



International Energy Agency calls 'Peak' on OECD Oil Demand

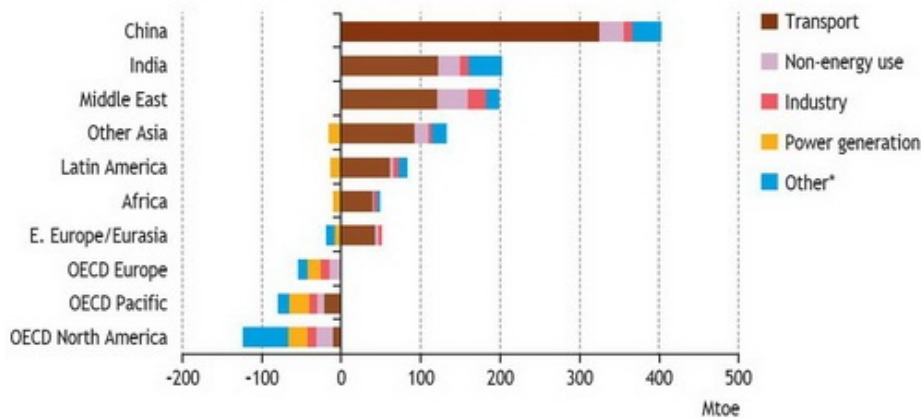
Posted by [Phil Hart](#) on November 30, 2009 - 10:34am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Demand/Consumption](#)

Tags: [iea](#) [weo 2009](#), [oecd](#) [[list all tags](#)]

In [World Energy Outlook 2009](#), the International Energy Agency seems to have dropped a bombshell that has been quietly (and politely) ignored. In their main 'reference scenario', the IEA forecasts that OECD demand has already peaked - it never recovers the levels seen before the oil price spikes and financial crisis unfolded.

Figure 1.6 • Change in primary oil demand by region and sector in the Reference Scenario, 2007-2030



In recent editions of their World Energy Outlook, the IEA has been reducing their forecast for 2030 total oil supply. But forecasting a decline in OECD consumption is a radical shift.

Forecasts for 2030:

WEO 2004: 121 mb/d

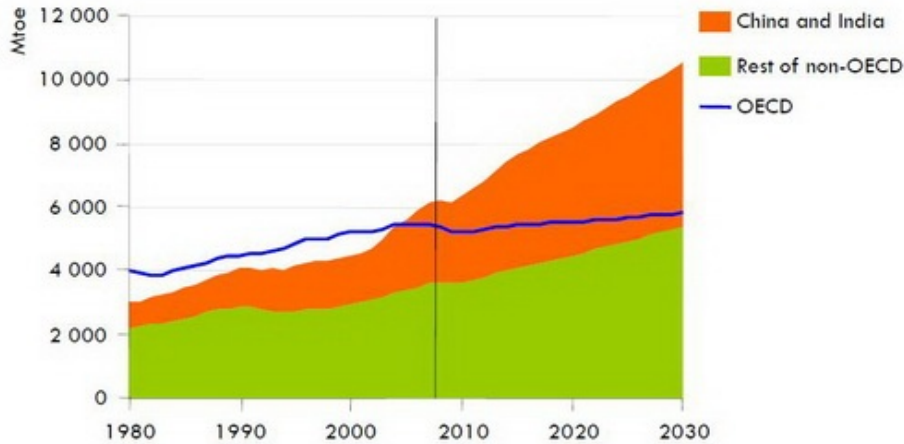
WEO 2006: 116 mb/d

WEO 2009: 105 mb/d

Here at The Oil Drum we see peak oil occurring well before 2030, with production at that point significantly lower than it is now. However, even the IEA's forecast of 105 mb/d allows for only anaemic growth for total supply of 1% per year. Since they still see strong demand growth from China and other developing nations, OECD takes the hit:

Oil demand is projected to grow by 1% per year on average, from 85 million barrels per day in 2008 to 105 mb/d in 2030. All the growth comes from non-OECD countries; OECD demand falls.

Unfortunately the IEA does not present this oil situation in a figure, however the one below for total primary energy demand gives us a good impression. China, India and the rest of the non-OECD world keep growing their consumption (IEA forecast, not mine!), while OECD is all but flatlining.



For oil, the situation is worse. OECD share of available oil is constrained so much that it declines. The details for primary oil demand alone are in Table 1.3. The peak for OECD demand was in the period 2000-2008 and declines by 0.3% per year to 2030.

Table 1.3 • Primary oil demand* by region in the Reference Scenario (mb/d)

	1980	2000	2008	2015	2030	2008-2030**
OECD	41.3	44.7	43.2	41.2	40.1	-0.3%
North America	20.8	22.9	22.8	22.2	21.8	-0.2%
United States	17.4	19.0	18.5	17.9	17.2	-0.3%
Europe	14.4	13.6	13.0	12.2	12.0	-0.4%
Pacific	6.1	8.2	7.4	6.8	6.2	-0.8%
Japan	4.8	5.3	4.5	3.8	3.1	-1.6%

Let me repeat that.. ***THE IEA* says that OECD oil consumption is in decline, permanently.**

It's also significant that in their report they say Non-OPEC oil supply declines from 2010. So all those arguments about technology, increasing recovery, a new Middle East in the Arctic.. all amount to nothing at least in the entire Non-OPEC part of the world where all those clever western oil companies do their business.

All the peak oil analysis that you've read here still suggests that the IEA's forecast is too optimistic, for both OPEC and Non-OPEC parts of the world. And the IEA [whistleblower](#) also claims that their forecasts are inflated. But a peak is still a peak, and the IEA now says that OECD oil demand is in decline and will not recover the levels prior to the financial crisis.

This seems to me like a dramatic statement for the IEA to make. This official forecast from the agency representing OECD nations, now conflicts with just about every one of its individual member's own forecasts (and that of just about every private enterprise). To convince decision makers of the inevitable oil decline facing us, we no longer need to refer to the online analysis by peak oil bloggers. You can simply tell your president, chief, boss and your neighbour: **The IEA says our oil consumption is going down, what are you going to do about it?**

As a footnote, it appears that the IEA is in good company with their updated forecast. Stuart Staniford, now writing at [Early Warning](#), has been exploring recent trends in oil consumption. He also finds that the strong developing economies and the oil exporting nations have a firm balance of trade basis on which to continue increasing their own oil consumption, albeit it at perhaps lower than recent rates, even as high prices and/or hard times hurt elsewhere. Even without a peak in oil supply, Stuart shows that OECD nations will start taking a big hit in oil consumption over the next few years. Any 'real' economic recovery (yet to be sighted) is going to hit a brick wall very quickly if we stick to the old ways of using and abusing oil.



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