



Concluding Statement by Host Country The People's Democratic Republic of Algeria 15th International Energy Forum Ministerial

- 1- Celebrating the 25th anniversary of the producer-consumer dialogue, energy ministers, industry leaders, heads of international organisations, and other invited stakeholders of the 72 member countries of the International Energy Forum (IEF), gathered at the 15th biennial International Energy Forum Ministerial Meeting (IEF15), hosted by the government of the People's Democratic Republic of Algeria on 26-28 September 2016 in Algiers.
- 2- Under the theme "Global Energy Transition: An enhanced role for the dialogue", ministers and delegates affirmed their commitment to the producer-consumer dialogue and support to enhance the neutral platform that the IEF uniquely provides to strengthen global energy security and facilitate an orderly global energy transition.
- 3- Discussions took place in a global policy environment invigorated with the successful adoption of the 2030 Agenda for Sustainable Development by the United Nations Sustainable Development Summit on 25 September 2015, and the landmark "Paris Agreement" concluded by the 21st session of the Conference of Parties to the United Nations Framework Convention on Climate Change, in December 2015.
- 4- Changes in energy demand and supply have made market prospects more uncertain and reduced investor confidence since the Russian Federation hosted the IEF14 Ministerial Meeting in Moscow on 14-15 May 2014. The global energy governance architecture reflects a greater variety of stakeholder perspectives and available energy technologies. Delegates noted that while these have created important new opportunities for energy sector reforms and transition, shifts in energy markets, governance and technology come with new uncertainties.

Oil markets: Outlook and the stability challenge

- 5- Delegates noted that since the onset of the fall in oil prices, oil markets are rebalancing more gradually than in previous episodes, due to policy and economic shifts in both producing and consuming countries, as well as to new production technologies. Participants observed a more competitive and diversely supplied global oil market combined with moderate demand growth and a record build in oil inventories. Delegates noted that these factors have significantly reduced investment incentives and augmented risk to longer term energy security.
- 6- Delegates observed that the stability challenge remains. Recognising that market volatility is likely to remain elevated as markets test new thresholds, overall volatility appears less pronounced than in previous episodes, in part due to greater transparency and improved understanding of physical and financial energy market interactions through stakeholders' dialogue. The significant decline in exporting countries' revenues, a sharp contraction of upstream investment and extended layoffs in the oil industry pose structural challenges for both consuming and producing countries.



- 7- Ministers and participants recognised that while uncertainties over oil supply and demand outlooks are significant, oil will continue to supply growing energy needs over the medium- to long-term. Delegates acknowledged that the quest for stability requires enhanced producer-consumer dialogue and energy data transparency. Ministers stressed their on-going support for enhanced dialogue to satisfy growing energy demand in a manner that equitably serves producer and consumer policy goals, and the interest of the industry as well.

Natural gas: Challenges for the industry, the LNG chain and implications for market structure

- 8- Ministers and participants discussed the recent global gas market evolutions, outlining both the opportunities and the challenges facing the gas industry. Emphasising the important role natural gas plays in meeting increasing energy demand, ministers and participants pointed at the window of opportunity that the current gas market environment creates to help enhance the sustainability of energy matrices, including health and wellbeing by improving air quality in major urban centres.
- 9- In relation to international gas market developments, ministers observed that with more diverse LNG and pipeline gas supply and demand centres, natural gas may well become a globally traded commodity but that long term producer-consumer relations will remain important for gas market security. Acknowledging that price trends are likely to remain defined by regional market conditions, ministers and industry participants acknowledged the need to deepen the dialogue. They stressed the importance of market visibility and stability in ensuring long term investments for large scale projects, while noting that flexible industry responses boost gas market resiliency and open up to new growth opportunities.
- 10- Ministers observed that gas demand growth has slowed in European and Asian economies. Significant challenges remain in the face of competition from other energy sources as well as infrastructure constraints across borders, and to inland demand centres. Ministers encouraged the IEF to strengthen the collaboration with international organizations, including GECF, as well as with industry and other stakeholders. In this regard, they looked forward to the 5th IEF-IGU Ministerial Gas Forum hosted by the State Minister of Petroleum and Natural Gas on behalf of the government of India on 6 December this year in New Delhi.

Renewables and energy efficiency: prospects and challenges after COP21

- 11- Ministers, heads of international organisations, captains of industry and invited guests welcomed the consensus achieved at the 21st session of the Conference of Parties to the United Nations Framework Convention on Climate Change to strengthen the global response to the threat of climate change, by holding the increase in the global average temperature to well below 2° Celsius above pre-industrial levels, and by increasing the ability to adapt to the adverse impacts of climate change.
- 12- Participants assessed the impact the Paris Agreement is likely to have over longer term energy market outlooks. They stressed that renewable energy and the efficient use of energy are, along with cleaner fossil-fuel technology, important approaches in mitigating and adapting to climate change and that national market characteristics determine policy and investment choices.



- 13- Delegates also took note that renewable energy sources have matured, building scale and cost competitiveness that enable growth rates above those of other energy technologies, but that fossil fuels will continue to make up the lionshare of energy matrices. They acknowledged that to accelerate mobilization of investment, in the development of renewables, energy efficiency and clean fossil fuel technologies more dialogue among IEF stakeholders on prospects and challenges is needed.

Sustainable energy access: a critical factor for human development

- 14- Ministers, heads of international organisations, captains of industry and invited guests welcomed the successful adoption of the 2030 Agenda for Sustainable Development by the United Nations earlier in 2015 that aims, inter alia, to ensure access to affordable, reliable, sustainable and modern energy for all by 2030.
- 15- Recognising the that the lack of access to energy in many developing countries, in particular in Africa, acts as an obstacle to poverty eradication, economic growth and social development, Ministers stressed the importance of joint initiatives in several areas to improve energy access and productivity. Ministers acknowledged the important role of the IEF, alongside other organisations to help ensure that energy access remains an integral part of the producer consumer dialogue and high on the ministerial agenda.

Enhancing energy security: the role of technology

- 16- Mindful of the relative shares of fossil and other energy technologies in the global energy mix in relation to climate change, energy transition, and economic development goals, ministers and industry participants pointed at the need for more dialogue on policy and market conditions to help facilitate the adoption of new energy technologies in the fossil fuel economy such as CCS at significantly higher rates than historical data shows.
- 17- Ministers and industry leaders emphasized the need to improve conditions for investment and innovation to advance deployment of new energy technologies and streamline efforts within and among the energy sectors of producer and consumer country economies.

Energy governance: global dialogue revisited

- 18- Delegates reflected on the 25th anniversary of the global energy dialogue. Ministers noted that since the first meeting in 1991, the open and informal dialogue has evolved with the decision in 2000 to establish a permanent Secretariat, the launching in 2002 of the Joint Organisations Data Initiative (JODI) with JODI Oil, the launch of the IEF Trilateral Programme of Work with IEA and OPEC in 2010, the signing of the IEF Charter in 2011, and the launch of the JODI Gas in 2014 as important milestones.
- 19- Mindful that the global energy transition comes with shifts at various levels, Ministers and industry stakeholders acknowledged that impacts on economies of interdependent producing and consuming countries differ. Recognising their shared interest in deepening understanding and building confidence and trust to make energy sector policies more cohesive and establish a more transparent and predictable market environment, participants saw an increased need for enhancing the producer consumer dialogue among all energy sector stakeholders.



- 20- Delegates welcomed the opportunity to involve key regions more actively into the global energy dialogue. Ministers welcomed the support of the minister of energy of the Democratic People's Republic of Algeria on behalf of the IEF15 host government and that of the minister of energy of Nigeria, for IEF efforts to enhance the dialogue with African countries through a series of high-level meetings focused on investment in energy access and sustainable energy market development, in cooperation with relevant international and regional organisations.
- 21- Delegates welcomed the launch of an IEF Energy Efficiency Knowledge Sharing Framework according to the two mandates IEF was handed recently from the 6th Asian Energy Ministerial Roundtable hosted by the State of Qatar early November 2015, and the G20 Energy Ministers Meeting held in Beijing late June 2016 under the Presidency of China with the support of the Kingdom of Saudi Arabia and Japan, Ministers also acknowledged the need to enhance dialogue on the role of new energy technologies in the IEF knowledge Sharing Framework, and the broader producer consumer dialogue as well, to assess their role in future energy supply demand balances and trade flows.
- 22- Ministers and other participants stressed their continued support for improving market transparency through the fruitful dialogue the IEF pursues in the context of the IEA-IEF-OPEC Trilateral Programme of Work. This includes annual symposia and workshops on energy outlooks and interactions between physical and financial energy markets in collaboration with the IEA and OPEC, and joint efforts to strengthen the Joint Organisations Data Initiative (JODI) that the IEF coordinates in collaboration with APEC, Eurostat, GECF, IEA, OLADE, OPEC, and UNSD in respect of oil and gas market transparency. Ministers welcomed the JODI 5-year plan endorsed by the Heads of JODI Partners and the progress being made in improving JODI data quality, as well as complete, and timely reporting practices. Delegates encouraged efforts to deepen understanding and enhance the comparability of energy outlooks, the interactions between physical and financial markets, as well as, new approaches pushed to improve JODI visibility and outreach.
- 23- Ministers and industry representatives invited the IEF to build on the successful model of the Trilateral Programme of Work by reaching out to other regions, international organisations and knowledge networks to enhance the energy dialogue. Delegates welcomed the IEF efforts to strengthen regional engagement and institutional partnerships to improve global energy governance through neutral dialogue that serves producer and consumer interests in stable energy markets, an orderly energy transition and healthy and sustainable economic development.