

DISUNITED NATIONS



**The Scramble for Power
in an Ungoverned World**

PETER ZEIHAN

The End of the Oil Age ...Sort Of

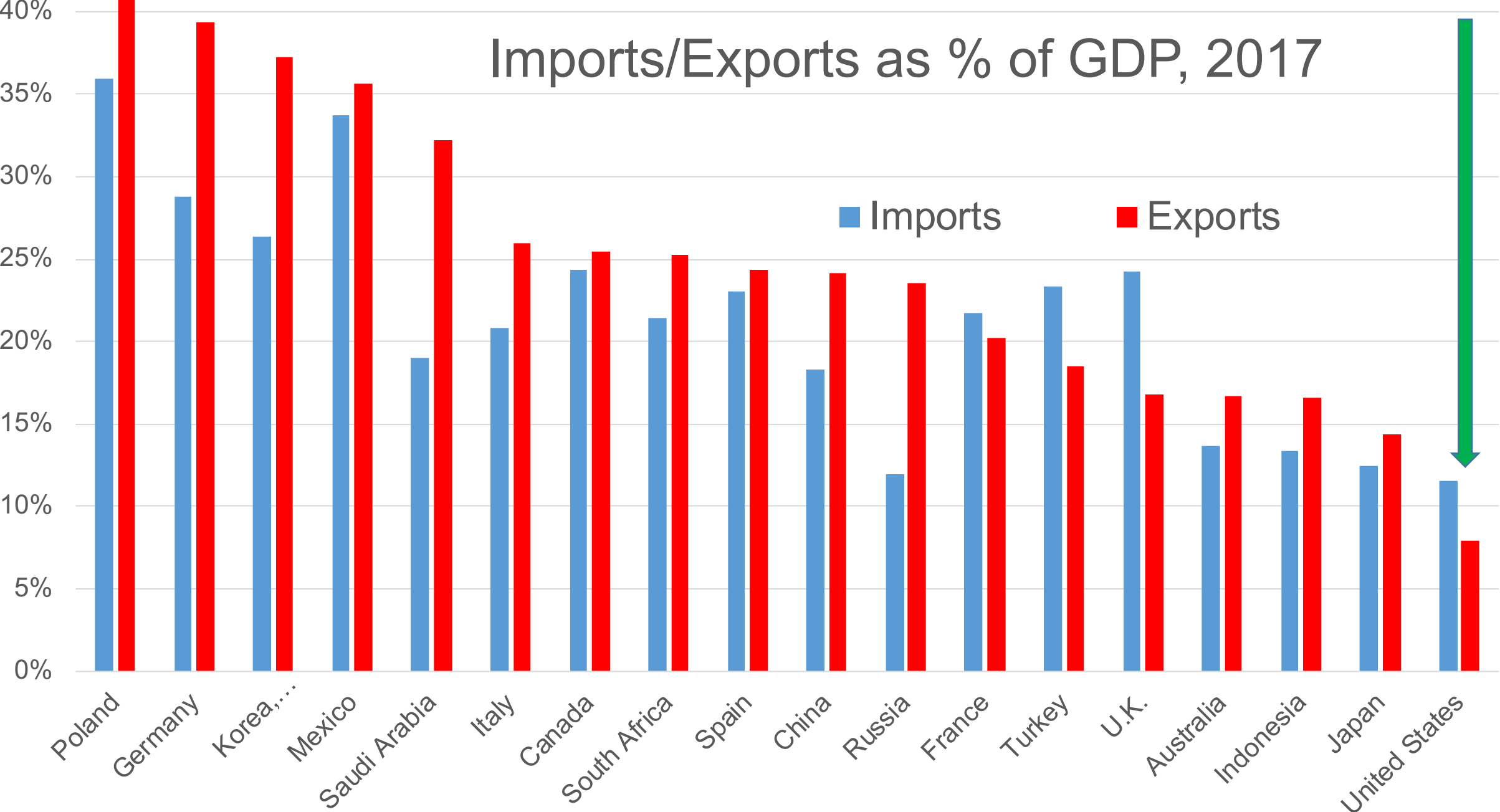
Peter Zeihan
DES
July 23, 2019

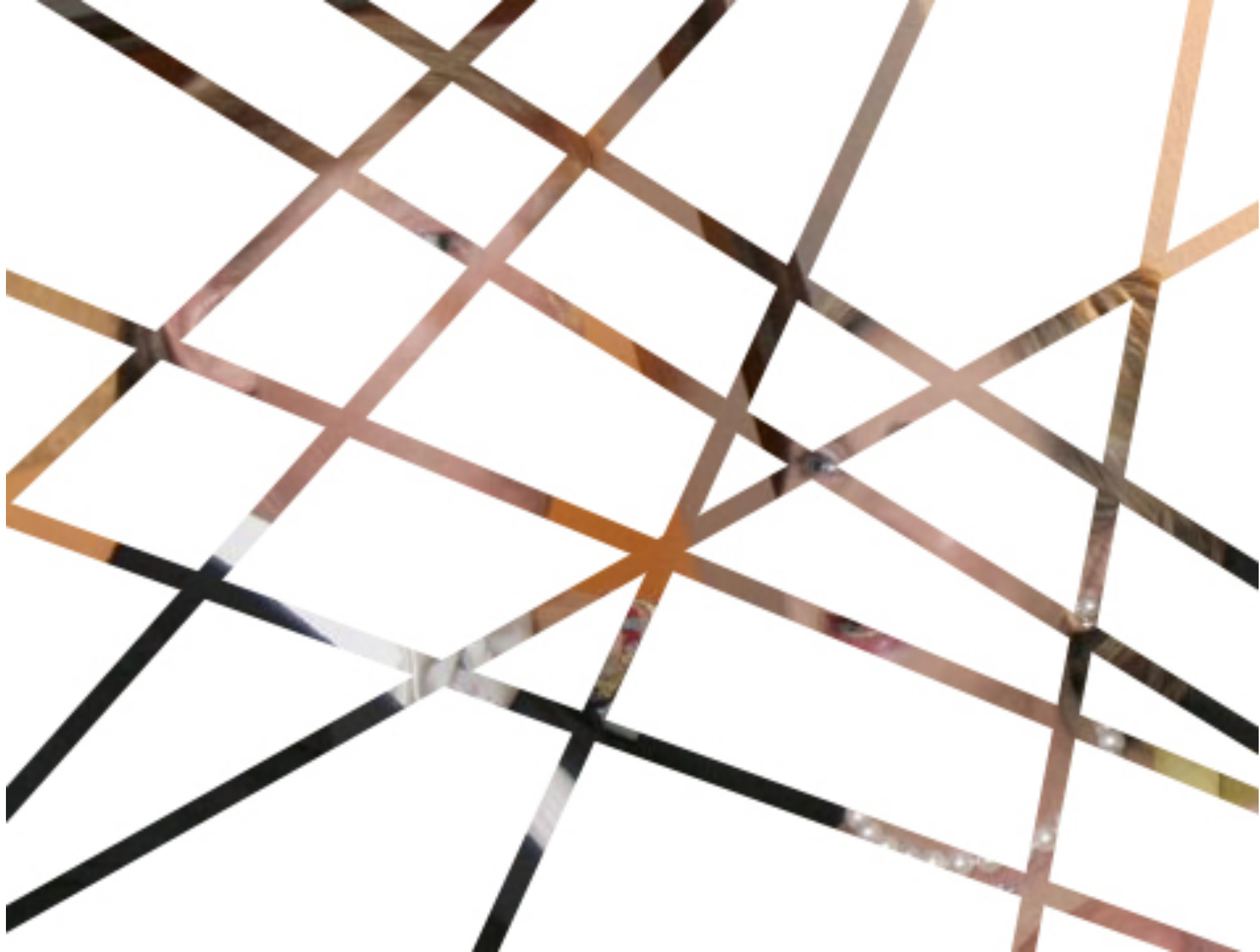






Imports/Exports as % of GDP, 2017

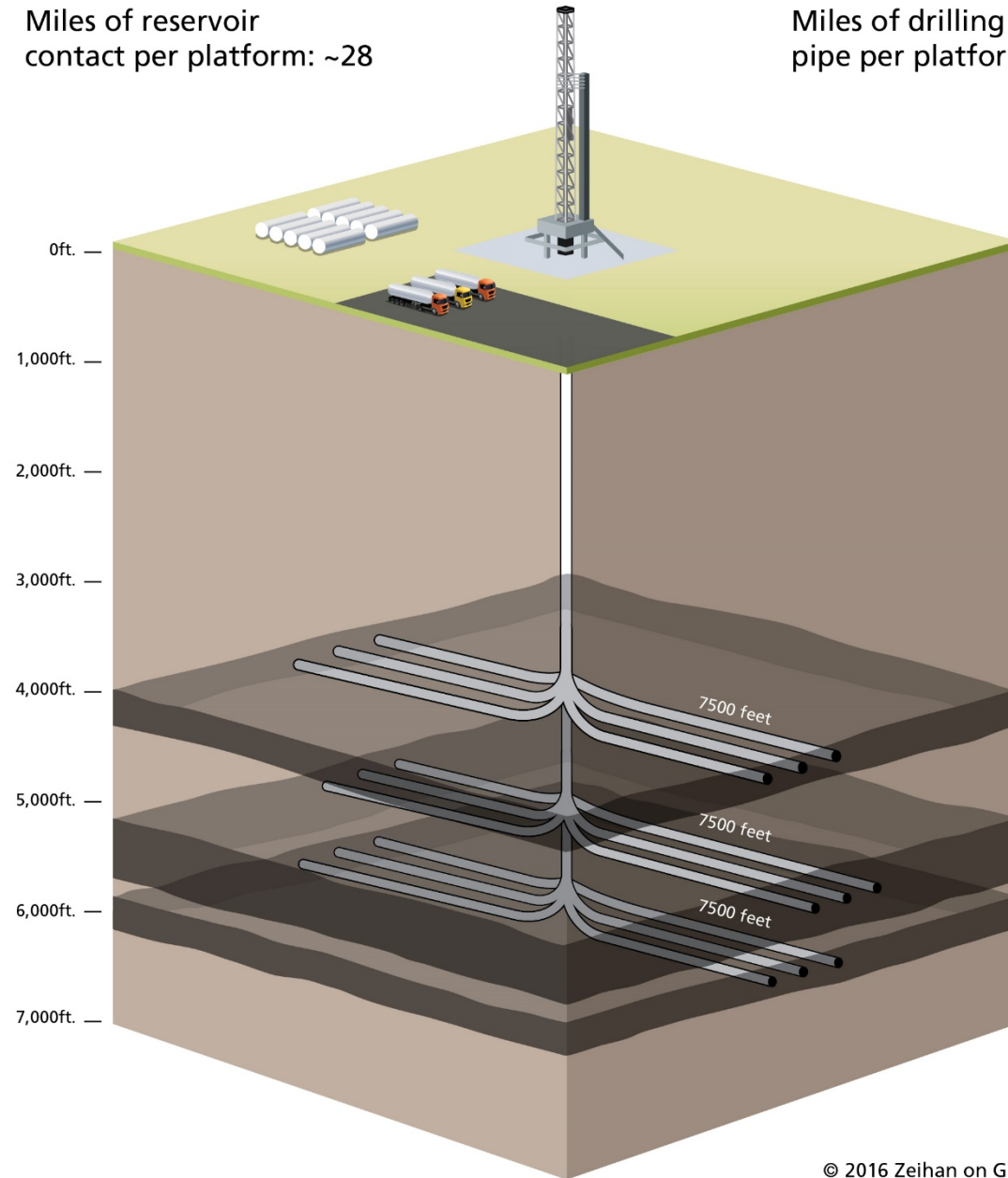




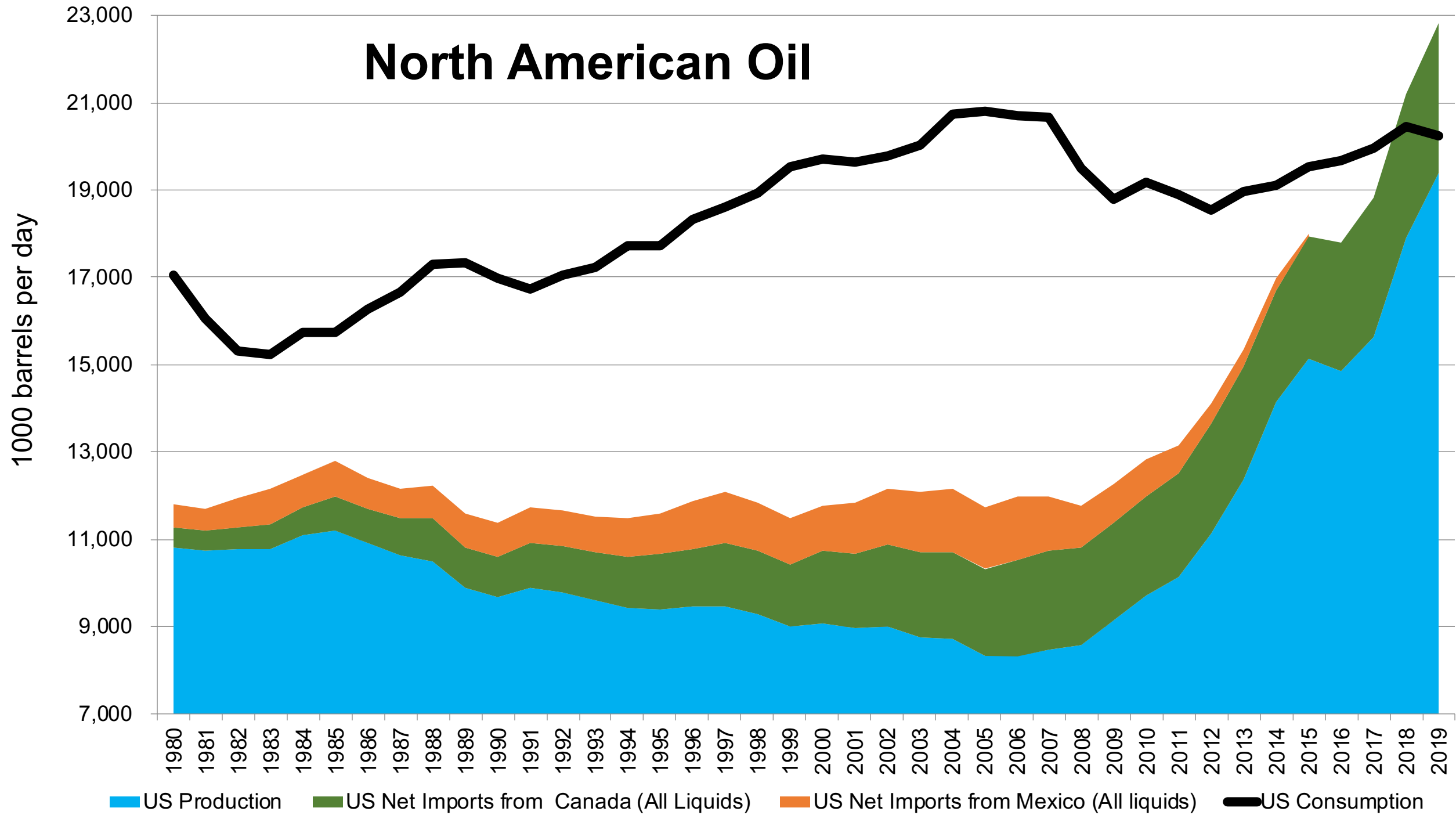
Multilateral Drilling: Mid-2016

Miles of reservoir contact per platform: ~28

Miles of drilling pipe per platform: ~29

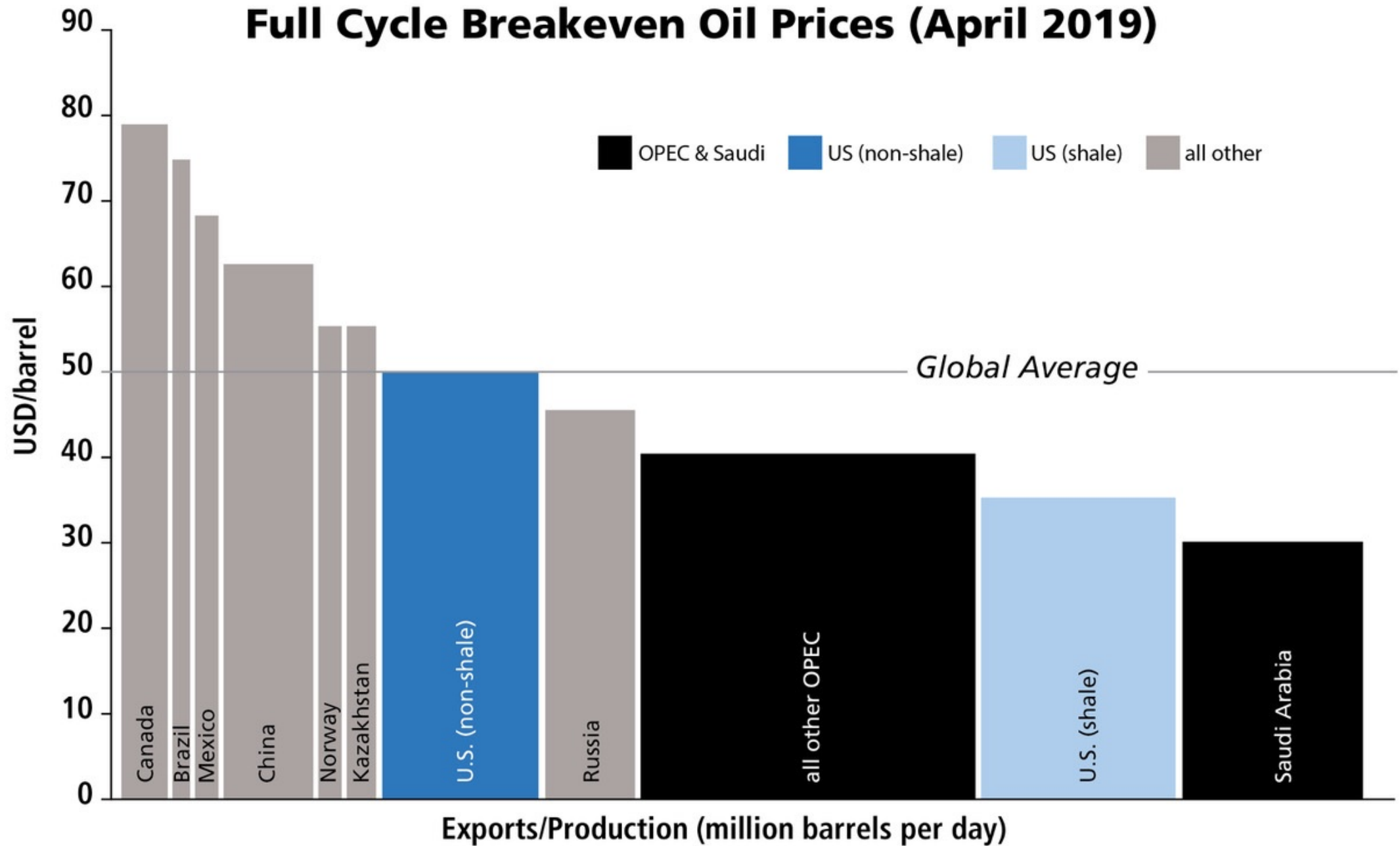


North American Oil

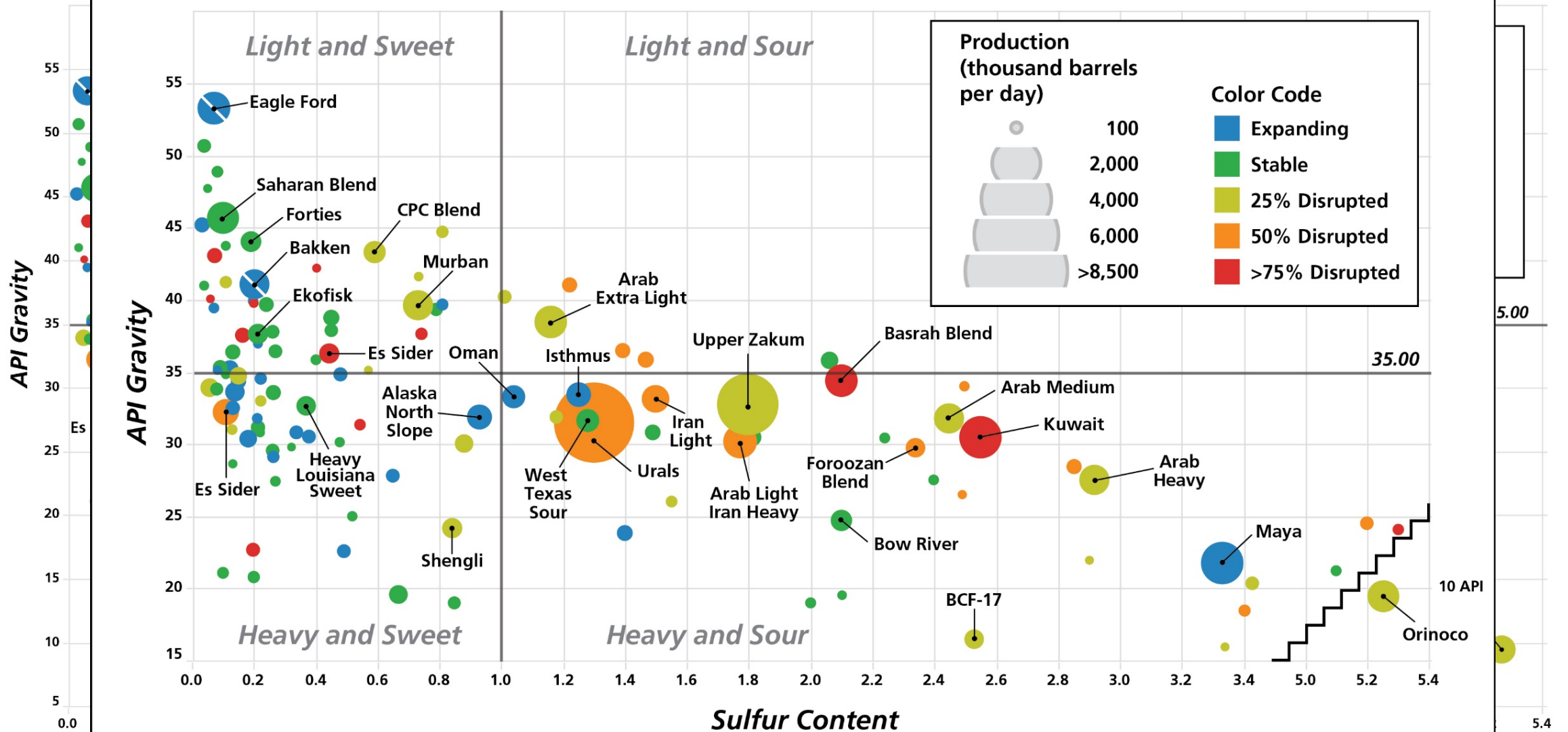


US Production US Net Imports from Canada (All Liquids) US Net Imports from Mexico (All liquids) US Consumption

Full Cycle Breakeven Oil Prices (April 2019)



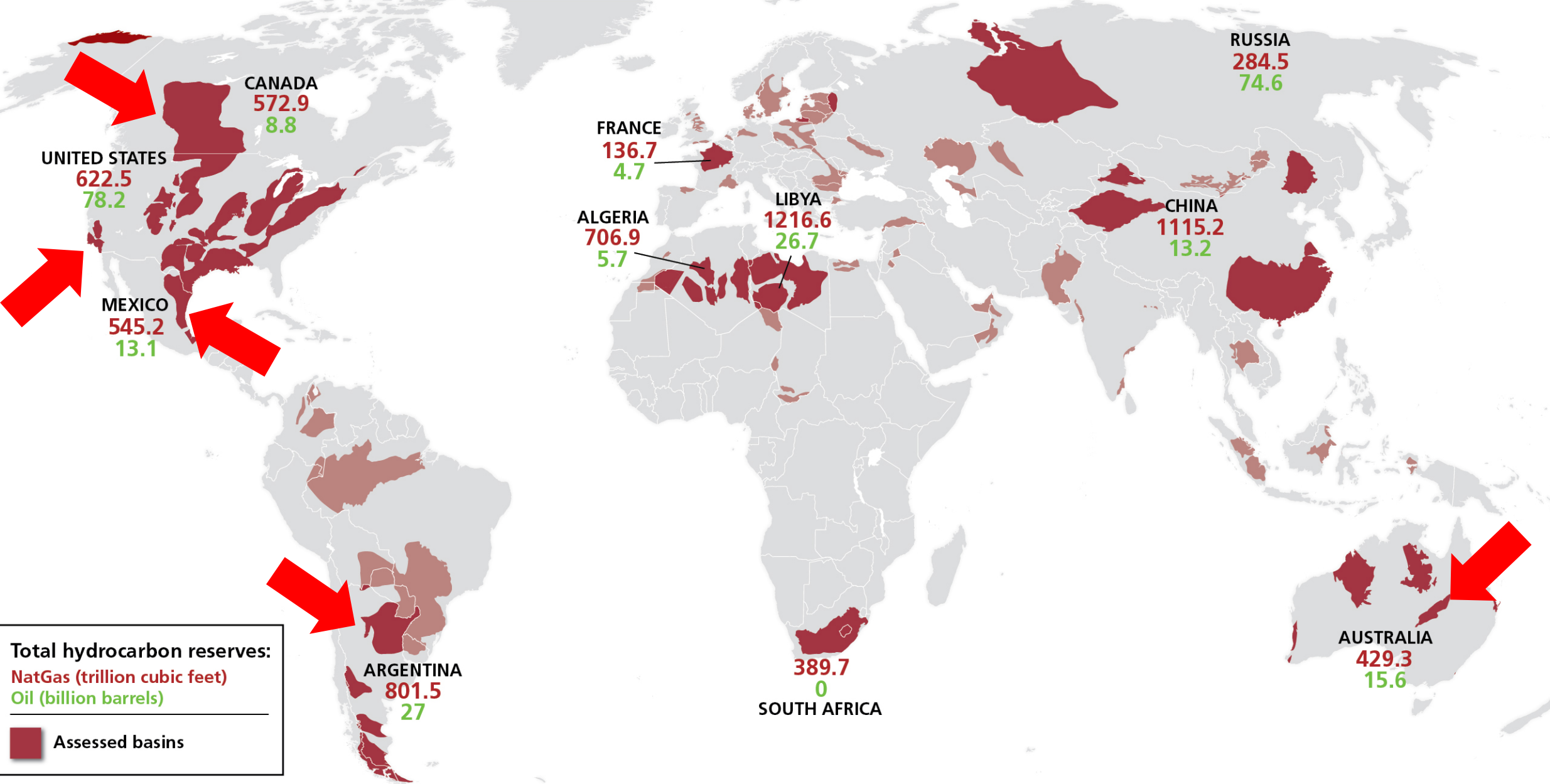
Risk to Important Crude Flows



All global crude grades with a gross production in excess of 100,000 barrels per day. Sources: Energy Intelligence, Baker Institute, EIA, Argus Media, and Tableau

© 2016 Zeihan on Geopolitics

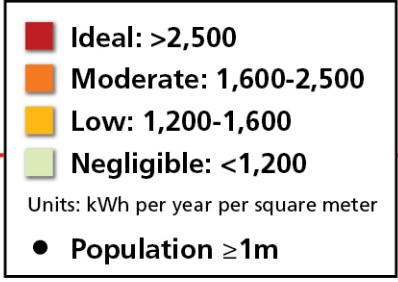
Global Shale Reserves



Total hydrocarbon reserves:
NatGas (trillion cubic feet)
Oil (billion barrels)

Assessed basins

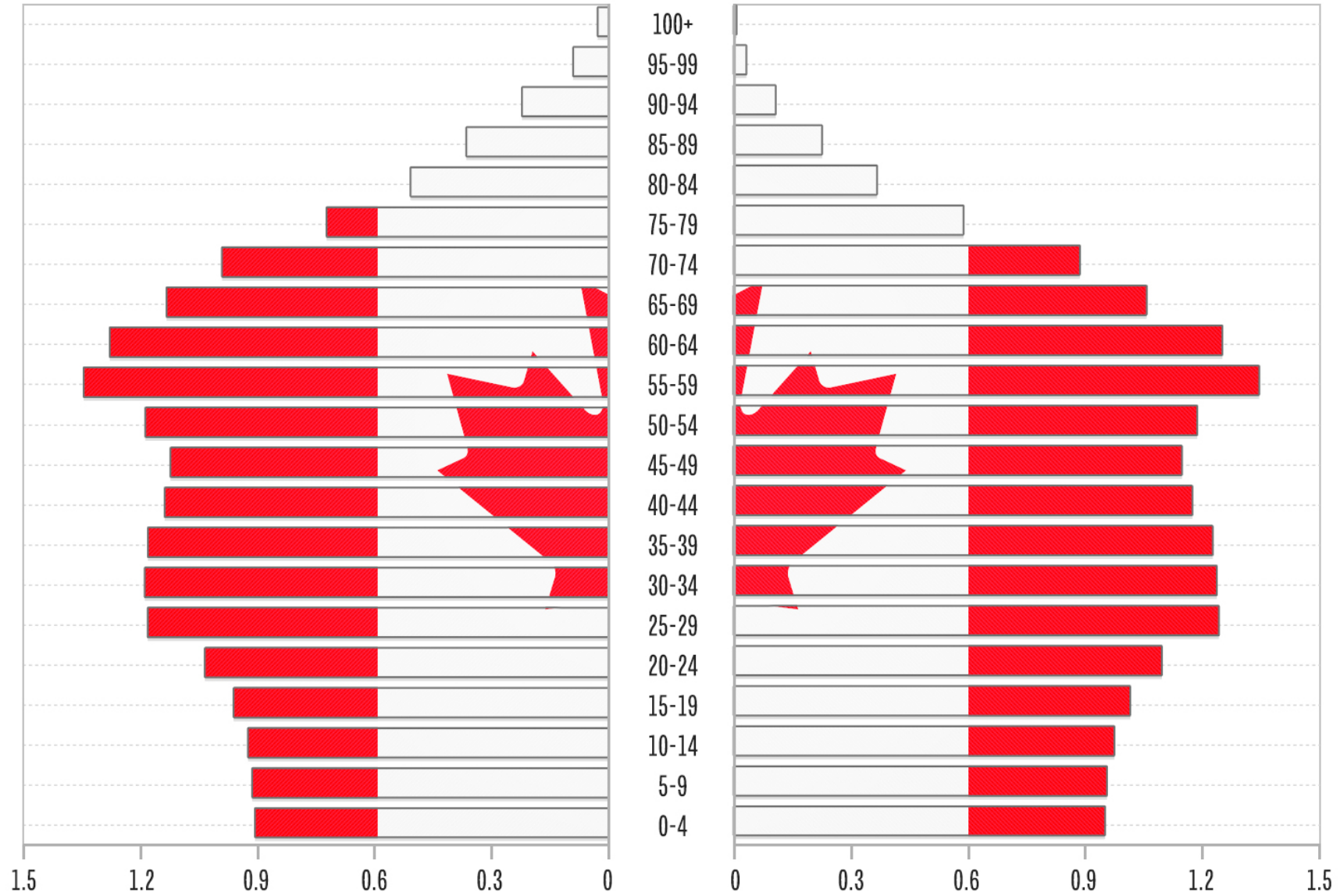
Global Solar Potential



CANADA DEMOGRAPHY 2020

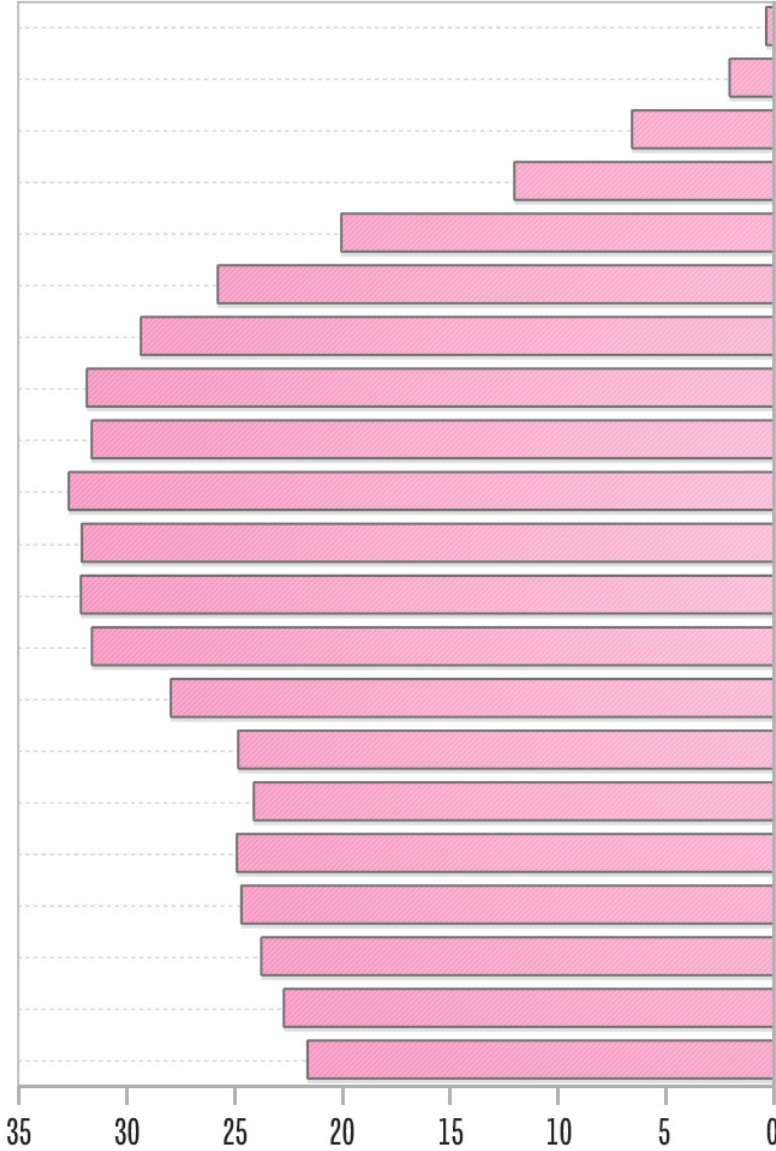
Female

Male

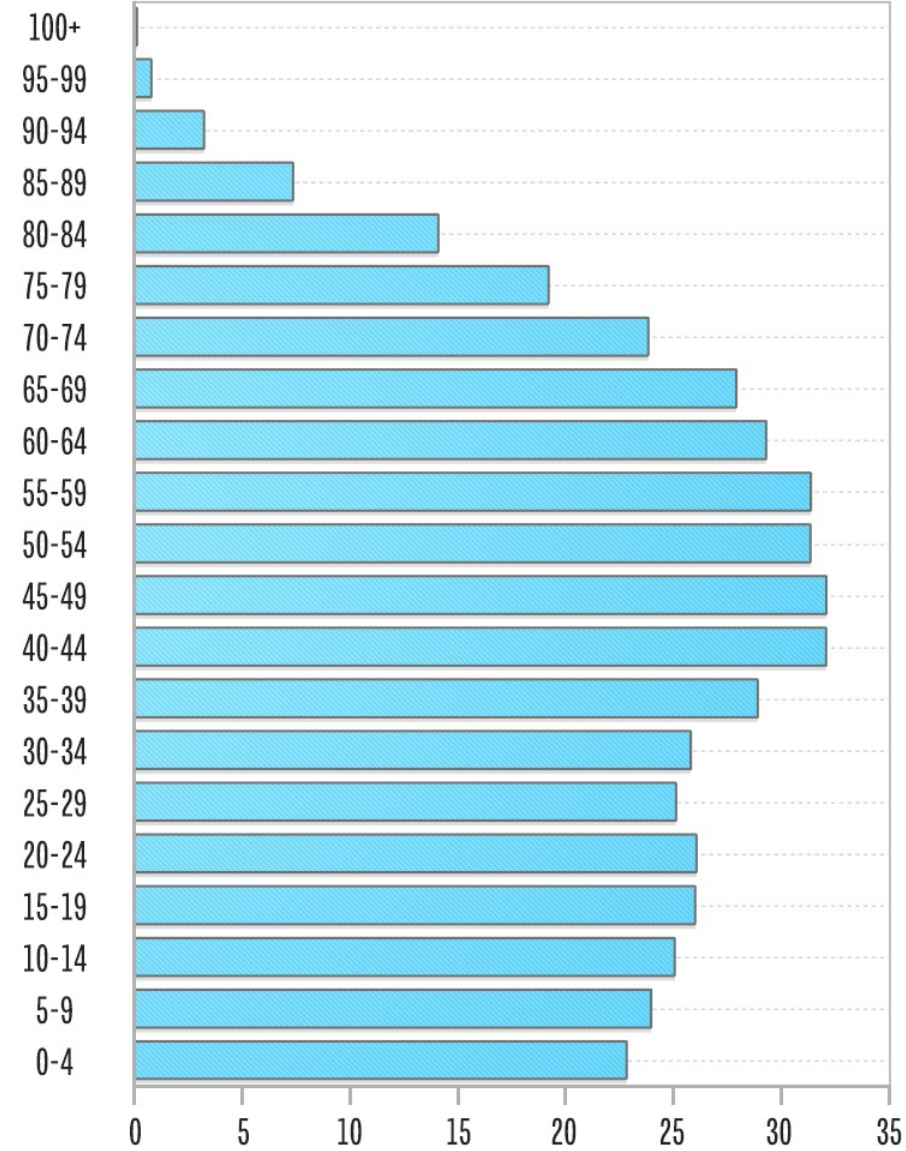


DEVELOPED WORLD DEMOGRAPHY (WITHOUT THE UNITED STATES) 2030

Female



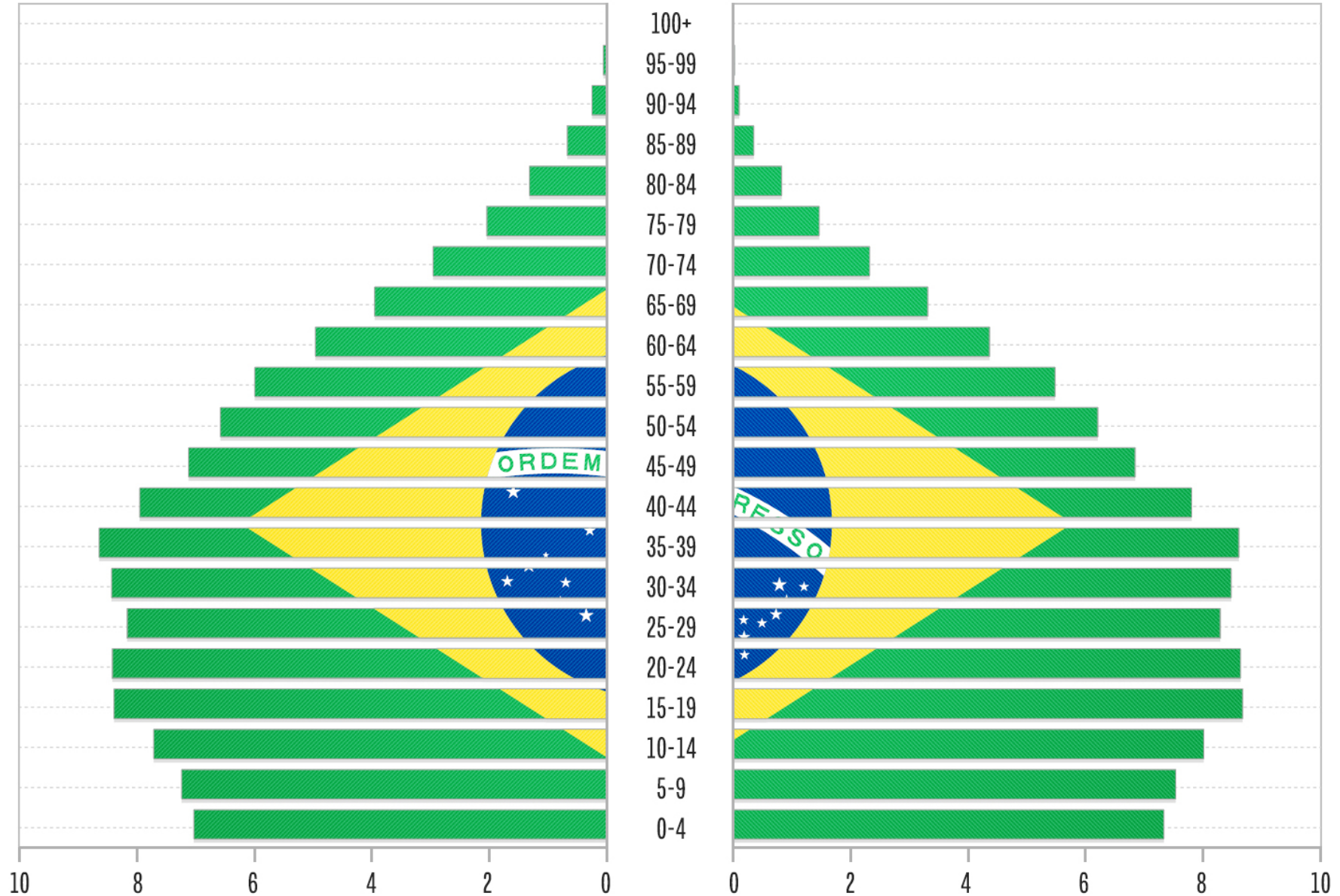
Male



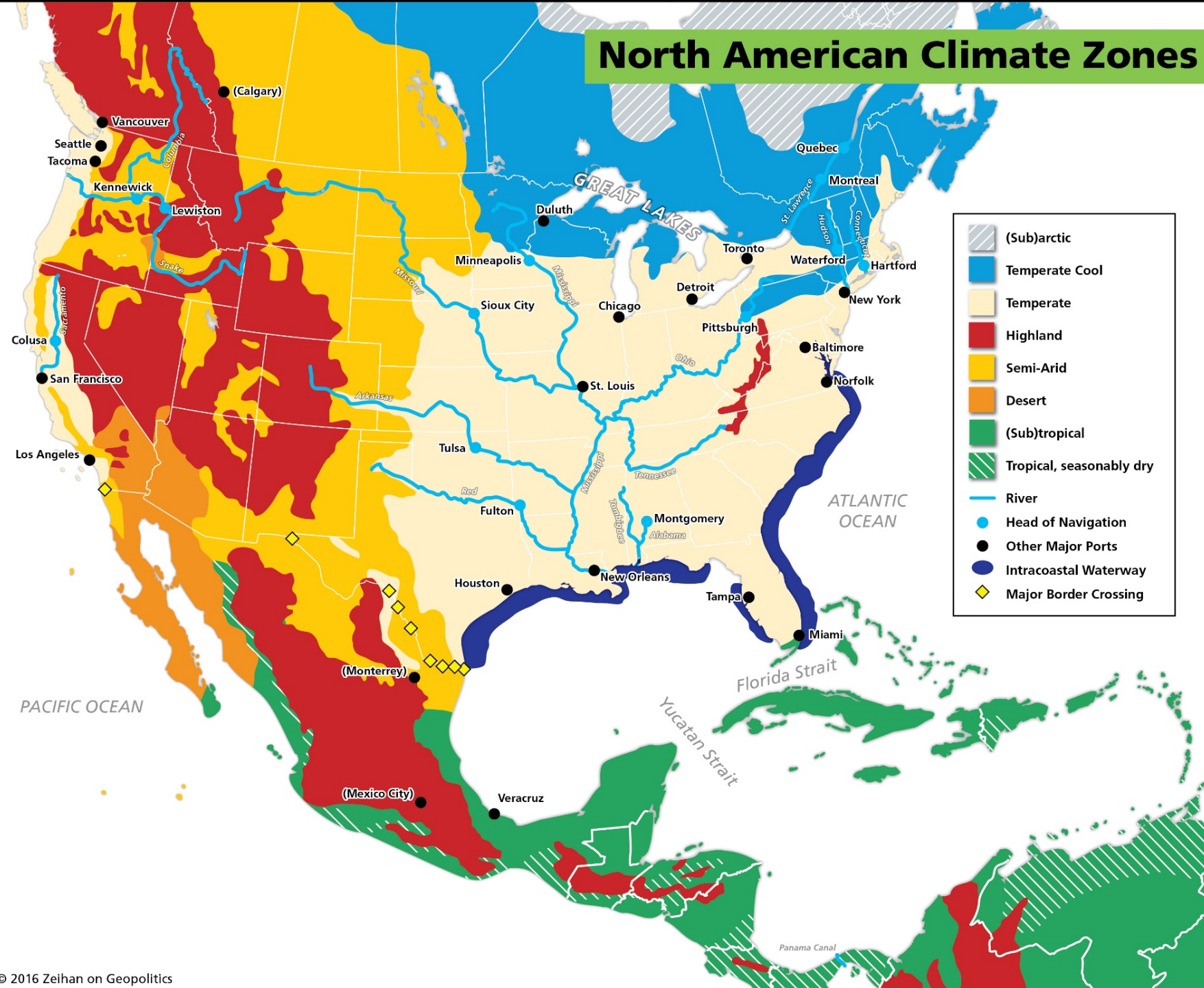
BRAZIL DEMOGRAPHY 2020

Female

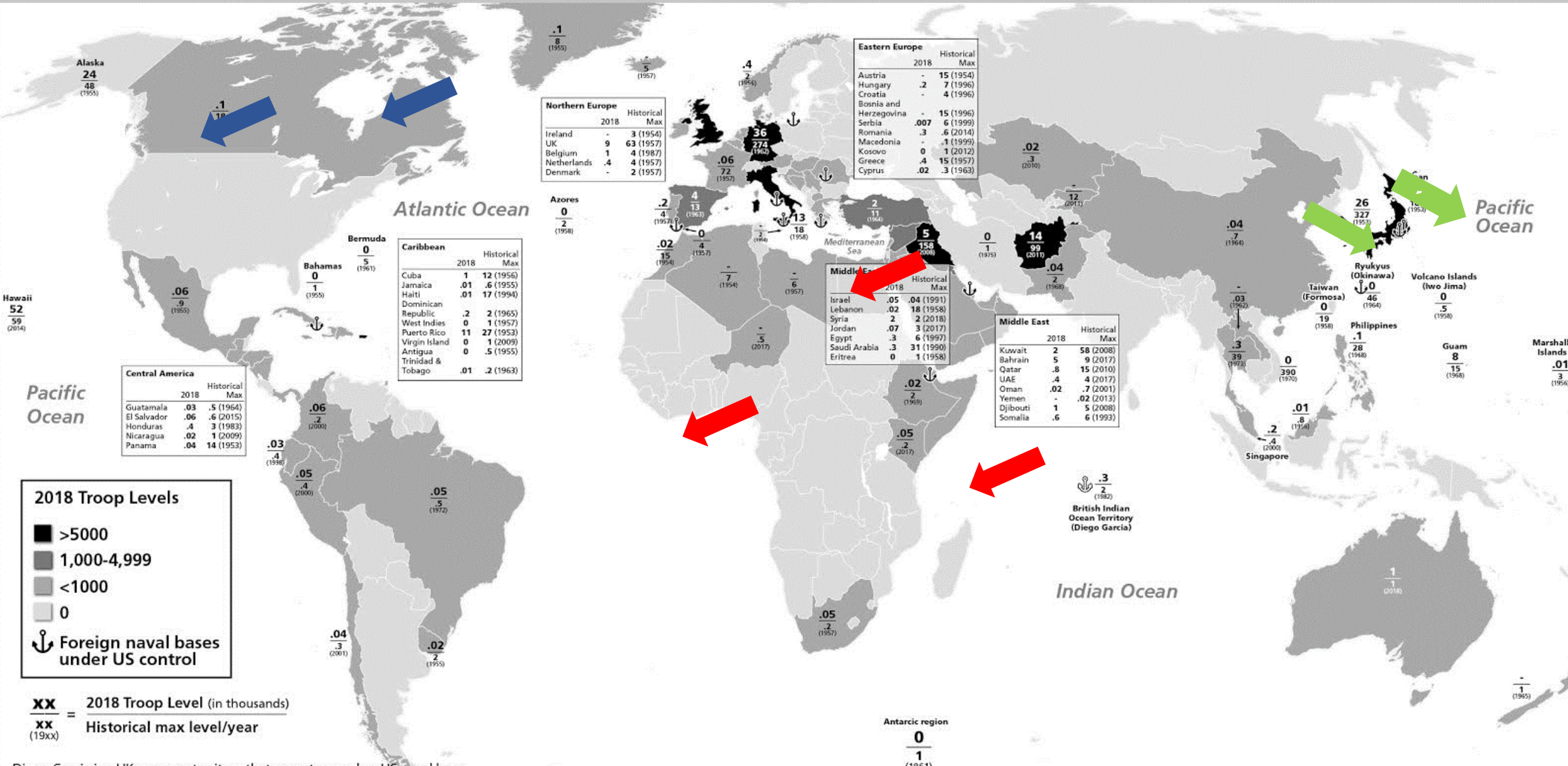
Male



North American Climate Zones



America's Diminishing Deployments



Alaska
24
48 (1955)

.1
18

.1
8 (1955)

Northern Europe

	2018	Historical Max
Ireland	-	3 (1954)
UK	9	63 (1957)
Belgium	1	4 (1987)
Netherlands	.4	4 (1957)
Denmark	-	2 (1957)

Eastern Europe

	2018	Historical Max
Austria	-	15 (1954)
Hungary	.2	7 (1996)
Croatia	-	4 (1996)
Bosnia and Herzegovina	-	15 (1996)
Serbia	.007	6 (1999)
Romania	.3	.6 (2014)
Macedonia	-	.1 (1999)
Kosovo	0	1 (2012)
Greece	.4	15 (1957)
Cyprus	.02	.3 (1963)

Azores
0
2 (1958)

Caribbean

	2018	Historical Max
Cuba	1	12 (1956)
Jamaica	.01	.6 (1955)
Haiti	.01	17 (1994)
Dominican Republic	.2	2 (1965)
West Indies	0	1 (1957)
Puerto Rico	11	27 (1953)
Virgin Island	0	1 (2009)
Antigua	0	.5 (1955)
Trinidad & Tobago	.01	.2 (1963)

Central America

	2018	Historical Max
Guatemala	.03	.5 (1964)
El Salvador	.06	.6 (2015)
Honduras	.4	3 (1983)
Nicaragua	.02	1 (2009)
Panama	.04	14 (1953)

Hawaii
52
59 (2014)

Bermuda
0
5 (1961)

Bahamas
0
1 (1955)

.06
2 (2000)

.03
4 (1986)

.05
4 (2000)

.05
5 (1972)

.02
2 (1955)

.04
3 (2001)

.4
2 (1954)

.06
72 (1957)

.13
18 (1958)

2
11 (1964)

5
158 (2008)

0
1 (1975)

.14
99 (2011)

Middle East

	2018	Historical Max
Israel	.05	.04 (1991)
Lebanon	.02	18 (1958)
Syria	2	2 (2018)
Jordan	.07	3 (2017)
Egypt	.3	6 (1997)
Saudi Arabia	.3	31 (1990)
Eritrea	0	1 (1958)

Middle East

	2018	Historical Max
Kuwait	2	58 (2008)
Bahrain	5	9 (2017)
Qatar	.8	15 (2010)
UAE	.4	4 (2017)
Oman	.02	.7 (2001)
Yemen	-	.02 (2013)
Djibouti	1	5 (2008)
Somalia	.6	6 (1993)

.02
2 (1969)

.05
2 (2017)

.3
2 (1982)
British Indian Ocean Territory (Diego Garcia)

.04
7 (1964)

.03
39 (1973)

0
390 (1970)

.01
8 (1958)

26
327 (1953)

0
46 (1964)

19
28 (1948)

.1
28 (1948)

8
15 (1968)

.01
3 (1956)

0
5 (1958)

0
5 (1958)

0
5 (1958)

1
1 (2018)

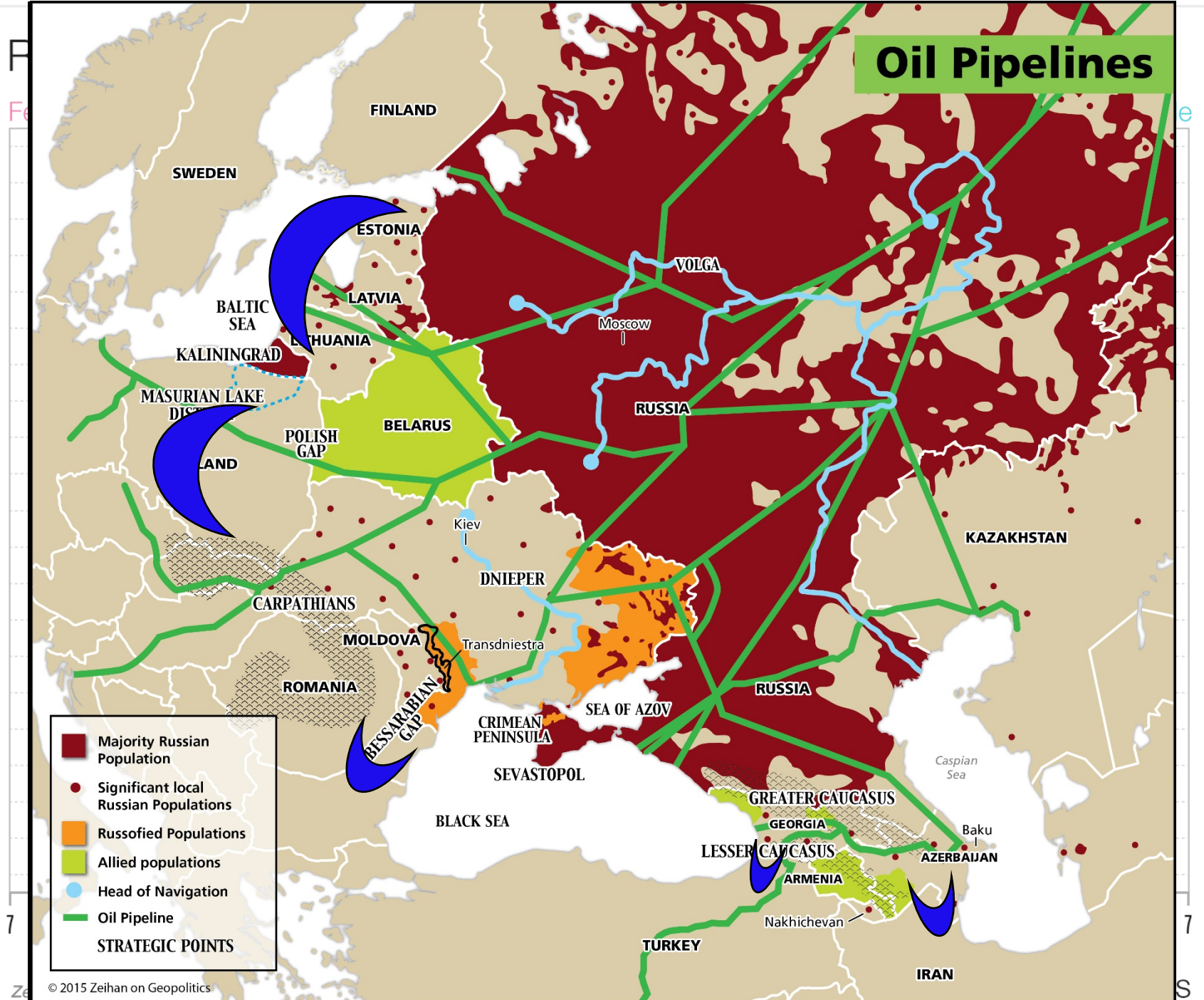
.1
1 (1961)

Antarctic region
0
1 (1961)

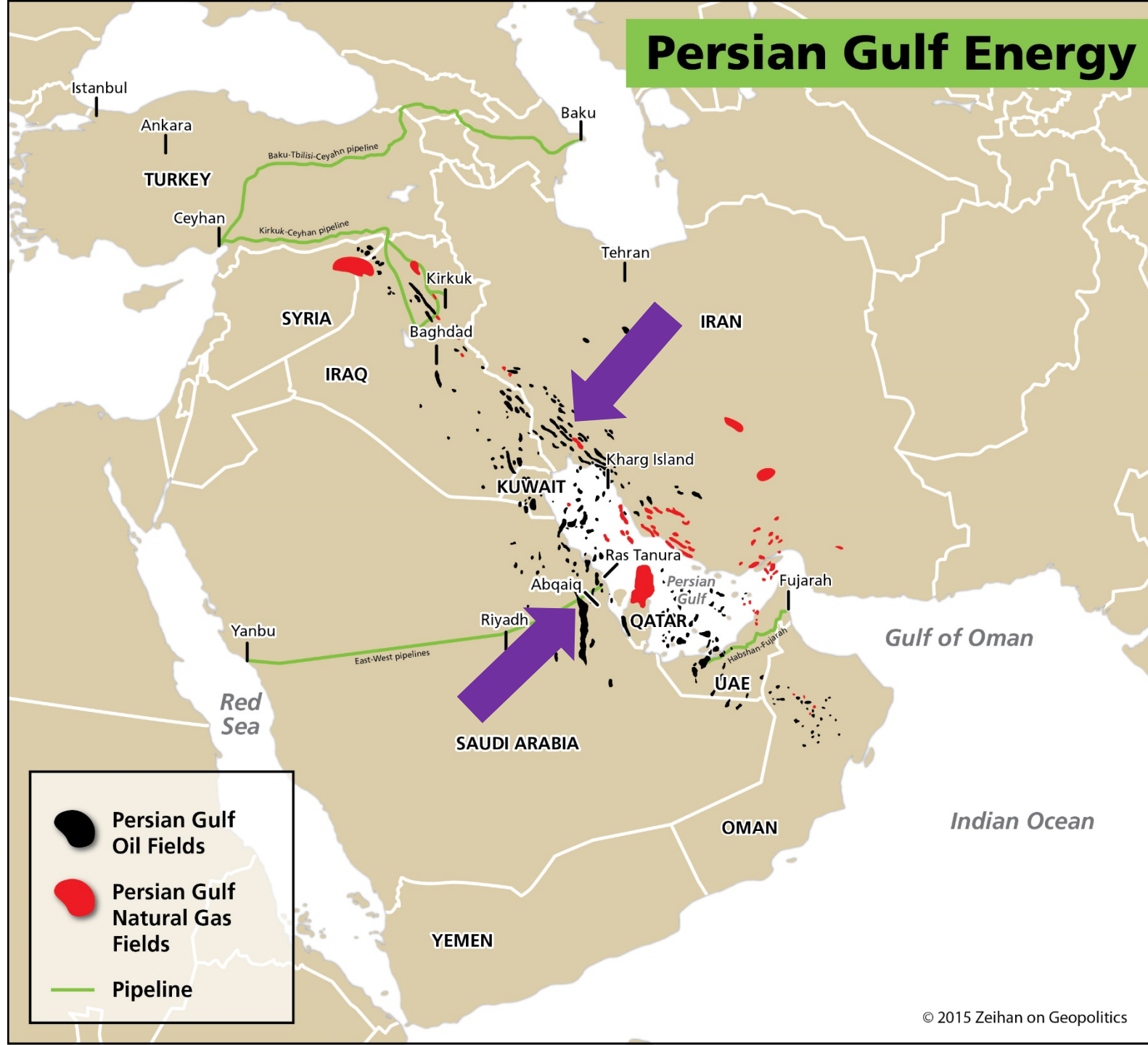
Diego Garcia is a UK overseas territory that operates as a key US naval base.

Sources: Department of Defense, Congressional Research Reports. Includes all forces outside of the US Lower 48 states. As a rule data does not include Special Operations Forces.

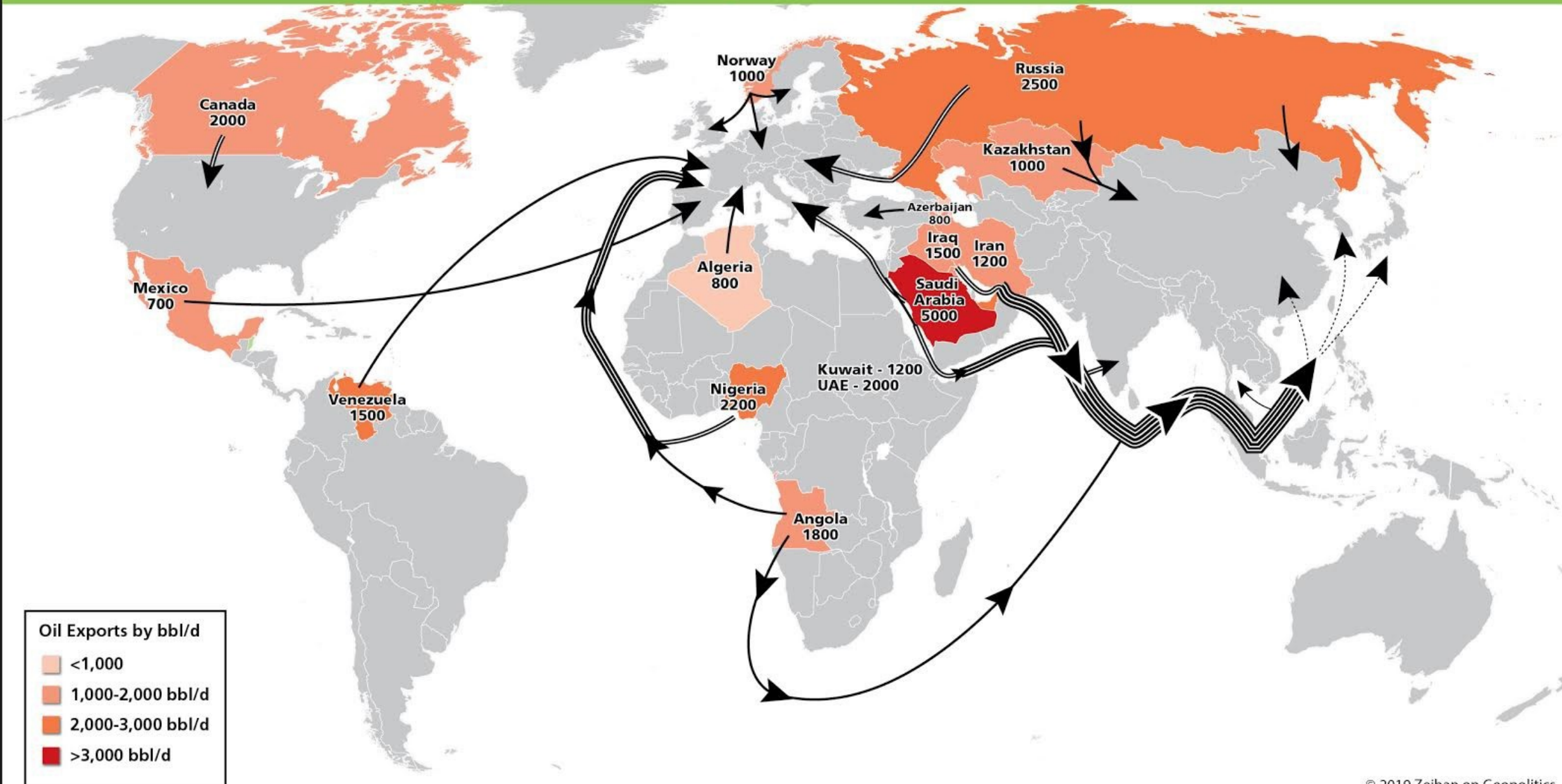
The Twilight War



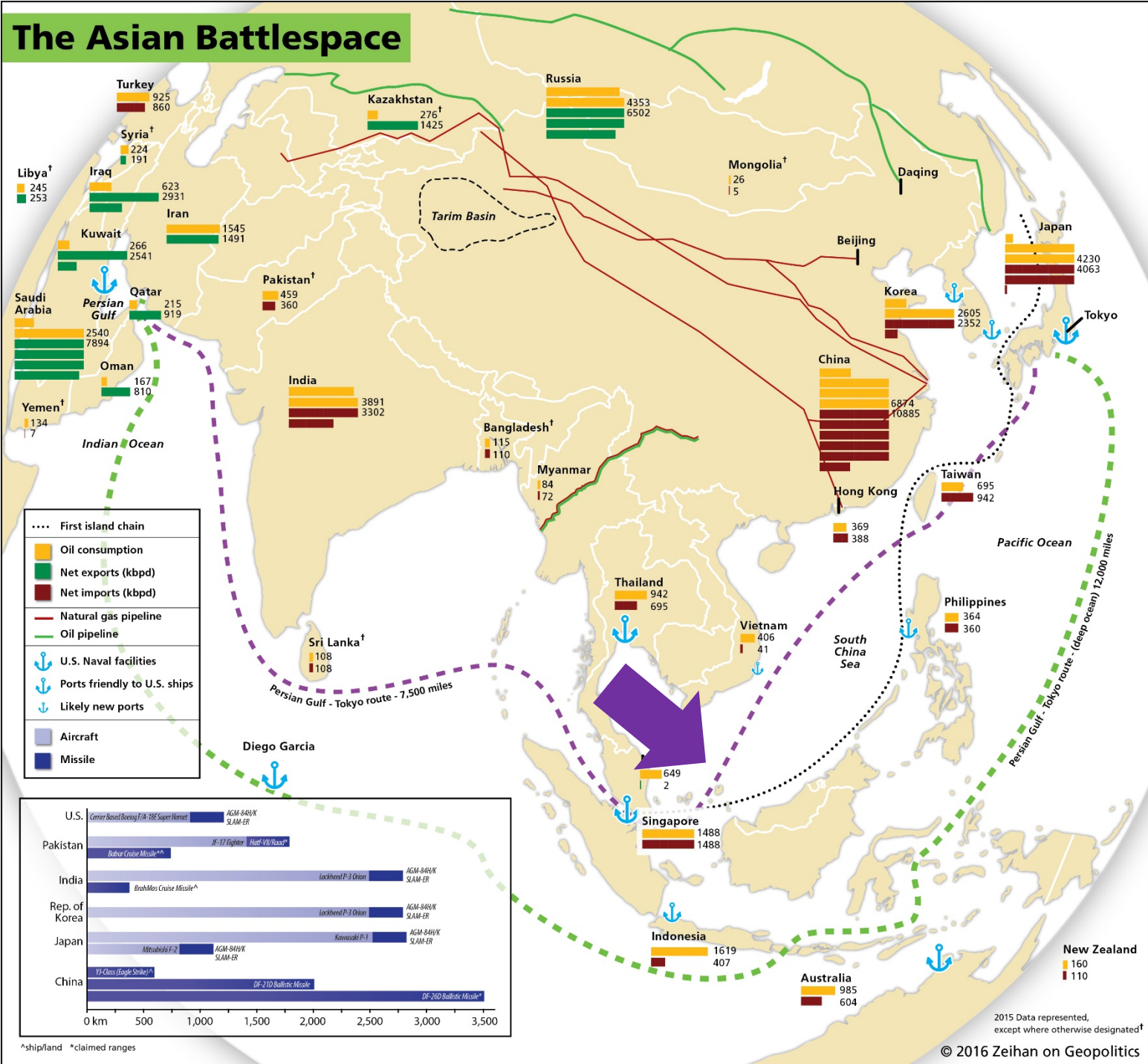
The (Next) Gulf War



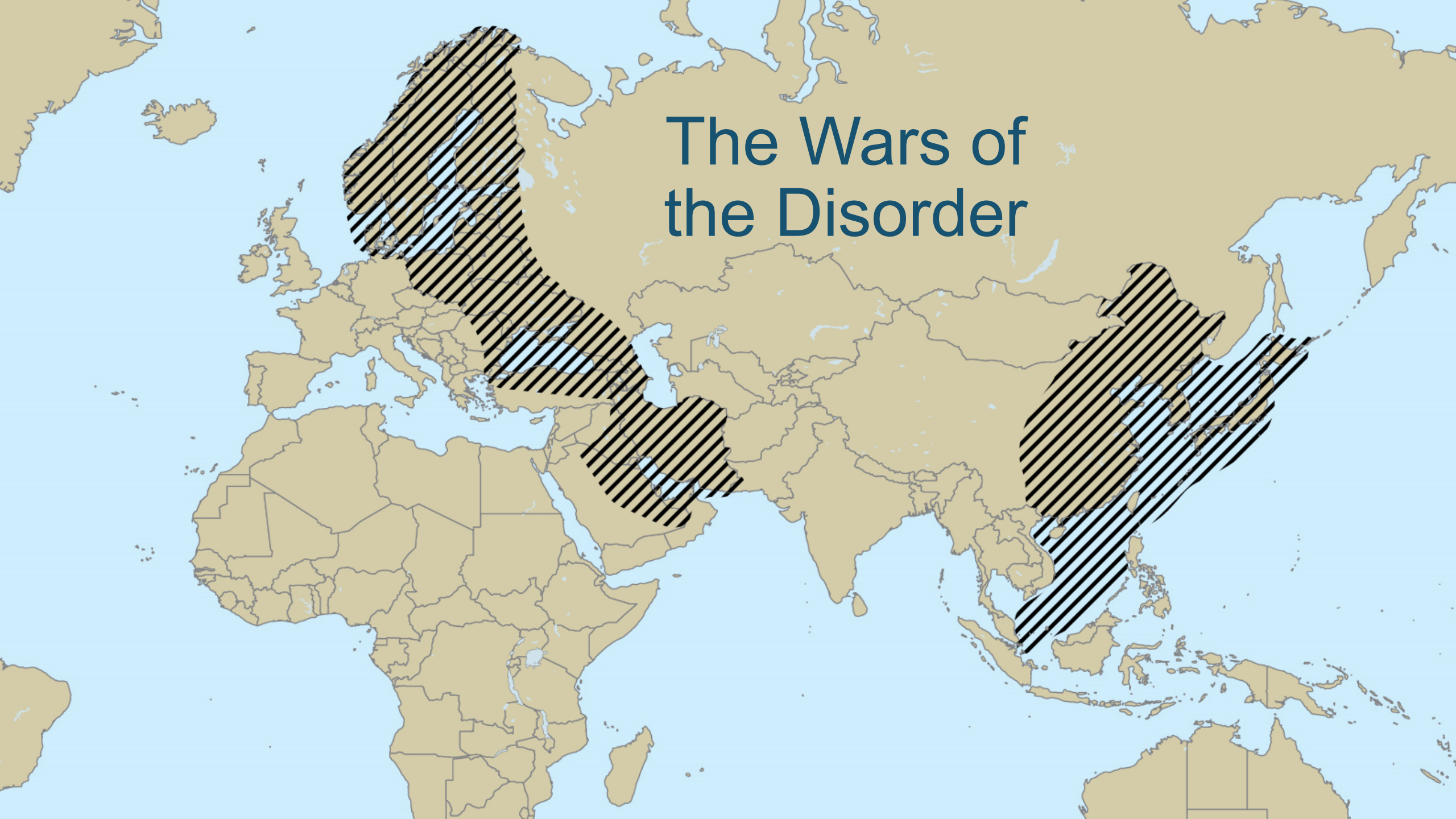
Top Oil Exporters c2025



















The Asian Battlespace



The Wars of the Disorder



War Risk Insurance Cost Estimates in a High Risk Environment

Ship Type	Maximum Carrying Capacity (Units)	million USD					Additional insurance cost per unit per seven days in high risk zone (USD)	Approximate Ship Dimensions - Length, Beam, Depth in Meters
		Appx Secondhand Value*	Typical Cargo Value**	2.5% Normal Annual Hull Insurance Cost	5% Hull War Risk Premium for Seven Days	0.375% Additional Cargo Risk Premium for Duration at 80% Insured		
Maersk Triple E	18,000 TEU	\$180	\$630	\$4.50	\$9.00	\$1.89	 \$605 / container 	
Panamax Container (post-expansion)	12,500 TEU	\$130	\$438	\$3.25	\$6.50	\$1.31	 \$625 / container 	
Panamax Container (pre-expansion)	5,000 TEU	\$7.0	\$175	\$0.18	\$0.35	\$0.53	 \$175 / container 	
Very Large Crude Carrier	2,000,000 barrels	\$62	\$200	\$1.55	\$3.10	\$0.60	 \$1.85 / barrel 	
Aframax Tanker	800,000 barrels	\$18	\$80	\$0.45	\$0.90	\$0.24	 \$1.43 / barrel 	
Capesize Bulk Ship	196,000 metric tons	\$33	\$16	\$0.83	\$1.65	\$0.05	 \$8.66 / metric ton 	
Panamax Bulk Ship (pre-expansion)	83,000 metric tons	\$20	\$7	\$0.50	\$1.00	\$0.02	 \$12.29 / metric ton 	
Handymax Bulk Ship (feeder)	59,000 metric tons	\$12	\$5	\$0.30	\$0.60	\$0.01	 \$10.41 / metric ton 	

* Values are based 5 year old ships except for Handymax and Aframax where data was only available for 10 year old ships and the Triple E class which are newbuilds.

Prices are approximate based on reports from March 2017.

** With oil priced \$100/barrel, coal \$80/metric ton, clothing \$35,000/TEU

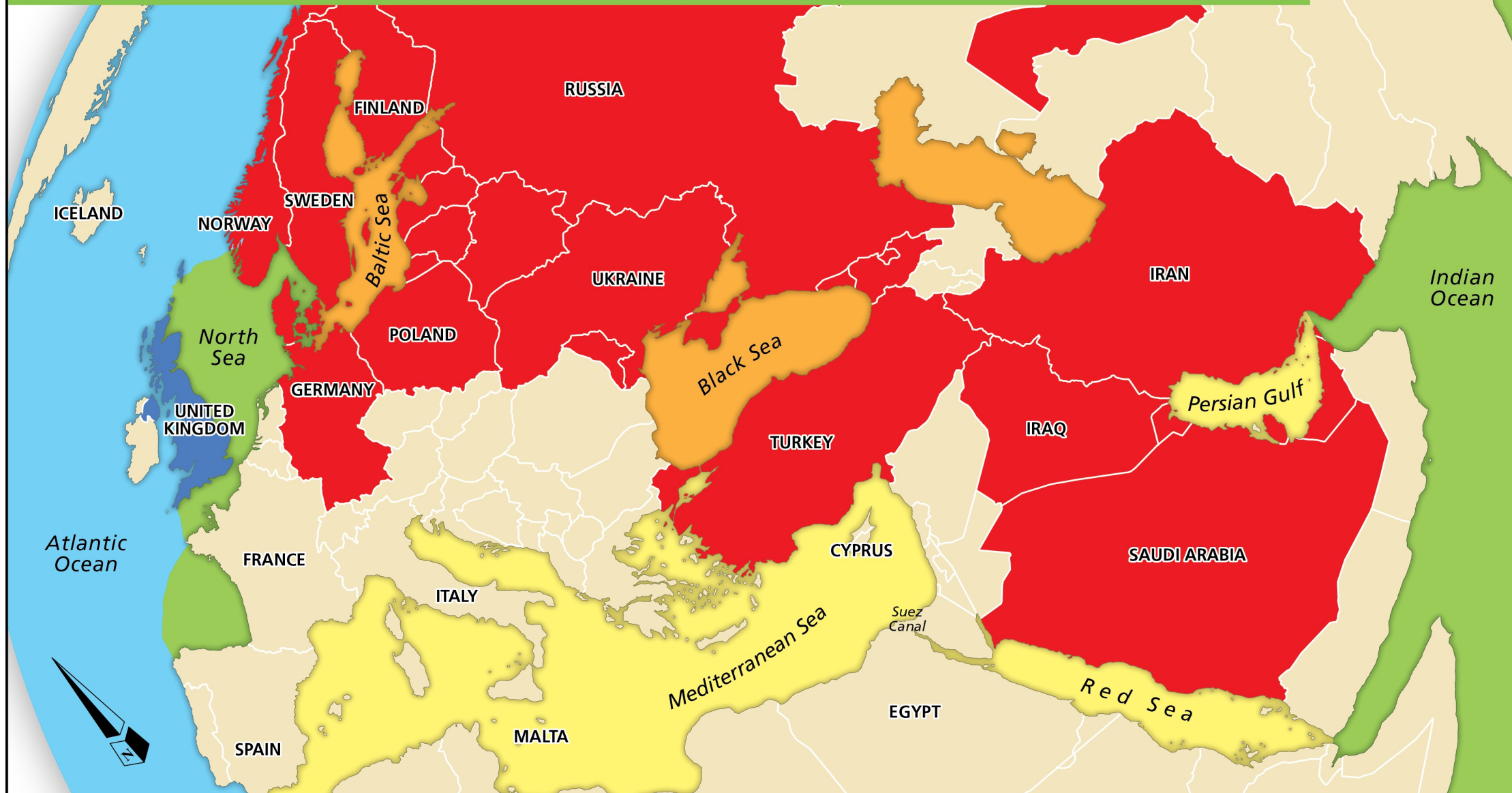
Sources: Athenian, Clarkson, Maersk, ZoG Research

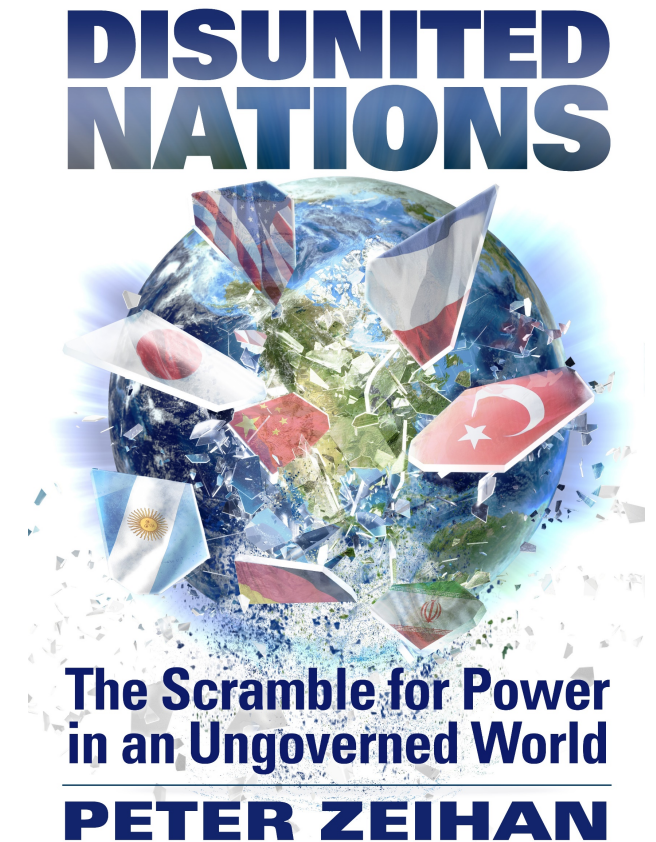
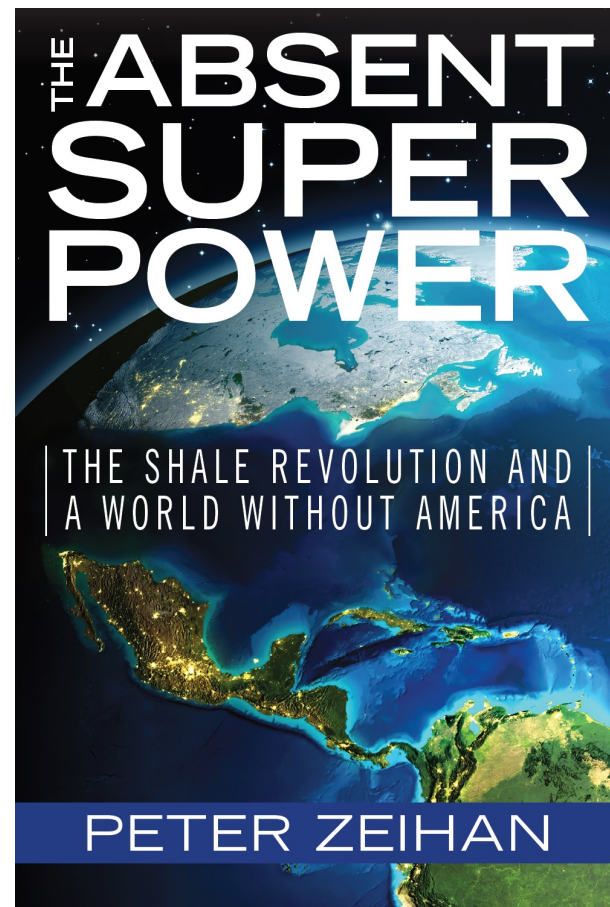
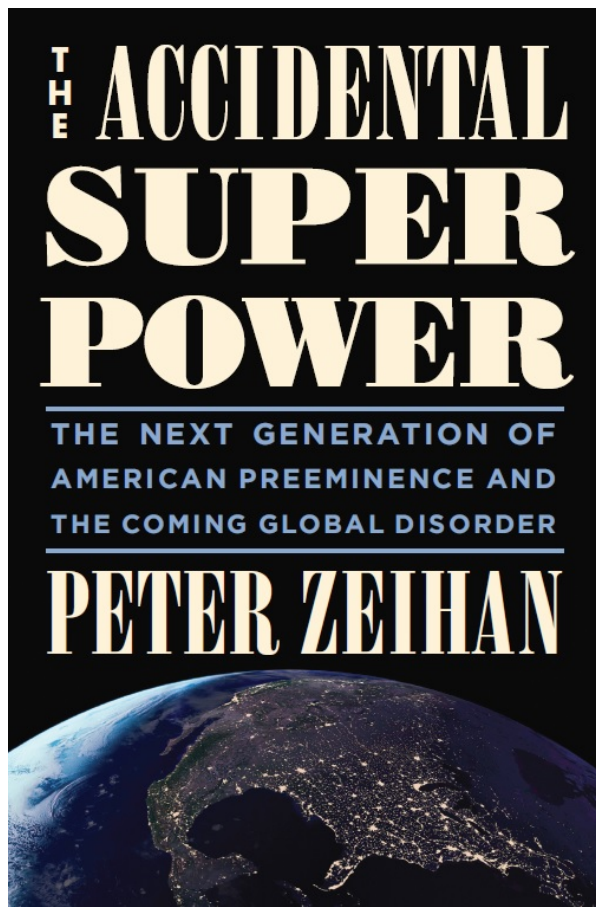
© 2017 Zeihan on Geopolitics





Future U.S. Naval Access – Europe and the Middle East





[@PeterZeihan](https://www.instagram.com/PeterZeihan)

www.Zeihan.com