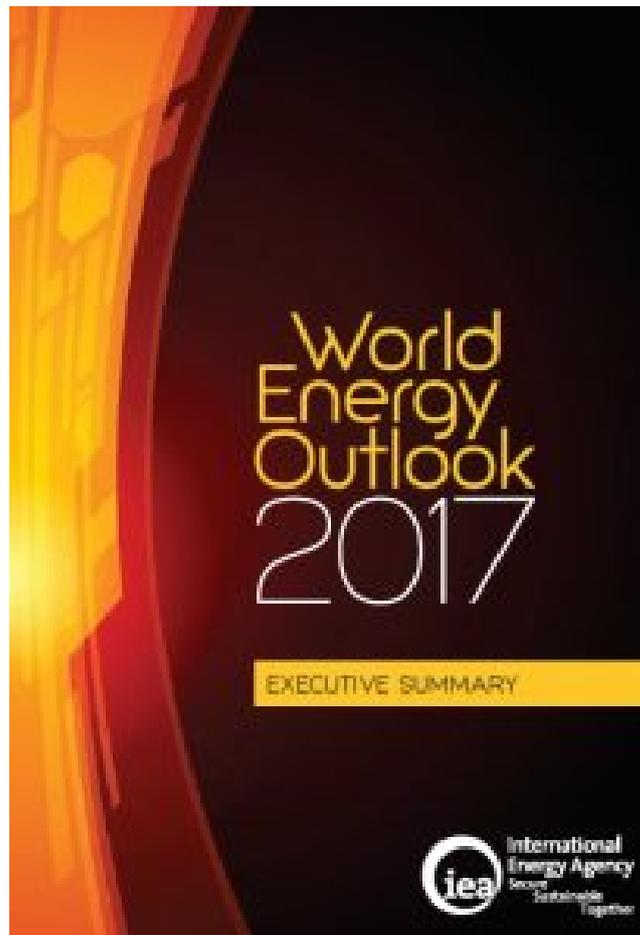


## World Energy Outlook 2017

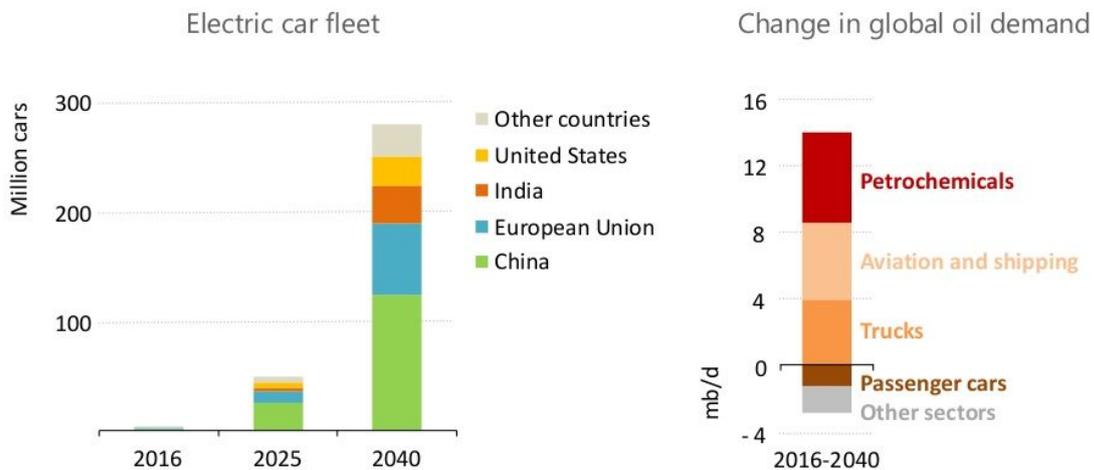


I went to a talk last night at the Council on Foreign Relations: [Dr. Fatih Birol](#), the executive director of the International Energy Agency (IEA), sat down with [Amy Myers Jaffe](#), the Council's senior fellow for energy and the environment, for an interesting discussion. (The video is [here](#), along with a transcript.) The [IEA](#) was founded in 1974 to help the world's major economies respond to the Arab oil shocks of that time. It has since become a well of knowledge about the world's energy resources, now and for the future, and many of the critical aspects of our energy production and use, not the least of which are climate change, pollution, and energy poverty. This year's World Energy Outlook, in fact, contains an important [report on the outlook for energy access](#) for those billion of our fellow world citizens who have no modern energy services.

The discussion ranged over a number of topics, including the importance of the US as [an exporter of natural gas and oil](#). The IEA believes this will have a significant impact on the world energy picture, including, not surprisingly, allowing Europe to escape the hold that Russia has on it owing to energy. A third of Europe's vital [natural gas supply comes from Gazprom](#). Imports of American LNG could significantly change that equation. There will be 50 countries with regasification terminals by 2020, up from 15 in 2000.

Ms Jaffe also delved into the question of how much the coming revolution in electric vehicle deployments would dampen the prospects for oil. The IEA does acknowledge that EVs are on the way, but Dr. Birol, when asked if we are going to see peak oil demand soon, replied "Absolutely not." His reasons, even given the advent of the EV revolution, coupled with much more efficiency in cars, was more demand growth in other sectors: "...here are other drivers of oil demand, which are going to push the oil demand growth stronger. What are those? One, trucks. Two, jets. Three, petrochemical industry. And these are the three major drivers of oil demand growth."

## EVs are on the way, but oil demand still keeps rising



*Electric cars are helping to transform energy use for passenger cars, slowing the pace of growth in global oil demand: however, trucks, aviation, shipping & petrochemicals keep oil on a rising trend*

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Other analyses give a much higher figure for the amount of oil that EVs will displace by 2040. [Bloomberg New Energy Finance](#), for one, thinks 8 million barrels a day will fall away as a consequence of the mainstreaming of EVs.

Dr. Birol and the IEA are bullish about the prospects for renewables, identifying [rising shares of energy and wind](#) in the electricity supply. Again, there are projections and scenarios that far outstrip what the IEA identifies as the likely future. The International Renewable Energy Agency (IRENA), for example, offers the vision of [60% of final energy supply coming from renewables](#) by 2050.

I will say that I do not share Dr. Birol's enthusiasm for nuclear power. [I have written about that here](#) at some length and I will spare you what I consider to be the many convincing reasons why we have wasted precious time and money on this bankrupt technology - [literally bankrupt](#) in some cases. (For a thorough look at the state of the industry, you absolutely cannot do better than the [World Nuclear Industry Status Report 2017](#).)

In any event, the discussion last night was stimulating and useful. For a good overview of the

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World Energy Outlook 2017, see the IEA's video: