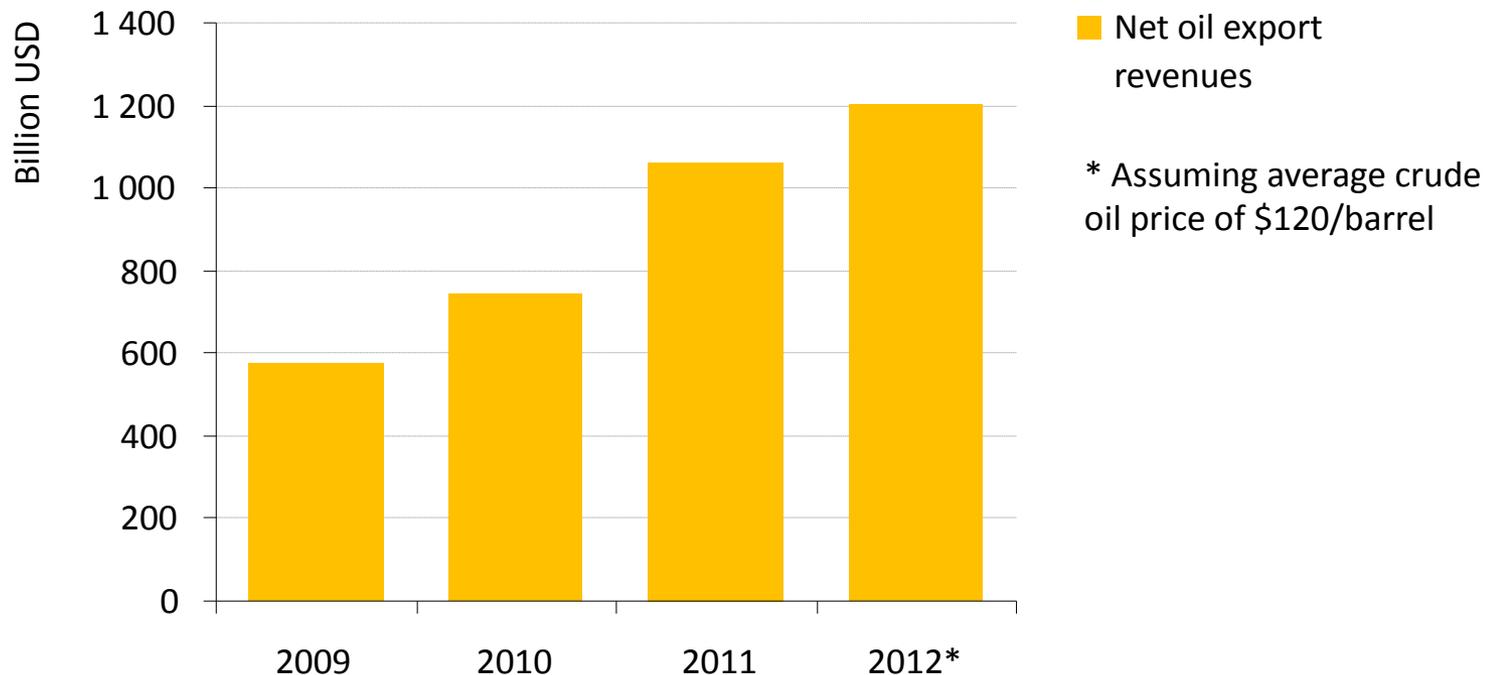


WORLD ENERGY OUTLOOK

Impact of high oil prices on the economy

OPEC revenues on track to reach another record high

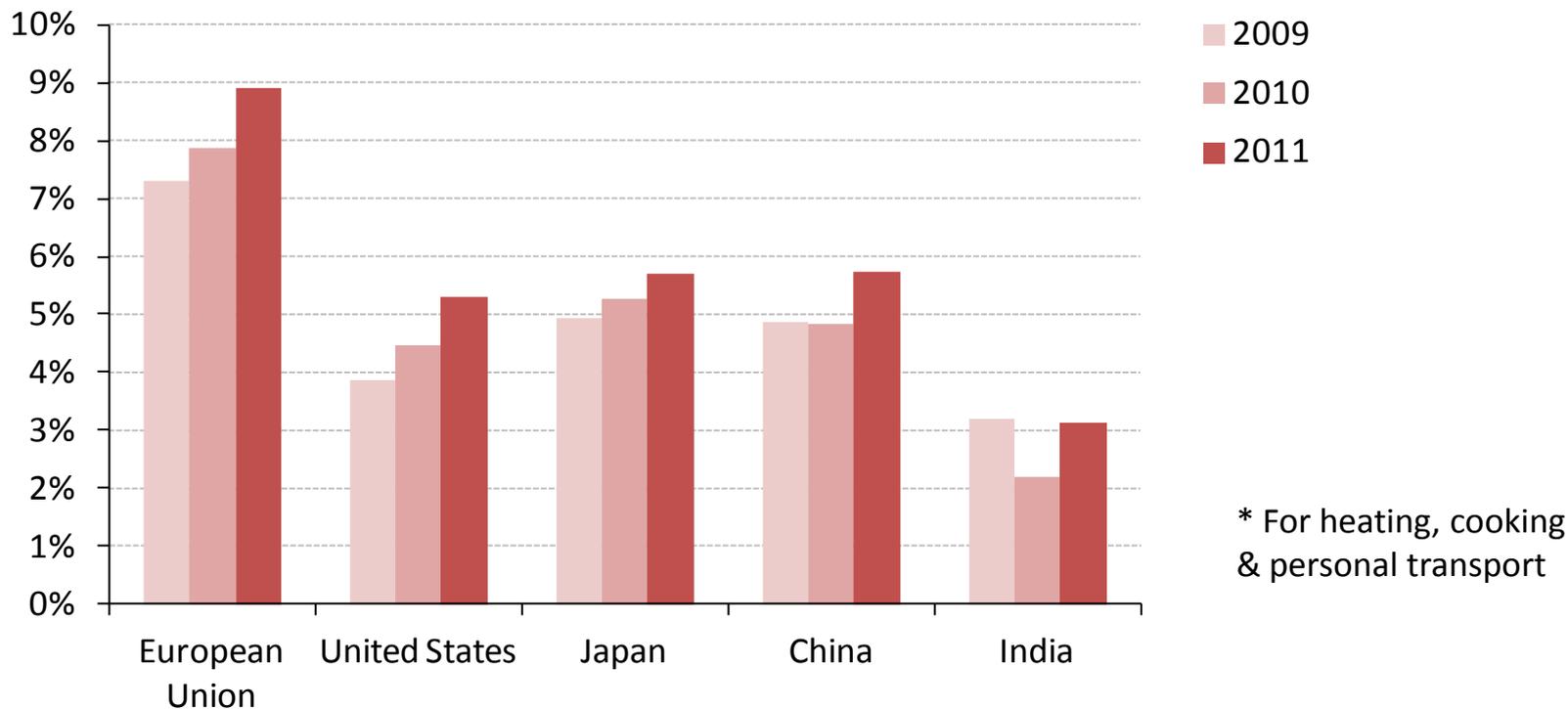
OPEC oil-export revenues



If oil prices average \$120 a barrel in 2012, OPEC is set to earn export revenues of \$1.2 trillion – an increase of \$130 billion on 2011

Households are being hit hard

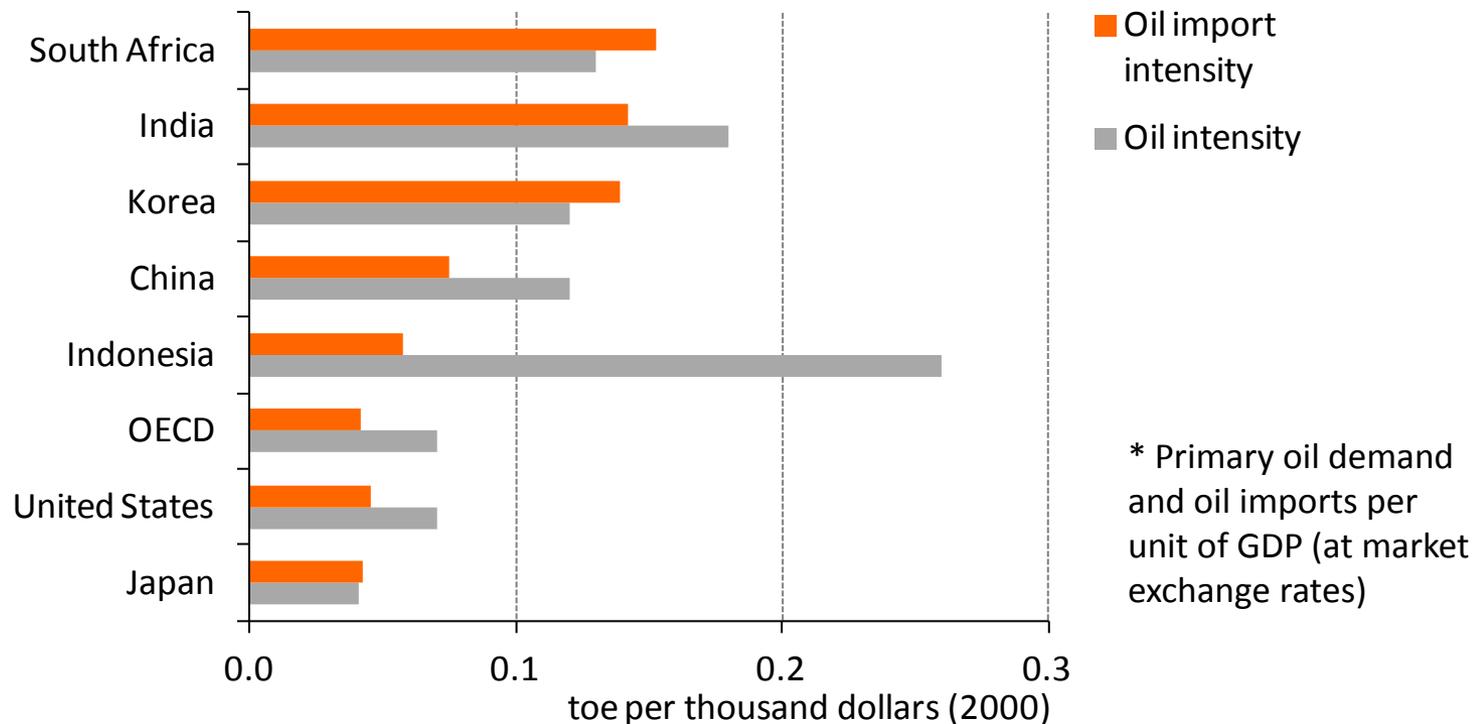
Share of oil and gas* in household spending in selected countries



The increase in the share of energy in household spending is most marked in Europe because of consumption patterns, the weak euro & high rate of taxation – especially on transport fuels

Oil-import intensity is the key factor

Oil and oil-import intensity*, 2009



The oil-importing developing countries use more imported oil per dollar of GDP so suffer proportionately more than the importing OECD countries from higher oil prices

- High oil prices are contributing to the global economic malaise
- Fossil-fuel subsidies are now a growing fiscal burden in many countries
 - *Without reforms & if oil prices average \$120/bbl, subsidies could top \$630 billion this year*
- Further price rises could plunge the world economy back into recession
- Countering the economic threat from high energy prices requires cutting oil (and gas) import dependence
- Improving energy efficiency & boosting low-carbon energy would enhance energy security