Oil Outlook to 2025

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Acting for the Secretary General

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Global energy security

- Security of supply and security of demand are two sides of the same coin

- Energy security should:
  - apply to the entire supply chain
  - cover all time-horizons
  - benefit rich and poor nations alike

- Global energy security is a shared responsibility for all players in the market
OPEC Reference Basket Price (nominal and real) and non-energy commodity prices

The real price is still well below historical highs

Non-energy commodity prices have also risen
OPEC crude oil supply has risen 4.5 mb/d since 2002
Fossil fuels will continue to provide most of the energy needed.
Oil demand outlook in the reference case, mb/d

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
<th>2025</th>
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<td>90.7</td>
<td>98.0</td>
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</tbody>
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- “Dynamics-as-usual”: no new strong policy drives
- Four-fifths of increase in demand comes from developing countries
- Transportation continues to be dominant source of growth
- But vehicle ownership levels per capita in DCs remain well below those in the OECD
- Energy poverty remains an important issue
Conventional liquids resource base is sufficient
## Oil supply outlook, mb/d

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<tr>
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<tr>
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<td>58.3</td>
<td>59.4</td>
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<tr>
<td>OPEC (incl. NGLs)</td>
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<td>39.7</td>
<td>46.2</td>
<td>54.3</td>
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- Key sources of non-OPEC increase: Latin America, Gulf of Guinea, Russia and Caspian
- Upstream investment of $1.9 trillion needed
OPEC crude capacity continues to expand
Demand for OPEC oil: considerable uncertainty

![Graph showing demand for OPEC oil from 2005 to 2025 with three scenarios: lower growth, reference case, and higher growth.](image-url)

- Lower growth
- Reference case
- Higher growth

mb/d (百万桶/天)

2005 2010 2015 2020 2025
Cumulative investment in OPEC: three scenarios

Uncertain future demand translates into a broad range of possible OPEC investment needs.
Distillation Capacity Additions vs Incremental Crude Runs

Cumulative increases from 2005
Refining investments in the reference case 2005-2015

Cleaner oil and gas technology

- Key question: how to make increased fossil fuel use consistent with the third pillar of sustainable development: protection of the environment

- Huge progress made in improving air quality

- Carbon capture and storage is a promising technology to address climate change concerns

- Industrialised countries should take the lead in this area by promoting large-scale demonstration projects

- Including through the use of the CDM
Concluding remarks

- Energy security is fundamental
- Security of supply *and* security of demand
- Security applies across entire supply chain
- Poverty eradication: first UN Millennium Development Goal
- Comprehensive and balanced approach to the three pillars of sustainable development: economic growth, social progress and protection of the environment
- International Energy Forum is a key platform in the new energy era