The 5th OPEC International Seminar

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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 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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