

**Keynote Address**  
**ASEAN Virtual Energy Business Forum**  
**Maintaining Economic Growth & Energy Transitions in ASEAN**  
**19 November 2020**

Thank you, Your Excellency Tran Tuan Anh Minister of Industry and Trade of Viet Nam, for inviting the IEF to this virtual session of the Association of South East Asian Nations (ASEAN) Energy Business Forum. I congratulate the Prime Minister of Vietnam, the Honorable Nguyen Xuan Phuc with Viet Nam's Chairmanship of the ASEAN community in 2020: As he foresaw when taking on this function in January, before COVID-19 struck the life and livelihoods of the 622 million citizens of the ASEAN region, 2020 has indeed become pivotal for "cohesion and responsiveness" to foster "seamless connectivity and deepen integration within and beyond the region" (*click [here](#) for background*).

For the wider world ASEAN's growth story provides hope. Its rich natural and human resources, and well-established manufacturing base —a \$3 trillion prize in cumulative investment opportunities for global business. Strengthening the regional economic integration agenda of the ASEAN Economic Community (AEC) —the engine to accelerate global economic recovery and sustainable growth for the region and the wider world over the next two decades.

The focus on maintaining economic growth and energy transitions is timely. The ASEAN region is one of the largest global growth centers, and with work force second only to that of China and India, will become the 4<sup>th</sup> largest energy consumer by 2030. Mid-century, ASEAN will boast the 4<sup>th</sup> largest economy in the world.

Producer consumer collaboration is critical to ensure a swift, smart, and secure global economic recovery in which maintaining economic growth and accelerating energy transitions in ASEAN economies will be a driving force. The world economy needs ASEAN. Climate and sustainable development goals need ASEAN. And to prevent a set-back on energy access —the world's poorest and most affected need ASEAN.

The IEF is committed to helping facilitate this collaboration. It is a role we already play with IEF Ministers, Industry Leaders, and International Organisations, and we hope that beyond the five key ASEAN countries that participate in this unique neutral Forum today, other ASEAN nations will soon join their ranks. We have seen how it fosters greater global energy security, market transparency, and smart technology solutions that elevate standards of living. All of these are necessary to maintain economic growth and cohesive energy transitions, and benefit ASEAN's vibrant economies through the many business opportunities enhanced economic diplomacy brings.

The spread of Covid-19, and the attempts to suppress it, have been a shock to the global economy. While we can't know the duration of the pandemic, we do know that enhancing connectivity through energy market integration of renewables and clean fossil fuel technologies can help reignite global economic growth, facilitate energy transitions, and share prosperity with future generations.

We also know that strengthening collaboration between producers and consumers will help ASEAN energy market stakeholders seize the opportunities that affordable, readily accessible resources and

technologies offer for a swift and sustainable economic recovery. The ASEAN region can maintain economic growth and accelerate energy transitions by leveraging the industrial prowess of the 70-energy producing and consuming nations that gather on the International Energy Forum. It is truly the global home of energy dialogue where I hope to welcome and collaborate with all ASEAN nations during my Secretariat.

Current projections show gas demand will decline by three to five percent in 2020 but is well on track to make a robust recovery.

Global gas markets remain well supplied both in terms of resource wealth and the smart investment decisions by new entrants and incumbents. These factors have helped develop an increasingly competitive market that will empower macroeconomic growth and accelerate transitions.

Producers and consumers will adjust strategies to absorb COVID-19 impacts and overcome the crises. Exporters will add flexibility to long-term contracts to improve their competitive edge while importers will increase their positions in growth economies. Both will benefit from the windfall created by greater commoditisation of natural gas markets. This will enable accelerated transitions from coal to gas, and a deeper integration of renewables.

The pandemic ups the stakes by pushing the demand gap out further over the next decade. This opens a new window of opportunity that enables the ASEAN region to partner with the international gas industry and:

- Play a larger role in achieving climate, clean air, and energy access goals
- Alleviate security of supply concerns among major gas consuming countries
- Facilitate market access for producers and resolve geopolitical concerns
- Explore new business models and technologies
- Reduce market hurdles and build market scale through seamless connections and more cohesive policies and regulation.

The constraints that the pandemic imposes on budgets and balance sheets heightens the importance of collaboration between producers and consumers in the ASEAN region. Specifically, there is a need for ASEAN economies to accelerate investment in greater cross border energy gas and electricity interconnections. These will enhance regional energy security and energy sector resilience while at the same time offer the market scale that is necessary to attract global strategic investors.

Despite the elevated levels of uncertainty regarding natural gas investment and the commissioning delays the pandemic has caused, gas market fundamentals remain strong.

Asian growth economies' gas imports requirements will continue to rise as demand growth shifts to South Asia, and South East Asia. Here LNG demand can quadruple over the longer-term, with Thailand taking the lead as the biggest growth market

While the prospects for greater clean energy technology and renewable energy deployment in ASEAN nations look bright and promising, declining domestic oil and gas production, and growing demand will come with greater reliance on overseas imports. To bridge this widening supply gap

ASEAN economies are well positioned to reap the benefits of well-supplied LNG markets and growing energy trade volumes between Asia, the Middle East and North America through greater international engagement and investment in regassification, transport, and storage facilities. Together ASEAN markets can achieve more transparent and competitive price signals from the newly emerging benchmarks their collaboration offers enhancing market stability and connections to affordable and modern energy services.

Even amid efforts to overcome Covid-19 impacts, challenges remain in meeting climate, clean air, and sustainable development goals. Doing so will continue to be linked to the use of natural gas industry technologies. These technologies can accelerate fuel-switching and create synergies to integrate renewables, green gas, hydrogen, and carbon dioxide solutions. This will help meet the objective of net-zero emission strategies that major economies and the Circular Carbon Economy adopted under the G20 Presidency of Saudi Arabia call for and many major energy companies pursue including those recently announced by major players within the ASEAN region (*click [here](#) for background*).

Finally, the COVID-19 pandemic shows the urgent need to enhance energy market data transparency to better inform decisions by governments, investors, and traders in today's volatile market environment. The IEF will continue to push for more complete and faster gas market data submissions through the Joint Organisations Data Initiative that the IEF co-ordinates with Partner Organisations. Also, here stronger engagement with ASEAN countries is of great importance.

In closing, I want to reiterate the importance of greater collaboration between producers and consumers. IEF stands ready to help facilitate this collaboration, which I believe will help to maintain economic growth, build up momentum for energy transitions in the ASEAN region and serve as a powerful antidote to the uncertainty and volatility that is being felt throughout the world.

I look forward to seeing you at the next the **7th IEF-IGU Ministerial Gas Forum** hosted by Malaysia on 3 December 2020 to make our dialogue more inclusive and hope that more ASEAN nations will join the IEF to foster deeper integration and seamless connectivity in the region and beyond when Brunei Darussalam takes over the 2021 ASEAN Chairmanship next year.