

WORLD ENERGY OUTLOOK

**A snapshot of the new
global energy landscape**

*Dr. Fatih BIROL
IEA Chief Economist
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■ 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

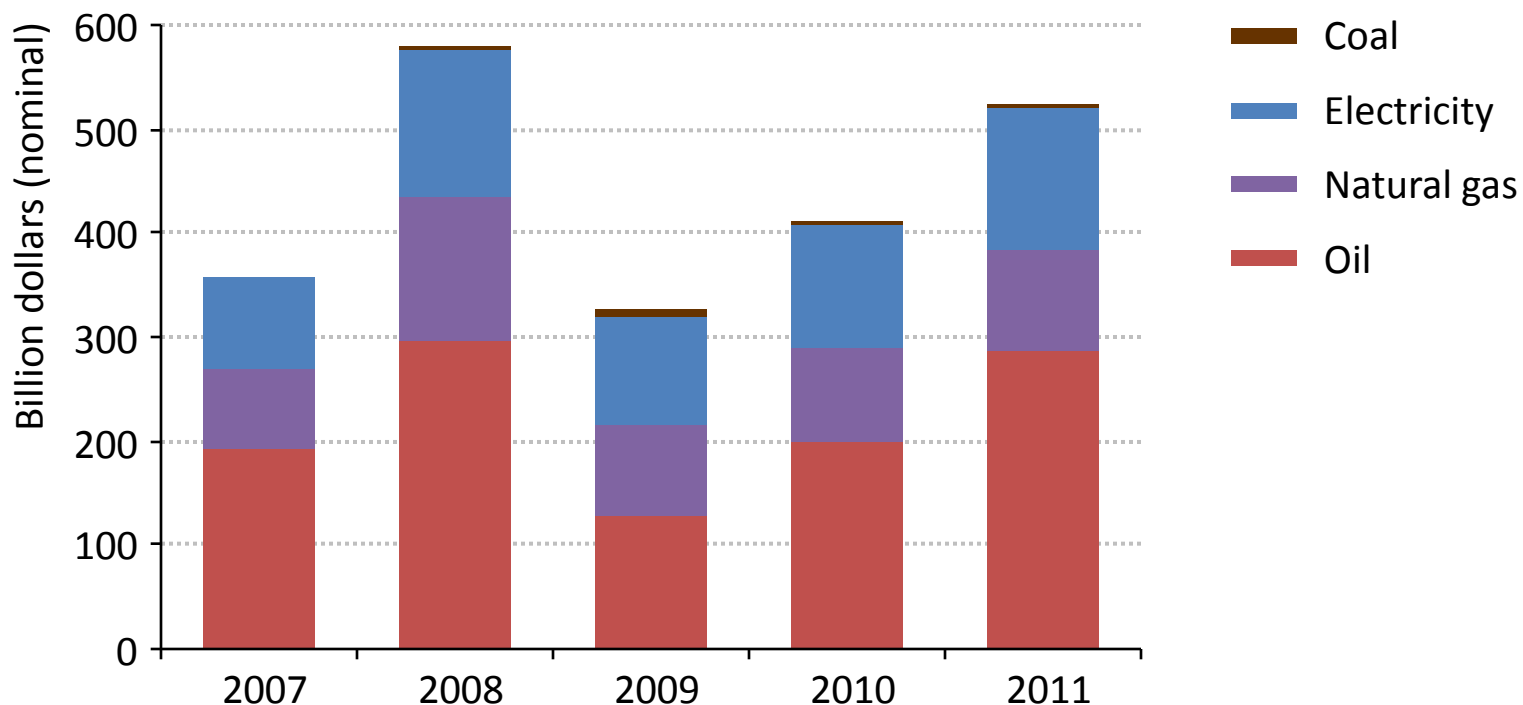
- *Divergence in natural gas prices between North America, Europe & Asia*

■ Symptoms of an unsustainable energy system persist

- *Fossil fuel subsidies remain commonplace in many countries*
- *CO₂ 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*

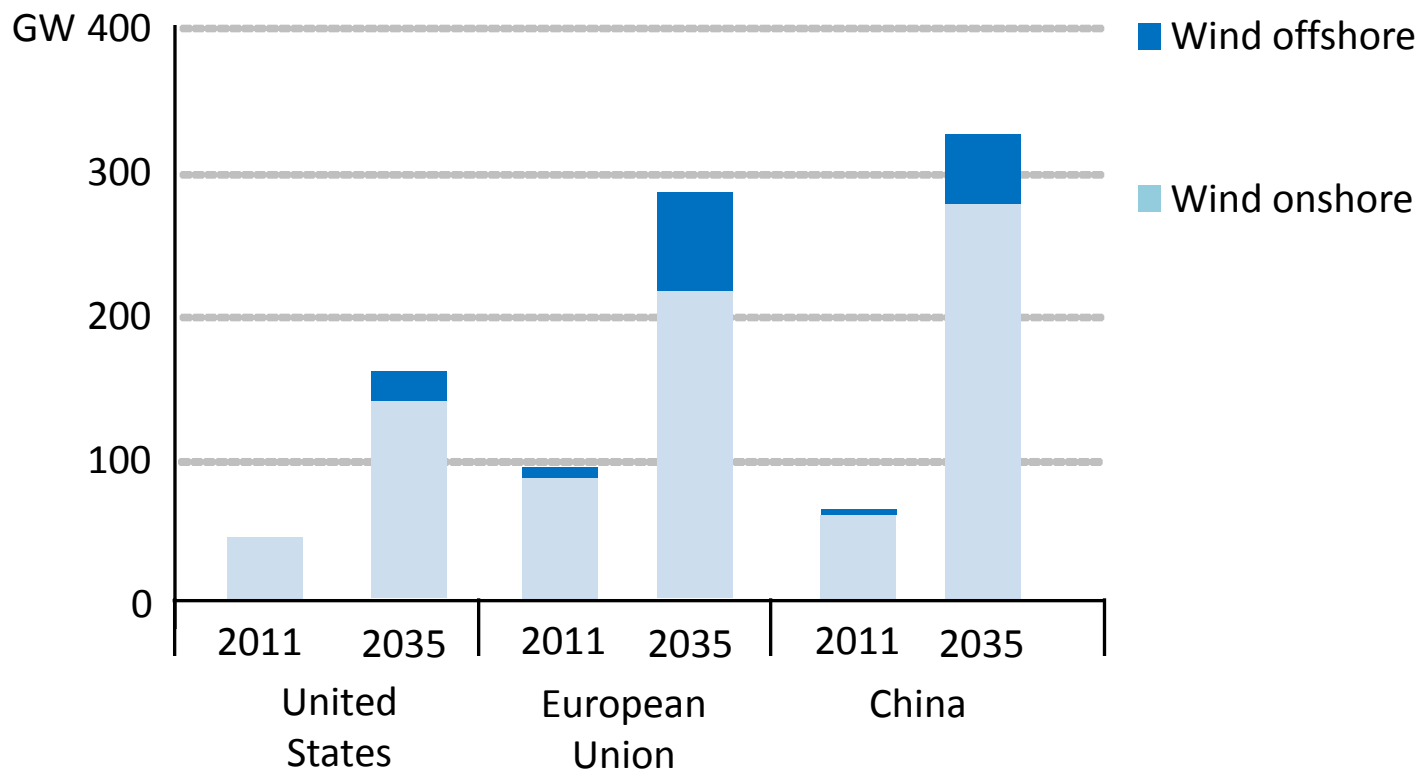
Getting rid of fossil-fuel subsidies is a triple-win solution

Global fossil-fuel subsidies



Global fossil-fuel subsidies, which jumped to \$523 billion in 2011, are providing an incentive to emit CO₂ that is equivalent to \$110 per ton

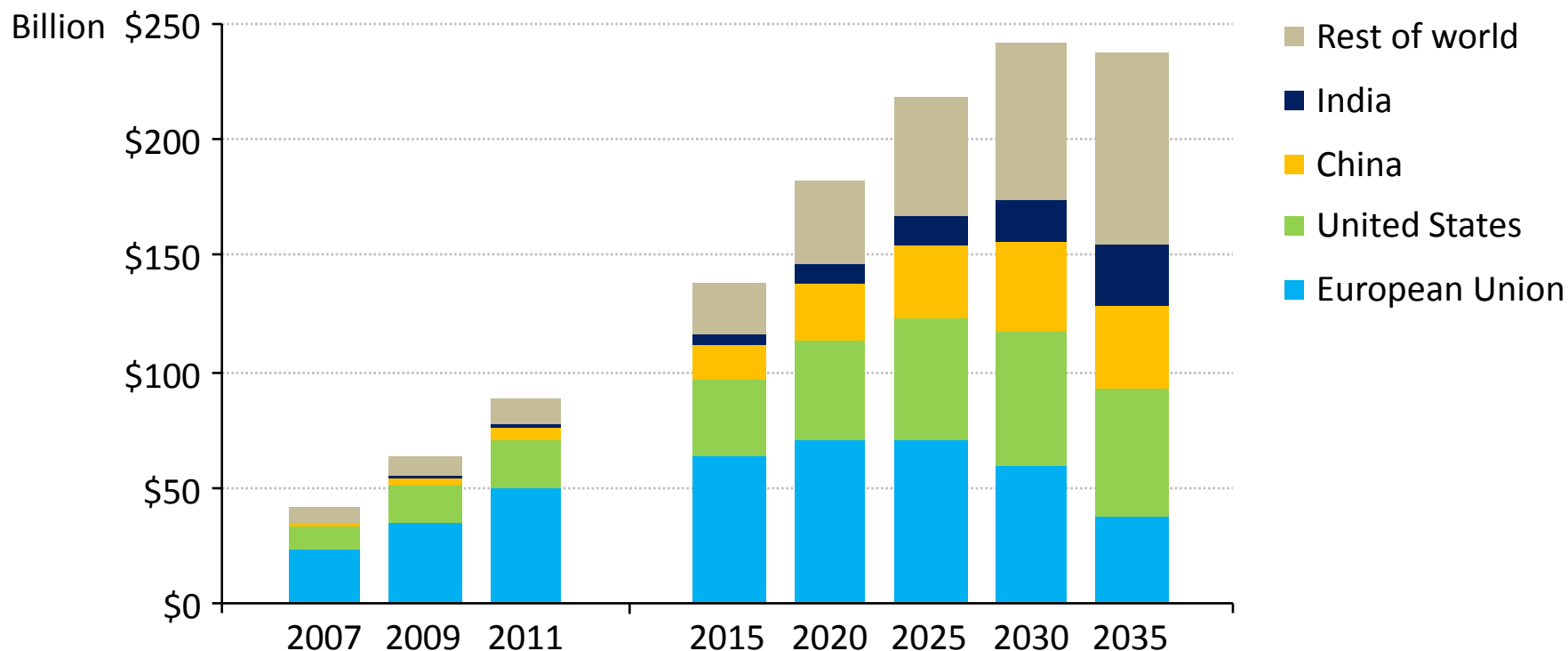
The growing role of wind energy



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

Global renewable subsidies by region



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