

# **Global Perspectives on Energy Efficiency**

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## **IEA Global Energy Efficiency Conference**

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Your Excellencies, Distinguished Delegates, Dear Ladies and Gentlemen!

It is a pleasure for me to present global producer and consumer perspectives on our joint task to deliver ever deeper and more widely shared energy efficiency gains.

**I thank my dear friend Dr Fatih Birol**, for inviting the International Energy Forum. The global challenges we face today mean there is no better time and place to discuss energy efficiency than here in Paris today.

**Firstly**, energy efficiency makes implementation of the Paris Agreement possible by balancing:

- Energy security,
- Economic growth, and
- Energy transition goals,

on pathways that are, doable, reliable, and fair, for producers and consumers of both developed and emerging economies.

**Secondly**, energy efficiency alleviates obstacles to energy access. The eradication of energy poverty; is an indispensable requirement for overcoming the scourge of poverty in all its forms and

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dimensions, and for sustainable and equitable development globally.

Full implementation of the comprehensive, far-reaching and people-centered set of universal and transformative goals that we are working tirelessly for in the United Nations 2030 agenda, come within much closer reach if we do better on energy efficiency.

Energy efficiency helps to bridge higher performance standards with greater affordability in regions where energy demand growth is strongest such as in Asia, Africa and the Middle East.

**Thirdly,** it is important to clarify that alongside keeping global warming within check, while facilitating universal energy access, energy efficiency delivers:

- Increased returns on resources
- Greater global competitiveness
- Innovative technologies and jobs
- Better living and health.

**In short:** Our collective energy security and the wellbeing of nations rests ever more on the efficient and rational use of our natural resource wealth going forward.

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Major progress has been made in enhancing energy efficiency and the rational use of natural resources since the early seventies:

- The movement towards a more sustainable development of the finite resource wealth we share with future generations started after the Club of Rome reported on the Limits to Growth in 1972, and

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- OECD country dependency on international energy markets has benefited tremendously from policy and technology cooperation, after energy market security concerns led to the establishment of the International Energy Agency in 1974.

It is not surprising therefore that past progress on energy efficiency has been made mostly by OECD economies on the demand side of energy markets.

Today, around two thirds of global energy consumption is uncovered by energy efficiency standards. To accelerate development and extend coverage, **collaboration on energy efficiency must become much more inclusive and focused on high impact areas across the entire spectrum of the global energy system:**

Energy efficiency improvements can be gainfully pursued in:

- **Dynamically evolving economies** where the correlation between economic growth and energy demand is still strong, and benefits from policy and technology cooperation on energy efficiency are highest.
- **Energy producing countries** that have embraced greater energy efficiency to keep up with rising domestic demand growth and diversify their economies.
- **Energy supply and value chains** where energy efficiency is pursued to reduce costs, optimise delivery, and transform business clusters in accordance with the demands of a much more competitive economy.

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Changing energy markets, global economic shifts, and population growth projections reveal that much greater energy efficiency gains are urgently needed.

Thankfully we can look forward into the new millennium with confidence as there are also good opportunities to overcome hurdles and make meaningful progress:

**Firstly, current downward price pressures** make delivering on energy efficiency now more rewarding for both energy producers and consumers. Both will see policy benefits and returns on investment grow as market balances tighten in the next cycle.

**Secondly, investing in smart infrastructure** that matches new information technologies such as Big Data with new energy capabilities stands to make energy production and consumption patterns across economic sectors and the built environment more efficient. This will make the way we do business more resilient and sustainable improving the quality of life in major cities.

**Thirdly, growing global co-dependencies** between energy producer and consuming countries as well as developed and growth economies mean that opportunities to fulfil energy security, climate change, energy access and growth requirements are vast. If the costs and benefits of more efficient resource management are shared among global markets we can make much more progress faster for instance where this concerns Carbon Capture Use and Storage, Gas Flaring, and Waste Management.

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To conclude, today energy efficiency is not only **good housekeeping** for both producer and consumer countries or developed and mature economies. As we learn from each other, we must recognise energy efficiency is fundamental to **good global citizenship** as it works to the benefit of each and every one of us, and the future generations that follow.

It is my great pleasure to take part and learn from your experiences in this timely conference on energy efficiency.

In accordance with the mandates of the:

- **6<sup>th</sup> Asian Energy Ministerial,**
- **15<sup>th</sup> Session of the IEF International Ministerial Forum, and the**
- **2<sup>nd</sup> G20 Energy Ministers Meeting**

I look forward to help take the dialogue forward at the **1<sup>st</sup> Asian Energy Efficiency Conference and Expo hosted by the Kingdom of Saudi Arabia and Japan in Riyadh on 30 October-**, and to report on the outcomes of our discussions at the **7<sup>th</sup> Asian Ministerial Energy Roundtable that Thailand will host together with the United Arab Emirates in Bangkok on 2 and 3 November 2017.**

Thank you for your attention

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