

# Oil Price Deflation and the Age of Abundance

Strategy& experts examine in a white paper the impact \$50 oil is currently having on spending within the oil and gas products and services space.

The rapid deflation in the price of crude oil from the 2014 highs of US\$100+ to current levels near \$50 represents a +50% drop in less than a year, the company says on its website.” This has had a dramatic impact on the industry’s confidence and its 2015 spend programs. Reductions of 20% to 30% in capital spend are expected across the industry value chain. Though many companies and fields remain profitable at \$50 prices, the free cash flow and access to capital the industry enjoyed just eight months ago have dried up.”

Strategy& is a part of the PwC network.

**[Download the white paper.](#)**