

Global energy consumption

A very informal analytical framework

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Global energy consumption and demand is dominated by a surprisingly small number of countries, which helps narrow the focus for market analysis considerably and makes the problem much more tractable.

Just 21 countries accounted for 80% of the world's total primary energy consumption in 2021 ("Statistical review of world energy", BP, 2022).

- **China** and the **United States** are true energy giants, together accounting for more than 42% of world consumption.
- **India** and **Russia** are both very large energy consumers, with more than 11% between them, and bring the combined share to more than 53%.
- Seventeen moderately large energy consumers account for a further 27% and take the total to 80%:
 - Nine could be characterised as advanced and high-income economies and account for a 15% share (**Japan, Canada, Germany, South Korea, France, United Kingdom, Italy, Australia and Spain**).
 - Eight are developing and mostly middle-income economies and account for 11% (**Brazil, Iran, Saudi Arabia, Indonesia, Turkey, Mexico, Thailand and South Africa**).

None of the remaining countries accounts for a significant share of global consumption so they can be safely ignored (though some are major suppliers of oil, gas or coal).

From an analytical perspective, the United States and China are *sui generis*, and need to be tracked individually; the same is true for India and Russia.

The remaining large consumers can be conveniently analysed as two groups of advanced and developing economies (Saudi Arabia is a slightly uncomfortable fit since its average income per capita puts it in the high-income group but its economy has many of the characteristics of a developing country).

The advanced group mostly consists of small economies with high levels of openness to trade focused mainly on advanced manufactures and services (Australia is a partial exception with its greater focus on commodity exports).

The developing country group consists mostly of open economies focused on commodity exports as well as relatively low-value added manufacturing and component assembly.

The advanced economy group tends to receive far more attention from news organisations and consultancies based in North America and Western Europe.

But the developing country group accounts for nearly as large a share, is far less written about, and should receive more attention than it does at present.

Both groups *respond* to rather than *lead* the global manufacturing and economic cycle, therefore they tend to *amplify* changes in the cycle originating elsewhere – usually from the United States and China.

These seventeen countries play a key role in the transmission and amplification of economic and energy shocks through the global economy so they are worth more attention than they generally receive individually and collectively.

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