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DEWA's IWPP model earns Seven-Star recognition, attracts over \$12.91bln in investments

WAM (Emirates News Agency)

Dubai Electricity and Water Authority (DEWA) has attracted more than AED47.4 billion cumulatively, in total project investments over the past 12 years through its independent water and power producer (IWPP) model, a key strategic enabler for delivering energy and water projects in partnership with the private sector.



Developed and continuously enhanced by DEWA, the model was awarded a seven-star rating at the International Best Practice Competition in recognition of its excellence as a global standard for implementing energy and water projects through public-private partnerships.

Saeed Mohammed Al Tayer, MD & CEO of DEWA, said, "Dubai continues to consolidate its position as a global investment destination, ranking first worldwide for attracting greenfield foreign direct investment (FDI) projects for the fifth consecutive year in 2025, according to Financial Times FDI Markets data.

The IWPP model is one of the key pillars enabling DEWA to implement strategic projects in partnership with the private sector. The model has



delivered globally recognised outcomes, most notably achieving record-low energy purchase tariffs for solar projects at the Mohammed bin Rashid Al Maktoum Solar Park. It has also attracted substantial investments from the private sector and international financial institutions, supporting investment inflows into Dubai and the UAE.”

Al Tayer emphasised that the success of the IWPP model is built on an integrated framework that combines good governance, transparency and a supportive legislative and regulatory environment, alongside specialised technical, economic and financial feasibility studies. He said the model is underpinned by the principle of fair value creation for all stakeholders, as well as risk management practices that enhance investor confidence and help ensure the long-term sustainability of the projects.

Waleed bin Salman, Executive Vice President of Business Development and Excellence at DEWA, noted that DEWA adopted the independent power producer (IPP) model in 2014 as an alternative to the traditional engineering, procurement and construction model. Since then, DEWA has continuously refined and enhanced the model to meet the requirements of its strategic projects, successfully attracting leading international developers and investors while improving project delivery efficiency.

Among DEWA’s flagship projects implemented under the IPP model is the Mohammed bin Rashid Al Maktoum Solar Park, the world’s largest single-site solar park with a planned production capacity that will exceed 8,000 MW by 2030. DEWA has also expanded the application of the model to the water sector through the Hassyan Seawater Reverse Osmosis project, the first IWP project for DEWA. The project will have a production capacity of 180 million imperial gallons (MIGD) of desalinated day.



India's record renewable generation in July cuts coal's share in power mix to 1-year low

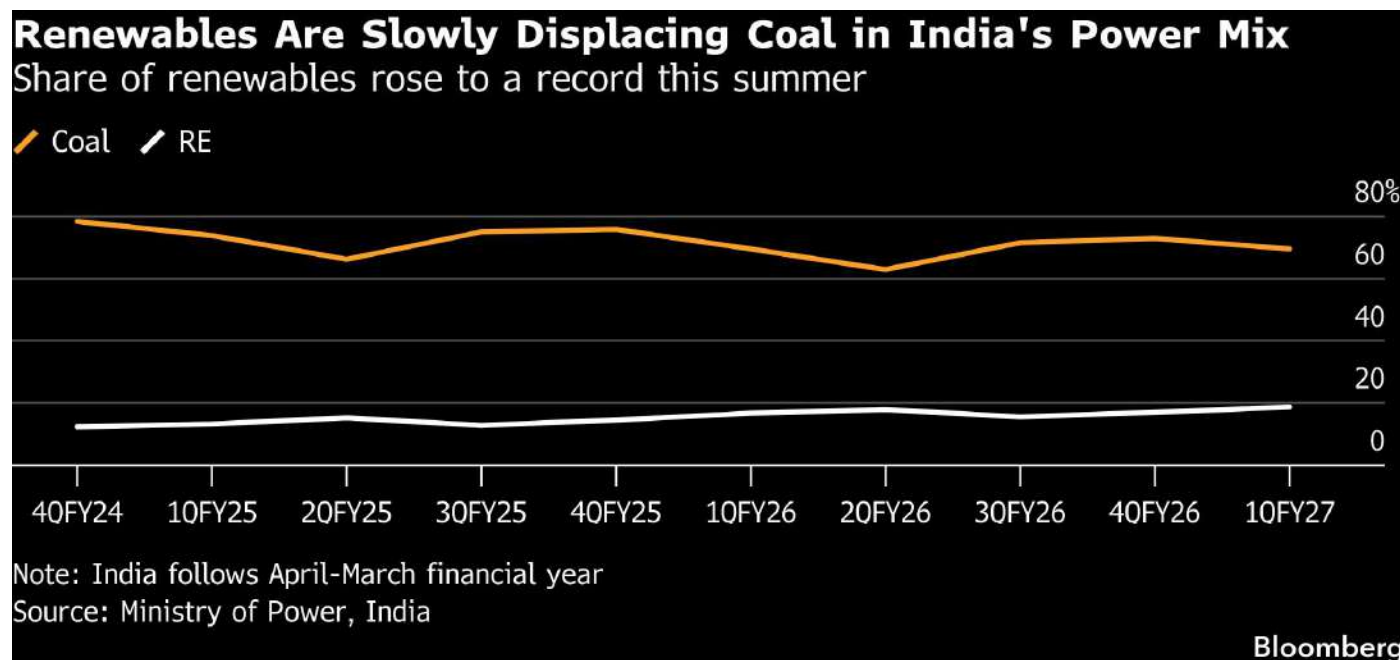
[REUTERS Sethuraman N R + NewBase](#)

The share of coal in India's power-generation mix dropped to its lowest in a year in July as renewable-power generation surged to a record high, government data showed. Renewable power jumped to 20% of India's mix, the data showed. It was 36.25 billion kilowatt-hours (kWh) in July, up 30% from the same month last year.

Coal-power generation fell to 65.7% in July from 69% in June, according to Reuters calculations of daily data from the regulator, Grid-India.



India's renewable energy generation reached a record 20% of the total power mix in July, while coal's share fell to a one-year low. Despite this clean energy growth, absolute coal output rose due to declining hydropower and higher electricity demand.



Investors may monitor how seasonal weather patterns and changing power sources influence coal-based power company margins and green energy expansion.

India's energy landscape saw a notable shift in July 2026, as renewable energy sources—primarily solar and wind—scaled new heights. For the first time, renewable generation touched a record 20% of the nation's total electricity mix, producing 36.25 billion kilowatt-hours (kWh).

This represents a 30% increase compared to the same month last year. The surge was marked by solar and wind capacity collectively surpassing 100 gigawatts (GW) of output, with a peak contribution of 42.8% to the daily power supply on July 13.



Coal Dynamics Amidst Record Renewable Output

While the percentage share of coal-fired electricity fell to 65.7% in July, compared to 69% in June, the absolute generation from coal actually increased by approximately 12.8% year-on-year to 119.40 billion kWh. This divergence—where coal's total output grew even as its share of the pie shrank—highlights the complexity of India's power demand. Total electricity generation across the country rose by 10.4% in July, reaching 181.79 billion kWh, driven by higher cooling needs during warmer weather.

Impact of Weather and Hydropower

The decline in hydropower, which fell for the second straight month to 22.1%, has created a supply gap. Weather patterns related to the El Niño effect have reduced rainfall, limiting the water available for hydroelectric projects. This shortage forces the power grid to lean on thermal power plants to maintain stability.

The Centre for Research on Energy and Clean Air (CREA) has indicated that the combination of lower hydropower and rising demand could lead to a deficit of nearly 18 billion kWh. For investors, this suggests that coal-based thermal power companies will remain essential to bridge the supply gap in the near term, even as the government accelerates its clean energy transition.

Investor Monitorables in the Energy Sector

Moving forward, the primary factor for investors is how the changing power mix affects the profitability and debt levels of utility companies. Firms heavily invested in coal may face operational pressure if regulatory mandates for cleaner energy accelerate or if coal procurement costs fluctuate significantly.

Conversely, companies focused on wind and solar infrastructure will be tracked for their ability to manage project execution and integrate power into the national grid during non-peak hours. Future updates on rainfall patterns, which dictate hydropower availability, and the actual commissioning of new renewable capacity will be critical for assessing how the power sector balances growth with sustainability goals.



The rise in India's clean-energy generation comes as solar and wind output exceeded 100 gigawatts for the first time and accounted for a record 42.8% of India's electricity supply on July 13, government data showed.

Most of the peak power demand is happening during daytime where there is increased contribution from solar, said Manoj Kumar, an analyst with Centre for Research on Energy and Clean Air, pointing to a rise in

renewable share in the country's power generation. Coal-fired power generation rose about 12.8% year-on-year to 119.40 billion kWh in July, the data showed.

Analysts attributed the rise in coal-power generation to a fall in hydropower generation and due to a strong El Nino pattern, where searing heat is driving demand for cooling during the nighttime. Hydropower generation fell for a second straight month to 22.1% on lower rainfall due to El Nino, which significantly shifts rainfall patterns and lifts above-normal temperatures.

Lower hydro generation due to El Nino and increased demand for power could lead to a power-generation gap of nearly 18 billion kWh and will drive a surge in coal-fired power in India, CREA said.

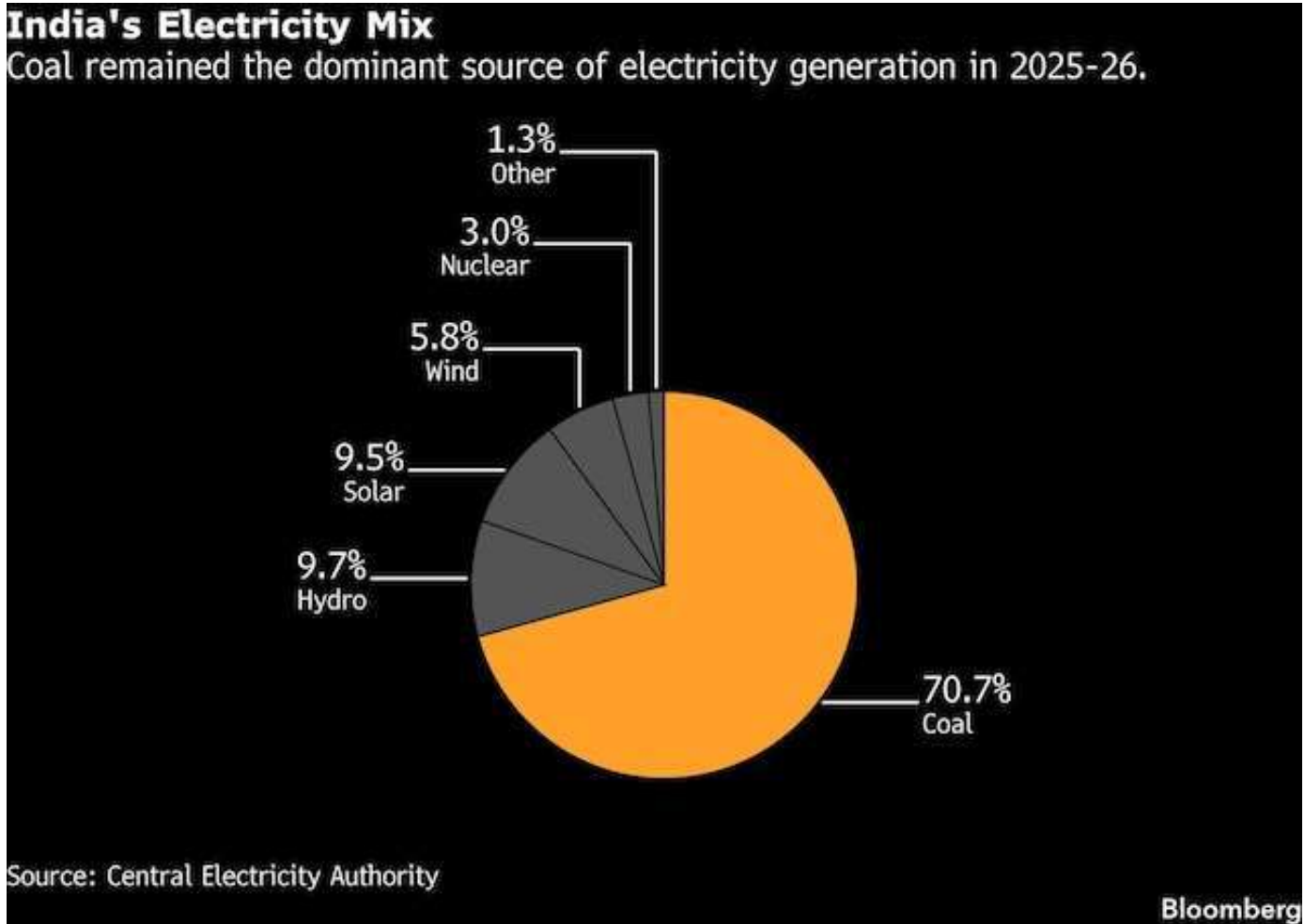
India's electricity generation in July rose 10.4% from a year earlier to 181.79 billion kWh, data showed. A super El Niño risks straining India's power grid more than any other electricity network globally and would slow the country's shift away from coal, according to a new study.

Rising demand for air conditioning, coupled with lower output from hydroelectric units and wind farms, could drive an estimated 18 terawatt-hour power deficit in the 12 months starting from July, said the report published Monday by the Centre for Research on Energy and Clean Air, a nonprofit.

The shortfall, the largest among 110 countries analyzed, would most likely need to be met with an increase in coal-fired electricity generation, CREA said.

India forecasts coal's share in the nation's generation mix will fall to 64 per cent by 2027 and to nearly 50 per cent over the next decade, but it remains at more than 70 per cent even after a drop in thermal power production last year. Extreme conditions like a potential super El Niño — a weather pattern that drives up global temperatures — threaten to slow down the transition to cleaner electricity.

While India is proving successful in deploying solar farms, “battery storage and grid infrastructure have to be accelerated,” to enable the nation to begin to reduce the need for fossil fuels, Nandikesh Sivalingam, director at CREA, said in an interview.



“While we run the existing coal plants, whatever new demand is going to come should be absorbed by clean technologies,” Sivalingam said.

Solar acted as a critical buffer against soaring temperatures this year. Between January and May, the technology met almost a quarter of daytime peak electricity consumption, helping to keep thermal power output below 2024 levels despite record-breaking heat waves.

Adding battery energy storage systems would allow India to further limit its reliance on coal, especially during the evening hours, CREA said.

US oil exports in July fall to lowest level in 8 months, data shows

U.S. oil exports in July fell to 3.66 million barrels per day, the lowest level in eight months, ship tracking data showed, as a short-lived peace deal between the U.S. and Iran in June briefly flooded markets with Middle Eastern oil and diminished demand for American crude abroad.

The U.S. had cinched the spot as the world's top oil exporter this year after the Iran war sharply cut supplies of Middle Eastern crude and forced Asian and European countries to turn to the U.S. to fill the gap. Shipments of U.S. oil surged to 5.7 million bpd in May, a monthly record.



However, they have come off steadily since then. A memorandum of understanding signed between Washington and Tehran in June briefly helped stuck tankers to navigate through the Strait of Hormuz, adding supply to oil markets. The number of tankers exiting the strait in a day peaked at 42 during the peace deal period.

The share of U.S. oil exports to Asia shrank to about 40% in July from 52% in June, with top buyers including Japan and South Korea taking fewer shipments. Cargoes to Japan, the top buyer in June and July, fell 67% to 324,000 bpd in July from a peak in May, while shipments to South Korea fell 39% to 474,000 bpd.

Shipments to Europe also shrank to about 1.7 million bpd in July from as much as 2.5 million bpd in May. Exports of crude oil released from the U.S. government's Strategic Petroleum Reserve also slowed, totaling just 31,000 bpd in July. The two shipments headed to France and Peru, Kpler data showed.

High refinery utilization in the U.S. also kept barrels away from the export markets, said Rohit Rathod, an analyst at Vortexa.

The four-week average U.S. refinery utilization stood at about 96.3%, the highest rate since 2018, according to data from the U.S. Energy Information Administration, with input of crude oil to U.S. refineries at its highest level in about seven years.

EXPORTS SET TO RISE IN AUGUST AND SEPTEMBER

U.S. West Texas Intermediate crude's discount to globally traded Brent also narrowed significantly in June, when deals for July shipments are typically made, further hurting exports.

WTI's discount to Brent averaged just \$4.17 per barrel, compared with a discount of \$8.16 in May. Since most U.S. grades are priced as a differential to WTI, when the benchmark becomes cheap relative to Brent, it encourages more exports from the U.S.



The spread between the two has widened more recently, with WTI trading at a discount of as much as \$5.42 in July, which should encourage exports in August and September, analysts said.

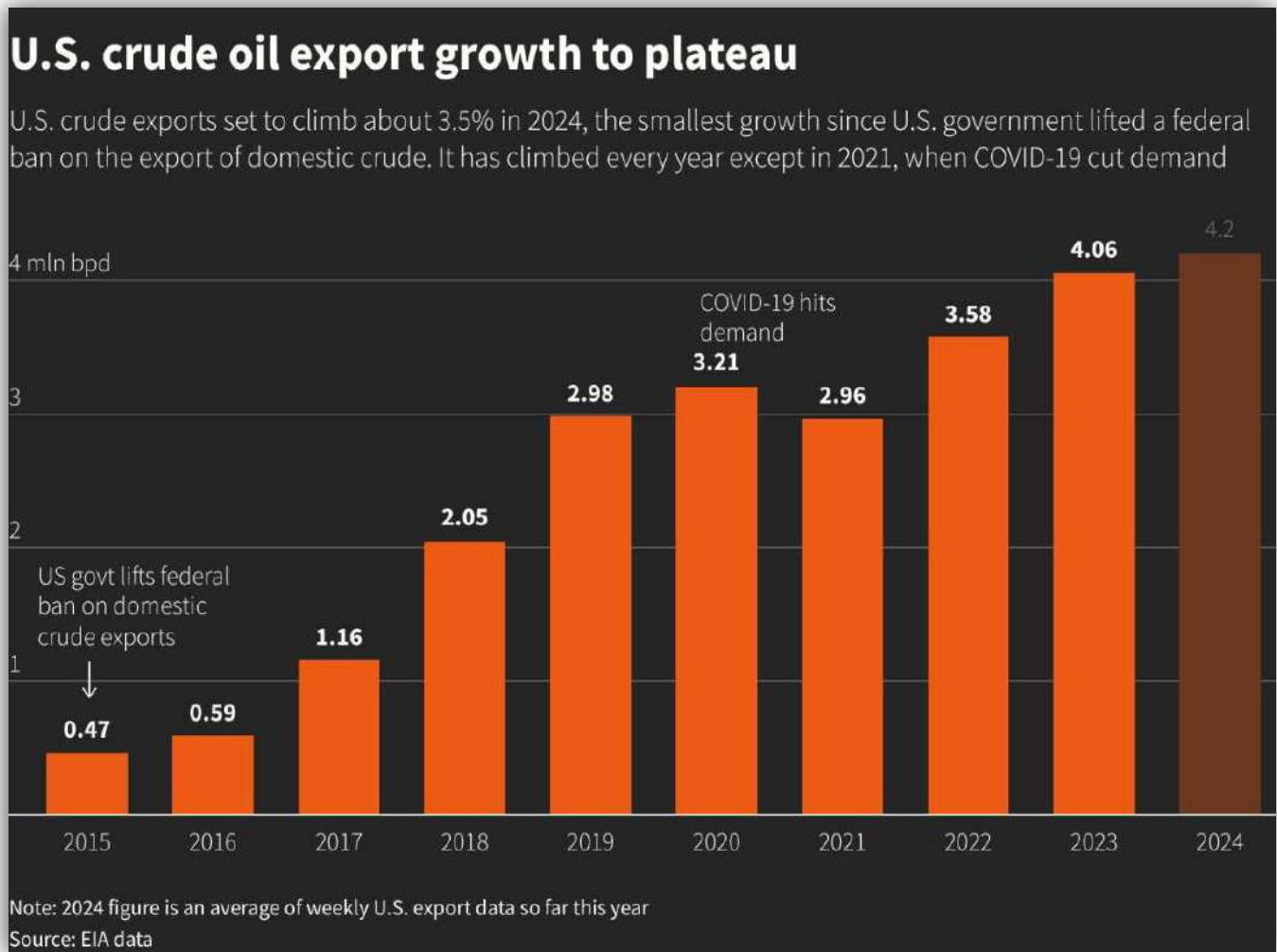
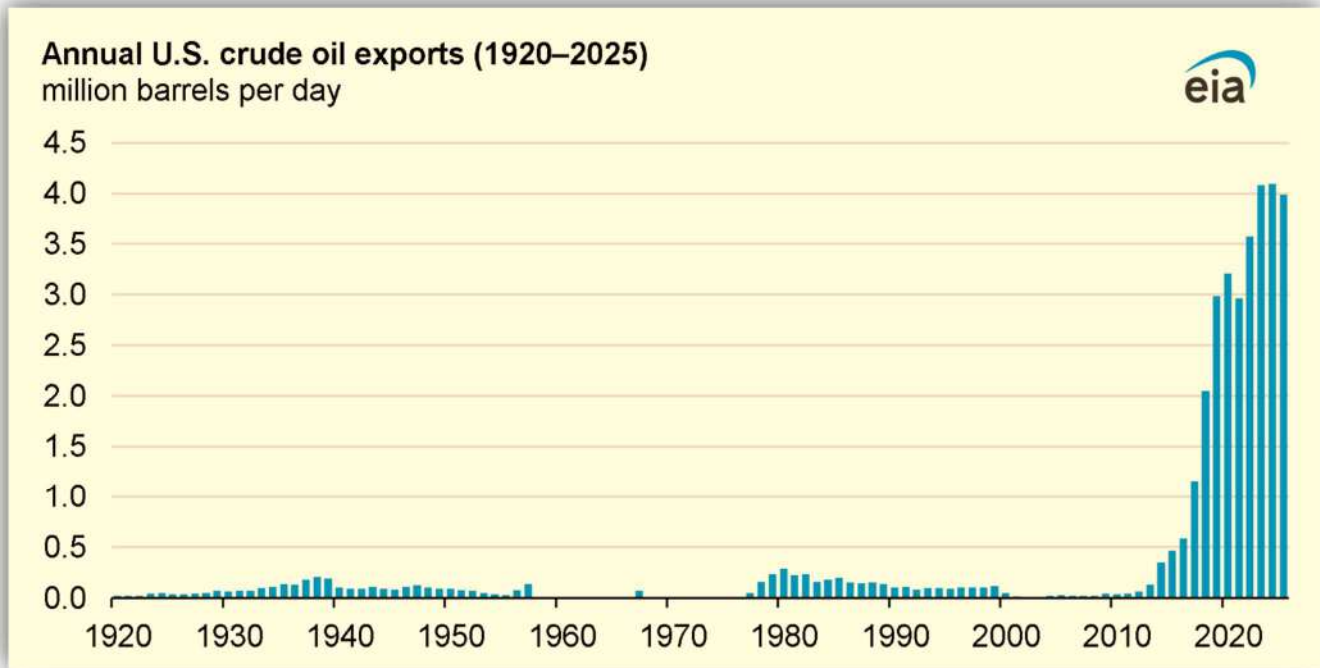
Ship fixtures out of the U.S. Gulf Coast for exports over the last few days have been extremely busy, with a larger-than-normal amount of Very Large Crude Carriers fixed to Asia and Europe and Aframax tankers booked as well, said Scott Shelton, energy specialist at TP ICAP. A Very Large Crude Carrier can move up to 2 million barrels, while Aframax tankers can move about 750,000 barrels.

Export volumes in August and September are expected to exceed 4 million barrels per day, Vortexa's Rathod said, although they are unlikely to reach the levels above 5 million bpd seen in April and May. Exports were forecast to be around 4.58 million bpd in August and 4.45 million bpd in September, according to research and consultancy firm Energy Aspects.

The U.S. could be called upon to boost exports further if the conflict in the Middle East escalates, said Ben Cook, portfolio manager of the Hennessy Energy Transition Fund.

The U.S. has a monthly export capacity of about 6 million bpd, traders and analysts have said, citing limited pipeline capacity, vessel availability and loading schedules.

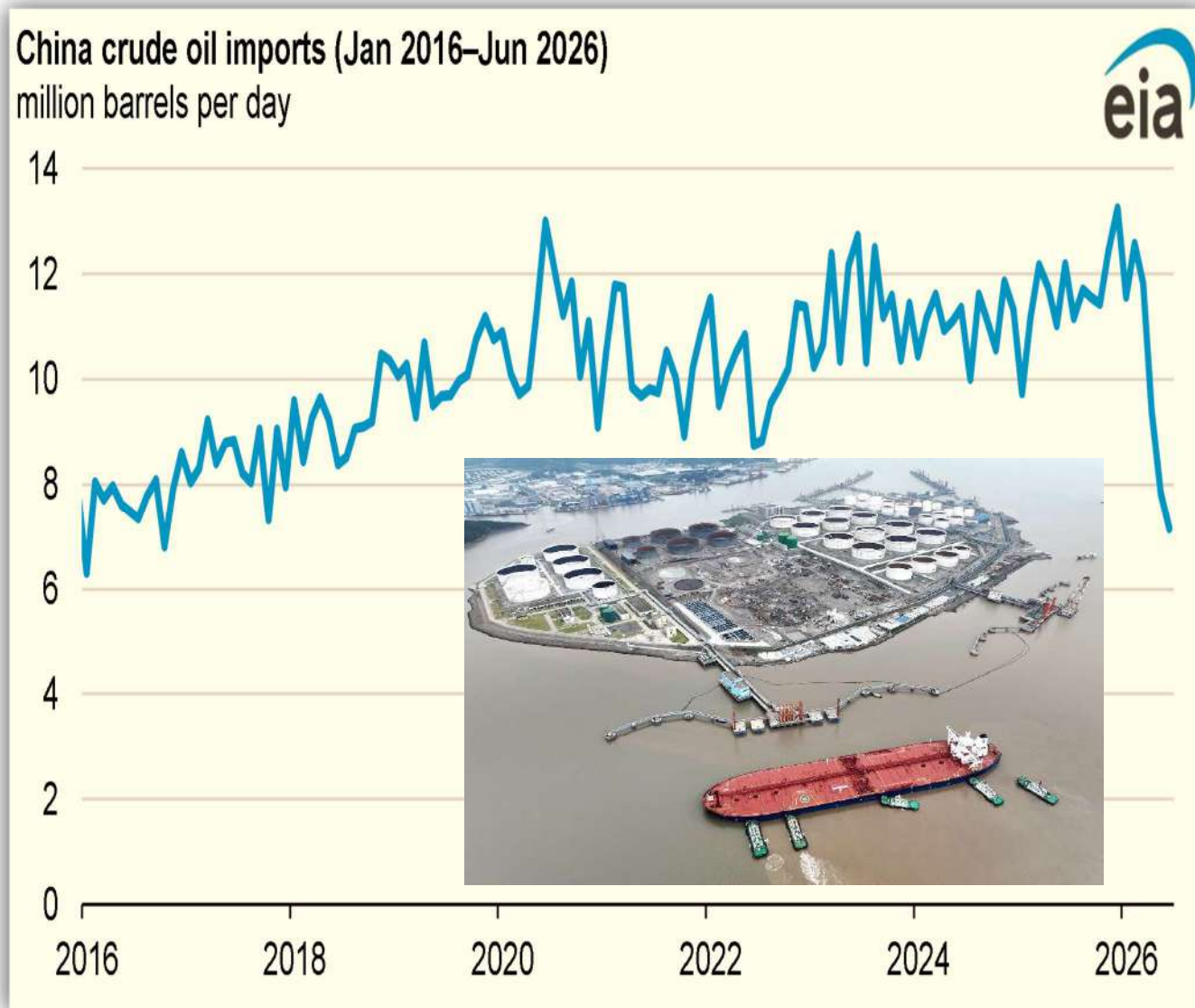
Historically – US Oil Exports 1920 - date



China's crude oil imports fell in the second quarter

Data source: China General Administration of Customs, Bloomberg L.P.

China, the world's largest importer of crude oil, imported less crude oil in the second quarter of 2026 (2Q26) following higher crude oil prices that resulted from disrupted flows through the Strait of Hormuz. China's lower imports reduced global demand, softening the upward price effects from the disrupted supply through the strait.

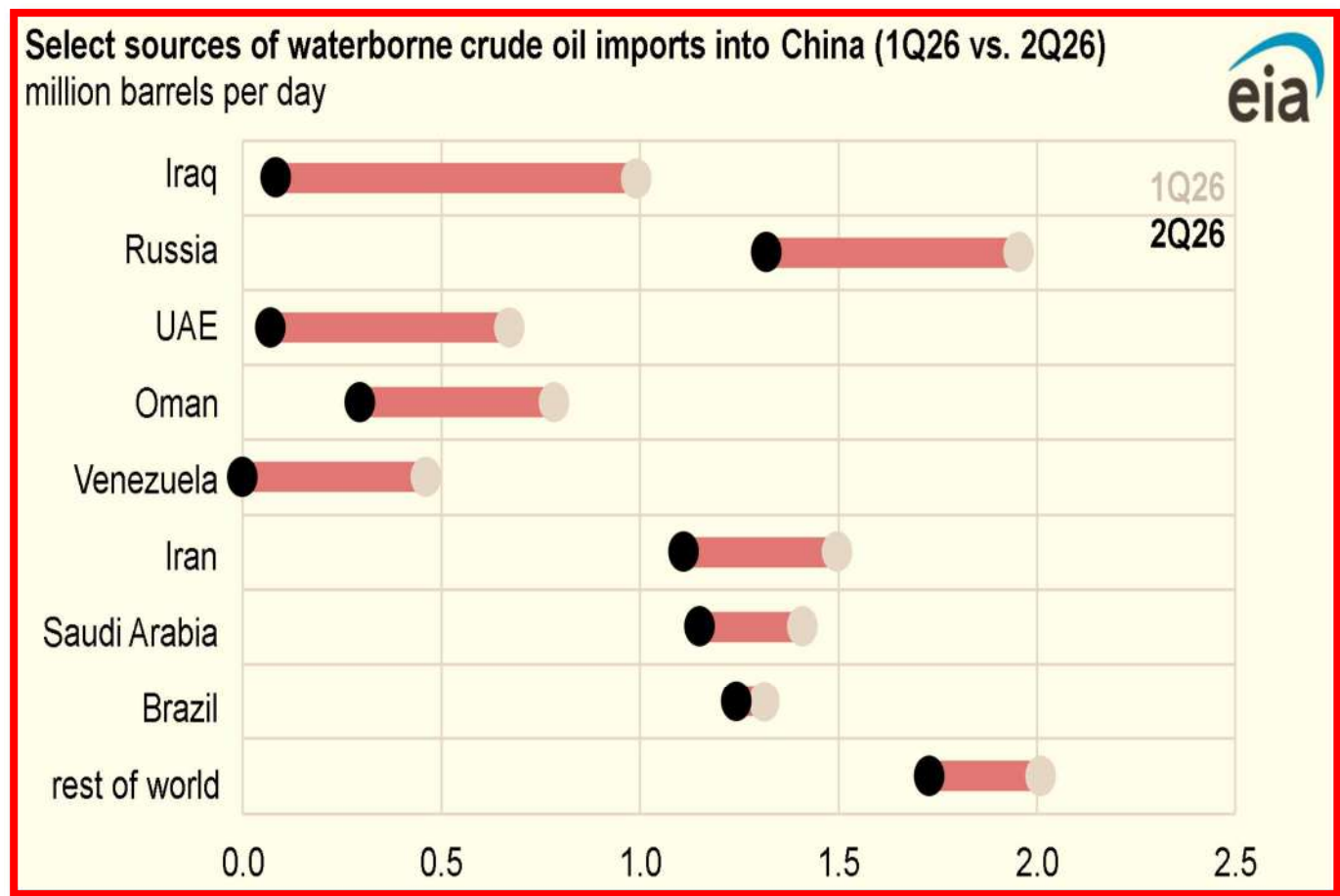


Monthly data from China's General Administration of Customs indicate that China imported just 8.1 million barrels per day (b/d) of crude oil in 2Q26, 32% less than the previous quarter. In May and June, imports fell below 8.0 million b/d for the first time since 2016.

China's recent decrease in crude oil imports contrasts with record-high imports before the conflict around the Strait of Hormuz. China imported an annual record of 11.6 million b/d of crude oil in 2025, expanding its strategic oil stocks at a time when crude oil prices were the lowest since 2020. In 2H25, when crude oil prices were lowest, China imported an average of 12.0 million b/d, a level sustained through February 2026.

Most crude oil imports into China arrive by tanker, and tanker traffic data from Vortexa suggest the decrease in imports was from waterborne movements rather than pipeline imports, which we

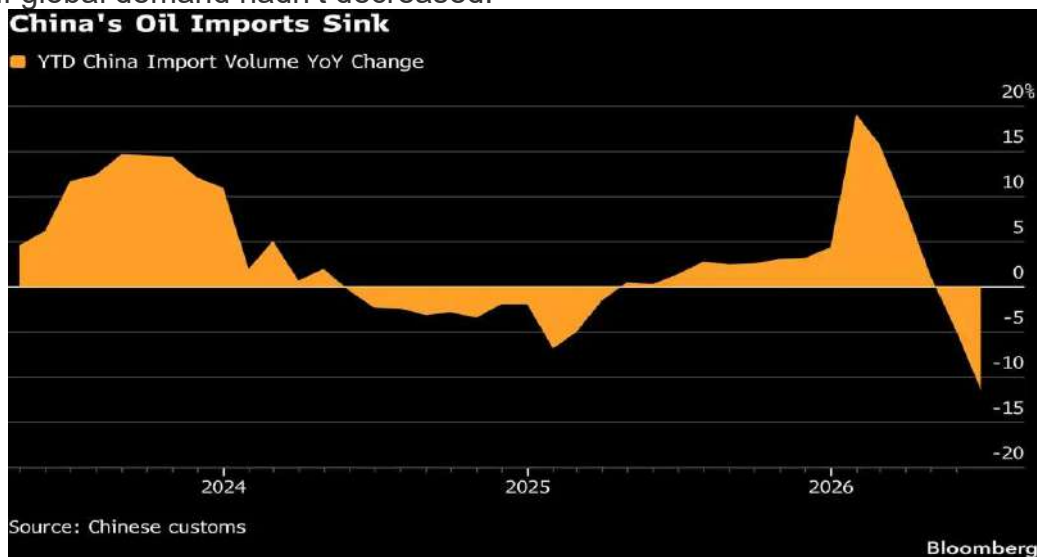
estimate remained stable. The largest decreases in waterborne imports between 1Q26 and 2Q26 were from Iraq (910,000 b/d), Russia—China’s top source of imports—(640,000 b/d), and the UAE (600,000 b/d).



Data source: Vortexa Analytics , **Note:** China also imports crude oil via pipeline from Russia.

China reduced its imports of crude oil more than refiners reduced processing crude oil, suggesting crude oil inventory draws. China’s refineries processed 2.2 million b/d less crude oil in 2Q26 than in 1Q26, compared with a 3.9 million b/d drop in imports.

In 2Q26, we estimate record-high global inventory draws of 5.1 million b/d that would have been even larger if global demand hadn’t decreased.



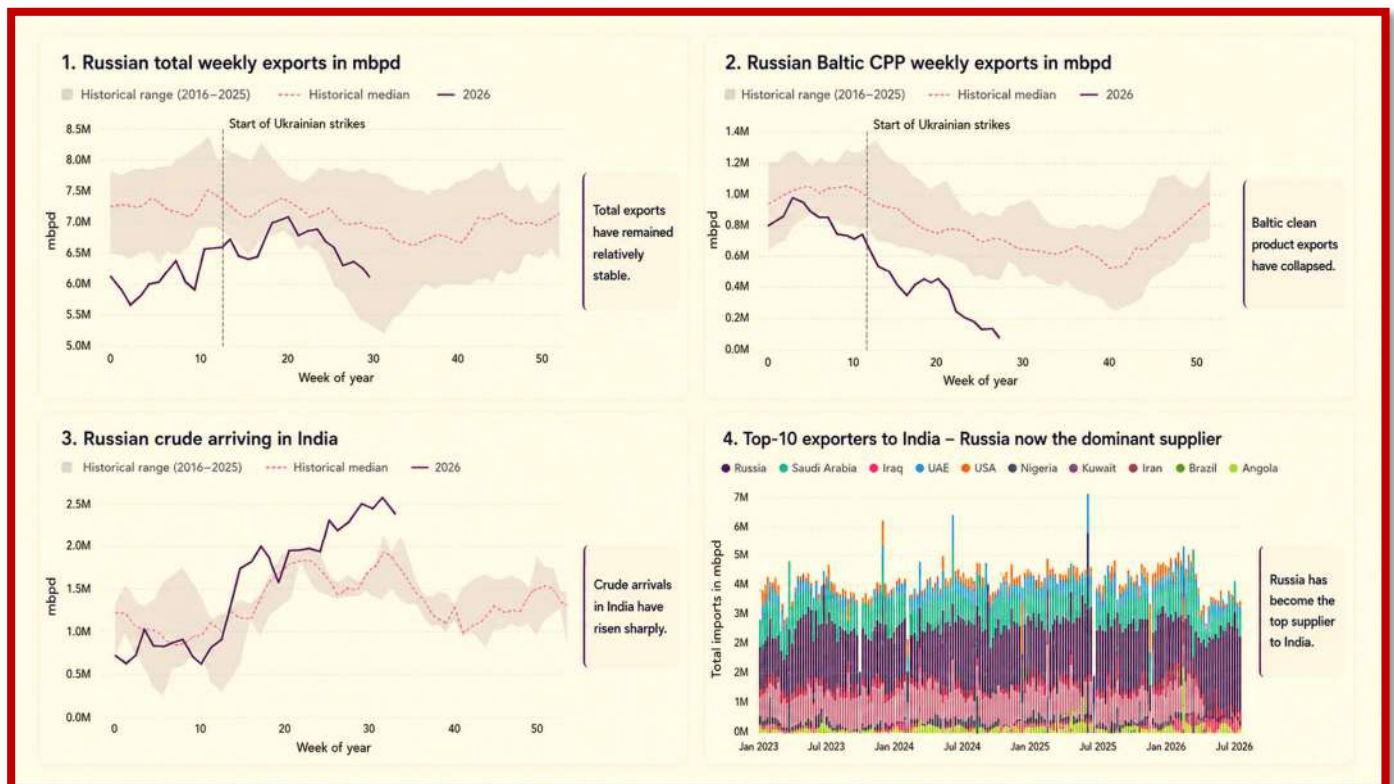
Russian July seaborne oil product exports drop 33% m/m, data from sources shows [Reuters + NewBase Energy](#)

Russia's seaborne oil products exports fell by a third in July month-on-month to about 3.9 million metric tons, reflecting a drop in fuel production following Ukrainian attacks on Russian refineries and export restrictions, according to market sources and LSEG data.

Russia introduced a temporary ban on diesel exports last month to secure domestic supplies and later extended the measure until the end of August for producers, as fuel shortages in the local market drove wholesale prices higher. The ban, however, allows exports under previously concluded contracts and intergovernmental agreements.

- Total diesel and gasoil exports from Russian ports fell in July by about 60% from the previous month to 0.75 million tons, while seaborne naphtha export shipments dropped 35% to around 0.8 million tons amid strong domestic gasoline demand.
- Naphtha is primarily used as a feedstock for petrochemical production, including plastics, and can also be blended into gasoline.
- Dark oil products — fuel oil and vacuum gasoil (VGO) — accounted for about 60% of Russia's seaborne oil product exports in July. Combined exports of the two products fell by about 21% from June to roughly 2.3 million tons, LSEG data showed.
- Lower exports of oil products from Russian ports could further tighten available fuel cargoes in Asia, the Middle East, Turkey and Brazil, traders said. These markets have become the main buyers of Russian fuel exports since the European Union's ban on imports of Russian oil products took effect in February 2023.

From products to crude: reshaped Russia's seaborne exports



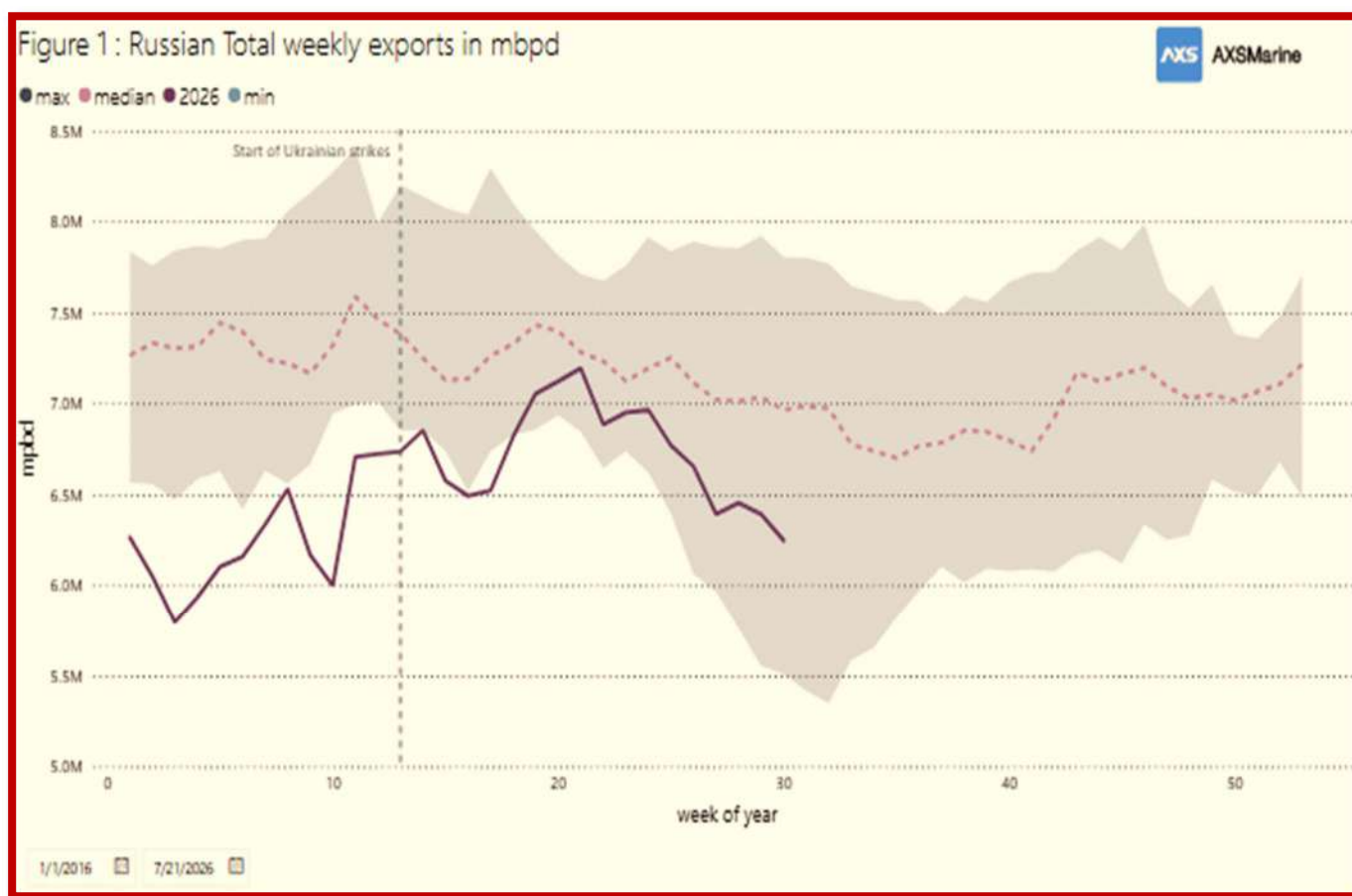
Russian ports and refineries stepped up sharply after March 2026, and the effect on Russia's seaborne oil trade was not really a simple fall in volumes. What changed was the mix. Refined product exports out of the Baltic terminals fell apart, while crude exports, above all to India, ran higher.

Those two moves are really one story. With refineries damaged, the crude that would normally have been processed at home was pushed onto the water instead. At the same time the closure of the Strait of Hormuz cut Middle East supply to India and pulled Russian barrels in from the demand side.

Because the crude surge cushioned the product collapse, the headline total barely moved, which is exactly why looking at the total on its own is misleading. The story is in the composition.

The total looks quiet

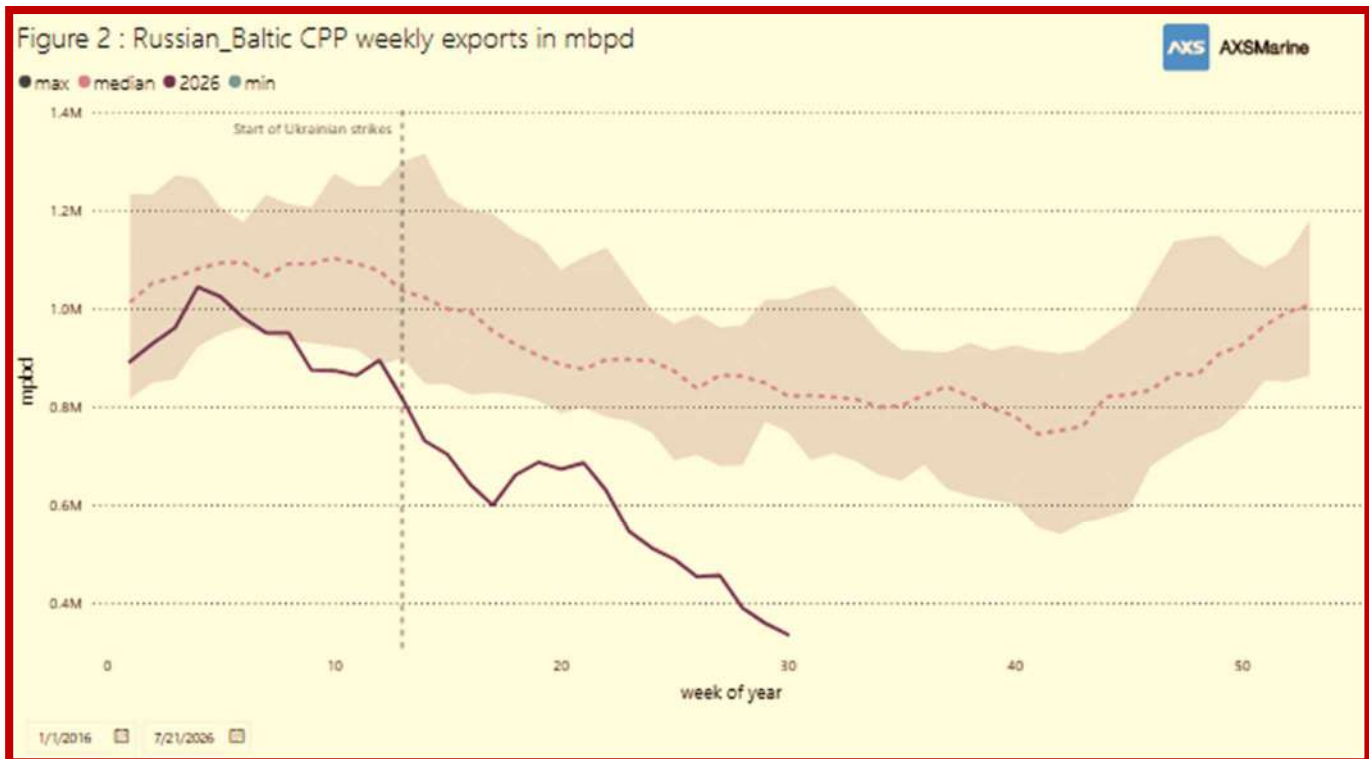
Add everything up, all loading regions and every commodity, and Russian seaborne exports in 2026 sat inside their normal historical range for most of the year, sliding into the lower half of that range after the strikes.



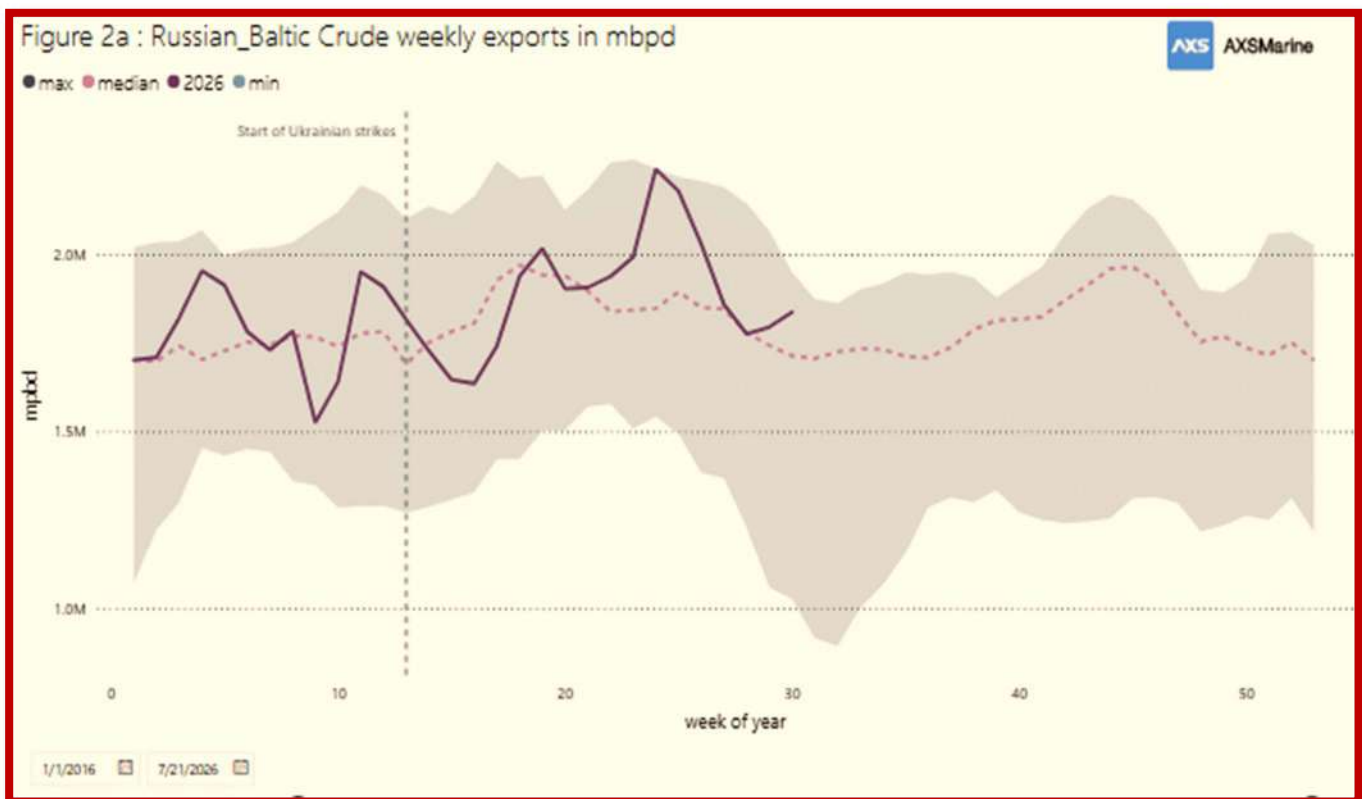
Anyone glancing at that line would reasonably conclude not much had happened. However the strikes impact are visible once you split the flows by product and by loading region.

Products: the Baltic terminals fold

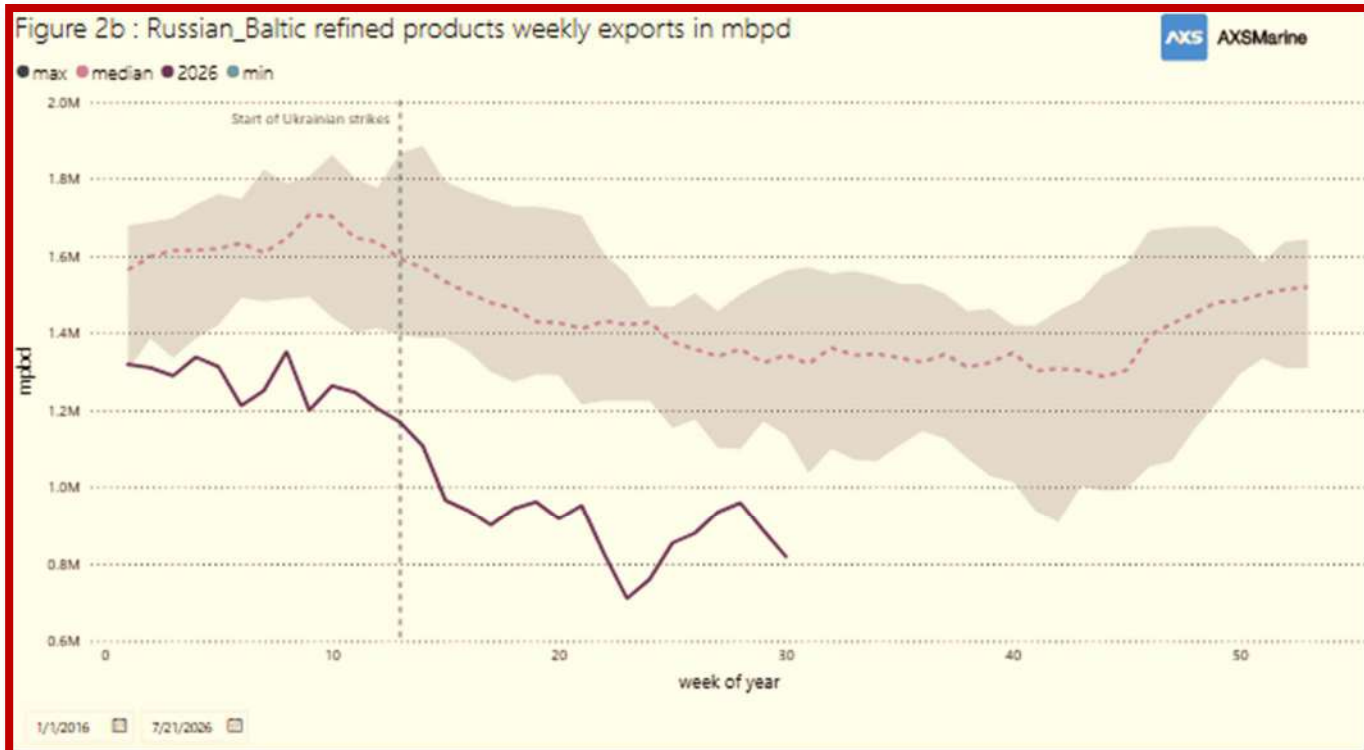
The clearest damage shows up in clean products loaded at Russia's Baltic terminals, Ust-Luga and Primorsk. After the strikes, clean product loadings from these two ports drop well below their ten-year floor and stay there, the steepest fall of anything on the board, with the 2026 line running at a fraction of a normal year.



Crude leaving the same terminals holds up far better, so this is not the Baltic suffering across the board. It is specifically refined products, the output of refineries, that has been knocked out.

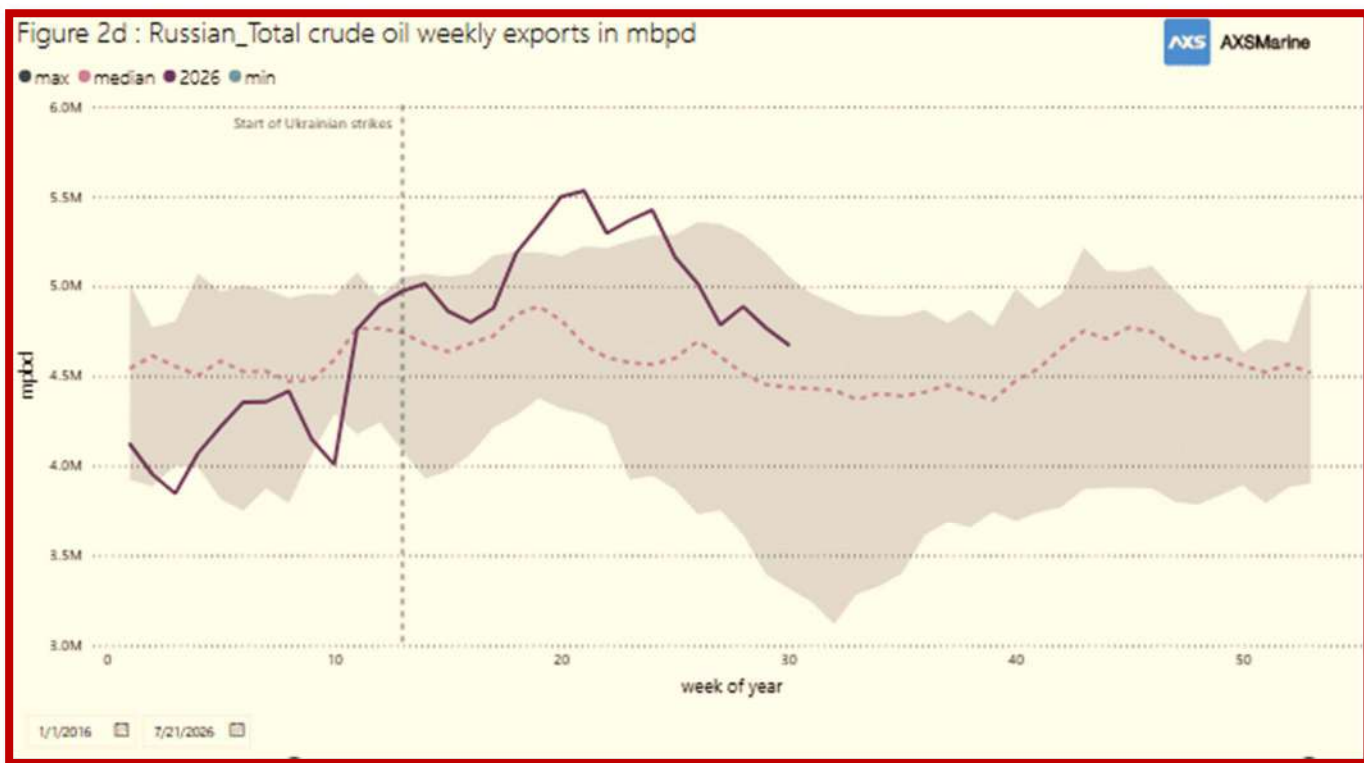


The same picture holds nationally. Total refined product exports fell to around 1.6 million b/d by June and stayed close to that into late July, below the ten-year range for the time of year. Diesel and gasoil took the worst of it, and Moscow imposed a full diesel export ban on 8 July.



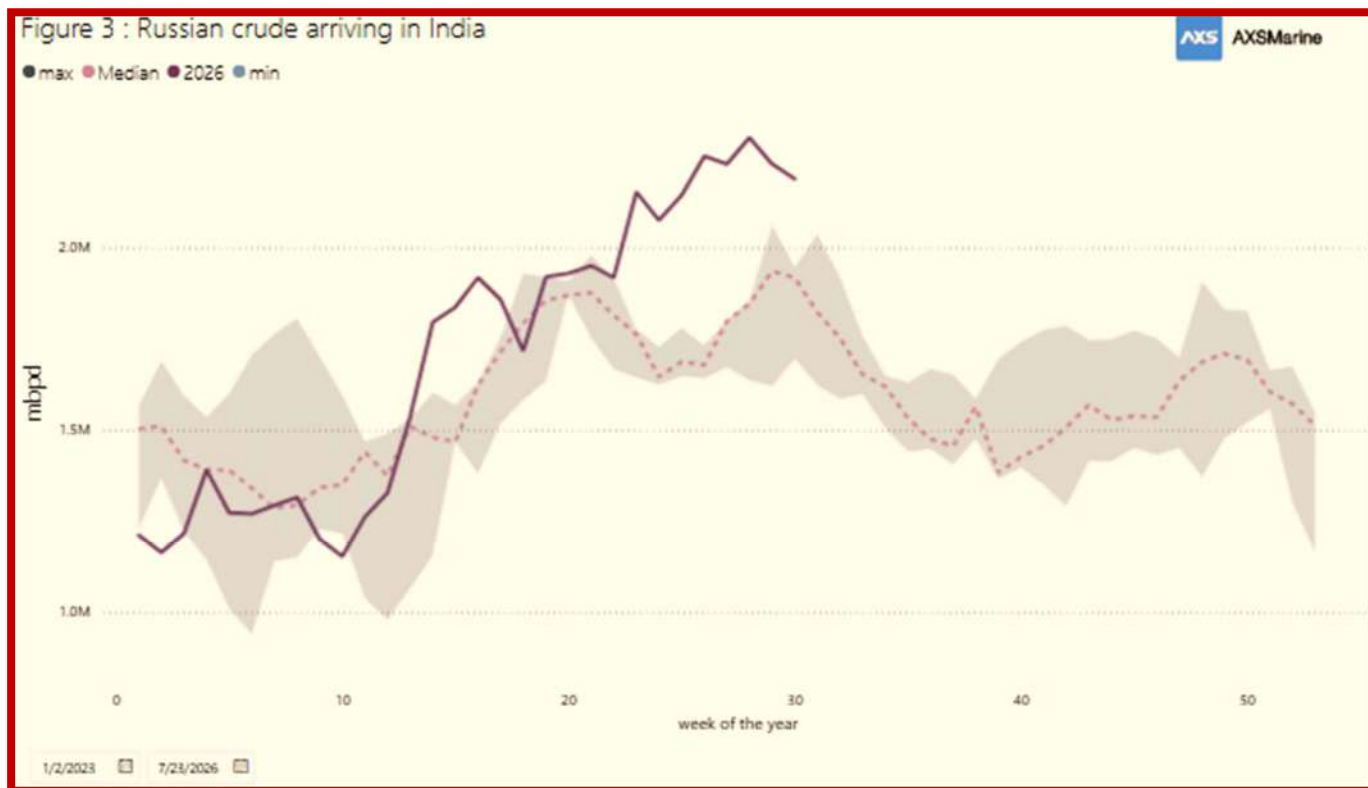
Crude: the barrels head east

Crude runs the other way. Total Russian seaborne crude exports pushed to the top of their ten-year range, peaking around 5.5 million b/d in late spring and still above 4.6 million into late July, the strongest run in years.

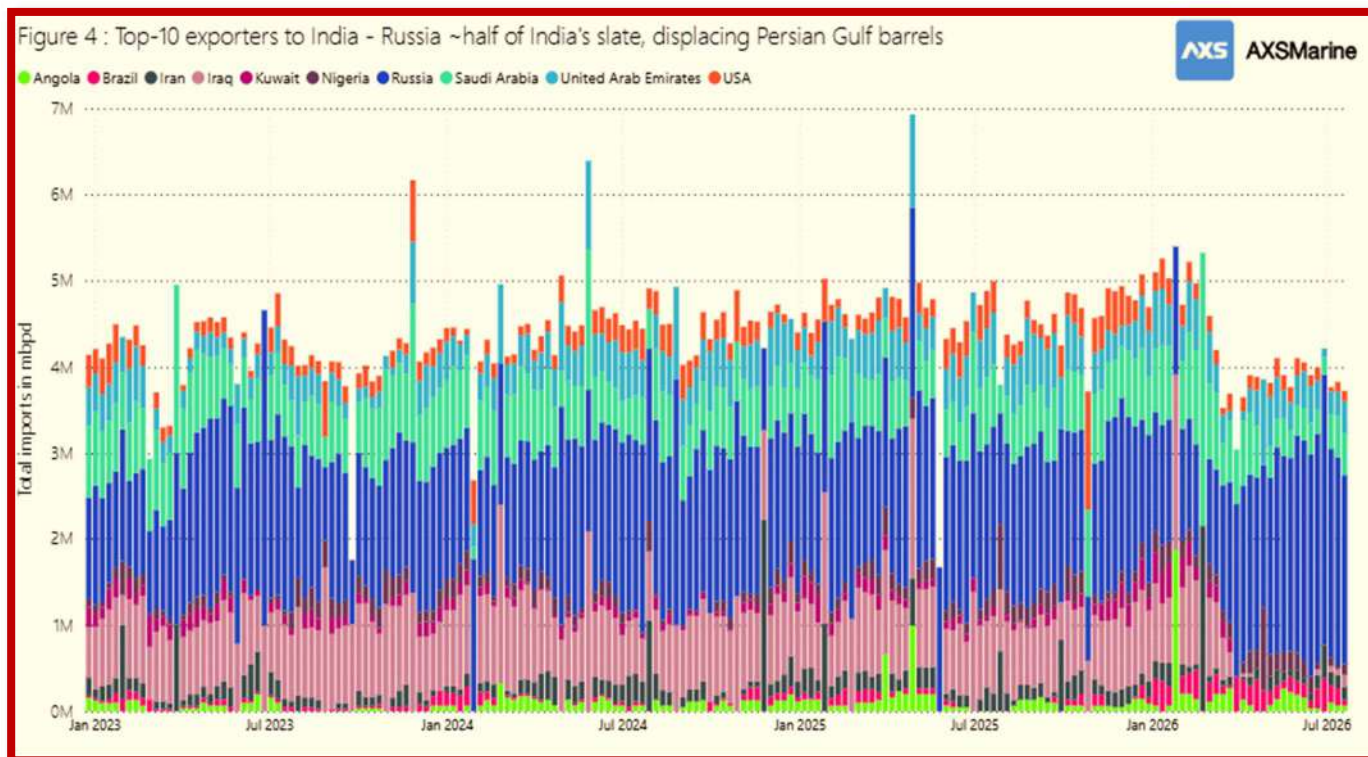


India took the bulk of it. Russian crude arriving at Indian ports climbed above 2 million b/d, past its historical range, lifting Russia from about a third of India's imports to around half, the first time any

single supplier has held a majority of India's crude (Figure 3). Kozmino, on the Pacific, tells the same story, running above its own multi-year ceiling.



Russia overtook Iraq as India's leading supplier and pushed out Persian Gulf barrels, with Saudi volumes into India falling the hardest, from roughly 1.0 million b/d in February to about 330,000 in June (Figure 4). Much of that was about routing rather than price. India replaced most of Gulf barrels, especially the Iraqi ones, from Russia, which captures now almost half of Indian imports.





Oil price special coverage



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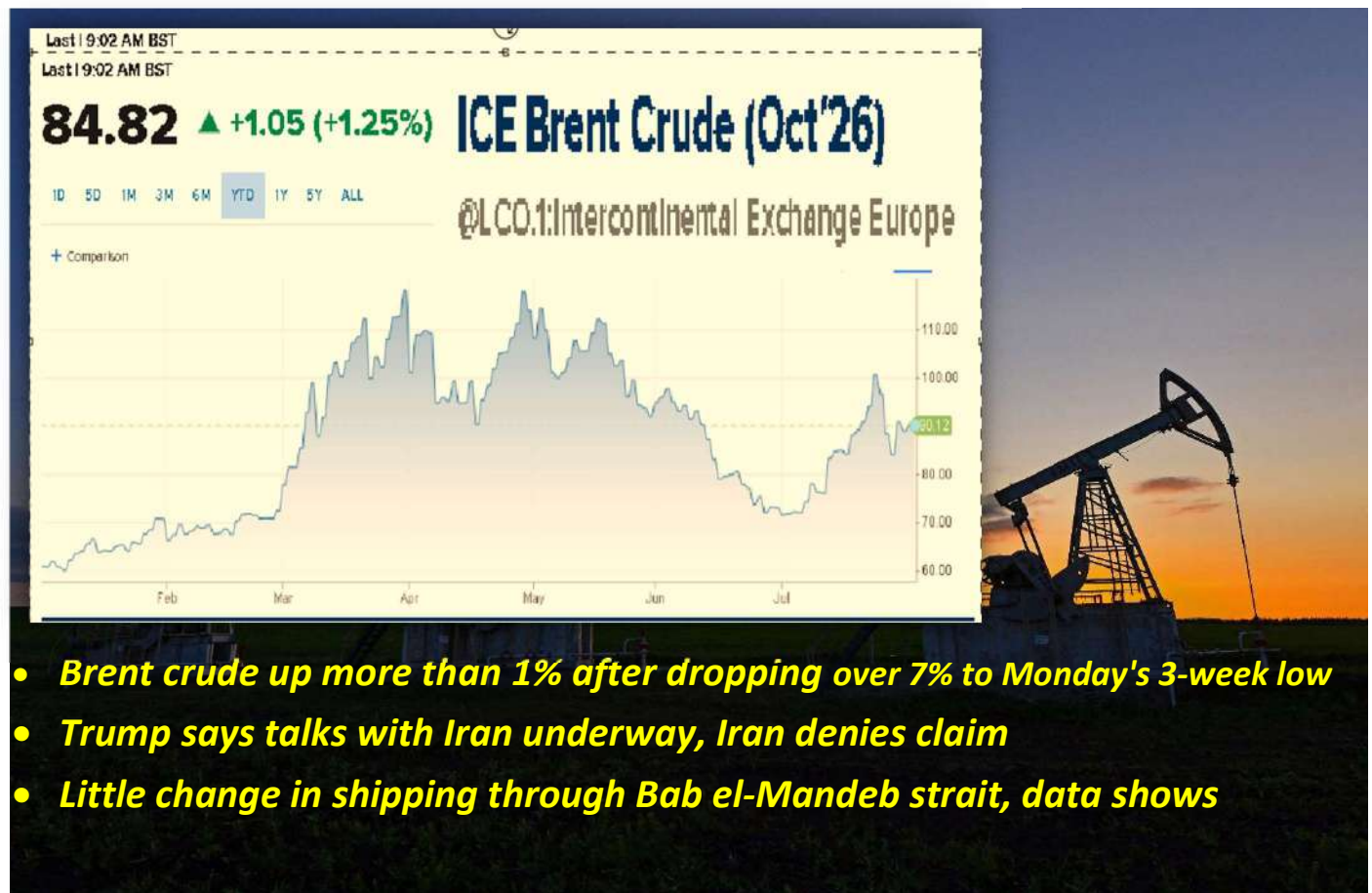
Oil ticks up after selloff as talks to end US-Iran war remain uncertain

Reuters + NewBase Energy

Oil prices rebounded 1% on Tuesday from a plunge in the previous session, fuelled by concerns that Middle East supply remains at risk as a diplomatic resolution to the U.S.-Iran war that has disrupted shipments still seems unlikely.

Front-month Brent futures rose \$1.02, or 1.2%, to \$84.79 a barrel by 0632 GMT after dropping 7% in the previous session to a three-week low.

U.S. West Texas Intermediate (WTI) crude was up 46 cents, or 0.6%, at \$80.80 a barrel after falling more than 5% in the previous session to its lowest in nearly a week.



Prices dropped after U.S. President Donald Trump said on Sunday he was holding off on new attacks on Iran pending ongoing talks to end their war and settle claims over control of the key Strait of Hormuz.

The strategic waterway, which connects Gulf oil producers to global markets, was a channel for about a fifth of global shipments of crude oil and natural gas before the conflict.

However, on Monday, Iran's Foreign Ministry spokesman Esmail Baghaei rejected Trump's claim, saying no negotiations with the U.S. were taking place and no meetings were scheduled.

"The scale of the sell-off seems fairly overdone, given that there's still considerable uncertainty. We've been in this situation multiple times before, only to see things unravel," ING analysts said in a note.

"And with Iran denying that any talks are underway and Trump issuing warnings if no deal materialises, the backdrop clearly leaves ample room for a renewed escalation."

The Hormuz dispute is a central sticking-point in talks. Washington says the memorandum of understanding agreed in June required Iran to open the waterway, while Tehran says the text explicitly preserved its authority.

Analysts at Barclays said crude oil and refined product net exports through the strait averaged 4.2 million barrels per day in the week ended July 31, versus 3.2 million the previous week.

In the Red Sea, six Saudi-flagged supertankers changed course in the Gulf of Aden recently for southern Africa, while two tankers laden with Saudi oil crossed the Bab el-Mandeb Strait, shipping data showed on Monday.

Shipping traffic at the key Gulf waterways of Bab el-Mandeb and the Strait of Hormuz held largely unchanged at the start of the week.

Hormuz remains dangerous for vessels. On Tuesday, the United Kingdom Maritime Trade Operations agency flagged an incident 20 nautical miles (37 km) northeast of Oman's Al Khasab, after a cargo vessel broadcast over VHF channel 16 that it had been hit by an unknown projectile.

"While the fighting between Saudi Arabia and the Houthis has not completely halted energy flows, it has forced longer voyage times, higher insurance costs and occasional diversions," said Tim Waterer, chief market analyst at KCM Trade.

"With the Strait of Hormuz, it keeps a dual-chokepoint risk in the market that prevents oil from fully unwinding its geopolitical premium."

[AI Mode conversation: US oil inventories as of 04 August 2026](#)

US oil inventories as of 04 August 2026

As of August 4, 2026, the official **US crude oil inventory stands at 404.5 million barrels**, according to the latest U.S. Energy Information Administration (EIA) figures. This inventory level represents a massive drop of **7.2 million barrels** from the prior tracking period, leaving US commercial stockpiles about **7% below the five-year average** for this time of year.

The next official EIA weekly status report is scheduled for release tomorrow, **August 5, 2026**.

Inventory Breakdown by Sector

The overall oil and product supply dynamics in the United States currently feature the following volumes:

- **Strategic Petroleum Reserve (SPR):** Decreased by 3.8 million barrels down to **307.7 million barrels** due to ongoing emergency reserve distributions.
- **Cushing Oklahoma Hub:** Fell by 771,000 barrels, bringing the key NYMEX delivery point inventory to **18.6 million barrels**.
- **Gasoline Stockpiles:** Held virtually flat at **211.3 million barrels**, sitting roughly 6% below the seasonal five-year average.

- **Distillate Stocks:** Bucked the downward trend by climbing 1.1 million barrels to **110.6 million barrels**.

Current Market Expectations

Preliminary market analysis and analyst polling ahead of this week's impending data releases project that total commercial crude stocks will **fall by another 2 million barrels** for the week ending July 31. Gasoline is expected to retreat by 1.2 million barrels, reflecting robust peak-summer driving demand across the country.

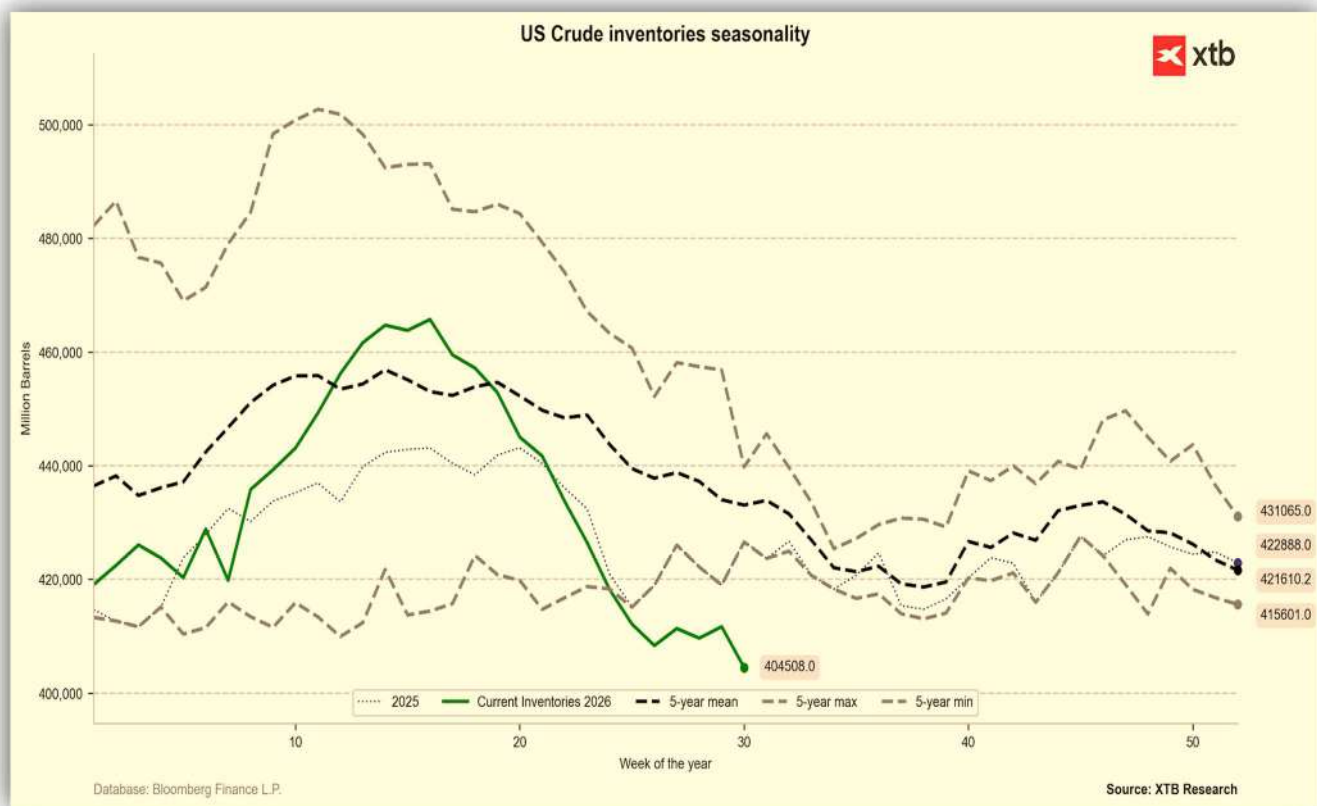
US oil inventories sink as Hormuz traffic remains subdued

- **Strategic Petroleum Reserve at its lowest level since 1983**
- **US crude oil inventories dropped last week amid continued disruptions in the Strait of Hormuz.**

Data released by the Energy Information Administration showed US commercial crude inventories (excluding those in the Strategic Petroleum Reserve) fell by 7.2 million barrels to 404.5 million in the week ending July 24. That is 7 per cent lower than the five-year average at this time of the year.

Refineries were operating at 97.2 per cent of their capacity last week, the EIA said.

Oil levels in the strategic reserve were down to 307.7 million barrels, the lowest since 1983. The US had previously agreed to release 172 million barrels as part of a broader effort by the International Energy Agency to shore up markets amid the Iran war. Altogether, the IEA's 32 members pledged to make 400 million barrels available to the market.



Oil and petroleum from the Middle East continue to face disruptions after renewed hostilities in the Strait of Hormuz, where about 20 per cent of global energy supplies crossed before the Iran war broke out on February 28.

The seven-day moving average for tankers in the strait is at 11, significantly below the rolling average from the same time last year, according to the IMF Port Watch tool.

Brent crude prices had jumped 7.92 per cent to \$90.75 a barrel as of 12.30am UAE time on Thursday while US crude rose 6.94 per cent to \$84.76 a barrel.

SunSirs: US Crude Oil and Refined Product Inventories Expected to Fall

On Monday, August 3, a preliminary survey indicated that US inventories of crude oil, gasoline, and distillates were expected to decline last week.

Four surveyed analysts estimated, on average, a drop of approximately 2 million barrels in US crude oil inventories for the week ending July 31. Gasoline inventories were projected to fall by about 1.2 million barrels, while distillate inventories—comprising diesel and heating oil—were expected to decrease by 100,000 barrels.

The anticipated 2-million-barrel drop in US crude inventories for the week ending July 31, alongside simultaneous declines in gasoline and distillate stocks, reflects robust crude demand, providing bullish support for both spot and futures crude prices.

Crude oil is the primary feedstock for petroleum asphalt; as crude prices strengthen on expectations of inventory declines, the cost of producing asphalt rises, offering a modest boost to its price. On August 3, 2026, the closing price for the main petroleum asphalt contract (2706) on the Shanghai Futures Exchange was 3,564 RMB/tonne—down 15 RMB/tonne from the previous trading day—though the impact of cost-side support is expected to become increasingly apparent.

The upstream sector for liquefied petroleum gas (LPG) is closely linked to the crude oil value chain; rising oil prices increase LPG production costs, providing a slight lift to its price. On August 3, 2026, the closing price for the main LPG contract (2610) on the Dalian Commodity Exchange was 5,338 RMB/tonne—down 15 RMB/tonne from the previous trading day—with cost-side support likely to strengthen gradually.

Crude oil is the main feedstock for paraxylene (PX); upward movement in oil prices drives up PX production costs, offering a modest boost to its price. On August 3, 2026, the closing price for the main PX contract (2609) on the Zhengzhou Commodity Exchange was 8,148 RMB/tonne—up 38 RMB/tonne from the previous trading day—showing a firm price trend supported by costs.

Butadiene rubber is a downstream chemical product of crude oil; rising oil prices increase its production costs, providing a slight boost to its price. On August 3, 2026, the closing price of the dominant butadiene rubber contract (2609) on the Shanghai Futures Exchange was 12,570 RMB/tonne, up 30 RMB/tonne from the previous trading day, reflecting strong cost support.



HAWK ENERGY

Oil & Gas Services





- Hawk Energy revises Oil at averaging \$82-\$85 This Year 2026 with positive Growth
- That's a 'foreseeable & sensible range,' Hawk Energy CEO M. Al Shihabi says
- Demand set to grow (1.2 MBD) from 105.3 to 106.5 MBD in 2026: Al Awadhi says





NewBase Special Coverage

The Energy world 04–August-2026



Critical mineral demand to peak after 2040, supply gaps to persist

Energy Agency's (IEA)

Global demand for critical minerals is set to rise strongly through 2040, driven by the expansion of electric vehicles, battery storage, renewable energy and electricity networks, while supply gaps for key minerals such as copper and lithium are expected to persist, according to the International Energy Agency's (IEA).

The report suggests that meeting future demand will require more than USD 750 billion in investment in mining and refining between now and 2040 under the Stated Policies Scenario (STEPS). Copper is expected to account for the largest share of investment at about USD 310 billion, followed by nickel at USD 280 billion.

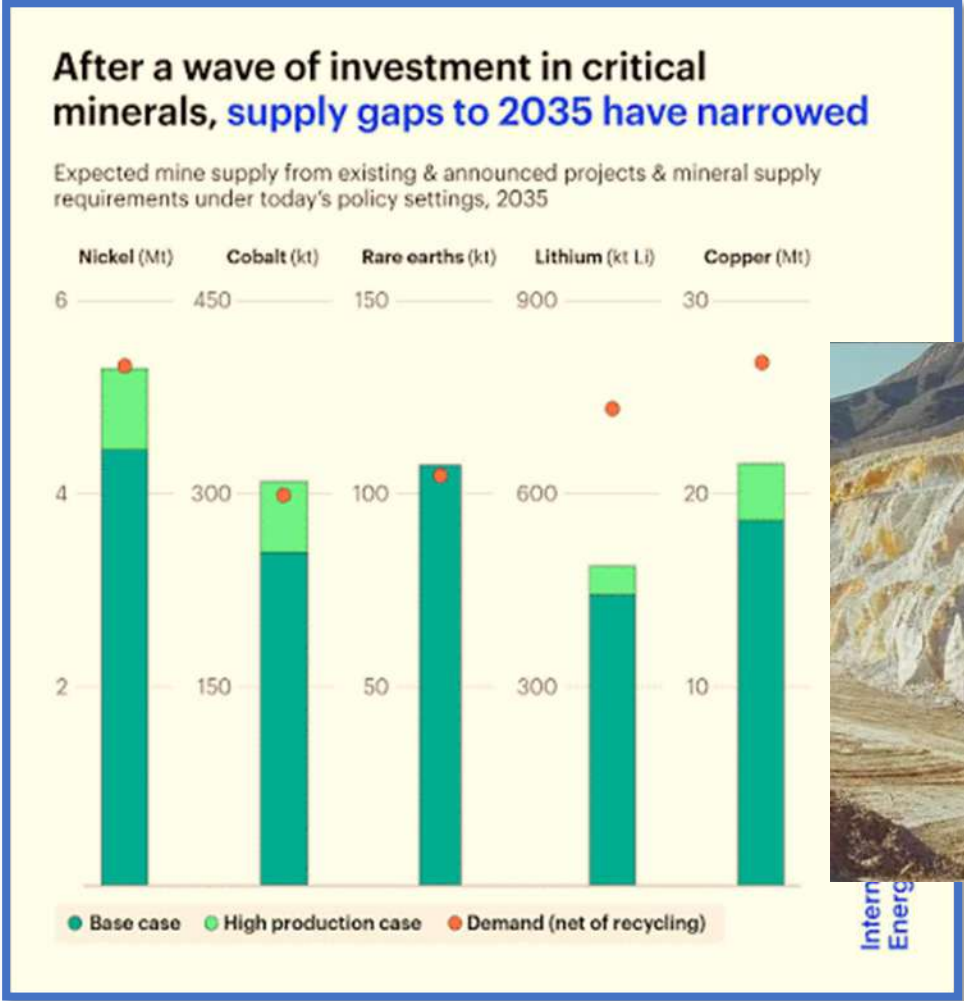


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The IEA projects lithium demand to more than triple by 2040 under STEPS, while graphite demand is expected to double and nickel demand to increase by 65 per cent. Rare earth demand is projected

to rise by around 50 per cent, while copper demand is set to grow by more than 25 per cent, adding around 7 million tonnes by 2040.



Despite a growing pipeline of mining projects, the agency said supply gaps for copper and lithium could remain through 2035. A gap also emerges for cobalt, largely due to the export quota introduced by the Democratic Republic of the Congo, while nickel's supply outlook has tightened somewhat compared with last year.

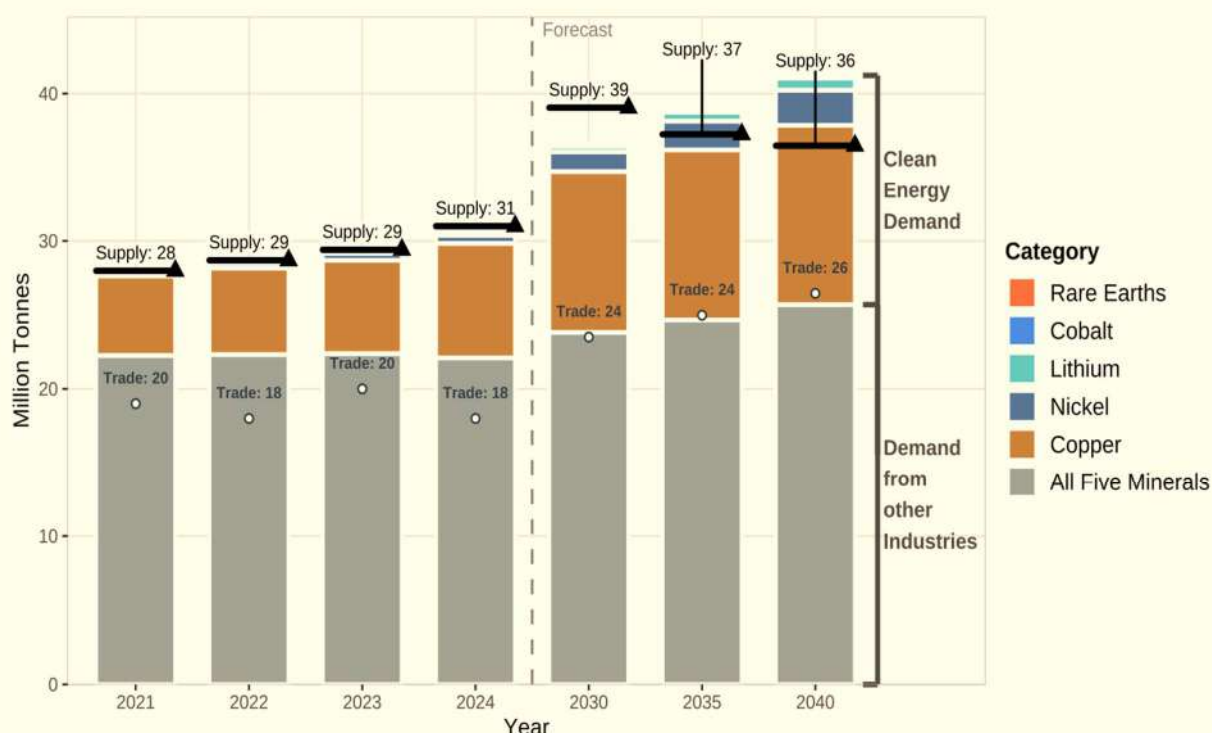
The bigger vulnerability lies further down the supply chain. Mining projects are becoming more geographically diversified, but refining and downstream processing remain highly concentrated. China currently accounts for just under 50 per cent of global copper refining, 70 per cent of lithium refining, 75 per cent of cobalt refining, 85 per cent of magnet rare-earth separation and more than 90 per cent of battery-grade graphite production.

The IEA said this imbalance could create bottlenecks even as new mining capacity comes online. Announced projects outside dominant suppliers point to substantial increases in lithium and graphite mining, but refining and cathode-material capacity remains considerably smaller.

Recycling is expected to become an increasingly important source of supply. Under STEPS, secondary supply could roughly double its share, with average recycling rates rising from around 10 per cent currently to nearly 20 per cent by 2040.

The report said timely policies to reduce investment risks and support refining, processing and recycling capacity could help create more balanced and resilient critical-mineral supply chains.

Projected Demand Growth for Key Energy Transition Minerals (2021–2040)



Key Market Projections (2024–2040)

The pace of the energy transition hinges on exponential demand growth for specific minerals:

- **Lithium:** Demand is projected to skyrocket by **353%**.
- **Graphite:** Consumption is expected to increase by **131%**.
- **Nickel:** Demand will climb by **69%**.
- **Copper:** Overall demand is set to rise by more than **40%**.

Root Causes of Persistent Supply Gaps

1. Severe Geographical Concentration

The global supply chain remains vulnerable to geopolitical and operational shocks because mine output and processing are bottlenecked in just a few nations.

- **Extraction:** For minerals like lithium and cobalt, the top three producing nations control over **70% to 90%** of total global output.
- **Refining:** Downstream processing is even more isolated. “China dominates CETM refining, including rare earths, lithium, and cobalt, while Indonesia leads in nickel refining, accounting for 43 per cent of global capacity.”, as noted by UNCTAD.

2. Protracted Project Development Cycles

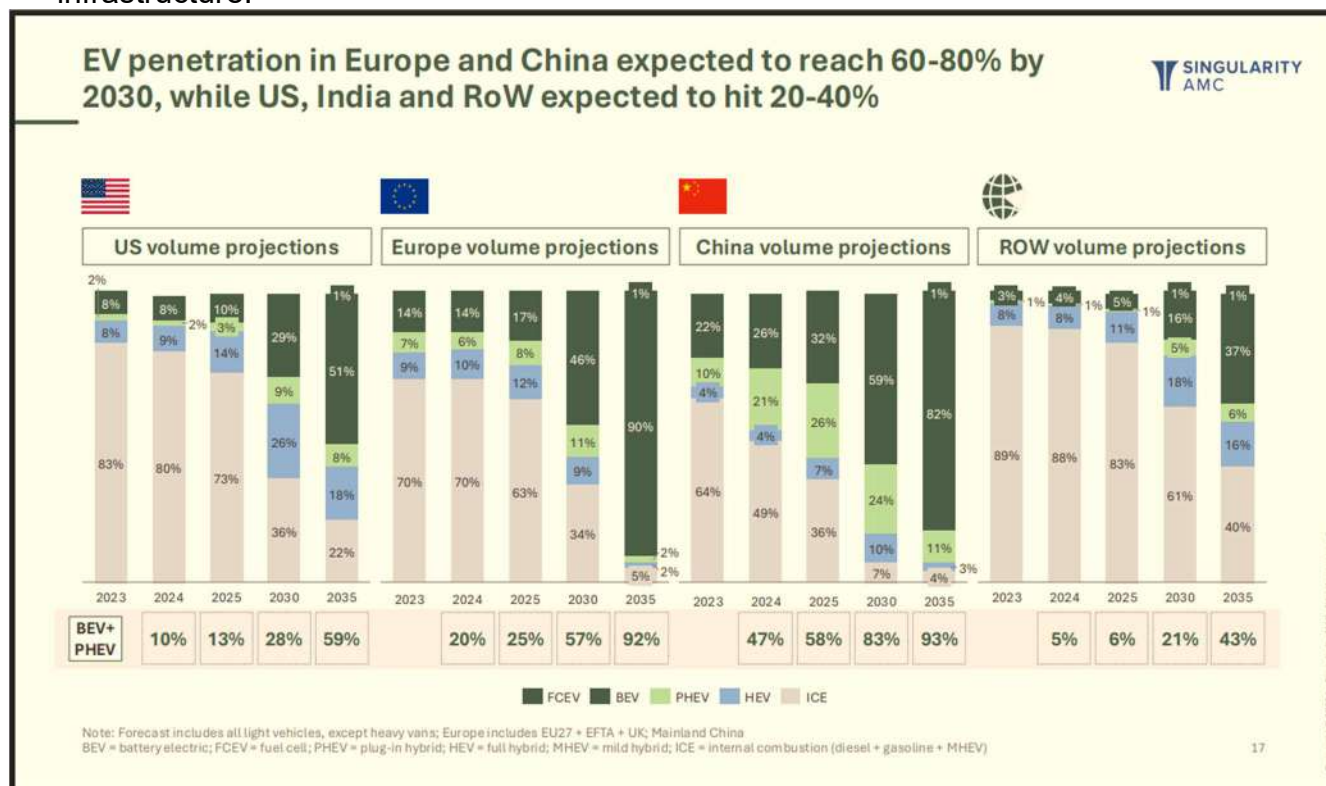
The lag time between discovering a deposit and achieving commercial production is exceptionally long. “Meanwhile, declining ore grades, rising geopolitical tensions and mine development timelines of up to 25 years pose structural challenges.”, according to UNCTAD. This means projects initiated today may not deliver minerals until after the 2040 demand peak

3. Massive Funding Gaps

To achieve global net-zero targets, the industry requires an estimated **\$360 billion to \$450 billion** in capital injection to establish roughly 80 new copper mines and 70 new lithium mines. Currently, the sector faces an estimated **\$180 billion to \$270 billion funding gap**, with copper and nickel accounting for the vast majority of the shortfall.

Geopolitical & Trade Impacts

- **Rise of Resource Nationalism:** Governments are aggressively deploying trade policies to safeguard domestic supply. Between January 2020 and May 2026, nearly **100 new export measures**—including explicit export bans, quotas, and licensing requirements—were slapped on critical energy transition minerals.
- **Fragmenting Blocs:** A rush to forge strategic supply partnerships has triggered 58 new bilateral international agreements since 2022. UNCTAD warns that without rigorous multilateral cooperation, the trade environment risks fracturing into competing, isolated trading blocs.
- **Value Capture Disparity:** Developing nations remain highly exposed to commodity dependence. In its raw form, extracted lithium or cobalt captures only a fraction of the value. Refined variations command market prices **three to four times higher** than raw ore, driving intense industrial policy shifts across the Global South to build localized processing infrastructure.





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Has drafted & finalized many contracts/agreements in products sale, transportation, operation & maintenance agreements. Along with many MOUs & JVs for organizations & governments authorities. Currently dealing for biomass energy, biogas, waste-to-energy, recycling and waste management. He has participated in numerous conferences and workshops as chairman, session chair, keynote speaker and panelist.

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