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Demand in the oil market will not lose momentum until 2030

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As global debate on suitable measures for climate protection continues, the [International Energy Agency's \(IEA\)](#) annual report published in mid-November has been eagerly awaited. Among other things, it provided information on [possible trends in oil demand](#), which in turn is a deciding factor for prices with an impact far beyond the oil industry.

Increasing demand stable until 2025

In its recent report, the IEA paints a differentiated picture of the changes to be expected as a result of efforts to curb greenhouse gas emissions. According to the report, the demand dynamics for oil will decline sharply due to the increasing number of electric cars and energy-saving vehicles. From today's perspective, however, this development is not expected to start until the 2030s: "Demand growth will remain robust until 2025," said IEA Executive Director Fatih Birol.

Over the next five years, the IEA expects global oil demand to rise by an average of one million barrels a day each year, with demand growth only expected to slow thereafter. From 2030 onwards, an increase of merely 100,000 barrels per day is expected, half the number compared to the IEA's forecasts from the previous year.

In the short term, the global economic development is crucial for the demand. [The Organization of Petroleum Exporting Countries' \(OPEC\)](#) monthly oil market report, published one day after the IEA's annual report, currently estimates that global economic output will grow at a constant 3 per cent for both the current year and 2020.

Saudi Aramco: largest IPO of all time

OPEC estimates that demand for oil from its member countries will continue to decline slightly this and next year despite growing global demand. The reason for this is the increasing significance of other producing countries – most notably, the USA. On 5 December, OPEC representatives are to meet with allied states to discuss an extension of the production restrictions with which they intend to stabilise prices in the light of the latest assessments. It is generally expected that production volumes will be, if not further reduced, at least kept constant. For the largest OPEC member Saudi Arabia, the meeting comes at a particularly pivotal time: investors can now subscribe for shares in the state-owned oil company Saudi Aramco. Aramco's market value is estimated at up to USD 2,000bn. The subscription period for shares in by far the most valuable company in the world ends just one day before the OPEC meeting. Longer-term stable prospects for the oil market are therefore likely to come in handy for the largest IPO of all time.

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