

Press Release

IEA says oil & gas will meet half of global energy demand in 2040

FOR IMMEDIATE RELEASE

(London, 14 November, 2017) The International Association of Oil & Gas Producers (IOGP) welcomes the International Energy Agency's World Energy Outlook 2017 which reaffirms the crucial role oil & gas will play in 2040.

In all three scenarios examined of the IEA's new Outlook, oil & gas are needed to meet around half of world energy demand by 2040. Sustained demand in road transport is accompanied by rising requirements in the industrial, shipping and aviation sectors.

The strong outlook for demand and the 6% annual field depletion rate means there is a significant case for investment in the upstream sector over the coming years, regardless of the scenario" says IOGP's Executive Director, Gordon Ballard. "Even in the most ambitious IEA scenario, the high share of oil & gas in the energy mix shows just how important they are to grow the global economy".

The Outlook, for the first time, considers future energy demand through the lens of the UN Sustainable Development Goals (SDG). The publication found that over one billion people still lack access to electricity, while nearly three billion still relied on highly polluting coal or biomass for cooking, with a severe impact on health.

"The SDG based approach of the IEA is a welcome evolution. In some regions of the world, limited access to energy and energy poverty are by far the most pressing issues. The world isn't done developing, and it's going to need oil & gas for that" Gordon Ballard says.

As for natural gas, the conclusions of the Outlook's special focus are extremely positive. The IEA itself called gas' role in the flattening of energy-related emissions of the past few years 'undeniable'.

"The IEA's special focus on natural gas is a welcome initiative. It makes the advantages and the versatility of this fuel known to everyone. The ability of gas to provide flexibility to energy systems while reducing emissions of CO2 and air pollutants is simply unparalleled" Gordon Ballard says.

The Outlook also looks at methane emissions from energy sources, noting that oil & gas are much better placed in terms of abatement potential than coal.

"We have been working to reduce methane emissions for nearly two decades now, and remain fully committed to achieving additional progress" said IOGP's Executive Director points out. "Countries around the world are counting on us to deliver safe, affordable and sustainable energy. This inspires us to keep doing our best" Mr Ballard says.

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About IOGP

The International Association of Oil & Gas Producers (IOGP) is the voice of the global upstream industry. Oil and gas continue to provide a significant proportion of the world's energy to meet growing demands for heat, light and transport.

Our Members produce 40% of the world's oil and gas. They operate in all producing regions: The Americas, Africa, Europe, the Middle East, the Caspian, Asia and Australia.

We serve industry regulators as a global partner for improving safety, environmental and social performance. We also act as a uniquely upstream forum in which our members identify and share knowledge and good practices to achieve improvements in health, safety, the environment, security and social responsibility.