



BRICS* and the USA draw the world energy consumption

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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 2013 data for G20 countries. Representing 80% of the global demand, G20 countries give the key trends in the evolution of world markets.

2013 is characterised by dynamic markets in the USA. Apart from the USA, the OECD countries are experiencing a mixed situation, as a result of the stagnation or the decline of their energy consumption. On the other hand, BRICS countries, led by China, continue to show a strong growth, confirming their increasingly dominant role in the new global energy balances. As a result, energy-related CO₂ emissions continue their increase (+2% in 2013, i.e. 26.1 GtCO₂), at a very similar rate to the evolution of the growth in global energy demand (+2.1%).

USA clearly distinguished among OECD countries

With energy consumption increasing by 53 Mtoe in 2013, the USA is experiencing the strongest energy demand increase of OECD countries. Conversely, Japan and the EU** have experienced a decrease in their energy demand (-2 and -9 Mtoe, respectively). The USA is experiencing important trend changes, with significant gas price increases (+35% on average between 2012 and 2013) resulting in higher coal consumption (+3.9% in 2013 against -10.7% in 2012), to the detriment of gas. Within the EU, low economic activity is reflected by a simultaneous reduction in oil, gas, coal, and electricity consumption. Meanwhile, Japan has a mixed record, with stable gas consumption, growth of coal, and a decrease in electricity and oil consumption.

USA to become a key player in international gas trade?

With the first gas liquefaction unit approvals in 2012 in the USA, the development of LNG infrastructure to export gas has been confirmed in 2013. The country has already secured 53 bcm/year of LNG contracts to be sold abroad. One liquefaction unit is currently under construction and another one has been approved, while bids were launched for 20 additional projects. A large majority of these contracts (> 38 bcm/year) will allow the export of gas to Asia, where prices are much higher than in Europe.

European utilities under pressure

For the first time since 2009, the EU's demand dropped for all energy sources, including fossil fuels and electricity. Meanwhile, the constant development of renewable energy sources led them to dominate the EU power mix for the first time in 2013. This pushed the mothballing or closure of an increasing number of gas power plants that have become unprofitable due to insufficient utilisation (less than 3,000 hours on average in Germany in 2013). As a result, utilities face lower income due to low demand. This situation deteriorates the return on investment of fossil fuels-based power assets that are required to meet the peak electricity demand.

BRICS, new energy companies' Eldorado

BRICS countries have experienced a strong energy demand growth in 2013, in line with previous years. Consumption has increased in all types of energies, fossil fuels as well as renewables. Nevertheless, the growth of the demand for fossil fuels has been lower compared to the previous decade, in particular the demand for oil that was halved between 2012 and 2013. The growth in demand for electricity is 3 times higher in the BRICS countries than the G20 countries' average (close to 6% against just over 2%).

Solar surge in Asia and sudden crash of wind market in USA

One of the most important trends in 2013 is Asian solar PV increase: 7 GW of new installed capacity in China and 7 GW in Japan. The extension of regulatory incentives in Asian countries (China, Japan, and India) has largely contributed to this important development. It is quite the opposite in the USA for the wind turbine market: uncertainty around the regulatory framework have stopped or postponed many projects. Only 1 GW of new wind capacity has been installed in 2013 in the USA, compared to 13 GW in 2012. However, investments have started again in 2014. Europe is remaining the renewable energy leader with nearly 200 GW of installed capacities, of which are 120 MW of wind and 80 GW of solar.

A Chinese citizen emits almost as much CO₂* as a European**

Although energy-related CO₂ emissions per capita continue to decrease in Europe (6.6 tCO₂/cap in 2013 compared to 8 tCO₂/cap in 2000), emissions per capita in China are experiencing the opposite trend. CO₂ emission levels in both regions are similar in 2013, however, a European person consumes 1.5 times more energy than their Chinese counterpart. Although declining, energy-related CO₂ emissions per capita in the USA are still nearly 2.5 times higher than in Europe.

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

** EU : 28 countries

***CO₂: emissions from fuel combustion

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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.