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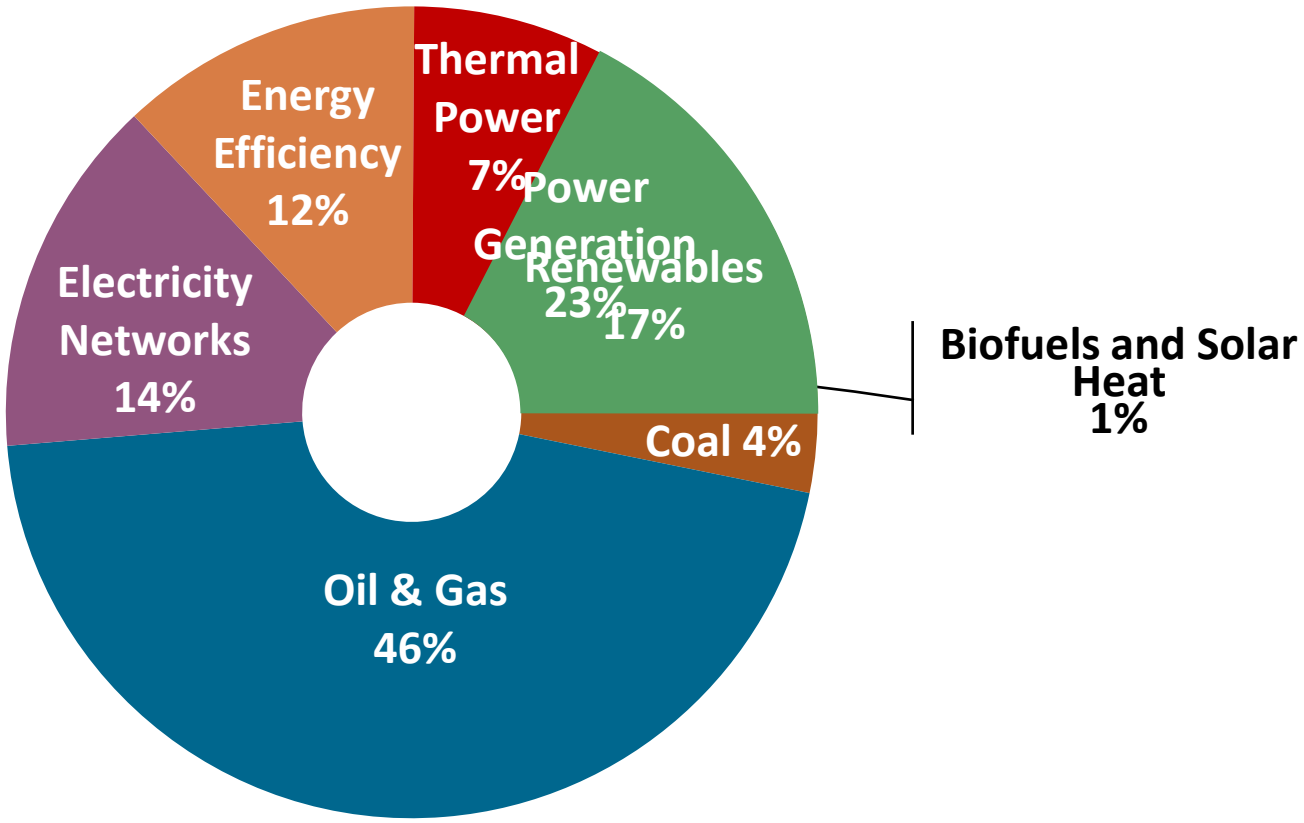
Oil and gas is still the largest area of investment

Global Energy Investment, 2015

USD 1.8 trillion



An 8% reduction in 2015 global energy investment results from a $200 billion decline in fossil fuels, while the share of renewables, networks and efficiency expands

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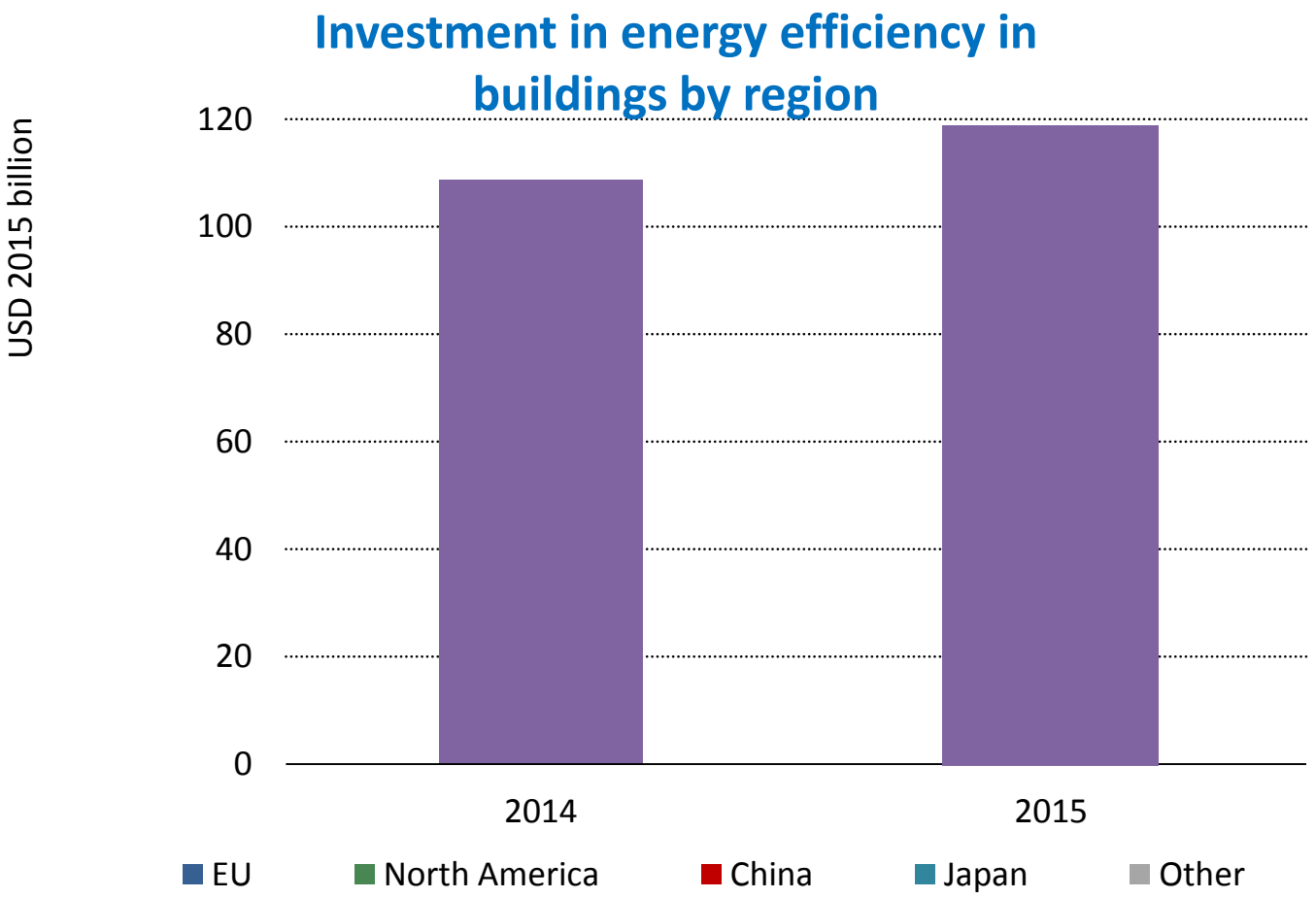
Europe, North America and China dominate global investment in building efficiency



Better insulation, efficient heating systems and cogeneration deliver energy savings and air quality benefits

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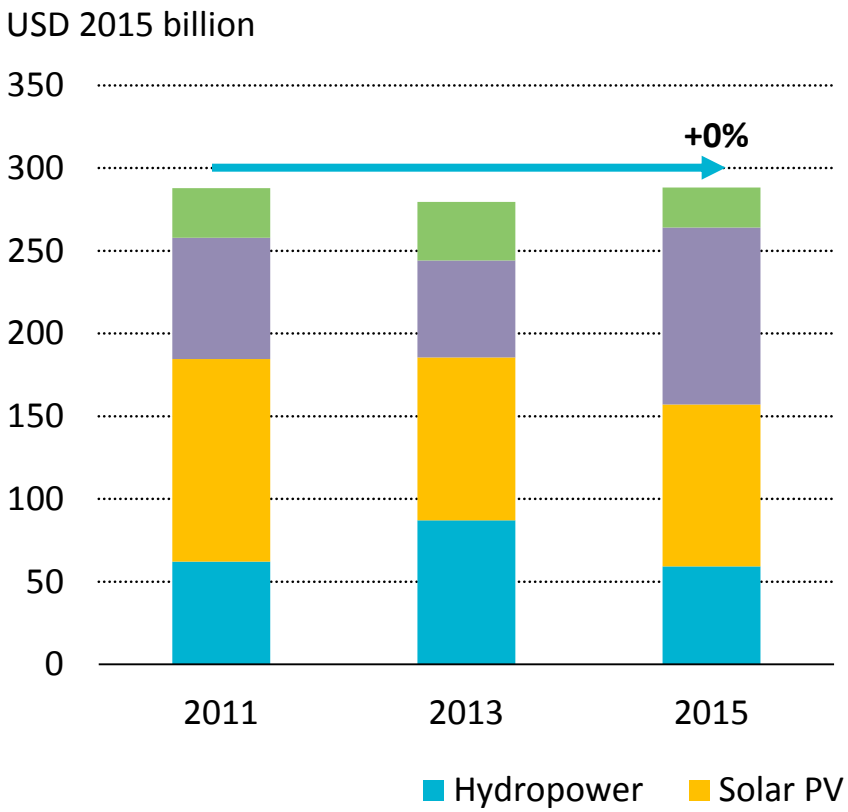
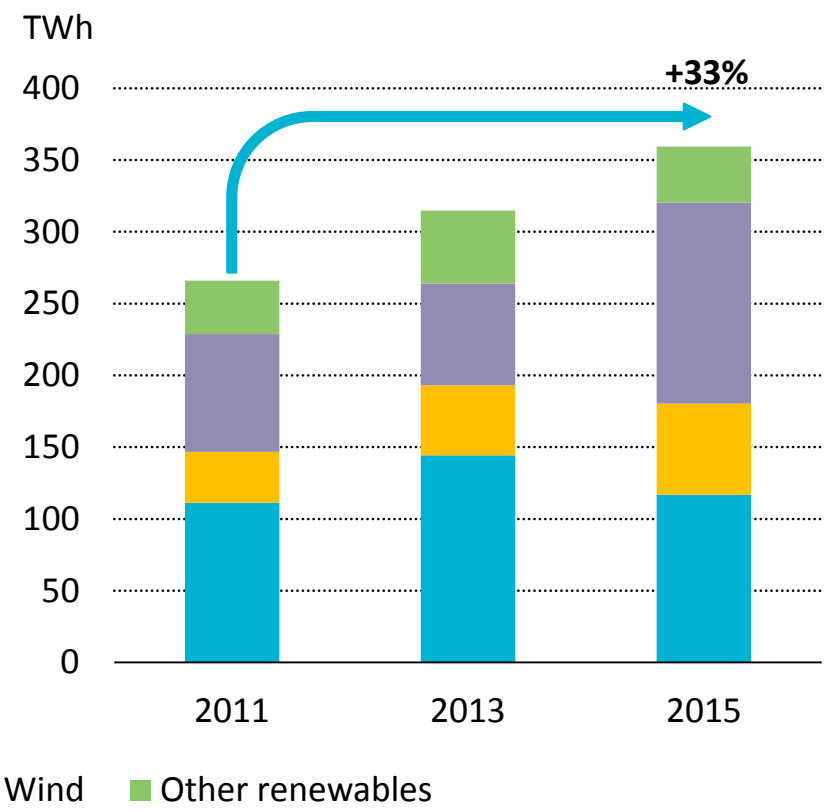
Renewables investment buys much more electricity

Global renewable power investment



Generation from investment in capacity



Hydropower Solar PV Wind Other renewables

Investment from renewables-based capacity more than covers 2015 global electricity growth. Wind leads, surging 35% in 2015 on economics and record offshore growth.

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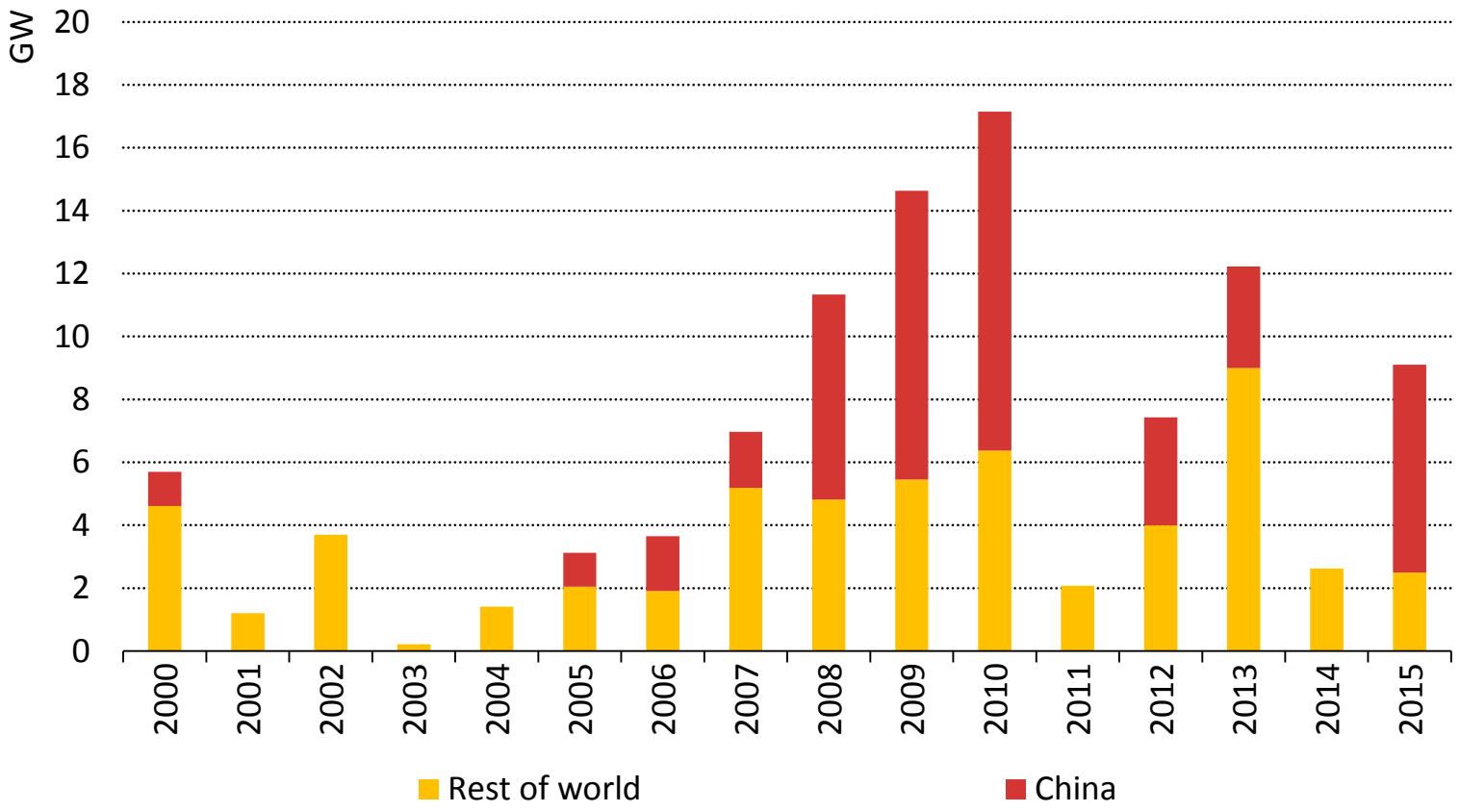
Global nuclear investment remains robust due to China

Nuclear construction starts, 2000-2015



Economics in North America and Europe and public concerns remain a challenge to significant nuclear expansion

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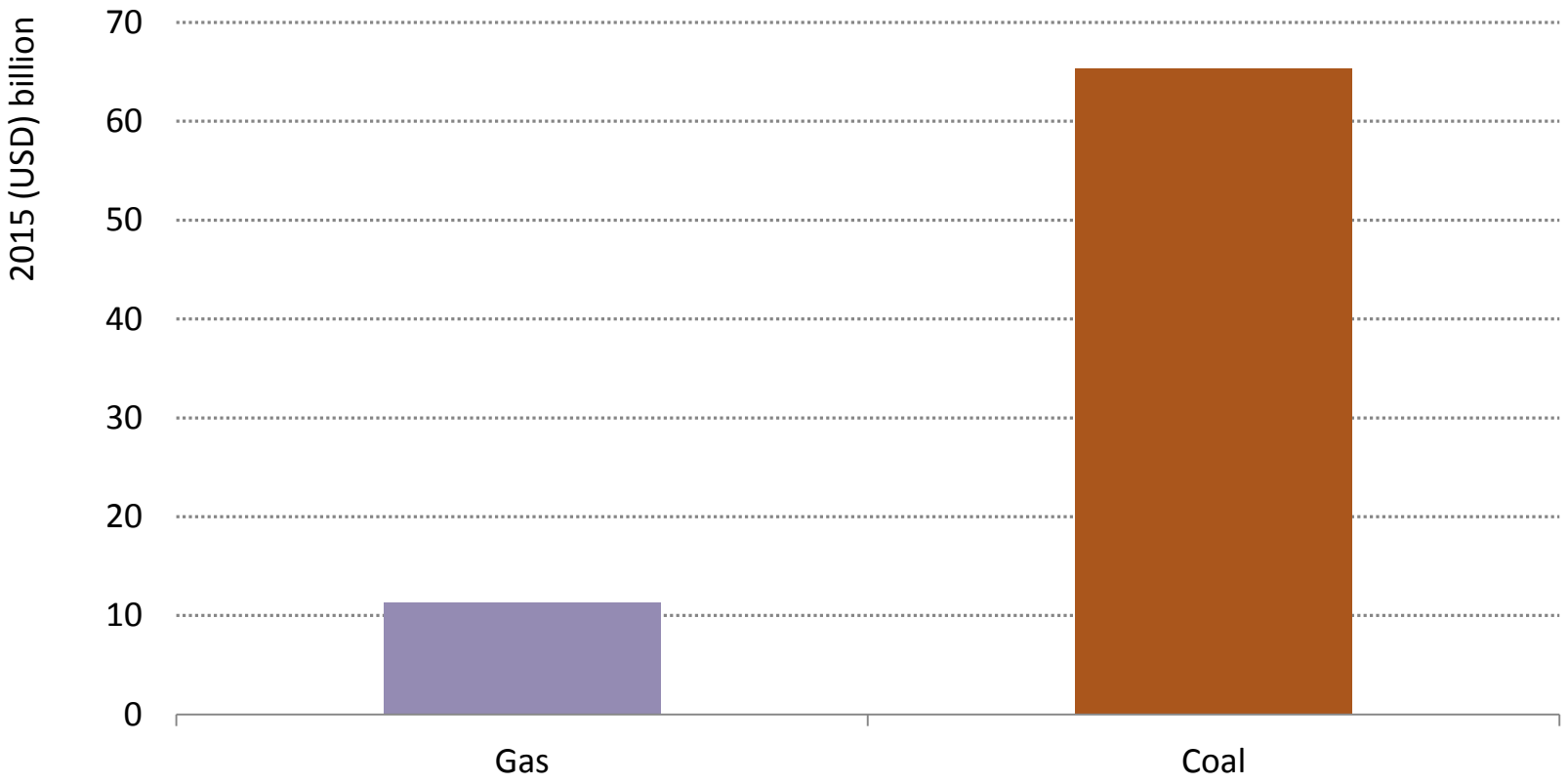
Infrastructure costs favour coal power over gas in Asian energy importers

Coal and gas-fired power investment in Asian markets (2015)



Asian markets comprised 85% of global coal power investment, while N. America and Middle East, with robust infrastructure, favoured gas for new fossil fuel power

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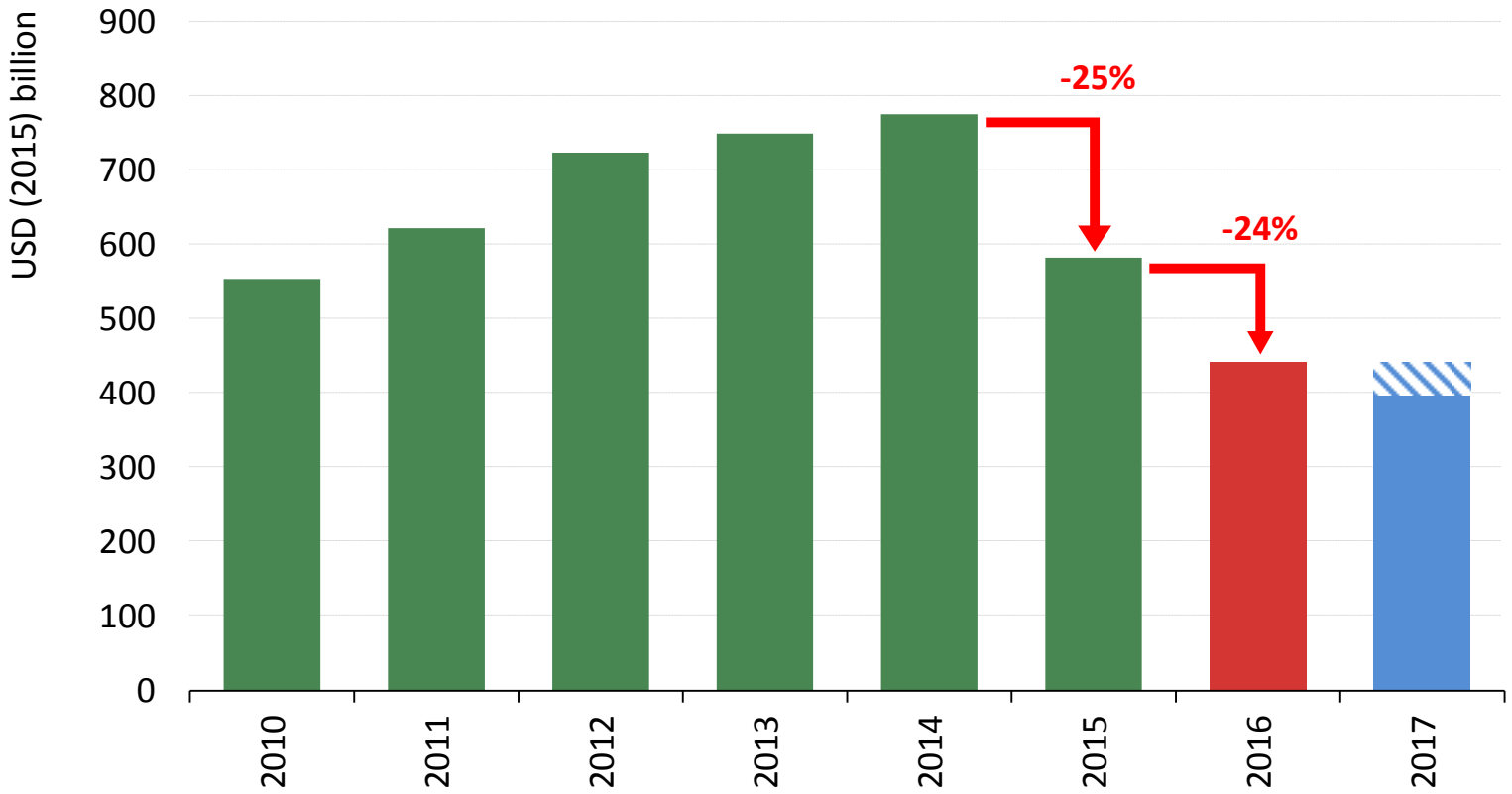
Unprecedented wave of investment cuts in the upstream oil and gas industry

Global upstream capital spending 2010-2017



Cost deflation, efficiency improvements and reduced activity levels might lead for the first time to a three consecutive years of investment decline

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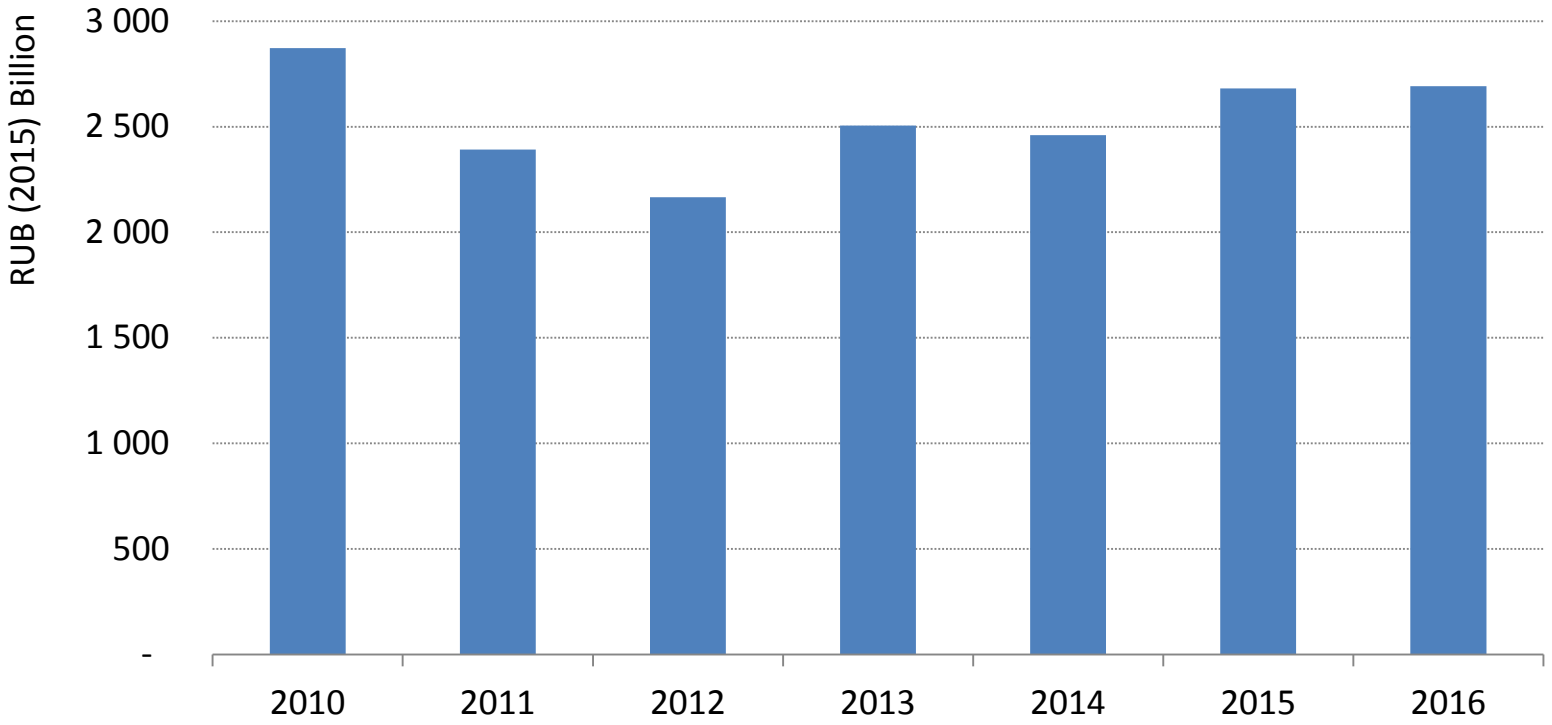
Oil and gas investment in Russia holds steady

Russian oil and gas upstream investment, in Roubles 2010-2016



80-90% of capital spending is Rouble based due to a large domestic service industry and focus on conventional brownfield development

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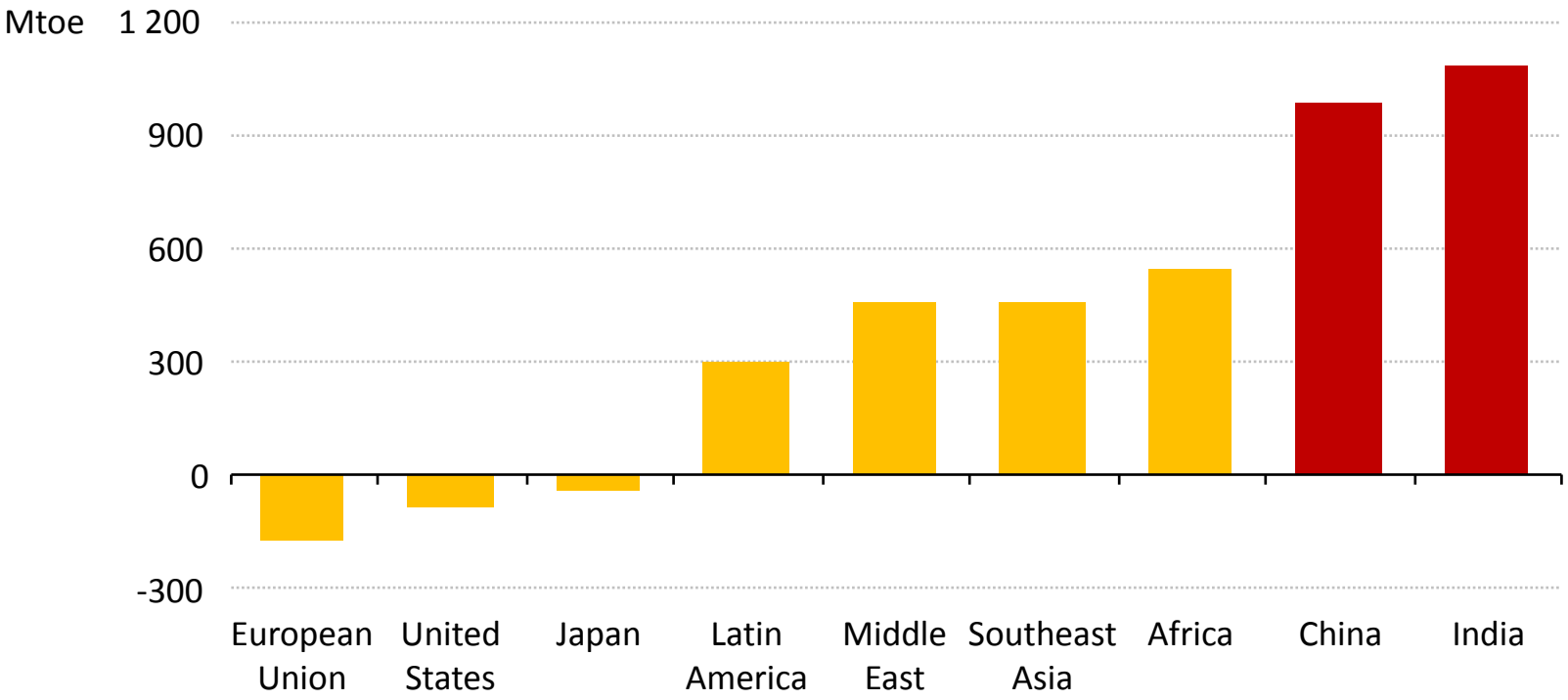
Demand growth in Asia – the sequel

Change in energy demand in selected regions, 2014-2040 (WEO 2015)



By 2040, India's energy demand closes in on that of the United States, even though demand per capita remains 40% below the world average

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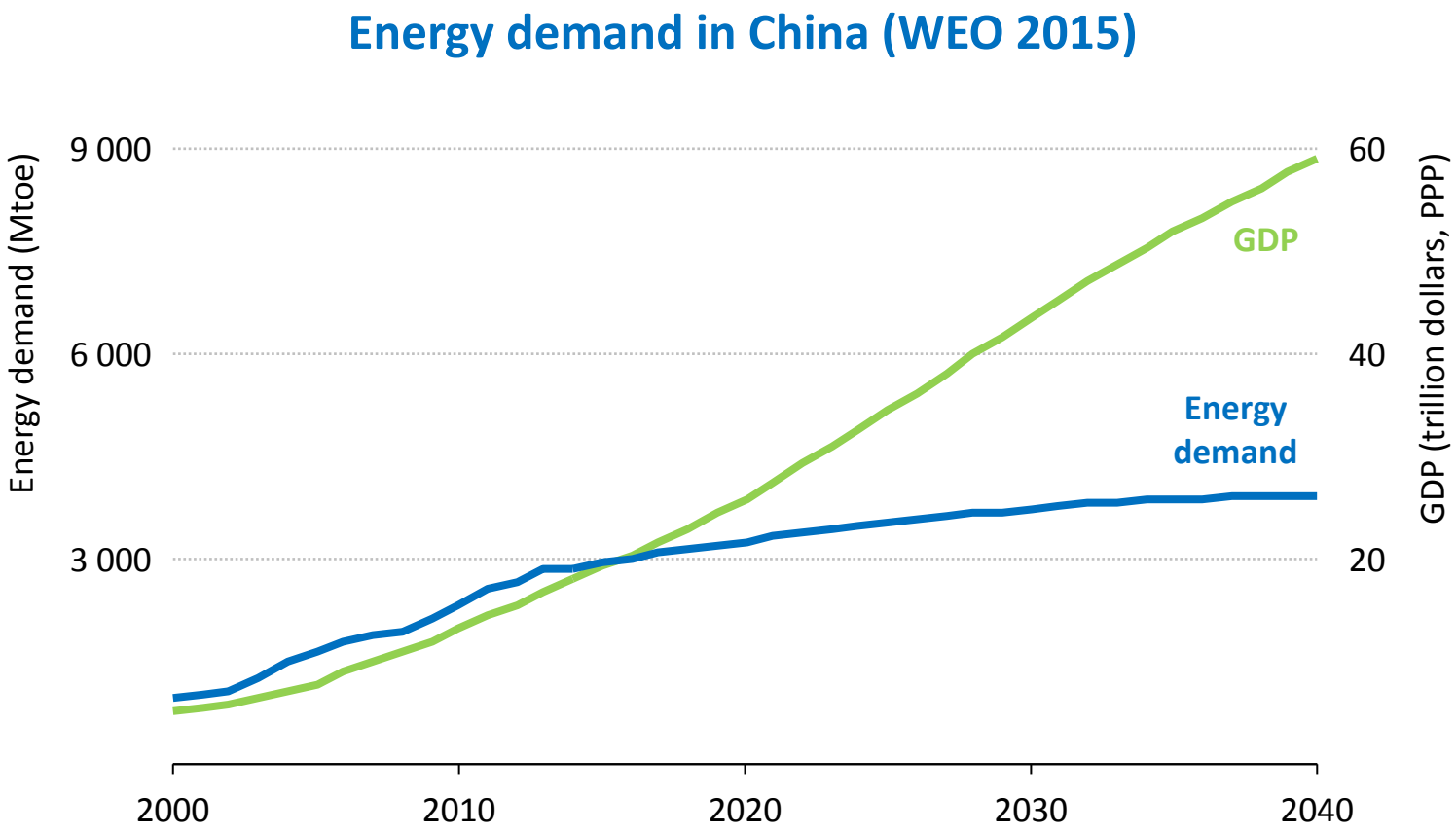
A new chapter in China's growth story



Along with energy efficiency, structural shifts in China's economy favouring expansion of services, mean less energy is required to generate economic growth

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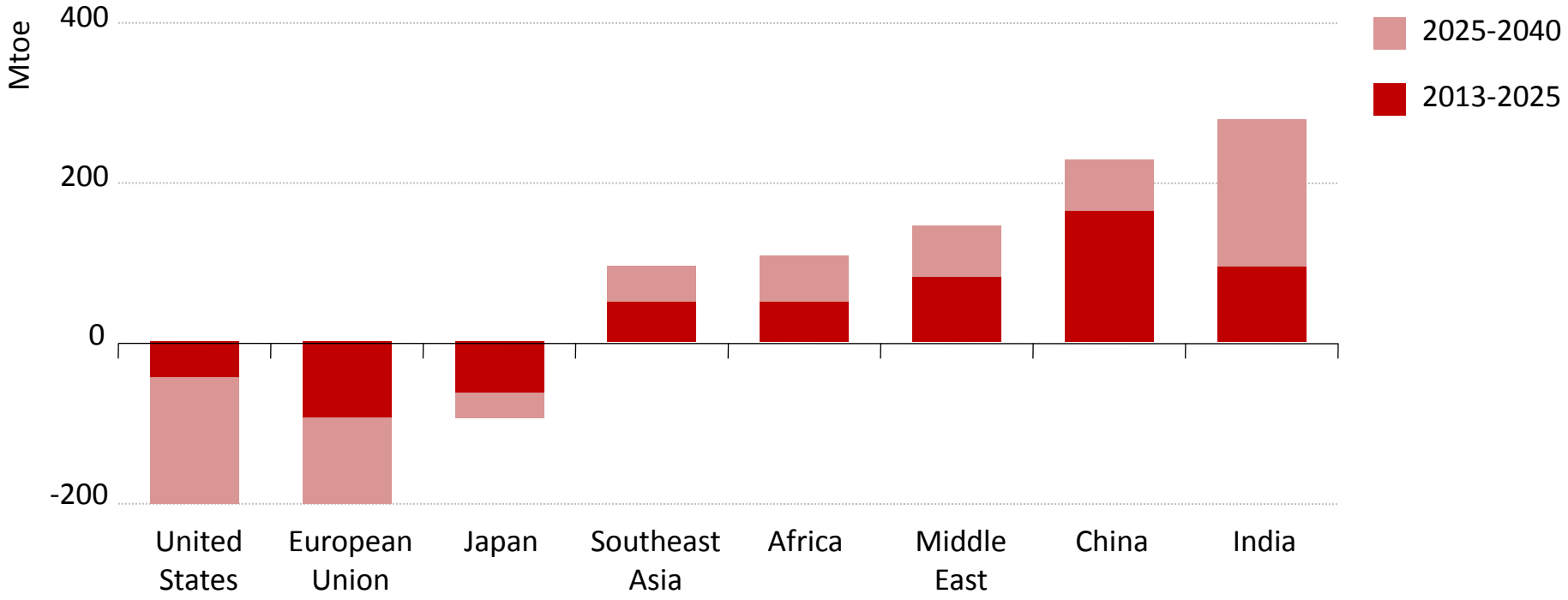
Multiple regional paths for oil demand

Oil demand growth by selected region (WEO 2015)



Oil demand picks up to 2020, but the subsequent rise to 103.5 mb/d is moderated by higher prices, subsidy phase-out, efficiency policies & fuel switching

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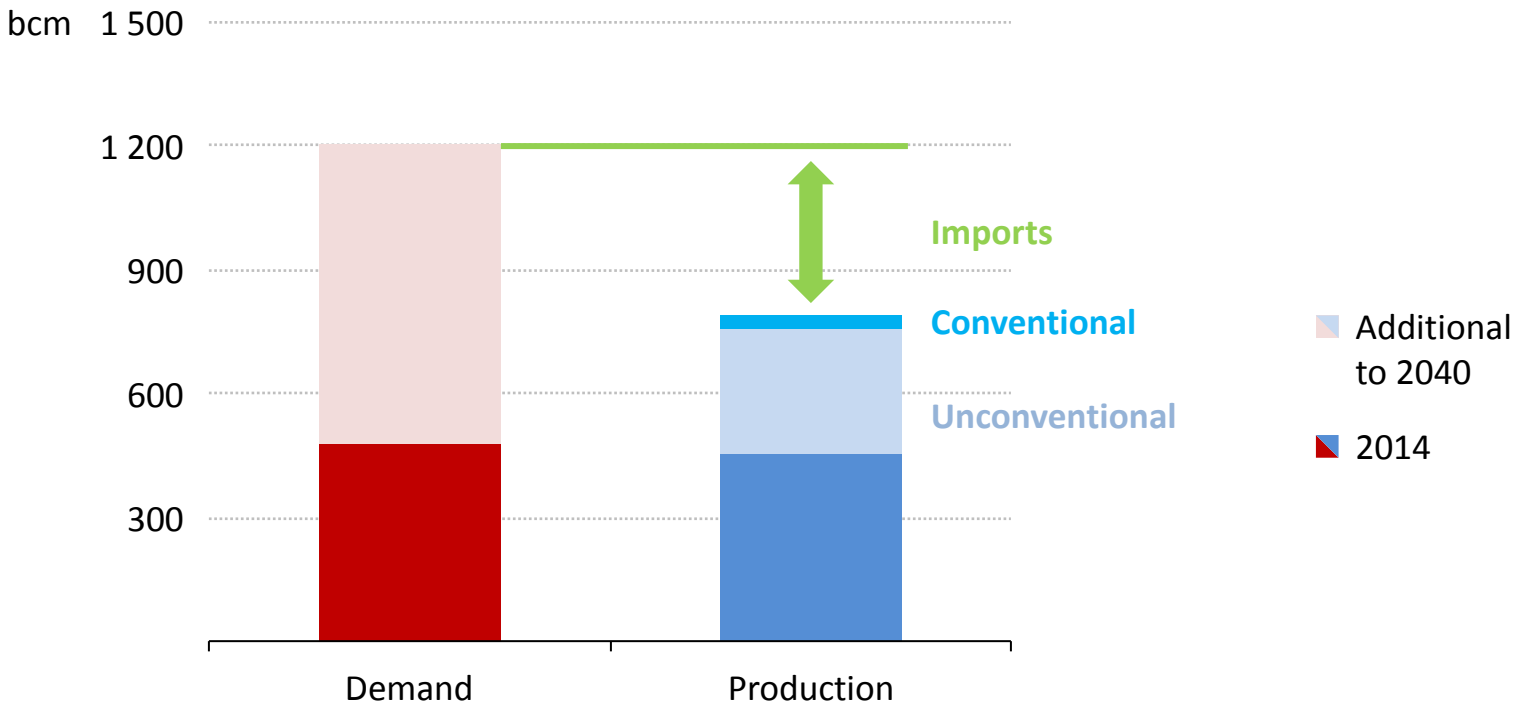
Asian uncertainties and opportunities for gas

Natural gas demand and supply in developing Asia, 2040 (WEO 2015)



Developing Asia accounts for almost half of the rise in global gas demand & 75% of the increase in imports, but gas faces strong competition from renewables & coal

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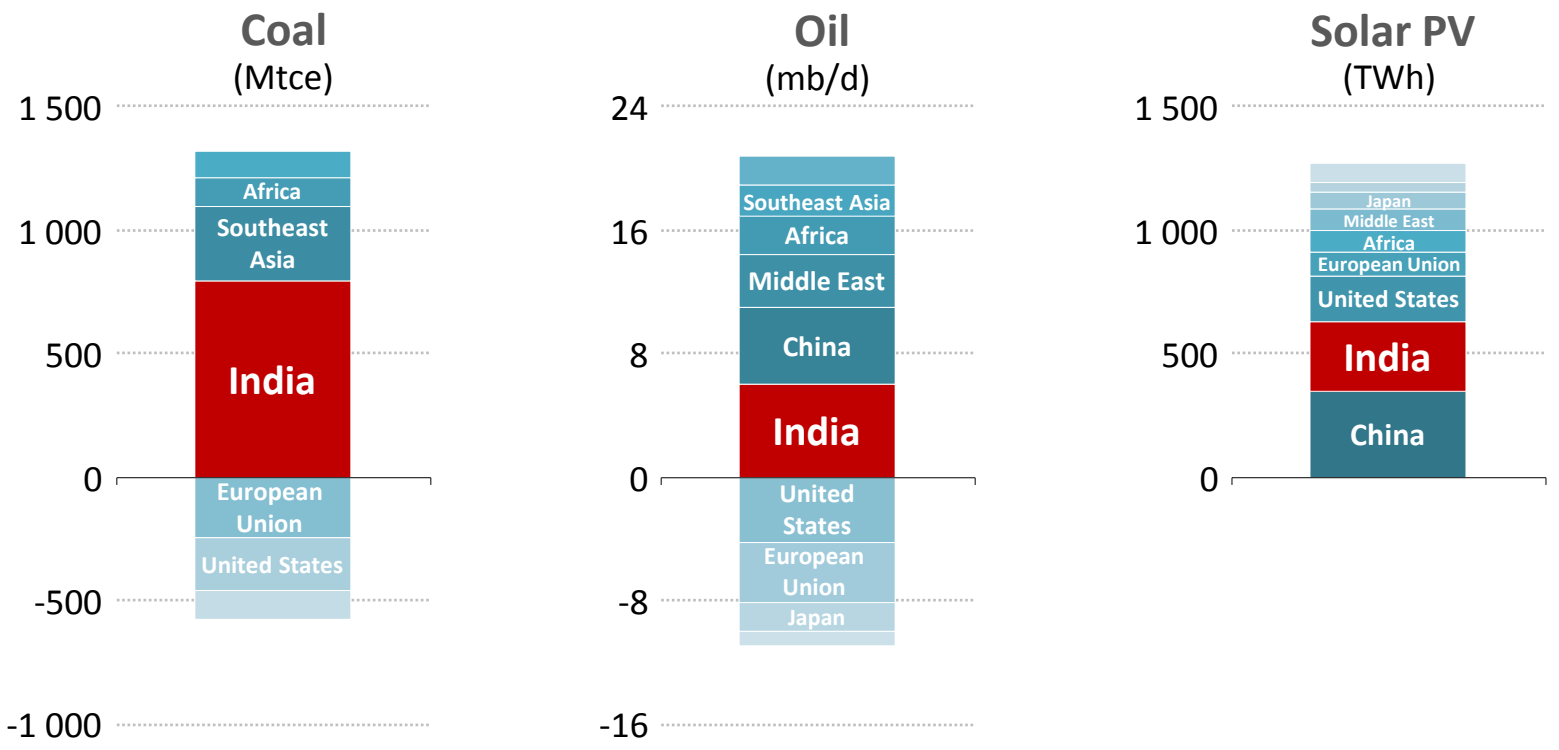
India's emerges in the world energy story

Change in demand for selected fuels, 2014-2040 (WEO 2105)



New infrastructure, an expanding middle class & 600 million new electricity consumers mean a large rise in the energy required to fuel India's development

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Investment Report 2016 – Final thoughts

- **Overall investment in 2015 did not meet energy security and climate goals..**
- **Is a cyclical fossil fuel and policy-led increase in low carbon and energy efficiency investment on the horizon?**
- **Or a coming fork in the road for energy investment?**

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