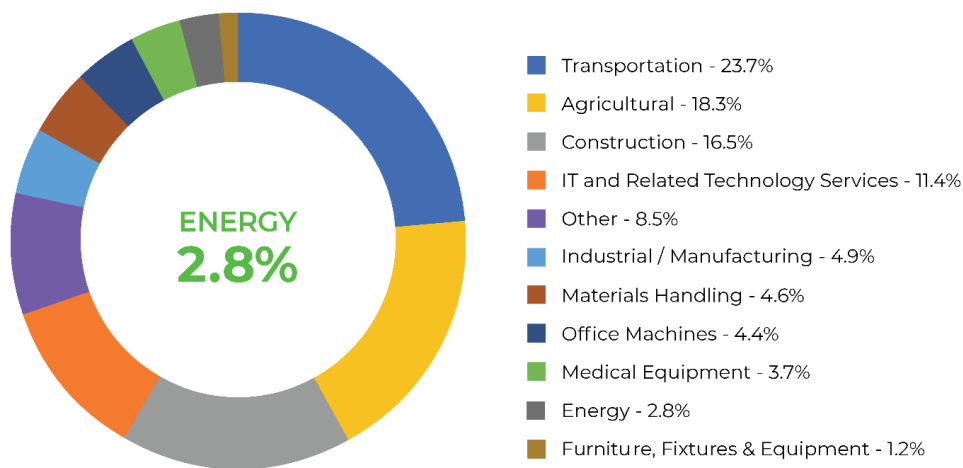


## Fact Sheet: Equipment Finance in the Energy Sector



### EQUIPMENT FINANCE IN THE ENERGY INDUSTRY

Energy equipment represents 2.8% of equipment financing new business volume in the United States.



Source: 2024 Survey of Equipment Finance Activity.  
[www.elfaonline.org/SEFA](http://www.elfaonline.org/SEFA)

**ELFA**

### Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2024 Survey of Equipment Finance Activity](#), in 2023:

- The mining/oil, gas extraction and pipeline industry represented 1.7% of new business volume reported by ELFA member companies, up from 1.4% in 2022.
- The utilities industry represented 5.4% of new business volume reported by ELFA member companies, up from 4.3% in 2022.
- Energy equipment represented 2.8% of new business volume reported by ELFA member companies, up from 2.3% in 2022.
- Mining/oil & gas extraction (including natural gas/fracking) equipment represented 0.4% of new business volume reported by ELFA member companies, up from 0.2% in 2022.

According to the Equipment Leasing & Finance Foundation's [2024 Equipment Leasing & Finance Industry Horizon Report](#):

- In 2023, nearly one-third of equipment and software was acquired to support energy-related, climate-related, or other environmental goals and pledges.
- More than 8 in 10 businesses (82%) that acquired equipment and software used at least one form of financing to do so (i.e., lease, secured loan or line of credit).
- Total public and private sector equipment and software investment expanded to \$2.3 trillion in nominal terms. Approximately 58% of this investment was financed, yielding an industry size estimate of about \$1.34 trillion.
- Of private sector equipment and software investment, 64.2% was financed.
- Leasing was the most common financing method (used by 26%), followed by secured loans (16%), lines of credit (14%) and unsecured loans (8%).
- The top reasons end-users chose to finance their equipment and software acquisitions were “optimization of cash flow” (62%), “protection from equipment obsolescence” (55%), and “tax advantages” (51%).

## Investment

According to “[What’s Hot, What’s Not: Equipment Market Forecast 2024](#),” based on a survey of ELFA members to measure industry perceptions of equipment types:

- Oil/gas/energy equipment tied for eighth place in portfolio preference among equipment finance executives surveyed, up from 11<sup>th</sup> place the previous year.
- With oil prices increasing from very low levels in 2020, there is a cause for optimism. This has also positively affected values of oil/gas production and exploration equipment, as well as operating cash flows.
- Natural gas electric utility generation was 37% of total energy in 2023.
- In 2023, renewables used to generate electricity (non-hydro) rose to 24%, the share of coal rose to 24%, and the share of nuclear averaged 20%.

According to the [Foundation-Keybridge Equipment & Software Investment Momentum Monitor](#):

- Investment in mining and oilfield machinery decreased 20% (annualized) in Q3 2024, and in November 2024 was down 1.9% year over year.
- Mining and oilfield machinery investment growth should turn positive through the end of Q2 2025.

According to the Equipment Leasing & Finance Foundation’s study, “[Climate Finance: A Massive Commercial Opportunity for Equipment Finance](#)”:

- Of the International Energy Agency’s (IEA) estimate of \$2.8 trillion in energy investment in 2023, \$1.7 trillion will be invested in clean energy with the balance invested in unabated fossil fuel energy and supply.
- In 2023, \$1 billion was spent daily on solar power generation projects, with 500 gigawatts added.
- The use of fossil fuels has been steadily providing 80+% of global energy supply for decades. It is expected to begin to edge downward reaching 73% of energy supply by 2030.

## Equipment Market

According to the U.S. Bureau of Economic Analysis, in 2023:

- Mining and oilfield machinery investment was \$31.8 billion.
- Electric power structure investment was \$93 billion.
- Other power structure investment was \$20.1 billion.
- Petroleum and natural gas structure investment was \$90.1 billion.
- Mining structure investment was \$13.2 billion.

According to [Dun & Bradstreet First Research](#):

- The U.S. oil and gas field equipment manufacturing industry includes about 630 companies with combined annual revenue of about \$13 billion.
- About 20% of U.S. production of oil and gas field equipment is exported.
- The global oilfield equipment market is forecast to grow at a 2.9% compound annual growth rate to reach about \$162 billion by 2031.
- Leading demand drivers include deepwater drilling, production from shale gas reserves in the U.S. and China, and increased drilling and exploration activities in the Middle East and Africa.

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### About ELFA

The Equipment Leasing and Finance Association (ELFA) represents financial services companies and manufacturers in the \$1 trillion U.S. equipment finance sector. ELFA's 575 member companies provide essential financing that helps businesses acquire the equipment they need to operate and grow. Learn how equipment finance contributes to businesses' success, U.S. economic growth, manufacturing and jobs at <http://www.elfaonline.org>.

ELFA's **Knowledge Hub** is *the* source for business intelligence on the equipment finance industry. This one-stop, online library provides easy access to ELFA's wide range of industry data and information. Visit <https://www.elfaonline.org/KnowledgeHub> for additional information.

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