

INSIDE BUSINESS**IEA introduces
2016 World
Energy Outlook**

» **THE 2016** World Energy Outlook prepared by the International Energy Agency was introduced yesterday at a meeting organized by Sabancı University İstanbul International Energy and Climate Center.

Speaking at the introductory meeting of the International Energy Agency (IEA), Executive Director Dr. Fatih Birol said the most serious growth in the energy sector will occur in the field of renewable energy in the next 25 years. He added that as of last month, the Middle Eastern countries have reached the highest level over the last 40 years with a share of 35 percent in the world's oil production.

Birol noted that rock gas and oil have had major impacts on economic and geopolitical developments in the world and that serious developments are expected in liquefied natural gas (LNG) in the coming years.

Suggesting that last year was the year of records for renewable energy, Birol stressed that more than 50 percent of newly established power plants in the world were made up of renewable energy sources in 2015.

Recalling that the biggest contribution to the world's total energy consumption has come from coal over the past 25 years, Birol said growth in coal will slow down significantly in the next 25 years, the demand in petroleum will grow slower than in the past, the most serious growth will come from renewable and nuclear energy, known as clean technologies, and in the next 25 years, renewable energy will lead the way in growth within the framework of existing policies.

**RENEWABLE ENERGY
COSTS ARE FALLING RAPIDLY**

Birol said the fact that China and the United States have realized incentive measures by developing serious policies on renewable energy has increased expectations for the decline in costs to continue.

Pointing out that the costs of solar energy have decreased by 80 percent in the last five years and the costs in wind by one-third, Birol said this situation makes renewable energy more competitive than other sources.

Underlining that the expectations will be more positive next year, Birol said the condition for this to happen depends on governments being able to realize serious renewable energy policies, and even this growth is not enough to reach the 2 degrees Celsius objective (temperature increase limit) in Paris, stressing that much faster growth is needed for that.

**US OIL IMPORT WILL
GO DOWN TO ZERO**

Explaining the U.S. is now an oil importing country, Birol said U.S. oil imports will go down to zero almost within 10-15 years, which will affect not only oil markets, but many other areas as well, according to their estimates, and oil production will increase significantly in the U.S. especially with the new administration.

Birol suggested that they expect a very volatile period in the oil markets, stressing that the lack of current investments can create serious problems in a few years, and the number of new oil investment projects in 2015 and 2016 have maintained the lowest levels since 1950. "The number of newly discovered oil fields in 2016 is the lowest of the last 40 years. In that respect, if the demand for the next two-three years continues to grow at a rate of 1 million barrels per day, as in the current situation, the world oil markets may face major problems," Birol added.

**ISRAELI GAS IS THE MOST
ECONOMICAL SOLUTION**

Commenting on the route of the Israeli gas, Birol said the course of the gas in Israel will be debated for years, and from only an economical and financial perspective, this gas' course through Turkey seems like one of the most economical solutions.

Birol also added that the Middle Eastern countries have learned their lessons from the reduction of oil prices and have taken steps to save their economy from the mentality of a single product economy. **ISTANBUL / DAILY SABAH WITH AA**