Gas flaring rose a shocking 6.6% in 2023. Renewed focus is needed to reduce this wasteful and polluting practice.

June 2024
The World Bank’s 2024 Global Gas Flaring Tracker report revealed a troubling increase in gas flaring activity in 2023. Flared gas volumes increased by 6.6% in 2023, equating to an extra 9 billion cubic meters (bcm) of gas being flared. This was a sharp reversal from the 5 bcm decline in flaring in 2022.

Flaring intensity rose 5% to 4.9 cubic meters of gas per barrel of oil produced. Flaring would need to fall by 20% per year to achieve the World Bank’s zero routine flaring by 2030 target.

The Oil & Gas Decarbonization Charter, announced at COP28, includes a pledge to eliminate routine flaring. An intensified focus on eliminating non-emergency flaring, supported by both industry and policy, is urgently needed.

In addition to being a source of CO₂ emissions, flaring is a significant source of methane emissions through the venting of methane when flares do not function properly. It is also associated with negative health impacts for nearby communities.
1. Flaring rose 6.6%; moving in the wrong direction

- Last year’s **6.6% increase to 148 bcm of gas flared** was the second highest increase in three decades, and **the highest since 2003**.

- This increase occurred despite only a modest (1%) increase in global oil production.

- **Flaring intensity rose by 5%**, from 4.7 m$^3$ to 4.9 m$^3$ of gas per barrel of oil produced.

- Flaring would need to decline **20% per year to reach zero routine flaring** by 2030, assuming ~1 m$^3$/bbl is caused by unavoidable emergency flaring.

- Zero routine flaring goals look **increasingly out of reach** without a renewed global focus.
2. Setbacks in Iran, Russia, US

- The flaring rebound was driven by **Iran, Russia, the United States and Libya**. These were only partly offset by small decreases in **Algeria, Venezuela and Yemen** among others.

- The World Bank cites a range of explanations for the increases. These include **a lack of investment in gas infrastructure** and utilization (Iran and Libya) and **a prioritization of oil production without investments in the infrastructure** to recover the associated gas (Russia).

- In the US, where **the increases occurred primarily in the Permian basin**, reasons given were summer heat-driven power outages, affecting gas compressor facilities, as well as maintenance issues with the midstream network.
3. Flaring stubbornly high in many countries

- In terms of overall flared gas volumes, **Russia, Iraq and Iran stand out as the top flaring countries**, representing 25% of volumes. In all three, flaring has risen or stayed flat in recent years.

- **Venezuela** remains the country with the highest flaring intensity at over 30m³/bbl — 8 times the global average. Algeria, Libya, Iran and Nigeria also stand out for above average flaring intensity.

- The US rose from 6\textsuperscript{th} to 4\textsuperscript{th} place in flaring volume. Among the top flaring countries, the US and Saudi Arabia have the lowest flaring intensity; however, they both saw flaring intensity rise last year.
4. Flaring impacts are undercounted

- Flaring contributes to climate change through both carbon dioxide emissions and methane releases, while wasting a valuable energy resource. The market value of the gas flared in 2023 could have been between $9b (using Henry Hub price of $1.65/MMBTU) and $48b (using the EU import price of $9.08/MMBTU).

- Flaring-related methane emissions are likely underestimated. Empirical research has found flaring efficiency of 91.1%, well below the 98% that is generally assumed.

- Particulate emissions from flaring create a health risk for nearby communities. NOx and VOCs contribute to asthma as well as the formation of ground-level ozone.
5. Corporate flaring commitments not bearing fruit

- Most oil majors, independents and national oil companies (NOCs) have committed to the World Bank’s Zero Routine Flaring by 2030 initiative. A number have committed to eliminating routine flaring even sooner (2025).

- The Oil and Gas Decarbonization Charter, announced at COP28 and including 50 oil producers representing more than 40 percent of global oil production – including many NOCs -- includes a commitment to end routine flaring by 2030.

- In the face of this flaring data, all companies should commit to 1) **improving disclosures** on flaring intensities and routine flaring volumes for operated and non-operated assets; and 2) **allocating investment to flaring abatement** and disclosing strategies to eliminate non-emergency flaring.

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**Source:** Company reports
FURTHER READING

The Burning Question: How to Fix Flaring

Plugging the Leaks: Investor Guide to Oil & Gas Methane Risk

https://business.edf.org/esg