

13th International Energy Forum

Meeting Future Energy Demand: Planning and investing for the long-term

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Excellencies,

Distinguished Guests,

Ladies & Gentlemen,

Good Evening

It is my pleasure to **extend to you a warm welcome** to the 13th International Energy Forum, and **wish all of you an enjoyable & pleasant stay in Kuwait.**

Since the 12th IEF Ministerial conference in Cancun, in March 2010, energy markets **have witnessed a number of major incidents, or shocks which have unfortunately led to increased market instability and price volatility.**

Severe global incidents have highlighted the **potential vulnerability of the global energy infrastructure**, and placed great importance on having the **ability to respond rapidly** to such severe events.

These incidents, coupled with the recent geopolitical tensions in the region, have **fueled market fears of a possible supply disruption** in the world's largest producing area.

In this regard, I have to **commend the IEF's efforts** in **enhancing market transparency** through constant dialogue between its members. Although, the complexity of energy markets is making it more **difficult to eliminate volatility**, let alone reduce it.

However, **the IEF is on the right track**, though we **need to accelerate our efforts**. Here, we need to explore new mechanisms to mitigate the volatility in the markets, and to prevent their adverse impact on the global economy. Let me turn now to the theme of this Ministerial session, "Meeting Future demand, Planning and Investment for the Future". When

you consider the various outlooks about the future, there are a few common themes;

- World primary **energy** consumption is projected to **grow** by some 40% by 2030.
- Almost all of the growth is in **non-OECD** countries.
- **Fossil fuels**, including oil, will continue to play a critical role in the world's energy mix with the largest **single fuel contribution coming from gas**.

However, let me share with you what I consider to be interesting features about the future;

- It is increasingly clear that we are all **connected and interdependent**. Global energy **trade continues to rise rapidly**, linking the world's economies and driving a remarkable convergence of the relationship between

energy use and economic activity in the countries around the world.

- The growth of the earth's population from 7 billion people to more than 9 billion by 2050 has **major implications for the global energy system**. So securing the energy needs of 9 billion people is one of the most important challenges of our generation.

So what do we learn from all this?

To start, I think most people are able to agree on some common objectives.

We want the world to have **enough energy for growth and development**. We also want that energy to come from sources we can rely on, and we want it to be produced and consumed in a way that is **safe and compatible with the health of the**

environment. In other words, we want energy that is affordable, secure and sustainable.

Secondly, in the decades ahead, the world will depend on **partnerships between international oil companies and national oil companies to unlock new supplies of energy**, apply high-impact technologies and effectively manage safely environmental risks.

Thirdly, we have to accept that the **future is subject to any number of developments that we cannot predict with precision.**

In this context, we must also recognize that when it comes to energy, the reality is that the **future is not predetermined.**

How much and what type of energy the world will use through 2020 - and beyond - will depend on the actions taken by the

policymakers, many of whom are in this room, and of course, consumers.

Finally, notwithstanding the lack of clarity on policies and an uncertain future, we still need the wisdom and courage to commit to long term investments. Like a super tanker, we have to maintain a steady course, despite headwinds and storms.

At the end of the day, by **aligning our interests** and by our combined efforts, I remain optimistic that we, the IEF members, will be able to meet the challenge of providing energy that is affordable, secure, sustainable and, of course, safe.

Distinguished Guests,

Ladies and Gentlemen

We live in an interdependent world that needs an enhanced and effective international cooperation among all the involved parties to tackle future challenges.

The **IEF**, in a short time span, has established itself as the **main forum for dialogue between producers and consumers.**

The IEF Charter is also a step that marks the beginning of more structured dialogue and a new turning point towards bolstering broader and deeper cooperation among producers.

The theme of this session " Planning and Investment for the Long Term", is very important, and in fact timely, especially in view of the recent energy and economic developments.

I am sure that the distinguished Ministers on the panel will enlighten us further on the challenges of meeting the future energy demand.

Thank you

Let me now give the floor to his Royal Highness Prince Abdulaziz Bin Salman Bin Abdulaziz Al-Saud, Assistant Minister for Petroleum Affairs, Saudi Arabia, who is the Moderator for this session.