Plenary session:
Key issues on the global energy agenda

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OPEC Secretary General
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OPEC landmark decisions in 2016

Impact and achievements

- 25 sovereign producing nations acting in partnership
- Element of oil market stability reintroduced
- A transparent and fully accessible platform, open to all producers
- Positive change in perceptions of OPEC
- Commended by producers, consumers and industry stakeholders
- Positive impact on the global economy; trade worldwide has increased
- Return of confidence to the oil industry, gradual recovery in investments
- Welcomed by financial markets
- Oil export values have significantly increased (34-37%)
OPEC WOO – essential and detailed analysis of the prospects for the global oil industry

The WOO is one of OPEC’s flagship publications, combining the expertise of the OPEC Secretariat and professionals in OPEC Member Countries.

Now in its 12th edition, the WOO is newly available as an APP for Android and iOS. Interactive version available at woo.opec.org
The ‘energy transition’: a perspective on the future

- Size of the global economy in 2040 is estimated to be more than 200% that of 2017
- Developing countries expected to grow by 4.5% p.a. on average (India 6.5% p.a.)
- World population will increase from 7.6 billion in 2017 to 9.2 billion in 2040
- Huge potential for socio-economic development in terms of expanding energy access

![Distribution of the global economy](chart.png)
Overall energy demand to increase 33% by 2040

- Fossil fuels remain dominant despite the penetration of renewables
- Developing countries see almost 95% of the overall energy demand growth

Source: OPEC
Natural gas expands the most in the long-term, followed by other renewables

- OPEC is fully aware of the dual challenge of meeting growing energy demand, while constantly improving the environmental footprint of all the energies used
- Coal is the fuel with lowest growth of just 0.2% p.a. on average
Oil demand in Developing countries expected to increase by more than 22 mb/d between 2017 and 2040

Oil demand increase in Developing countries more than compensates for declines in OECD

This is the second consecutive year that the WOO has raised its global oil demand numbers for 2040

Long-term oil demand projected to increase by 14.5 mb/d to reach 111.7 mb/d in 2040

Long-term oil demand in the Reference Case, mb/d

<table>
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<th>2017</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
<th>2035</th>
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</tbody>
</table>

Source: OPEC

- Oil demand in Developing countries expected to increase by more than 22 mb/d between 2017 and 2040
- Oil demand increase in Developing countries more than compensates for declines in OECD
- This is the second consecutive year that the WOO has raised its global oil demand numbers for 2040
Road transportation will continue to be the largest oil demand sector but petrochemicals mark the largest increase.

- Long-term incremental demand in the transport sector: +8.2 mb/d (road transport: +4.1 mb/d)
- Conventional vehicles, including hybrids, still make up 82% of the vehicle fleet by 2040
- Industry sector: +5.7 mb/d of which 4.5 mb/d will be in petrochemicals

Source: OPEC
Non-OPEC supply peaks in late 2020s when US tight oil plateaus

- OECD America sees strongest supply growth, remains largest non-OPEC producing region
- Non-OPEC supply peaks at 67 mb/d in 2026/27, then declines to 62.6 mb/d by 2040
Demand for OPEC crude rises to 40 mb/d in 2040

- Implied demand for OPEC crude declines from 32.6 mb/d in 2017, to 31.6 mb/d in 2023
- Stays flat for ~10 years until US tight oil peaks; then grows to 40 mb/d by 2040
- The share of OPEC crude in the global oil supply is to increase from 34% in 2017 to 36% in 2040
Investment requirements around $11 trillion to 2040

- Global oil related investments across the supply chain are estimated at around $11 trillion in the period to 2040
- Investment has picked up again this year, after the downturn of 2015/2016
- OPEC Member Countries fully committed to investments across the whole industry value chain
Importance of oil & gas in transforming our economies, societies

- **Oil & gas** have been, and continue to remain key to driving economic growth and prosperity
- It is imperative to address energy poverty that continues to impact billions of people across the world
- Urgent need for access to reliable, safe and secure modern energy services at scale
- Continually develop, evolve and adopt cleaner energy technologies
- All-inclusive and non-discriminatory energy polices required to meet future energy demand, in a sustainable manner
- **International cooperation** could enhance actions of countries that aim to accelerate the energy transition; providing sufficient financial resources and advancing technology development
Power of dialogue and cooperation in attending to common challenges

- **Declaration of Cooperation** has demonstrated the effectiveness of joint and collaborative actions for sustainable oil market stability.
- OPEC has been a prominent voice in many forms of dialogue and cooperation: **EU, Russia, China, IEF, IEA, GECF, IMF, G20**
- High-level **EU-OPEC Energy Dialogue** since 2005
- It is vital for all stakeholders to look for **shared** and **realistic solutions**
Moving forward on the ‘energy transition’ path

- **All energy sources** will be required to meet rising demand
- **Oil and gas** are expected to still meet over 50% of the world’s energy needs in 2040
- It is critical to continue improving energy efficiency and develop cleaner energy technologies
- We need to put our collective efforts to ensure that energy is made available to all of the world’s citizens
Thank You