INTERNATIONAL ENERGY

International Forums Contribute to Energy Cooperation within Constraints

What GAO Found

The United States pursues energy cooperation through several international energy forums designed to meet specific cooperative needs. They include a formal institution with binding petroleum reserve obligations, regional associations, and informal gatherings designed to facilitate information exchange. Major forums include the International Energy Agency (IEA), the Asia Pacific Economic Cooperation Energy Working Group, the North American Energy Working Group, and the International Energy Forum.

GAO identified three energy market issues that are important for U.S. efforts in international energy cooperation. First, a tighter energy market with higher, more volatile, prices has developed. This is due to (1) an unanticipated rise in energy demand and (2) constrained supply due to less spare crude oil production capacity and increased political frictions in certain supplier countries. Second, market participation of national oil and gas companies, which are majority owned by governments, has led to limitations on access to resources. Third, more reliable energy market information is needed to facilitate market stability and plan investment.

The U.S. government has addressed these issues through its participation in international energy cooperation forums; however, the nature of the forums can limit their impact. Forums have restricted membership, consensus-based agendas and decisions, and voluntary participation. They generally focus on noncontroversial issues such as energy efficiency and technology. Within these constraints, the United States has tried to mitigate effects of tight markets by supporting emergency preparedness. It has not directly addressed the impact of national oil companies, but it has pursued related areas. It has sought to improve energy information, but Energy Information Administration (EIA) statistical expertise has not been consistently leveraged for purposes beyond data exchange, and U.S. data submissions to the IEA have not been timely.

Top World Oil Net Importers, 2004

Source: GAO analysis of EIA data.
Note: This includes all countries that imported more than 1 million barrels per day net in 2004.