

Written on 01 October 2012 30 minutes of reading

Economic outlook

Issues and Foresight

Responsible oil and gas

Economics

IFPEN analyses in this study the 2012 evolution of global investment in the field of exploration-production and refining. The word “contrast” also springs to mind when looking into how investment in hydrocarbons has changed, with an upstream sector that is flourishing and a downstream sector that is treading water.

In spite of the uncertain economic context, investment in exploration-production is still increasing at a healthy rate, with activity reaching record levels in all areas. The decline in activity of 2009/2010 now seems a long way off. As far as refining is concerned, investment has only risen very modestly, despite a somewhat encouraging 2011. It has only been driven by Asia and the Middle East and — to a lesser extent — South America.

SUMMARY

Oil and gas prices - exacerbated instability

- Exploration production: continuation of the boom cycle
- A rise in investment
- In the news

Main markets in the upstream oil equipment and services sector

- Drilling
- Geophysical market
- Offshore construction

Refining consolidating the imbalance between long-term demand and capacity

- Increase in world refining overcapacity and decrease in refinery utilization rates
- Economic break on proposals for new capacity
- Overall improvement in refining margins in 2012
- New slowdown in refinery industry spending in 2012
- Future investments, heightened competition on the export markets in the mid-term
- Impact of the development of unconventional oil refining in the US and Europe

> **Download the report** *(PDF - 2.5 Mo)*

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Investments in exploration-production and refining in 2012
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