



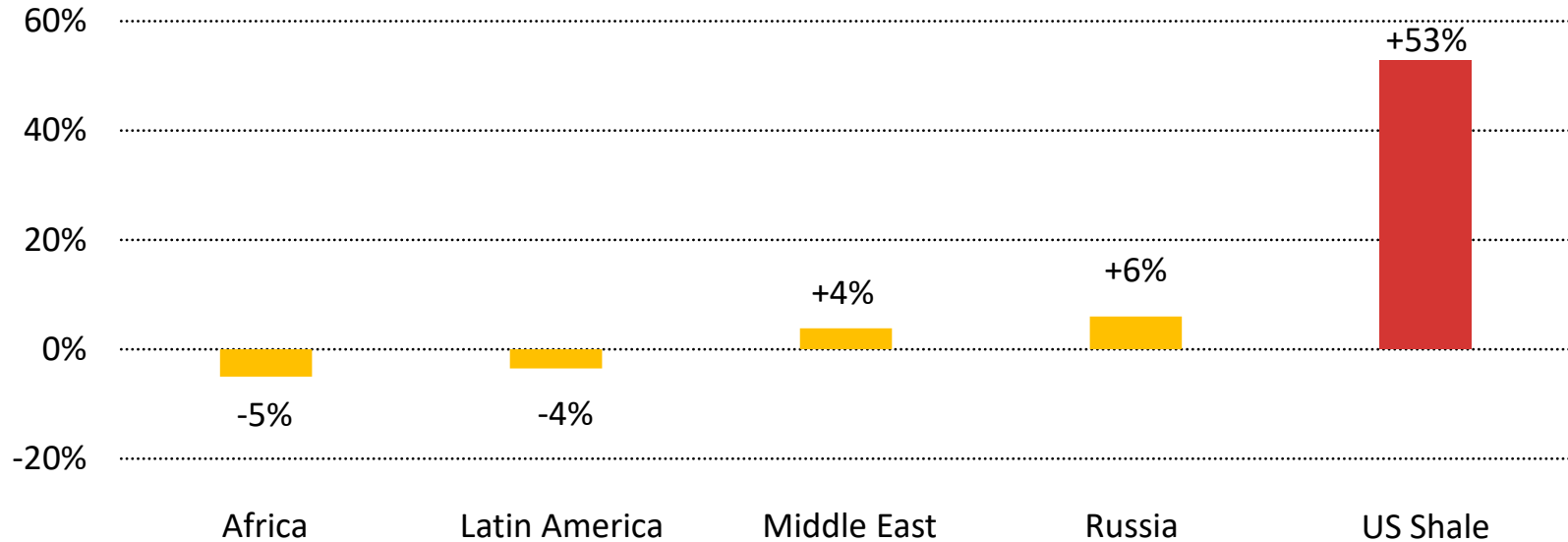
Oil Markets: Investment and Security Challenges in a World in Transition

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7th Asian Ministerial Energy Roundtable, 2 November 2017



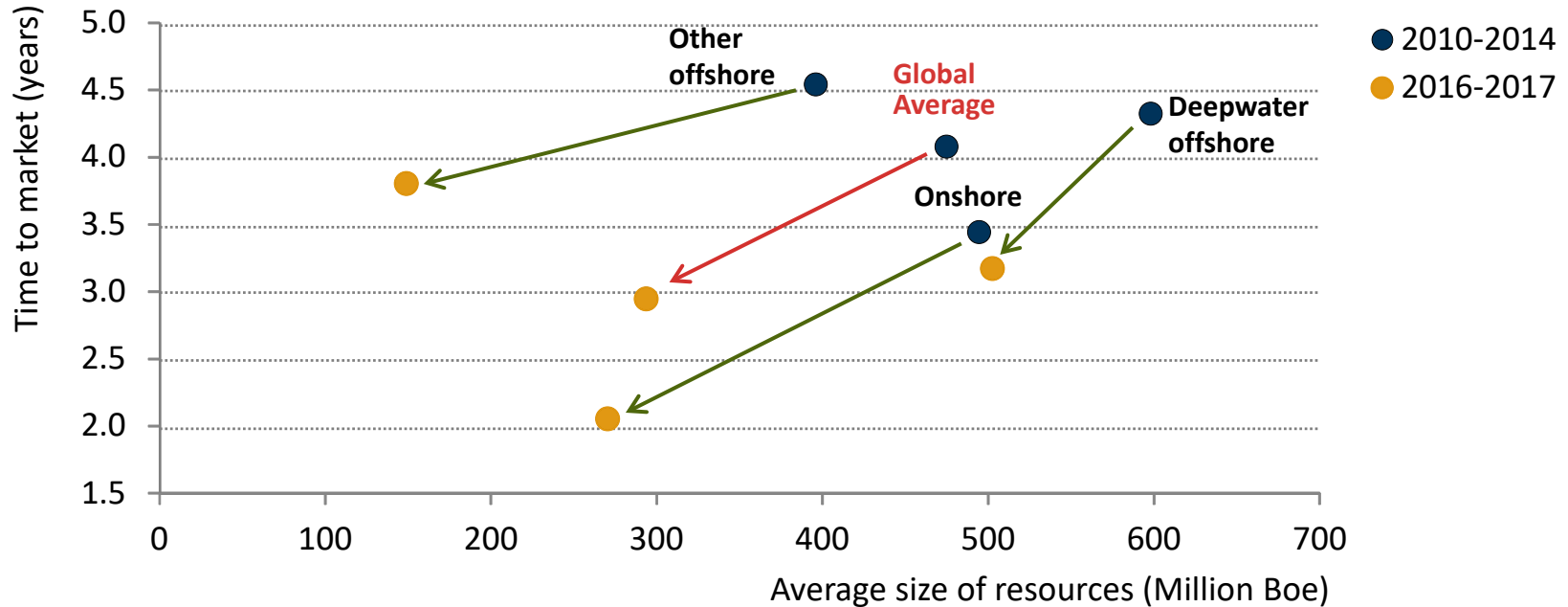
Change in Upstream investment, 2017 vs 2016



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

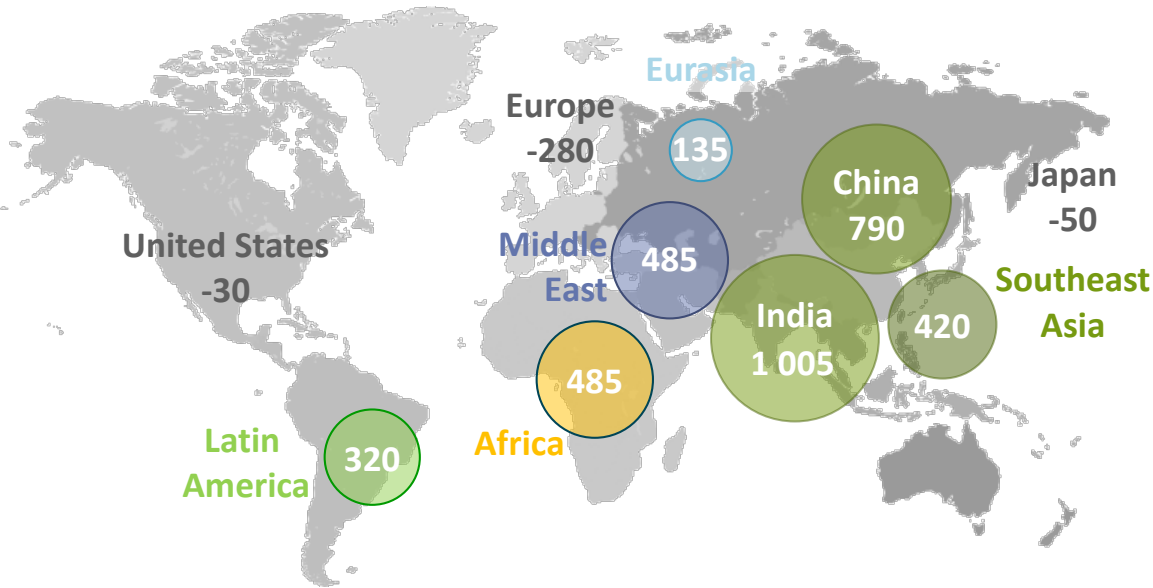
Average size of conventional resources sanctioned and time-to-market



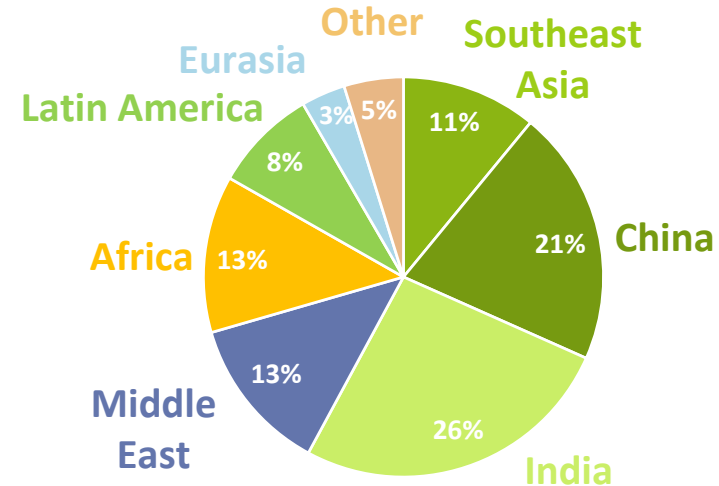
A shift in company strategies and technology developments leads to shorter project cycles across all the oil and gas industry

A shift in the global centre of gravity for energy

Change in primary energy demand to 2040 (Mtoe)



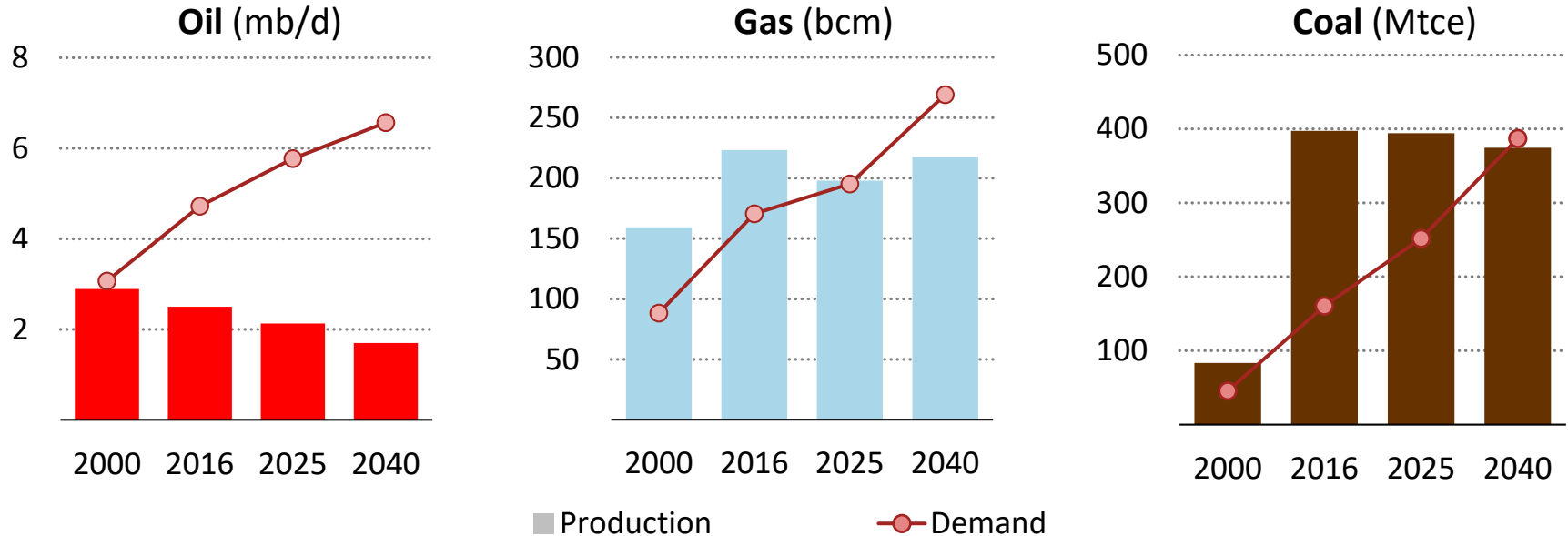
Share of global growth 2016-2040



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

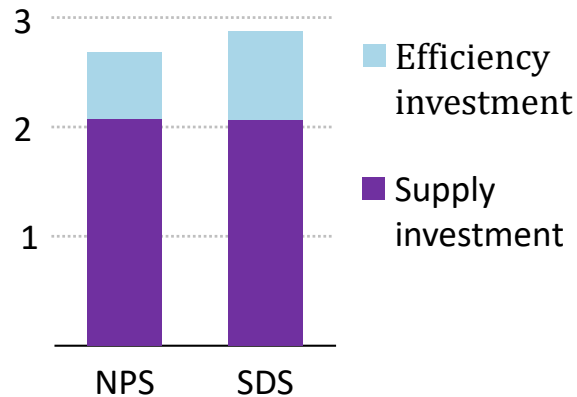
Fossil fuel production and demand to 2040



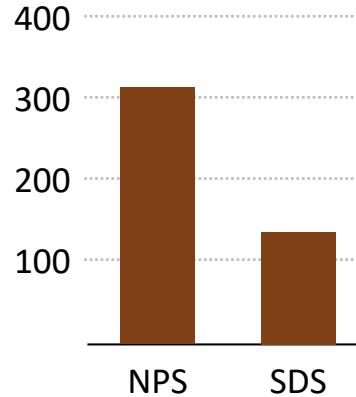
By 2040, Southeast Asia is a net importer of all fossil fuels, and the import bill exceeds \$300 billion

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

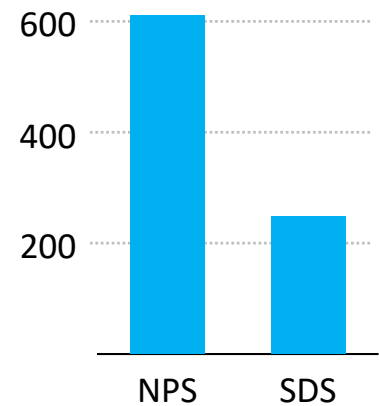
Cumulative investment
(Trillion dollars)



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



- 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.

