US shale revolution – a European perspective

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The global oil market
The shale revolution is big, but other uncertainties are also important

* Bio-fuels, GTL, processing gains
Source: IEA, Statoil,
A strong trend affecting economics and energy
Economic gravity moves (back) to the east, and so does energy demand

Source: Reddit, IEA, Statoil (projections)
Europe’s import dependency is increasing
And given Asia’s growth, Europe needs to import North American exports!

Source: IHS CERA, Statoil analysis
Eurozone close to balanced trade with US
... but worries about competitive position are increasing

- US has a significant current account deficit with the world (2.3% of GDP in 2013)
- This may change:
  - the shale revolution
  - uptick in manufacturing activity
  - demographics, reduced consumption
- Eurozone may face (some) loss of manufacturing competitiveness, but German manufacturing is advanced
- Generally, improved US competitiveness a good thing, for the globe, for the US and also for Europe

Source: Reuters EcoWin and IMF
Geopolitical implications
Politics, but also sustainability, technology and markets determine

- The shale revolution has large impact on US energy markets
- ... and on US macroeconomics
- Expect increasing exports of gas, to the benefit of Europe and Asia, as well as the US
- Medium-term challenge for Opec
- Increased availability of gas good for gas, could increase Russia’s exposure to Asia
- Shale in China good for climate, and still room for LNG imports

Sources: The Economist, blog.enerdynamics.com, guanming.online, Gettyimages.com
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Thank you!