



Secure • Sustainable • Together

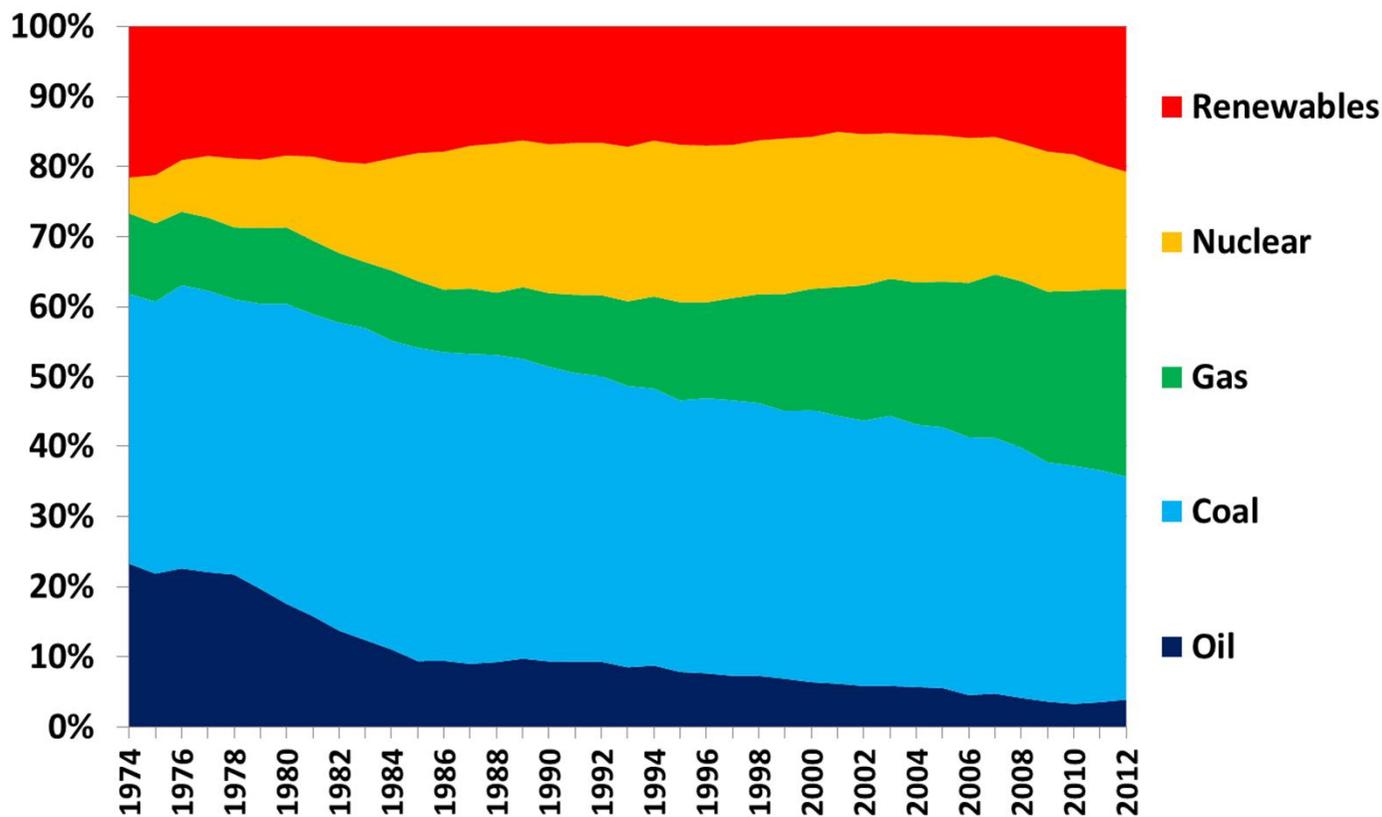
**1st APEC Oil and Gas Security Network Forum
23 & 24 April 2015, Kitakyushu City, Japan**

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www.iea.org

Power and heat by fuel (OECD)



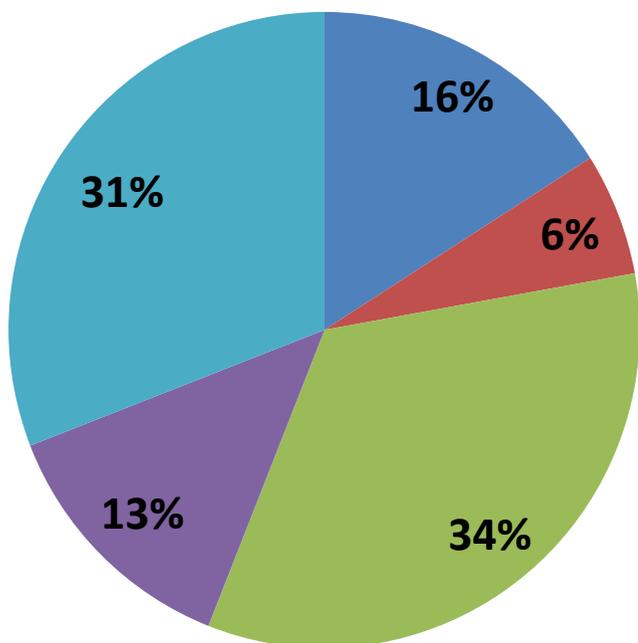
1974
Oil: 23% (96 mtoe)



2012
Oil: 4% (39 mtoe)

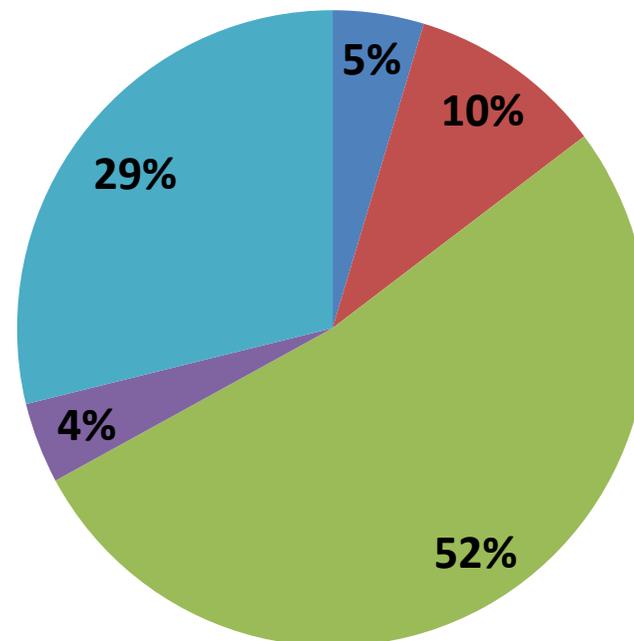
Oil consumption by sector (OECD)

1973



- Industry
- Petrochemical
- Transportation
- Power generation
- Other

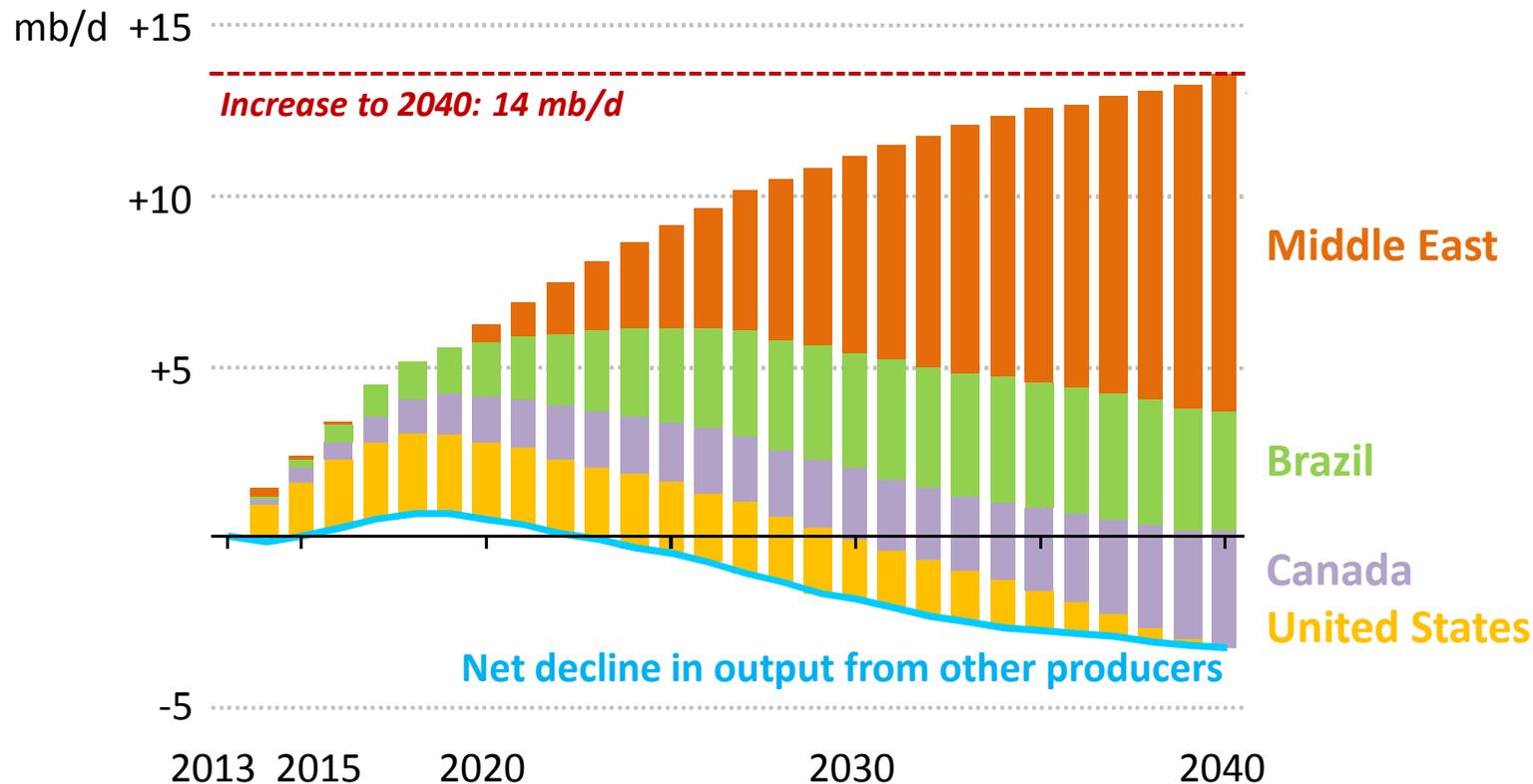
2012



Instability in the Middle East a major risk to oil markets

World
Energy
Outlook
2014

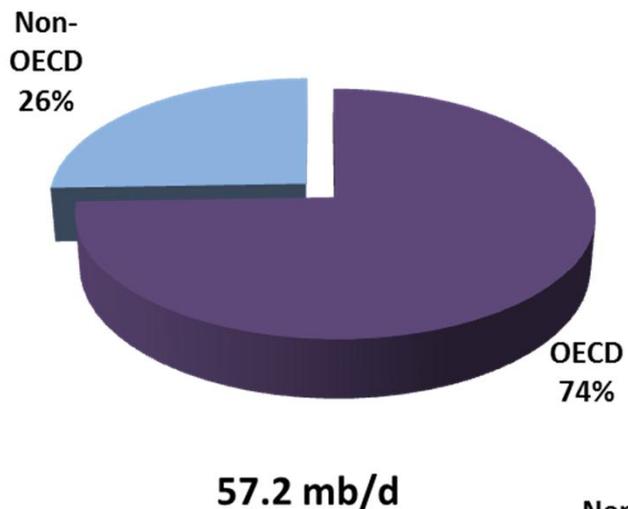
Oil production growth in United States, Canada, Brazil & the Middle East



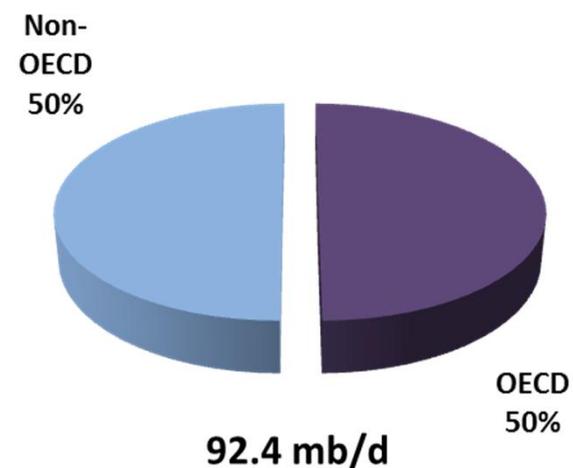
The short-term picture of a well-supplied market should not obscure future risks as demand rises to 104 mb/d & reliance grows on Iraq & the rest of the Middle East

Growing importance of non-OECD countries

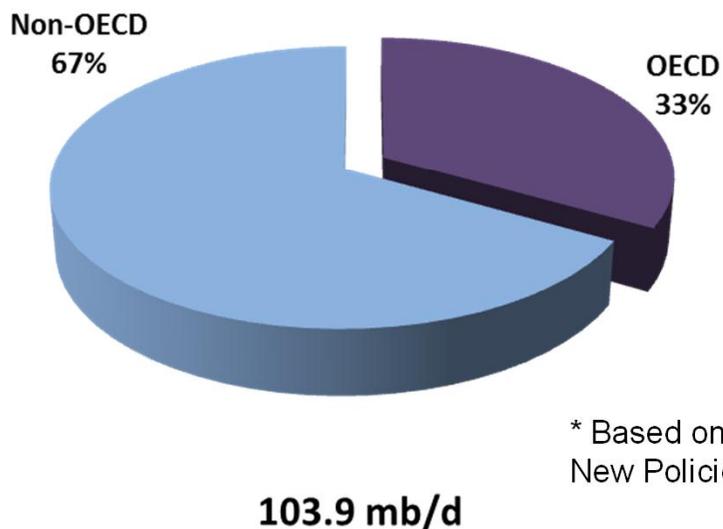
World oil demand, 1973



World oil demand, 2013



World oil demand, 2040*

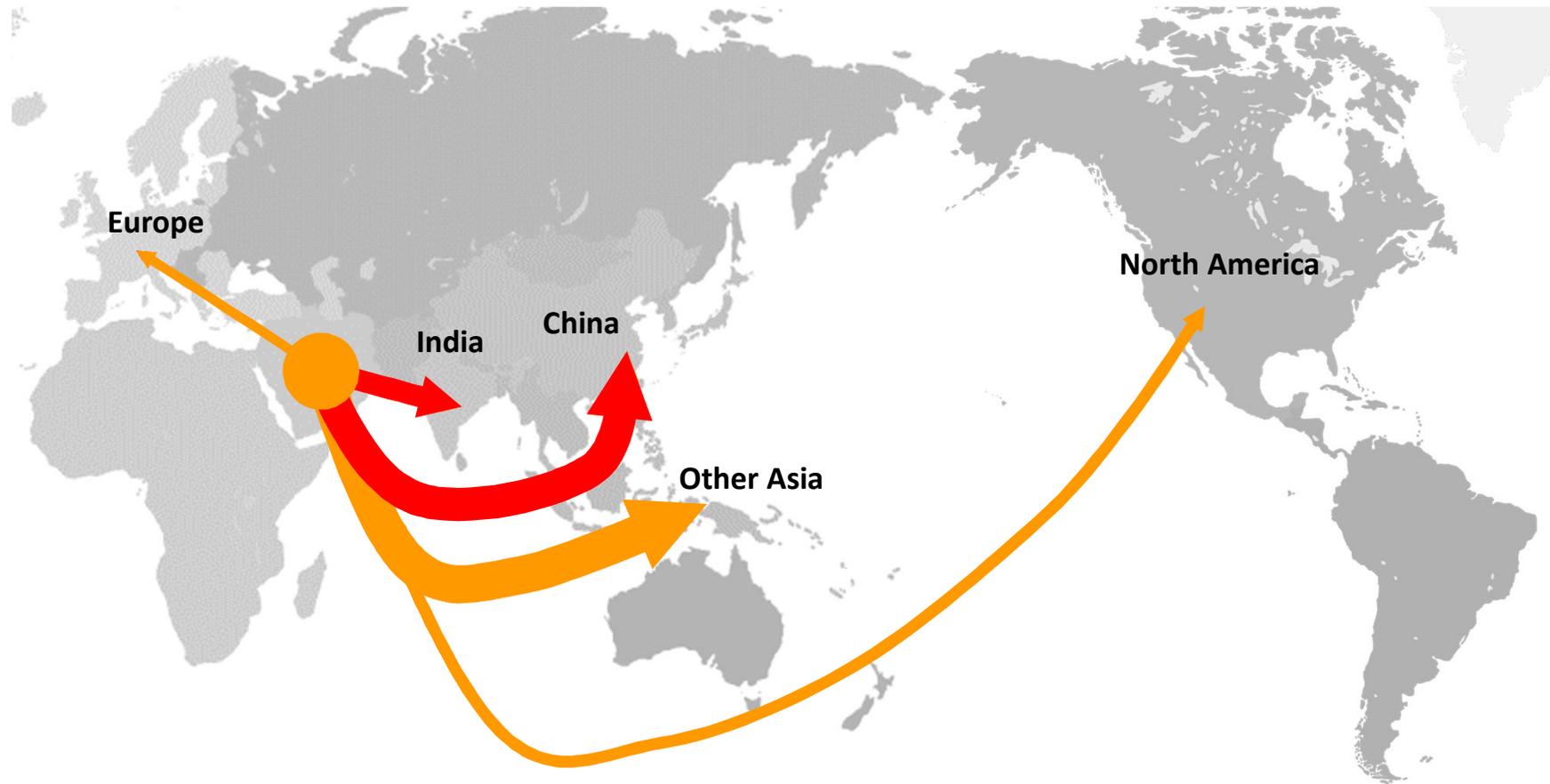


* Based on World Energy Outlook 2014
New Policies Scenario

Ever-growing crude trade between Asia and the Middle East

World Energy Outlook 2014

2040 crude oil imports



North America's oil imports fall as it becomes more self-sufficient, and Europe's decrease with falling demand, 90% of Middle East crude exports go to Asia by 2040



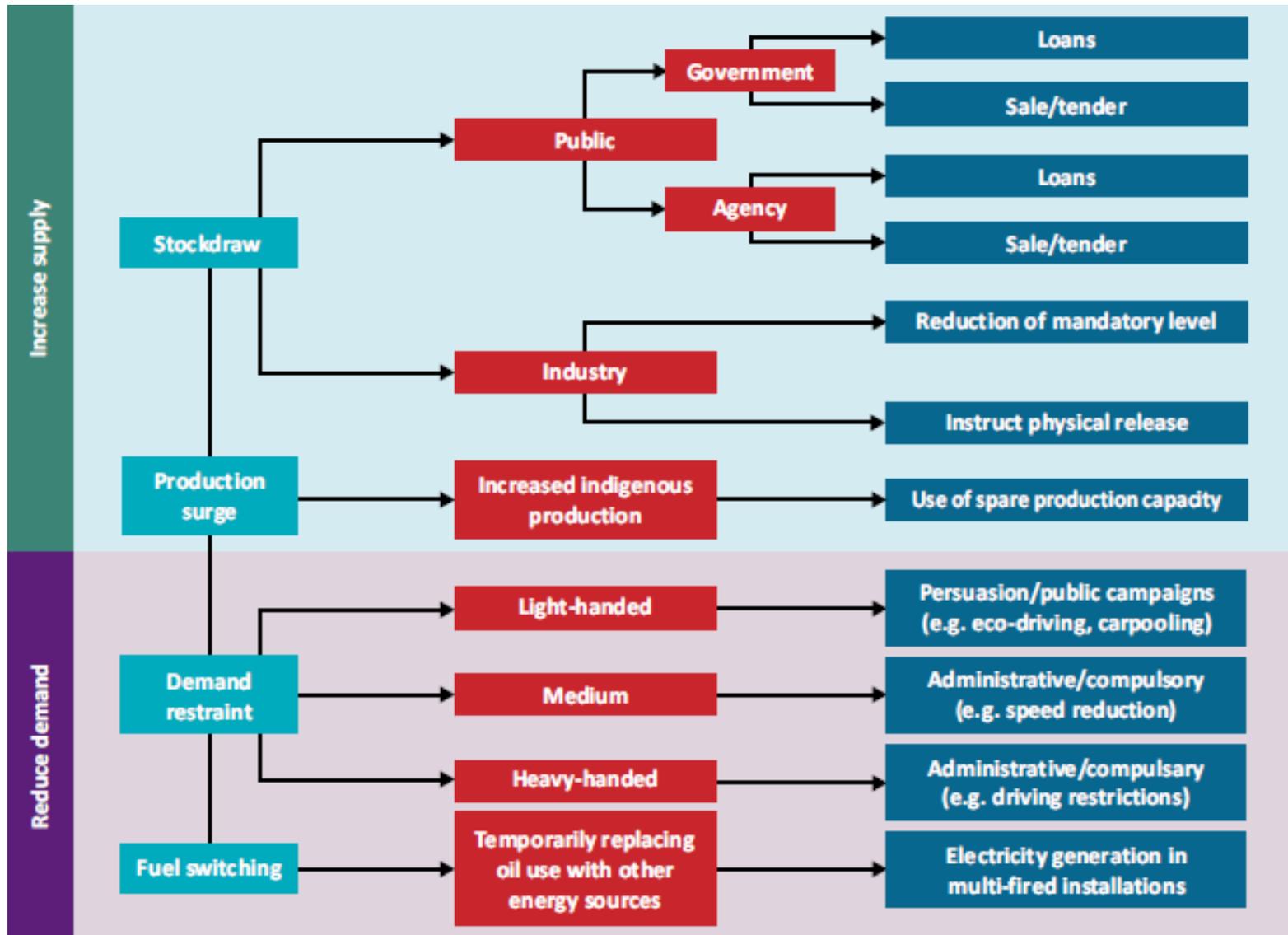
IEA emergency response system

■ Key elements of the system

- Network of domestic emergency response teams (NESOs)
- Rapid decision making framework for coordinated action
- Diverse response measures
- Stocks – minimum 90 days; mechanism for quick release
- Continuous monitoring of market

Emergency response measures

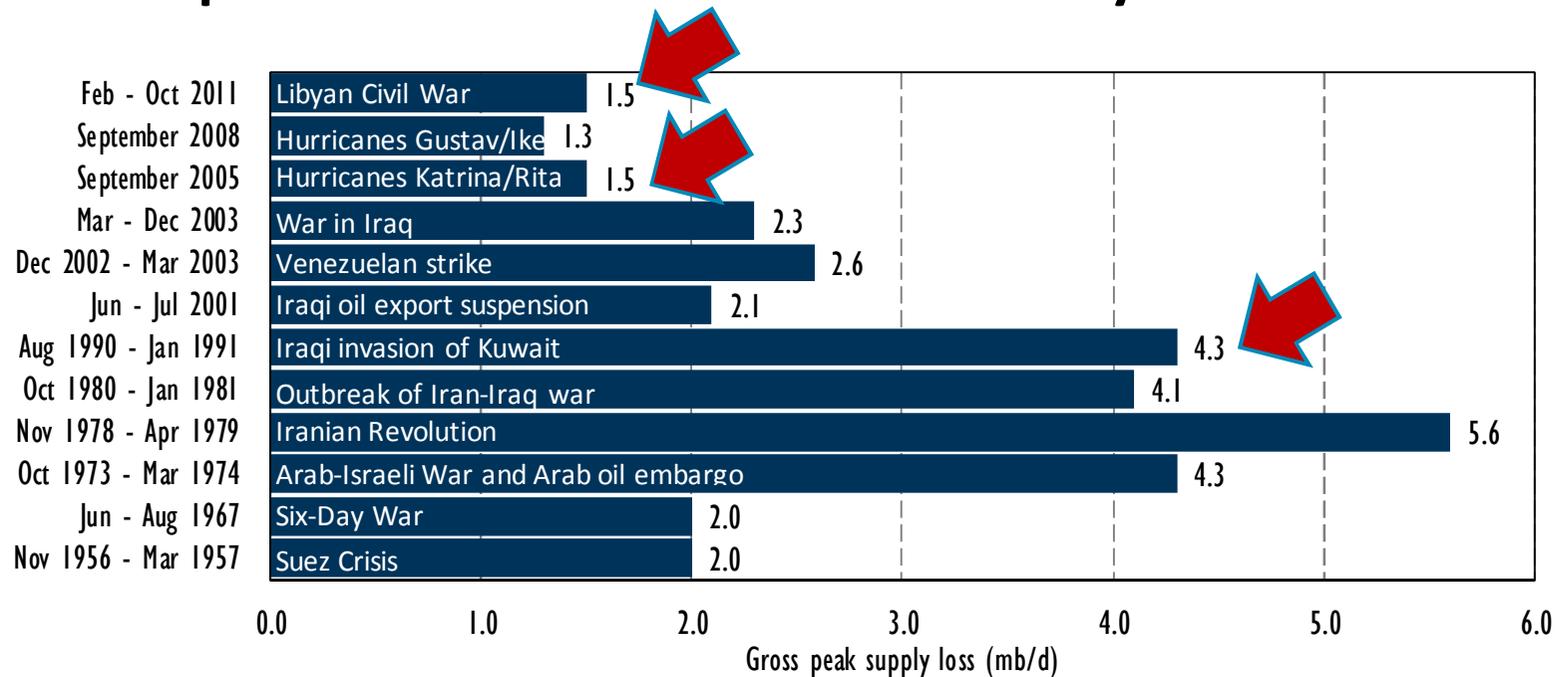
ERE in CHINA



Major oil supply disruptions

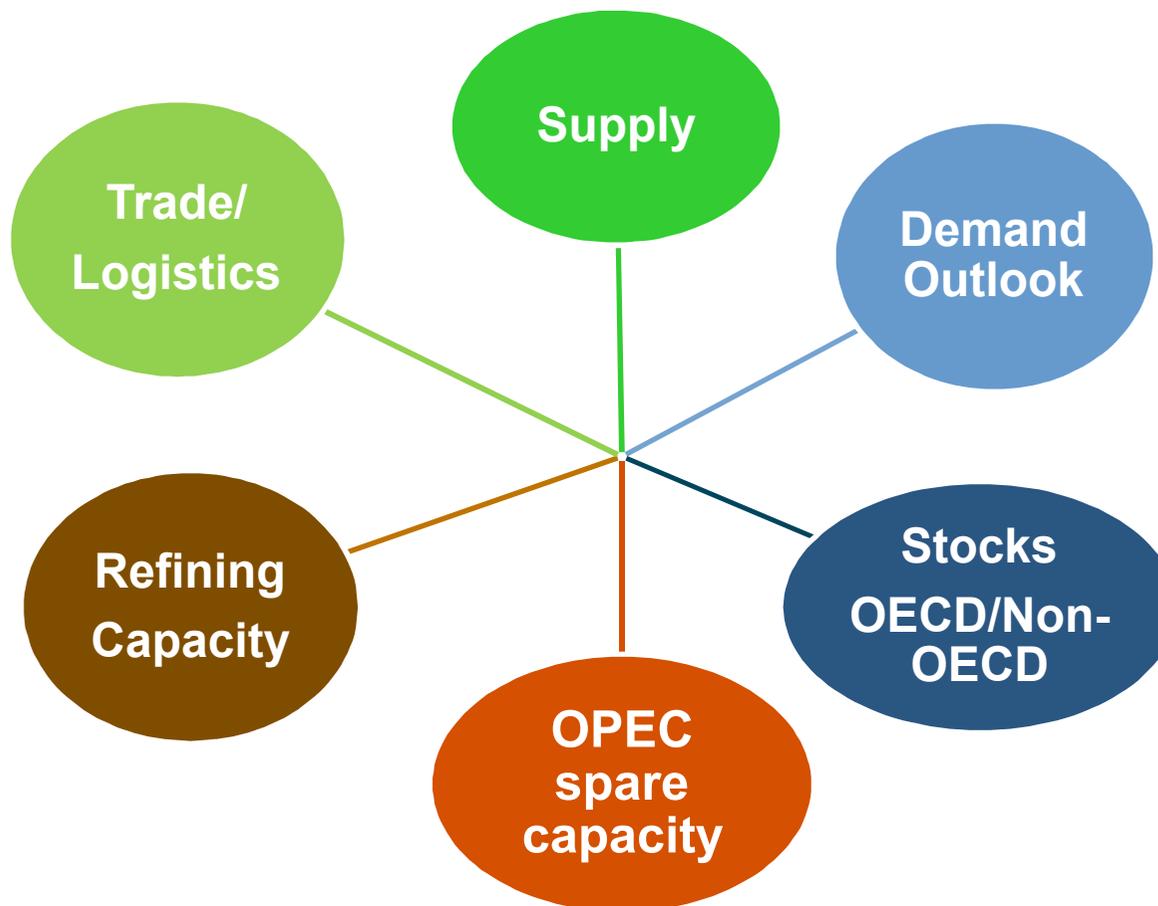
ERE in CHINA

- Only 3 IEA coordinated releases
- Severity of a disruption not only measured in oil lost
- Other factors are key in evaluation
- Each disruption must be assessed individually



Monitoring the market

- Need to consider all prevailing market factors:



Conclusions

- **Oil emergency response system continues to be vital.**
 - **Particularly so for Asia-Pacific region.**
 - **Solidarity and Preparedness are the keys.**
 - **Rapid response and coordinated message would be critical.**
 - **Response depends on market context.**
- And beyond,*
- **Mid & Down-stream supply resilience.**
 - **LNG market and gas security.**