

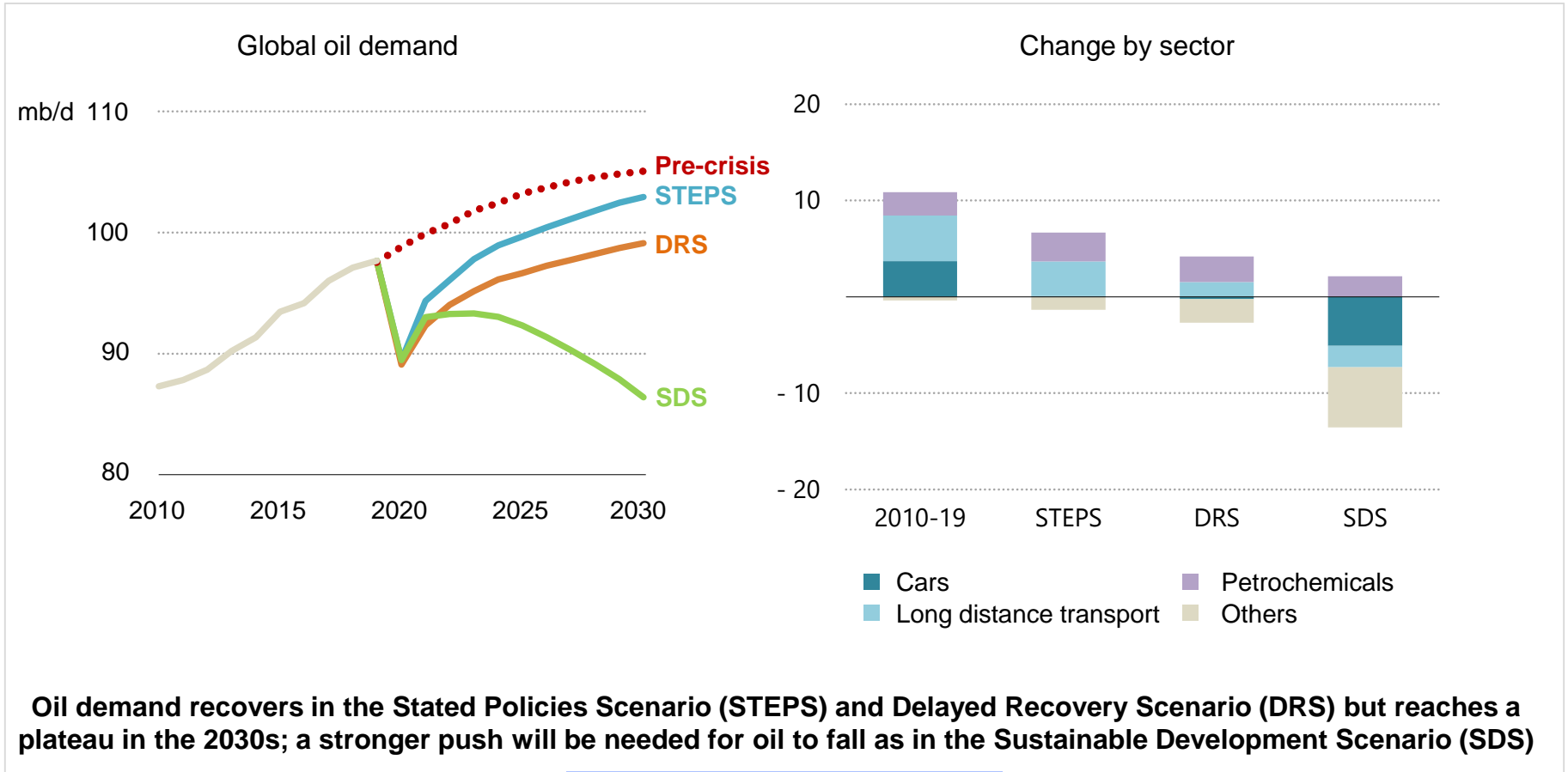


WEO week day 3: The outlook for fuels

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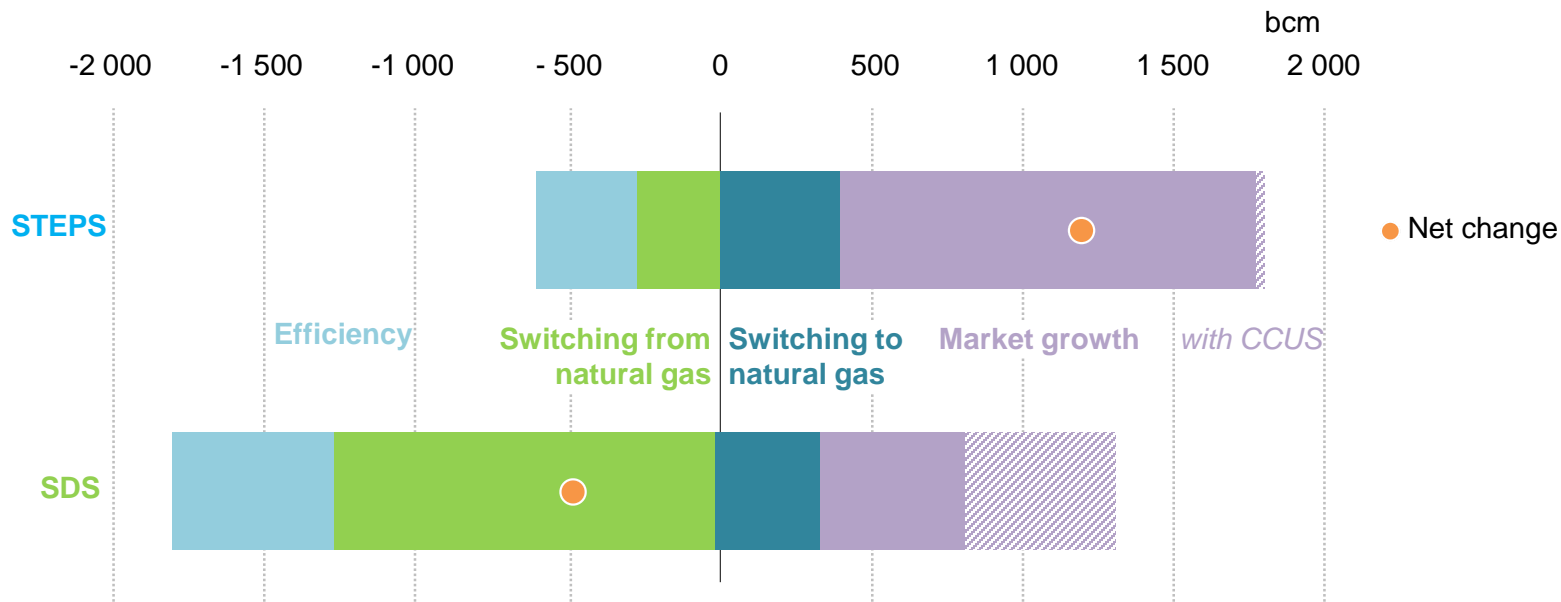
Without a large shift in policies, no rapid decline in oil



Oil demand recovers in the Stated Policies Scenario (STEPS) and Delayed Recovery Scenario (DRS) but reaches a plateau in the 2030s; a stronger push will be needed for oil to fall as in the Sustainable Development Scenario (SDS)

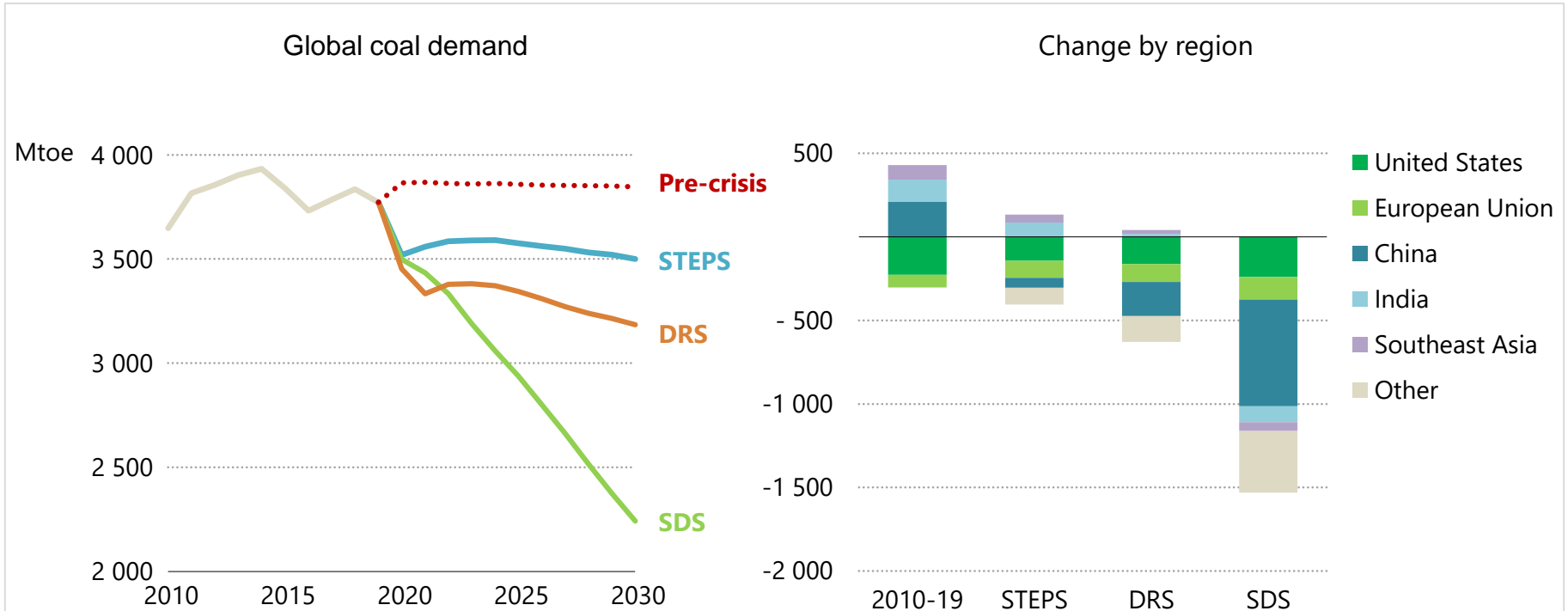
Is natural gas still a 'transition fuel'?

Changes in natural gas demand by key driver, 2019-2040



The push in developing economies for industrial growth & improved air quality create openings for gas in the STEPS. Prospects in the SDS are diminished by faster efficiency gains & switching to renewables

Conditions for coal supply look increasingly challenging

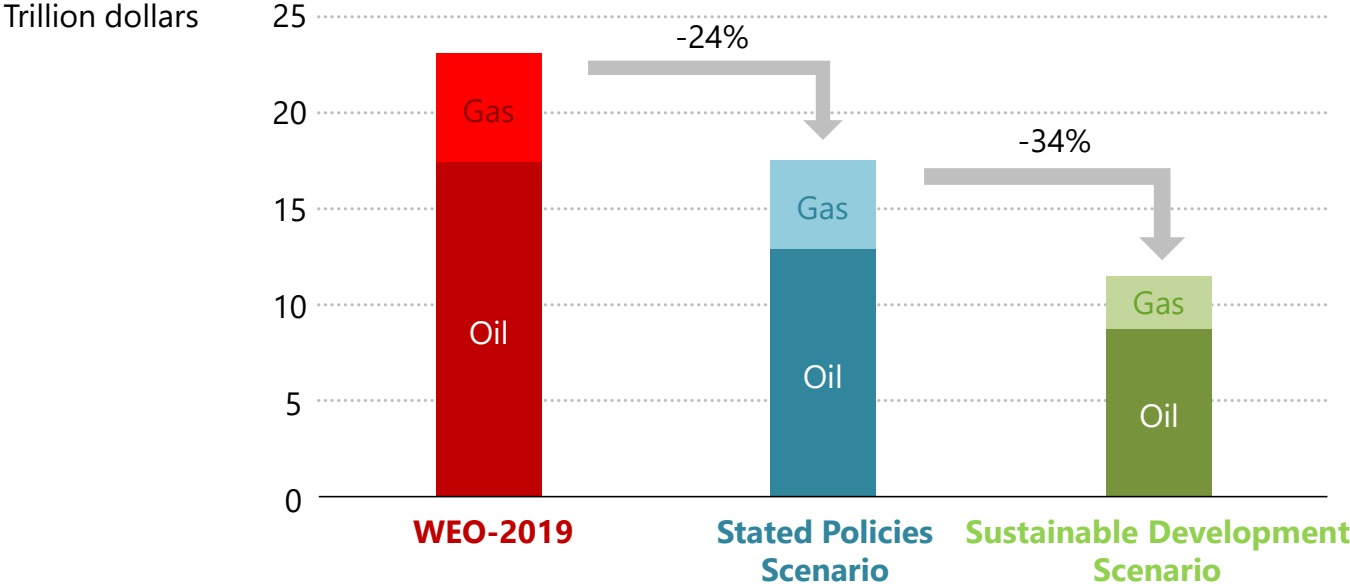


Lower demand exerts sustained pressure on the coal industry. International coal trade is further squeezed by efforts to boost domestic output in China and India. The SDS intensifies the pressure on all suppliers.

Diversification: the critical watchword for oil and gas producers



Today's value of oil and gas production to 2040



A lower price and demand outlook, due in the near term to Covid-19, adds to the strains on countries that rely on oil & gas revenues. The pressure for changes in strategies & business models is even stronger in the SDS

The worst methane leaks are now clearly tracked from space

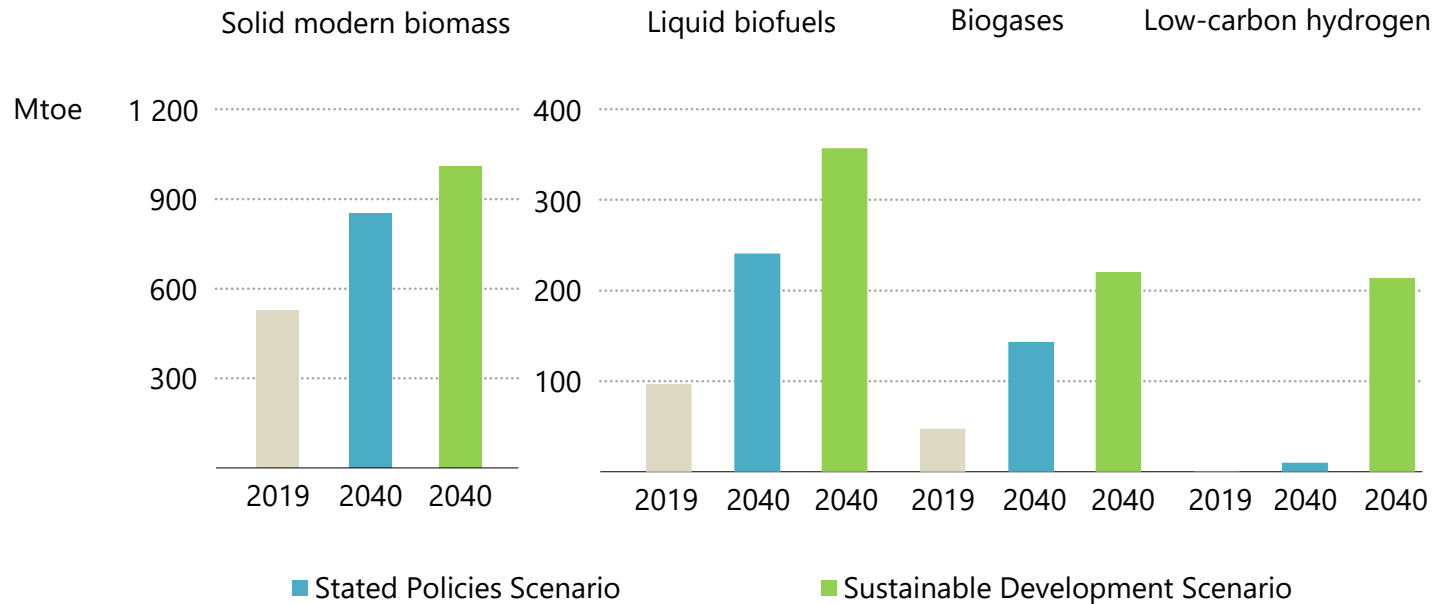
Super-emitting methane leaks attributable to oil and gas operations, January-August 2020



Source: Kayrros analysis based on modified Copernicus data

Satellite observations are providing a way to identify large-scale methane leaks that can be attributed to oil and gas operations around the world.

Supply of low-carbon fuels by scenario



The prospects for low-carbon fuels are closely linked to policies targeting a reduction in emissions in hard-to-abate sectors; these policies are significantly strengthened in the SDS

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