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**Oil Market Update**

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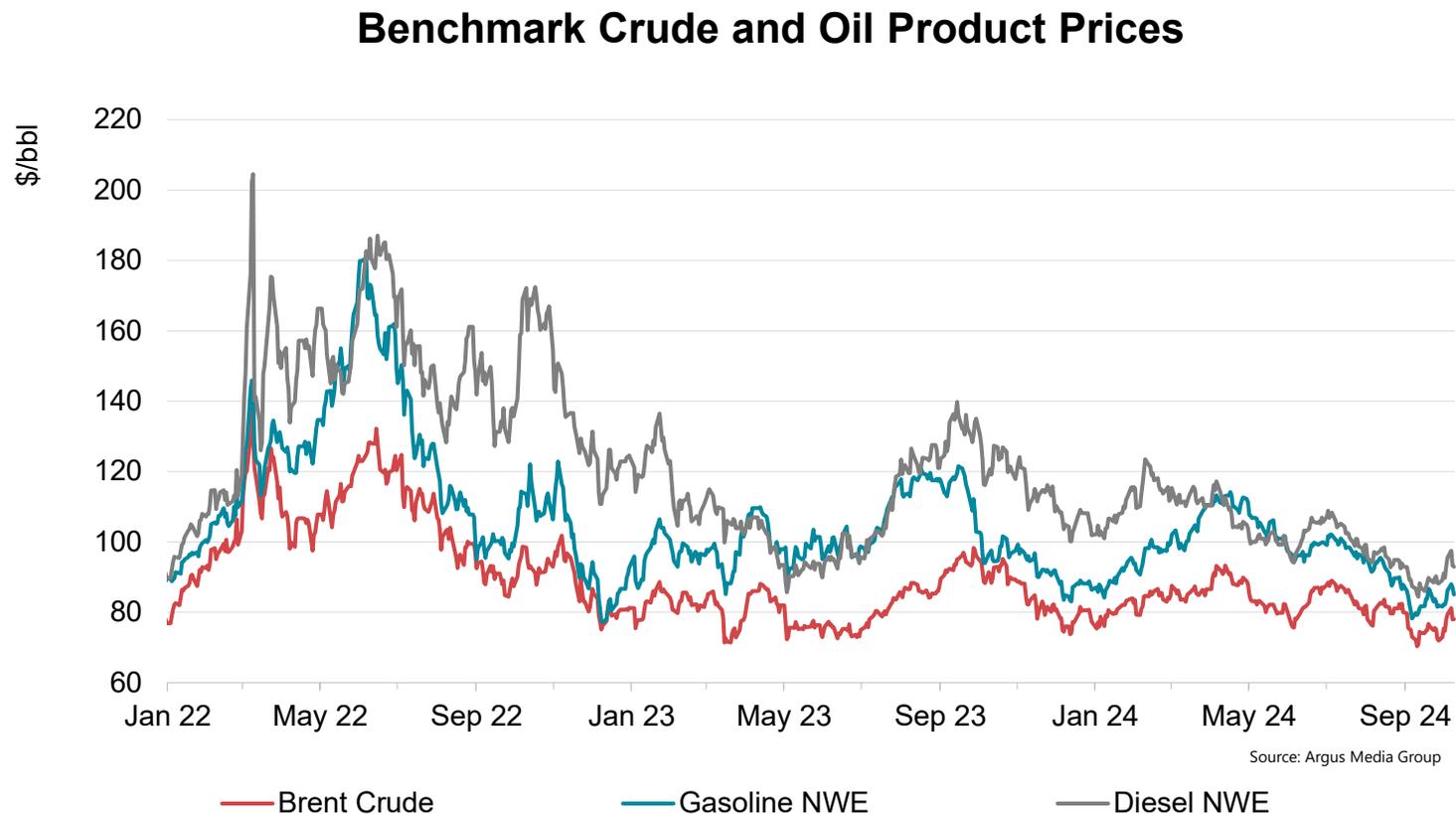
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# Oil Market Update

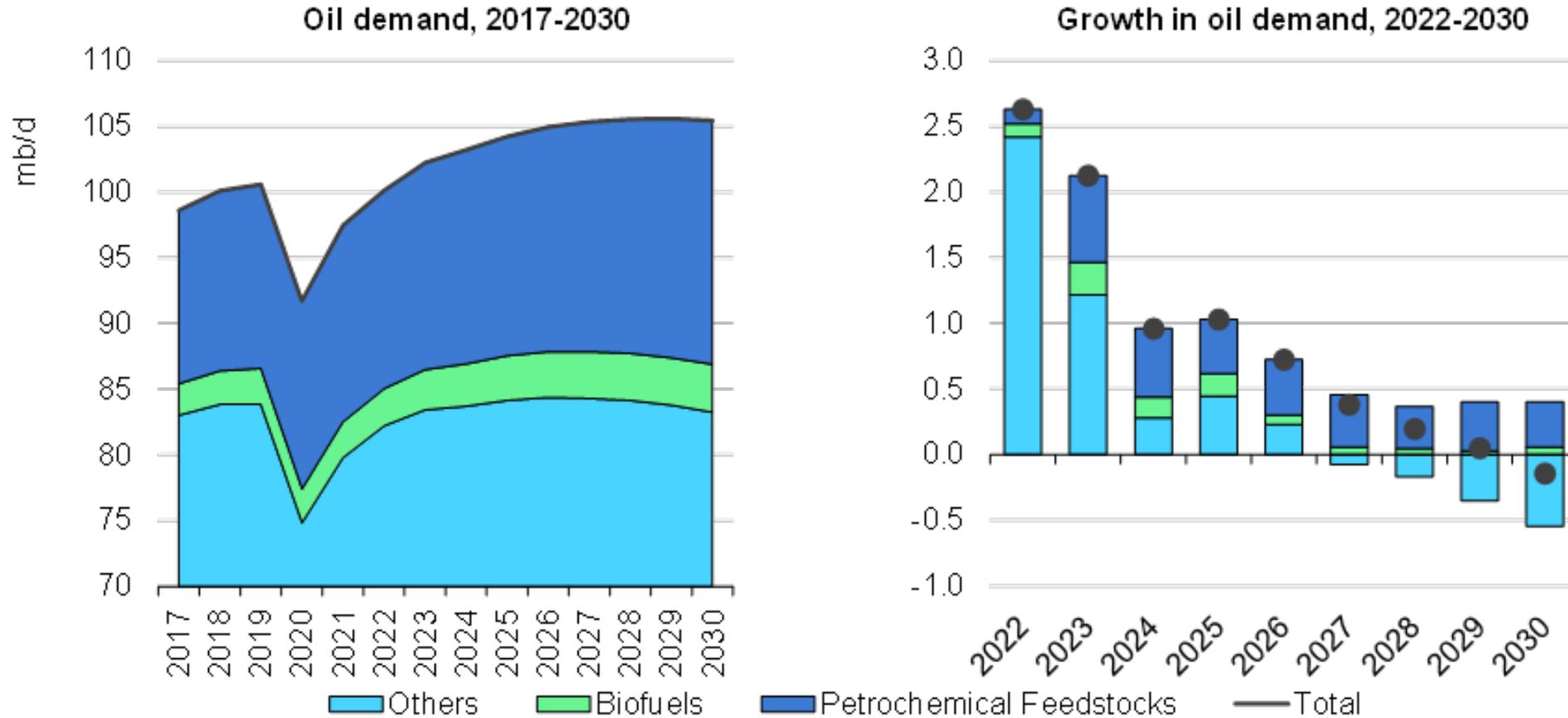
16 October 2024

# Oil prices in bear market amid slowing Chinese demand



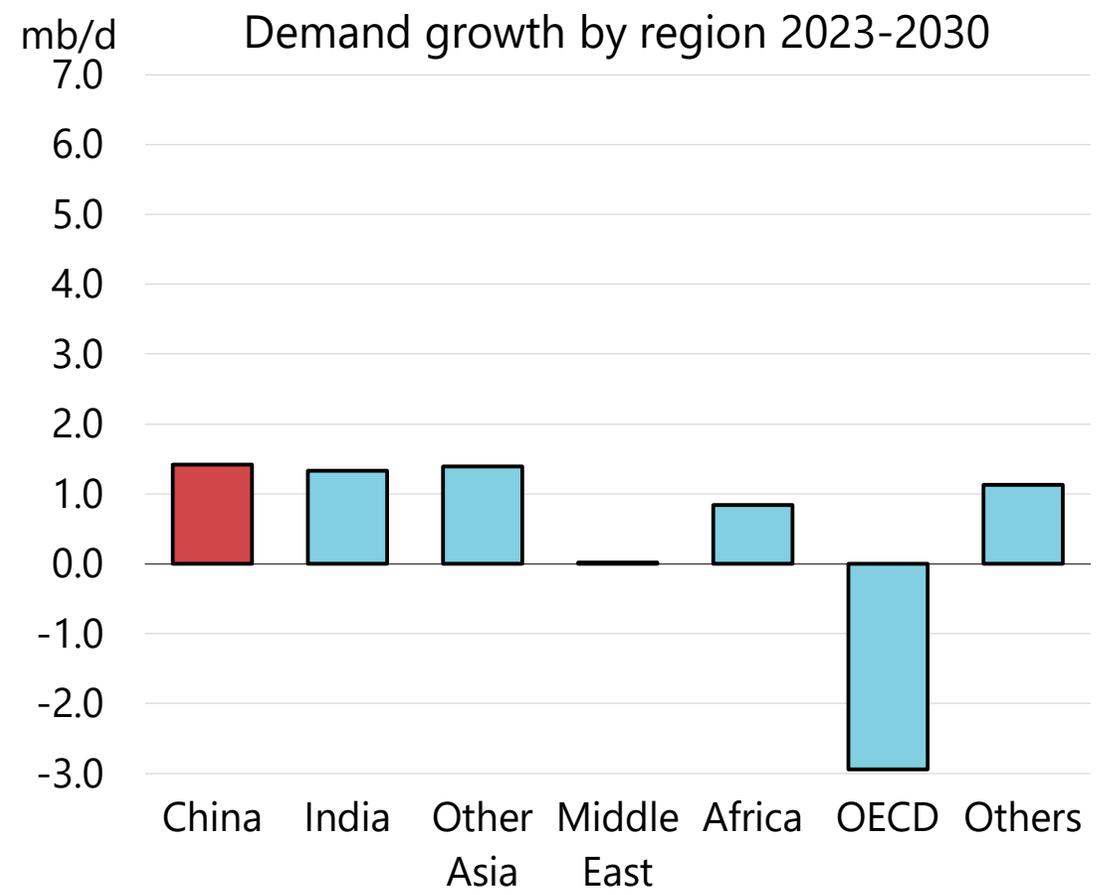
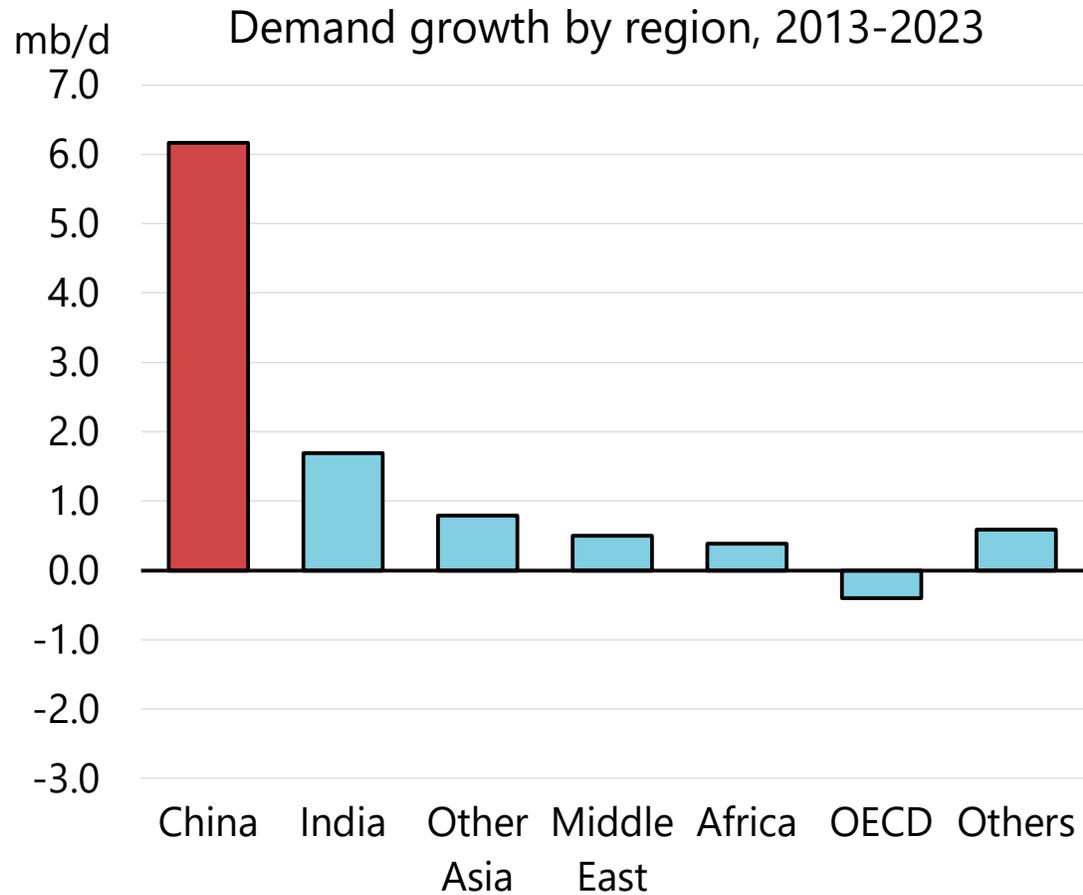
**Crude oil price near three-year lows as concerns of slowdown in Chinese and global oil demand growth overshadow Middle East tensions.**

# World oil demand on course to plateau by 2030



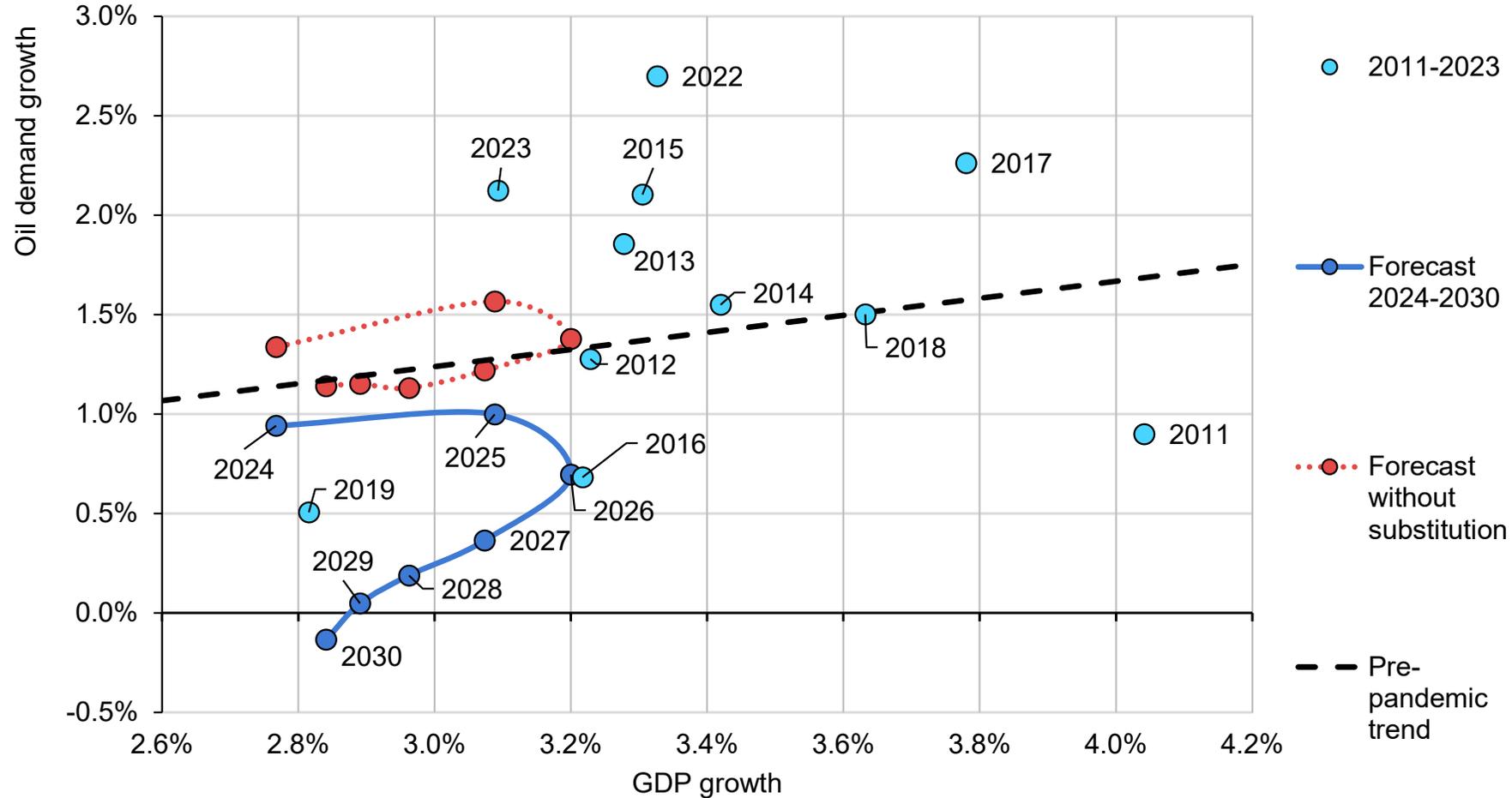
Growth decelerates from 2.1 mb/d in 2023 to less than 1 mb/d in 2024, with a small contraction by 2030. Demand plateaus at around 105.6 mb/d by the end of the forecast period.

# China downturn reorienting global growth sources



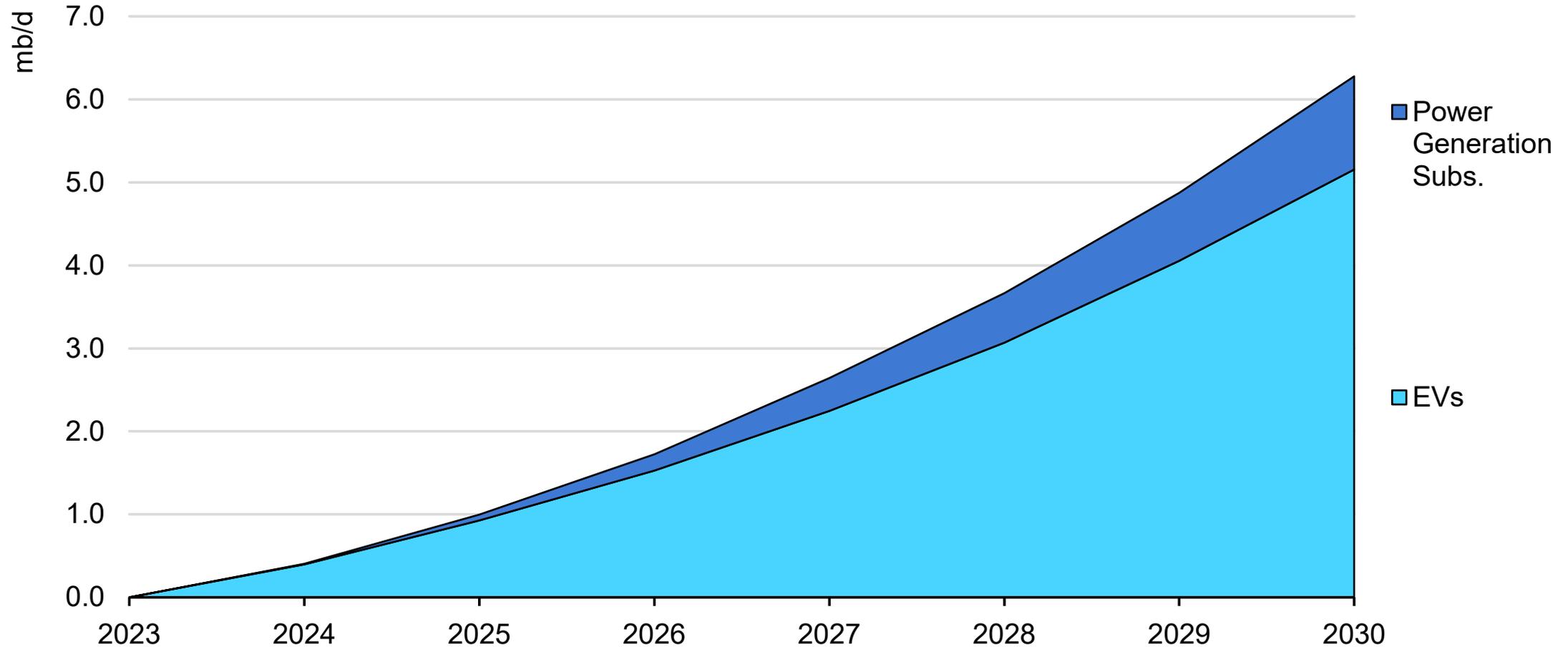
**China's dominance in global oil demand growth is fading, with other Asian economies taking up larger shares. OECD structural declines will accelerate.**

# Slower GDP growth and clean energy deployment gives oil plateau



After the post-Covid rebound, growth in oil demand will lose momentum and plateau this decade. It will disconnect from subpar GDP growth as substitution away from oil undermines consumption.

# Substitution effects curb demand growth



The expansion of the global EV fleet is the main driver of substitution away from oil, saving 5 mb/d by 2030. A smaller contribution will come from power generation, with oil replaced by natural gas and solar.

# Medium term: key messages

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- Oil price in bear market amid outlook for well-supplied market.
- Global oil demand slowing and set to plateau by end of decade.
- China's dominance in oil demand growth fading rapidly.
- Oil demand to disconnect from GDP as EV fleet expands.