

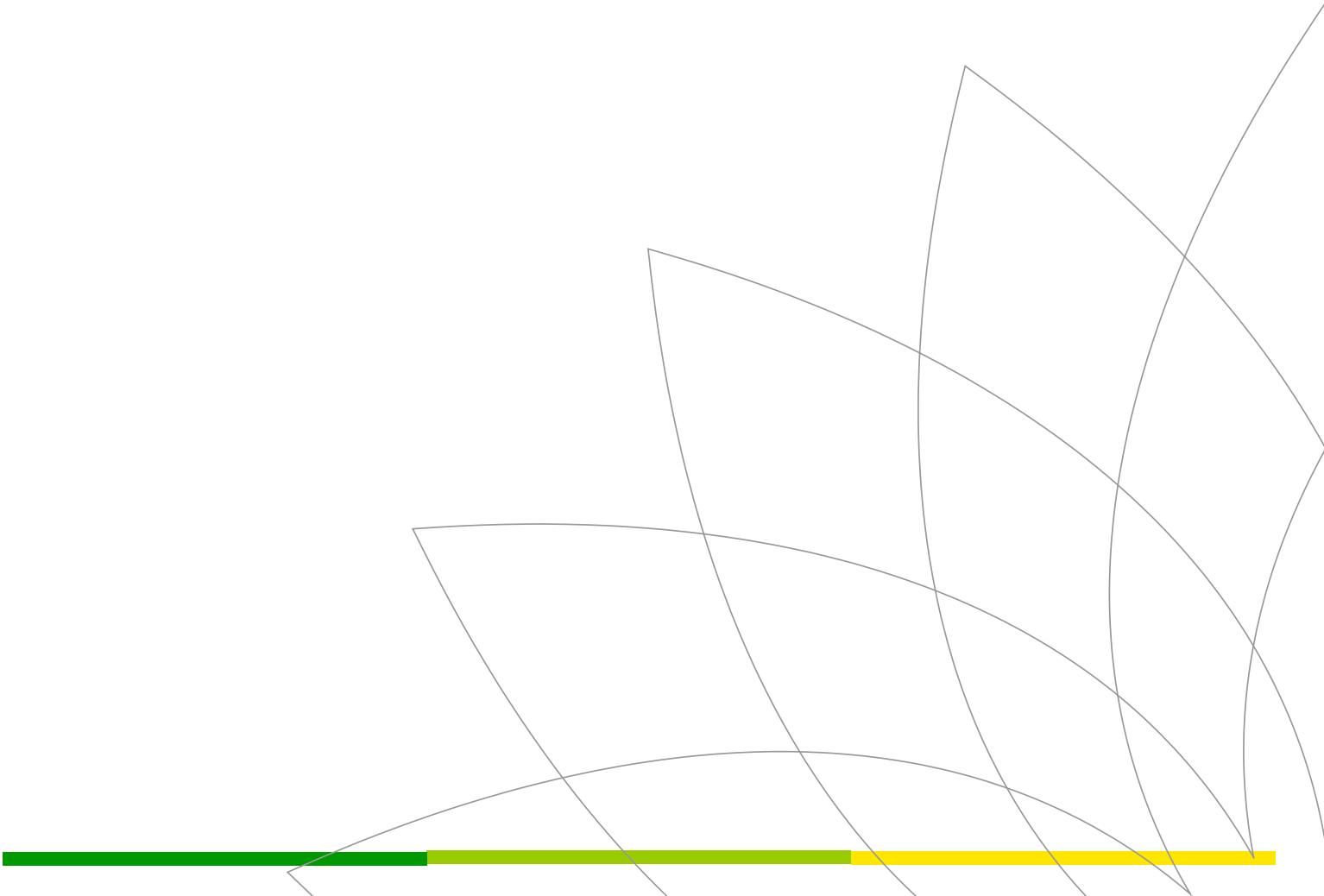


Energy Outlook 2019

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Hello everyone and welcome to the launch of the 2019 Energy Outlook. It's great to see so many of you here in St James's Square. And a big welcome to the thousands of you that we see joining us on the webcast from around the world.

While we have been issuing the Statistical Review for over sixty-five years, this is the ninth public edition of the Outlook, so many of you will already be familiar with what it does. And as I'm sure Spencer will remind you shortly, this is not a forecast. We do some pretty remarkable things in this industry but we draw a line at predicting the future!

Instead, the Energy Outlook helps inform our understanding of the forces shaping global energy and key uncertainties. And one thing this year's edition certainly does is bring into sharper focus how fast the industry is changing...

And how the dual challenge is framing the future.

The world needs more energy, but demands fewer emissions. We have to do both. If we just focus on demand or just emissions, we won't succeed.

Improving lives

Let me start with some thoughts on the demand side of the dual challenge. We've known for some time about the relationship between improved access to energy and better living conditions. But what struck me in this year's report is how clearly it underlines the strength of that link – and just how much more energy the world might need.

Like last year, the Outlook suggests energy demand could rise by around a third by 2040 – that's if current trends continue. And most of that growth is driven by rapidly developing Asian economies.

This year, Spencer and his economics team have taken a closer look at the numbers by analysing human development data from the United Nations.

They found that 80% of the world's population currently lives in countries where more energy would go hand-in-hand with significant improvements in quality of life.

I thought that was really striking.

So if you factor in global energy consumption rising by around a third over the next 20 years, that is likely to improve a lot of people's lives. It's even more striking when you learn that around two-thirds of the world's population will still be living in countries with low energy use.

I think that gives a sense of the sheer scale of the demand side of the dual challenge.

Reducing emissions

And if that wasn't enough, we have to address the other side of the equation: the need to bring down emissions. As the Outlook points out, the rate of growth in carbon emissions may have slowed considerably compared with the last 20 years.

But on current trends, carbon emissions are likely to rise by almost 10% by 2040. So emissions are still moving in the wrong direction and a real step change is needed to get them going the right way.

Across the industry, we are working hard to play our part— whether that's within our operations or helping customers lower their carbon footprint.

But when we're talking about what happens within our industry, and outside it, much more needs to be done. This report adds weight to calls for a comprehensive set of policy measures to help the world meet the dual challenge.

Complex problems

There's no silver bullet to solving the dual challenge. The truth is everyone has a role to play – those that produce it and societies careful use of it. Many forms of energy will be needed. For that reason, I'm very glad to have the Energy Outlook to refer to.

As always, it looks at a range of possible scenarios. Some of these touch on issues that may seem familiar. But this year the team has also explored some new themes that are high on the global agenda.

One of these is what could happen in a world with more barriers to trade – something that could certainly interrupt the global flow of energy.

Another considers the possible impact of increasing controls on the use of plastics – an issue that's growing in the public's conscience.

And in transport, it looks at the likely combined impact of applying a whole range of measures designed to reduce carbon emissions.

Conclusion

All of these scenarios are helpful as we think about the future of the industry and the dual challenge. It's a vast and complex problem – perhaps the defining one of our time. Still, I'm not daunted. The world already has the know-how, resources and, increasingly, the will to make this work.

So I'm optimistic. As you can probably tell by looking around this room, we see possibilities everywhere.

I think that's the right approach. While we know the outcome that's needed for the energy transition, we don't know the exact path it's going to take.

Fortunately, the Outlook provides a structure and a discipline to our thinking as we consider tomorrow's challenges and opportunities. And I hope it helps others in the industry just as much.

I want to thank Spencer Dale and his talented team for all their efforts in putting this report together. They have done an amazing job to analyse vast amounts of data and, more importantly, make sense of it.

So with that, I'd like to hand over to Spencer to take you through some of the detail.

Thank you.