



Tracking Fossil Fuel Subsidies and Energy Investments: A Global Perspective

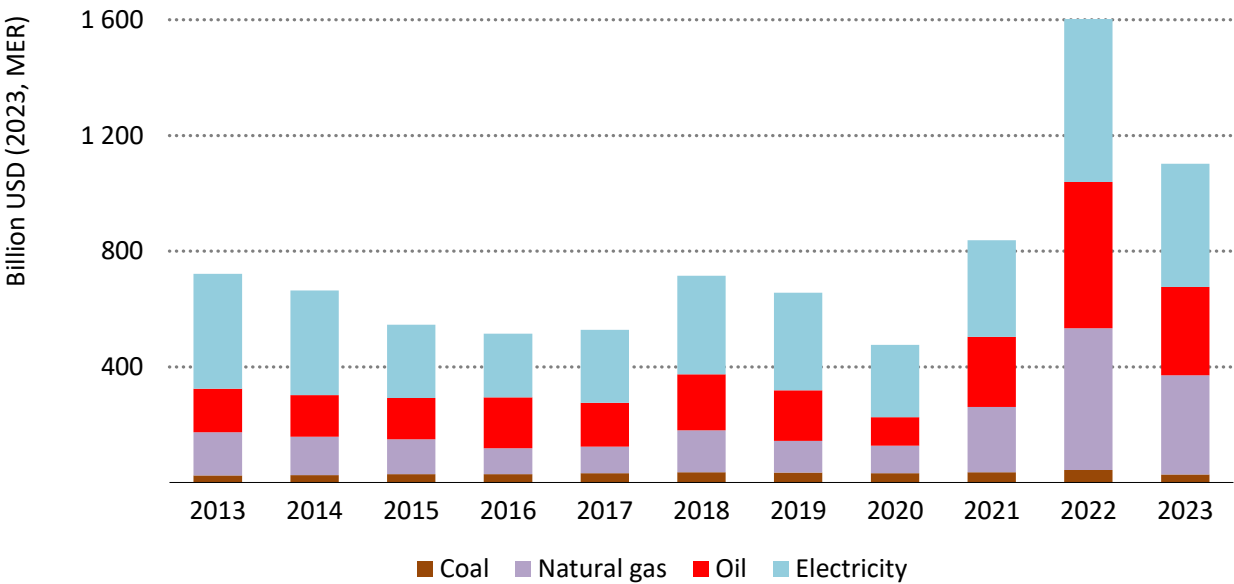
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WTO FFSR Geneva

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Fossil fuel support measures drop in 2023 after 2022 peak, but remain high...

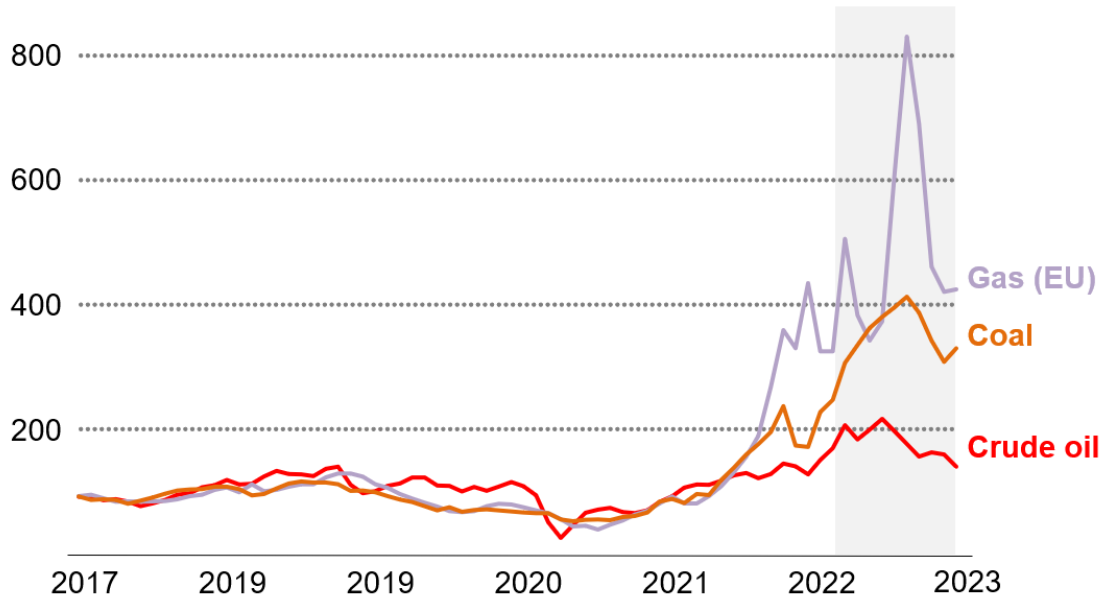
Global government support measures for fossil fuel, 2013-2023



Bringing together IEA estimates with OECD inventory-based analysis produces a more complete picture and shows a sharp increase in government support measures for fossil fuels in 2022; most of these are consumption subsidies

The energy crisis has brought affordability concerns to the fore

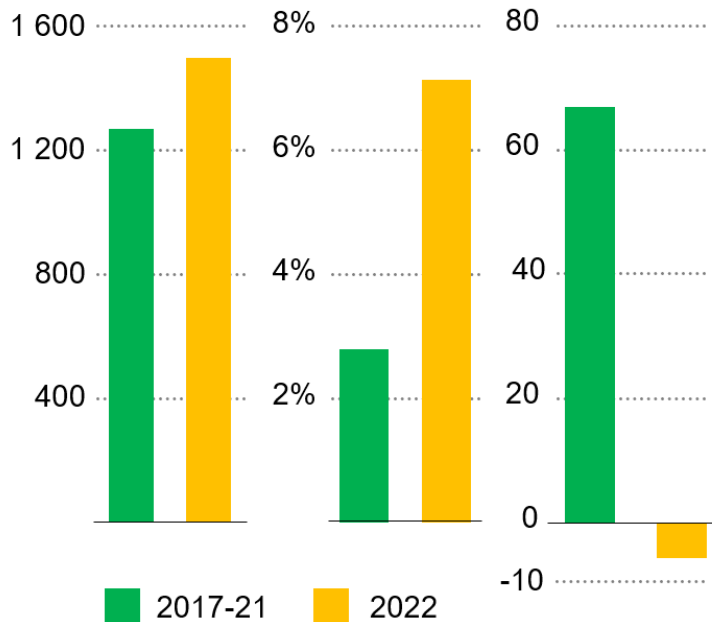
Selected commodity prices
Index (January 2017 = 100)



Household energy bills
(USD/year)

Headline inflation
(%)

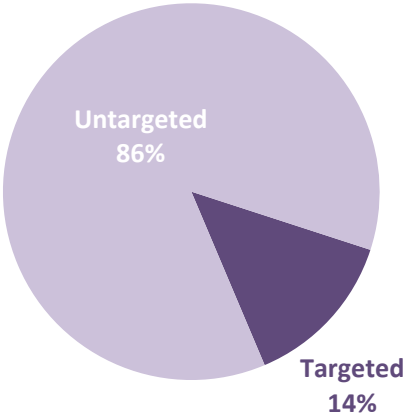
People gaining access
(Millions)



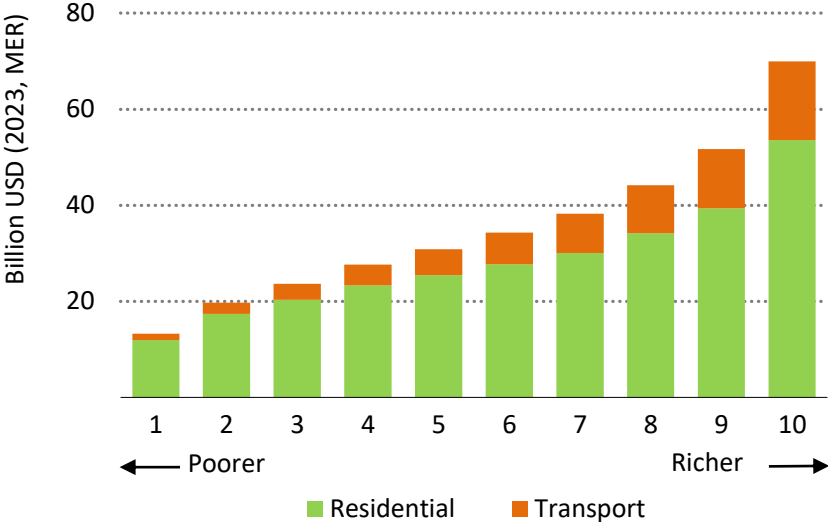
Price spikes for fossil fuels during the global energy crisis made energy unaffordable for many: governments intervened with additional support, but consumers around the world still spent nearly \$10 trillion on energy in 2022.

Poorly targeted and disproportionately benefit higher-income groups

Fossil fuel subsidies
616 billion USD (2023, MER)



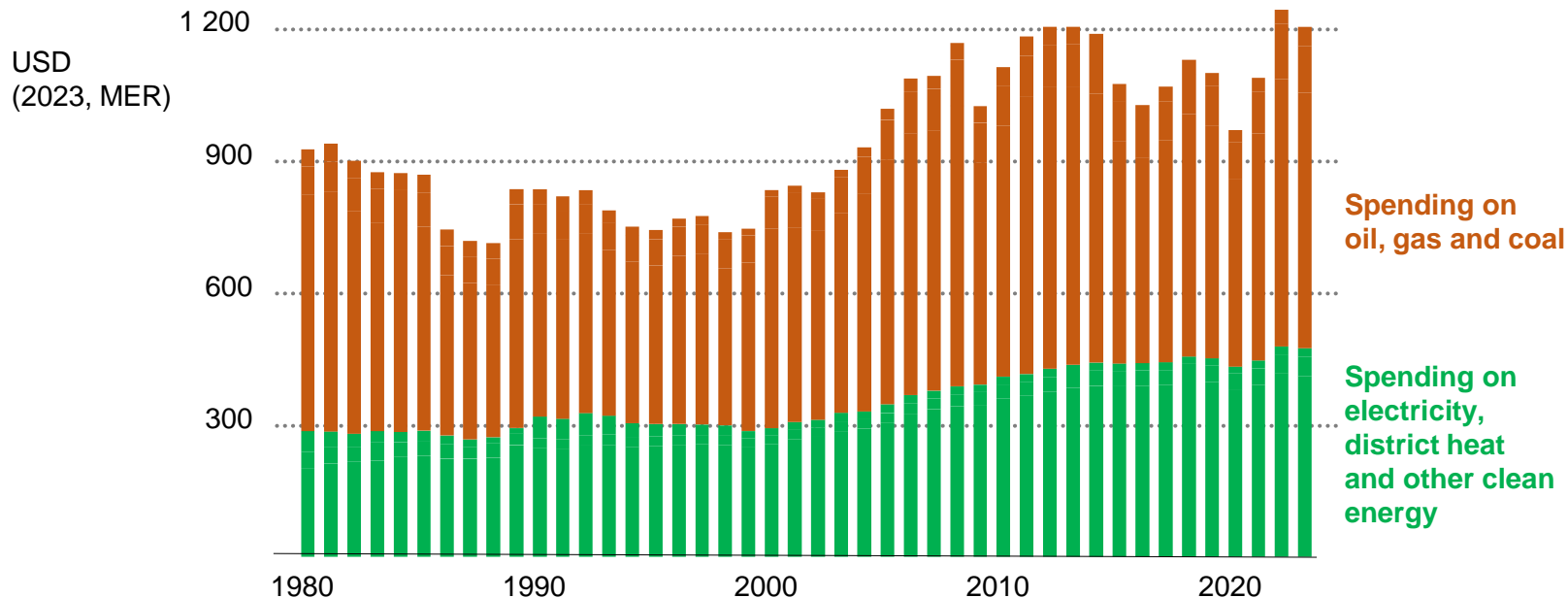
Fossil fuel subsidy distribution by household income decile, 2023



Only 14% of fossil fuel consumption subsidies are targeted, and the poorest two income deciles of households receive only 10% of residential and transport fossil fuel subsidies

Clean energy transitions reduce the volatility in energy spending

Global per capita energy spending

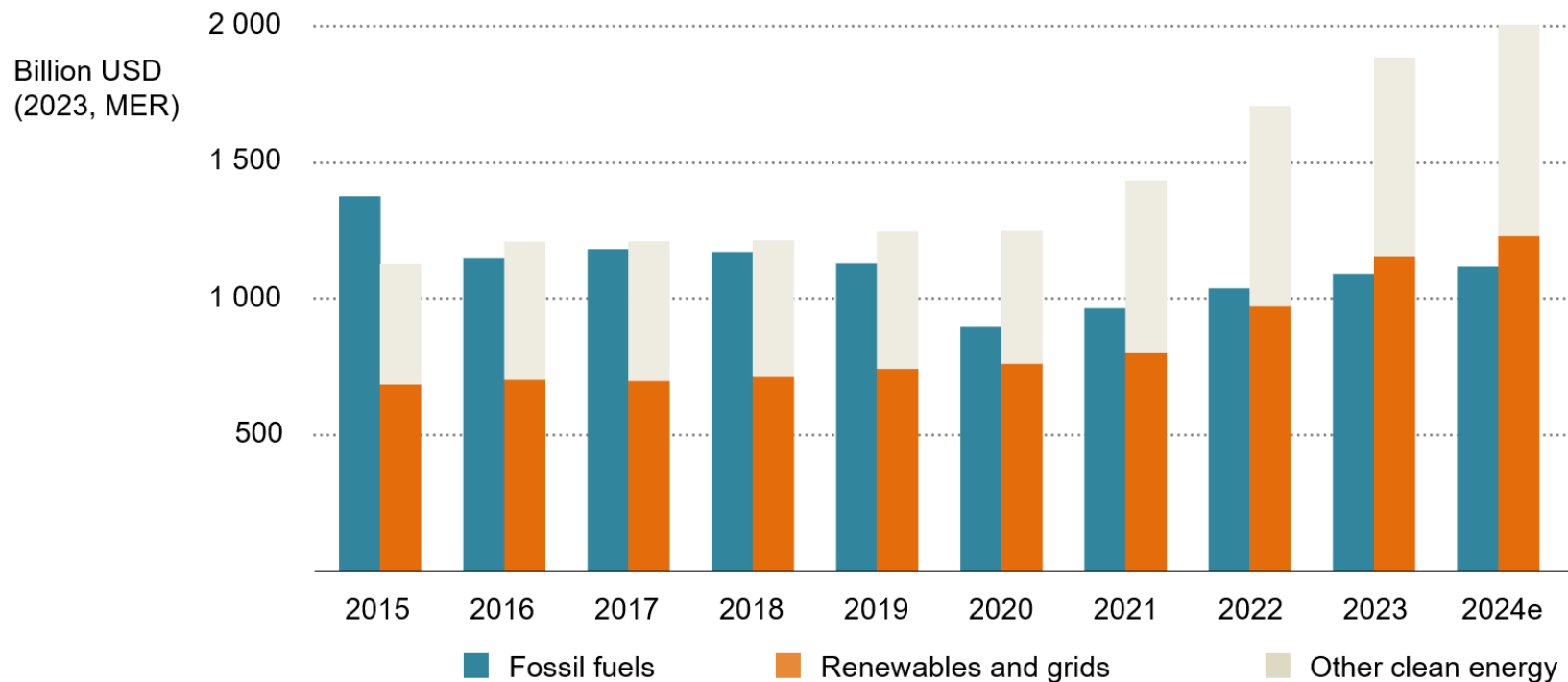


Volatile oil and gas prices have fuelled uncertainty for consumers, while increasing electrification – even when the electricity is generated by fossil fuels – has been bringing greater predictability to consumer spending

World Energy Investment 2024

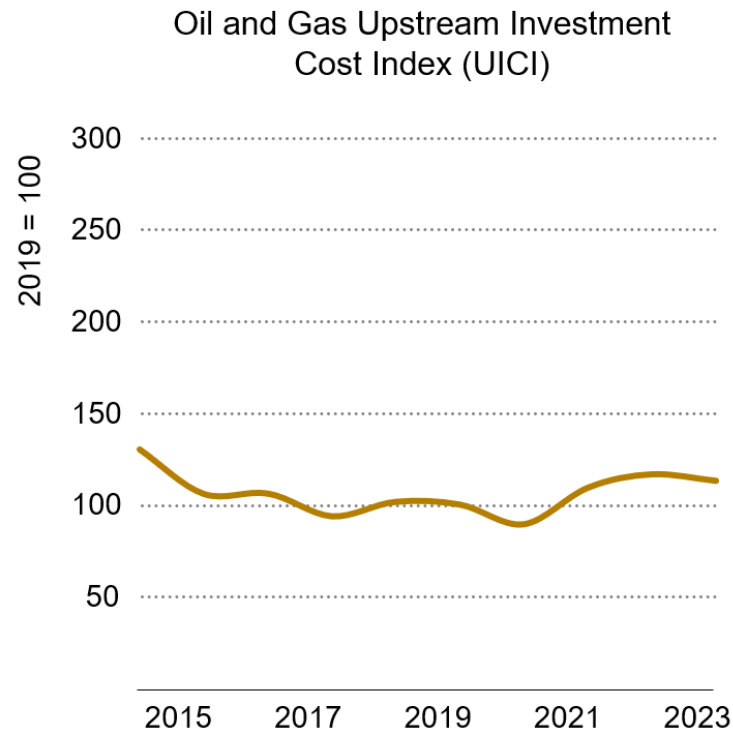
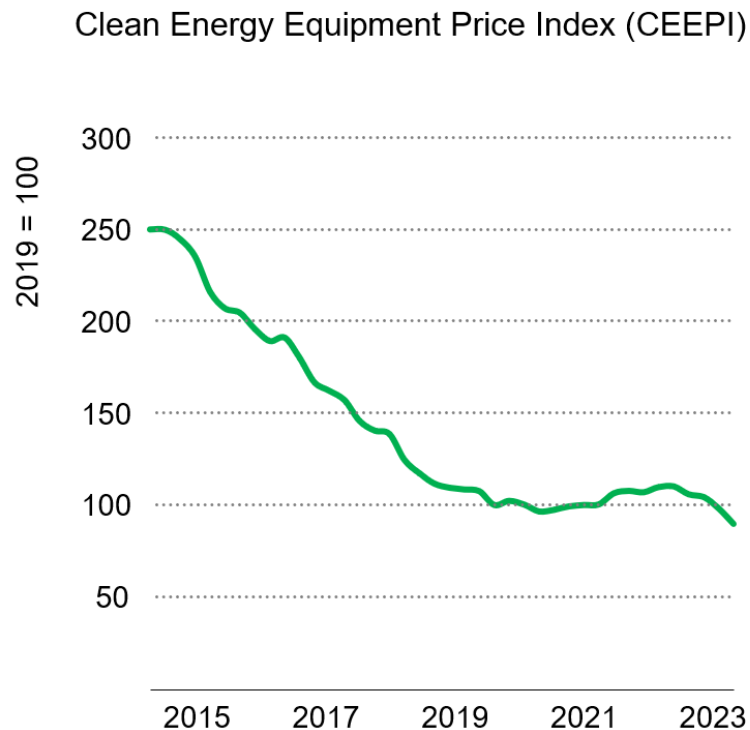
The energy world is transforming

Global investment in clean energy and fossil fuels, 2015-2024e



Total investment in the energy sector is set to top USD 3 trillion in 2024, thanks mainly to strong clean energy growth. Spending on renewable power and grids, on its own, is now higher than investment in fossil fuels.

Technology cost pressures are easing, but financing costs are up



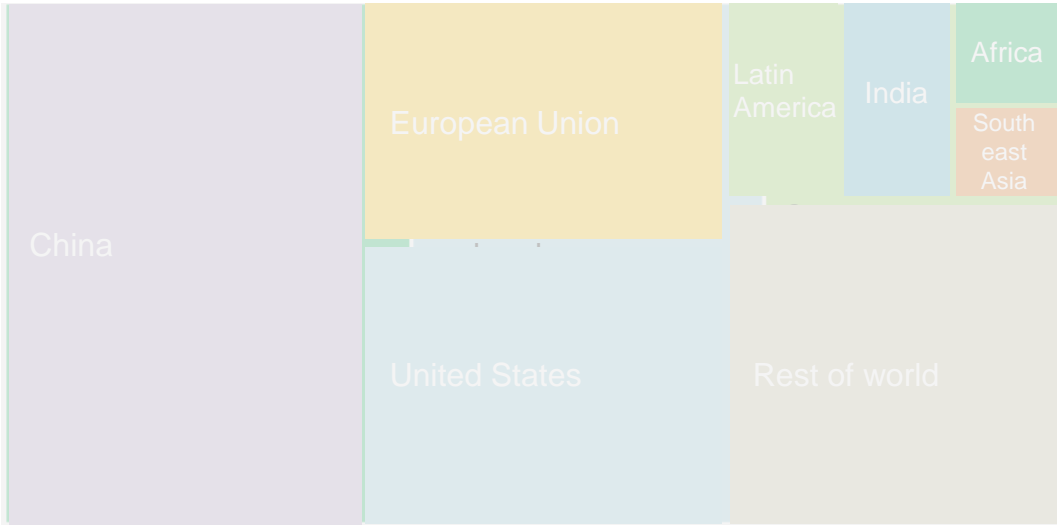
Supply chain bottlenecks & more expensive mineral, energy & material inputs pushed up costs in 2021-2022: these pressures are easing, but higher interest rates & financing costs provide a headwind for capital-intensive projects

Clean energy investment is now nearly double that of fossil fuels

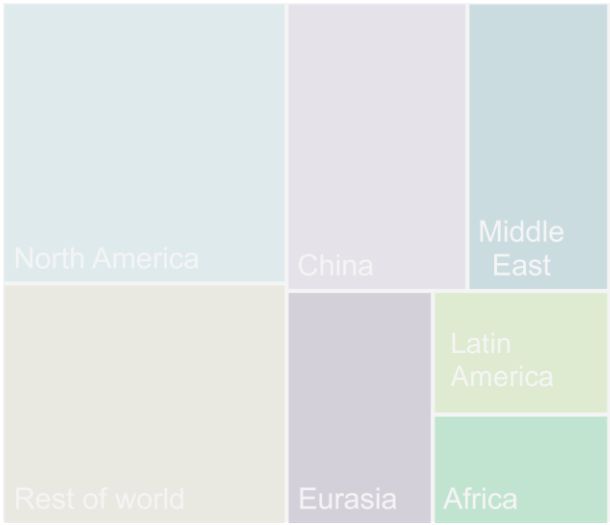


Global investment in clean energy and fossil fuels, 2024e

Clean energy (USD 2 Trillion)

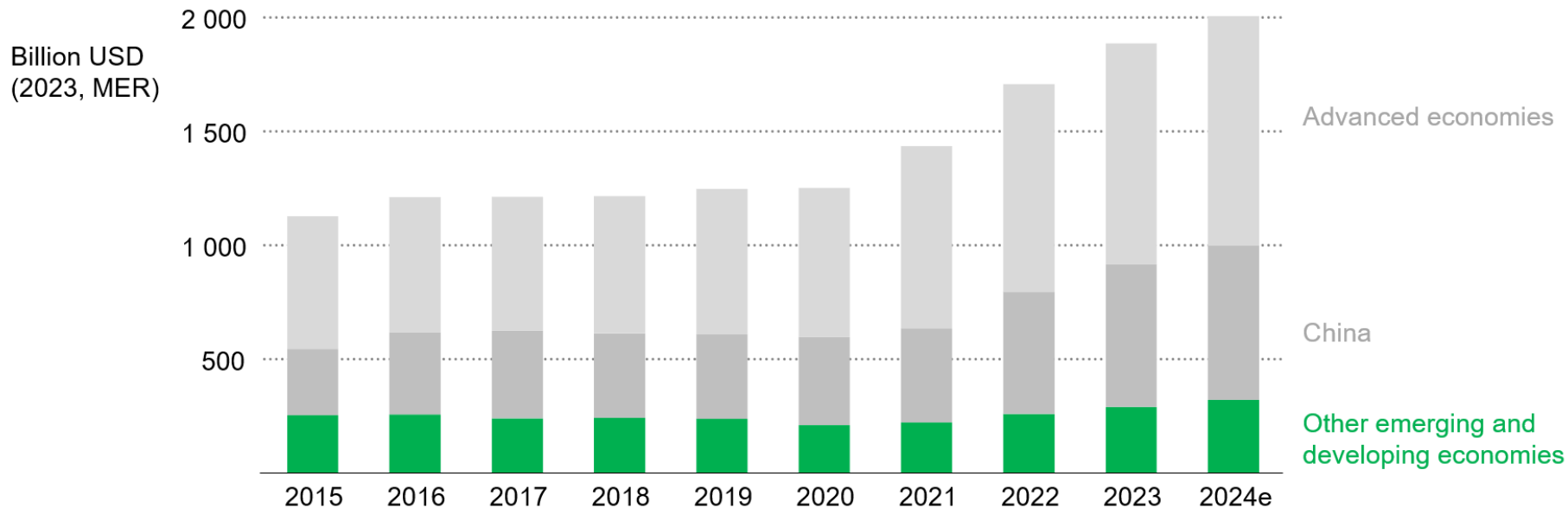


Fossil fuels (USD 1.1 Trillion)



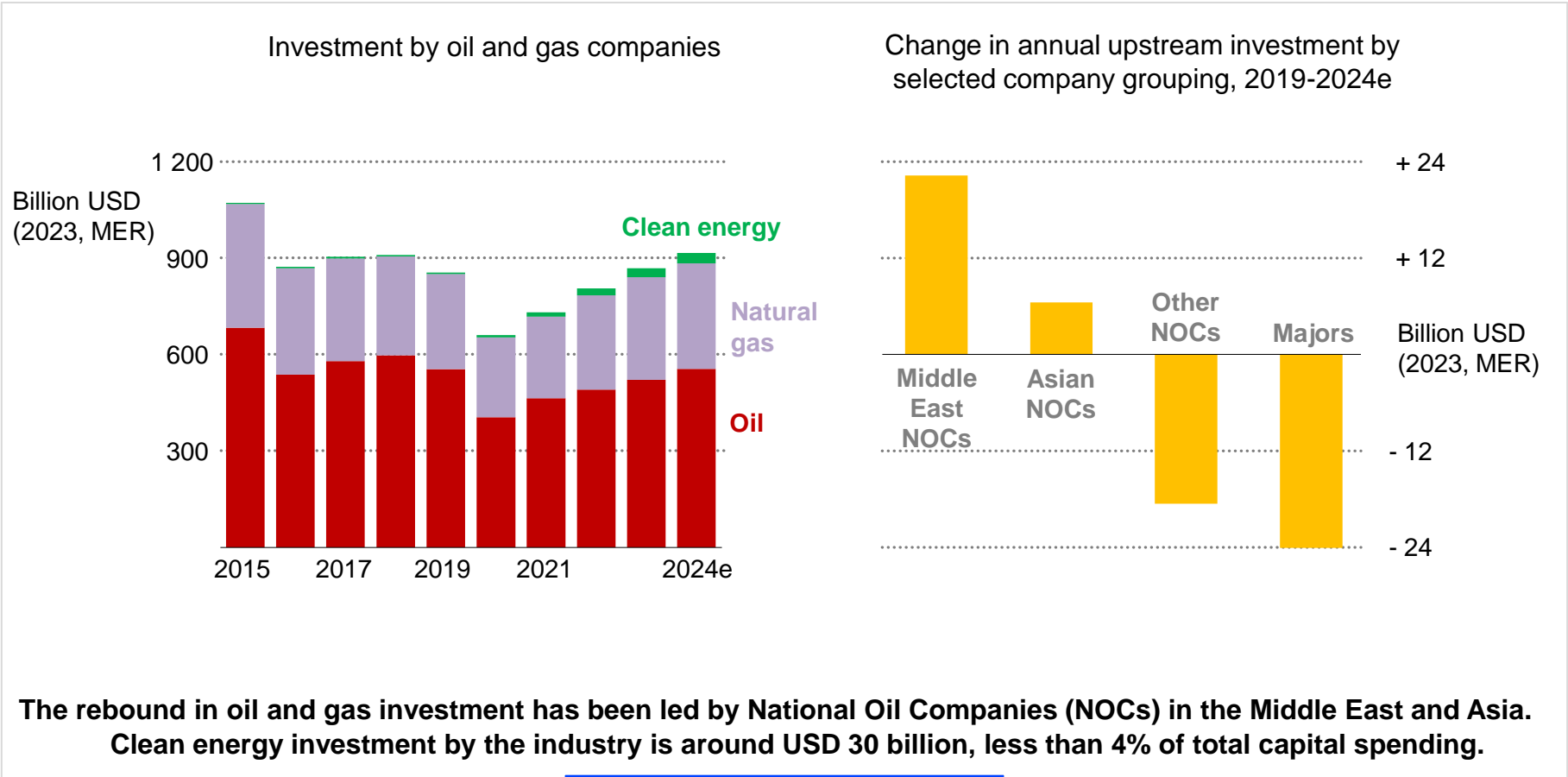
A growing imbalance in clean energy investment flows

Global clean energy investment

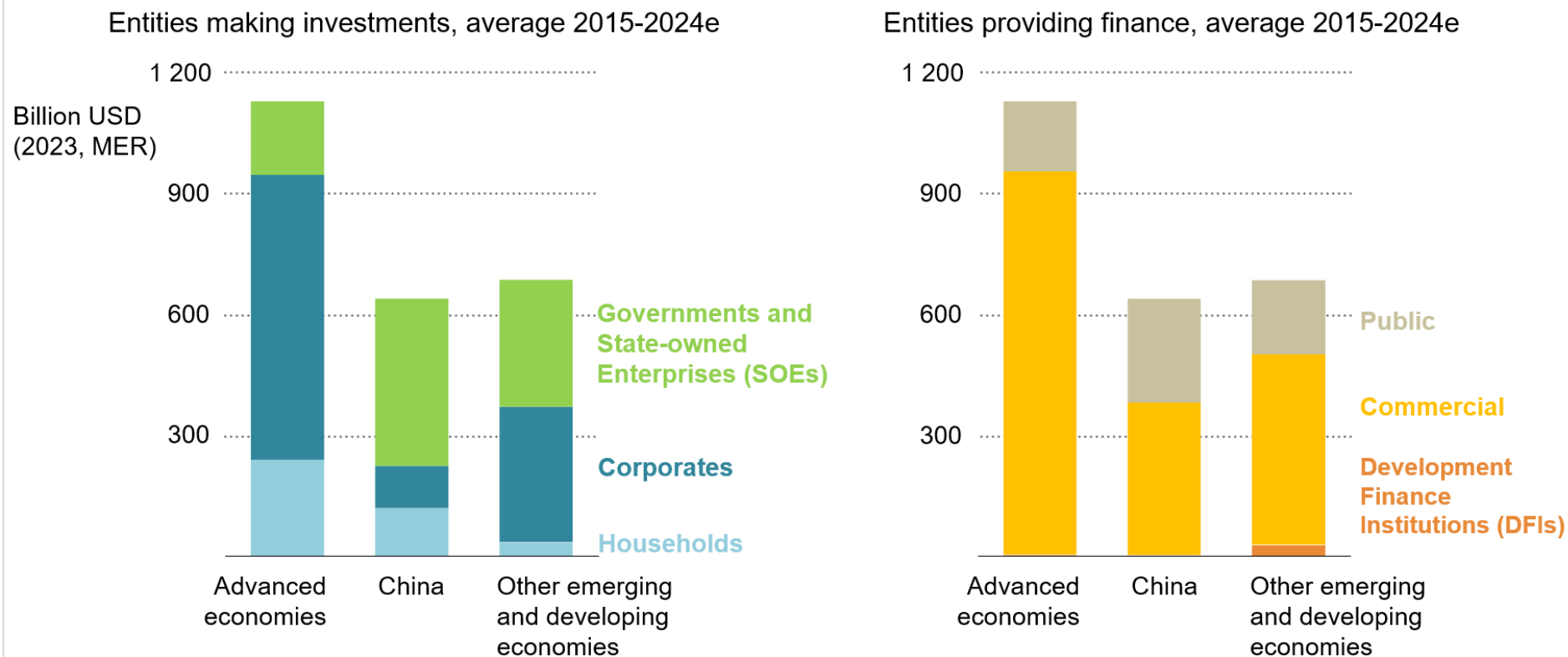


Two-thirds of the world's population live in emerging and developing economies outside China, but these countries account for only around 15% of global clean energy investment

Oil and gas investments have returned to pre-pandemic levels



Who is making energy investments... and who is financing them?



The situation varies by region, but 45% of worldwide energy investments are made by private firms, 35% by states & SOEs and 20% by households. DFIs have a vital role to catalyse finance in higher-risk countries & technologies

