

The 5th OPEC International Seminar

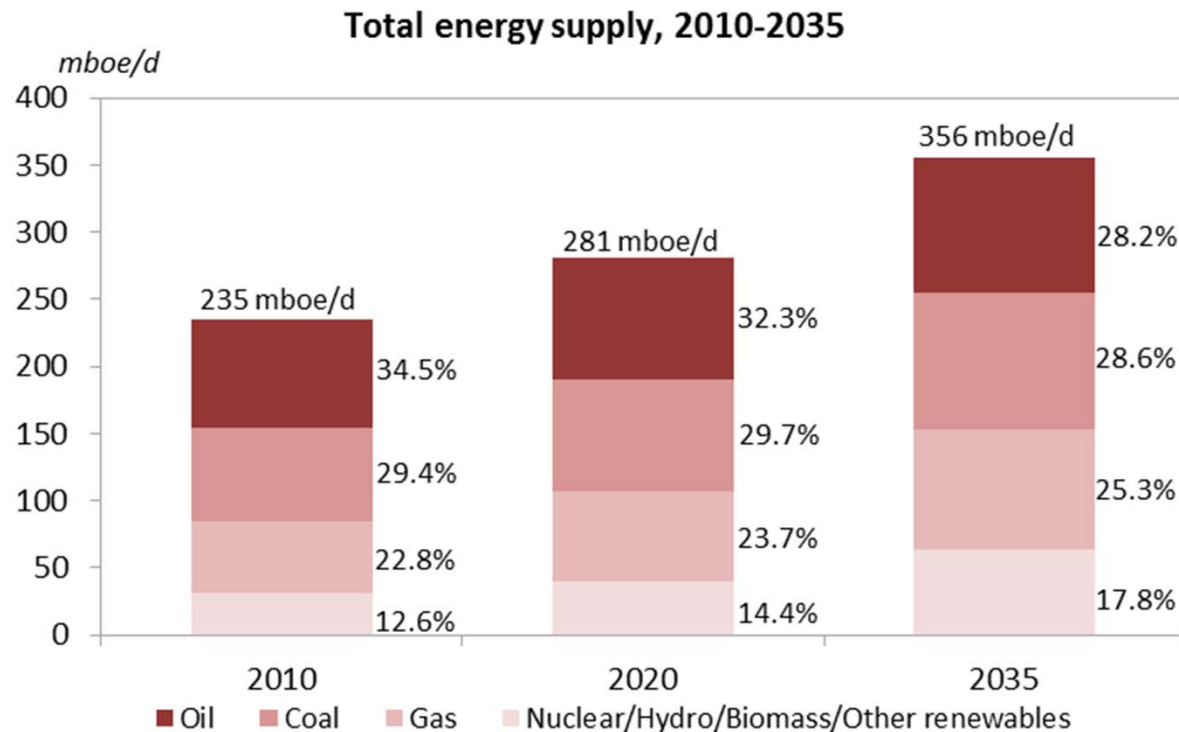


**Abdalla Salem El-Badri
OPEC Secretary General**

‘The Global Energy Scene’

**Vienna, Austria
13th June 2012**

World energy demand in the Reference Case

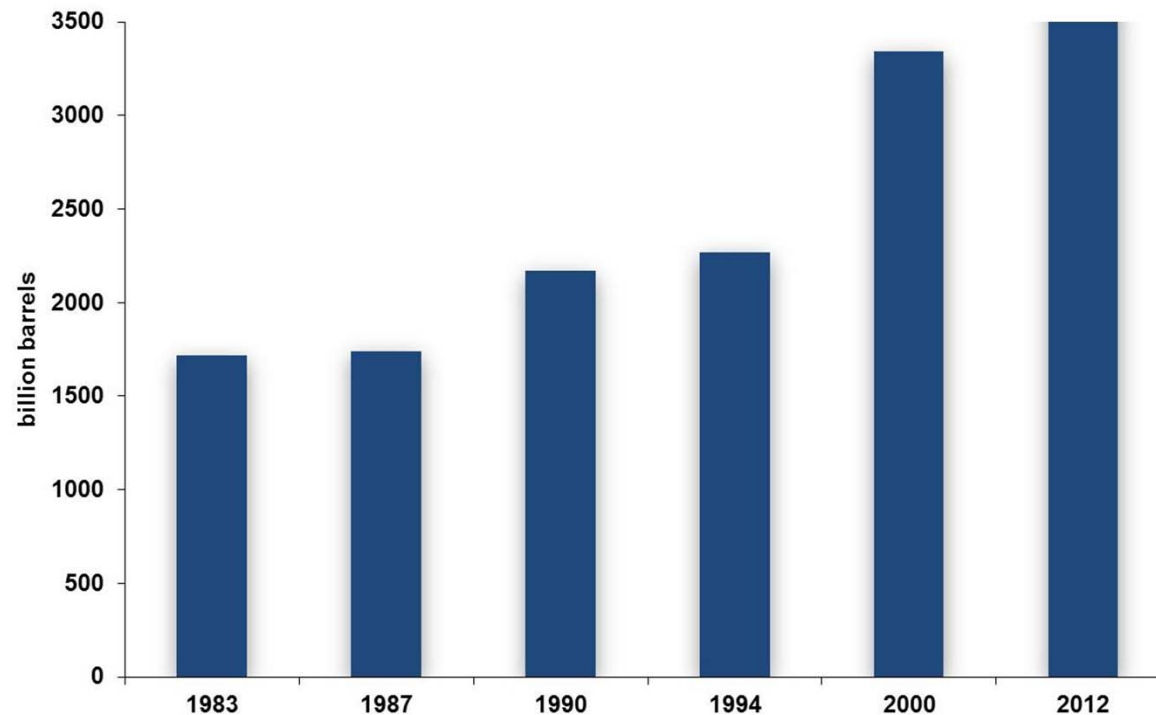


- Energy demand to increase by 51% by 2035
- Fossil fuels will continue to satisfy the major share of energy needs
- Renewables grow fast, but from low base
- The overall share of oil will decline, but retain the largest share for most of the period to 2035

Remaining recoverable resources are amply sufficient

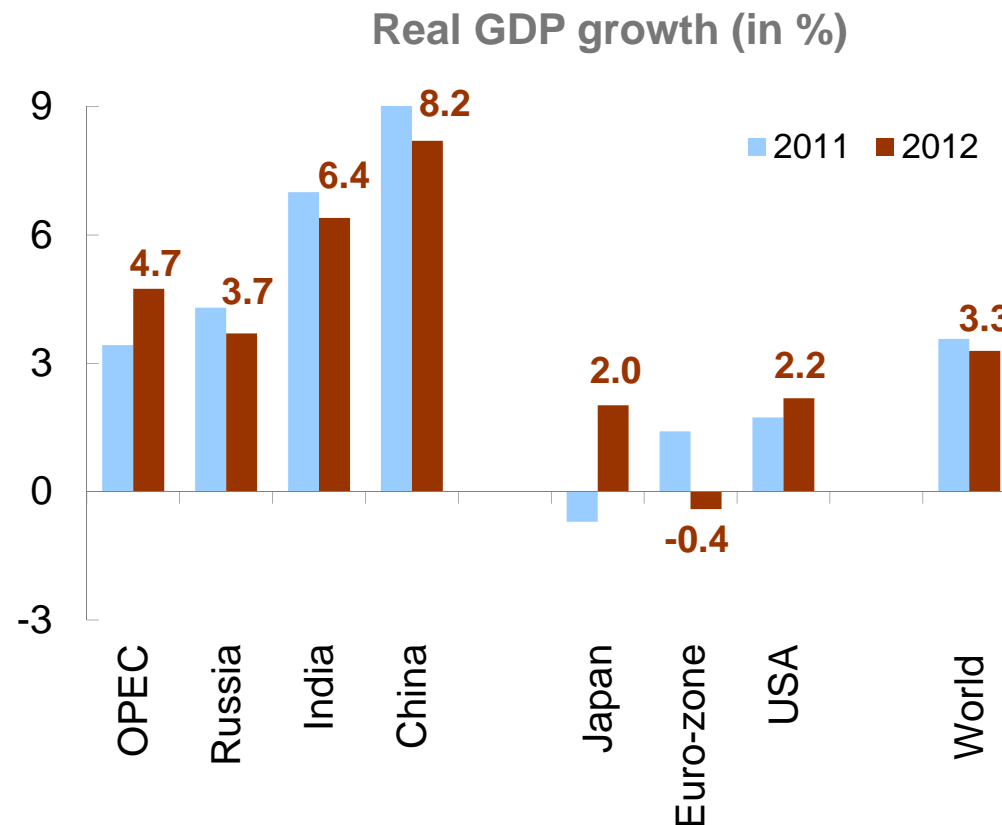


USGS estimates of World Ultimately Recoverable Resources



- **USGS estimates of ultimately recoverable resources continue to rise**
- **Remaining resources sufficient for the foreseeable future**
- **Technological advances will continue to extend the reach of the industry**
- **Significant investments are being made today**

The world economy: a patchy outlook



- Global economic growth patchy
- Euro-zone still struggling with sovereign debt
- US fairly resilient, but challenges remain
- China and India are slowing, but will this trend continue?
- Concerns that OECD problems will spill over into developing countries

Other challenges facing the industry



- **Consuming country policies**

- Need to provide a clear idea as to potential impact on future energy supply and demand patterns
- Genuine concerns over security of demand

- **Excessive market volatility and the role of speculation**

- Events have shown that excessive speculation can cause prices to detach from fundamentals

- **Human resources**

- Address the difficulties in finding and hiring labour, and facilitate education and training in energy disciplines

- **Eradicating energy poverty**

- Access for all to reliable and sustainable modern energy services
- Energy poverty needs the urgent and critical attention of world leaders (Rio+20)

Challenges can bring about opportunities



- **Advancing cooperation and collaboration**
 - Important to have input, as appropriate, from all stakeholders
- **Sharing experiences - technology**
 - For example, carbon capture & storage
- **Strengthening human resources**
- **Working towards a more stable environment**
- **Alleviating energy poverty**

Potential 'game changers'?



- **Shale oil/gas**

- Already changing landscape in US
- Possibilities elsewhere
- Challenges remain – environmental impact
- Will take time to impact globally

- **Alternative transportation technologies**

- Electric and hybrid vehicles
- Growth in alternative fuels, albeit from a low base
- However, oil and increasingly efficient conventional powertrain technologies remain central to transportation sector

Stability is key to a sustainable energy future



- **Energy use continues to grow**
- **More than enough resources to meet demand**
- **Fossil fuels still supply over 80% of energy needs by 2035**
- **Need for clarity and predictability given long-term nature of industry**
- **Stability, stability, stability**
 - For investments and expansion to flourish
 - For economies around the world to grow
 - For producers, to allow for a fair return from exploitation of their exhaustible natural resources



Thank you

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