

THE QUEST FOR THE NEW ENERGY BALANCE AND IMPLICATIONS FOR SE EUROPE



Dr. Tatiana Mitrova

29 June, 2016
Thessaloniki

Global energy markets are undergoing profound transformation: key elements of uncertainty

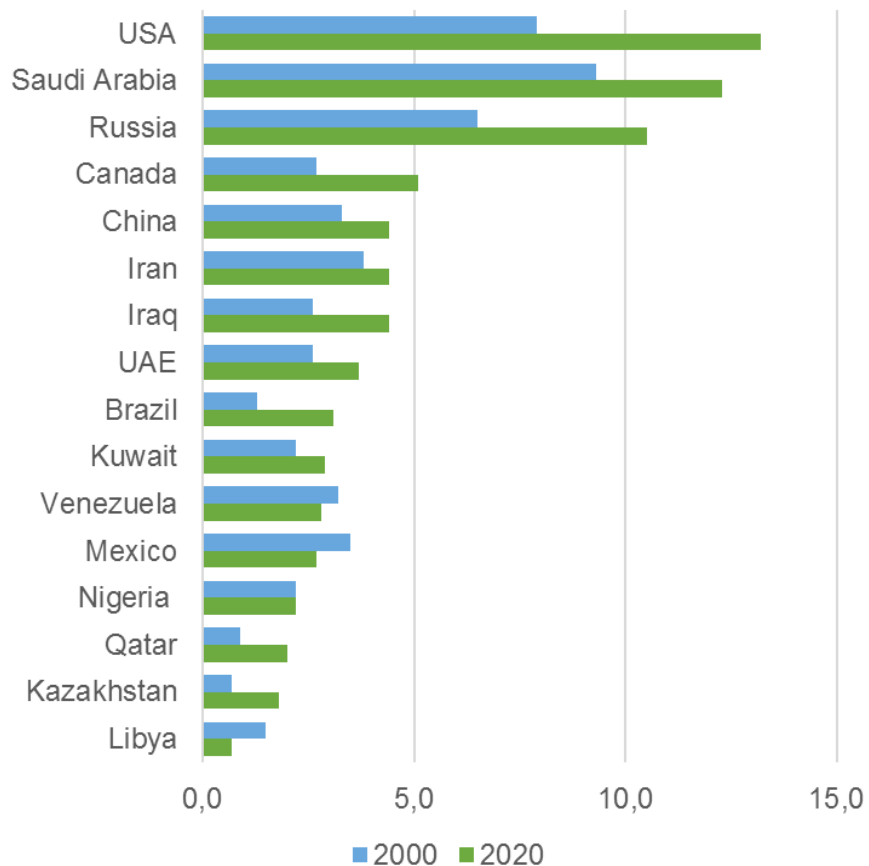
- Players strategies (cooperative or non-cooperative)
- Geopolitics
- Investment availability and speed (price elasticity of supply)
- Costs dynamics (learning curves, new technologies, currencies and exchange rates, cost deflation due to the competition between subcontractors, “sweet spots” depletion, development of the drilled but non-fracked wells)
- Policies on taxation and access to the subsoil in the producing states
- Global economic performance and demand prices elasticity

***EVERYBODY AGREE, THAT THE PRICES WILL GO UP AT A CERTAIN POINT,
BUT NOBODY KNOWS WHERE EXACTLY THIS POINT WILL BE***

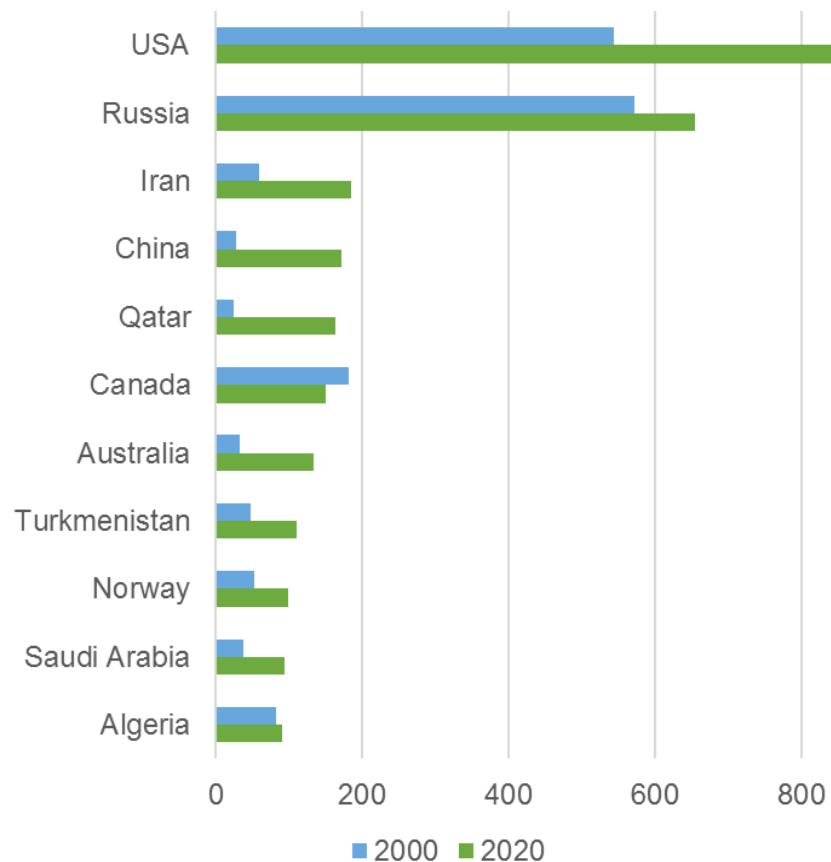


In two decades the number of big oil producers (over 4 mb/d) will double, and the number of big gas producers (over 100 bcma) will increase 3 times

Major oil producers in 2000 and 2020

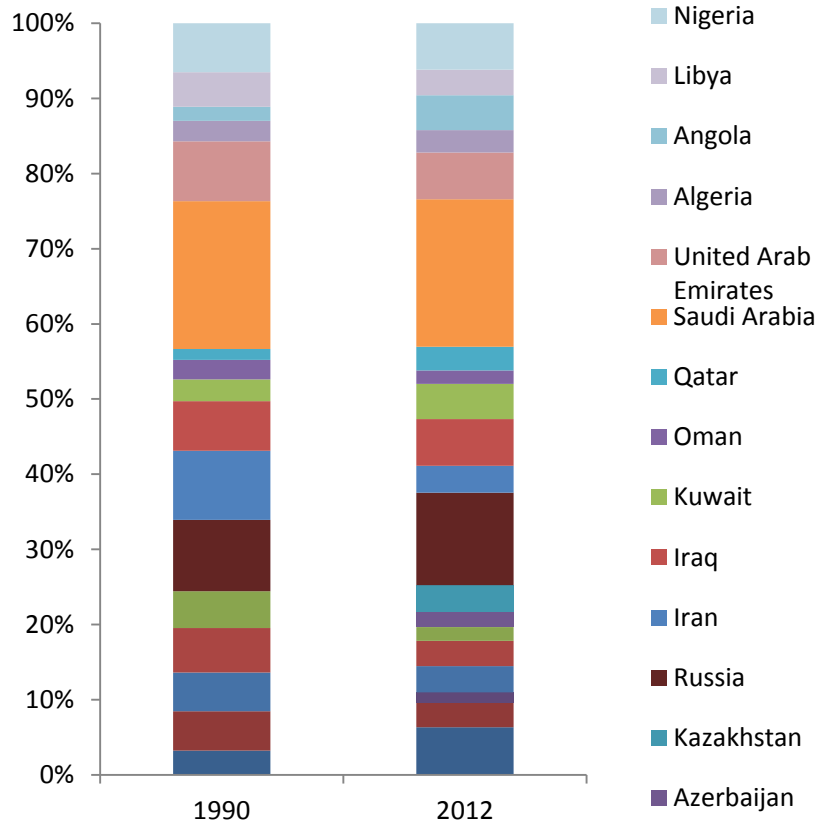


Major gas producers in 2000 and 2020

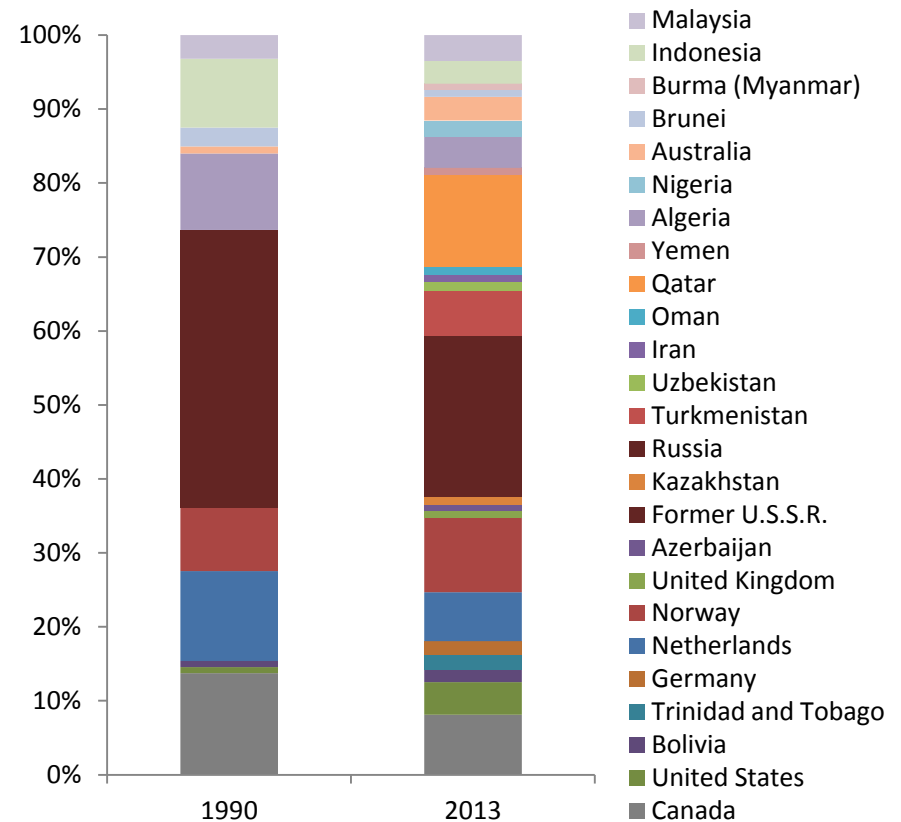


Changing global energy landscape: the number of oil and gas exporting countries is increasing, so the international markets are becoming more competitive than ever

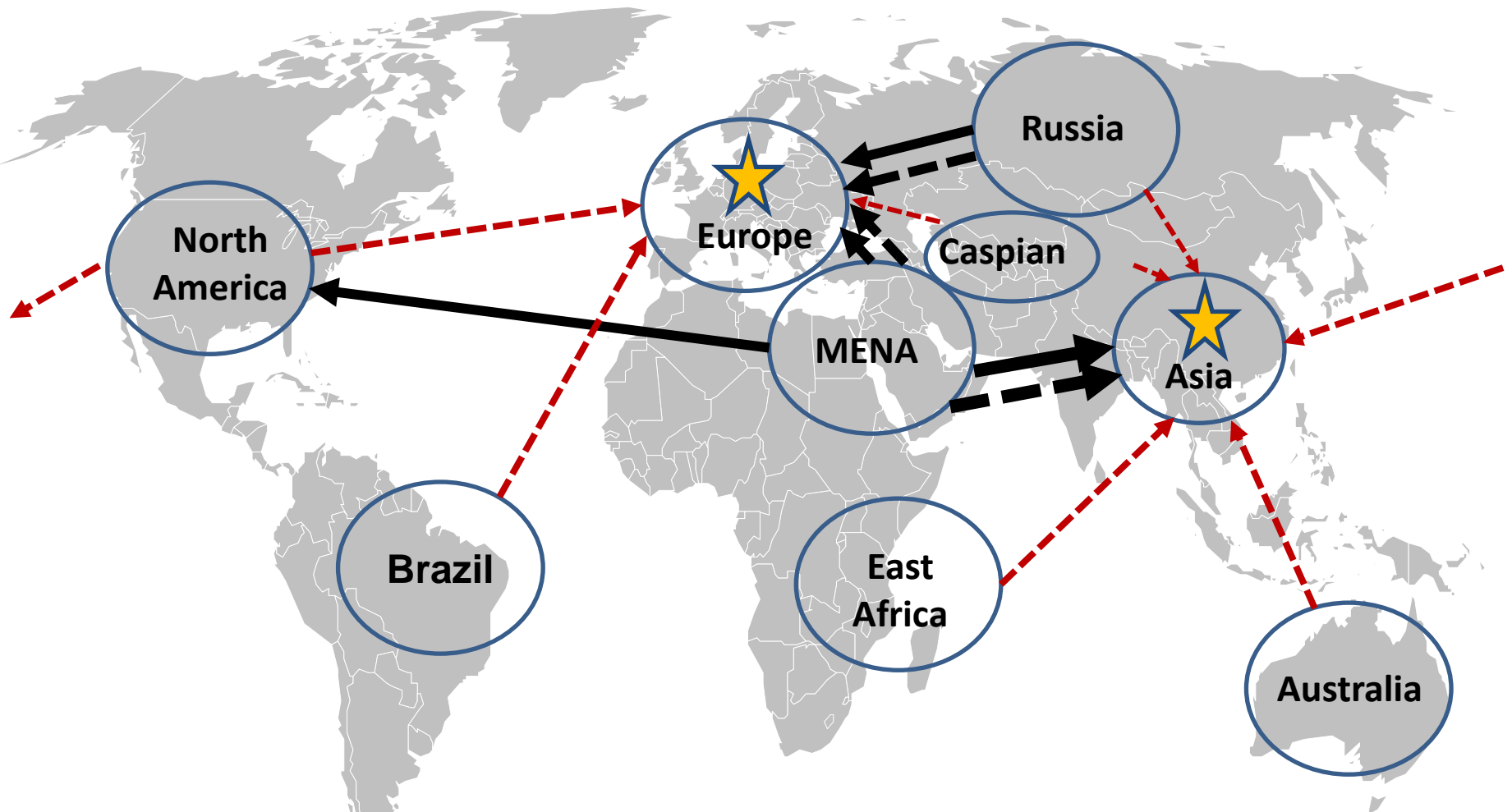
Main exporters of crude oil in 1990 and 2012 (KBP/D)



Main exporters of dry natural gas in 1990 and 2013 (BCF)



Changing global energy landscape: “repartition” of the shrinking niches in the buyers` market and changing energy flows



Consequences for SE Europe

- Increasing supply availability and growing competition between suppliers
- Lower hydrocarbon prices
- Good opportunity to change the current fuel mix with strong oil and coal dominance and minor share of gas
- Infrastructure and clear rules of the game are the key; development of a liquid gas hub is the only way to limit gas prices in the longer term
- At the same time this cyclical oversupply could work in a negative way, allowing the governments to relax about supply security and energy efficiency issues
- Diversification (of the fuel mix, supply sources and routes) is the most efficient way to ensure energy security





For more information contact

Dr. Tatiana Mitrova

Email: tm2845@columbia.edu

 COLUMBIA | SIPA
Center on Global Energy Policy