



## Joint Communiqué



### **Fifth Joint OPEC/IEA Workshop** Bali, Indonesia, 17-18th May 2007

A joint workshop was organised over the past two days in Bali by the IEA and OPEC on *Asian Oil Demand: Outlook and Challenges*. This event, hosted by the Indonesian Ministry of Energy and Mineral Resources, was the fifth in a series of workshops that demonstrates a further strengthening in the dialogue and cooperation between these two Organizations.

The first two joint workshops concentrated on oil investment prospects, particularly in relation to the oil outlook, investment challenges, drivers and uncertainties. The third workshop took place in Kuwait City and focused on the economic prospects for the MENA region, as well as its energy supply and demand prospects. After covering the supply issues in the first three workshops, the fourth turned to the subject of demand. This workshop, which was held in Oslo Norway, considered *Global Oil Demand: Outlook and Uncertainties*.

The 5th Joint OPEC-IEA Workshop considered the key issues and uncertainties for Asian oil demand over the coming years. The workshop was attended by high-level delegates representing the OPEC and IEA Secretariats, as well as senior government officials from OPEC and IEA Member Countries, international experts focused on economic and energy analysis, and senior representatives from international institutions.

The workshop included sessions on Asian economic developments and energy demand prospects including structural shifts and other uncertainties; key drivers of Asian oil demand; China development prospects and implications on oil consumption; and the future outlook for the Indian oil industry. Papers based on the workshop's presentations and discussions will serve as the basis for a book to be published by OPEC, as well as provide insight for the IEA's World Energy Outlook 2007 which will focus on India and China.

Indonesia's Minister of Energy and Mineral Resources, Purnomo Yusgiantoro opened the event by noting that the cooperation between OPEC and the IEA continued to expand and had led to increased cooperation between the two organizations in tackling issues related to global energy with particular emphasis on petroleum. "One would recognize the strategic nature of such cooperation, since OPEC and IEA each represent major world oil producers and consumers, respectively," he said.



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The Executive Director of the IEA, Claude Mandil said he appreciated the exchange of views on the key issues and uncertainties that are shaping Asian oil demand. “This is clearly an important topic,” Mr Mandil said. “After all, this region has represented the greater part of the growth in global demand for quite some time and is expected to do so for many years to come. Unless we maintain a good understanding of what is happening in Asia we have no chance of making an accurate assessment of global trends, something that is necessary if IEA and OPEC member countries are to overcome their concern over security of supply and security of demand respectively.”

The OPEC Secretary General, Abdalla El-Badri, highlighted the complementary nature of Asia’s relationship with OPEC. “Going forward, Asia is expected to see the largest energy and oil demand growth rates of any region in the world,” he said. OPEC, which supplies more crude oil to Asia than to the other major oil consuming regions combined, is willing and able to continue its role as a major supplier to the region. He emphasized that even over the near-term, there was a considerable range of uncertainty about the required investment needed to meet expected demand needs and that the increasing number of policy initiatives discriminating against oil had only added to this uncertainty. Given these challenges, it was essential to “shed light on demand trends in this important region and in doing so provides insight into ways to reduce these uncertainties.”

The workshop re-affirmed that continued cooperation and active dialogue between OPEC and the IEA is an important element in improving the understanding of the concerns of all parties and is in line with the clear mutual interests of supporting oil market stability and predictability.

The outcome of the workshop also highlighted the need for similar cooperation in the future.