Medium- to Long-Term Prospects for Gas and Coal
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Outline

• Key Assumptions and Global energy demand
• Coal and Gas outlook
• Trends in the power sector
• Key takeaways
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Global GDP will recover from COVID-19 crisis but long-term average growth will be slower

- Global population projected to increase from 7.7 billion in 2019 to 9.5 billion in 2045
- Approximately 96% of the population growth is foreseen in non-OECD countries
- Global GDP expected to increase by 2.9% p.a. on average between 2019 and 2045
- Most of the GDP growth driven by non-OECD countries
- India is expected to remain the fastest-growing developing country with average GDP growth of 5.6% p.a.
- China’s economy is rapidly moving towards maturity and growth rate will decelerate to an average 2.8% p.a.
- GDP growth in OECD estimated at average 1.6% p.a.
The outlook assumes the evolutionary development of existing energy policies and technologies

- Outlook accounts for **key energy-related policy initiatives** in major regions and countries
- Evolutionary extensions of **fuel efficiency standards** assumed
- Internal Combustion Engines will remain **dominant** for the foreseeable future
- Shared mobility **growing** swiftly, especially in urban areas
- Potential of **hydrogen** being explored to meet environmental **policy objectives**
- Due to the effects of COVID-19, **remote working** continues to develop
- Continued **energy efficiency gains** across all sectors
- IATA/ICAO and IMO policy initiatives for **aviation and marine transport** sectors
Global energy demand projected to increase by 72.1 mboe/d to reach 361.3 mboe/d by 2045 (0.9%p.a.)

- Oil will still have the largest market share in 2045 although its share will decline
- Demand increases in non-OECD regions and drops in OECD
‘Other renewables’ is the fastest growing fuel

- Demand for **Other renewables** will grow the most in absolute and percentage terms (+25.5 mboe/d)

- **Natural gas** will see the second largest volumetric increase in demand (24 mboe/d)

- **Coal** is the only source fuel recording a decline in total demand
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Coal demand is expected to shrink by more than 6 mboe/d (0.3% decline p.a.)

- Coal demand in **India** is expected to grow between 2019 and 2045 at a pace of 2.6% p.a. (double in absolute terms)

- Coal demand is seen falling in the **OECD Americas**, **OECD Europe** and even **OECD Asia Oceania**

- The share of coal in the overall energy demand mix will drop to below **20%**
Natural gas is the only fossil fuel for which demand will increase in OECD countries

- Demand for Natural gas continues to develop in medium- and long-term in both OECD and non-OECD
- The incremental demand of around 24.3 mboe/d is unevenly distributed (88% by non-OECD countries)
- The share of natural gas in the energy mix is expected to double in India and to increase by 50% in China

Growth in gas demand by major regions, 2019 – 2045

- [Bar chart showing growth in gas demand by major regions from 2019 to 2045]
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Gas and Other renewables projected to increase share in the electricity generation mix

- Other renewables (mostly wind and solar) are expected to add **more than 9 PWh** of generation in the long-term

- Gas-fired generation rising by almost 6 PWh, profiting from policy support as well as declines in coal-fired generation

- Coal sees only **limited increase** in power generation as rising number of countries putting effort into the decommissioning of old power plants
Key takeaways

- **Global energy demand** projected to increase by 72.1 mboe/d to reach 361.3 mboe/d by 2045 (0.9%p.a.)

- **China** and **India** lead demand growth (combined increase of 36.5 mboe/d)

- **Gas** experiences the **second most** incremental growth in long term (24.3 mboe/d)

- The share of natural gas in the energy mix is expected to double in **India** and to increase by 50% in **China**

- Coal demand is seen falling in the **OECD Americas, OECD Europe** and even **OECD Asia Oceania**

- Gas-fired generation rising by almost 6 PWh but Coal sees only **limited increase** in power generation
Thank You.