

Enabling the Energy Economy



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Meeting the world's growing energy needs will require not only trillions in investment, but commonsense public policy that allows markets to work.

Over the past 150 years, we've seen the greatest advancements in living standards in recorded history brought about by energy. These advancements have delivered light, heat, mobility, mechanized agriculture, modern communications and other benefits to billions of people around the world. Along the way, numerous consumers and businesses have come to depend on affordable, reliable energy to drive economic development and provide the goods and services the world needs.

As we look to further advance the world's living standards and to improve the quality of life for people everywhere in the years ahead, global energy demand will rise. In fact, the U.S. Energy Information

Administration projects demand will increase roughly 40 percent by 2035, and the world is going to need all forms of energy — crude oil, natural gas, coal, renewable and nuclear — to meet it.

In the past 10 years alone, the world has added three-quarters of a billion people to the middle class. And the global middle class is set to rise from an estimated 2.3 billion people in 2015 to nearly 5 billion by 2030. That's twice the population that will need fuel for heating and cooling, mobility, and manufacturing.

And we cannot forget the approximately 1.4 billion people around the world who still have no access to electricity, and a billion more who have access only

AT A GLANCE

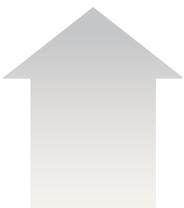
Global middle class is set to rise to 5 billion



2.5 billion
people still burn
solid fuels



1.4 billion
people still have
no access to
electricity



40%

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\$40,000,000,000,000

**in additional investments in energy supply and
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to unreliable electricity networks. Neither can we forget the more than 2.5 billion people who still burn solid fuels, such as wood, crop residue and dung, to cook their food and heat their homes.

Over the past decade, the world in general and the United States in particular have seen a resurgence of supply. As a result, many struggling nations see the ensuing low commodity prices as a blessing that

can provide much-needed stimulus. Yet while today's prices are good for consumers, they also have the potential to jeopardize future investments in new production.

According to the International Energy Agency, more than \$40 trillion in additional investments in energy supply and \$8 trillion in energy efficiency will be required to meet the world's energy needs through 2035. That is equivalent to roughly 60 percent of 2014 global annual gross domestic product.

To ensure that sufficient capital is invested, it's essential that the policies and regulations governing the energy industry support the continued development of reliable and affordable supplies. Unfortunately, there are many examples of government interventions in the energy marketplace that hurt business and, ultimately, consumers. We have seen complicated systems of production and price controls that have caused artificial shortages in the past. And in recent years, we've seen how subsidizing one fuel over another can undermine economies and industries, which again underlines how important it is for governments to allow markets to work.

Energy-producing nations must develop commonsense policy frameworks that not only support further development of resources, but enable this affordable and reliable production to reach the market. This can be achieved only if governments of both energy-producing and energy-consuming nations resist the temptation to pick winners and losers and instead improve terms, encourage investment through free markets, ensure level playing fields and develop transparent policies.