# World Energy Investment 2016

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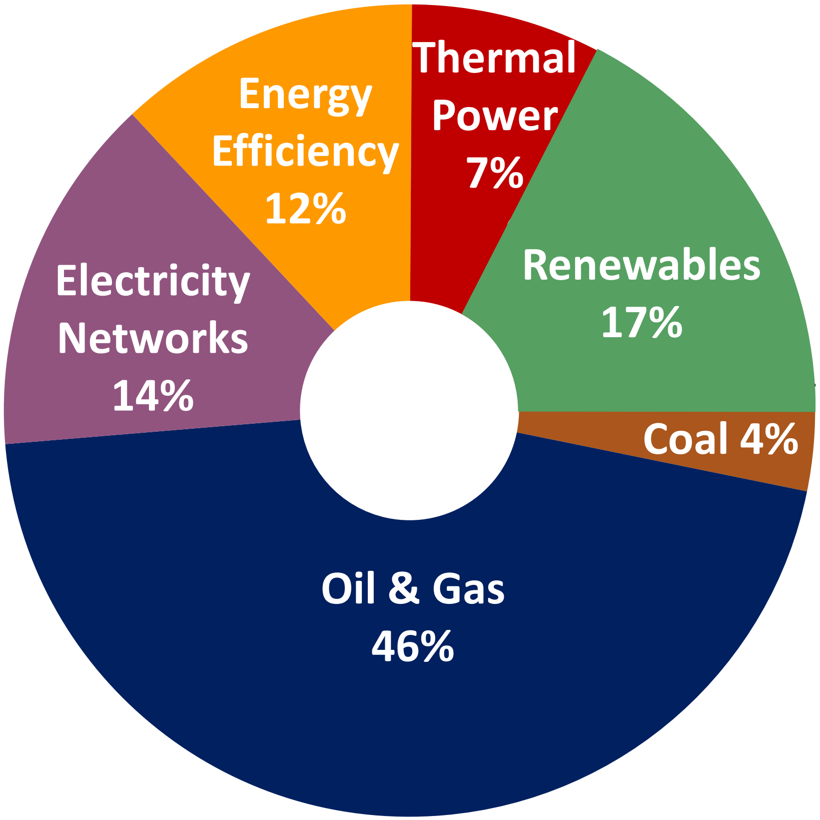
International Energy Agency
Secure Sustainable Together

# Investment flows signal a reorientation of the global energy system



## Global Energy Investment, 2015

**USD 1.8 trillion**

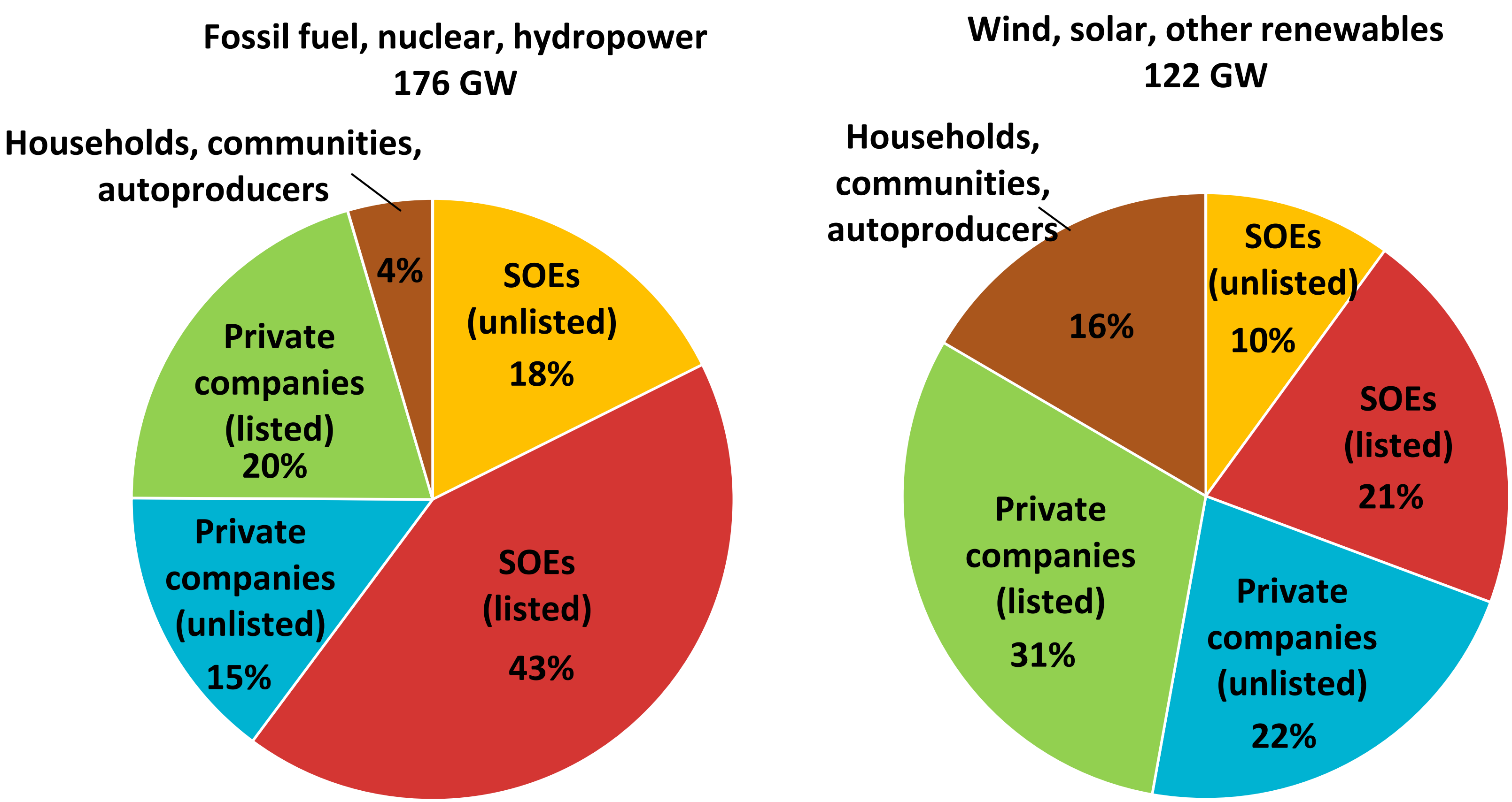



***An 8% reduction in 2015 global energy investment results from a $200 billion decline in fossil fuels, while the share of renewables, networks and efficiency expands***

# Governments increasingly in the driving seat of electricity markets



## Ownership of global power generation capacity commissioned in 2015




***The ownership of power generation assets is changing with increasing role of SOEs across all fuel options***

# Unprecedented wave of investment cuts in the upstream oil and gas industry

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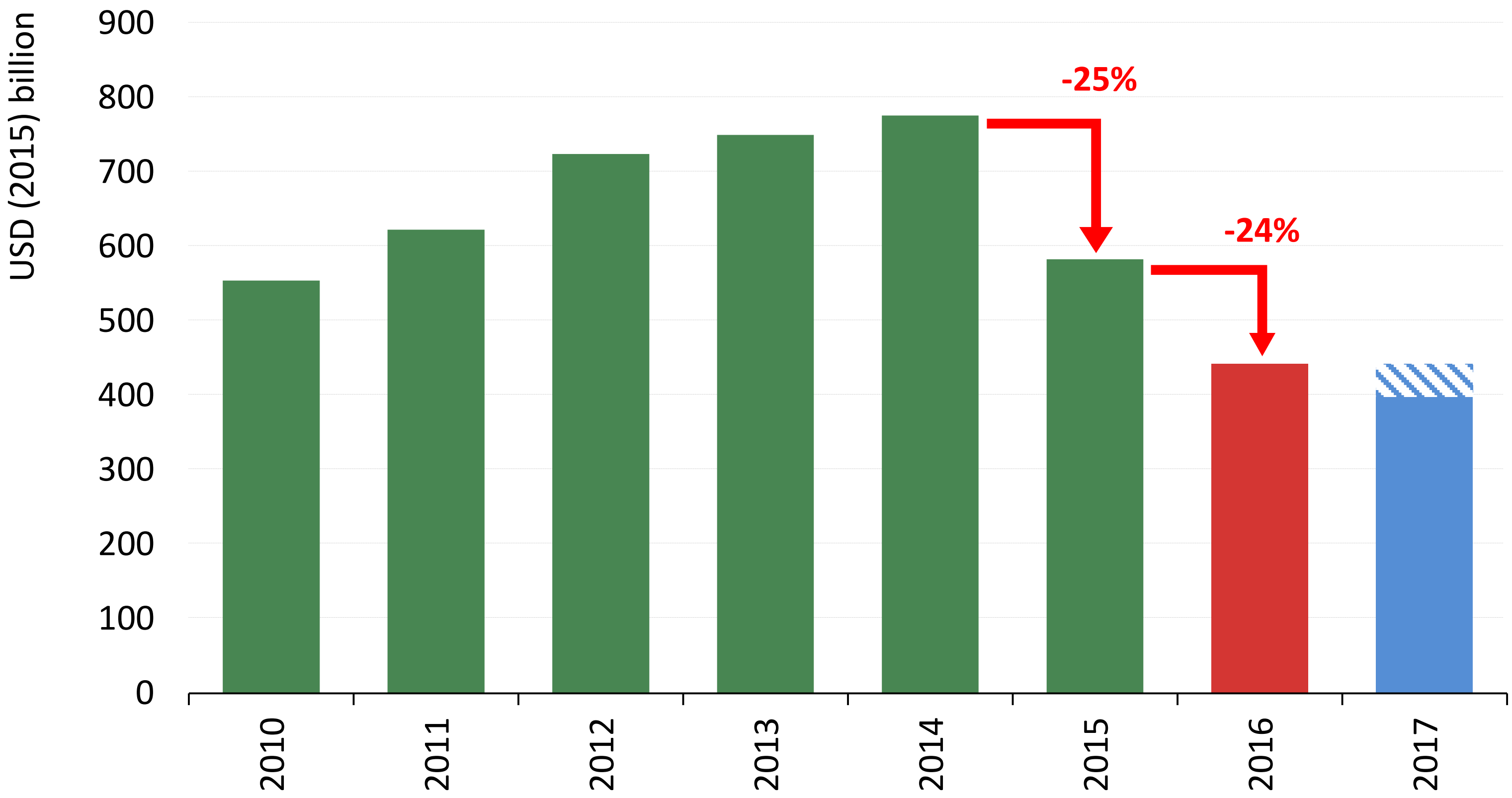
## Global upstream capital spending 2010-2017

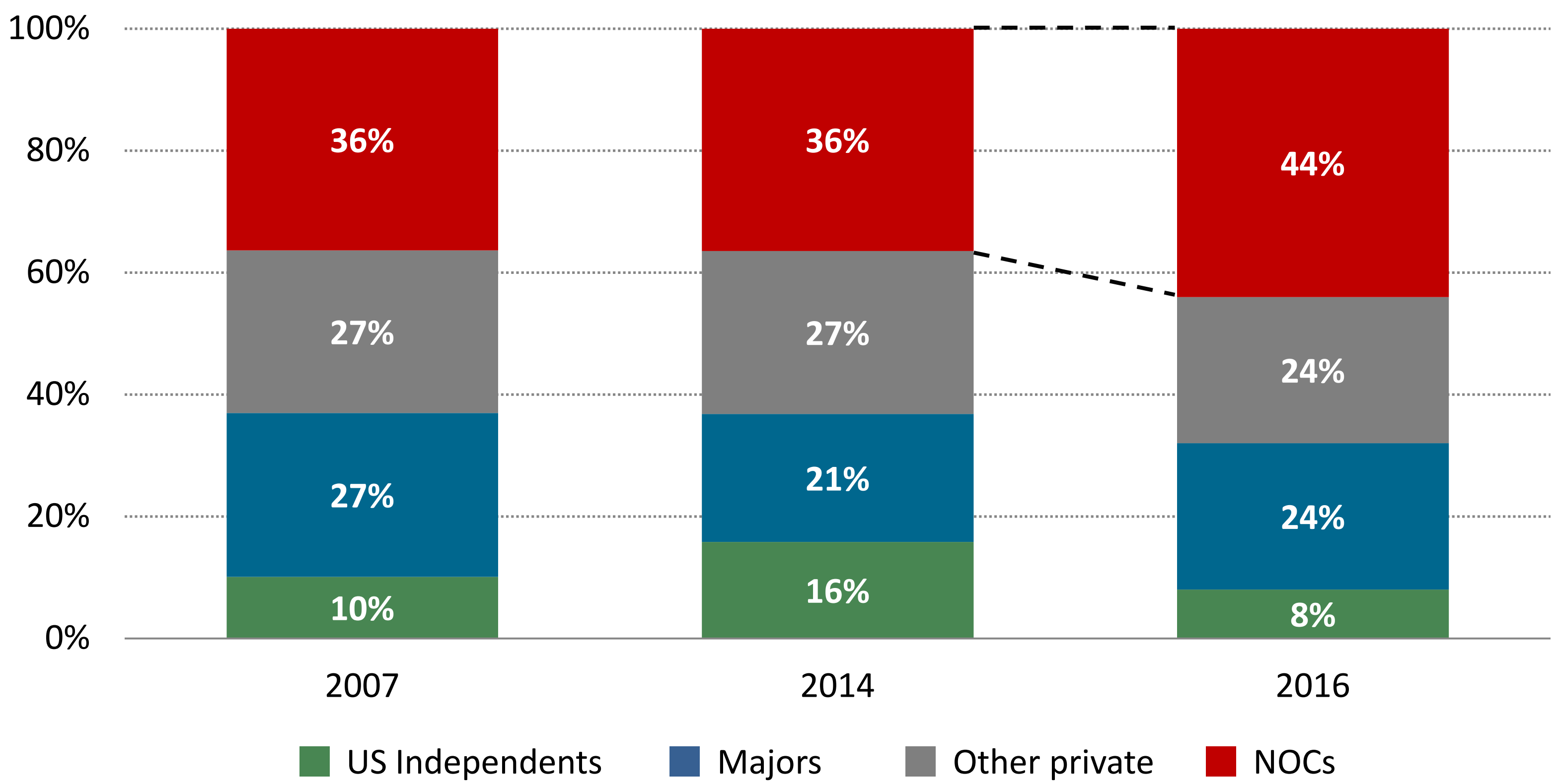



***Cost deflation, efficiency improvements and reduced activity levels might lead for the first time to three consecutive years of investment decline***

# The share of NOCs in global upstream investment reaches an all time high



## Share of upstream oil and gas investment, by company type




***Upstream investment remains robust in the Middle East and Russia while North American shale and global offshore spending have been hit most severely***

# Conclusions



- Global energy investment in 2015 is 8% lower. The share of oil & gas declined, while that of renewables, efficiency and nuclear rose
- Massive cost deflation across the entire energy spectrum is reshaping competition between fuels and technologies
- Unprecedented cuts in upstream investment are shifting the geography of oil production
- Renewables investment accounts for more than two-thirds of power generation and more than covers global electricity demand growth
- The role of State-Owned Enterprises is on the rise; governments play a key role in energy markets and supply security