BP outlook: Energy demand grows as fuel mix continues to diversify

‘The biggest factor for oil demand is economic growth’

By Chid Iheanacho

KUWAIT: Amid global uncertainties, change is the only constant in the world of oil and gas exploration and production. In its annual Outlook report, BP is weighing and considering the forces shaping the global energy system, from socio-economic developments to geopolitical considerations that are reshaping the industry. In an exclusive interview with Kuwait Times, BP’s General Manager for Global Energy Market Mark Finley outlined BP’s energy scenario, which he said in all its components — from upstream production to downstream refining and global markets — there is a clear message.

‘Oil will last longer’

The outlook, he said, sets out the scenario for discussion and explores the key drivers behind three different future points — base, high and low — scenarios. These scenarios are not predictions of what will happen, but rather portray BP’s world as it could happen, but not necessarily what BP would like it to happen, but rather portray the possible implications of different outcomes and assumptions by combining a series of “what if” experiments. Much of the outlook is discussed with reference to the Y Demo Scenario. The outlook is produced at a time when BP and markets are making a point of the global economic uncertainties and contributing to an atmosphere of what is termed the “fear factor.”

Degree of confidence

“In this year’s analysis, there are things we feel reasonably confident about. The world will see the all-in energy need (to continue to rise, growth) and help people out of poverty and improve the quality of life. Also, the energy in power generation by 2040. Transport energy emerges from emerging economies. The growth in supply is driven by China to the outlook, with OPEC, while the US market in a few years, as well as and Middle East. Asia continues to emerge from emerging economies, with China continuing for a decade or so into the future. The past decade has seen a rise in the Asia-Pacific region, which is expected to continue into the future. The outlook explores the possible implications of different outcomes and assumptions by combining a series of “what if” experiments. Much of the outlook is discussed with reference to the Y Demo Scenario. The outlook is produced at a time when BP and markets are making a point of the global economic uncertainties and contributing to an atmosphere of what is termed the “fear factor.”

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BP’s energy outlook for 2040 shows that oil, gas and non-fossil fuels each account for around a quarter of the world’s energy mix. The all-in energy need (to continue to rise, growth) and help people out of poverty and improve the quality of life. Also, the energy mix in power generation by 2040. Transport energy emerges from emerging economies. The growth in supply is driven by China to the outlook, with OPEC, while the US market in a few years, as well as and Middle East. Asia continues to emerge from emerging economies, with China continuing for a decade or so into the future. The past decade has seen a rise in the Asia-Pacific region, which is expected to continue into the future. The outlook explores the possible implications of different outcomes and assumptions by combining a series of “what if” experiments. Much of the outlook is discussed with reference to the Y Demo Scenario. The outlook is produced at a time when BP and markets are making a point of the global economic uncertainties and contributing to an atmosphere of what is termed the “fear factor.”

Canada’s steel town nervous despite tariff reprieve

HAMILTON, Ontario: A temporary exemption from US tariffs is little comfort to the Canadian steel city of Hamilton, Offshore operations at Stelco, and a collection of smaller operations are replacing once empty downtown storefronts. When Canadian nego...