

Centre Energie - Centre for Energy

OPEC+ versus USA: A battle for balancing the market which cannot be won in the long run



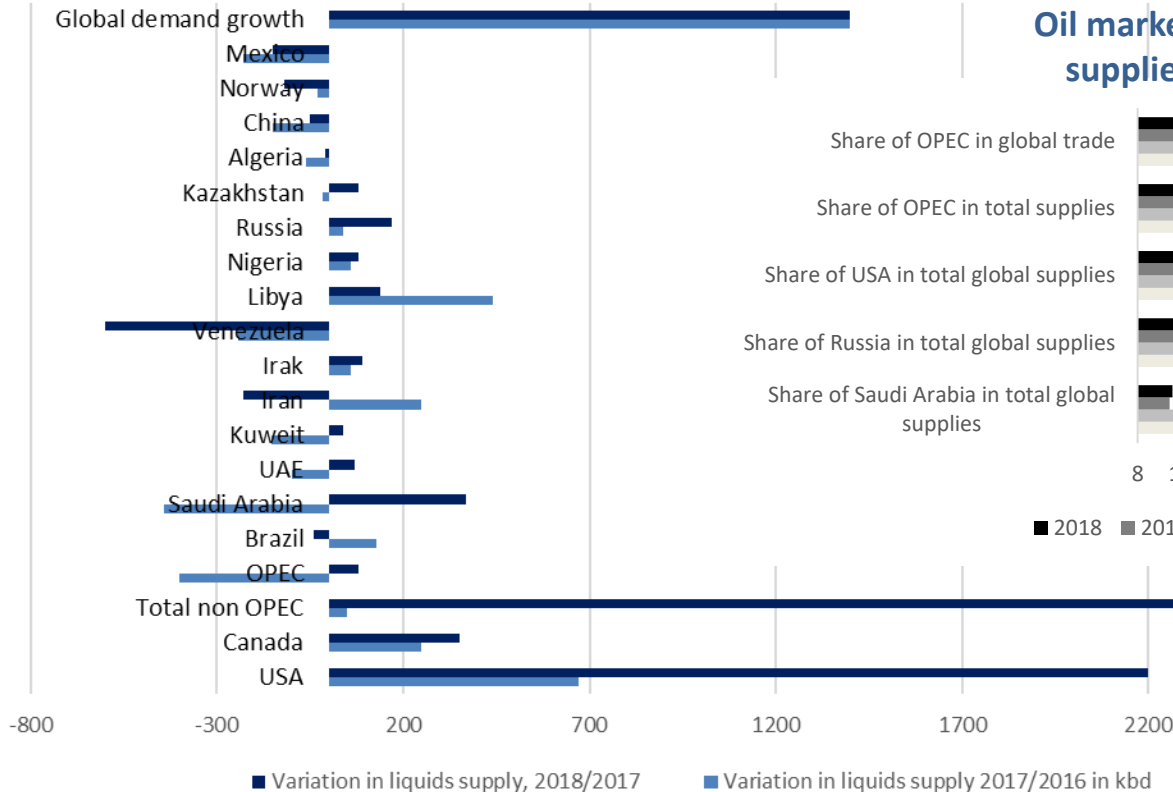
Marc-Antoine Eyl-Mazzega

Director

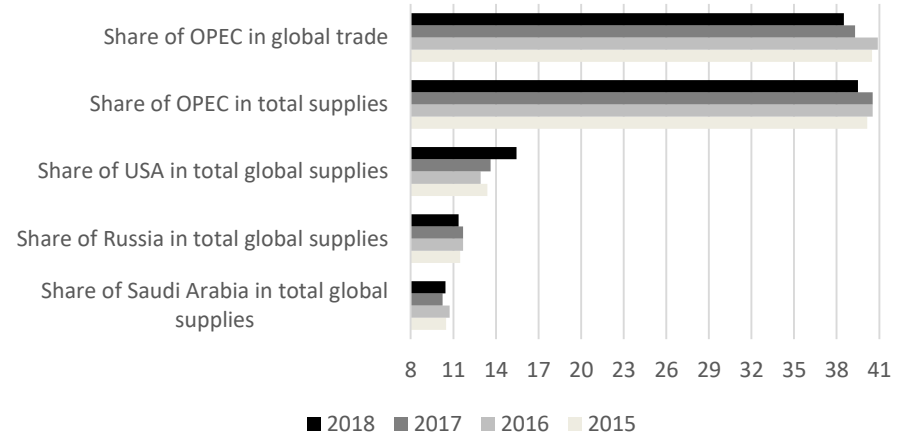
Valdai Conference, Moscow, 19-20/02/2019

OPEC+: Saudi Arabia is the swing supplier, growth in non-OPEC supply meets 4/5 of incremental global demand

Evolution of liquids production by leading global suppliers, 2016-2018 (in kbd)

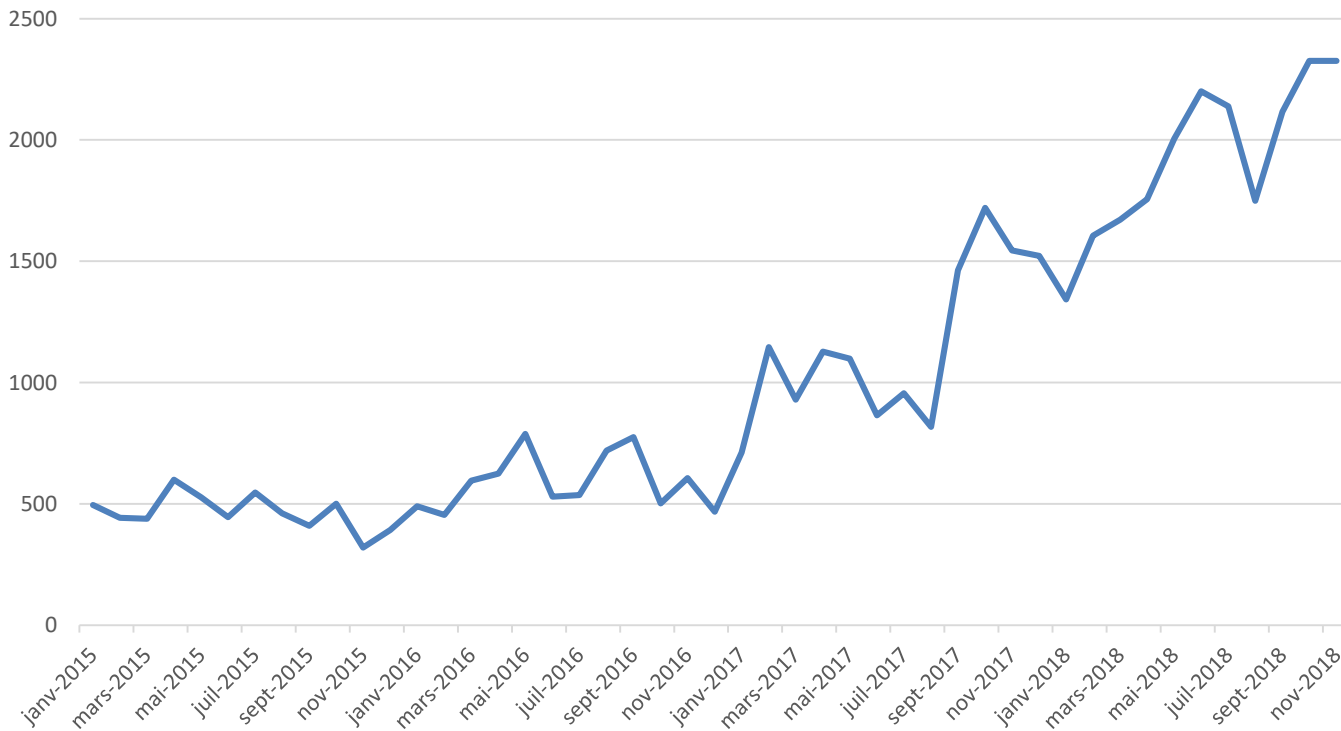


Oil market structure in % of global supplies and trade, 2015-2018



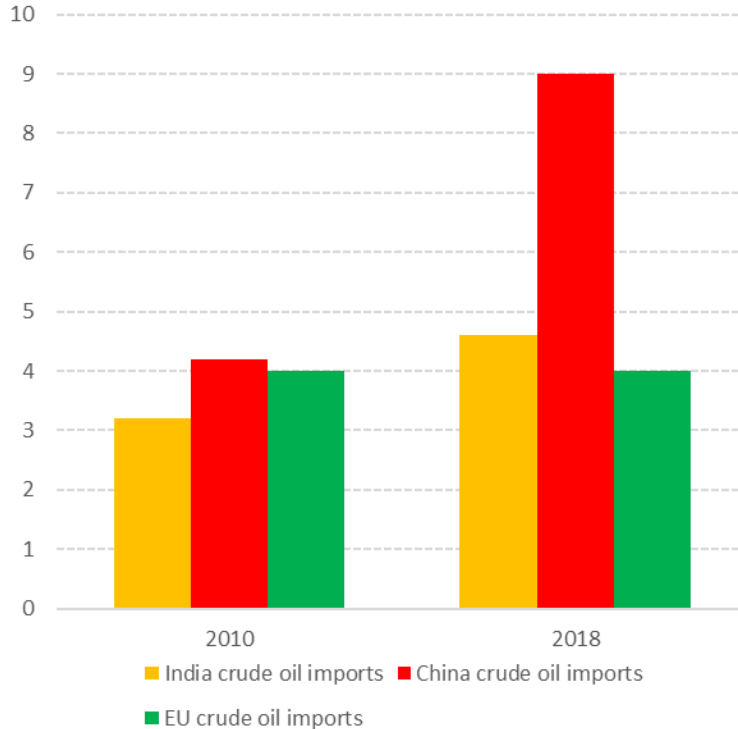
Boom in North American exports can compensate for sharp drop of Iranian exports by May, supply squeeze could backlash

Evolution of US crude oil exports, 2015-2018, kbd

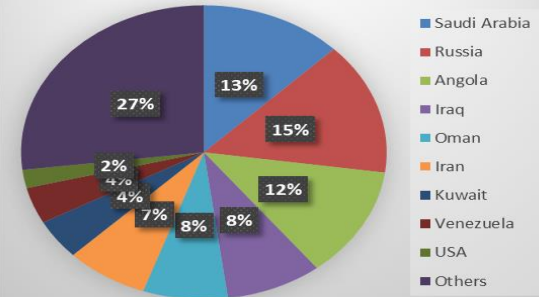


Shifting geopolitics of global petroleum trade: China and India face new vulnerabilities in the Middle East

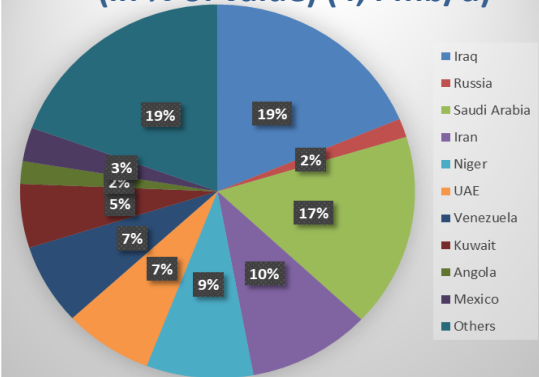
Change in crude imports of India, China and EU, 2010 and 2018 (mb/d)



China's 2017 oil imports by country (in % of value) (8,4 mb/d)



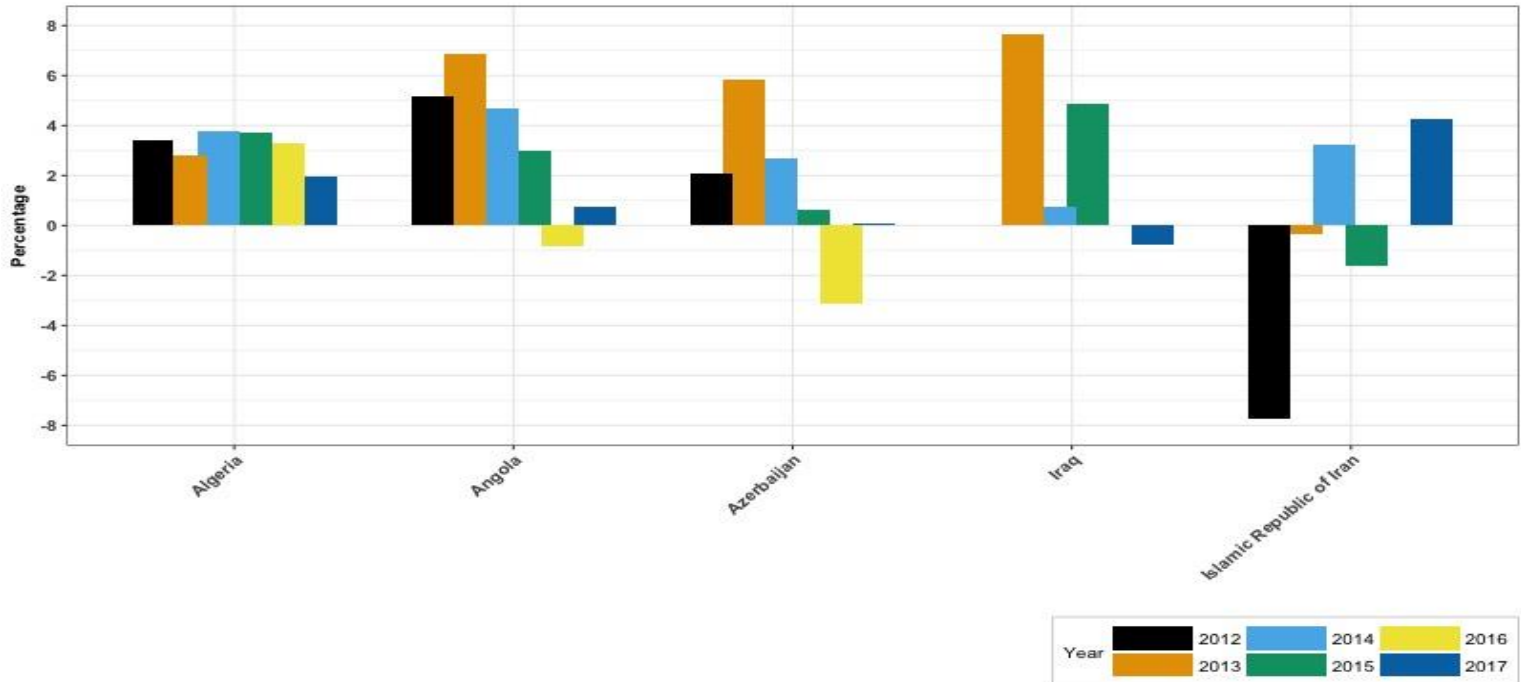
India's 2017 oil imports by country (in % of value) (4,4 mb/d)



Source: EIA, statistical data from countries' customs

OPEC+ producers' economies hit by the fall of oil prices in 2015 and saved by its rebound in 2017

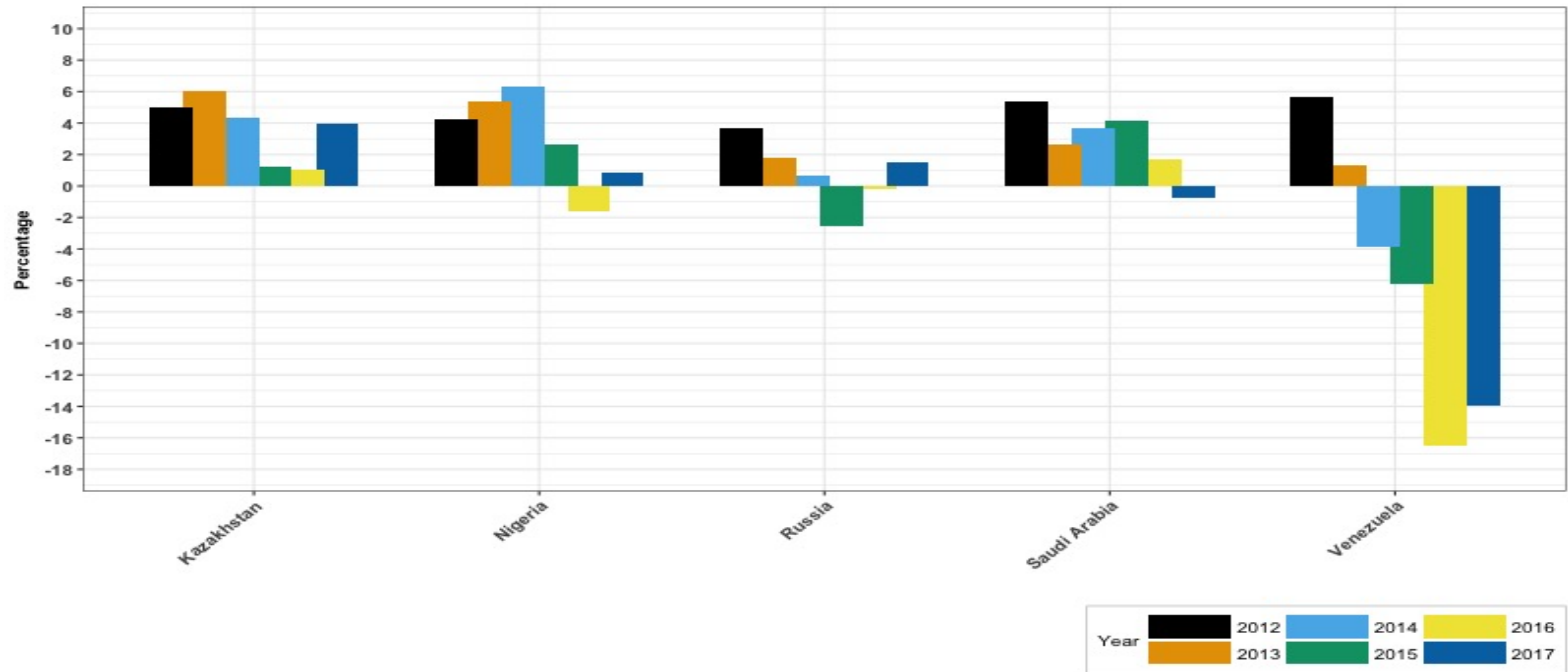
GDP growth, selection of OPEC+ producers, 2012-2017



Source: IMF

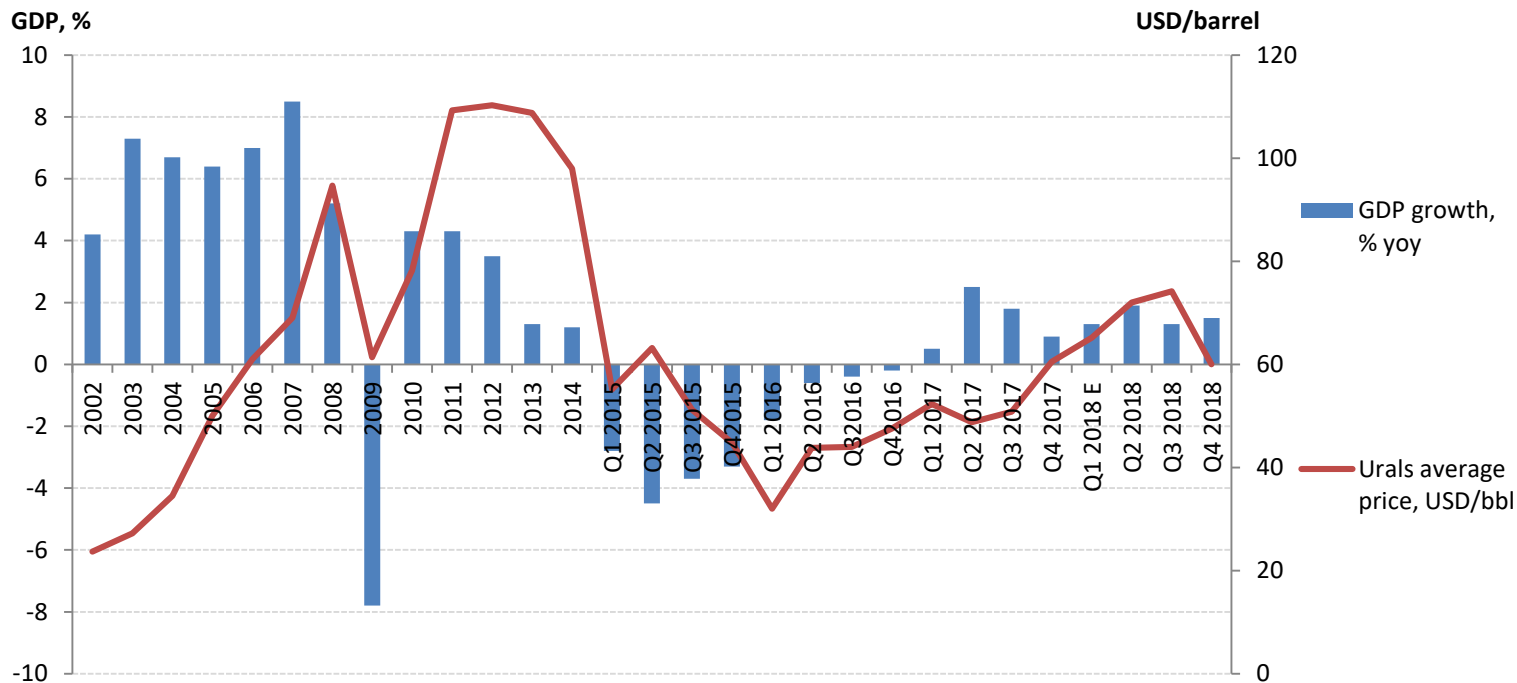
Most producers are vulnerable yet pay no credible effort to economic diversification especially since prices recovered

GDP growth, selection of OPEP+ producers, 2012-2017



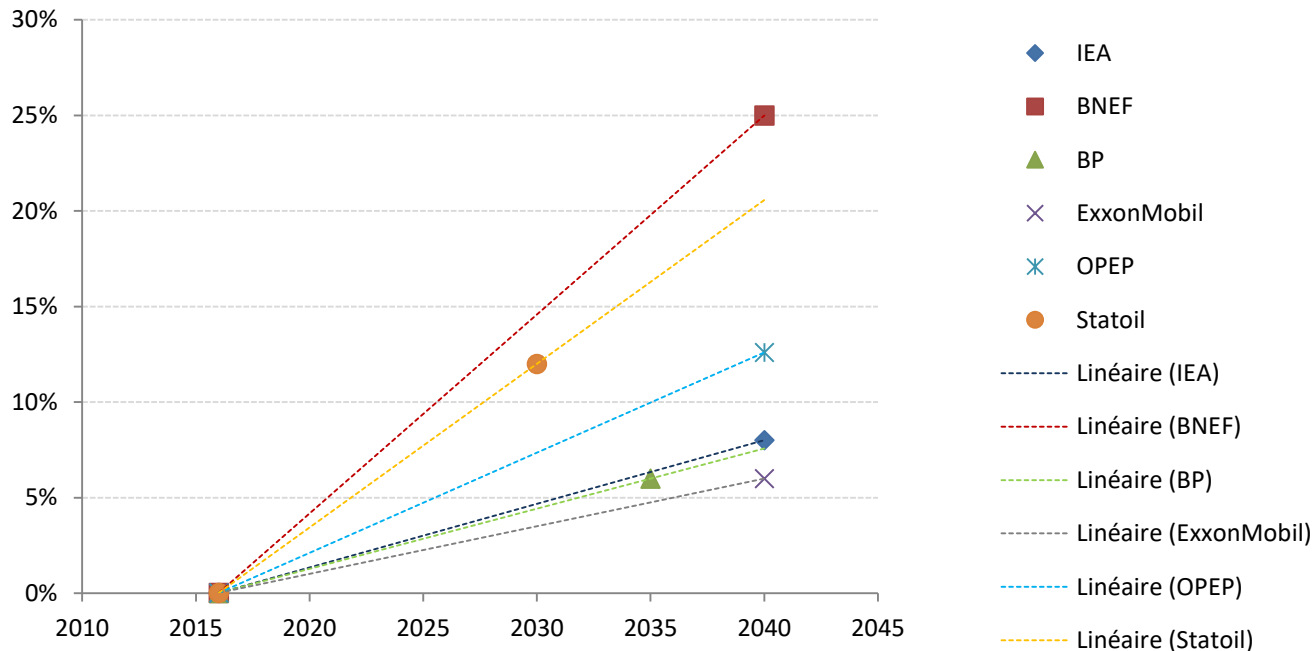
Russia's economy is stagnating, cautious budget but can public spending foster sustainable growth?

Evolution of Russia's GDP and oil prices, 2002-2018



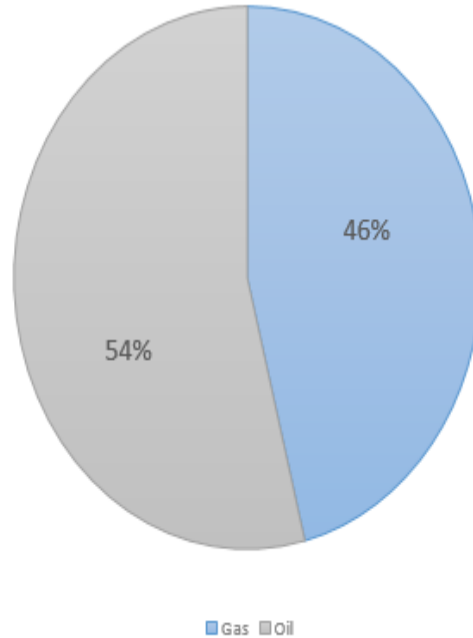
Demand peak not near, but could come quicker than many expect, while demand growth already slows

Share of EV or hybrid vehicles in the total global fleet, 2010-2050e

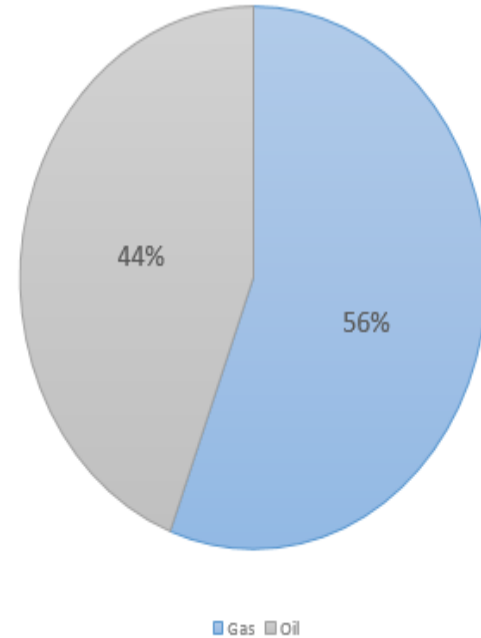


Saudi Arabia is working to free up more oil for exports, which creates new opportunities

Power generation mix, 2000

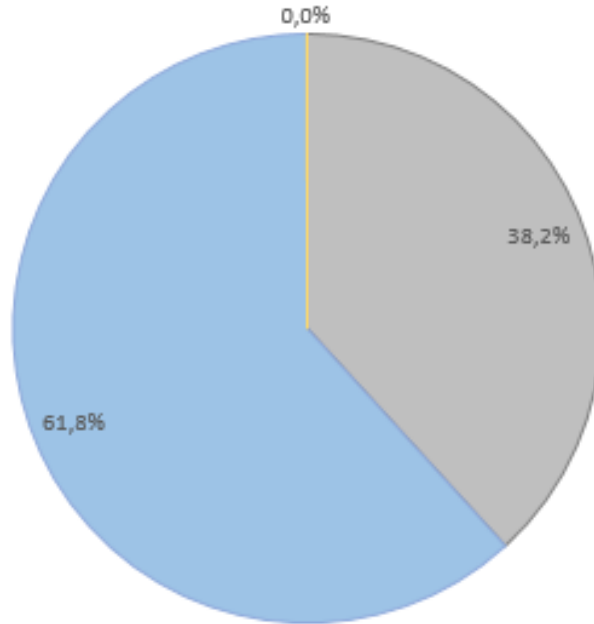


Power generation mix, 2016

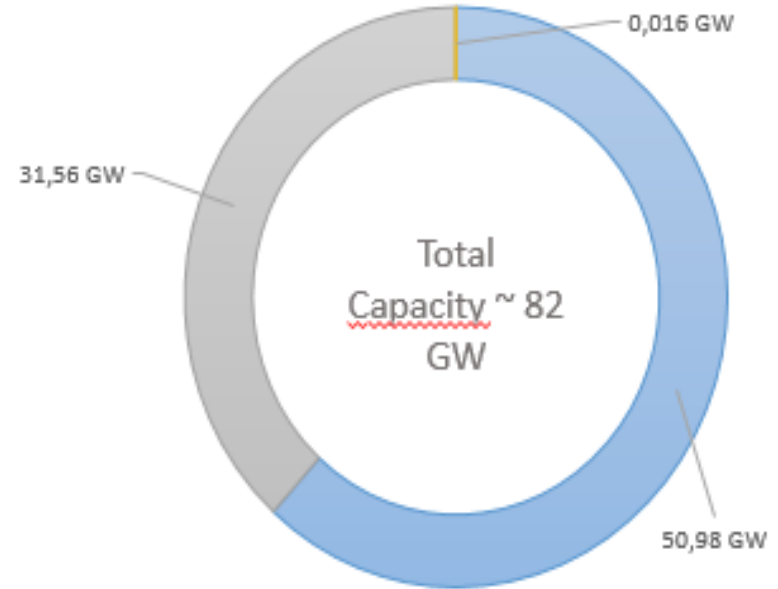


31 GW of oil fired power generating capacity that could be progressively reduced to a summer peak load tool

Installed electric power capacity by fuel in %, 2017 Installed electric power capacity by fuel in GW, 2017 (including desalination)



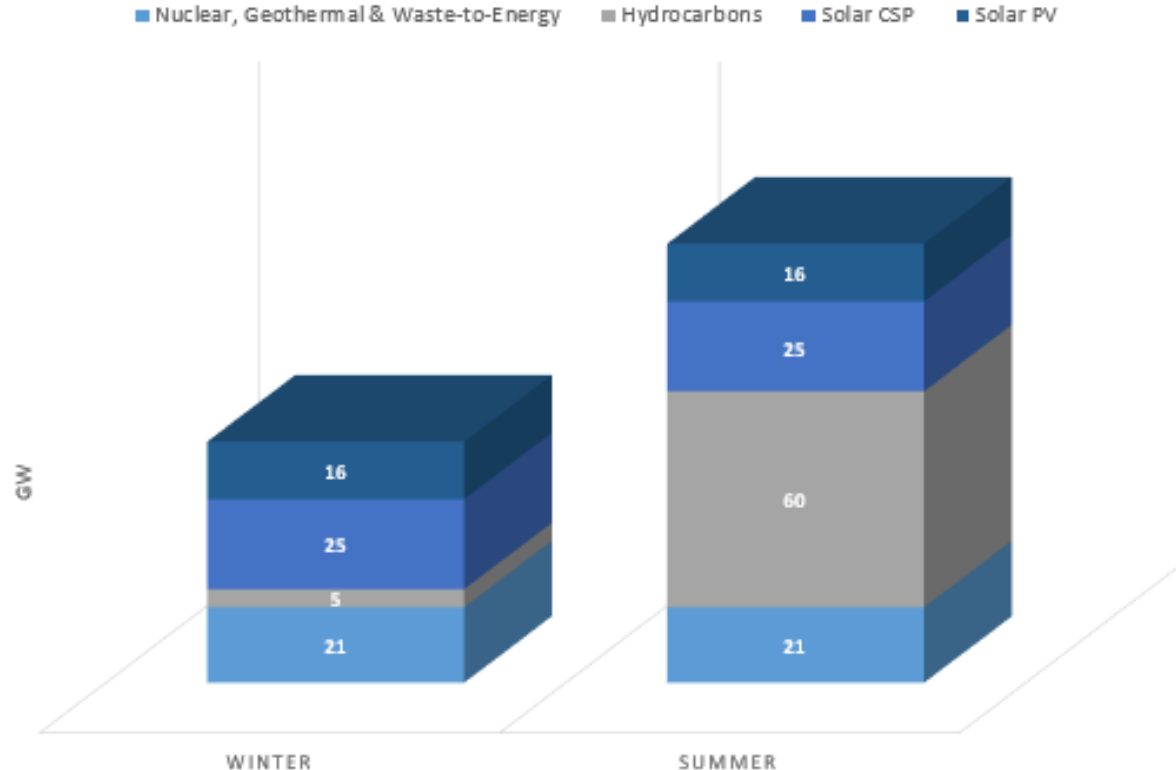
Oil Natural Gas Solar



Natural Gas Oil Solar

Saudi Arabia's power mix transformation will add spare export capacity & foster security but question its OPEC role

Potential longer term energy mix, summer and winter (GW)





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