

# How electric vehicles are accelerating end of the oil age

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There is plenty of hand-wringing on display at the COP28 climate conference in Dubai about the slow pace of reducing the consumption of fossil fuels to fight climate change. But one positive that delegates can point to is the growing fleet of electric vehicles worldwide that is already making a surprisingly big dent in demand.

Growing sales of electric vehicles in recent years have led forecasters to speed their projections for when global oil use will peak, as public subsidies and improved technology help consumers overcome the sometimes eye-popping sticker prices for battery-powered cars, according to industry experts.

The Paris-based International Energy Agency (IEA), a grouping of 29 industrialised nations, expects world oil consumption to hit its zenith at the end of this decade at 103 million barrels per day, after making regular adjustments from its 2017 forecast of a nearly 105 million bpd peak in 2040.

“The game-changer has been the policy support for the shift to electrification quite substantially reducing oil demand from transportation sector, which has been the key driver of global oil demand



growth,” said Apostolos Petropoulos, an energy modeler at the IEA.

Oil giant BP has pushed forward its global peak oil demand projections, while the governments of both the United States and China - the world’s two biggest oil users—have ratcheted back their domestic consumption forecasts.

Transportation is responsible for about 60 per cent of world oil demand, with the United States alone accounting for around 10 per cent, according to the IEA. That share should fall, as the IEA expects EVs will have erased some 5 million barrels per day of world oil demand by 2030.

Global EV sales now make up about 13 per cent of all vehicle sales and are likely to rise to between 40 per cent-45 per cent of the market by the end of the decade, according to the IEA. That is thanks to a blend of increasingly stringent efficiency standards and subsidies introduced by various governments about the world since the 2015 Paris Agreement to hold global warming to within 1.5 degrees Celsius (2.7 degrees Fahrenheit) above pre-industrial temperatures.

The latest subsidy measures include the U.S. Inflation Reduction Act’s \$7,500 tax credit for purchasing a new EV, passed last year and intended to help offset high sticker prices. While those numbers



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are big, the IEA has said EV sales would need to be even higher on the order of 70 per cent of the market by 2030 —to keep to the Paris Agreement target for limiting warming.

Whether sales can scale those heights is uncertain. EV makers including General Motors, Ford and Stellantis in recent weeks have delayed or scrapped plans to accelerate production.

## The elephant in the expo centre: Who’s hosting COP29?

There’s an unprecedented deadlock at this year’s COP28 UN climate summit over who will host next year’s event.

The conference’s opening days saw scant reference to COP29, unlike in previous years, when speakers usually namecheck the next COP presidency to show that the world’s climate fighting strategy is mapped out for years to come.

By this stage, the next host is normally planning the summit and laying the diplomatic groundwork for their presidency.

Under UN rules, it is the turn of eastern Europe to host a COP, and the decision must be unanimous by all countries in the region. The Ukraine war, however, has made that all but impossible.

Russia, which is being sanctioned by the European Union for invading Ukraine, has opposed holding COP29 in an EU member state and is blocking Bulgaria’s bid. **REUTERS**

## EU scientists say 2023 will be warmest year on record globally

European Union scientists said on Wednesday that 2023 would be the warmest year on record, as global mean temperature for the first 11 months of the year hit the highest level on record, 1.46°C (2.63°F) above the 1850-1900 average. The record comes as governments are in marathon negotiations on whether to, for the first time, phase out the use of carbon dioxide-emitting coal, oil and gas, the main source of warming emissions, at the COP28 summit in Dubai.

The temperature for the January-November period was 0.13°C higher than the average for the same period in 2016, currently the warmest calendar year on record, the Copernicus Climate Change Service said. November 2023 was the warmest November on record globally, with an average surface air temperature of 14.22°C, Copernicus added.

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