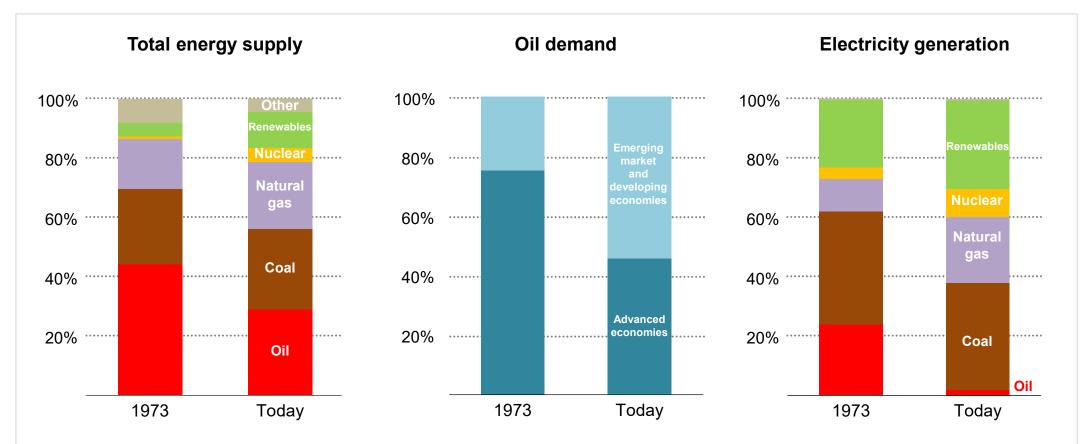


Laura Cozzi and Tim Gould 7 November 2023

Fifty years on from the first oil shock

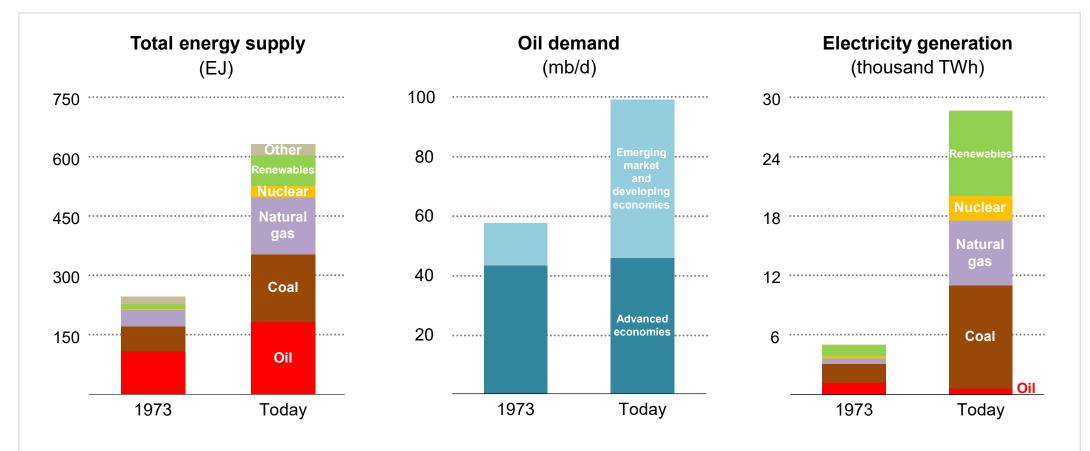




The world still faces acute energy security vulnerabilities, but also has more tools than ever to change the outlook for global energy

Fifty years on from the first oil shock

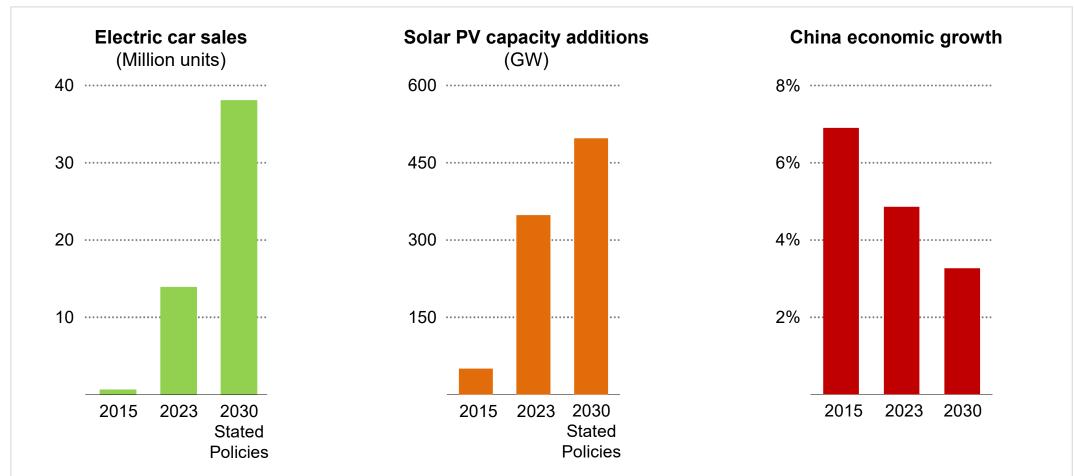




The world still faces acute energy security vulnerabilities, but also has more tools than ever to change the outlook for global energy

Major structural shifts reshape the new *Outlook*

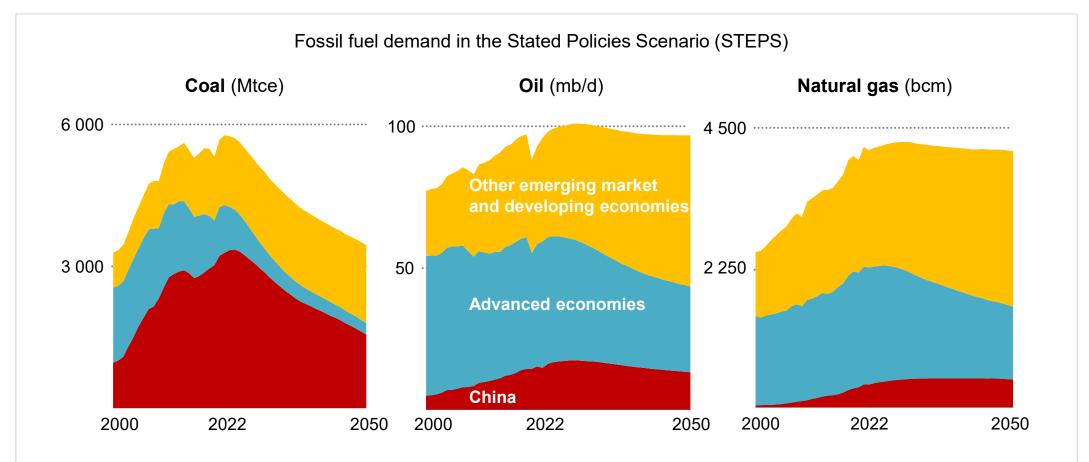




The huge surge of clean energy technologies such as electric vehicles and solar PV, combined with a rebalancing in China's economy towards a cleaner development model, change the trajectory for the global energy system

On track for a peak in all fossil fuels before 2030

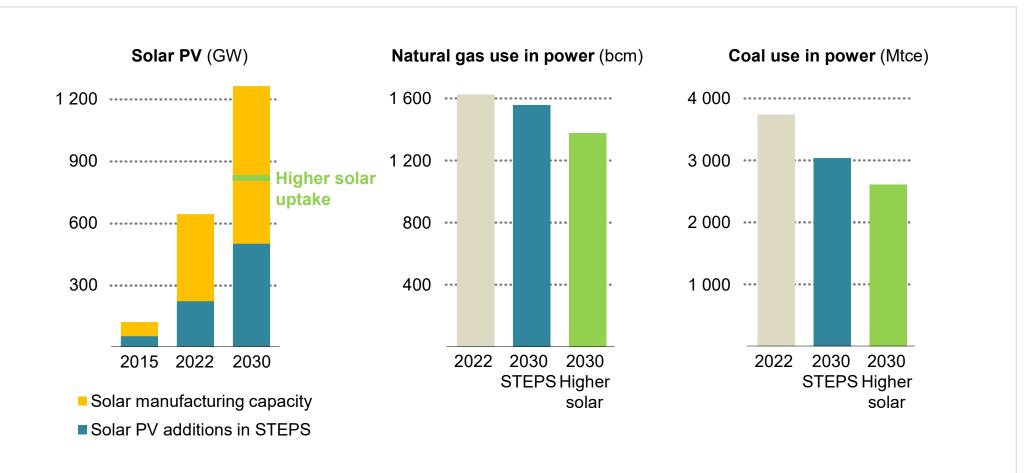




For the first time, today's policy settings are strong enough to generate peaks for coal, oil and natural gas this decade; the share of fossil fuels starts to edge downwards from 80% today to 73% in 2030

A solar boom could accelerate the shift away from fossil fuels

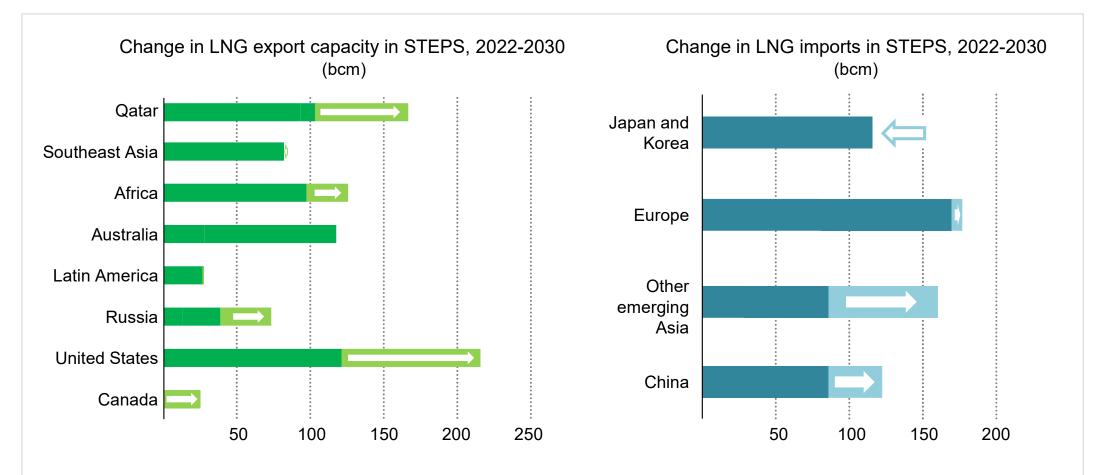




Ample global manufacturing offers considerable upside for solar. Effectively integrated, this would further cut natural gas and coal use, making the declines steeper.

A wave of LNG export projects is set to overturn gas markets

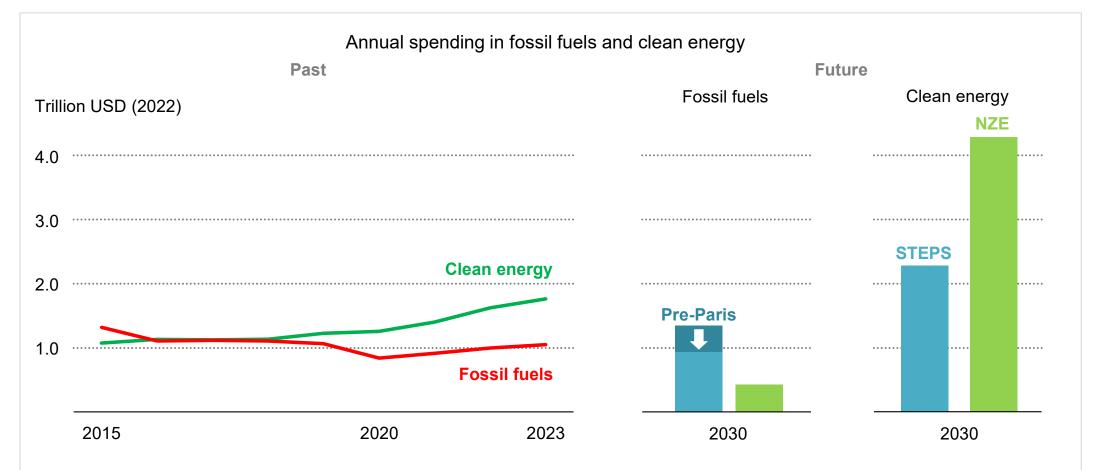




Around 250 bcm of new LNG projects are set to come online from 2025, mostly in the United States and Qatar. These will increase global LNG supply by 45%, easing supply concerns but arriving at an uncertain time for demand.

New dynamics for energy investment



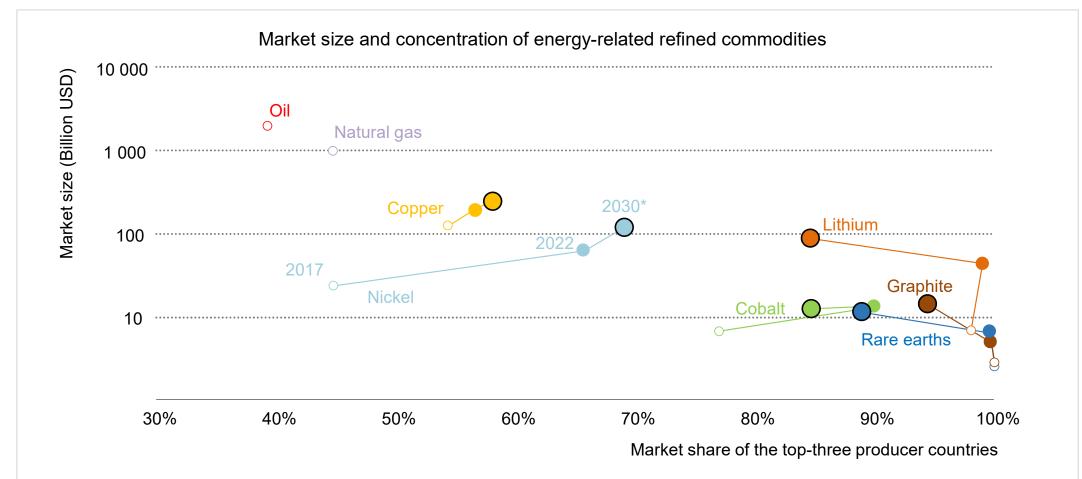


Fossil fuel investment today is in line with levels needed in the STEPS.

Today, every dollar spent on fossil fuels sees USD 1.8 spent on clean energy. This rises to USD 10 in 2030 in the NZE.

Resilience in transitions requires greater diversity

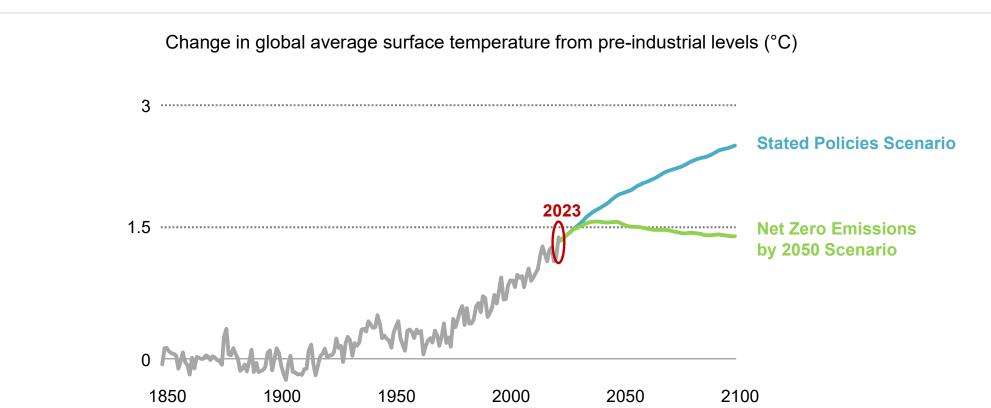




Markets for critical minerals are smaller and more concentrated than those for traditional fossil fuel supplies: greater diversity of supply, especially for refining and processing, will require a concerted and sustained effort

Today's choices will determine future warming

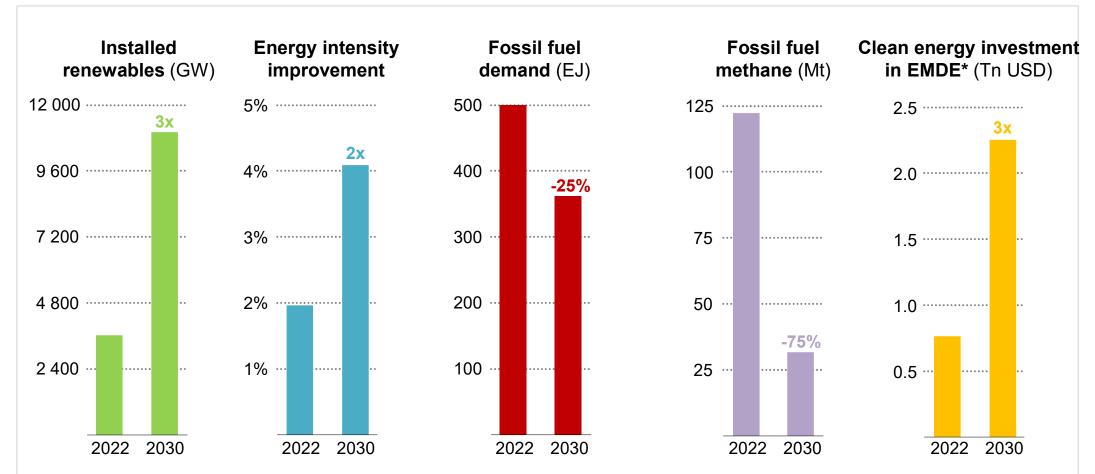




Emissions are set to peak by 2025 under today's policy settings, but temperatures would continue to rise; proven policies and technologies are available to keep the door to 1.5 °C open

Five pillars to keep 1.5 °C alive





A comprehensive energy package for COP28 needs to drive the growth in clean energy, support emerging and developing economies in the transition, and recognise the need to reduce fossil fuel demand

