A snapshot of the new global energy landscape

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The context

- **Foundations of global energy system shifting**
  - Resurgence in oil & gas production in some countries
  - Retreat from nuclear in some others
  - Signs of increasing policy focus on energy efficiency

- **All-time high oil prices acting as brake on global economy**
  - Divergence in natural gas prices between North America, Europe & Asia

- **Symptoms of an unsustainable energy system persist**
  - Fossil fuel subsidies remain commonplace in many countries
  - $CO_2$ emissions at record high, while renewables industry under strain
  - Despite new international efforts, 1.3 billion people still lack electricity
  - Water increasingly crucial for assessing the viability of energy projects
Getting rid of fossil-fuel subsidies is a triple-win solution

Global fossil-fuel subsidies, which jumped to $523 billion in 2011, are providing an incentive to emit CO$_2$ that is equivalent to $110 per ton.
The growing role of wind energy

Wind accounts for over 20% of global capacity additions over the Outlook period, and for almost 40% in the European Union.
The multiple benefits of renewables come at a cost

Renewable subsidies were $88 billion in 2011; over half the subsidies required to 2035 has been committed to existing projects or is needed to meet 2020 targets.
Foundations of energy system shifting

- Policy makers face critical choices in reconciling energy, environmental & economic objectives
- Changing outlook for energy production & use may redefine global economic & geopolitical balances
- Schemes to support renewables need to be carefully designed, while their integration brings new challenges
- As climate change slips off policy radar, the “lock-in” point moves closer & the costs of inaction rise
- The gains promised by energy efficiency are within reach & are essential to underpin a more secure & sustainable energy system