

Presentation of the OPEC World Oil Outlook 2018

KEY CONCLUSIONS

Energy demand will continue to grow throughout the world

"In the baseline scenario, we are seeing evolutionary development in the current technological and policy trends [...] We anticipate that demand [for all types of energy] will increase by 91 million barrels per day in oil equivalent, or 33%, and will reach 365 million barrels per day by 2040 [...] We expect demand for oil to grow by 14.5 million barrels per day and reach 111.7 million barrels per day by 2040", Head of the Energy Studies Department at the Organization of Petroleum Exporting Countries (OPEC) Abderrezak Benyoucef said.

Developing nations account for the lion's share of growth in energy consumption

"We are seeing the greatest growth in demand in India [...] At the same time, total demand in this country will be lower than that of China [...] Developing nations such as China and India actually account for 95% of the total growth in energy demand. Demand for energy in these countries will increase by more than 20 million barrels per day, while overall growth throughout developing nations will amount to roughly 10% between 2015 and 2040", Benyoucef said.

Oil, gas, and coal will remain the main energy sources

"Oil, gas, and coal will make up more than 75% [of energy sources] by 2040. Oil will retain the largest share throughout the energy sector in terms of energy consumption", Benyoucef said.

"In the future, oil will remain a key element – the predominant element – in the structure of energy consumption, and this industry will continue to grow rapidly", OPEC Secretary General Mohammed Sanusi Barkindo said.

PROBLEMS

Potential supply shortage on the oil market

"Growth in Kazakhstan, Brazil, and a few other countries will not be enough to offset the decline that is taking place in other countries [...] In 2027,

supply [from non-OPEC countries] will amount to roughly 67 billion barrels, and then there will be a slight decline. By 2040, it will drop to the level of perhaps 63 billion barrels”, Benyoucef said.

SOLUTIONS

Increase investment in the industry

“During the period until 2040, the [oil industry’s] demand for investments will amount to roughly USD 11 trillion, with upstream accounting for USD 8.3 trillion, downstream for USD 1.5 trillion, and midstream [extraction, refining, and transportation] for USD 1 trillion”, Benyoucef said.

Diversify energy sources

“Many OPEC countries are diversifying their resource bases today. This not only concerns oil, but gas as well, and in some countries this also concerns renewable energy sources. And this means that investments in developing nations, and not only in OPEC countries, are going to other sectors. The economy relies on energy today, and this is precisely why many of these countries are diversifying their economies and resource bases and looking to other sectors of the economy”, Benyoucef said.