Press Release

IOGP Report: European oil & gas demand rises amid encouraging production prospects

FOR IMMEDIATE RELEASE

(Brussels, 15 May 2018) IOGP’s new Global Production Report 2018 shows Europe producing 25% of the oil and 49% of the gas it uses. While reliance on imports is likely to remain important, recent domestic exploration & production dynamics suggest high remaining potential for decades to come.

The Report, based on the latest BP Statistical Review of World Energy, features the IOGP Production Indicator (PI), which balances a region’s production of oil or gas against its indigenous demand. A PI above 100% demonstrates the ability to export; below 100% shows the need to import.

Demand for oil & gas has been rising for the past three years in Europe, driven by economic recovery, industrial activity, and stronger heating demand caused by winter cold spells. In parallel, European production continues its downwards trend as output from historical fields declines.

However, a series of successful licensing rounds and promising finds have sent a wave of optimism across the industry and, according to IOGP’s most recent data, Europe still holds around 32 billion barrels of oil and has over 5100 billion cubic metres of gas resources left. Attracting investments to develop them is now key.

“Although a return to the golden age of European oil production levels is unlikely, European countries have the opportunity to build on these positive dynamics and meet a substantial amount of...
their own demand responsibly for many more years” says François-Régis Mouton, IOGP Director EU Affairs.

The 1973 oil crisis led Europe to raise its PI from 10% in the 1960s to over 40% in the late 1990s. Innovative extraction techniques have since then allowed the European oil & gas industry to manage field depletion rates and to unlock additional resources, stabilizing Europe’s PI for oil at around 25% over the past few years.

As for gas, Europe’s PI has declined steadily from around 60% in 1990 to 49% today, allowing it to cover half of its own demand.

“While overall demand is expected to stagnate or decline in the long term, gas is nevertheless going to retain an important share of the European energy mix for many years. The right framework for exploration and production could allow Europe to meet half of its own significant gas demand for at least another 20 to 25 years” added Olav Aamlid Syversen, Chair of IOGP’s EU Committee.

To get a copy of the full IOGP Global Production Report 2018, which also applies the IOGP PI to oil and gas in Africa, Asia Pacific, the CIS, the Middle East, North America and Central & South America, visit: https://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.