the recognition that to speak of geopolitics with any degree of certainty is almost an exercise in futility. Geopolitics is, by its very nature, super-dynamic – and too often geopolitical observers end up trying to ‘catch up’ with shifting global realities.

In an industry as complex and dynamic as ours, however, what we can do is consider as many factors as we can, look at driving forces and linkages under different scenarios, and then – perhaps – offer plausible suggestions about the paths that may evolve in the medium- and long-term.

For the purpose of this discussion, we should also see the uncertainty of geopolitics as closely linked to the energy transition that is taking place.

This energy transition is an ongoing, slowly evolving, long-term process. It is generally thought of simply as the transformation and expansion of the global energy mix. Yet there are several other ways in which it can be viewed.

First, we can speak of the transition away from energy poverty and towards increased access to affordable, reliable, sustainable and modern energy for all. This is something OPEC has always supported.

The move away from energy poverty is already occurring in some developing countries. But too many citizens of the world are not seeing the benefits. In fact, billions of people around the world – primarily in Africa, Asia and Latin America – still have no access to energy.
An estimated 1.1 billion people live without electricity, while some 2.9 billion people do not even have clean cooking facilities. More than 95% of these people live in either Sub-Saharan African or developing Asia, with the vast majority of them in rural areas.

Energy poverty needs to be addressed. It not only inhibits development progress. It also acts as an obstacle to the ongoing quest to achieve sustainable energy for all.

While access to affordable and clean energy has been officially recognized as one of the United Nation’s 17 Sustainable Development Goals in the “2030 Agenda for Sustainable Development”, there is still much to be done.

OPEC has always been at the forefront of the fight against energy poverty. Its Member Countries – all of which are developing countries – have also played a part in the fight against energy poverty.

In fact, the OPEC Fund for International Development, or OFID, which was established at a Conference of the Sovereigns and Heads of State of OPEC Member Countries in Algiers in 1975, has taken an important leading role in efforts to alleviate global poverty, including energy poverty.

Out of total contributions of $4.433 billion pledged in 2015 by OPEC Member Countries to OFID, they committed $213.3 million in financing for the energy sector. This directly benefitted 22 developing countries.

In general, OFID’s cumulative energy operations as of the end of 2015 accounted for almost $4.096 billion, representing about 23% of OFID’s cumulative commitments. These resources have been distributed among 86 countries over the years, supporting infrastructure projects, research and capacity-building.

Addressing energy poverty is a daunting but certainly not insurmountable challenge. We all need to consider ways to address this challenge, since it requires collaboration – especially by those countries with the greatest resources.

According to the UN’s Sustainable Energy for All initiative, the annual investment required to achieve universal energy access by 2030 is $50 billion.
So perhaps tonight is as good a time as any to once more urge the industrialized nations of the world to do more to help alleviate energy poverty.

We can also view the energy transition as the long-term process towards renewables driven by global environmental and energy policies.

While the future direction of such policies remains unclear, it is worth monitoring closely – especially in the context of the long-term outlook for oil.

Driven by ongoing climate change negotiations and national-level environmental policies, the long-term perspective as set forth in our 2016 *World Oil Outlook*, for example, sees renewables having the fastest growth in the period to 2040, albeit from a low base.

Fossil fuels are expected see their share in the energy mix fall slightly – from 81% to 77% by 2040. Oil and gas are still anticipated to account for 53% of total energy needs in 2040 – but this is similar to current levels.

In fact, OPEC estimates global oil demand to reach 109 million b/d by 2040 – with demand concentrated in aviation, road transportation and petrochemicals.

Furthermore, developing countries will continue to lead much of this demand growth.

If we recall the long-term projections of the IEA – elaborated on a moment ago by my friend, Dr. Fatih Birol – you can appreciate that there is almost a consensus between our two organizations.

In its central ‘New Policies Scenario’, the IEA sees oil demand growth slowing over the long-term. Like us, it sees demand in the range of 109 million b/d by 2040, with demand concentrated in the transport sector and petrochemicals.

Furthermore, like OPEC, the IEA sees total oil demand in OECD countries falling. Again, this is more than offset by significant increases elsewhere, particularly in developing countries like India.

While OPEC welcomes an expanded energy mix as an important contribution to growing energy demand worldwide, there is little question that hydrocarbons –
and, in particular, oil – will continue to be the fuel of choice for many years to come.

This brings me to a third way we can view the energy transition: moving towards enhanced use of R&D and technology to further improve the environmental credentials of fossil fuels.

Most people recognize that hydrocarbons are central to economic, commercial and industrial processes – and to our way of life. But to maintain this requires continuous and adequate level of investments.

At the moment, according to our figures, we see overall oil-related investment requirements of around $10 trillion over the period to 2040. This represents a challenge not just for oil producing countries but also for consuming countries.

While producers like those that are members of OPEC have the natural resources, the world’s advanced economies have the financial resources that are needed.

Regardless of how we view the energy transition, the geopolitical repercussions of the changes that are occurring are still rather unpredictable. This is why the role of energy in an interdependent world cannot be treated in isolation – and underscores the need for broad consultations with all energy stakeholders. This is something OPEC has done and will continue to do as we look ahead to the future.

Thank you.