

Round Table, Paris, 15-16 November 2007

Oil Dependence: Is Transport Running Out of Affordable Fuel?

The Round Table will examine the long-term outlook for oil supply and oil prices, with particular emphasis on the relationship between oil prices and transport sector demand, and it will investigate the interaction between oil markets and transport policies aiming to reduce the costs of energy insecurity and of climate change. The Round Table will provide valuable support for the International Transport Forum's 2008 Ministerial meeting on Transport and Energy, furnishing robust economic analysis to inform political discussions in an area of public debate where responses to crises in the short term often cloud the longer term perspective that is essential for policy making.

The core of the work will be (a) to separate the drivers of short term oil price spikes from underlying long term oil price drivers, (b) to lay out the likely impacts of long run price movements on transport demand, and (c) to identify desirable policy responses. This work will help provide a sound basis for developing policies in relation to oil demand and oil dependency in the transport sector. Some of the key issues to be addressed are as follows:

- Interactions between transport policy and energy policy - are goals served by the same policies, or are there trade-offs?
- Oil price Instability: the determinants of price in the short term;
- Peak-oil, strategies of the national oil producers and major oil companies and market forces;
- The determinants of oil prices and supply in the long term – the price of substitutes and greenhouse gas emission constraints;
- Long run trends in demand for transport services and for oil products in the transport–fuel price elasticities, the significance of vehicle technology developments and the changing structure and resilience of the economy and the transport sector.

Discussions at the Round Table will be based on a series of introductory reports by the following experts, and articulated around a series of short presentations:

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Chair

Professor Paul Portney, Dean of the Eller College of Management, University of Arizona, USA.

Price instability: the determinants of oil prices in the short term

Mr. Lawrence Eagles, Head of the Oil Industry and Markets Division of the International Energy Agency.

Peak-oil and the evolving strategies of oil importing and exporting countries

Professor Kjell Aleklett, Uppsala University, Sweden.

The determinants of oil prices and supply in the long term

Dr David Greene, Oak Ridge National Laboratory, Center for Transportation Analysis, USA.

Long run trends in transport demand, fuel price elasticities and implications of the oil outlook for transport policy

Professor Kenneth Small, University of California, Irvine, USA.