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Analysis Strategy Resources
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World oil consumption: North / South

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The decline in oil consumption is very fashionable in recent months, more precisely the decrease of consumption of oil in North America and in Europe. It is not necessary to confound the consumption of oil of the countries of the North with the world oil consumption.

Even though the decrease of the oil consumption in north America and in Europe is likely, it is less obvious on a world scale.

Is the question to know if the decrease of oil consumption in north America and in Europe will be compensated by the countries of South?

The consumption of oil

North (north America - Europe) :

1 billion of inhabitants, either 15% of the world population.

The oil consumption is 16.4 billions of barrels of oil per year, either 52% of the world consumption of oil.

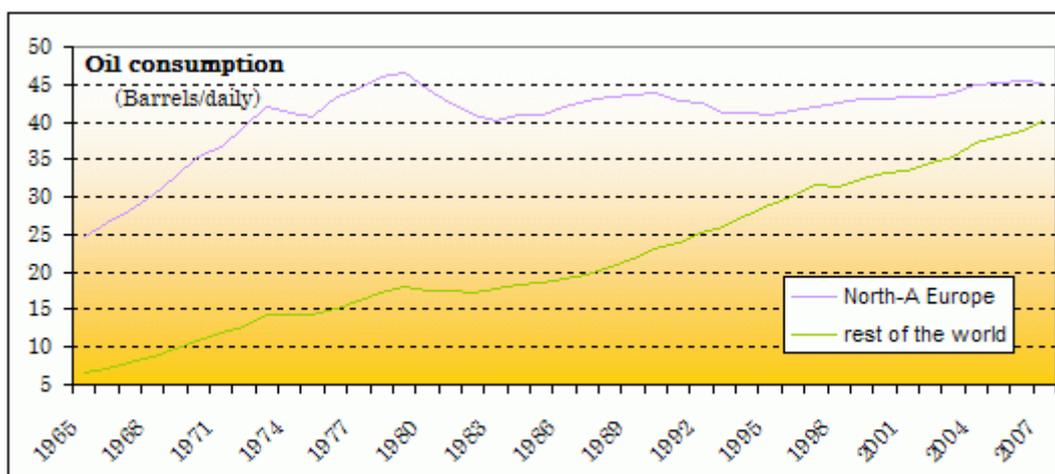
South (i.e “the rest” of the world):

5,6 billions of inhabitants, either 85% of the world population.

The oil consumption is 14.6 billions of barrels of oil per year, either 47% of the world consumption of oil.

Since 1965, the oil consumption in north America and Europe progresses of 61,7%, for the rest of the world the progression is however of 620%. In spite of all, this last consumes 7 times per capita less oil that north America and Europe together.

Since the oil crisis of the years 1980, the oil consumption of North stagnates whereas it increases for South. Since 30 years, the growth of the world consumption of oil takes place in the countries so called “*South*” rather than North...



The consumption of oil per capita

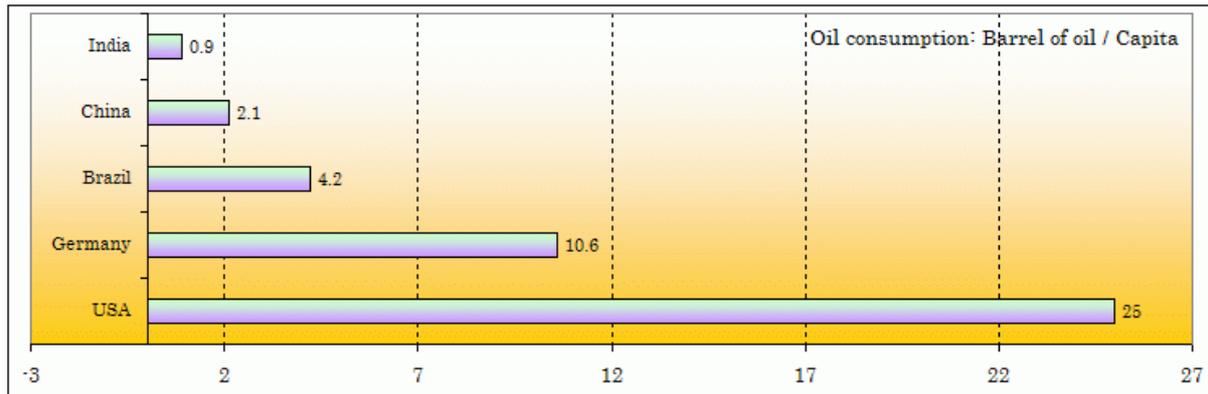
An American consumes 25 barrels of oil per year, either 3 977 liters of oil per year.

A German consumes 10,6 barrels of oil by, either 1 685 liters of oils per year.

A Brazilian consumes 4.2 barrels of oil per year, either 669 liters of oil per year.

A Chinese consumes 2.1 barrels of oil per year, either 347 liters of oil per year.

An Indian consumes 0.9 barrel of oil per year, either 145 liters of oil per year.



A Brazilian consumes 6 times less oil than an American, a Chinese twelve times less and an Indian 28 times less...

If China and India reach the same level of oil consumption that Brazil, the oil consumption would increase 300%! The world consumption would increase 20% then, to pass from 85 millions of barrels of oil per day to more of 102 millions of barrels per day (without counting the rise of consumption of other countries of Asia, Africa, South America and the Middle East...).

A world production of 100 millions of barrels per day, it is exactly the forecasting of maximum production of a big oil group. Beyond the evaluations of some independent specialists, they consider a maximum in the shape of tray between 90 and 100 millions barrels of oil per day. This production will rest mainly on oil-bearing countries as Iran, Iraq, the Arabia saoudite, Nigeria, Angola (political stability...), the heavy oils and bituminous sands of Venezuela and Canada (problems: technique, energizing output, price...).

Considering the massive consumption of the countries of North, we can consider a possible decrease then, however it would be necessary to take also in consideration a rise of the countries of the South that currently consumes little.

The 15% of the world population of the "*North*" consume the half of the world oil production, the 85% of the world population of the "*South*" consume the other half of the world oil production. However, the South has :

- A superior demographic growth.
- A more important economic growth.
- Of the relocated factories, from the North to the South.
- Adopts the life style greatly expensive in energy of the North.

In view of the distribution of the world oil consumption and the global reorganization of the economy, the decrease of consumption of the north could be compensated comfortably by the rise of consumption of the South in the future years.

The crisis makes lower the price of the short-term oil barrel in a sort of Pavlovian reflex of the balance offers demand, it is going to be devastating long-term for the world production of oil. The crisis doesn't permit to find new oil fields, it even prevents the exploration and the development of new layers by the downfall of the investments in the oil sector. Even the A.I.E (international Agency of the energy), whose optimism is not anymore to demonstrate, announcement that in the absence of massive investment the decline of the 800 bigger oil fields would be of 9% per year.

The barrel of oil to 50 dollars is a temporary aberration of the short-term prices that is going to have cyclonic consequences about these same prices of the long-term oil barrel. More we will remain to this level of price a long time, more the next wave of rise of the price of the oil barrel will be violent, we are in eye of the cyclone.

"We are in a world which I don't belong more already. The one that I knew, the one that I liked, had 1,5 billion of inhabitants. The present world accounts 6 billions of humans. It is not anymore mine". Claude Lévi-Strauss

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