

NEW DIRECTIONS, COMPLEX CHOICES – INDUSTRY OUTLOOK 2020 (AUSTRALIA SURVEY DATA)

DNV GL has published *New Directions, Complex Choices: The outlook for the oil and gas industry in 2020*. This research is based on a survey of more than 1,030 senior oil and gas professionals and in-depth interviews with industry executives.

As with the global nature of the oil and gas industry, the story for 2020 connects all regions. We tell this in our global press release.

Yet, our survey also offers regional insights. We provide the following factsheet with survey data from 34 senior oil and gas professionals based in Australia, with comparisons to the global picture and to our data from previous years.

Please contact DNV GL using the details below for further analysis on the outlook for Australia.

Australian confidence for growth falls, though remains higher than the global average

	Australia		Global	
	2020	2019	2020	2019
Confident for industry growth	76%	90%	66%	76%

Investment expectations in decarbonization slightly decrease, with renewables investment remaining stable

	Australia		Global	
	2020	2019	2020	2019
Decarbonization increase investment	29%	30%	40%	27%
Decarbonization maintain investment	35%	40%	31%	28%
Renewables increase investment	32%	35%	44%	34%
Renewables maintain investment	41%	25%	27%	20%

Brand and reputation driving investment in renewables/clean energy at more than double the global average. A lower proportion of Australian organizations are working towards a lower-carbon energy mix, and Australian respondents are less likely than the global average to want their organizations to move faster to decarbonize.

	Australia		Global	
	2020	2019	2020	2019
Reputation and brand driving investment in renewables/clean energy	44%	N/A	18%	N/A

See energy transition as major factor in renewable and clean energy investment	32%	N/A	34%	N/A
Organization working towards lower-carbon energy mix	53%	70%	60%	51%
Wish to see my organization move faster to decarbonize operations	34%	N/A	52%	N/A

Offshore wind investment expectations increase, and gas portfolio investments outstrip plummeting oil projects/portfolio plans

	Australia		Global	
	2020	2019	2020	2019
Highly likely or likely to invest in or develop their offshore wind portfolios	50%	30%	62%	40%
Gas projects/portfolio investment to increase or be maintained	82%	85%	74%	66%
Investment in oil projects/portfolio to increase or be maintained	53%	80%	70%	63%

Hydrogen and carbon capture and storage (CCS) see significant jumps as they chase digitalization as the highest priorities for R&D and technology investment.

	Australia		Global	
	2020	2019	2020	2019
Digitalization a priority	53%	45%	56%	45%
Hydrogen a priority	38%	5%	17%	9%
CCS a priority	22%	5%	18%	7%

Local economy concerns and oil price instability rise as a barrier to growth, while global economy fears slide

	Australia		Global	
	2020	2019	2020	2019
Local economy is the greatest barrier to growth	29%	N/A	10%	N/A
Global economy as a barrier to growth	24%	35%	25%	21%
Oil price as a barrier to growth	15%	5%	26%	21%

More organizations expect to see capex increase this year, and those expecting to cut spending falls

	Australia		Global	
	2020	2019	2020	2019
Expect to increase capex	29%	20%	29%	30%
Expect to maintain capex	56%	50%	43%	40%
Expect to reduce capex	6%	10%	15%	13%

Supplier-driven inflation expect to fall in Australia, to close to the global average

	Australia		Global	
	2020	2019	2020	2019
Expect notable supplier-driven cost strain in the next year	38%	50%	40%	40%
Experienced supply chain inflation in the past year	38%	50%	47%	41%

Cost efficiency focus trebles but still falls short of global average

	Australia		Global	
	2020	2019	2020	2019
Organization expects to focus on cost efficiency as top priority	29%	10%	32%	21%

Concerns over skills shortages and the ageing workforce fall in line with global figures, but half of companies say oil & gas struggles to attract younger employees

	Australia		Global	
	2020	2019	2020	2019
Skills shortages or ageing workforce is barrier to growth	15%	25%	15%	21%
Industry struggles to attract 21-35-year-olds	50%	N/A	54%	N/A

Almost a quarter of companies expect headcount reductions in Australia, a year after no job losses were predicted, as growth in recruitment stalls.

	Australia		Global	
	2020	2019	2020	2019
Expect further contractions in the workforce	24%	0%	23%	17%
Expect workforce numbers to remain the same	41%	55%	40%	37%
Expect to increase headcount	29%	30%	28%	34%

**Download a complimentary copy of *New Directions, Complex Choices* from:
dnvgl.com/industryoutlook2020**

Notes to editors

For media enquiries, please contact:

Neil Slater
Head of External Relations
DNV GL - Oil & Gas
Tel: +44 (0) 7876 578 353
E-mail: neil.slater@dnvgl.com

Alan Gorham
Account Director
BIG Partnership
Tel: +44 (0) 1 224253810
E-mail: alan.gorham@bigpartnership.co.uk

New Directions, Complex Choices is an industry benchmark study on the outlook for the oil and gas industry in 2020. It was launched in 2011 and is now in its 10th year. The report is based on a global survey that incorporates the views of 1,031 senior industry professionals, along with in-depth interviews with a range of experts, business leaders, and analysts. The survey was conducted during late October and early November 2019. The research was carried out by teams from DNV GL, Longitude and Kantar TNS.

The organizations surveyed vary in size: 38% had annual revenue of USD500 million (m) or less, while 24% had annual revenue in excess of USD5 billion (bn). Respondents were drawn from across the oil and gas value chain, including publicly listed companies and privately held firms. They represent a range of functions within the industry, from board-level executives to senior engineers.

The findings and views expressed in the report do not necessarily reflect the views of DNV GL.

About DNV GL

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DNV GL is the technical advisor to the oil and gas industry. We bring a broader view to complex business and technology risks in global and local markets. Providing a neutral ground for industry cooperation, we create and share knowledge with our customers, setting standards for technology

development and implementation. From project initiation to decommissioning, our independent experts enable companies to make the right choices for a safer, smarter and greener future.