The determining role of Asia in global energy demand

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Oil prices affect the global economy

Oil price spikes have preceded each global recession since the early 1970’s
Annual expenditure on net imports of oil

If oil prices average US$100 a barrel in 2011, spending on oil imports in many countries will reach or surpass the record levels of 2008.

* Projections made prior to events of 11 March
Asia to remain the main driver of global energy demand

Energy demand in Asia increases by 70% over the Outlook period, pushing the region’s share of global demand from 35% today to 44% in 2035
Fossil-fuel subsidies mute demand response and add to market volatility

Fossil-fuel consumption subsidies amounted to $312 billion in 2009, down from $558 billion in 2008, with the bulk of the fall due to lower international prices.
Will peak oil be a guest or the spectre at the feast?

Oil demand peaks at 88 mb/d by 2020 & falls to 81 mb/d in 2035, with a fall in OECD demand offsetting continuing growth in non-OECD demand.
Growing share of non-OECD oil demand results in declining global demand cover from IEA oil stocks

Need for cooperation with emerging economies
Key messages

- As the global economy pulls out of economic recession, we all have an interest in price stability, a well-supplied market, & the ability to respond effectively to events.

- The importance of Asia in global energy markets will continue to grow.
  - Asia is set to account for 67% of incremental global primary energy demand in 2008-2035.

- On the supply side, the Middle East’s oil & gas resources will be critical to meeting the world’s growing appetite for energy.

- Growing interdependence among producers and consumers means security & sustainability challenges are collective, & enhancing cooperation will be mutually beneficial.