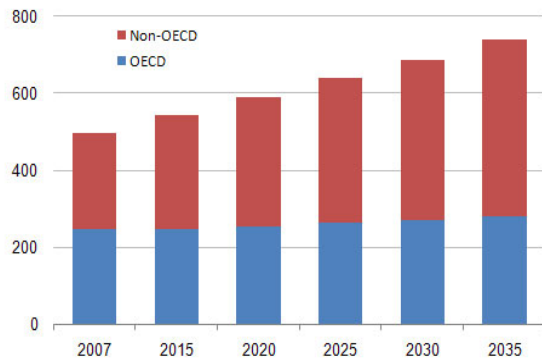


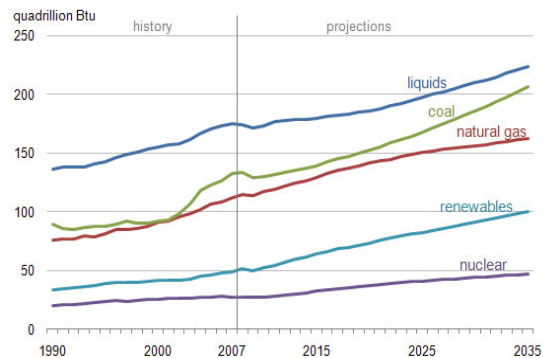
## Global Energy Demand

Figure 1. World marketed energy consumption



Source: <http://www.eia.doe.gov/oiaf/ieo/highlights.html>

Figure 2. World marketed energy use by fuel type



Developing economies energy needs are greater than developed countries. This “global crossover” happened in this decade and is not expected to reverse. The developing countries total demand is done not with a comparable amount of usage per person, but with a much smaller usage per person and a much greater population size. Imagine what happens if they increase their usage per person to levels similar to developed countries?

A few points to make on global energy demand:

1. A flattening in developed country demand has been driven down by
  - a. A transfer of manufacturing jobs to developing countries
  - b. Economic slowdown which has led to lower miles driven by consumers and businesses
  - c. Greater efficiency in vehicles and machinery
  - d. Renewable energy sources have modestly helped, but energy demand outstrips supply
2. Developing countries
  - a. Majority of energy demand will be satisfied with traditional coal, oil and natural gas as developing countries have access to these sources
  - b. Energy demands are too great for any one energy source to satisfy
  - c. Demand largely driven by expected rise in GDP from these developing countries
3. Both developing and developed country energy demand is not expected to go away
4. Energy holdings in retirement portfolios provide
  - a. A hedge against inflation
  - b. An investment with appreciation potential driven by global demand

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