

# Energy:2030 Chart of the Week

25

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“Variations in global energy forecasts past 2030 indicates uncertainties by the major energy players and commentators. What seems certain is that electricity use will grow, and more electricity will be produced by renewables generators.”

## Global energy demand to plateau around 2030: McKinsey

Consultancy McKinsey published its *Global Energy Perspective 2019* in January 2019. It examines energy trends over the period to 2050 under a single reference scenario.

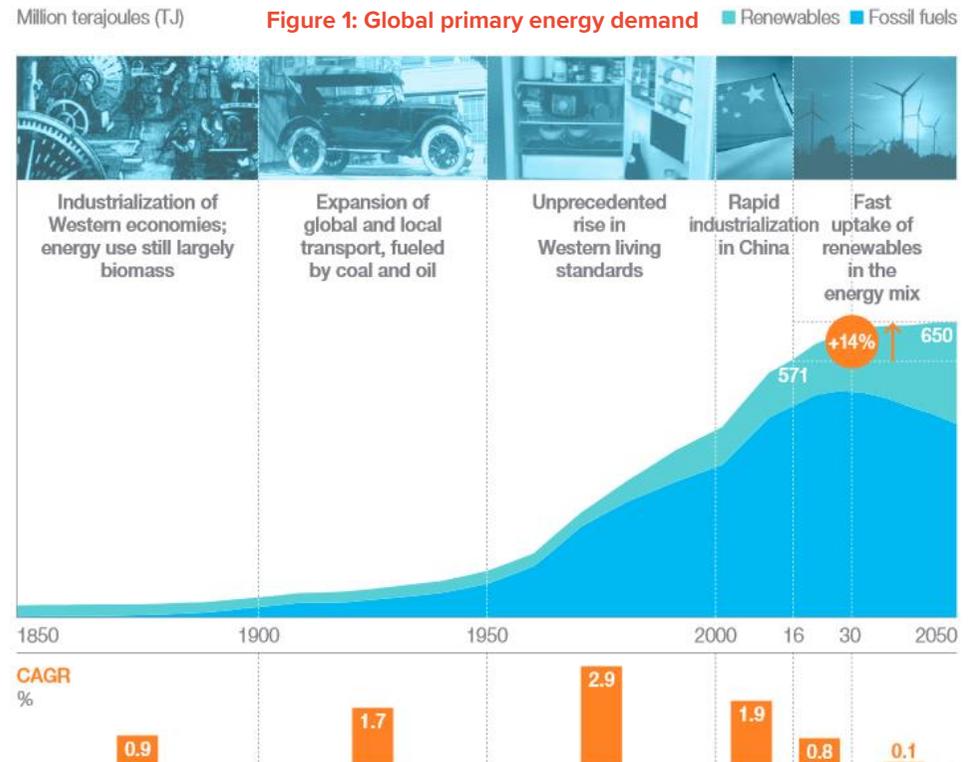
Key trends detailed in the report include that electricity consumption will double by 2050 and gas use will continue to grow. However, McKinsey predicts that global primary energy demand will plateau after 2035, despite continuing population and economic growth. The chart also illustrates that:

- total global primary energy demand may only grow 14% between 2016 and 2050, and
- low-carbon generation will increase in the global energy mix from 19% in 2016 to 34% in 2050.

Final energy demand and nuclear power are expected to move to the east, as developing economies rapidly industrialise.

The forecasts can be compared with other recently published reports from the International Energy Agency (IEA) and BP.

In the IEA's *World Energy Outlook 2018*, published in November 2018, energy demand is predicted to grow by more than 25% to 2040, modelled in the *New Policies Scenario*. This increased demand will require more than \$2tn (£1.52tn) a year of investment in new energy supply. The IEA forecast a gap in oil production in the early 2020s, with current rates of growth insufficient to meet demand increases due to aviation and road freight.



Source: McKinsey Energy Insights' *Global Energy Perspective*, January 2019; IEA *Energy Balances (Historical)*; Smil, V. (*Historical*)

In BP's *Energy Outlook 2019*, published in February 2019, global energy demand is predicted to grow by around a third by 2040, in its *Evolving transition* scenario. BP also predicts the demand for oil and other liquid fuels to grow for the first part of its outlook to 2040, before gradually plateauing.

Further analysis of the McKinsey and IEA reports can be found in February's *Energy:2030*. To request a free trial of the publication, please contact us at [energy2030@cornwall-insight.com](mailto:energy2030@cornwall-insight.com).