International Energy Agency

Oil 2024 - Analysis and forecasts to 2030

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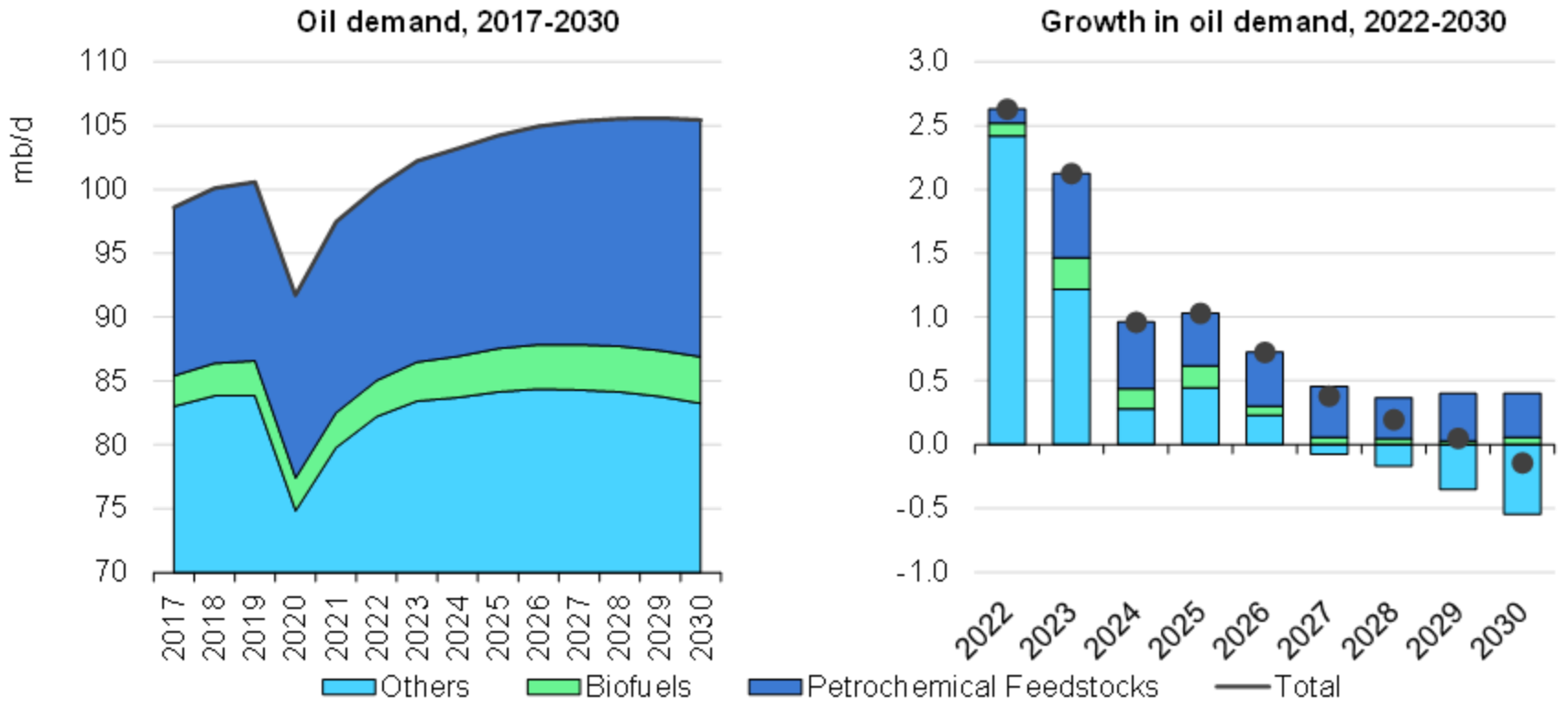
David Martin – Senior Oil Market Analyst

Medium term Oil Market Outlook: Key Messages

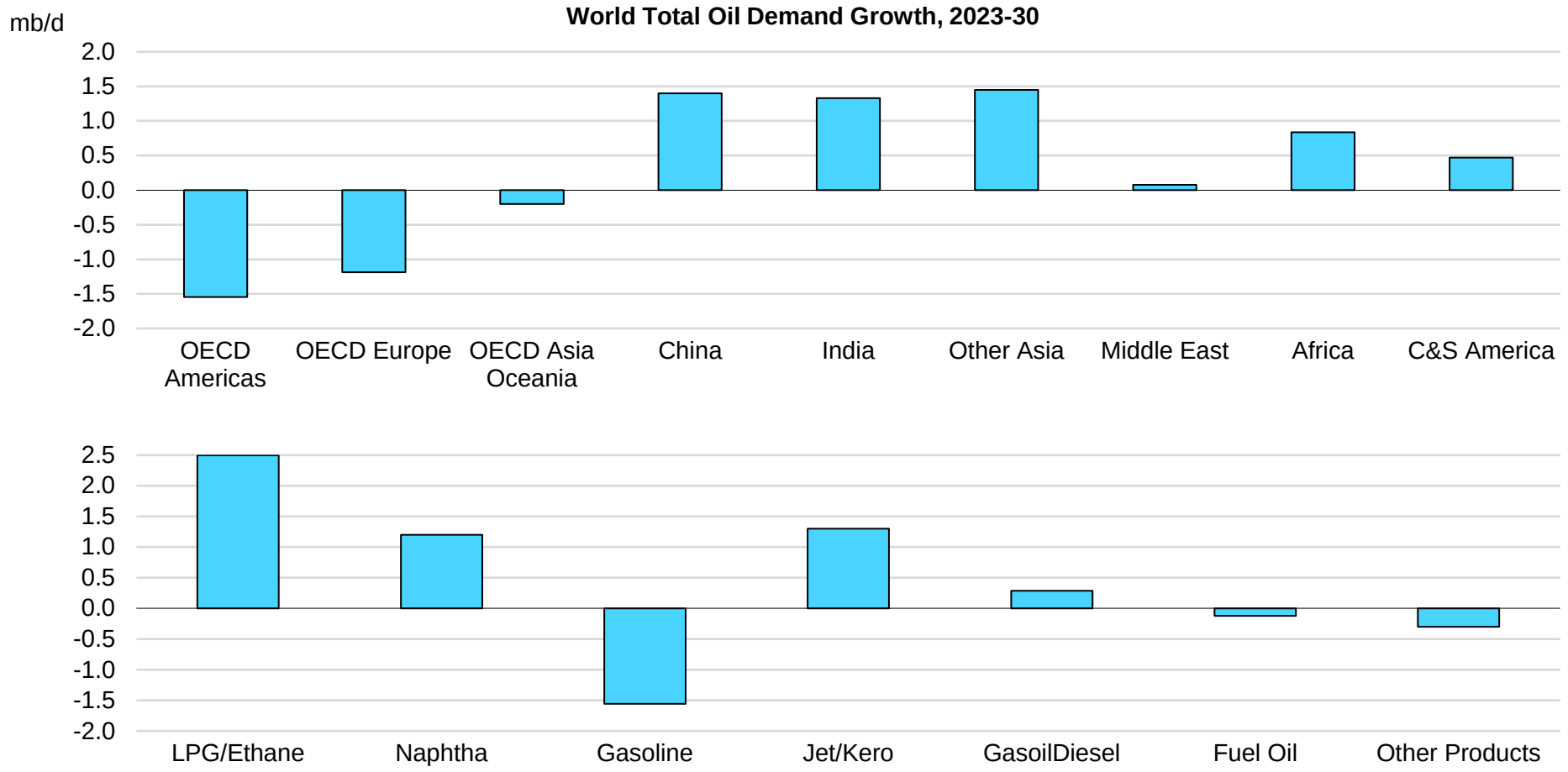
- Demand plateaus around 106 mb/d after 2027, peaks in 2029 followed by small 2030 decline.
- Petrochemicals and non-OECD Asian economies to dominate gains.
- US-led supply capacity expansion outpaces global demand, boosts spare oil capacity to highest ever.
- Massive surplus capacity tests OPEC+ and poses challenge to US shale.
- NGLs and condensates account for 45% of oil supply capacity growth, led by US and the Americas.
- Current wave of refinery capacity buildout concludes around 2026.
- Net additions still exceed demand for refined products, implying further closures to be announced.

World oil demand on course to plateau by 2030



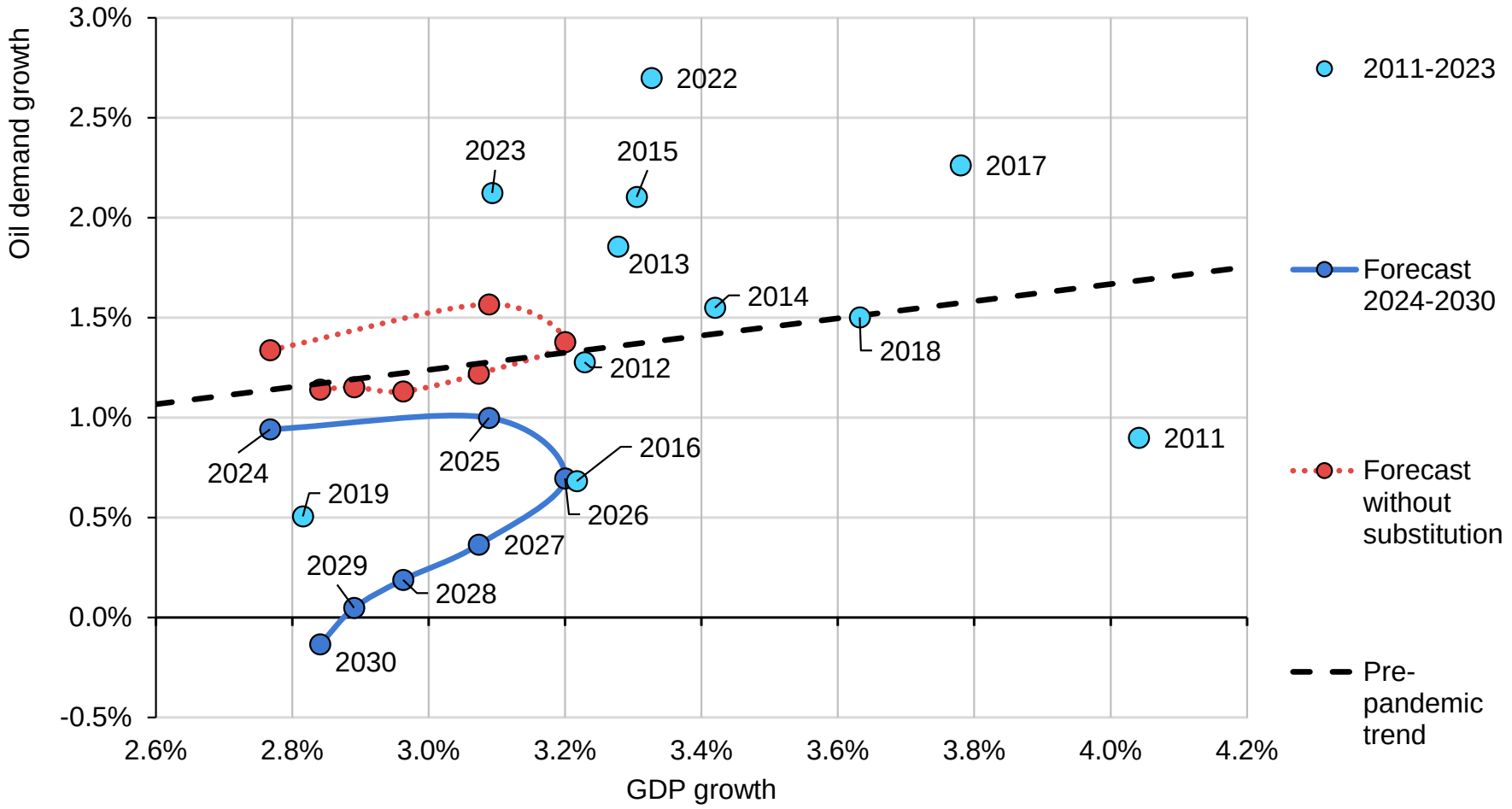
Growth decelerates from 2.1 mb/d in 2023 to less than 1 mb/d in 2024, with a small contraction by 2030. Demand plateaus at close to 105.6 mb/d by the end of the forecast period.

Demand growth dominated by Asia, aviation and petrochemicals



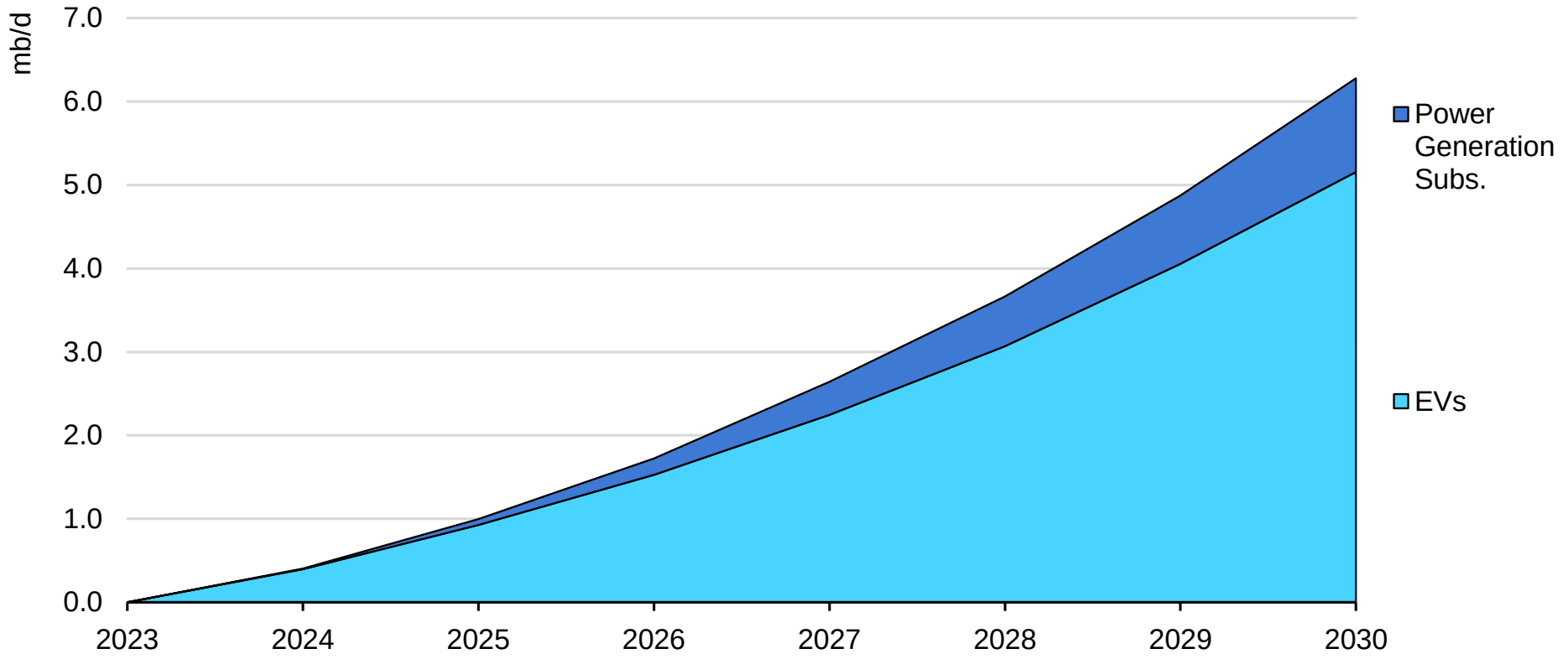
China, India and other emerging and developing economies in Asia each add 1.3-1.4 mb/d. Petrochemical feedstocks, jet fuel drive product gains. Gasoline leads declines.

Slower GDP growth and clean energy deployment gives oil plateau



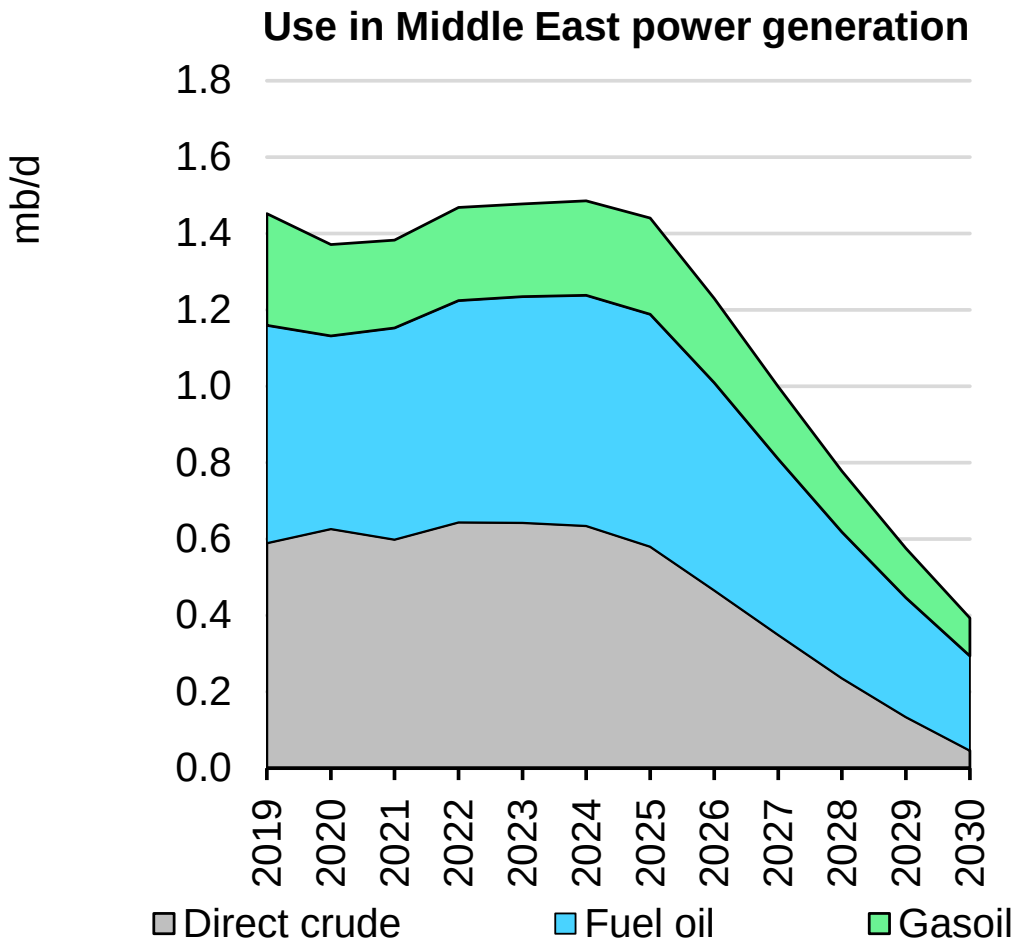
After the post-Covid rebound, growth in oil demand will lose momentum and plateau this decade. It will disconnect from subpar GDP growth as substitution away from oil undermines consumption.

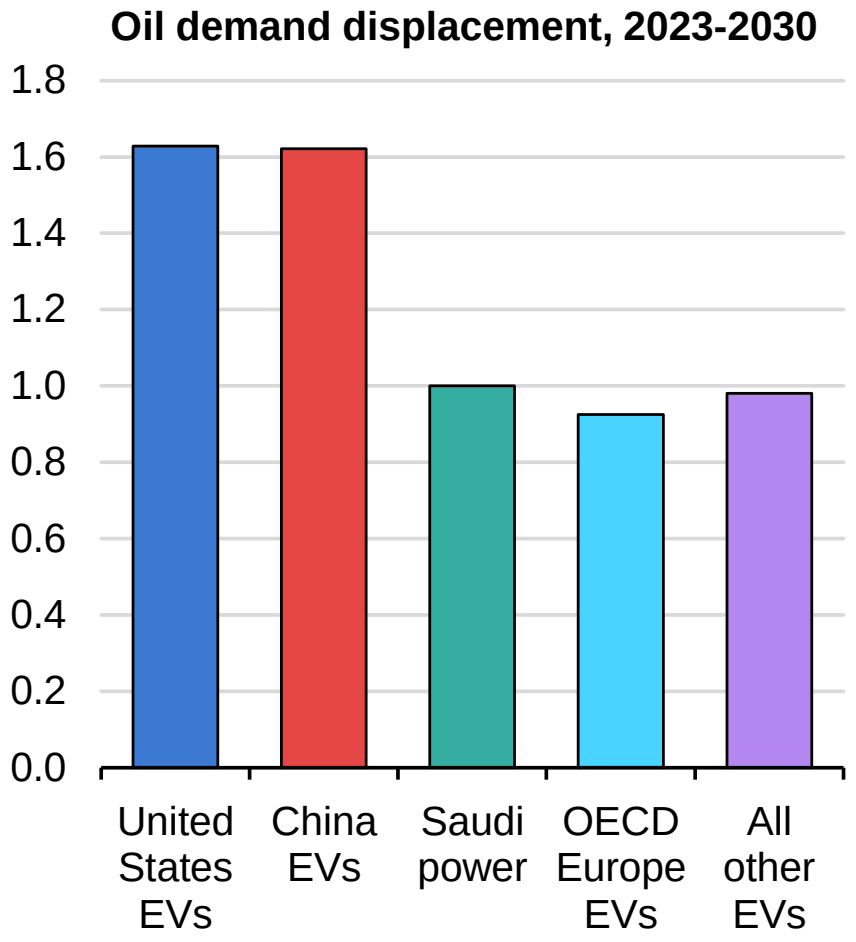
Substitution effects curb demand growth



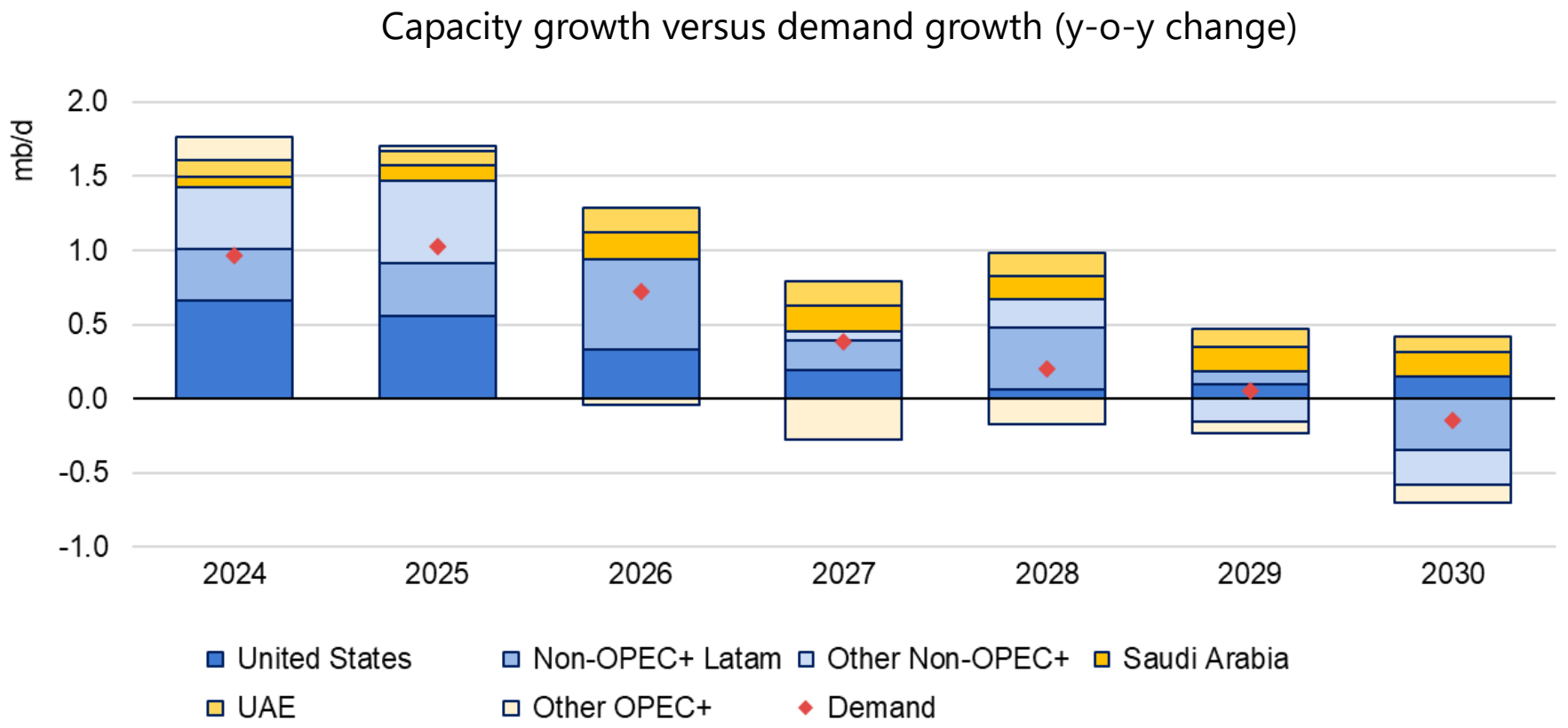
Inter-fuel substitution will increasingly drag on demand growth. Electric vehicles, LNG-fuelled heavy duty transport in China. Gas substitution for oil-fired power generation in the Middle East

Middle East power generation assumptions





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.

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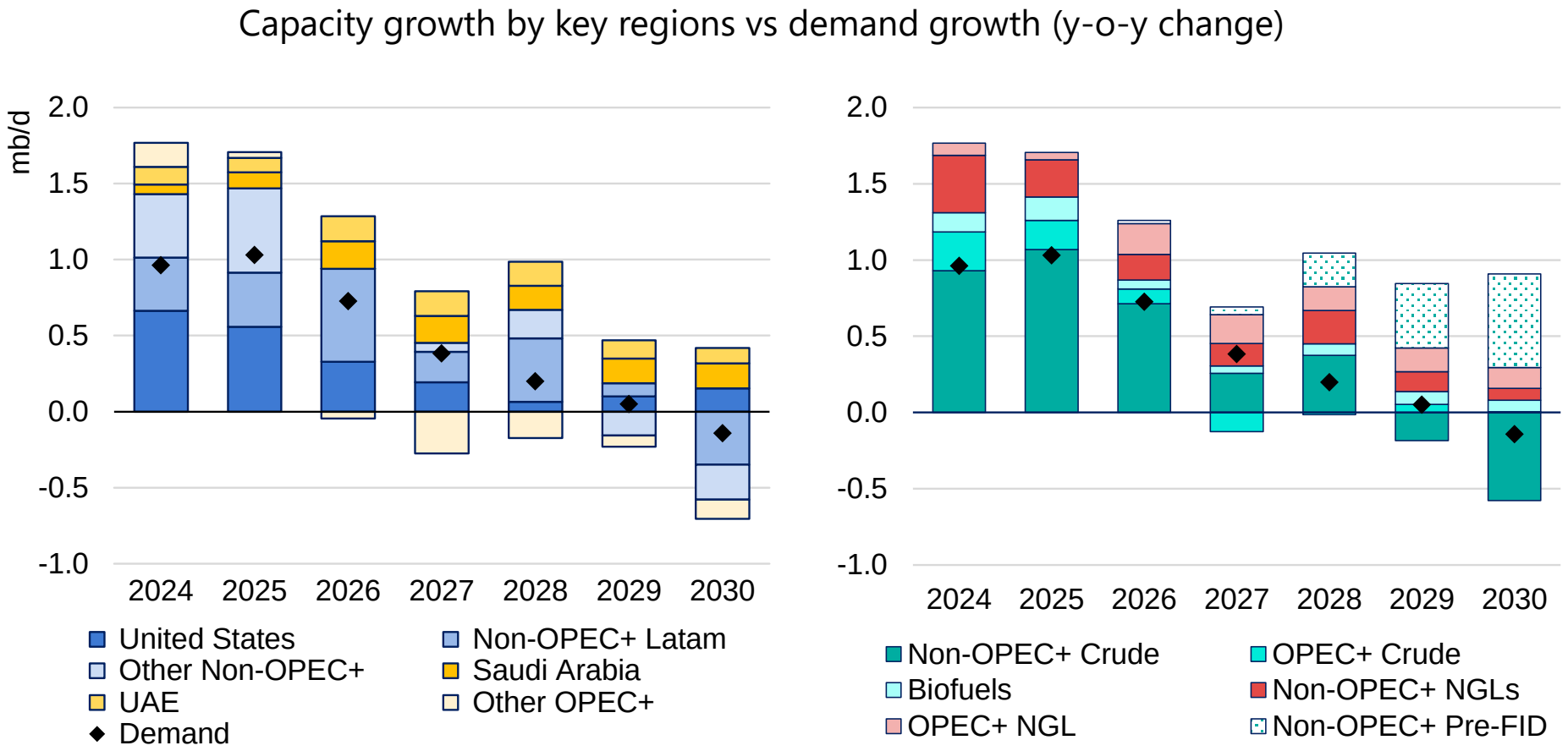
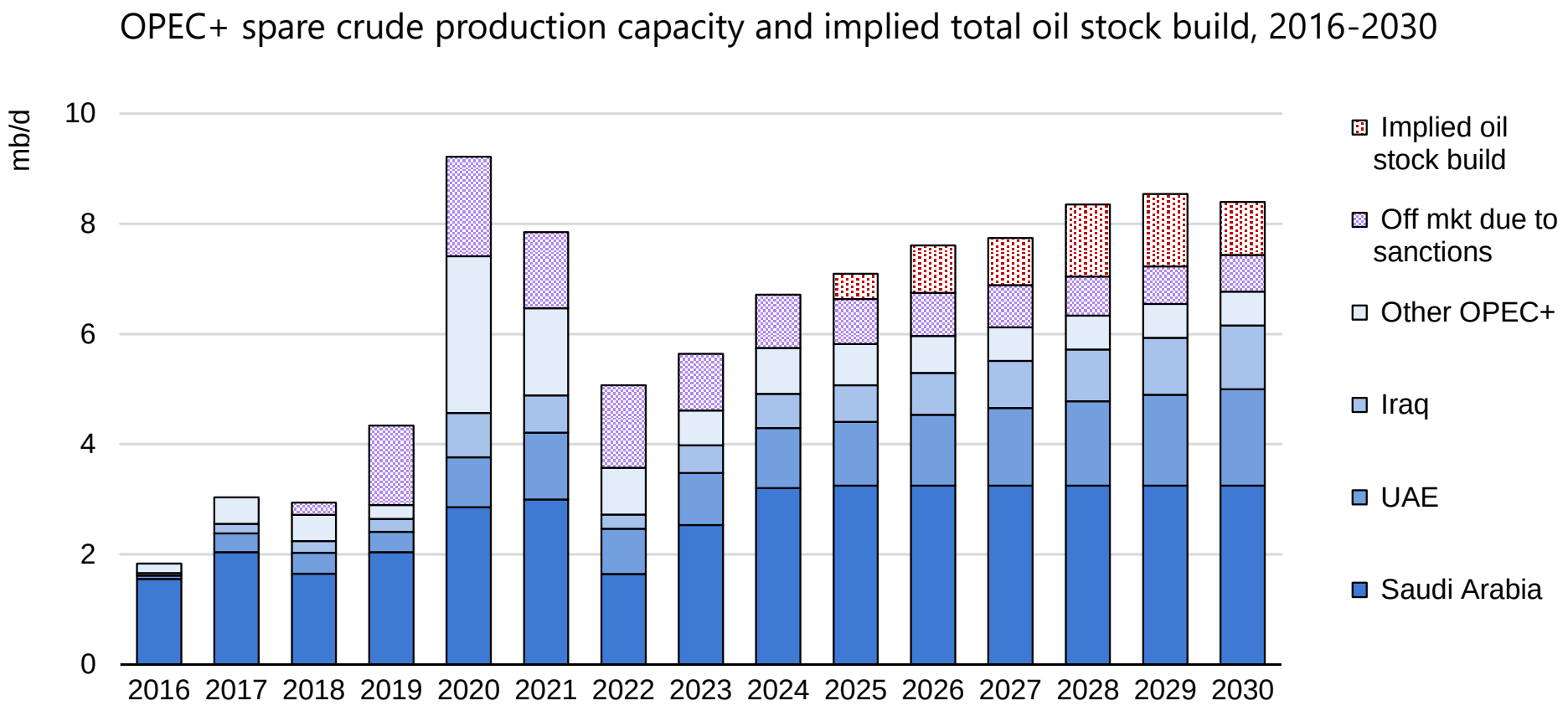


Notes: Assumes Iran and Russia remain under sanctions. OPEC+ NGLs include condensates. Crude includes processing gains and non-conventional volumes. Right hand chart includes pre-sanctioned projects.

The US and non-OPEC+ American producers add 4.7 mb/d, leading the medium-term capacity expansion. Saudi Arabia suspends crude capacity boost in favour of NGLs build out.

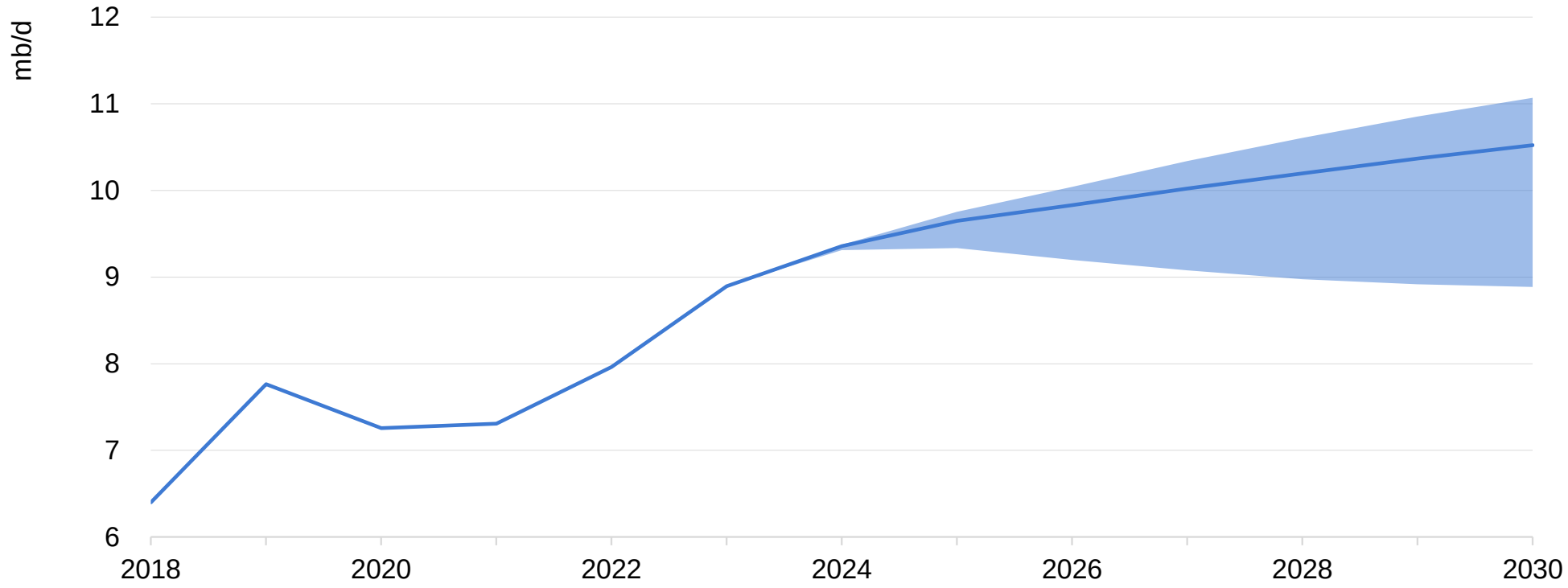
Surplus supply capacity may reach highest level in recent times



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.

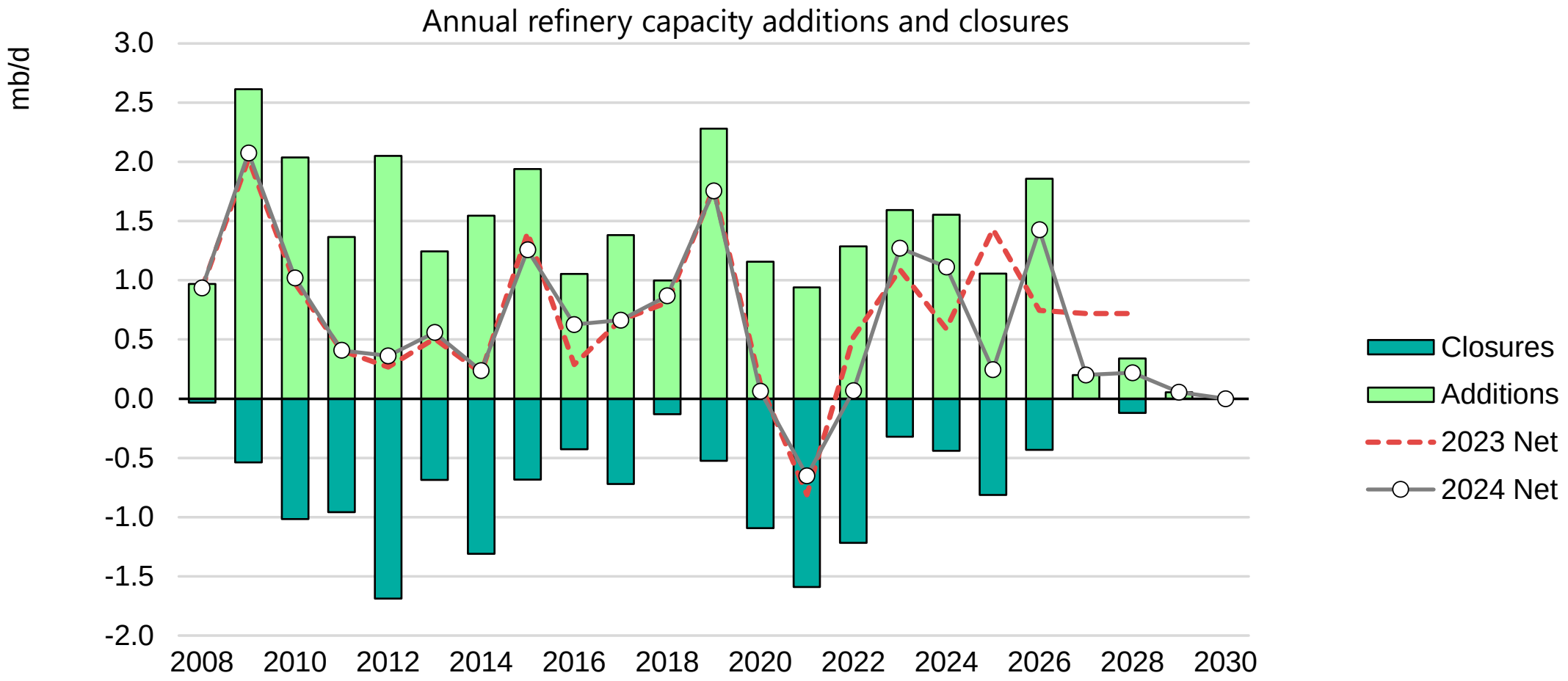
Total supply capacity rises by 6 mb/d to 114 mb/d by 2030, 8 mb/d above projected global demand. Such a massive spare cushion could challenge OPEC+ oil market management and US shale.

US LTO production with high- and low-price sensitivities



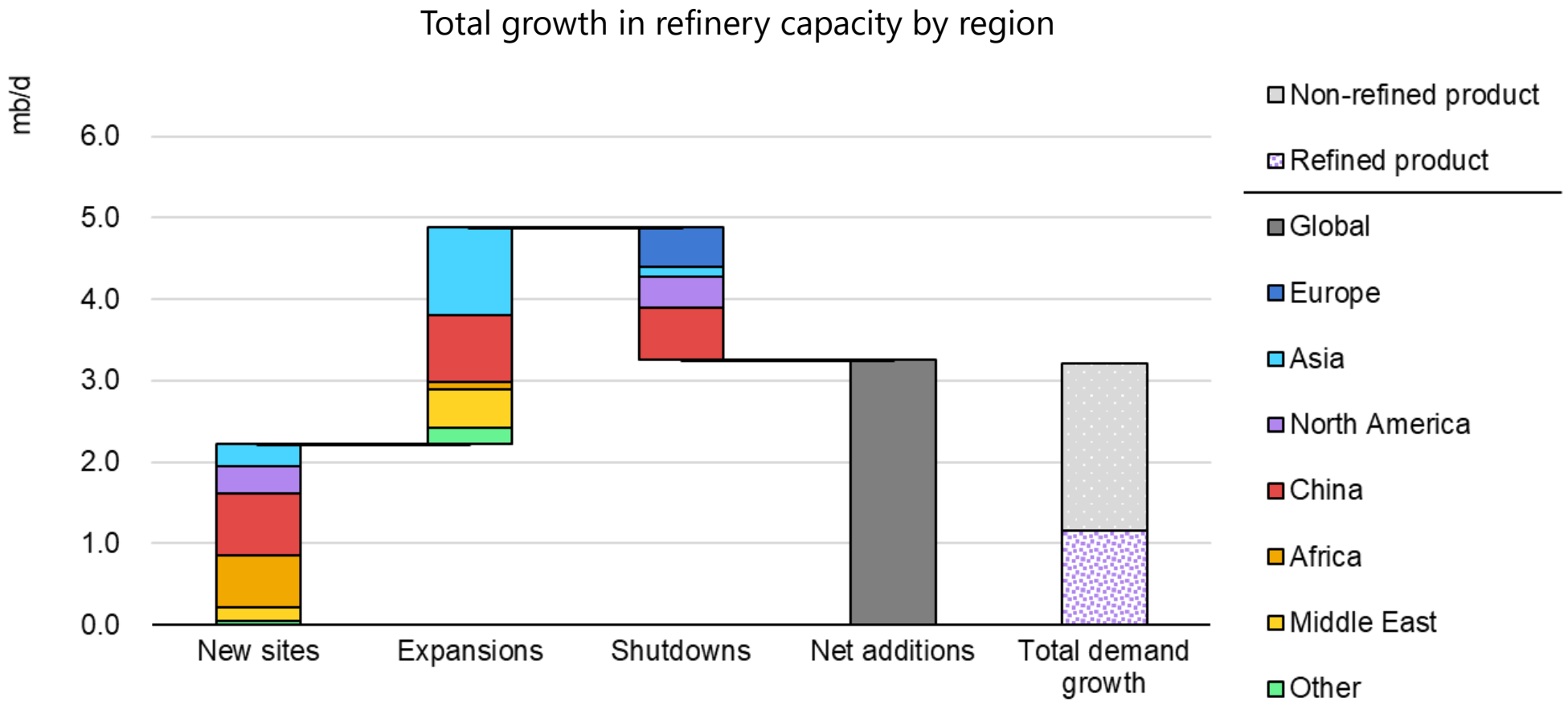
We assume 25% of US LTO production is responsive to forward strip pricing.
75% less price responsive due to long-term corporate planning, hedging programmes or other factors.

Current wave of refinery capacity build-out ends in 2026



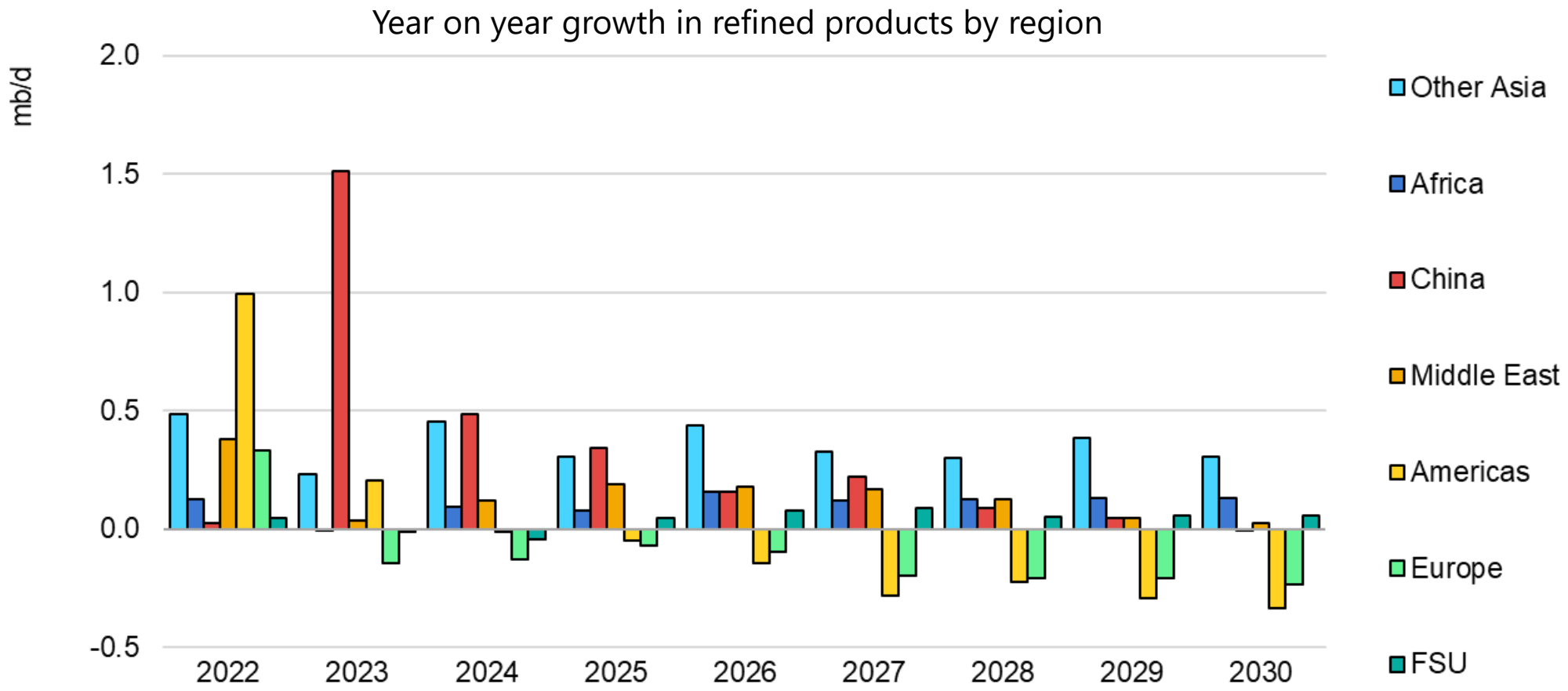
Slowing demand growth caps appetite for more. More closures likely to be announced.

Refinery capacity growth slows from 2026 but still exceeds demand



Fuels by-passing the refinery system (NGLs and biofuels) meet 2/3 of demand growth to 2030. Refinery capacity, especially in mature markets, will face renewed risk of closure.

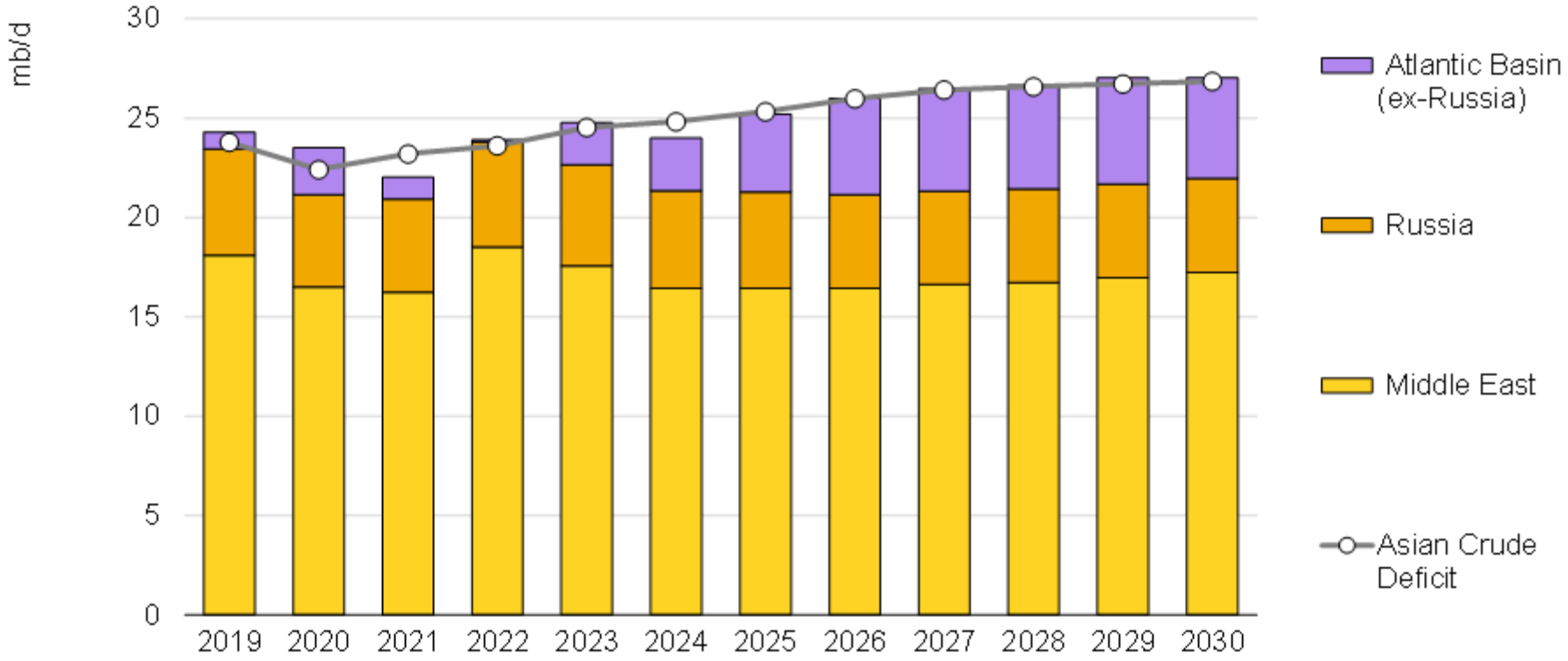
Call on refined products in OECD Europe and then the Americas falls



Asia, led by India, remains the core driver of refined product growth through to 2030.
Conversely, the contraction in US gasoline demand pushes the Americas to lead the decline by 2026

Atlantic Basin fills Asian crude oil gap in the medium-term

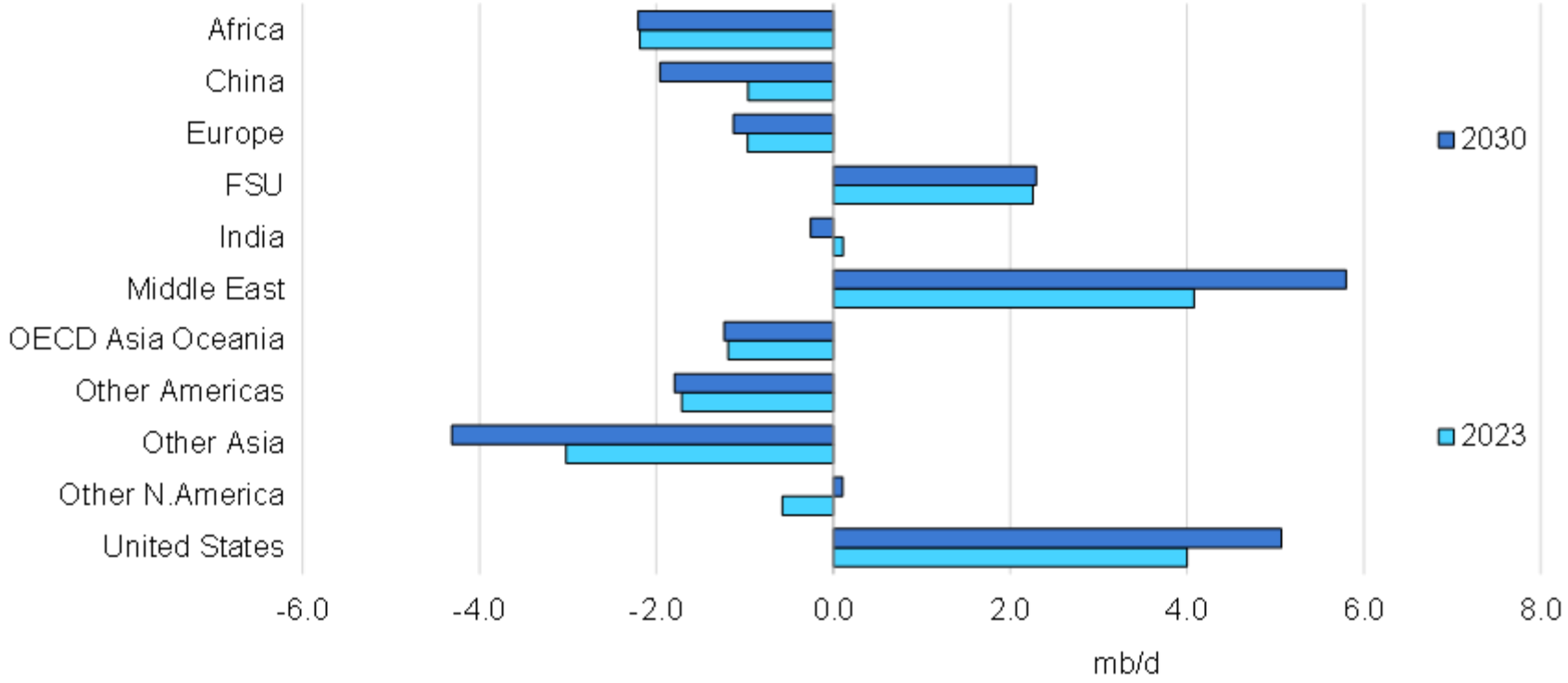
Net crude oil exports versus Asian import requirement, 2019-2030



The crude deficit East of Suez rises from 4.9 mb/d in 2023 to 7.7 mb/d by 2030. It will be met by increased supplies from the Atlantic Basin, including from Russia.

US, Middle East to meet Asia's growing demand for products

Regional balances for total refined products, 2023-2030



Increased product needs in net importers will boost global product trade and provide room for higher exports from the Middle East and the United States.