

Global Outlook

Report
2 min read • Aug. 26, 2024



Energy supply

- The world’s demand for oil and natural gas remains strong.
- Oil and natural gas supply from existing wells naturally declines over time, making sustained investments more important than ever.
- Growing demand for LNG, driven by the Asia Pacific region, is underpinned by growing North America and Middle East supply.

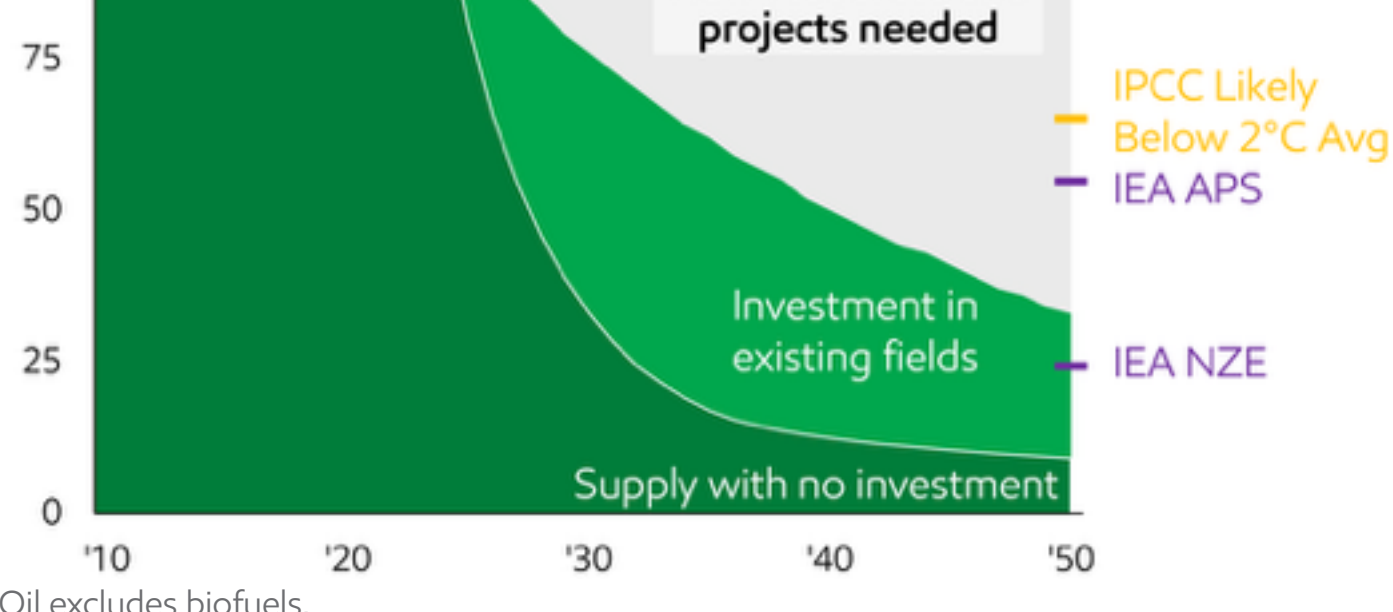
2050 insights

Significant new oil and natural gas supplies are needed to meet society’s demand.

- Decline rates of existing fields are the biggest driver for new supply needed, and the reason significant investment is still required even before accounting for demand growth.
- The annual decline of existing supply is higher now, with an increasing mix of unconventional resources, such as U.S. tight oil, which decline faster than conventional oil and natural gas resources.

Global oil projected supply and demand

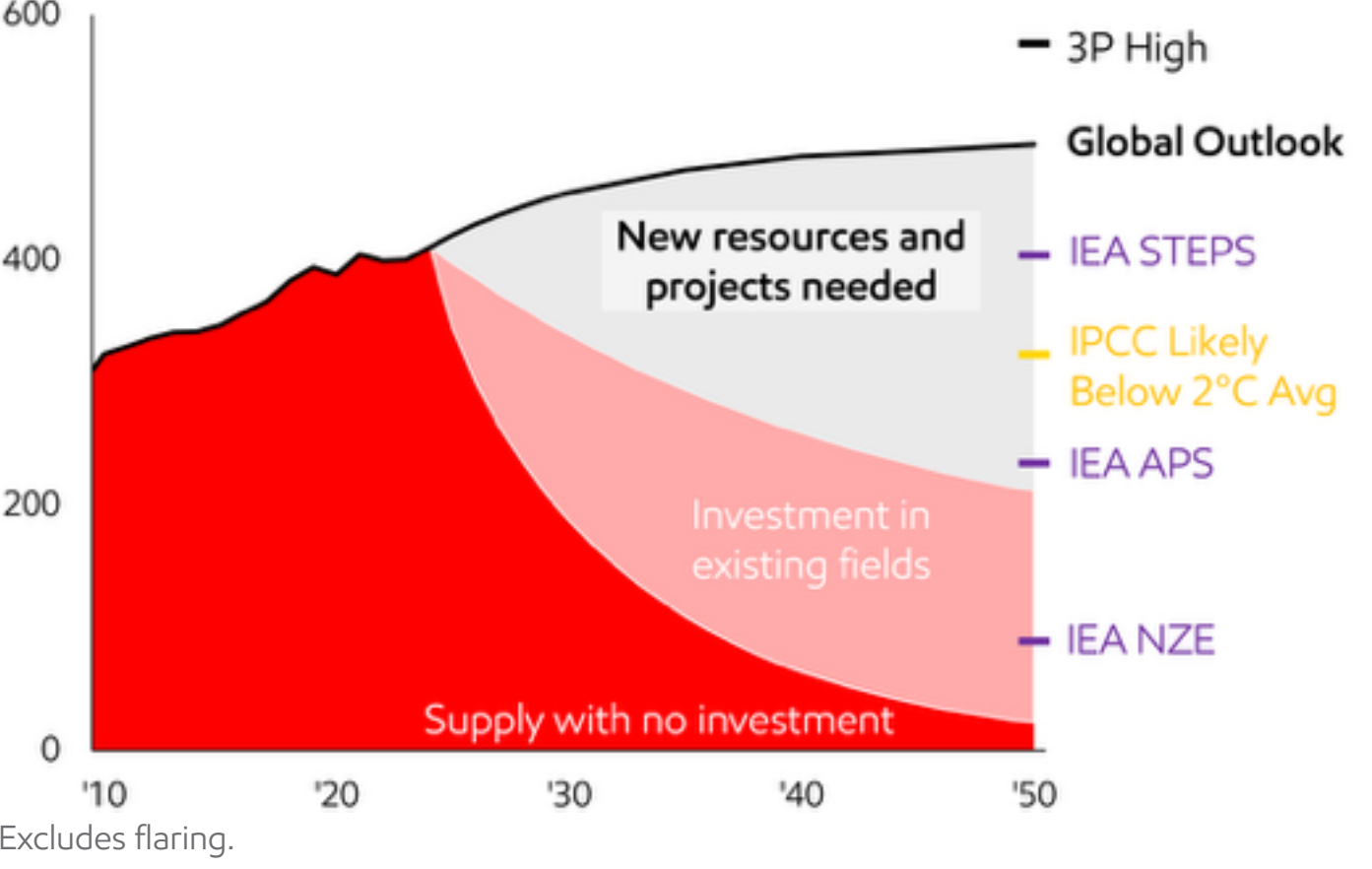
Million barrels per day



Oil excludes biofuels.
IPCC AR6 Scenarios Database hosted by International Institute for Applied Systems Analysis (IIASA) release 1.0 average of 306 IPCC C3: "Likely Below 2°C" scenarios.
IEA scenarios from '23 World Energy Outlook; 3rd Party high 2023 OPEC World Oil Outlook 2045; Laissez-Faire case (see reference list).
Decline rates based on 10-yr CAGR.

Natural gas projected supply and demand

BCFD



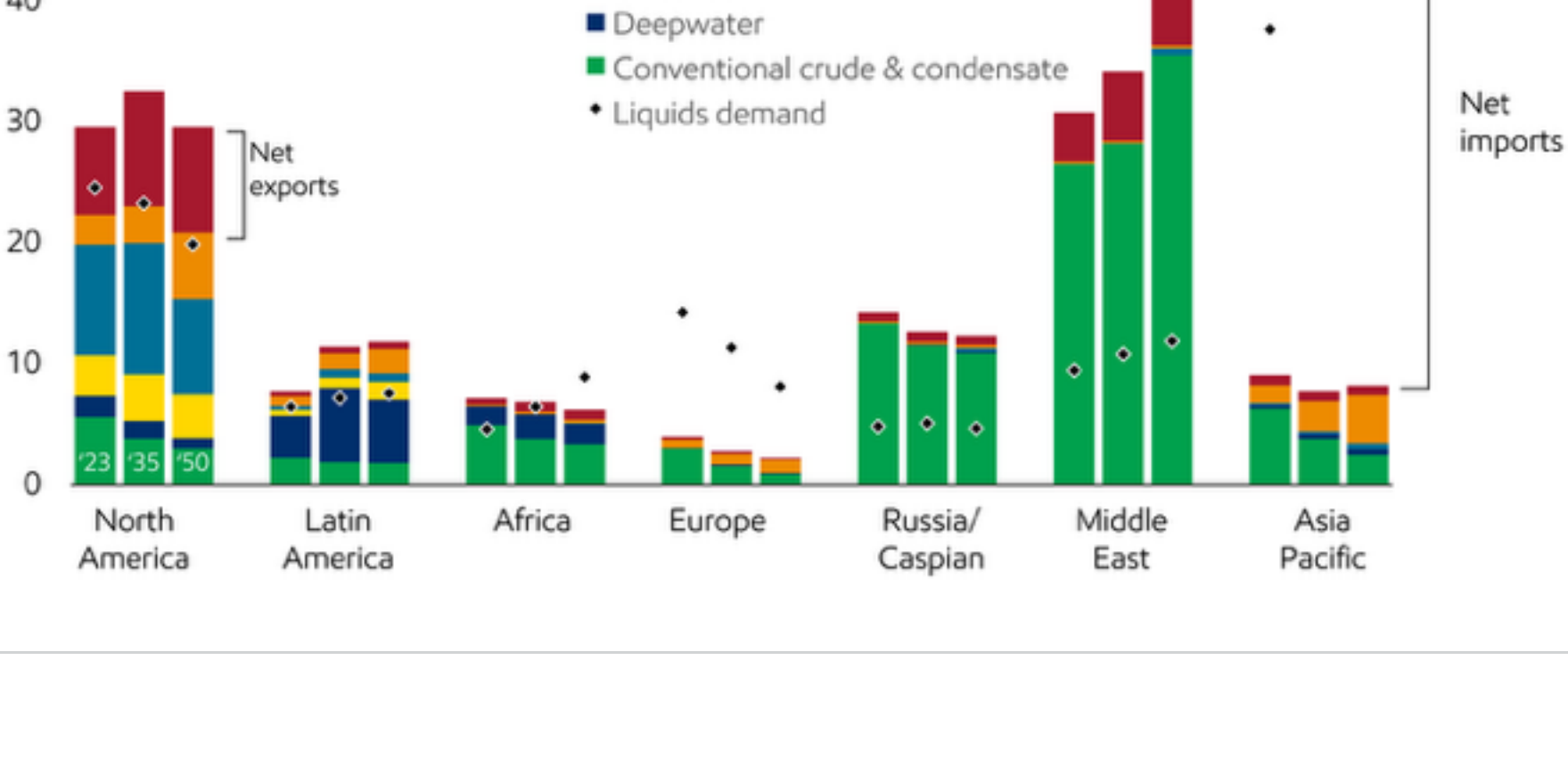
Excludes flaring.
IPCC AR6 Scenarios Database hosted by International Institute for Applied Systems Analysis (IIASA) release 1.0 average of 306 IPCC C3: "Likely Below 2°C" scenarios.
IEA scenarios from '23 World Energy Outlook; 3rd Party high 2023 OPEC World Oil Outlook 2045; Laissez-Faire case (see reference list).
Decline rates based on 10-yr CAGR.

Sensitivity analysis on constrained oil and natural gas investment:

- In the absence of any further investment, oil supply would be expected to quickly decline at ~15% per year, leading to major shortages of critical energy supplies. Similarly, natural gas supply would decline by ~11% per year without investment.
- Some have advocated for continued investment in existing fields, but no new oil and natural gas developments. This would still lead to energy shortages, as oil supply would decline by ~4% per year and natural gas by ~3% per year.
- The resulting supply in either case of constrained investment would be well below levels needed to meet projected demand, even in the majority of the IPCC’s Likely Below 2°C scenarios.

Liquids supply by region and type

Million barrels per day of oil equivalent

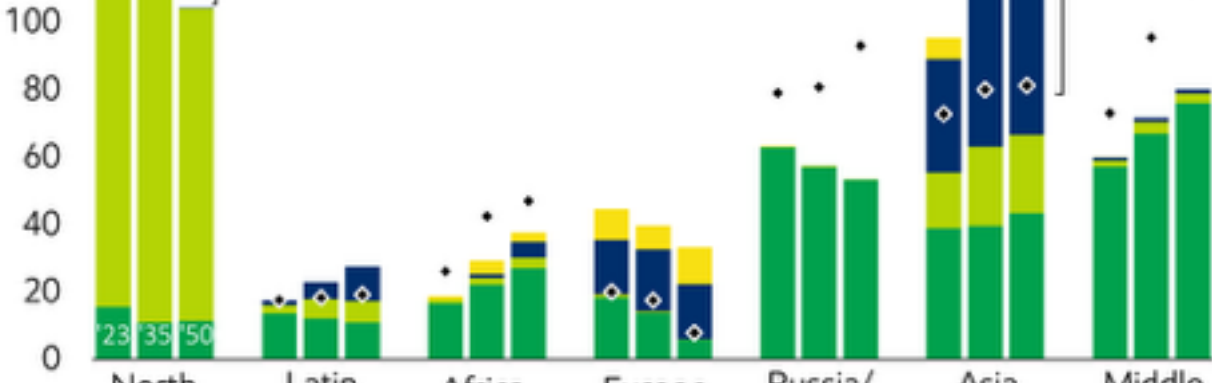


Liquids supply / demand balance varies by region.

- Asia Pacific remains the largest and fastest-growing region for liquids demand, and increasingly relies on imports.
- North America supply is expected to peak sometime next decade as U.S. tight oil fields mature, but the region remains a large net exporter.
- The Middle East is projected to gain share post 2035, and support nearly all future growth in demand.

Natural gas supply diversifies and trade grows to meet rising demand

Billion cubic feet per day

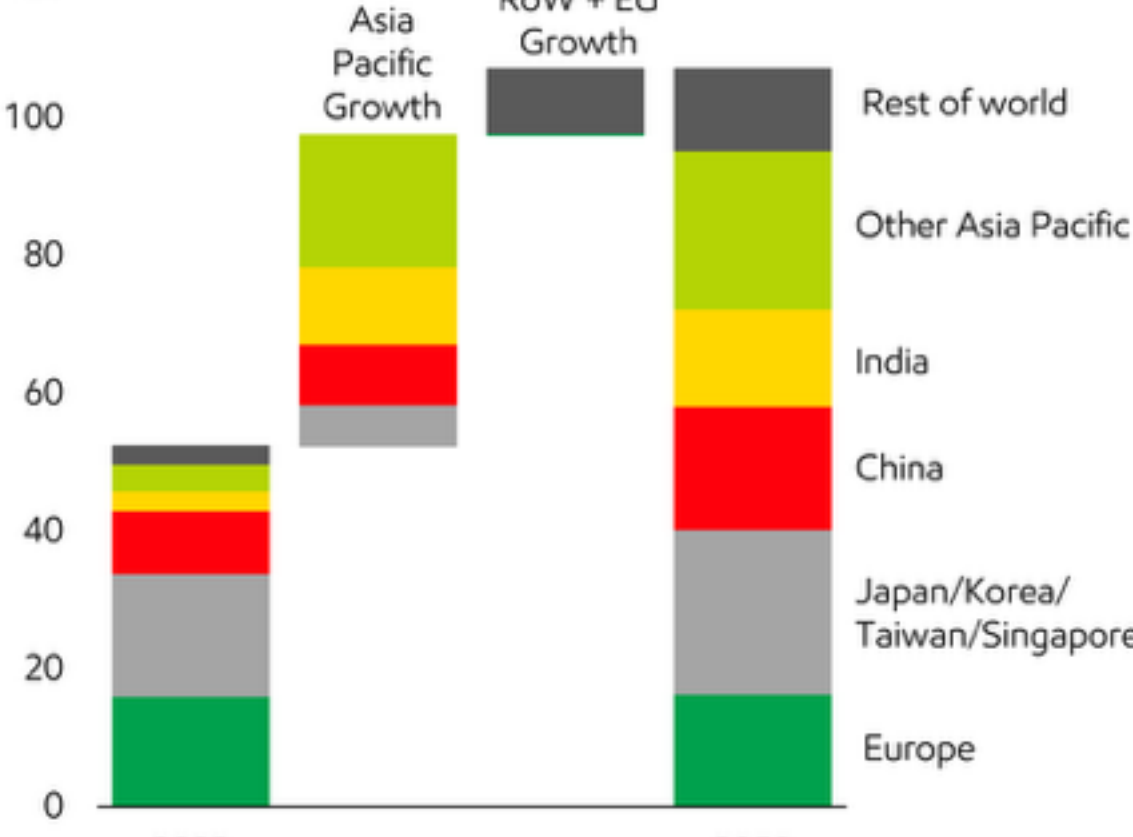


Share of supply growth 2023-2050



Asia Pacific and Europe benefit from LNG imports

Billion cubic feet per day

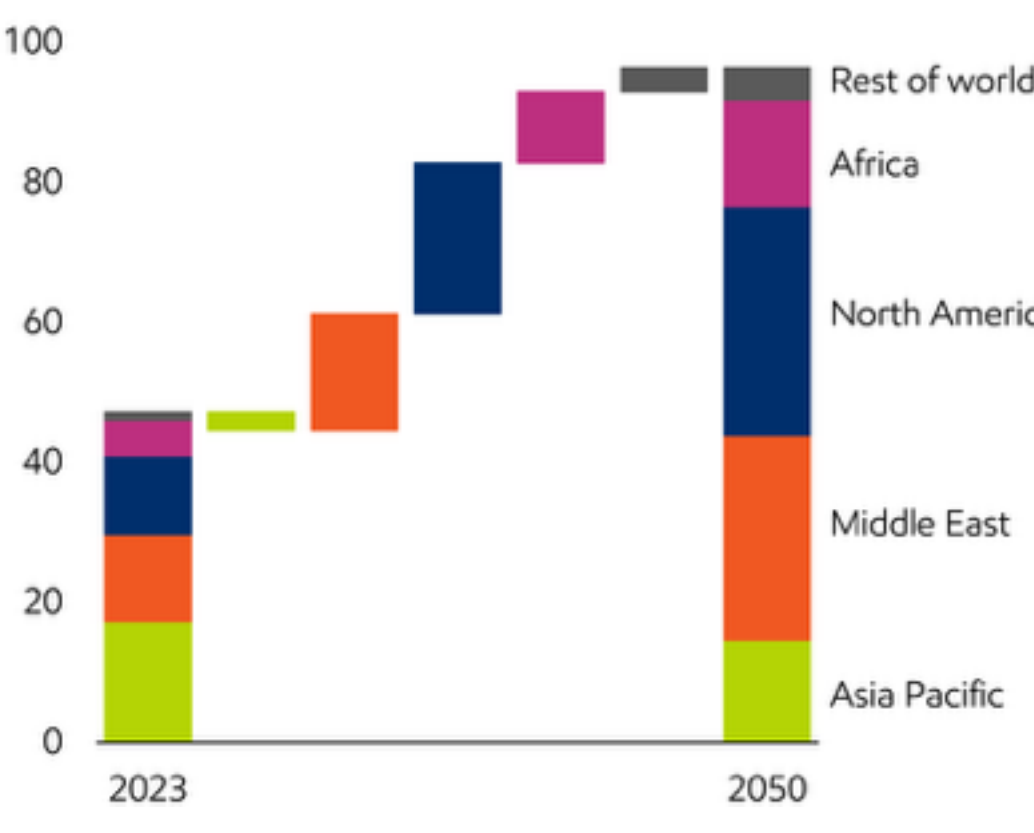


Natural gas supply diversifies, and LNG trade grows to meet rising demand.

- By 2050, LNG trade will meet nearly 20% of the world’s natural gas needs, driven by growth in Asia Pacific.

LNG exports by region

Billion cubic feet per day



Diverse natural gas supplies underpin new LNG exports.

- North America and the Middle East significantly increase export capacity to meet the world’s growing needs.

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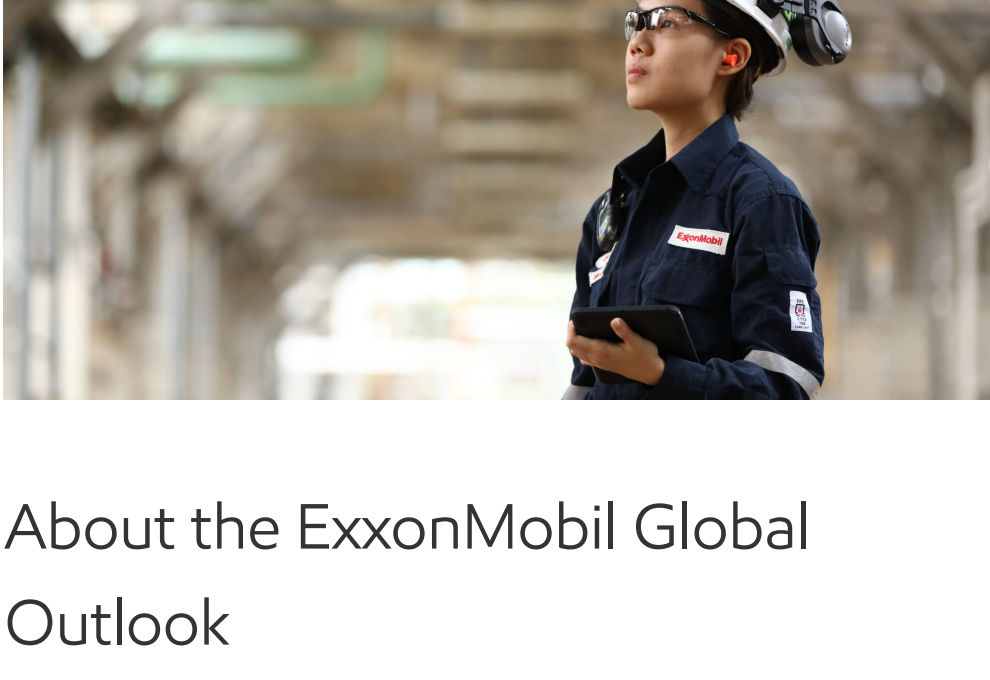
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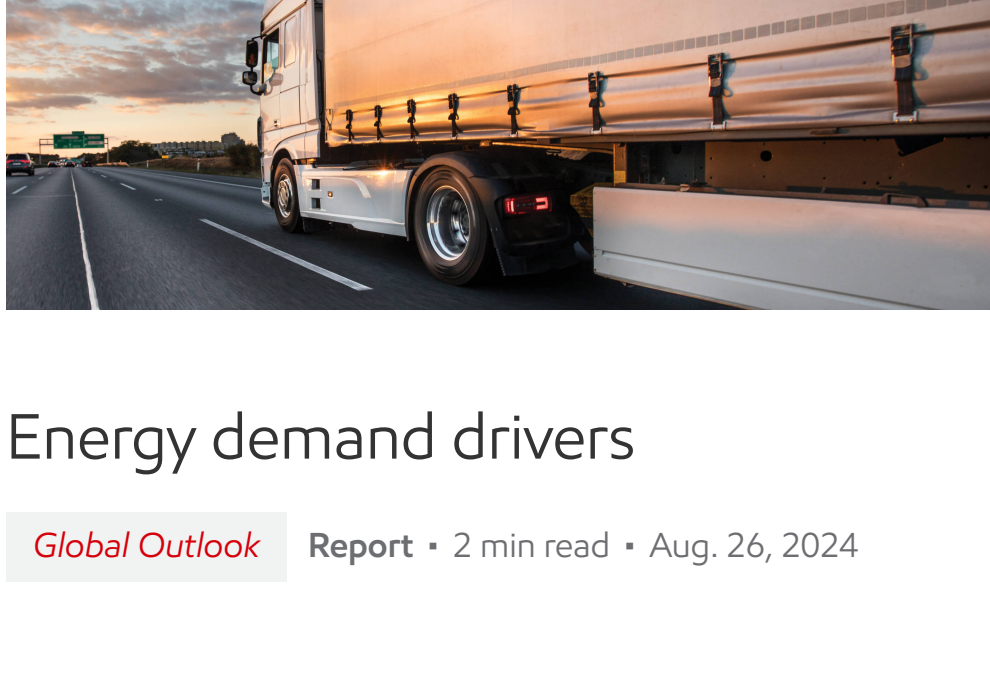
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