



## JOIN HANDS IN ASIA, AND BEYOND - LET THE DIALOGUE EVOLVE INTO A CONVERSATION ON GLOBAL ENERGY SECURITY AND TRANSITION

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Asia is pivotal to secure, affordable, and equitable energy transition pathways worldwide. The geoeconomic weight and demand growth of Asia as a whole reduces global market volatility, and sets the pace for global transitions. As Asia goes, so goes the world of energy.

Mutually reinforcing investment in both new, and established energy technologies in Asia sets an example for other regions to follow in their global quest for secure, affordable, healthy, and more resilient world energy markets, that foster inclusive growth and allow future generations to prosper.

Dialogue supported by the International Energy Forum (IEF) on global energy security and reliable transition pathways through well-functioning, open, competitive, efficient, and transparent energy markets promotes cooperation, trade and investment across Asia's diverse economic regions that aim to:

- Provide energy access for more people at higher and healthier standards,
- Promote energy efficiency and reduce waste along the entire energy value chain,
- Advance economic growth and achieve all Sustainable Development Goals,
- Take action on climate change in accordance with the Paris Agreement.

The rapid emergence of shale oil and gas through unconventional drilling technologies and Liquefied Natural Gas that give gas flows global reach and flexibility and make it the fastest growing fossil fuel, as well as the surge in renewables, and new vehicles that continue to reach markets faster than expected paint new realities and promising horizons. Taken together these new variables add greater variety and uncertainty in outlooks on the energy future we share while the adoption of the United Nations Sustainable Development Agenda 2030, and the Paris Agreement in 2015, call for more dynamic, open, and forward-looking engagement.

The producer-consumer dialogue is evolving into conversation on energy security and transition inviting many new stakeholders to sharpen focus collective on market stability since the deployment of new technologies and policy perspectives can also disrupt tightly integrated world energy markets.

Focus has shifted to transition, new technologies, energy access, and efficiency in a period of relative low oil and gas prices. Yet economic growth is picking up speed, and oil demand growth is rebalancing markets after three years of deferred upstream investment. Energy security remains the guiding principle and more in-depth dialogue and cooperation is now needed to reduce energy market volatility and uncertainty in concert.

This will allow investment in both conventional and new resources to move forward in tandem and make energy transition pathways more predictable. In 2040 oil and gas will supply more than 50% of global energy demand, with coal consumption amounting to 25% according to IEA and OPEC projections. While deeper transformations are likely to come in conflict with other policy priorities, moving from vision to action depends above all on anchoring the efficiency gains and technology advances achieved in the downturn, and strengthening policy and technology cooperation in the carbon industry.

Dialogue on the use of existing and new energy technologies by introducing new standards and incentives here, will make energy supply and demand cleaner, more efficient, and secure worldwide.

The 15th Session of the IEF Ministerial International Energy Forum called for enhanced dialogue to support an orderly energy transition in closer collaboration with all stakeholders. Findings show that to navigate global pressure points successfully and make energy markets more inclusive, sustainable, and secure, we must overcome five challenges:

1. Unbalanced energy sector development: 1.1 billion people living in Asia and Africa have no access to modern energy, while new technologies leap forward.
2. Lasting reliance on fossil fuels: the carbon sector must become more efficient and sustainable, especially to respond to energy demand in growth economies.
3. Timely investment: 3 years oil and gas sector investment, and steep production declines foreshadow more volatile markets as world economic growth strengthens.
4. Expectations renewables will drive transition alone: renewables will grow, but they may fulfil 25% of total demand by 2040, main IEA and OPEC projections show.
5. Bridge new and traditional energy sources: enhanced dialogue on market designs can help to ensure technologies become mutually reinforcing, and avoid wasteful imbalances.

To say that the energy sector is living through challenging times is an understatement. But, it takes only three steps, to move from vision to action in global energy markets in transition:

1. Let the producer consumer dialogue evolve in to a conversation among all energy sector stakeholders, and organisations.
2. Governments, fossil and renewable industries help each other across borders, and technologies to achieve the goals we all share.
3. Join hands in Asia and beyond, to facilitate an orderly transition, accelerate efficiency gains, and deepen data transparency together.

It is the way to reduce uncertainty, and invest in Asia's rapidly growing economies and the quality of life of Asia's industrious population.

Despite the rising complexity of energy market developments, and the challenges we must overcome to clear the path for future generations, moving from vision to action requires only three simple step changes towards a global conversation on energy security and transition. Here your contribution is urgently needed.