Energy Investment for Global Growth

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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

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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; raising the prospect of increasing reliance on the Middle East in the future
Lots of new LNG is coming online, but safeguarding gas security is important

Unavailable LNG capacity has almost tripled over past four years, highlighting security & investment challenges in key producer countries
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

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.

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