Oil Markets: Investment and Security Challenges in a World in Transition

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IEA
A two-speed oil market

After two years of unprecedented decline, global upstream investment is expected to recovery modestly by 3% in 2017, but downside risks remain.
Conventional oil and gas projects becoming faster and smaller

A shift in company strategies and technology developments leads to shorter project cycles across all the oil and gas industry.
Southeast Asia, India and China are the engine of future energy demand growth, together accounting for almost 60% of the global increase to 2040.
A growing need for imports

By 2040, Southeast Asia is a net importer of all fossil fuels, and the import bill exceeds $300 billion.
A sustainable pathway for Southeast Asia

Key indicators for New Policies (NPS) and Sustainable Development (SDS) Scenarios

Cumulative investment
(Trillion dollars)

Efficiency investment
Supply investment

Fossil fuel import bill
(Billion dollars)

Premature deaths from air pollution
(Thousand people)

A small increase in investment sets Southeast Asia on a sustainable pathway and brings multiple benefits
Closing remarks

- Two speed oil upstream market emerging after two years of investment declines.
- Oil demand continues growing, stock level is getting closer to past average.
- With rapid increase in oil and gas import requirements, supply security continues to be a live issue, in particular, for Asia.
- A more sustainable energy future is attainable by reorienting investments, bringing financial, climate and health benefits.
- With international engagement on energy more important than ever, the IEA stands ready to be a strong partner for the region.