

Energy Investment for Global Growth

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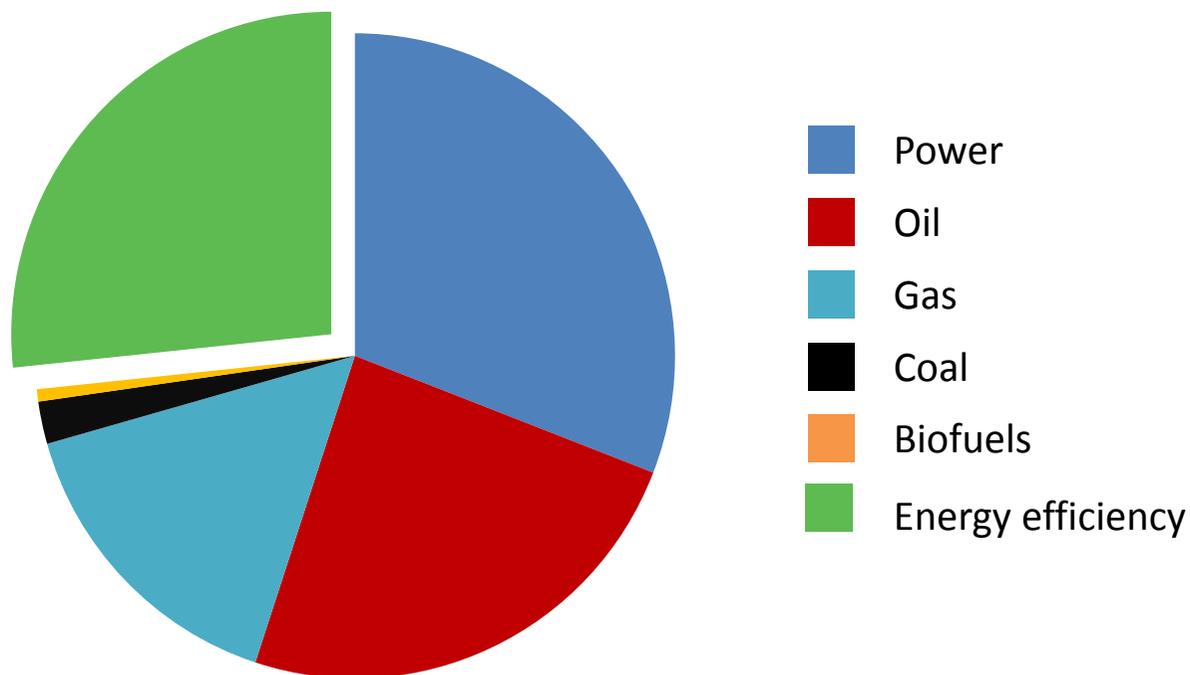
G7 Energy Ministerial meeting 2016

Kitakyushu, Japan

1 - 2 May 2016

Global energy investment challenge

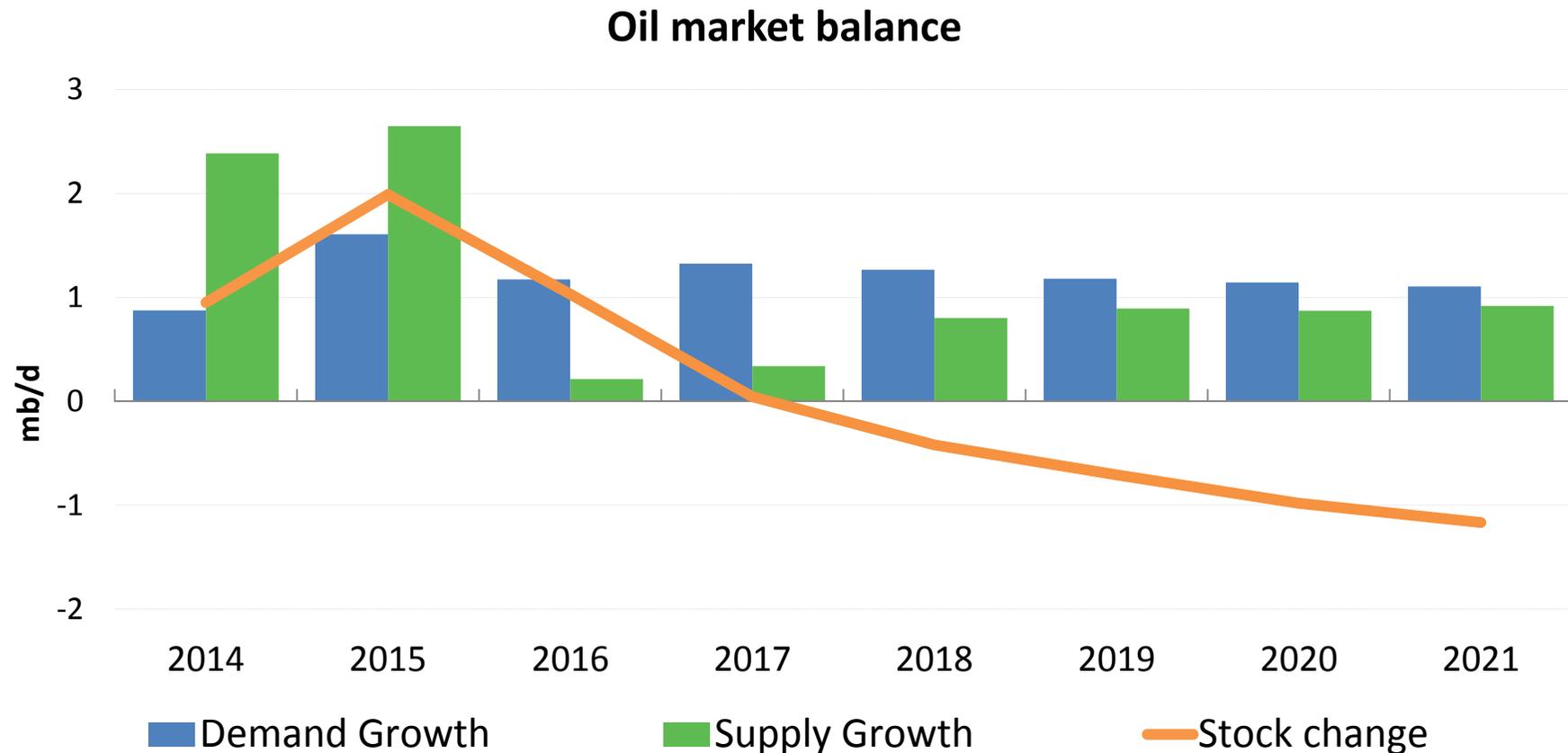
Cumulative investment in the energy sector to 2040



USD 60 trillion

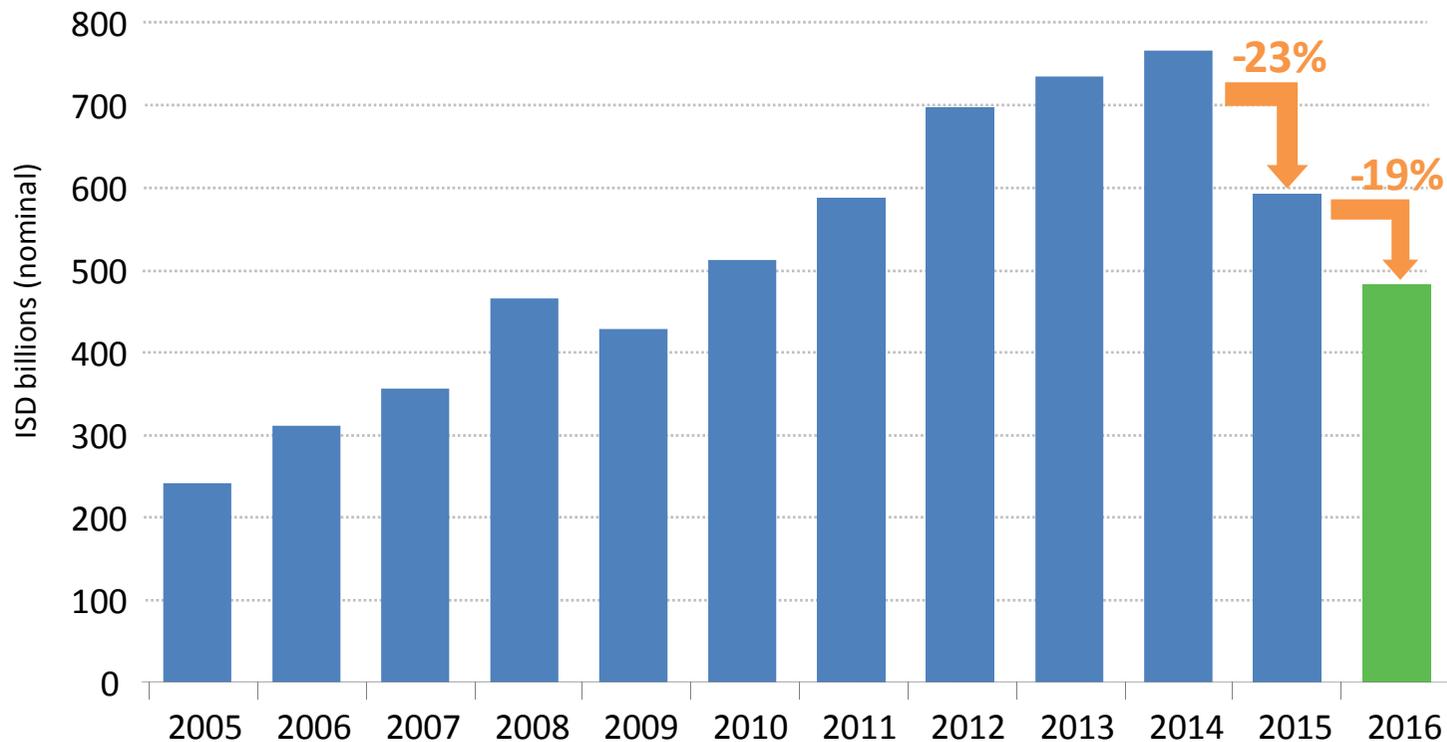
Energy investment of USD 2.7 trillion per year is needed to 2040; investment choices have long-term implications as sector depends on large-scale, high-cost assets

Oil markets are gradually returning to balance as low prices take their toll



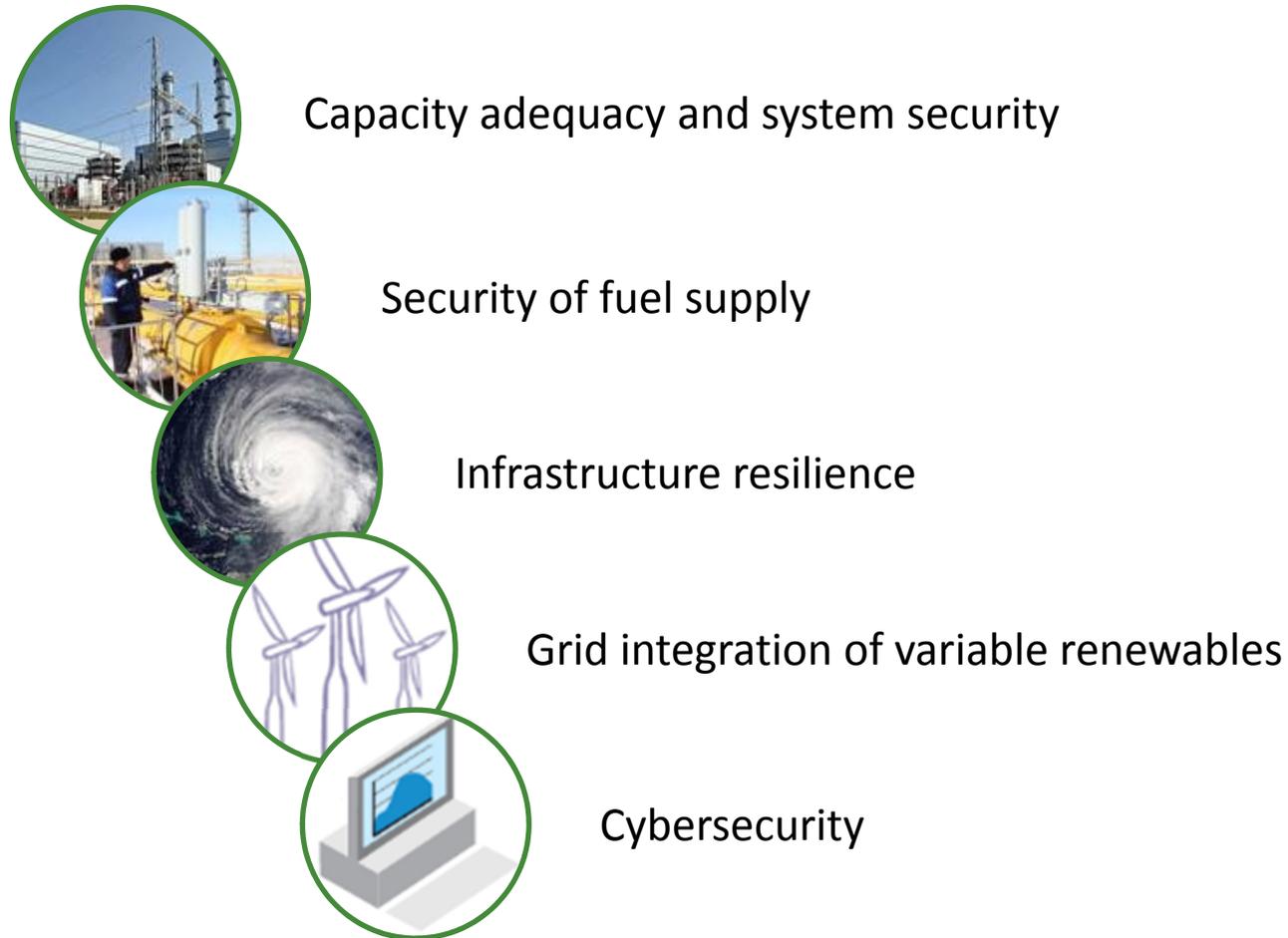
In 2016 non-OPEC supply is set to drop by over 700 kb/d, the largest fall since 1992, helping to push the oil market towards balance

World upstream oil and gas investment continues to fall



World upstream oil and gas investment continues to fall; raising the prospect of increasing reliance on the Middle East in the future

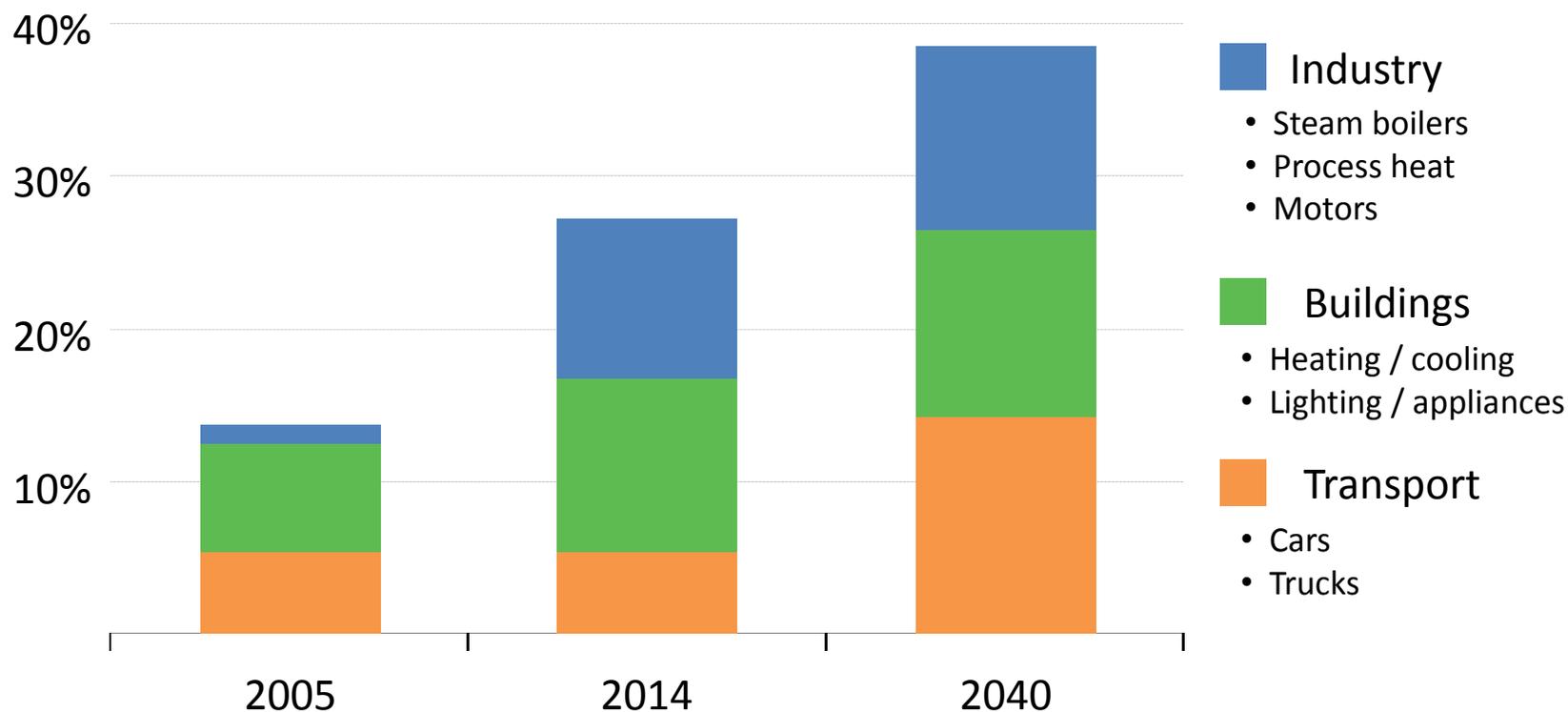
Electricity security: a multifaceted challenge



Electricity security is an emerging challenge with many dimensions; the IEA is involved in all key aspects of this issue in collaboration with G7 and partners

Action on energy efficiency must begin to match its potential

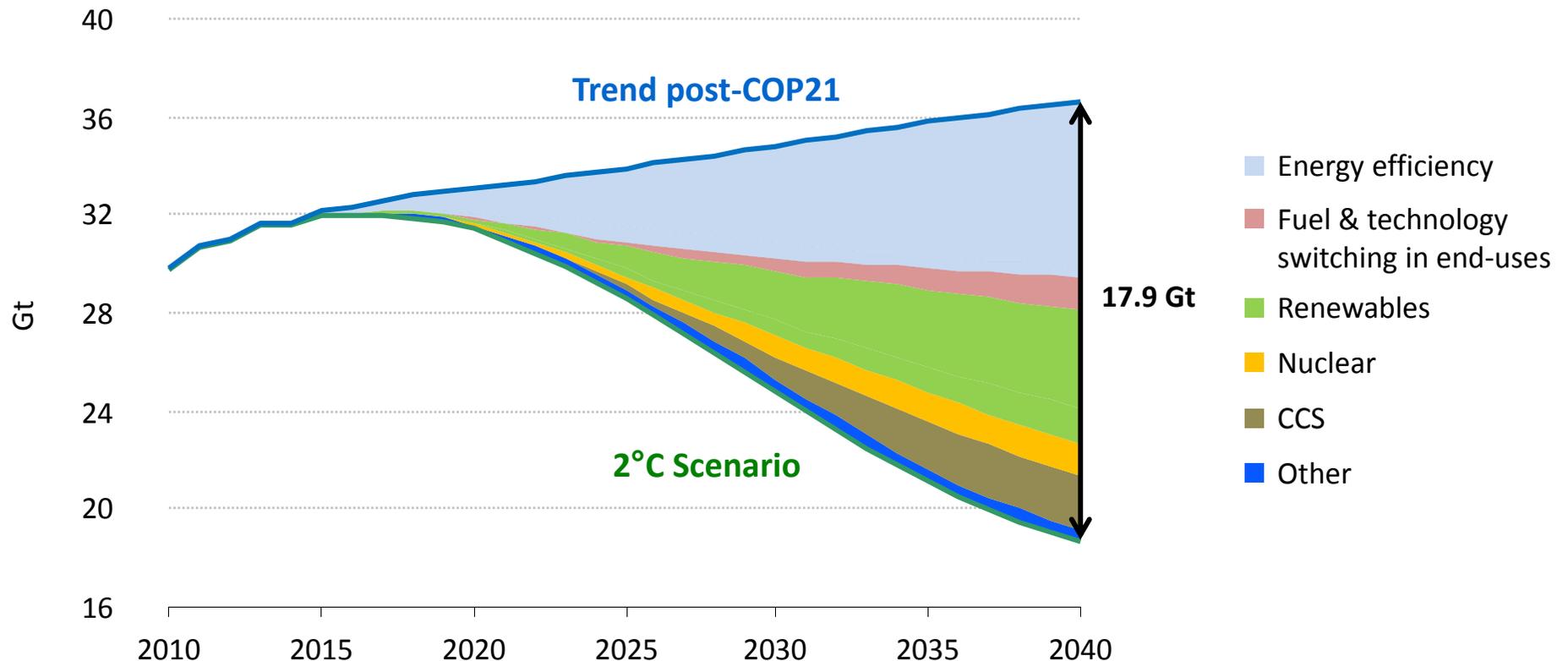
Share of energy consumption covered by mandatory efficiency regulations



Energy efficiency policies are being introduced in more countries and sectors; they continue to slow demand growth, but more can be done

A 2°C pathway requires more technological innovation, investment & policy ambition

CO₂ emissions in a post-COP21 world



Massive additional investments in efficiency, renewables, nuclear power and other low-carbon technologies are required to reach a 2°C pathway

G7 countries must take a long-term view on their energy systems

- Be wary of cuts in upstream oil and gas investment – they pose threats to energy security and could lead to greater price volatility
- Gas can play a critical role in low-carbon transition; do not take gas supply security for granted
- Make sure electricity systems are prepared for the future in terms of policy, regulation and infrastructure
- Mandate and incentivise energy efficiency improvements in order to harness its vast potential across all sectors of the economy
- Make all energy decisions within the context of climate change