



## ENERGY SECURITY IN THE AGE OF CHANGE: EMPOWERING RESPONSIBLE GROWTH

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**E**nergy has been fundamental to a great deal of our progress over the centuries. It has positively impacted the lives of billions in terms of providing fire, light, power and mobility. It has enabled the development of industries and the creation of jobs. It has helped increase life expectancies. However, we should not forget that this has not been the story for all.

When we start our car engines, switch on a light, turn on our mobile phones, we need to recognise that these everyday things are unknown to billions of people across the world who continue to suffer from acute energy poverty. These are people that need their voices heard. Their daily struggles are focused on combating poverty. They need access to reliable, safe and secure modern energy services to live and prosper.

Given this, and the fact that the total size of the global economy in 2040 is expected to be 214 per cent that of 2017 and world population is projected to reach around 9.2 billion, an increase of over 1.5 billion from today's level, it is clear the world will need more energy. In OPEC's *World Oil Outlook 2018*, primary energy demand is set to expand by 33 per cent between 2015 and 2040.

Rising energy demand across all sectors in propelling global economic growth, coupled with ever expanding populations, has created challenges that were not foreseen at the time when Thomas Edison was developing the light bulb, or when Henry Ford was mass producing the car. These challenges relate to the environment and climate change. These are a major concern for us all.

It underscores the fact that energy security in this age of change means different things to different people, but in general there are a number of constant characteristics:

- It is reciprocal. Security of demand is as important to producers, as security of supply is to consumers;
- It should cover all foreseeable time-horizons. Security and market stability tomorrow is as important as today;
- It should be universal, applying to rich and poor nations alike, with the focus on the three pillars of sustainable development – social, economic and environmental; and
- It should benefit from enhanced dialogue and broader cooperation among stakeholders.

These all need to be taken into account when talk turns to the now common term 'energy transition', as we all look to try and evolve this transition in the least disruptive manner. Given the great importance of energy to our everyday lives it is something we have to get right. We need to all work together, step-by-step, find issues of

commonality and appreciate what is at stake.

This will evidently be of great importance to Asia, which will continue to be the main energy demand growth hub in the coming decades. More than half of the world's energy demand is expected to come from Asia in the coming two decades.

What is clear is that all energies are required in the 'energy transition'. Renewables are coming of age and expanding fast, which can be viewed in major developments in OPEC Member Countries, but by 2040 oil and gas are still expected to make up more than 50 per cent of the energy mix.

We should not enforce and limit ourselves by putting all our eggs in one basket. For oil and gas, we need to recognise that the environmental challenge is not oil and gas themselves. It is the emissions that come from burning them. We are believers that solutions can be found in enhancing technologies that reduce and ultimately eliminate these emissions.

It means we need to continually look to develop, evolve and adopt cleaner energy technologies across the board, as well as all-inclusive and non-discriminatory energy policies that enable us to meet expected future energy demand in a sustainable and ever more efficient manner.

The oil industry's capacity for technological innovation must be harnessed within this process.

In this regard, we welcome coordinated action within the industry and with all stakeholders. We are transparent and continuously engage as an active partner in seeking sustainable solutions. We will not shy away from open and frank discussions. This is 'front and centre' of OPEC's drive. The recent endorsement of the 'Charter of Cooperation' among 24 oil producing countries is a solid act of working more broadly and moving forward together.

This type of cooperation will be evident at the 8th Asian Ministerial Energy Roundtable, with dialogue between producers and consumers the central tenet of the International Energy Forum (IEF). The sterling work of Dr. Sun Xiansheng, Secretary General of the International Energy Forum and his team in bringing together people from all facets of the energy industry, to debate and tackle the energy challenges today and in the coming decades, should be widely lauded.

As we look ahead, it is vital to remember that we are all citizens of this planet. Energy security in this age of change should mean that no-one is left behind. We need a balanced and realistic approach to a sustainable energy future – one that takes into account the broad diversity of social, economic and environmental needs. ■