

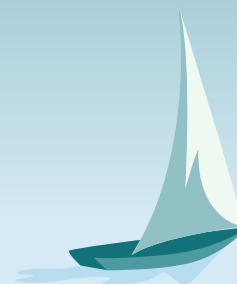


equinor



On global oil demand in different scenarios

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IAEE Webinar, CGEP, 1 September 2021

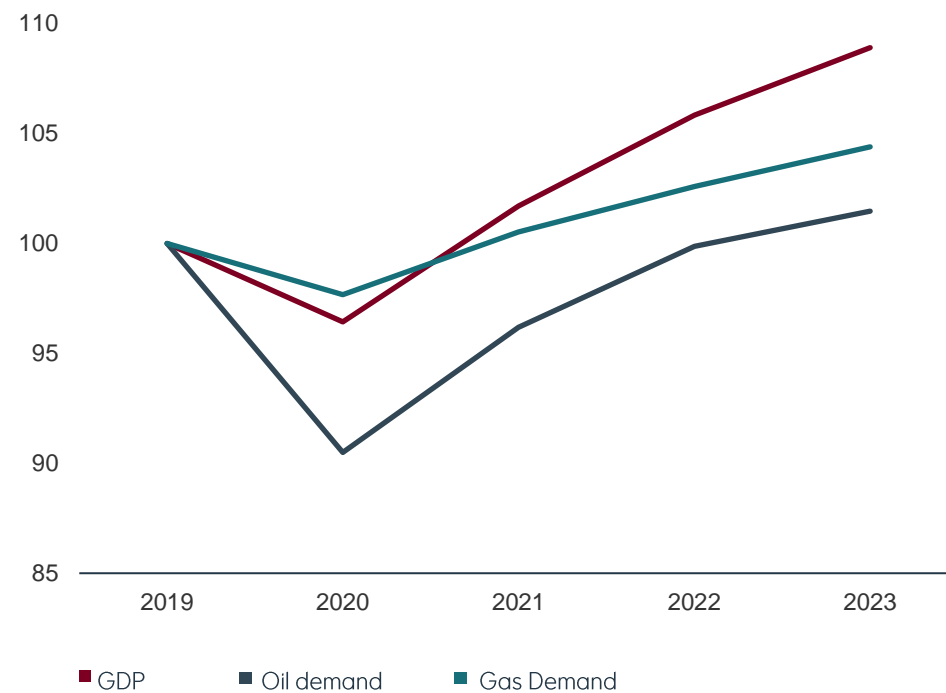


COVID-19: A shock with profound impact

Energy use is on the way up again, with potential for further increase

Global GDP, oil and gas demand

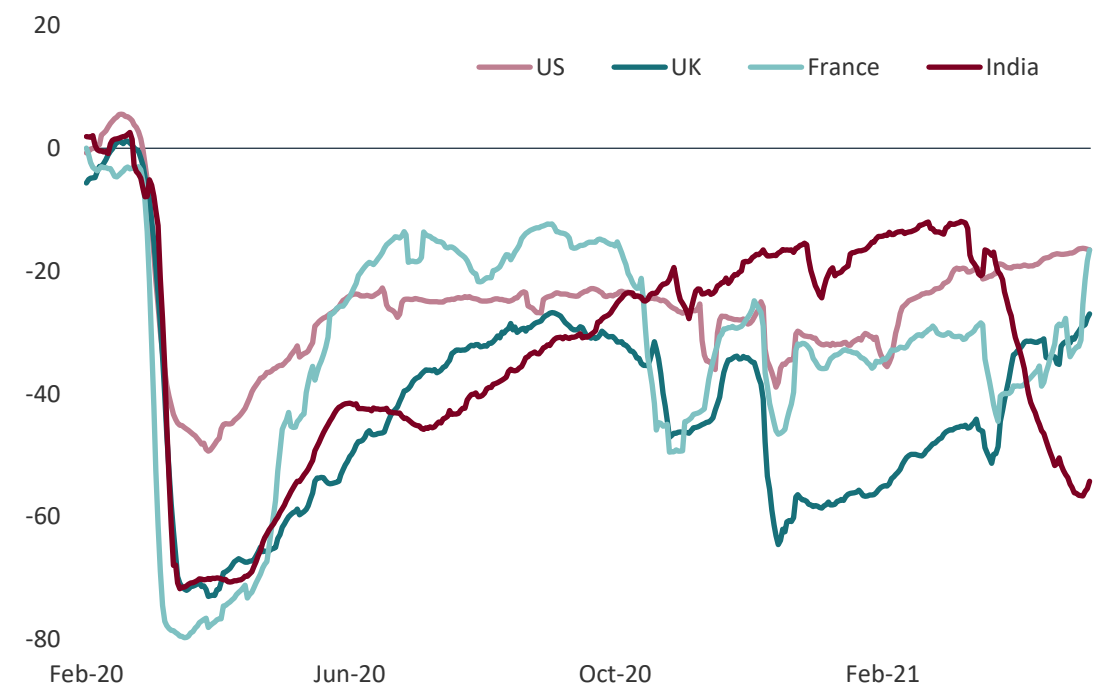
Indexed, 2019 = 100



Source: Equinor

Community movement

% difference from pre-crisis. Average of retail, workspace and transit related movement of people



Source: Our world in data

In which direction is the energy world moving the next decades?

Recent signposts show diverging paths, in terms of:

- Economic growth
- Energy efficiency
- Technology development
- Climate ambitions
- Market regulations
- Geopolitics



- Vaccine nationalism, populist policies
- Weakening of global institutions, geopolitical uncertainty
- Uneven recovery between rich and poor

⇒ **Rivalry**

- Traditional economic stimulus taking priority in policy
- Solar capacity growth slowing
- Volatility in commodity prices

⇒ **Reform**

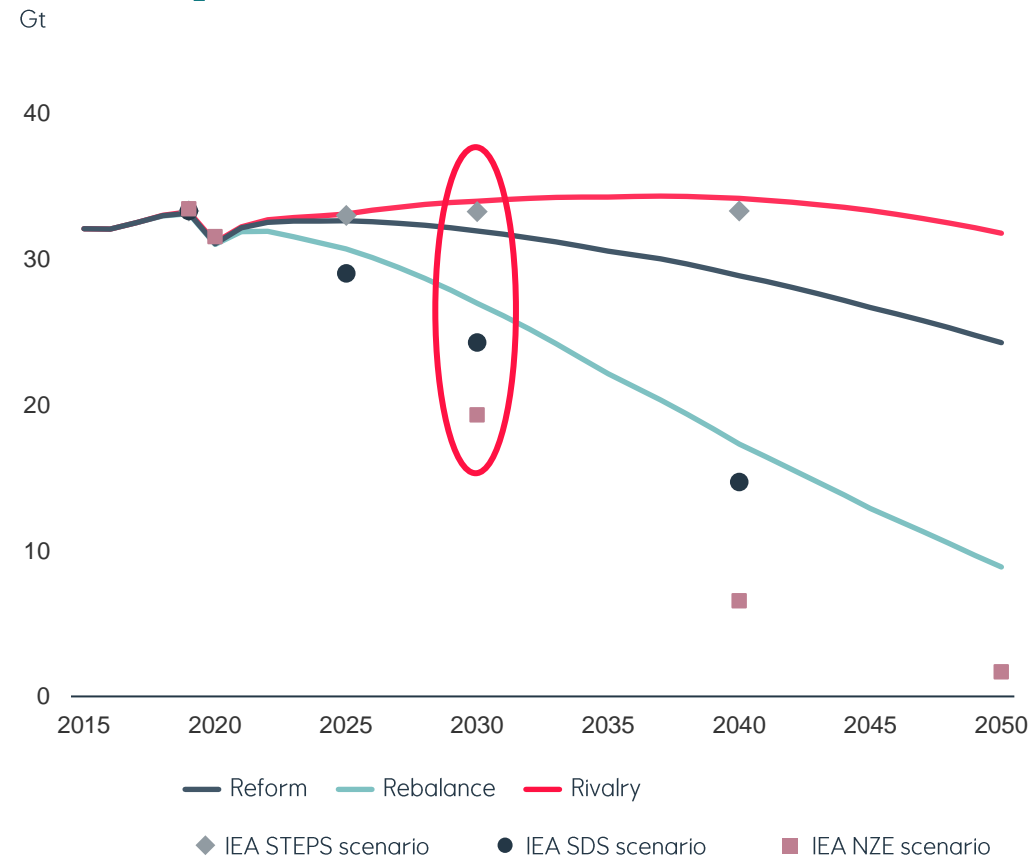
- Net zero ambitions by governments and companies
- Growing support for CCS and Hydrogen
- USA taking leadership on climate issues

⇒ **Rebalance**

Several pathways for energy-related CO₂ emissions

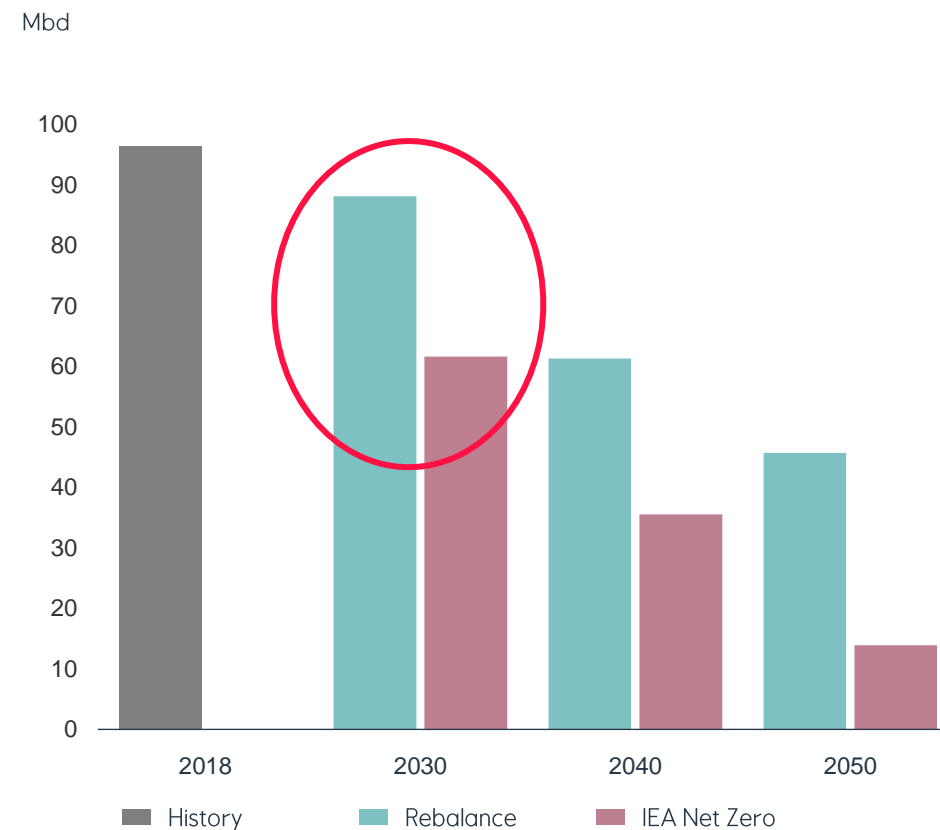
Reaching net zero in 30-50 years is a massive challenge. 1.5° is even more difficult, as it requires massive changes today.

Global CO₂ emissions



Source: IEA, Equinor

Oil demand



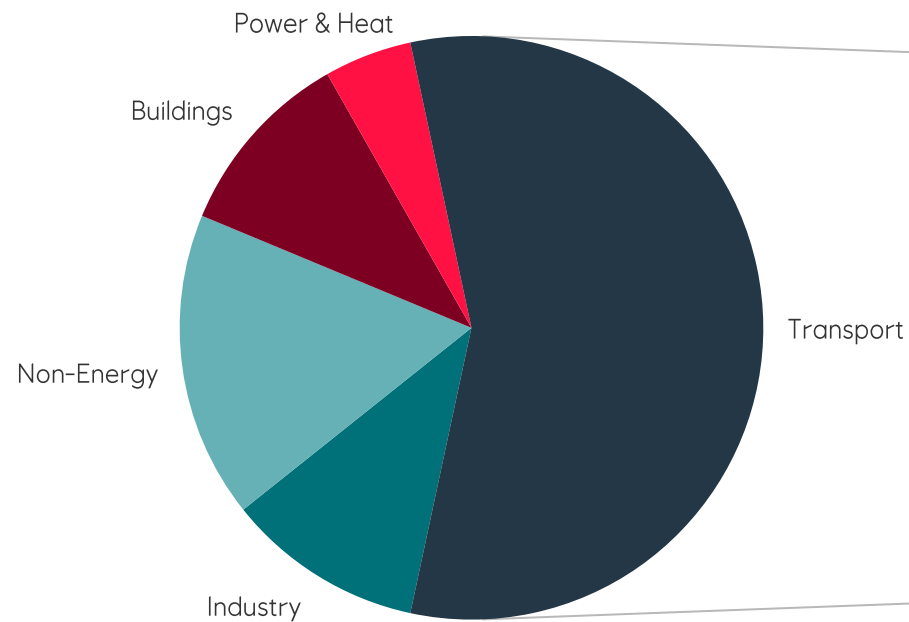
Where is oil demand today?

Transport is the key sector for oil demand today, with road demand making up 76%



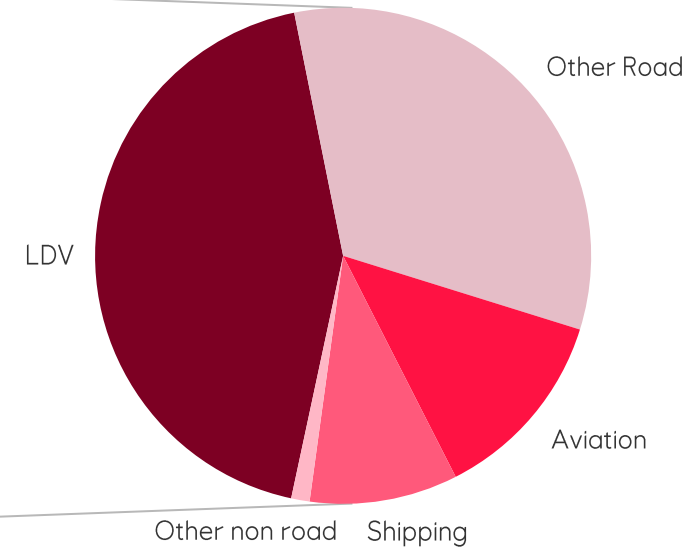
Oil demand in 2018

Oil demand was 97mbd, with 55mbd going to transport



Oil demand in transport sector

Light duty vehicles make up almost half of transport demand

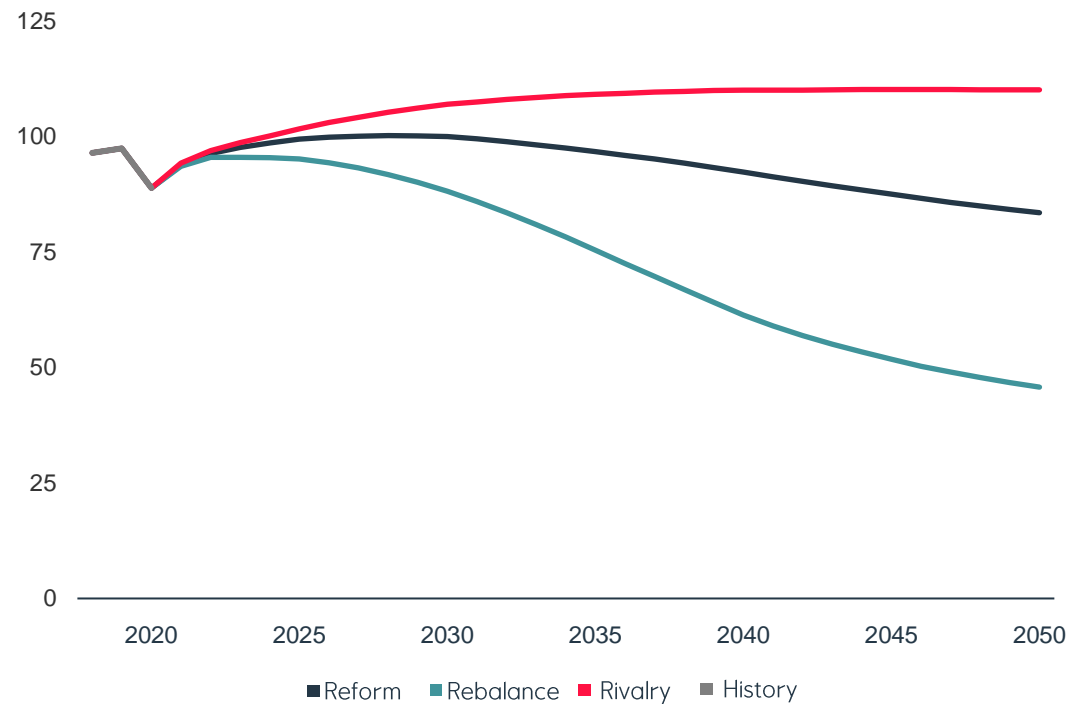


Wide outcome space for oil demand

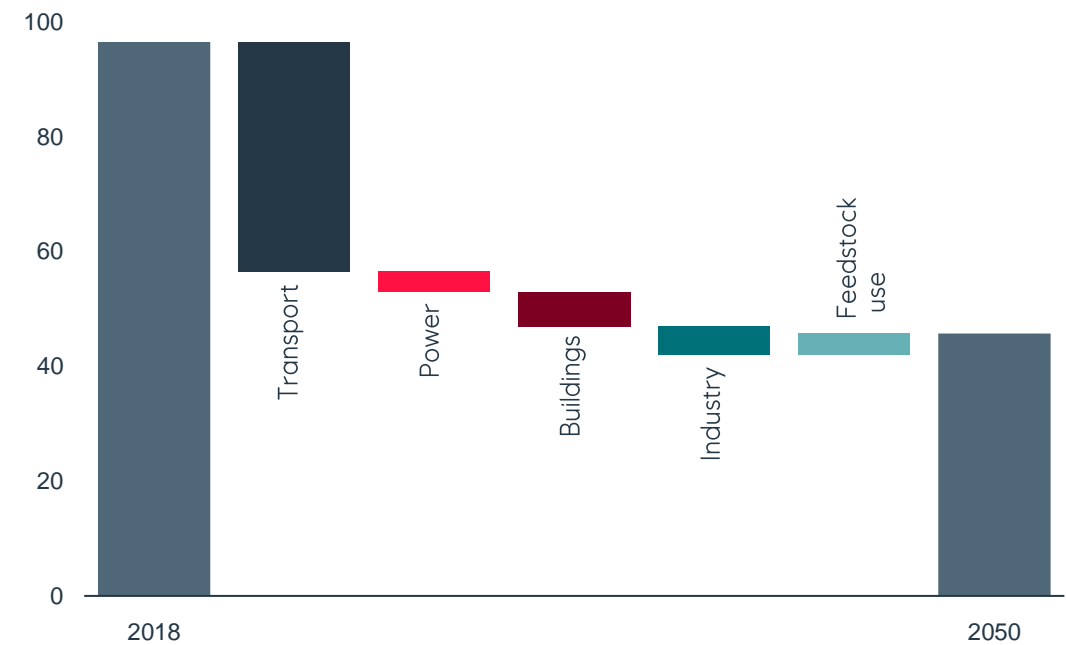
Transport is the key sector for long-term oil demand – any peak in demand will be followed by a gradual reduction



Oil demand by scenario, 2018-2050
mbd



Change in global oil demand by sector in Rebalance, 2018-2050
mbd



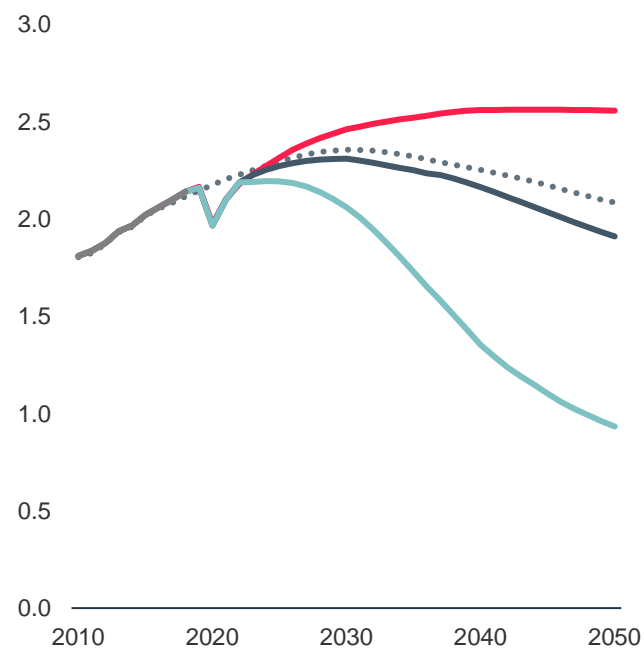
Source: IEA, Equinor

Transport sector has been hardest hit by COVID pandemic

Road demand can bounce back quickly, while aviation will see long term effects lasting many years

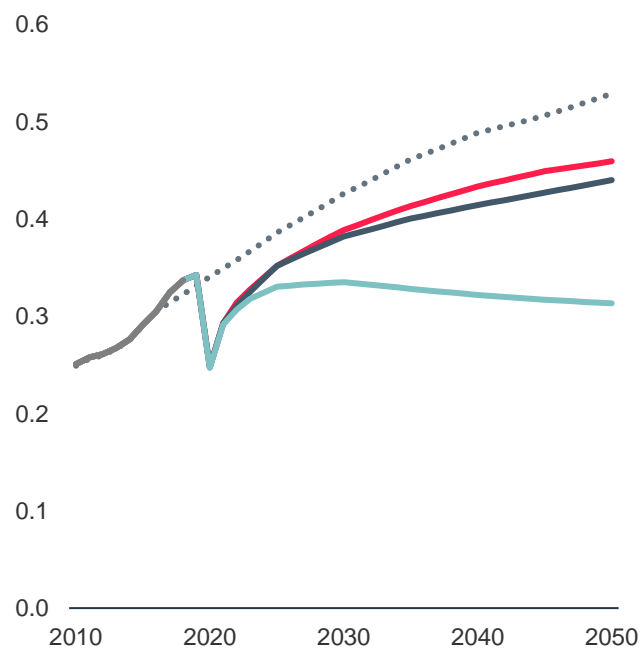
Road demand

Billion toe



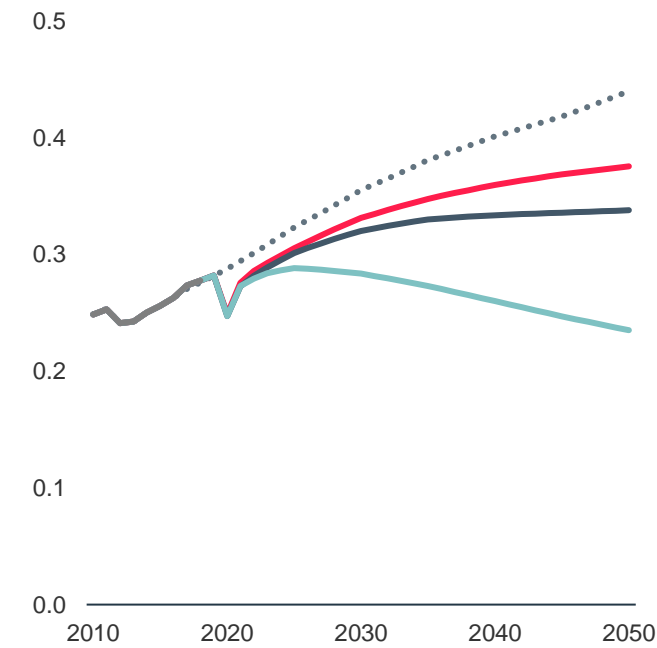
Aviation demand

Billion toe



Shipping demand

Billion toe



■ Reform ■ Rebalance ■ Rivalry ■ History Reform EP19

Source: IEA, Equinor