

WORLD ENERGY OUTLOOK 2005: FACT SHEET

WHAT OPTIONS DO CONSUMERS HAVE TO RESPOND TO PERSISTENT HIGH PRICES, CONTINUING VULNERABILITY AND ENVIRONMENTAL DEGRADATION?

In addition to its Reference Scenario and Deferred Investment Scenario, the WEO-2005 draws on the World Alternative Policy Scenario developed in the WEO-2004. This Scenario details the impact of proposed policies and measures that consuming countries are either currently considering – such as those outlined in the Plan of Action endorsed by the G8 Summit in July 2005 – or that they might be expected to implement over the projection period.

- The **World Alternative Policy Scenario** depicts a more efficient and environment-friendly energy future than in the Reference Scenario. It shows that policies to address environmental and energy-security concerns –and high prices – already under consideration, together with faster deployment of technology, would reduce energy demand and carbon-dioxide emissions.
- **Global energy demand** grows at 1.2% per year and is about 10% lower in 2030 than in the Reference Scenario. This changes the role of the Middle East and North Africa (MENA) in global oil and gas supply, while maintaining the region's role as a key supplier.
- By 2030 **oil demand** is 12.1 mb/d lower than in the Reference Scenario, resulting in a 5.9mb/d decrease in MENA production. Global **natural gas demand** in 2030 falls by 500 bcm/y, lowering MENA production by 200 bcm/y. Stronger OECD measures to improve fuel economy and faster non-OECD deployment of efficient vehicles account for 2/3 of these savings.
- **Demand for coal** falls more steeply than that for any other fuel. In 2030, it is almost a quarter below the Reference Scenario. **World natural gas demand** is 10% lower. Gas-import needs are 40% lower in OECD North America and 10% lower in Europe. But **non-hydro renewables** (excl. biomass) rise 27%.
- **MENA oil and gas export revenues** fall by 21%, cumulatively, from 2005-2030 compared with the Reference Scenario.
- **Carbon dioxide emissions** would be reduced by some 5.8 Gt, or 16%, below the Reference Scenario figure in 2030 -- roughly equal to the current emissions of the United States and Canada. Almost 60% of the cumulative reduction in CO₂ emissions would take place in non-OECD countries.
- **More efficient use of energy** -- including vehicles, electric appliances, lighting and industrial uses -- accounts for almost 60% of CO₂ reduction. A shift toward renewables and nuclear energy power accounts for the rest.

- **Sustained high energy prices** are already driving policies toward this Scenario.