

Macro Trends

Ann-Louise Hittle, CSIS, 21 February 2019



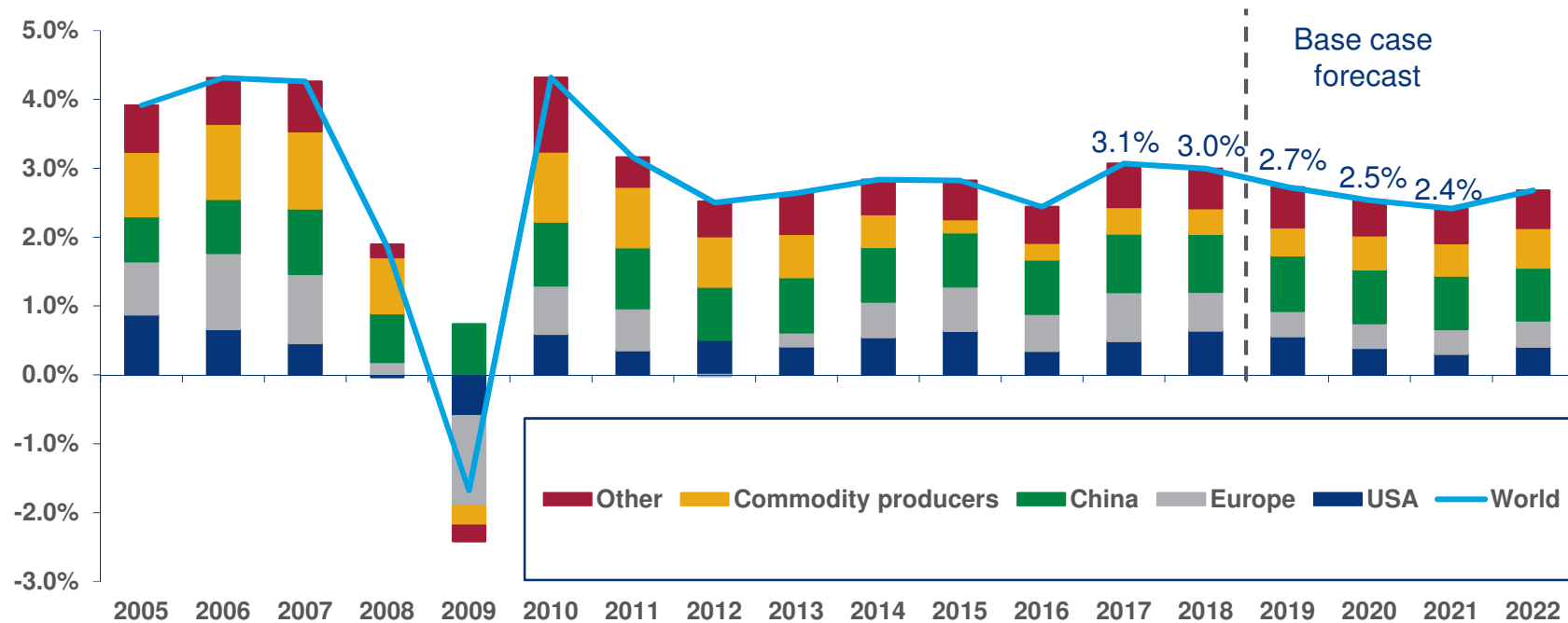
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The global economy is slowing

North America and Europe lead the slowdown

Global GDP growth (annual)

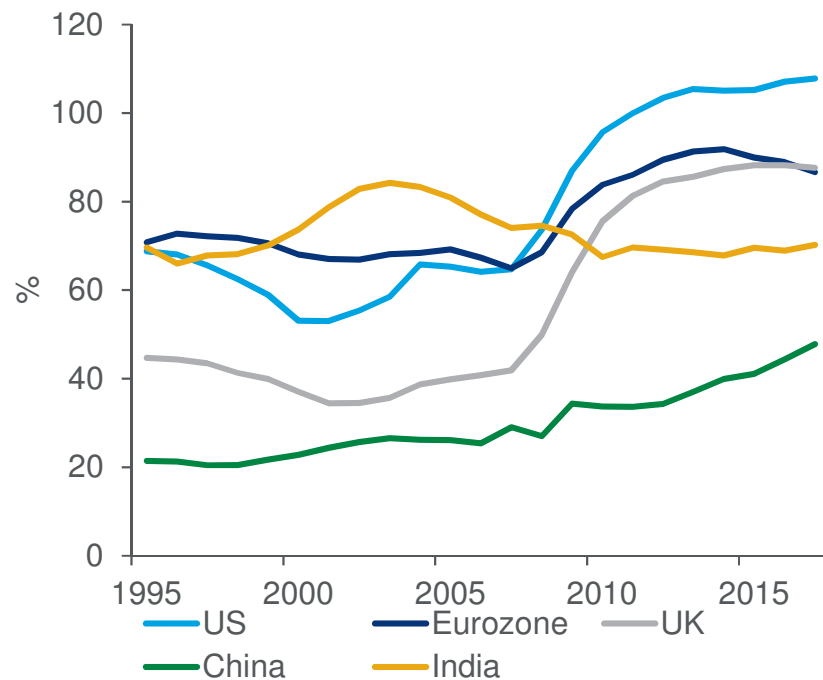


Source: Wood Mackenzie

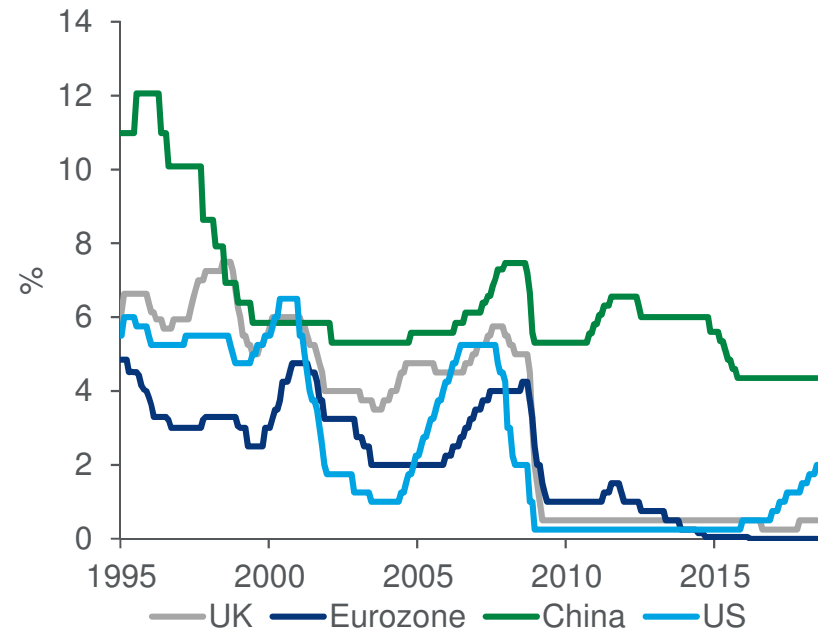
Governments have limited firepower to fight a recession

Public debts are higher than a decade ago and monetary policy remains relatively loose

Government debt as share of GDP



Official interest rates

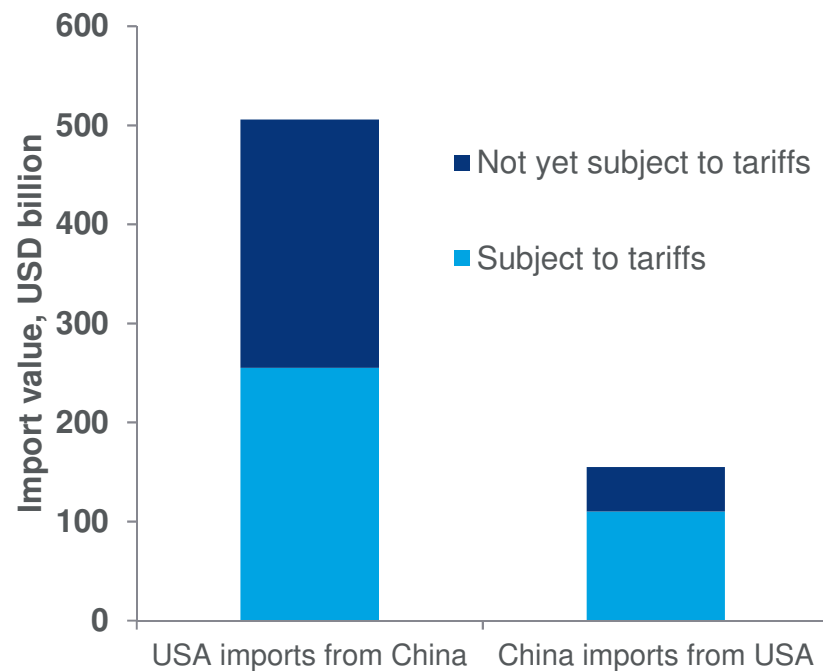


Source: Wood Mackenzie, Thomson Reuters Datastream

Will rising protectionism trigger the next recession?

China cannot match the scale of tariffs threatened by the US

US-China tariff war: one-sided



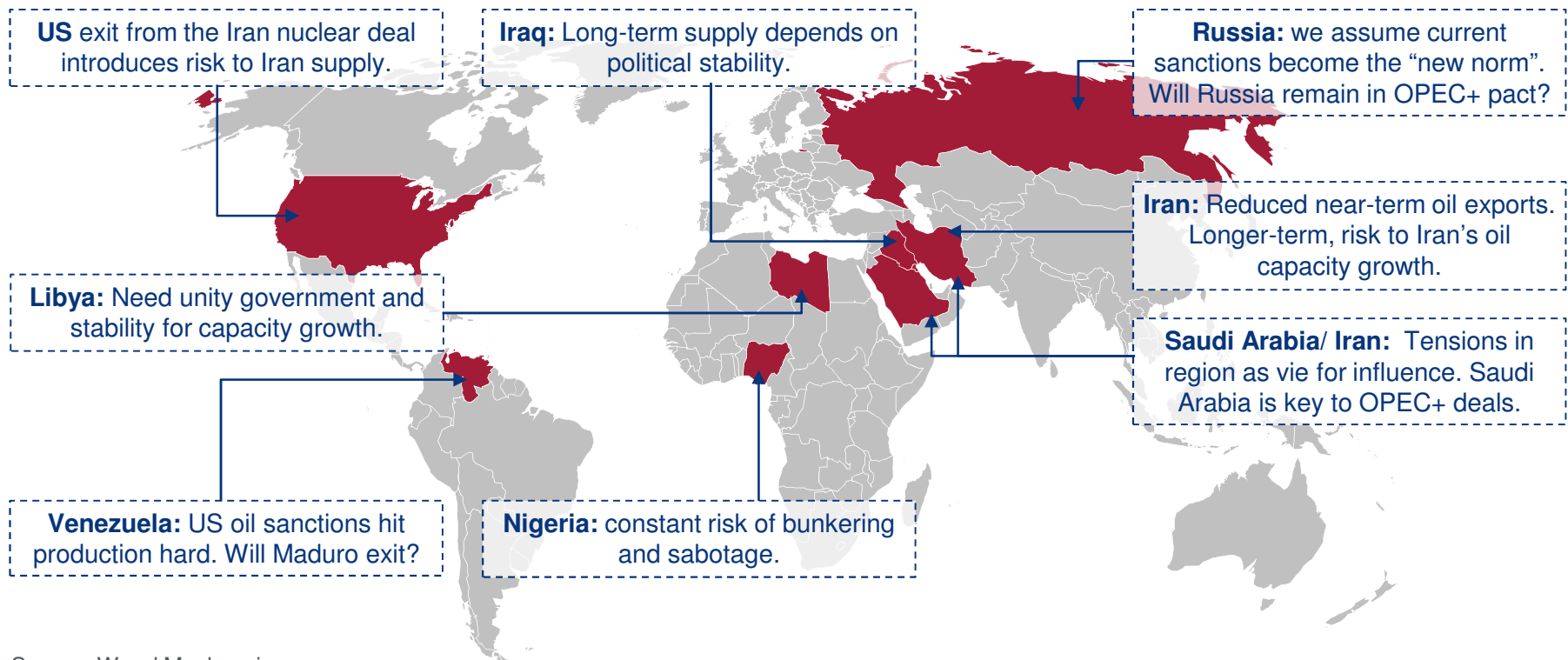
China exchange rate



Source: Wood Mackenzie, Thomson Reuters Datastream

Volatile geopolitical dynamics add to global supply uncertainty

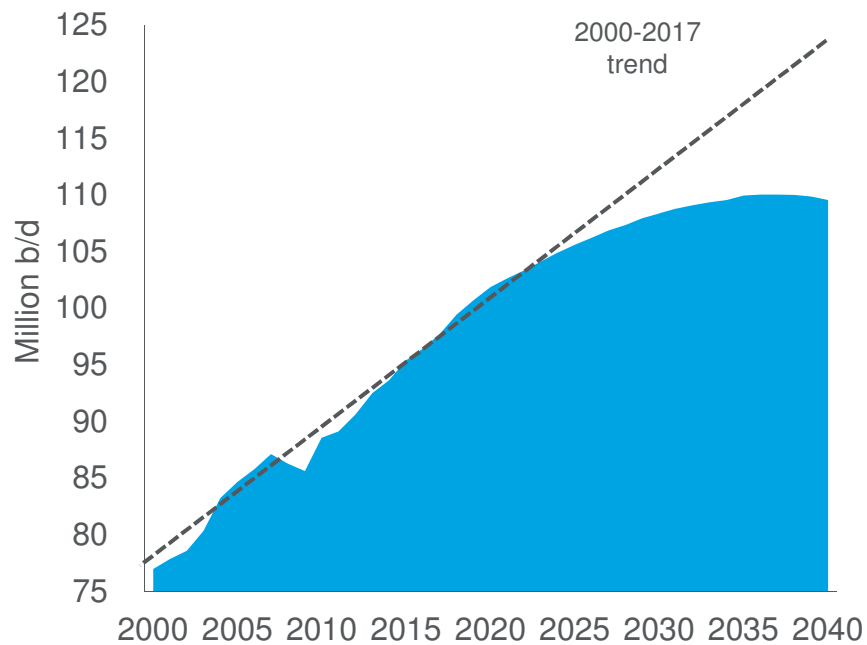
Beyond Iran and Venezuela, the outlook for countries like Libya, Nigeria and Iraq will also be heavily dependent on political stability



Source: Wood Mackenzie

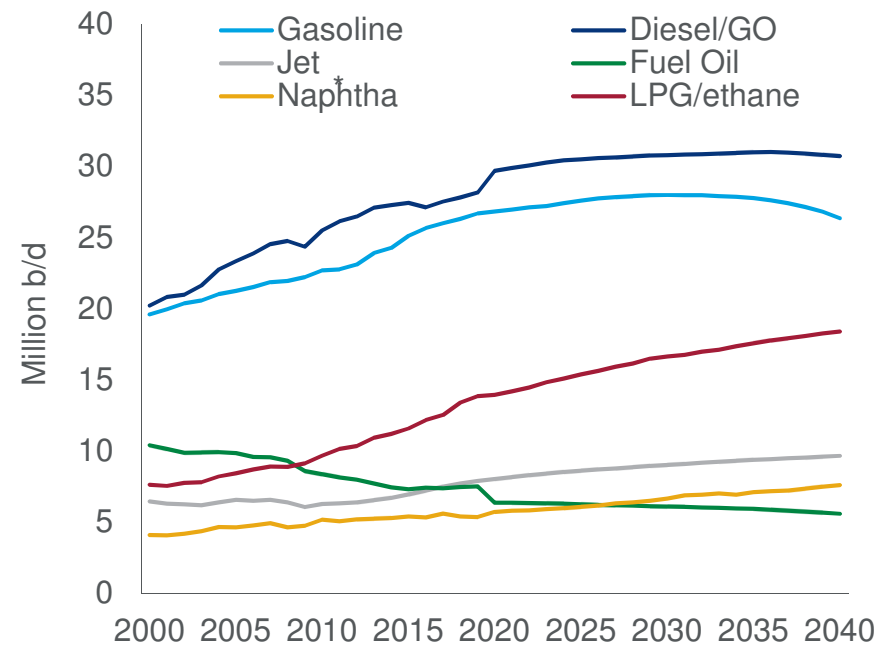
Global oil demand hits plateau and then declines slightly in mid-2030s

Global oil demand



Source: Wood Mackenzie

Global oil demand by product

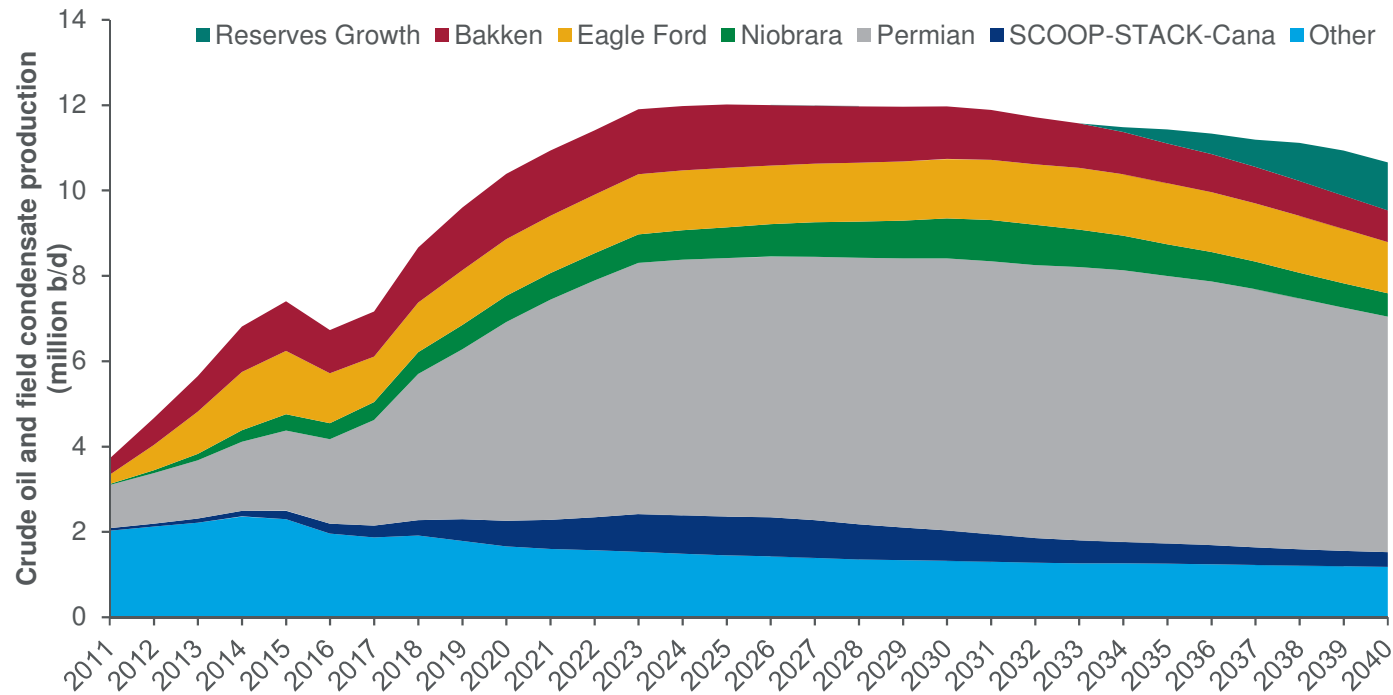


* Global sulphur limit for marine fuels drops from 3.5% to 0.5% in 2020, resulting in falling demand for High Sulphur Fuel Oil (HSFO)

Source: Wood Mackenzie

US Lower 48 onshore crude oil rises to a peak of 12 million b/d by 2025

US Lower 48 crude and condensate production



Source: Wood Mackenzie

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