Australia’s role in meeting Asian energy demand growth

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Office of the Chief Economist
February 2016
Australia’s abundance of energy resources and reserves

- World’s largest uranium reserves
- 4th largest coal reserves
- 11th largest gas reserves
- 2013-14 energy production - 18,715 PJ
  - Coal 66%
  - Uranium 14%
  - Natural gas 13%
  - Crude oil, condensate, LPG 5%
  - Renewables 2%

Source: Geoscience Australia and BREE (2014) Australian Energy Resource Assessment
A rich resource base supports Australia’s position as a net energy exporter.

The resources boom and its impact on Australia’s productive capacity

Index 2012–13=100

Terms of trade

Investment

Export earnings

Australia’s exports are dominated by resources and energy to Asia.

Australia’s largest export partner by value is China, followed by Japan, Korea, Chinese Taipei, and the ASEAN group of countries with India, south Asian and other small Asian countries bringing the total to over 80 per cent.

Australia’s largest export by value is iron ore, followed by thermal and metallurgical coal, then LNG, with other mineral ores and metals bringing the share to over 80 per cent.

> 80% to Asia

> 65%

15%

5%

Other goods

> 80%

energy, mineral resources and metals

> 80%
The Asia energy demand complex

Electricity consumption per capita

The energy trilemma

Energy Security

Energy Equity

Environmental Sustainability

industry.gov.au/oce
The dynamics of competition in Asian energy export markets

Major LNG importers (HHI)

Sources: IEA, Nexant and Department of Industry, Science and Innovation

Major thermal coal importers (HHI)

Sources: IEA, IHS and Department of Industry, Science and Innovation
Australian producers adjust to market dynamics

Source: Department of Industry, Innovation and Science and AME (2016) Export prices and quantities from Office of the Chief Economist and cost curve estimates from AME
Competitively priced and reliable energy supply to households, business and international markets through:

- **competition** that will improve consumer choice and put downward pressure on prices
- the more **productive use of energy** to lower costs, improve energy use and stimulate economic growth
- **investment** to encourage innovation and energy resources development to grow jobs and exports.
The resources boom encouraged large-scale investment in the sector that has increased Australia’s productive capacity.

Import demand from Australia’s key markets will be heavily influenced by policy settings relating to security, equity and sustainability.

There are many energy suppliers to Asia and Australia must remain competitive.

The energy sector and the Australian Government are undertaking measures to assist in Australia remaining a competitive supplier.
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