FOR IMMEDIATE RELEASE

(London, 15 May 2018) More than 35% of the world's oil goes to the Asia Pacific region, making it the world’s largest oil consumer (bigger than the America’s combined). Although the region’s largest producer, China, has an output of 4 million barrels per day (twice that of Norway) it only meets a third of Chinese requirements.

But this imbalance is nothing new. As IOGP’s Executive Director Gordon Ballard points out, “Since 1986, there hasn't been a year when Asia Pacific’s oil production was able to keep up with rising indigenous demand. Our new IOGP Global Production Report 2018, featuring the innovative IOGP Production Indicator© (PI), illustrates this trend, using data derived from the most recent BP Statistical Review of World Energy and insights from IOGP members from around the world.”

A PI above 100% demonstrates the ability to export; below 100% shows the need to import. Asia Pacific’s Oil PI of 24% indicates how far the region has fallen in terms self-sufficiency. The graph below charts this development.

Qiu Zongjie, Vice President of one of the region’s largest producers, CNOOC, acknowledges that “As the fastest-growing economic engine in the world, Asia Pacific is increasingly driving global demand for oil. In 2017, China overtook the USA to become the world’s biggest importer due to strong economic growth and accelerating motorization.”
To grow regional production, companies like CNOOC will “boost production in response to price recovery and stabilization in 2018. Challenges here in China could be from more stringent environmental and safety regulations in the context of a New Era growth model that focuses on green issues and quality development,” he says.

**Gas: investment turns around production decline**

Recent production increases, most notably in China, helped to keep the Gas PI at around the 80% level for the past five years. This is thanks to continuing investment in exploration and development, combined with improving technology. As a result, Asia Pacific has managed to increase its gas production by 4.1% per year in the last decade. The biggest increases were in China (10%) and Australia (7%).

The recent performance of the Gas Production Indicator is shown here:

Focussing on the future of gas in his own country, the Chief Executive of the Australian Production and Exploration Association (APPEA), Malcolm Roberts, says “Thanks to a $200 billion investment, when all projects are in full production, Australia will have 21 trains operating with a combined nameplate capacity of 86 MT. In 2018, LNG production is forecast to grow by a further 20%, increasing already substantial exports.” Moreover, he adds, this “surge in Australian exports has stimulated unprecedented upstream development,” both onshore and off.

To get a copy of the full *IOGP Global Production Report 2018*, which also applies the IOGP PI to oil and gas in Africa, the CIS, Europe, the Middle East, North America and Central & South America, visit: [www.iogp.org/production-report-2018](http://www.iogp.org/production-report-2018)
About IOGP

The International Association of Oil & Gas Producers (IOGP) is the voice of the global upstream industry. Oil and gas continue to provide a significant proportion of the world’s energy to meet growing demands for heat, light and transport.

Our Members produce 40% of the world’s oil and gas. They operate in all producing regions: The Americas, Africa, Europe, the Middle East, the Caspian, Asia and Australia.

We serve industry regulators as a global partner for improving safety, environmental and social performance. We also act as a uniquely upstream forum in which our members identify and share knowledge and good practices to achieve improvements in health, safety, the environment, security, efficiency and social responsibility.