Investment flows signal a reorientation of the global energy system

An 8% reduction in 2015 global energy investment results from a $200 billion decline in fossil fuels, while the share of renewables, networks and efficiency expands.
Energy efficiency and low fossil fuel prices

The three best selling vehicles in North America in 2015

Appliance standards lock in efficiency improvements despite declining electricity prices
Europe, North America and China dominate global investment in building efficiency

Better insulation, efficient heating systems and cogeneration deliver energy savings and air quality benefits
Unprecedented wave of investment cuts in the upstream oil and gas industry

Global upstream capital spending 2010-2017

Cost deflation, efficiency improvements and reduced activity levels might lead for the first time to a three consecutive years of investment decline
Debt costs soared for leveraged US shale companies as oil prices fell, resulting in bankruptcies; more resilient operators, with the majority of production, now remain...
Russian oil upstream keeps defying expectations

IEA OMR monthly projections for Russian oil production
Oil and gas investment in Russia is defying challenges

80-90% of capital spending is Rouble based due to a large domestic service industry and focus on conventional brownfield development.
Investment from renewables-based capacity more than covers 2015 global electricity growth. Wind leads, surging 35% in 2015 on economics and record offshore growth.
Infrastructure costs favour coal power over gas in Asian energy importers.

Asian markets comprised 85% of global coal power investment, while N. America and Middle East, with robust infrastructure, favoured gas for new fossil fuel power.
Global nuclear investment is driven by China and Russia

- China: a new reactor every quarter
- Rosatom: 9 reactors under construction in Russia with vertical integration
- Technology + construction + finance agreements in Vietnam, Turkey, Belarus, Egypt etc

- Are the financing packages sustainable at 50 $/barrel?

In Europe and the US new construction failed to compensate for decommissionings
Decentralised and centralised electrification in India
Quantitative easing raises the value of network assets


- Market Cap (in billions of USD)
- Bond Yield (%)
Despite attractive valuations, physical investment is stagnating.

**Electricity networks investment per total network length, 2010-15**

Most renewable deployment is integrated into a legacy network.
Backup