

International Energy Forum

Session 1

Meeting future energy demand : planning and investment for the long-term

TALKING POINTS

Mr Chairman,

Ministers,

Mr Secretary-General of the International Energy Forum,

Ladies and Gentlemen,

Allow me to state the facts very clearly. By 2050, the world's energy demands are expected to more than double under the combined effects of demographics and economic growth. This is indeed a challenge in a world where 80% of our energy needs are met by fossil fuels.

It is a challenge we collectively face, and answers must be sought within the framework of a dialogue between oil-producing and oil-consuming countries:

- How can we ensure physical and economic access to energy commodities?
- How can we limit their impact on the climate?
- How can we ensure that energy policies are acceptable in the public eye?

To make effective, responsible energy choices with respect to future generations, all these issues must be taken into account.

To this end, I would like to propose six priorities for an energy policy:

First, the goal of simultaneously ensuring supply, consumer purchasing power, industrial competitiveness and reduced greenhouse gas emissions. Over the long term, there can be no trade-offs between energy insecurity, economic growth and the environment.

Second, a diversified, low-carbon energy mix that makes use of all available technologies: these include nuclear power for countries who have chosen this path, renewable energy, but also gas – an excellent transitional energy source – and soon carbon capture and storage. We must also boost R&D efforts to bring about competitive electricity storage technology.

Third, increased energy efficiency to reduce consumption, particularly with respect to housing and transport.

Fourth, investment in interconnection infrastructures to link up regional markets, particularly those for electricity and gas.

Fifth, the strictest possible health and environmental safety standards.

In a globalised economy, the trust of our populations is critical, and it does not stop at our borders. The Deepwater Horizon and Fukushima incidents are obviously not the same, and they did not have the same consequences. However, we must continue to collectively learn from both. We must also develop first-class exploration/production technologies to take advantage of the powerful potential of unconventional fossil fuel resources.

I would like to end with the key issue of oil.

Let us be clear: the world needs oil and will continue to need it, regardless of our efforts to reduce our dependence. Oil-consuming countries, oil-producing countries and oil-sector businesses must work together to fight excessive fluctuations in oil prices. This is in our common interest.

The right oil price is the price that simultaneously guarantees economic neutrality for consumers, sustainable revenues for oil-producing countries, profitability of investments in exploration and production and, finally, long-term visibility for all stakeholders.

Today, despite well-supplied markets, this balance is slipping away from us. We must all continue our efforts by investing in production capacity and by boosting market transparency. This in particular will be the subject of the second IEF ministerial session tomorrow morning.

I would like to emphasise the G20's commitment, and to commend the forward-looking work carried out jointly by the IEF, the IEA and OPEC. It is important that January's Symposium on Energy Outlooks in Riyadh be followed up by a working programme between the three organisations.

Thank you for your attention.