



Joint Oil Data Initiative

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JODI has a vital role to play in enhancing market transparency and strengthening producer-consumer dialogue, according to HE Derlis Palacios Guerrero. *"Dialogue is not just a concept, but it can achieve a concrete outcome"* Ecuador's Minister of Mines and Petroleum told delegates in the inaugural address to the 7th International JODI Conference (Quito, 4-5 June 2009).



Carlos Arturo Flórez Piedrahita, Executive Secretary of the Latin American Energy Organization (OLADE), stressed the importance to governments of reliable data for planning and energy supply and said

the 26-member organization was determined to utilize the conference to enhance its commitment towards the initiative.

And, applauding JODI partner organizations for their efforts to enhance JODI data quality, Noé van Hulst, the International Energy Forum's (IEF) Secretary General, said participating countries have a *"crucial"* role to play in providing transparent oil data. Organized jointly by the IEF Secretariat and host OLADE, in cooperation with other JODI partner



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JODI is clearly set to be the world's oil and gas data source of primary reference.

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A. H. Mhya
Nigerian National
Petroleum Corporation,
Nigeria

organizations – Asia-Pacific Economic Cooperation (APEC), European Office of Statistics (Eurostat), International Energy Agency (IEA), the Organization of the Petroleum Exporting Countries (OPEC) and the United Nations Statistics Division (UNSD) – the event gathered some 90 participants from 27 countries, 8 international organizations, 12 oil companies and representatives from financial as well as research institutions. During the two-day event, participants assessed progress since the last International JODI Conference, which took place in Riyadh, Saudi Arabia, in November 2006, and discussed ways to improve this market transparency initiative.

Making progress data submissions improving

The quality and promptness of JODI data submissions have improved dramatically in the last two years. Since the 6th International JODI Conference (Riyadh, November 2006), responses under the submission, timeliness and completeness categories have improved by 15.5%, 12.5% and 16.4% respectively, according to Said Nachet, IEF Energy Director.

		Number of Smiley Faces		Improvement (%) 2008 Jul-Dec/2006 Jul-Dec
		2008 Jul-Dec	2006 Jul-Dec	
Submission		82	71	15.5%
Timeliness		54	48	12.5%
Completeness		64	55	16.4%

Source: Joint Oil Data Initiative
*No assessment for Tunisia who joined the Initiative from January 2009 data

Aimed at training oil/energy statisticians from participating countries and disseminating knowledge and best practices, the JODI training programme has resulted in steady improvements in data quality and submission. In 2007 and 2008, three regional training courses were organized (Johannesburg, January 2007; Algiers, October 2007; Bangkok, September 2008), as well as two JODI internships in the IEF Secretariat's Riyadh headquarters



and the production of three new versions of the JODI manual – in Chinese, Russian, and Spanish.

In Quito, JODI organizations also reported on progress individual member countries are making. Underlining the importance of JODI training and highlighting the significant progress in data submission, APEC’s Shigeru Kimura drew particular attention to China’s progress with M-1 data since the fourth regional JODI training session, in Bangkok in September 2008.

The IEA’s Mieke Reece emphasized the importance of bilateral discussions with participating countries to overcome any problems they may face. Mexico shows remarkable improvement in its data report after intensive communication with IEA at both technical and political level. OPEC’s Ramadan Janan, meanwhile, called for JODI to be deployed as the basis for a reliable oil-market benchmark. OLADE’s Mauricio Medinaceli discussed the significant benefits of JODI’s online training system. Meanwhile, Eurostat’s new Energy Statistics Regulation promised to enhance the quality of the data being supplied by its member countries. Joining the conference from New York via teleconference, UNSD’s Ilaria DiMatteo noted that India has regularly submitted an M-1 report and that Tunisia had joined the Initiative.

And reporting on progress with the JODI World Database, the IEF’s Yuichiro Torikata emphasized the importance of improving metadata, which allow data users to identify reasons behind trends, especially when the data suggest unusual developments in the oil market, such as sudden breaks in time series.

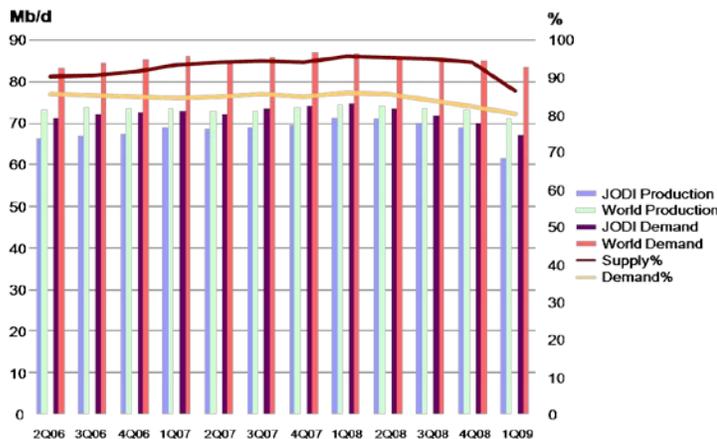
Conference participants also welcomed March’s record participation in the M-1 data programme of 72 countries and the significant improvements in data coverage of global oil demand that have occurred as a result.

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...the enormous progress that JODI had in the last years on the countries involved and on the quality of data.

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Dr. Giovanni Perrella
 Department of Energy
 Energy expert, Ministry
 of Economic
 Development, Italy



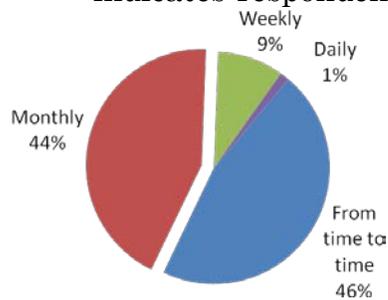
Similar progress has been highlighted in Ministerial fora – including the 12th IEF Ministerial, Rome, April 2008; the G8 Energy Ministers Meeting, Rome, May 2009; and the G8 Summit, July 2009; and the 3rd Asian Ministerial Energy Roundtable, Tokyo, April 2009. During G8 Summit in L’Aquila Italy, head of the world’s leading economies renewed their support for the Initiative.

“Transparent and well-functioning energy markets are essential prerequisites for reducing investment risks and uncertainties both in producing and consuming countries. We therefore emphasise the need for timely and reliable data on demand, supply, stocks, spare capacity and investment plans. To this end, we continue to strongly support the Joint Oil Data Initiative (JODI), managed by the IEF, and call for all countries to cooperate in improving quality, completeness and timeliness of data. We also strongly support the IEF’s work on initiating the collection of annual data on investment plans. We believe that greater transparency in gas markets is required. We therefore call upon the IEF to examine the possibility of extending JODI-type activities to natural gas.”

Expectations

second JODI user survey

Since use of JODI data is on the rise, energy-market analysts are increasingly using the database – not just statisticians involved in the Initiative. Based on 102 answers from 36 countries, the JODI data user survey indicates respondents have a high level of interest in and

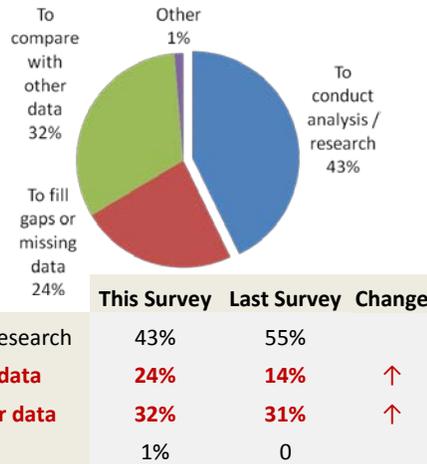


expectations of JODI. In contrast to the sporadic browsing of JODI data that tended to occur three years ago, a greater number of users monitor JODI regularly. Outlining his report on the survey, the IEF’s Shan Weiguo said 44% of regular data users were accessing the JODI World Database on a monthly basis, compared with 21% in the last survey.

	This Survey	Last Survey	Change
From time to time	46%	77%	↓
Monthly	44%	21%	↑
Weekly	9%	1%	↑
Daily	1%	1%	



The percentage of JODI data use to fill statistical gaps or missing data increased to 24% from 14%. As a result of improvements in data quality – especially in timeliness – expectations from user survey participants have risen. Data users identified users would like country notes in the B20/20 data browser to provide greater clarity of what is included in or excluded from each product. Users also want notes on data to be provided, especially when values are unusually low, high or nil. And, with a view to improving the completeness and transparency of the JODI data-collection mechanism, users have also expressed an interest in more detailed coverage of various commodities, including natural gas liquids and other upstream products, refined products such as naphtha and jet kerosene, and of information on flows of oil and its uses.



Shift in discussion focus

The Quito event differed from previous JODI conferences in that oil-market analysts and other data users, rather than data providers, led the debate. And the message from the market is that the data are useful, but could be improved.

JODI is a work in progress – and one that will never generate a finished product, according to Paul Horsnell, Head of Commodity Research at Barclays Capital. JODI data are supplied by national administrations without undergoing further refinements by JODI organizations, Horsnell said in a keynote speech on the market’s view of JODI. This policy, which is designed to prevent third parties from interfering with the data, means interpretation is left to the market. JODI data are useful, but there should be a greater focus on data quality, said Horsnell.



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I was most impressed by the upcoming use from the user side, and the added value that the database could deliver already.

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Frans Wieleman

Directorate for Energy markets
 Directorate-General for Energy and Telecom,
 Netherlands





According to Joel Couse, Vice-President of Total's Trading and Shipping Division, JODI is a useful tool in helping analysts assess global and regional oil demand and supply balances – especially in light of improvements in data coverage and the promptness of submissions by participants.

Couse strongly supports the extended JODI questionnaire designed to provide more detailed breakdowns of data on oil products such as naphtha and jet kerosene, and oil flows, including direct crude oil uses and inter-product transfers, which are essential for building an accurate picture of oil balances.

Calyon Oil Analyst Christophe Barret said access to monthly data from non-OECD countries is among the most useful aspects of JODI. Before JODI, regular and comprehensive monthly oil data were available only from OECD countries, Barret pointed out – meaning analysts had to crunch numbers from a variety of sources, including annual databases, to generate a realistic picture of the global oil market on monthly basis. With energy-demand growth being driven by non-OECD countries, JODI is set to increase in importance. Data from Middle East countries should become especially valuable, on the demand as well as the supply side. Indeed, participants agreed that JODI demand data for the region are an important element of global market development.



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The country experiences and methods for improved methodology for collection and dissemination of data was very useful.

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Dr. Archana S Mathur
Economic Adviser,
Ministry of Petroleum
and Natural Gas
Government of India

The way forward

Following the 7th International JODI Conference, JODI partner organizations are set to push the Initiative forward with three continuing projects: the extended JODI questionnaire; extending JODI to natural gas; and annual data collection.

Noting the steady improvement in the submission of the extended JODI questionnaire over the trial period, the Conference welcomed the questionnaire's adoption in the permanent data-collection mechanism.



Meanwhile, extending JODI to cover monthly natural gas data is challenging but achievable, according to a feasibility study conducted by the IEF Secretariat. Giovanni Perella, Ministry of Economic Development of Italy, described Italy's experiences in developing a system for reporting gas data on a daily basis, which became particularly important after the 2004-2005 gas shortage. Saleh Abdurraman, Division Head of Strategic Studies at Indonesia's Department of Energy and Mineral Resources, discussed the gas data-collection and reporting system in use in Indonesia, an important exporter. Like Italy, Indonesia believes there is a need for greater gas-market transparency beyond its national frontiers. The experiences of both countries reflect the importance of political commitments to build data-collection systems with strong legislative support.

JODI organizations are invited to assess data-collection procedures and member countries' capacities to report natural gas data on a monthly basis, and to examine practical ways of extending JODI to natural gas data. Fuad Al-Zayer, head of OPEC's statistics department, described the organization's experience of data-collection and repeated the call made by Energy Ministers at their Jeddah Energy Meeting to encourage the collection of annual data covering, among other things, upstream and downstream capacities and expansion plans.

The Joint Oil Data Initiative (JODI) is a concrete outcome of the producer-consumer dialogue. Ministers at the 7th International Energy Forum, 2000, Riyadh, called for an action to address the apparent lack of data transparency in oil markets, seen as a causal factor in excessive price fluctuations. Six pioneer organizations (APEC, Eurostat, IEA, OLADE, OPEC and UNSD) collaborated to launch the initial Joint Oil Data Exercise (JODE) in 2001. JODI was established as a permanent mechanism in 2003. The IEF Secretariat assumed the role and responsibility of JODI coordinator in January 2005.

More information is available at
www.jodidata.org

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7th International JODI conference – photo gallery

