

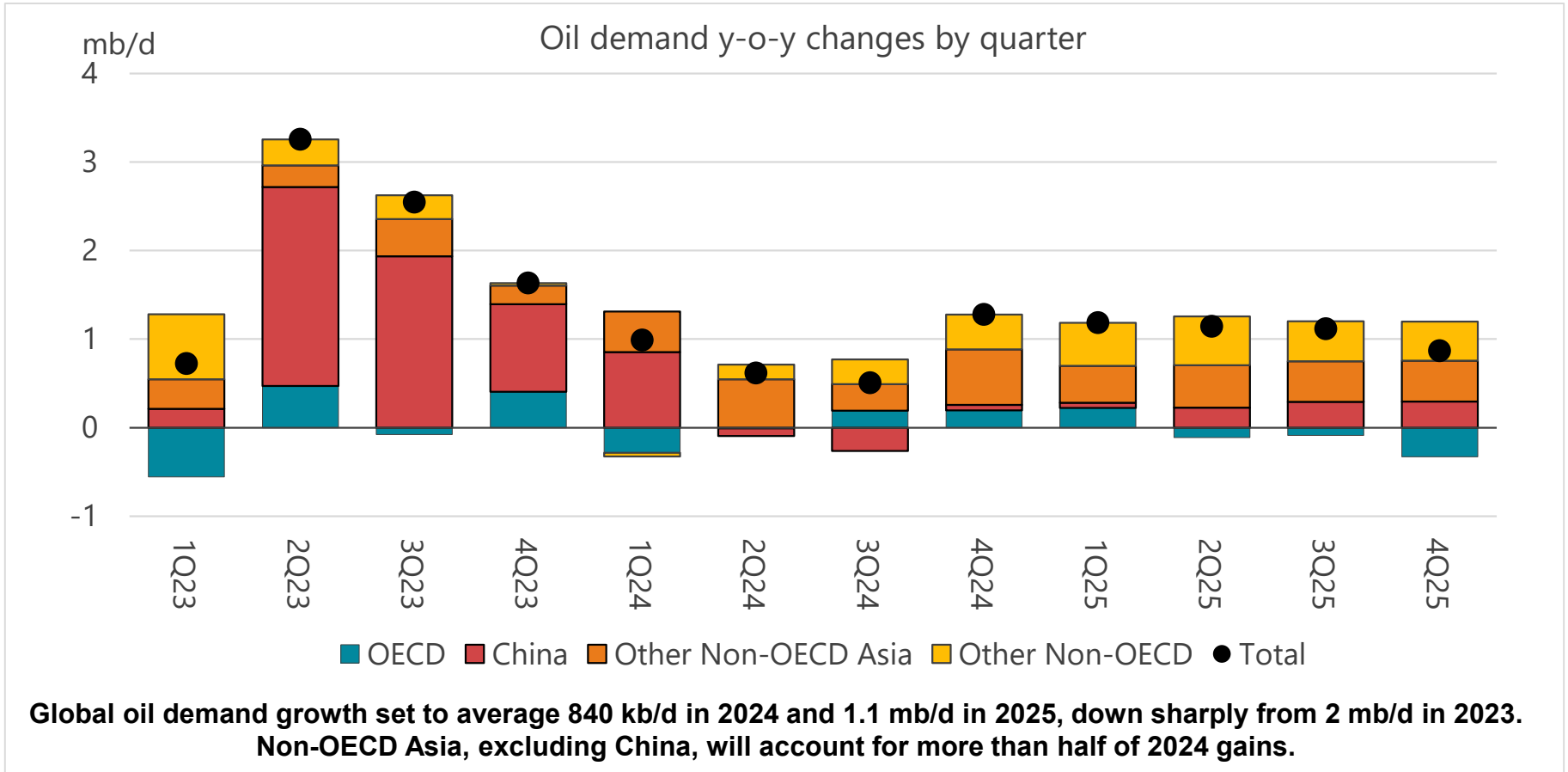


Oil Market Prospects for 2025 and Beyond

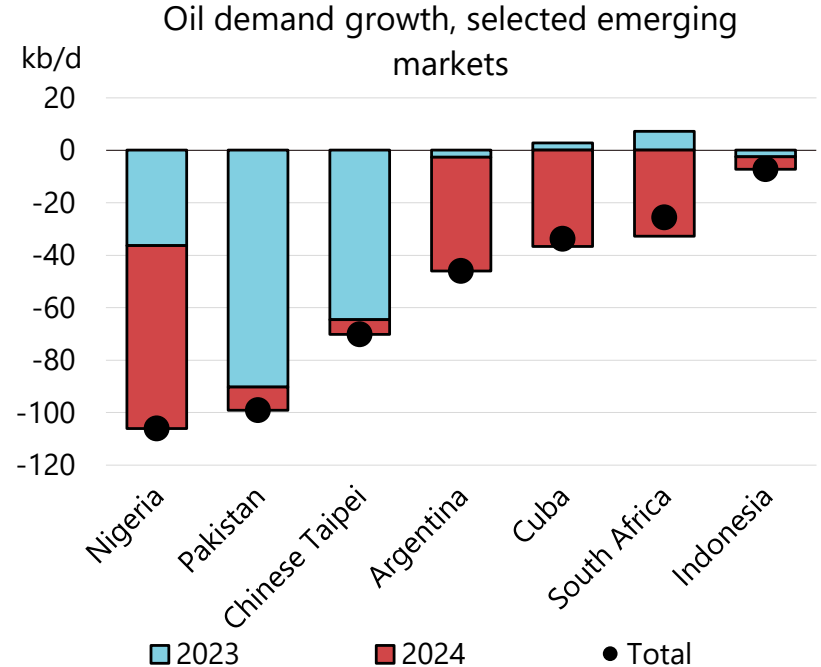
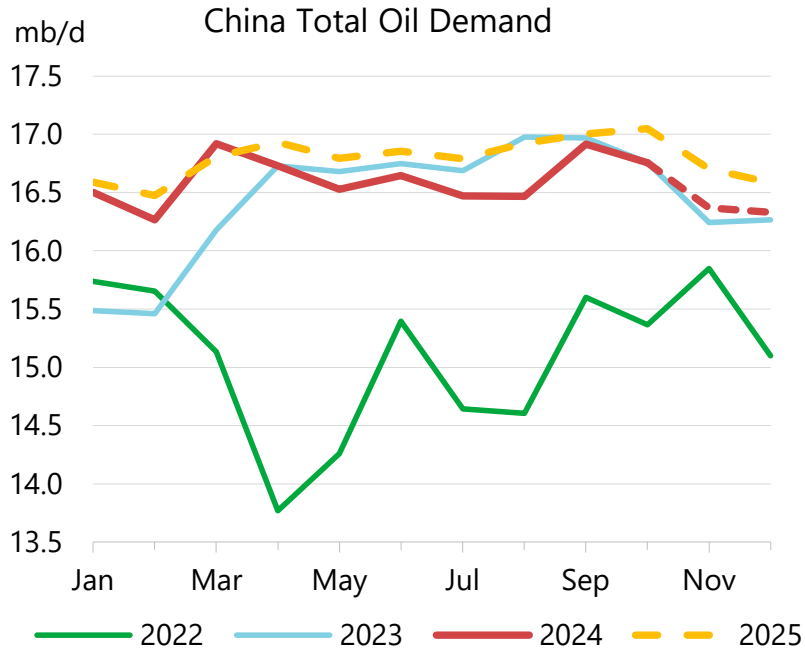
Baker Institute Oil Market Panel, 19 December 2024

Toril Bosoni, Head of Oil Industry and Markets Division, IEA

Global oil demand growth continues to slow in 2024

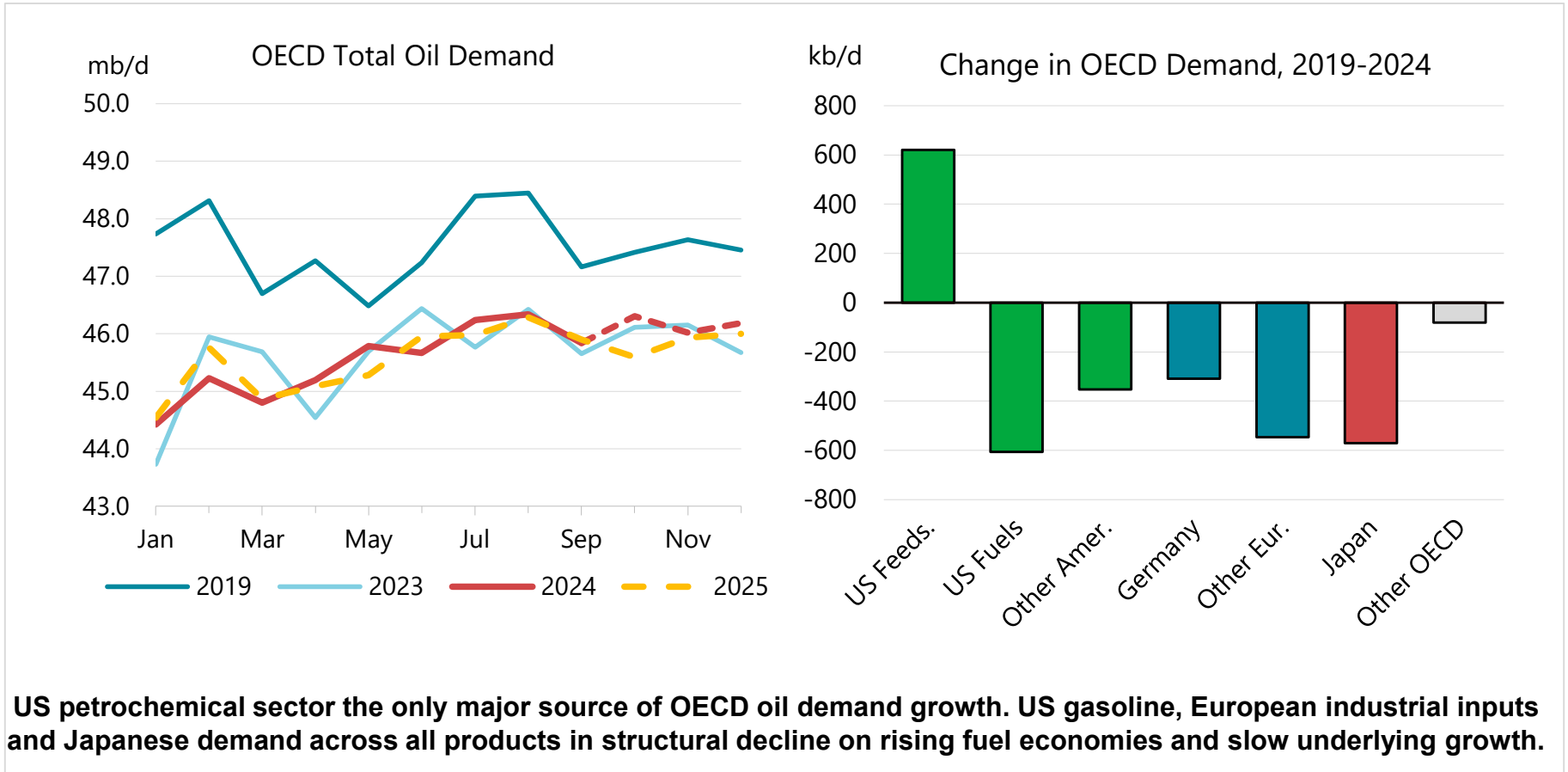


Non-OECD slowdown extends beyond China



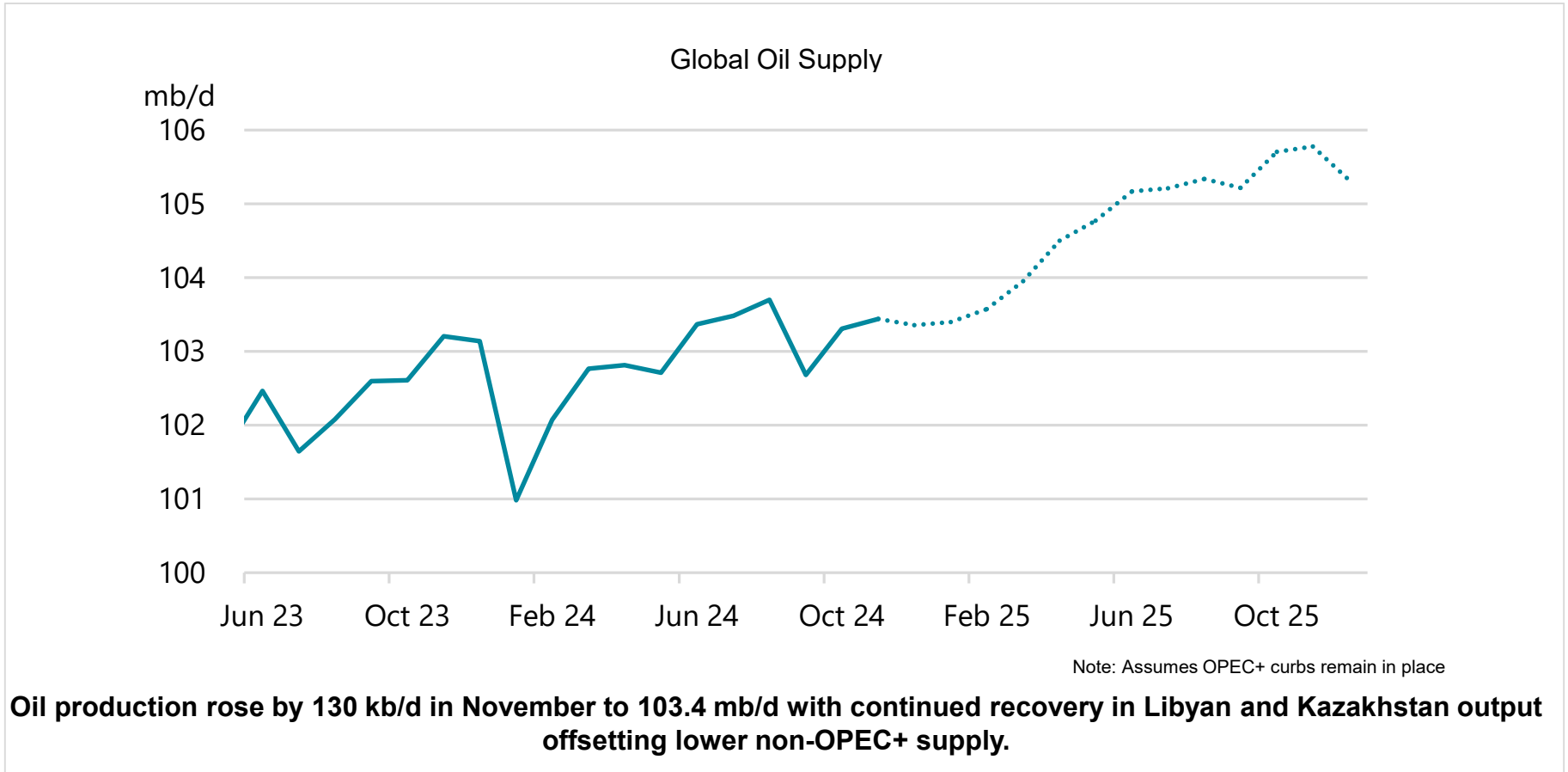
Chinese oil demand growth has slowed dramatically to 140 kb/d y-o-y in 2024, from 1.4 mb/d last year. Non-OECD demand growth is also being hit by the impact of economic challenges across a variety of emerging markets.

OECD demand languishing almost 2 mb/d below pre-pandemic mark

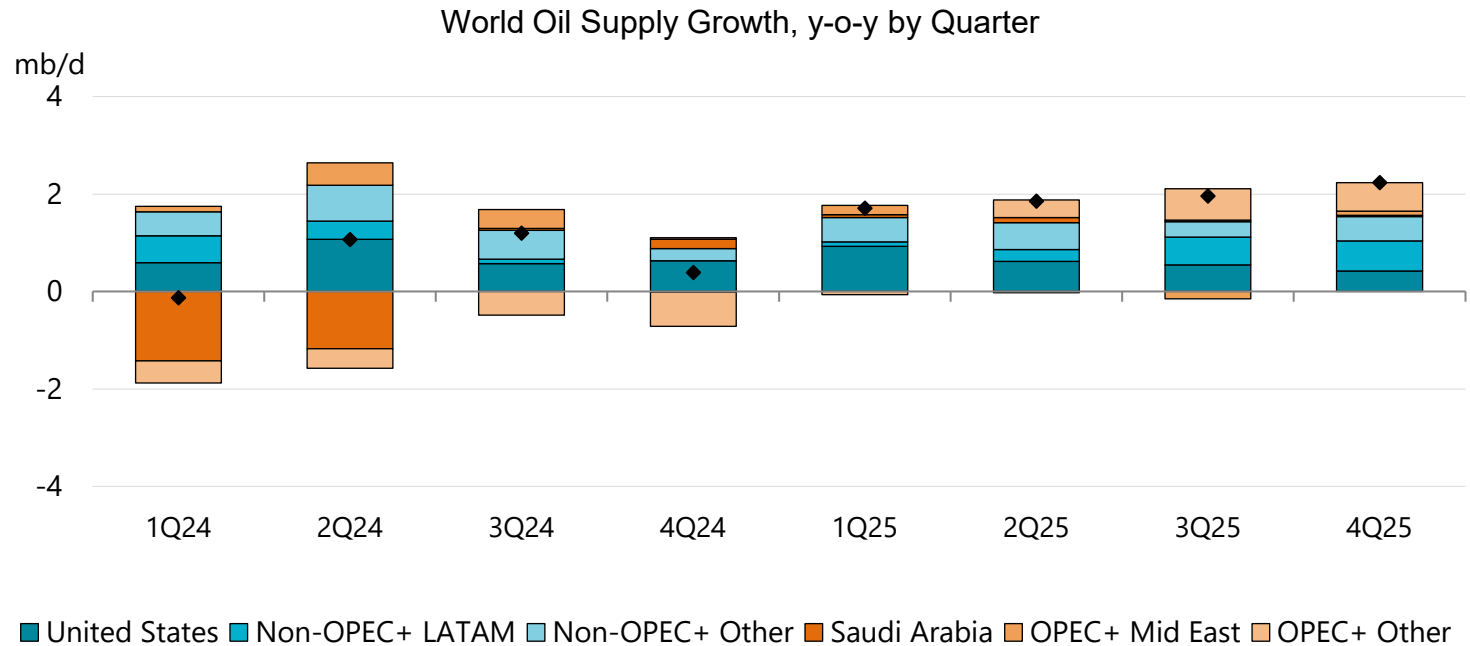


US petrochemical sector the only major source of OECD oil demand growth. US gasoline, European industrial inputs and Japanese demand across all products in structural decline on rising fuel economies and slow underlying growth.

Global oil supply still rebounding from September drop



Non-OPEC+ Americas dominates world oil supply expansion

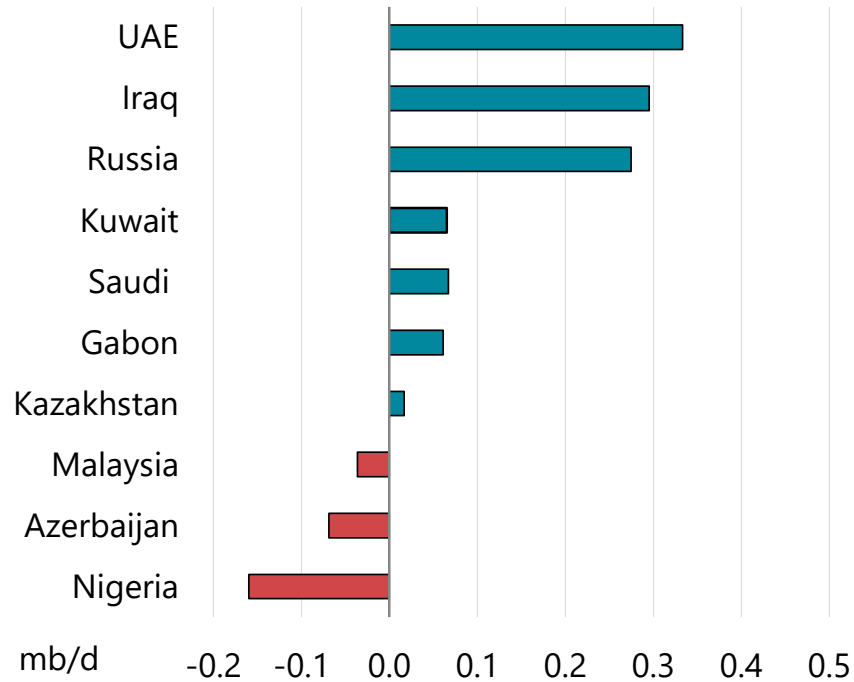


Note: Assumes OPEC+ curbs remain in place

Total gains of 630 kb/d in 2024: non-OPEC+ output to rise ~1.5 mb/d, OPEC+ to fall 850 kb/d. Supply to rise by ~1.9 mb/d in 2025: non-OPEC+ up ~1.5 mb/d, OPEC+ rises 460 kb/d if current deal remains in place.

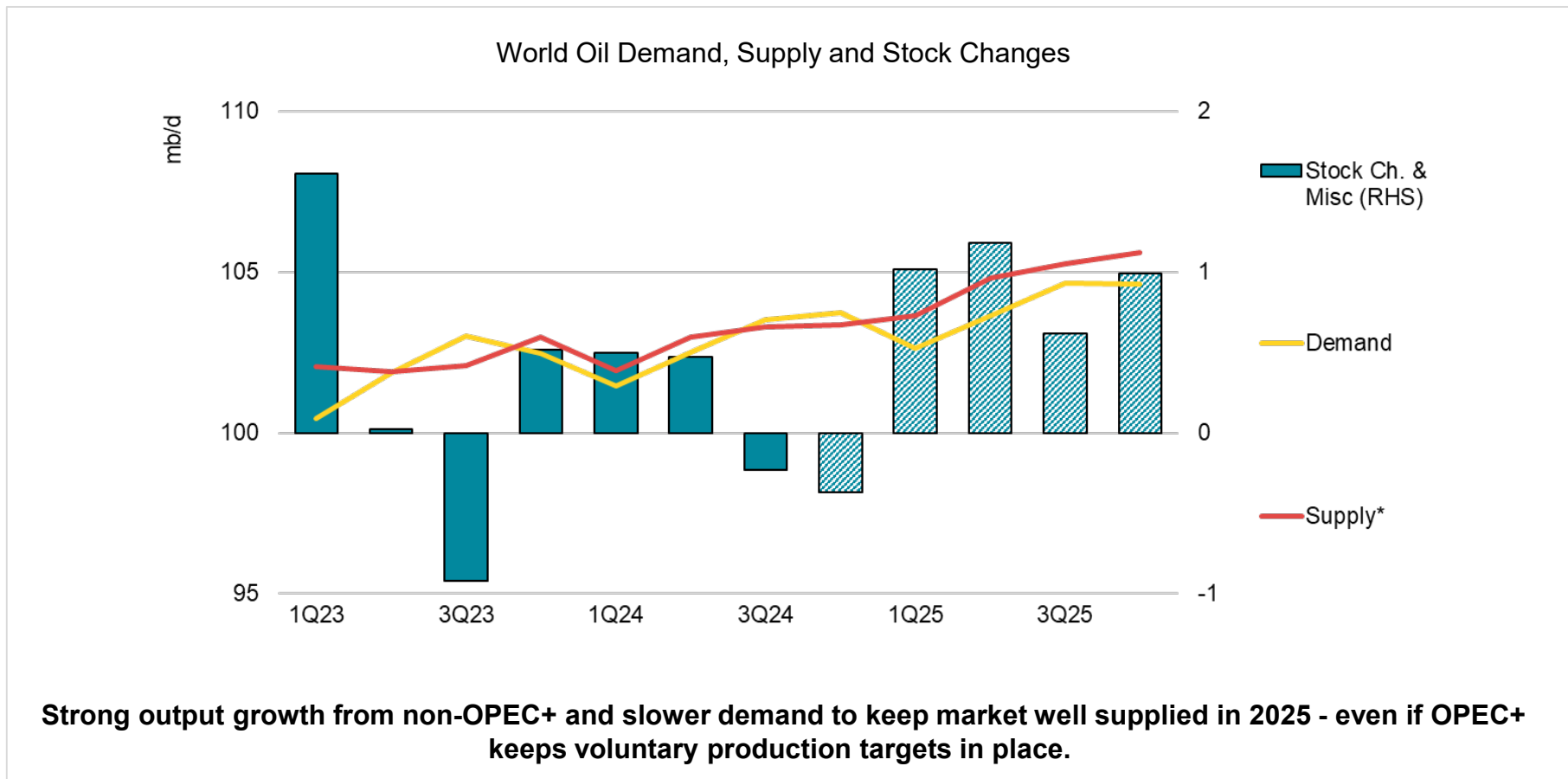
Compliance with OPEC+ targets remains elusive

OPEC+ November Crude Oil Output vs Target (Selected Producers)



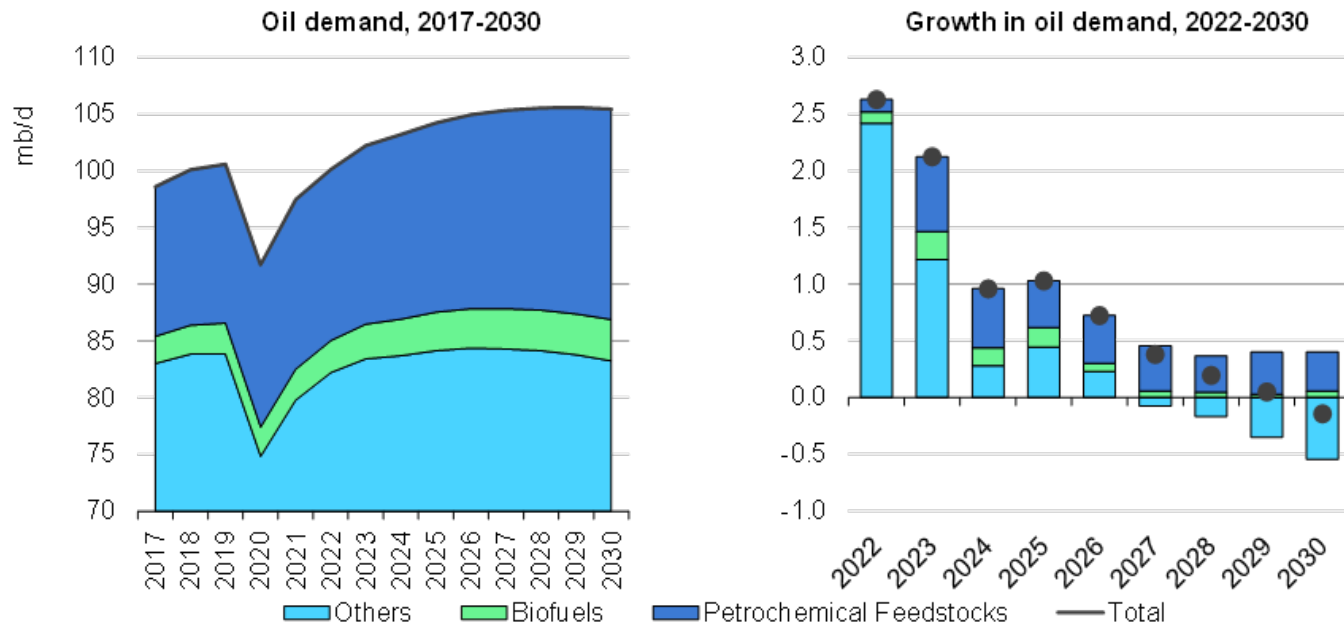
Production from 18 countries subject to quota assessed 680 kb/d above targets in November.

Oil market flips to surplus in 2025



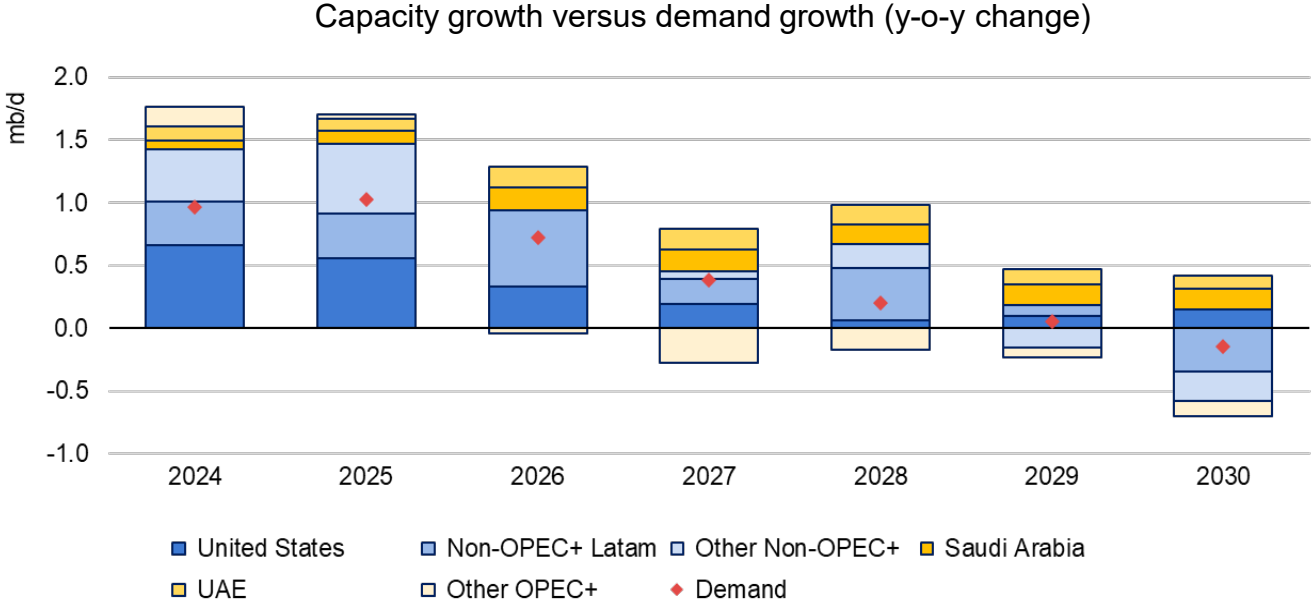
iea

World oil demand on course to plateau by 2030



Growth decelerates from 2.1 mb/d in 2023 to less than 1 mb/d in 2024, with a small contraction by 2030. Demand, including biofuels, plateaus at around 105.6 mb/d by the end of the forecast period.

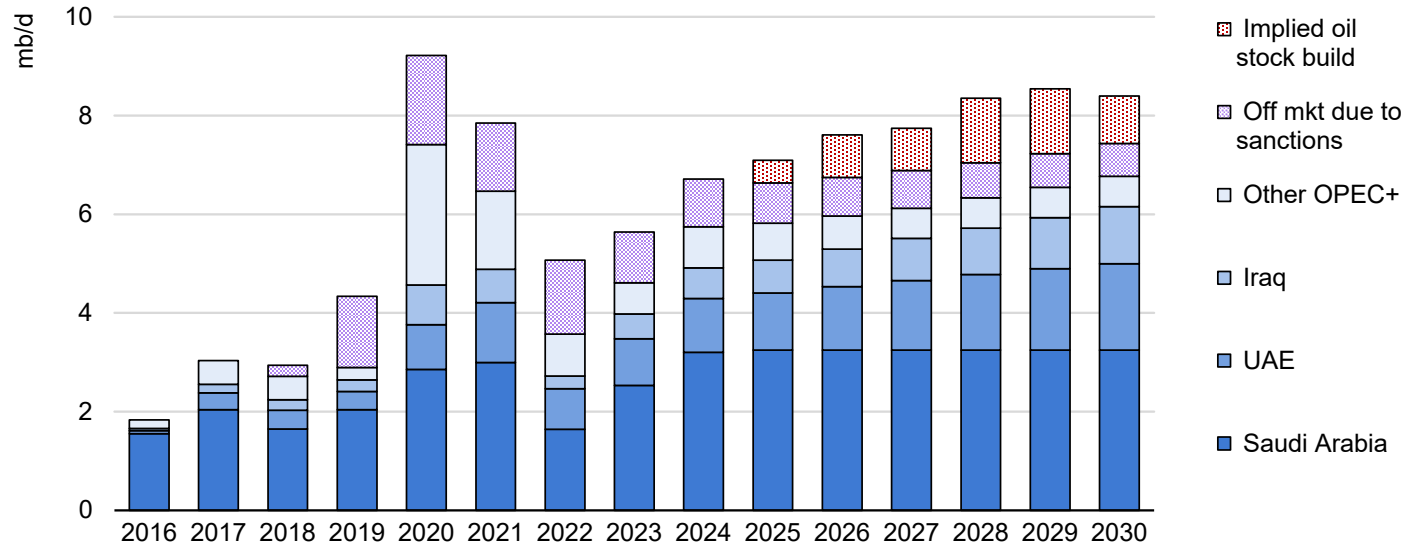
Oil capacity building loses momentum towards 2030



The US and other producers in the Americas lead the medium-term capacity expansion, adding 4.7 mb/d. Saudi Arabia suspends crude capacity boost in favour of NGLs build out.

Surplus supply capacity may reach highest level in recent times

OPEC+ spare crude production capacity and implied total oil stock build, 2016-2030



Notes: Projections based on the current OPEC+ supply agreement. OPEC+ countries are crude oil only. Assumes Iran and Russia remain under sanctions. Implied oil stock builds include total oil.

Total supply capacity rises by 6 mb/d to 114 mb/d by 2030, 8 mb/d above projected global demand. Such a massive spare cushion could challenge OPEC+ oil market management and US shale.