

Global Oil and Gas Market Report, Trends, LNG and FLNG Analysis, and Refineries

The Global oil and gas report analysis upstream exploration and gas production, upstream oil production, and gas consumption

SEATTLE, WASHINGTON, UNITED STATES, December 5, 2020 /EINPresswire.com/ --
Market Overview



Global
Monitor

The Global Oil and Gas market demand in the first half of 2020 was market with extraordinary events, which have not been witnessed in the industry. The spread of COVID-19 has forced Global issue lockdown order, and impose travel restrictions and stay at home orders. Restrictions on movement have drastically reduced the usage of automobiles, industrial activity, shipping, and transportation. This impact was immediately felt on the of the Global oil and gas demand. The demand collapse in the Global was estimated to be more than 30% in April 2020. Lack of physical demand for crude oil saw prices to collapse quickly. LNG prices which were already under pressure from weak fundamental have also fallen further as working from home has caused a sharp decline in global electricity usage. From the end of Mid-June 2020, the lockdown restrictions began to ease and the slow return of the market to normal conditions is underway. Though lockdown restrictions in the country are ending, the full return of pre-COVID19 fuel consumption level has yet to be seen.

The Global report focuses on the impacts of COVID-19 across supply and demand for oil & gas and LNG. With the ease in lockdown measure in the Global, the economic activity is rebounding with a growing demand for fuel demand. The Global oil and gas demand is expected to return to 2019 levels only after 2023 or 2024, although early recovery is expected based on the availability of the vaccine in the country.

China, which was one of the first hit countries has existed lockdown in March and the slow recovery of market consumption to pre-pandemic levels provides hopes for Global oil and gas market. One of the key development in the global oil and gas industry in 2020 was the agreement of OPEC+ countries to initiate production cuts in early April 2020. The New Agreement focuses on reducing the global supply by 10% from May to July due to the significant drop in the global demand in 2020. For the first time in the history, US crude benchmark WTI price has gone negative during April implying that contract holders are paying buyers to purchase crude. The Global oil and gas market in H2 2020 is expected to have one of the worst demand in the past decade due to the COVID-19 pandemic. The prospects of the second wave of

infection and additional lockdown measures could further dent the hopes of recovery of the oil and gas market in the country.

Crude Oil prices are predicted to increase as fundamentals are set to improve over the next few years, as OPEC+ is focusing on keeping the production levels moderated. Easing of COVID-19 lockdown and improving fuel demand will provide scope for price recovery. The uncertainty over the long term impacts of COVID-19 on the oil and gas industry demand in Global will continue in 2020.

Despite the unprecedented collapse in fuel demand of nearly 6.0mn b/d estimated for 2020, our 10-year forecast shows no sign of peak oil demand in the decade to come although our growth outlook falls well below historic averages hastening the pace of peak demand. Despite the huge collapse in the global fuel demand estimated at nearly 5.81mn b/d by 2020, there is no sign of peak oil demand in the upcoming years, though growth outlook falls well below historic levels

With an increase in people working from home, this could seriously impact the recovery of the oil and gas demand in the long term. A significant drop in the transportation requirement will result in a huge drop in oil and gas consumption. Air travel is also likely to be heavily impacted segment of transportation as a result of COVID-19. With more companies focusing on having virtual meeting post-COVID-19 and focus on reducing unnecessary travel, air transportation and fuel consumption by the airline industry will also be impacted. The recovery of the air travel will be slow with domestic flights seeing a ramp-up before international travel. If social distancing measures are imposed by governments, IATA estimates that airfares would increase by an average of 50% to accounts for reducing the number of seats. This increase in airfares would huge hamper the growth prospects of the airline industry.

The oil and gas market in North American, European, Africa region is forecasted to witness the largest decline in the CAPEX due to low oil prices, impacting the new investments. Oil and gas producers in the US have reduced the CAPEX plans by 40% in 2020 compared to 2019.

European oil and gas companies are expected to post more than 25% decalin in CAPEX in 2020. Investment in the short term are being postponed and exploration costs are being reduced to adjust to the lower oil prices. Europe's higher development and operating costs have put new investments at a disadvantageous position in comparison to other regions.

European-focused oil and gas companies will face a tough year and we expect them to post a 27% decline in CAPEX for 2020. Short- cycle investments are being deferred and exploration costs are being cut to adjust to lower oil prices. The region's higher development and operating costs put new investment at a disadvantage in comparison to other lower-cost regions.

Bhanu Reddy
Global Monitor
+1 206-809-0882

[email us here](#)

Visit us on social media:

[Twitter](#)

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/532162015>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2020 IPD Group, Inc. All Right Reserved.