

For Immediate Release

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## Shale drilling activity to boost oil well cement consumption in the next five years

**Greenwich (CT), USA**, May 20, 2021 – Oil well cement (OWC) consumption is expected to increase in 2021, yet reaching less half of the peak consumption levels recorded in 2014, according to [CW Research's World Oil Well Cement Market Forecast 2026](#).

After bottoming out in 2016 at less than 4 million tons, oil well cement demand is expected to increase at a CAGR of 6 percent between 2021 and 2026, resulting in a total that will still be far from the 11 million tons consumed in 2014.

"The North American market contributed to 71 percent of global demand in 2021. Shale expansion in the United States in last 10 years has been a significant driver for OWC consumption, which was severely affected by the fall in oil prices both in 2016 and in 2020. After the negative impact in exploration activity, OWC demand is now in a slow recovery mode in that region. Large scale shale well exploration projects in Argentina and Saudi Arabia are expected to be key drivers for future OWC consumption," assesses Prashant Singh, Associate Director at CW Group.

### OWC consumption projected to rebound with rise in oil prices

Global OWC consumption is projected to rebound after the oil prices crash in 2016 and the Covid-19 crisis in 2020 resulted in a slump in demand. From 2020 to 2021, OWC demand is expected to improve by almost 13 percent year-on-year as prices bounced back from historical lows, crossing USD 60 per barrel level in March 2021.

Global crude oil price is expected to continue increasing in 2021 subject to post pandemic fueled economic recovery. Globally, most markets which registered negative growth rates for OWC consumption between 2016 and 2021 are expected to start to recover over the forecast period.

### Shale drilling in Argentina and Saudi Arabia to drive increase in OWC consumption

The average well depth in North America increased from 2011 to 2016, due to a rising share of long shale wells to total wells. In 2021E, on average, well depth in North America is estimated to see a reduction resulting in a significant increase in wells productivity.

The increase in the average drill length in Central and South America is mainly attributed to on average deeper shale drilling in Argentina in recent years. In Saudi Arabia, shale well drilling is likely to drive growth in future well counts for the region, with shale wells predicted to account for an estimated 59 percent of the total well count by 2026 in the country.

### Drilling activity projected to see robust increase by 2026F

New well drilling is set to increase by more than 12 percent globally in 2021 year-on-year, as the oil market rebounds from the Covid crisis. Over the next five years, global new well drilling is expected to improve at a CAGR close to 5 percent.

North America is expected to be the main driver for the global well count growth, since it accounted for almost 80 percent of the global well drilling in 2021. Nevertheless, in spite of this expected increase, drilling activity by 2026 is estimated to still register well counts significantly below the peak year of 2014.

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For more information, placing an order, or interview inquiries, please contact Susana Tomaz, Marketing Team, at CW Group, by e-mail at [st@cwgrp.com](mailto:st@cwgrp.com).

### **About the Report**

The World Oil Well Cement Market Forecast 2026 provides an in-depth, data-centric market assessment of the global API-certified oil well cement industry. The report includes a comprehensive bottom-up outlook, driven by indicators such as crude oil pricing, which provide an understanding of future drilling activity in terms of linear drilling distance and depth. The study breaks down oil well drilling activity and oil well cement demand by type of well (onshore, offshore, shale and geothermal applications), as well as by type of oil well cement (API oil well cement classes A, G, H and others). Use of extenders such as fly ash in oil well cementing is also considered and quantified.

More information about the report can be found [here](#).

### **About CW Group**

The Greenwich, Connecticut, USA headquartered CW Group is a leading advisory, research and business intelligence boutique with a global presence and a multi-industry orientation. CW Group is particularly recognized for its sector expertise in heavy-side building materials (cement), light-side building materials, traditional and renewable power & energy, petrochemicals, metals & mining, industrial minerals, industrial manufacturing, bulk cargo & shipping, among others. We have a strong functional capability, grounded in our methodical and quantitative philosophy, including due diligence, sourcing intelligence, feasibility studies and commodity forecasting. [www.cwgrp.com](http://www.cwgrp.com)