

Press Release

Enerdata highlights the key trends of 2012 global energy balance

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Enerdata, an independent Research and Consultancy Firm specialized in the global energy industry and carbon market since 1991, published its annual analysis of world energy demand, based on its 2012 data for G20 countries.

This report confirms several ongoing trends initiated during previous years, with acceleration for some of them. Beyond these trends, a noticeable fact is the significant variations within the power mix, particularly between gas and coal, and the growing weight of the BRICS*.

The BRICS are driving the growth of the world energy demand

In the context of quasi-stagnation of the global energy consumption (+1%), and of improving energy intensity (-1.7%), the growing share of the BRICS in the world energy balance is one of the key highlights of 2012.

Indeed, their energy demand increased by 3.7% despite a sharp slowdown in consumption growth in China (4% vs. 8% in 2011). Regarding electricity demand, the BRICS catch up to the G7's level and represent 6 800 TWh.

Gas and coal progress in opposite directions in the United States and in Europe

Among the G7 countries, strong counter cyclical effects are observed between gas and coal in the USA and in Europe. The development of unconventional gas in the USA has strongly reduced the use of coal in favor of gas for power generation. As a result, the overabundant U.S. coal is exported at very competitive prices, which lead European electric utilities to substitute coal by gas. This change in the power mix is particularly intense in the United Kingdom (where coal increased from 30% to 40% in the electricity mix) and in Italy (the gas reduced from 48% to 42% of the mix). It is also true in Germany, where coal was already the major fuel (increase to 47% in the mix).

Weight of the BRICS + coal increase in Europe = more CO₂ emissions

At global level, these trends result in an increase in CO₂ emissions (+1.4%) higher than the energy demand (+1%). This is mainly due to the prevailing use of coal in the energy mix by the BRICS, accentuated by their growing influence in energy demand trends. Moreover, the increased use of coal in the EU annihilates the growing share of renewable energies in the power mix. These two phenomena are more decisive than the CO₂ emissions reduction registered in the United States, result of the accelerated substitution of coal by gas. Eventually, the almost total shutdown of nuclear power in Japan and its substitution by fossil energy sources also contributed to the increase in emissions (+5.7% despite a decline in energy consumption by 3%).

What medium and long term scenarios for energy demand?

The rapid evolution of gas / coal share in the electricity mix calls for caution regarding the sustainability of the recent trend. At least the year 2012 confirms the high reactivity of electric utilities to produce at the lowest cost.



In the longer term, Enerdata simulates energy fundamentals based on three scenarios: (1) "business as usual", (2) strong international mobilization for climate, (3) increase of fossil resources.

We look forward to seeing you this fall for the annual update of these scenarios; meanwhile, we remain at your disposal to answer any questions about this annual energy balance.

* The BRICS = Brazil + Russia + India + China + South Africa

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About Enerdata

Enerdata is an independent Research & Consulting firm specialized in the global energy industry and carbon market. The firm has been created in 1991 and its leaders have more than 30 years' experience on issues shaping the energy industry.

Our teams are made up of energy experts, analysts, engineers and IT specialists. Capitalizing on its databases and forecast models, Enerdata brings its expertise to meet the political, economic and environmental issues of energy systems.