



# The Outlook for Oil Demand during the Energy Transition

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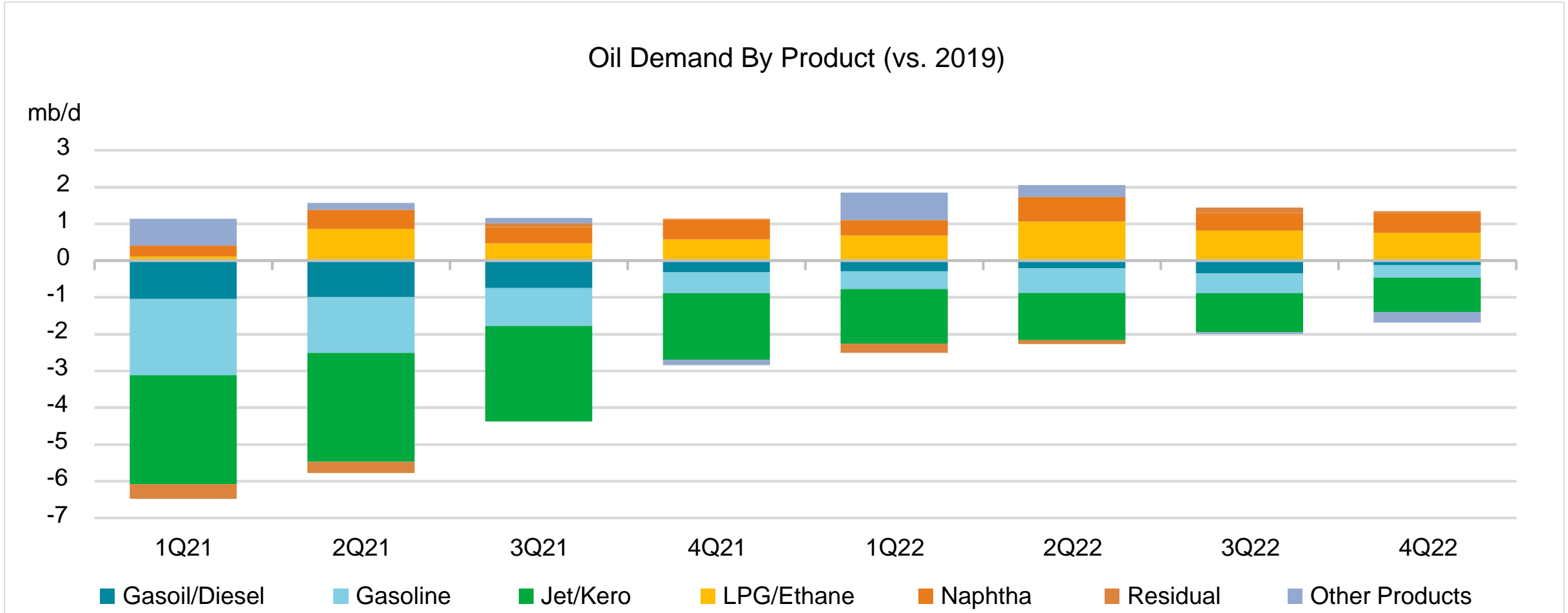
# Peak oil – this time for real

The ends of the oil age at 80, 92 and 100 million barrels/day respectively



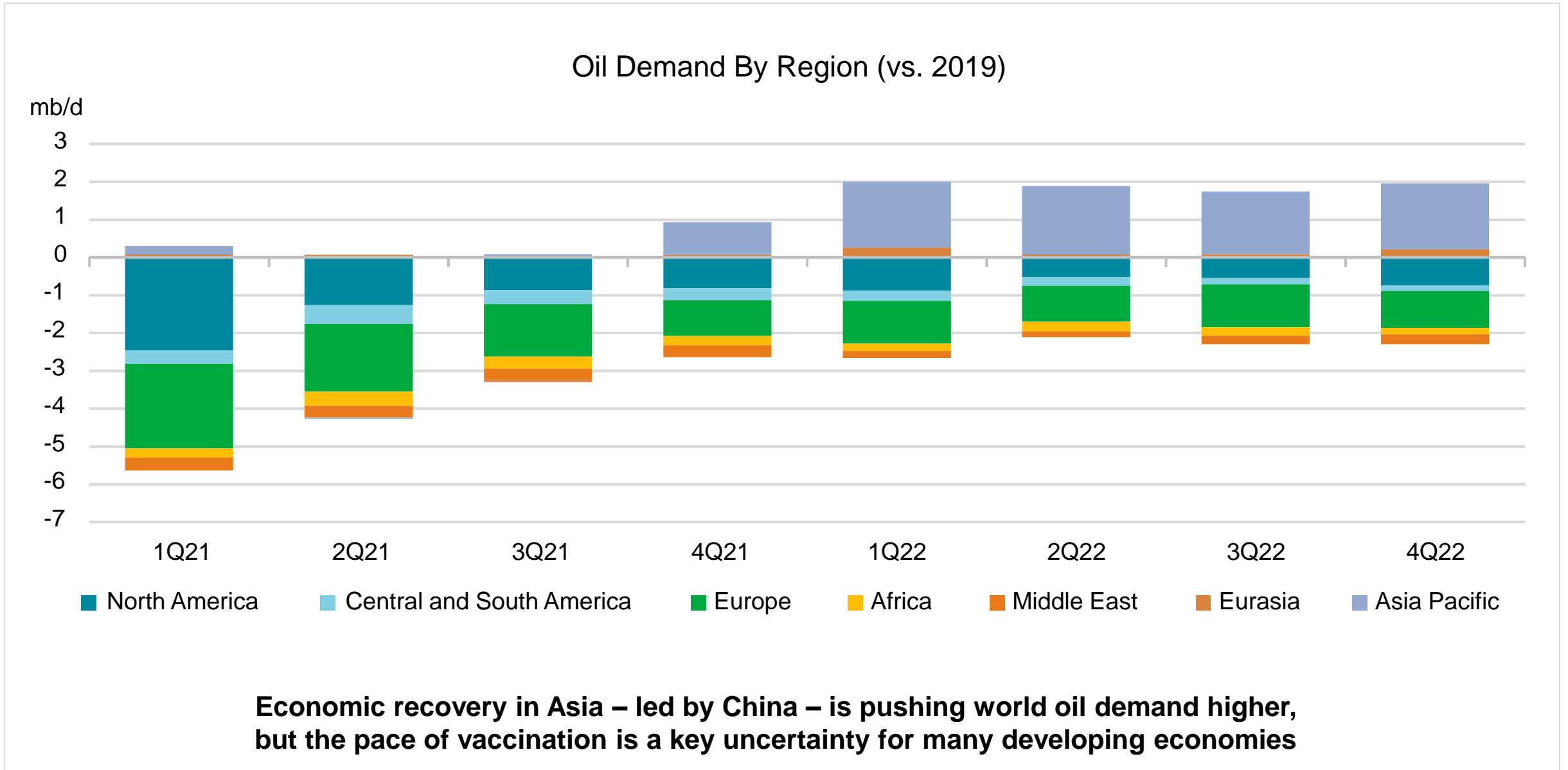
In the decade between the financial crisis and the coronavirus, global oil demand growth surprised on the upside

# The effects of the pandemic have been uneven across oil products...



**Covid-19 uncertainties continue to weigh heavily on the aviation sector, but structural changes are most visible gasoline, which may never return to pre-crisis levels. Strong demand for plastics supports petrochemical feedstocks**

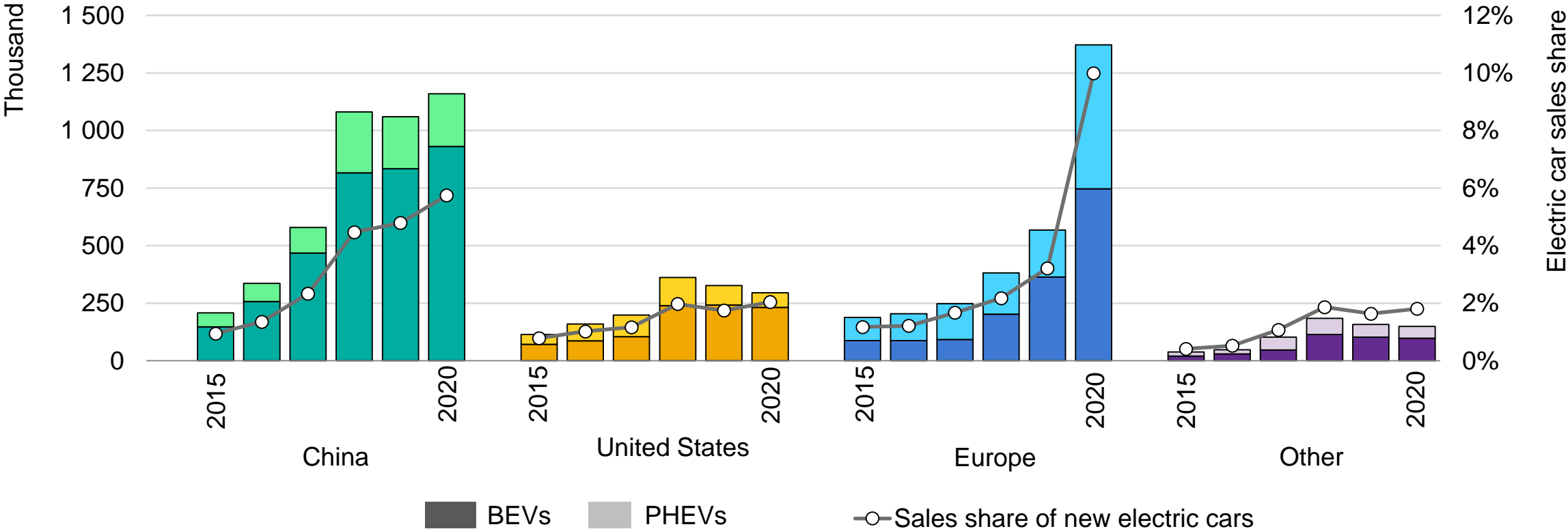
# ...and even more uneven across regions



**Economic recovery in Asia – led by China – is pushing world oil demand higher, but the pace of vaccination is a key uncertainty for many developing economies**

# EVs provide the clearest signs of structural change

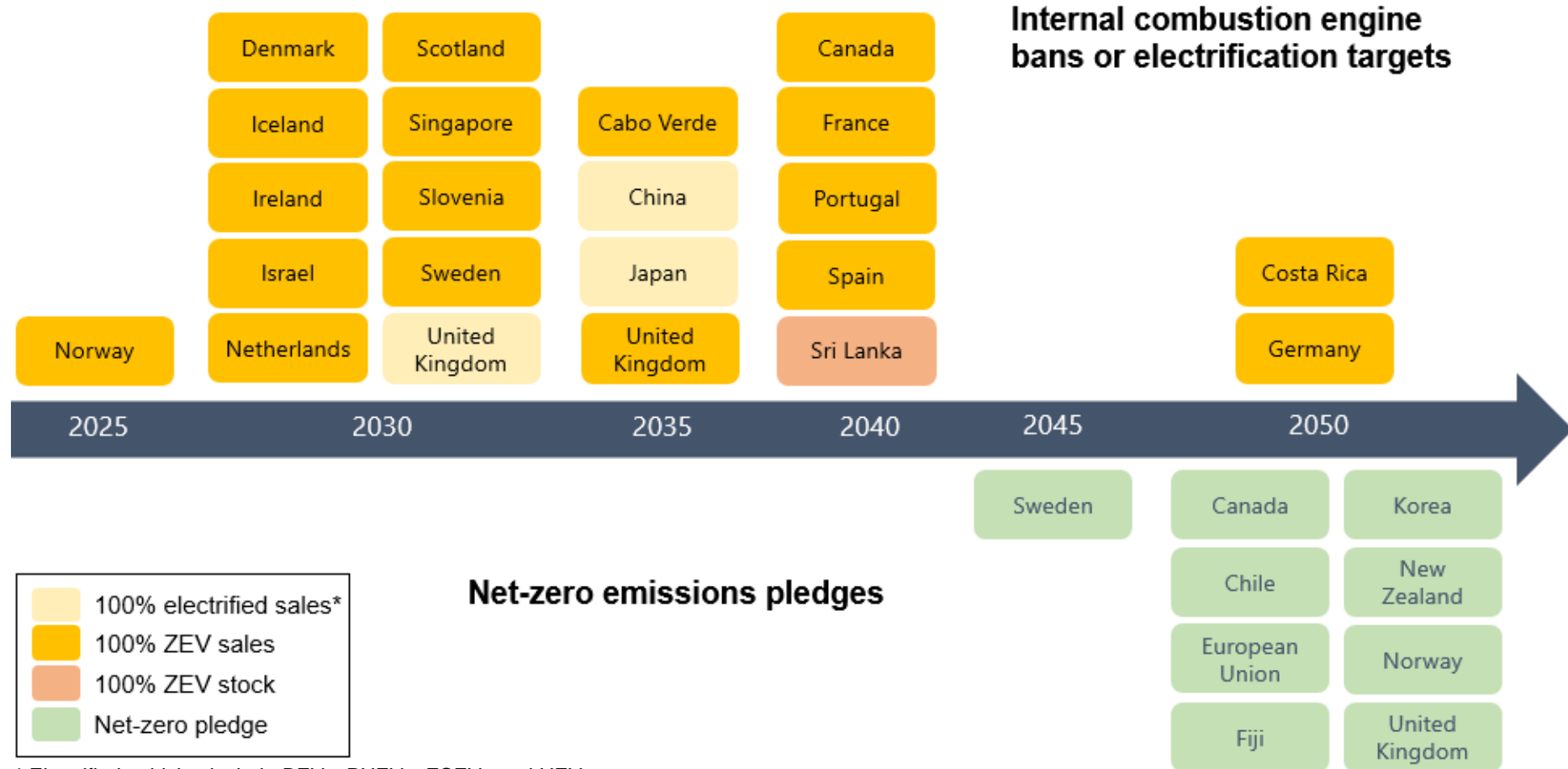
Annual electric car sales and sales shares by region



**Global electric car sales rose by 41% in 2020 despite falling overall car sales, but trends are heavily contingent on policy support. Europe became the largest electric car market for the first time, overtaking China.**

# Electrification targets are gaining traction

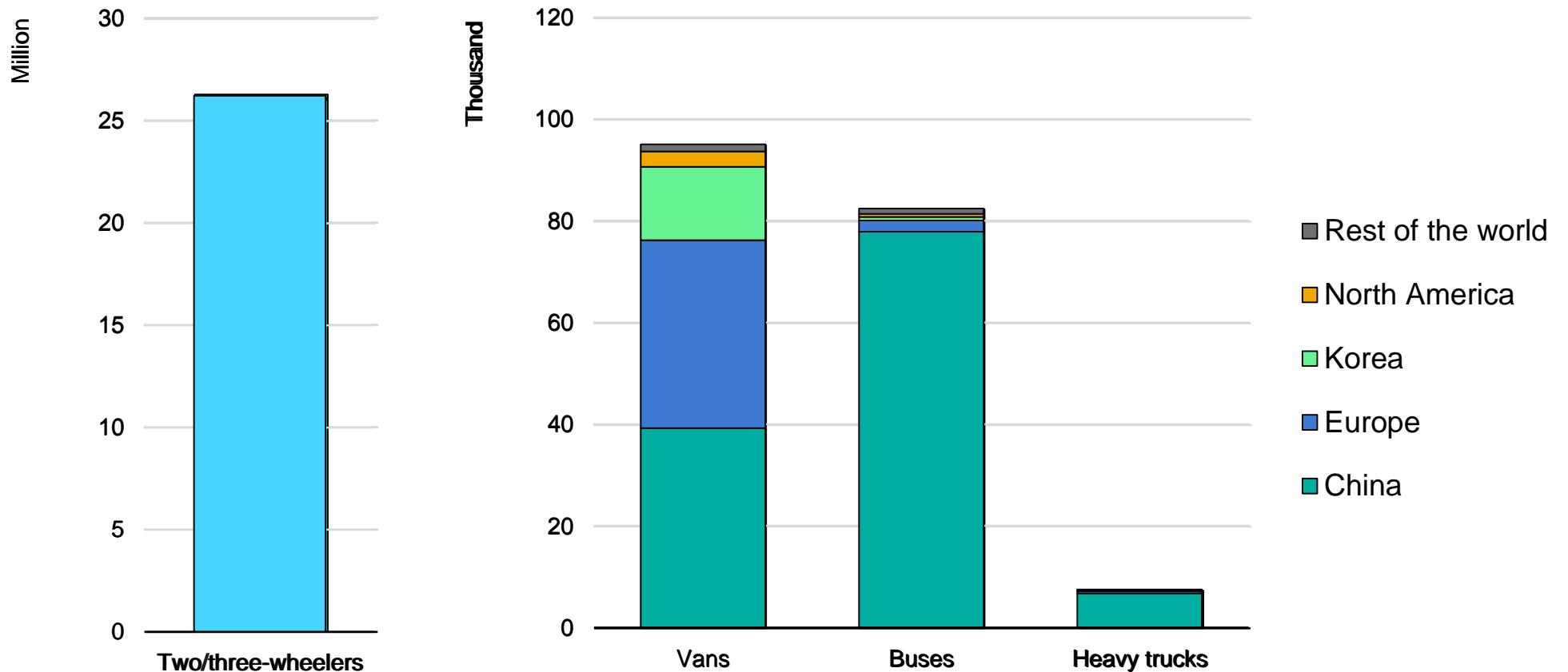
Internal combustion engine bans, electrification targets and net zero emissions pledges



**Higher electrification ambitions for transport are a key pillar of economy wide net-zero emissions pledges, but the pace of change in other parts of the world remains much less clear**

# Road transport electrification is not just about cars

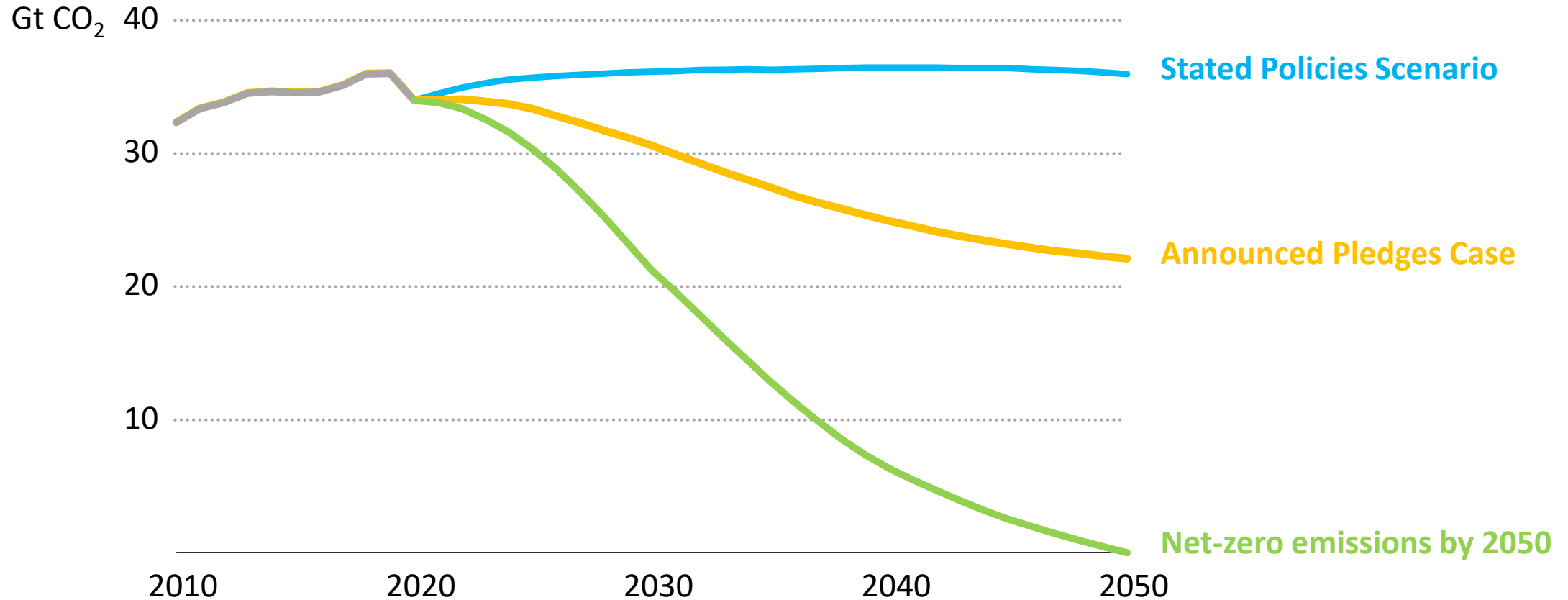
Electric vehicles sales by transport mode and region, 2020



**Sales of electric two-and three-wheelers are one order of magnitude higher than sales of electric cars. The electrification of other modes is lagging behind but is rising.**

# There are multiple pathways that energy transitions could follow...

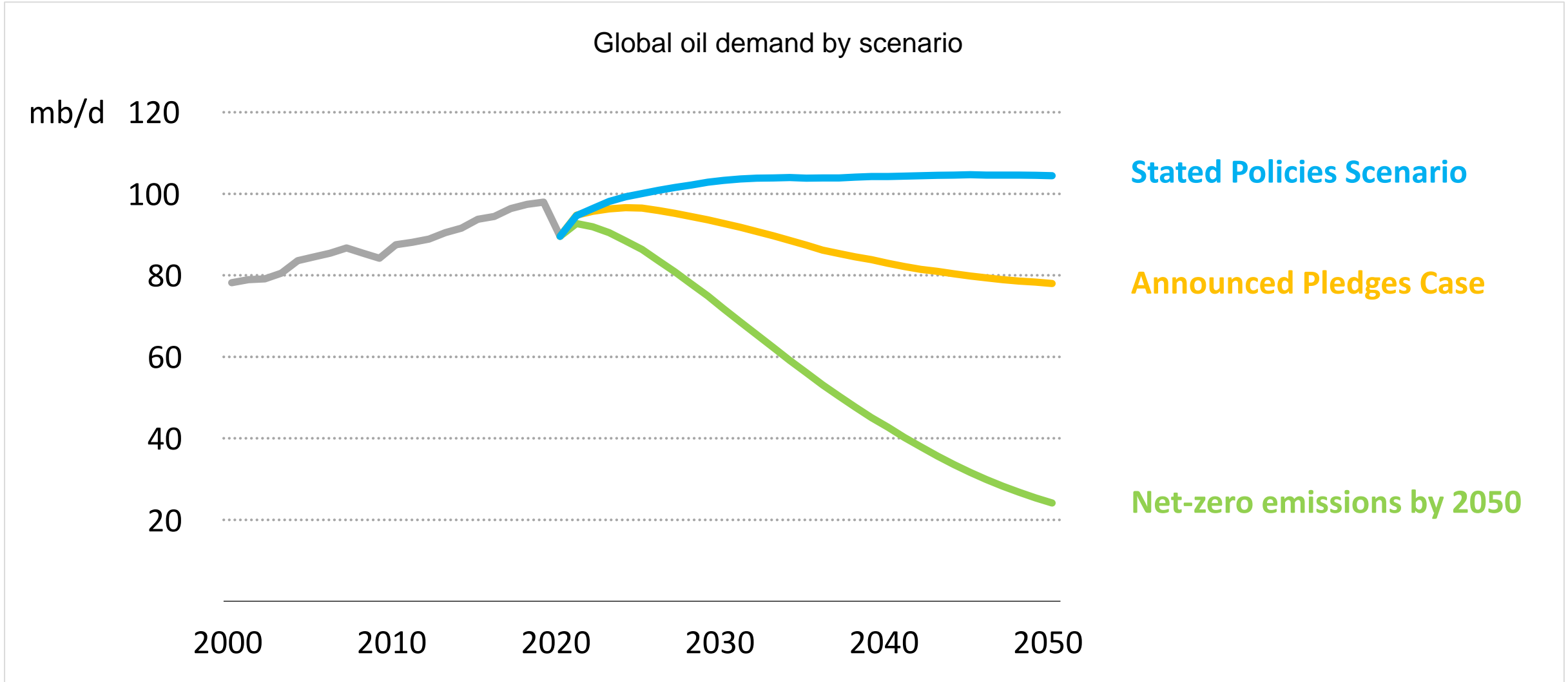
Global energy-related and industrial process CO<sub>2</sub> emissions by scenario



**The proliferation of new net-zero pledges, now covering more than 70% of today's GDP and emissions, can shift the emissions curve down but, as things stand, the world is still a long way from a 1.5 degree stabilisation**



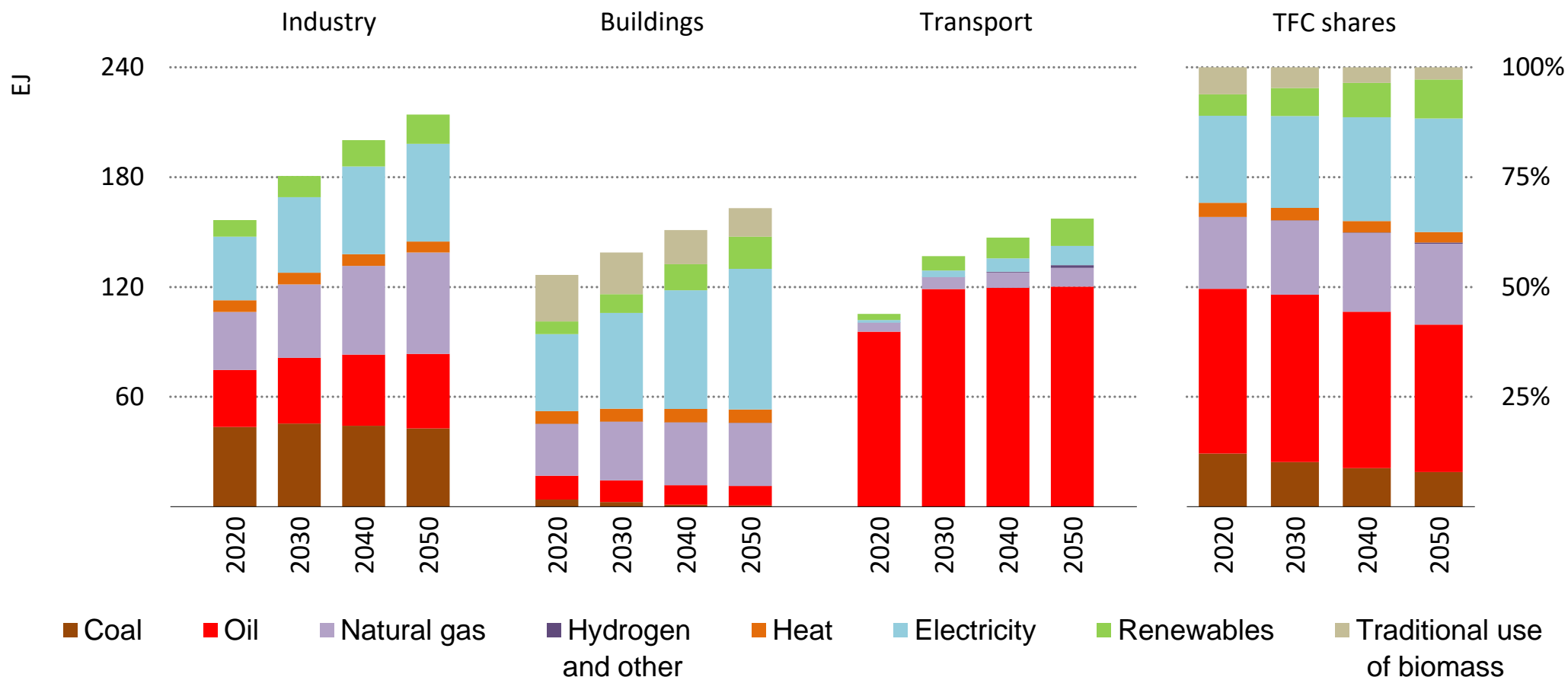
# ...creating a wide spectrum of possible trajectories for oil



**The outlook is shaped by the pace of policy action and technology innovation: in our Net Zero by 2050 scenario there is still 25 mb/d of oil used by mid-century for non-energy purposes and in hard-to-abate sectors, notably aviation**

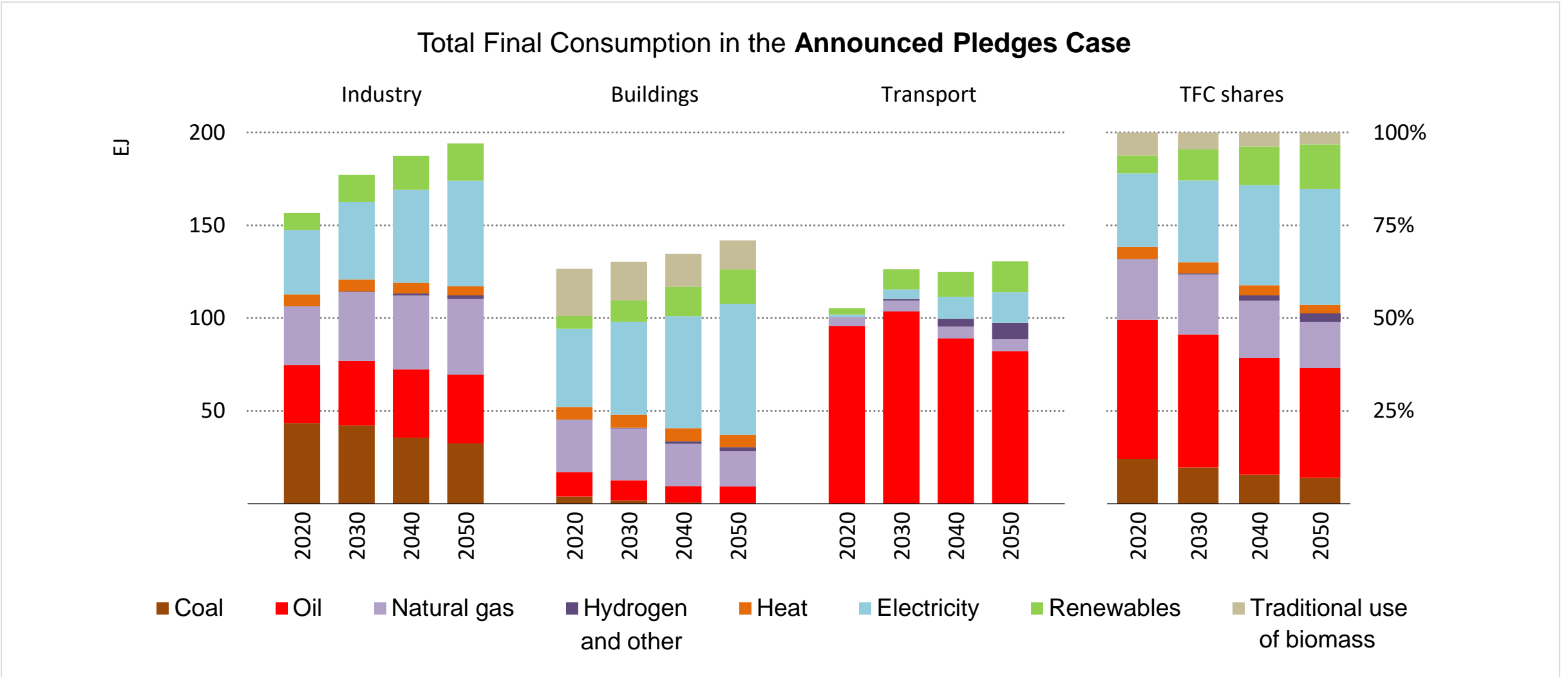
# Stated Policies: a last decade of growth in oil consumption

Total Final Consumption in the **Stated Policies Scenario**



**In the STEPS, oil demand reaches a plateau in the 2030s as transport fuels no longer provide a reliable engine for growth; however, a much stronger push for efficiency, electrification and recycling would be needed for oil use to fall**

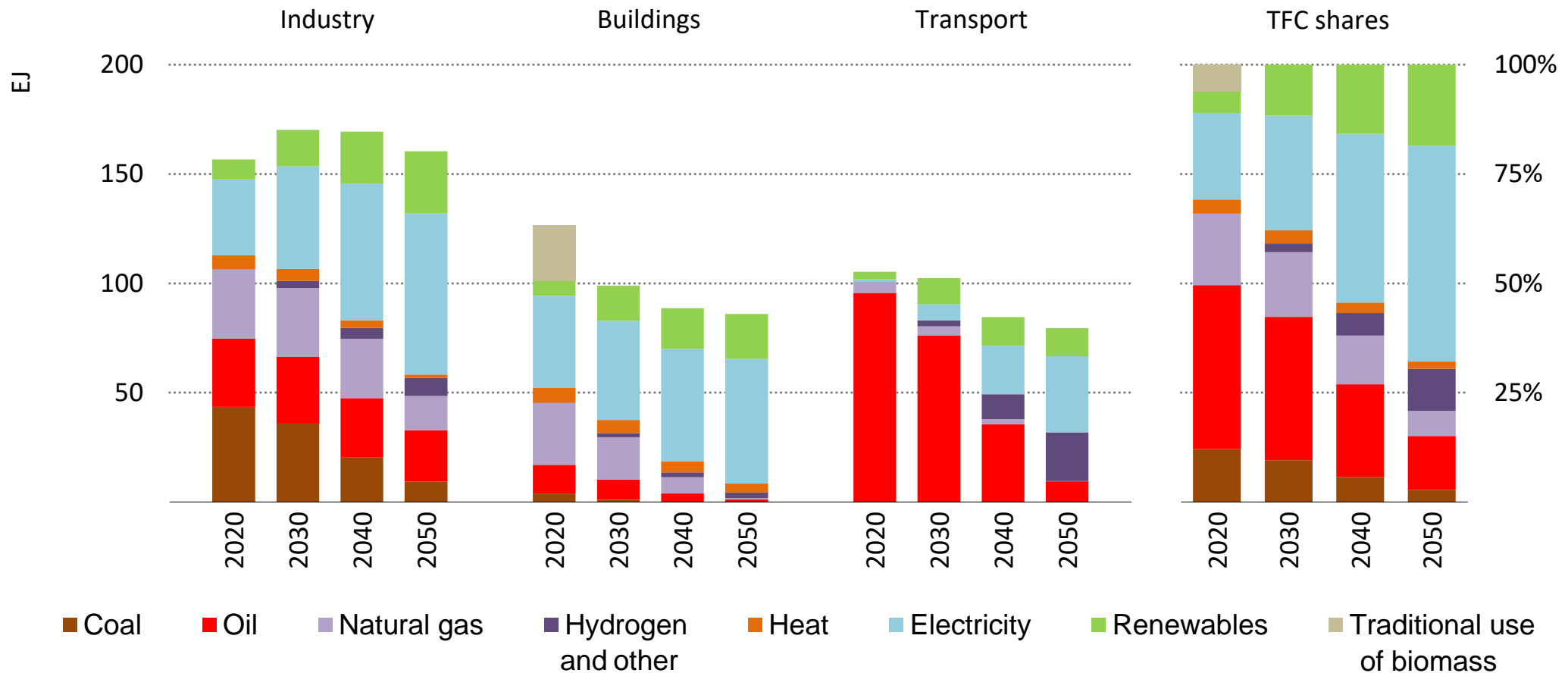
# Announced pledges: electrification starts to bite



**Accelerated electrification in advanced economies and China leads to a peak in oil demand in the late 2020s but rising demand for mobility elsewhere keeps oil demand above 75 mb/d**

# Net zero by 2050: end of the oil age

Total Final Consumption in the **Net Zero Emissions by 2050 Scenario**



**Broad-based, rapid electrification and the rise of alternative low-carbon fuels drives oil out of the energy mix – leading to a reduction in overall transport demand: electric vehicles are three-times as efficient as conventional ICE vehicles**

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