BP Energy Outlook – 2019

Insights from the Evolving transition scenario – Middle East

The Middle East remains the largest net energy exporter, increasing both its oil and gas exports over the Outlook period

1. The Middle East remains the largest oil producing region and the second largest gas producer, representing 36% of global liquids production and 20% of global gas production.
2. Energy demand rises at 1.9% p.a., oil's share drops from 47% to 34% and gas's share remains constant at 51%.
3. The share of non-fossil fuels in the Middle East's primary energy demand mix increases from 1% in 2017 to 13% in 2040, half of the world's average (27%).

+55%
Growth in Middle East energy consumption

8%
Share of global energy consumption in 2040

+36%
Growth in Middle East energy production

16%
Share of global energy production in 2040

- Energy consumption increases at 1.9% p.a. The largest growth is in the power sector (+2.3% p.a.) and industry (+2.0% p.a.), which together account for 69% of incremental energy demand growth. Non-combusted is the fastest growing sector (+2.8% p.a.), but only represents 16% of incremental demand.
- Gas and renewables together contribute 78% of incremental energy demand. Natural gas demand increases by 55%, driven by industry (40% of the increase), power (31%), buildings (17%) and non-combusted (11%). The increase of gas in transport is negligible.
- The use of renewables rises by a factor 100, albeit from a very low base, led by strong growth of solar and wind (over 20% p.a. each). Nuclear grows by 15% p.a. and contributes 3% of the energy mix by 2040.
- Oil demand growth (+13%) is limited as its use is reduced in the power sector. Oil's share in energy drops from 47% to 34%. The use of coal increases slightly to 2% of total energy demand by 2040.
- Energy intensity (the amount of energy required per unit of GDP) declines by 11% over 2017-40, much less than the world's decline (-37%).
- Energy consumption per capita reaches OECD levels by 2040 and is twice the world's average.
- Domestic energy production increases by 36%, driven by growth in natural gas (+60%), and oil (+17%).
- The Middle East remains the largest producer of oil and the second largest of natural gas. Oil production increases by 5 Mb/d over the Outlook to reach 37 Mb/d by 2040, which includes 5 Mb/d of NGLs and 2 Mb/d of condensates.
- Natural gas output rises by 396 Bcm to 1056 Bcm by 2040. LNG exports almost double to 227 Bcm, making the region the largest LNG exporter; gas pipeline exports triple. The region also imports 36 Bcm of LNG by 2040.
- Net CO_2 emissions from energy use rise by 29%.

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	Level		Shares		Change (abs.)		Change (%)		Change (annual)*	
	2017	2040	2017	2040	1995-2017	2017-2040	1995-2017	2017-2040	1995-2017	2017-2040
Primary energy consumption (units in Mtoe unless otherwise noted)										
Total	897	1391			545	494	155%	55%	4.3%	1.9%
Oil† (Mb/d)	9	11	47%	34%	5	2	102%	18%	3.2%	0.7%
Gas (Bcm)	536	831	51%	51%	399	295	290%	55%	6.4%	1.9%
Coal	8	23	1%	2%	3	15	61%	174%	2.2%	4.5%
Nuclear	2	38	0%	3%	2	36		>1000%		>10%
Hydro	5	8	1%	1%	0	3	7%	70%	0.3%	2.3%
Renewables (including biofuels)	1	132	0%	9%	1	131	>1000%	>1000%	>10%	>10%
Transport^	187	229	21%	16%	101	42	117%	23%	3.6%	0.9%
Industry^	331	532	37%	38%	194	201	142%	61%	4.1%	2.1%
Non-combusted^	92	171	10%	12%	67	80	270%	87%	6.1%	2.8%
Buildings^	287	458	32%	33%	182	171	174%	59%	4.7%	2.0%
Power	309	521	34%	37%	200	212	183%	69%	4.8%	2.3%
Production										
Oil† (Mb/d)	32	37			12	5	57%	17%	2.1%	0.7%
Gas (Bcm)	660	1056			520	396	372%	60%	7.3%	2.1%
Coal	1	0			0	0	0.5%	-61%	12%	-4.0%

* Compound annual growth rate.
† Oil supply includes crude oil, shale oil, oil sands, natural gas liquids, liquid fuels derived from coal and gas, and refinery gains, but excludes biofuels. Oil demand includes consumption of all liquid hydrocarbons but excludes biofuels.
^ Includes electricity and the associated conversion losses in power generation.

BP Energy Economics

Brought to you by the team that produces the BP Statistical Review of World Energy and the BP Energy Outlook.

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