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Ladies and gentlemen, I am very sorry that I am not available to take part in this year's World Policy Conference, but I am very pleased that I can address you by video. Therefore I will take this opportunity to make some observations on the global energy picture and try to set the stage for your discussion.

The global energy landscape is changing rapidly and these changes will re-cast our expectations of the roles of different countries, regions and fuels over the coming decades. Indeed, when it comes to energy, we are living in a time of game changes across the fuel spectrum and these will present both new opportunities and challenges. Falling costs and innovative applications are already accelerating the deployment of renewables, such as wind and solar, and that trend is here to stay and it will prompt new electricity market developments in terms of grid infrastructure and regulatory reform. However, as renewables gain strides, the future of new nuclear energy is less certain after the accident at Fukushima, with some countries limiting or phasing out their programmes. High prices and new technology are unlocking North America's unconventional oil and gas resources, with global repercussions. Few would have expected that the United States, a long-time energy importer, would become self-sufficient or that US coal, displaced by cheaper gas, would end up in Europe. The amount of global natural gas will grow by about 50% up to 2035 and the price relationships between regional gas markets will strengthen as a more integrated global market starts to emerge. New crude sources and demand patterns are accelerating a switch in direction of international oil trade, with an increasing share of Middle-Eastern exports going to Asia. Indeed, our medium-term oil report sees changes to the global oil map starting to happen already.

Some of this entails going back to the future. The Middle East, and Iraq in particular, is set to experience a resurgence in oil production and much of the production of the Middle East will be redirected to China and the rest of Asia, which has dominated increases in global energy demand in recent years. Whether China maintains this rapid growth and can meet the ambitious targets of the latest five-year plan will have significant implications not only for the region, but the world.

However, the Middle East region is also seeing rapid increases in domestic demand and that will exacerbate the cost of fossil fuel subsidies and dismal energy efficiency, sucking up increasingly valuable regional production. Indeed, energy efficiency is important for both producers and consumers and is a key option in the hands of policymakers to impact energy security, emissions reductions, electricity costs and a host of other domestic policy objectives and taking efficiency seriously, which represents a lot of game change, although implementation can be difficult perhaps because it is invisible, and that is why we call it the hidden fuel.

Therefore, as these many changes happen, what does it mean for how we need to adapt? The interactions between different fuels, markets and prices are intensifying and in a world where the energy landscape continues to change our energy policies cannot be set in stone or set alone. International energy performance cannot be dominated by the energy balances of the 1970s, that is to say neither by a few producers and consumers nor by very simplistic definitions of interest. The IEA is engaging the major emerging economies to ensure that there is a global discussion and bring together major consumers and producers and countries that are both, based on their shared interests and goals. It also means more than oil. The IEA has evolved considerably from its early days and now looks at energy security from a comprehensive perspective. However, we are also engaged actively with institutions such as the Australian Renewable Energy Agency (ARENA), the Organization of Petroleum Exporting Countries (OPEC), the International Energy Forum (IEF), the International Gas Union (IGU), the Intergovernmental Panel on Climate Change (IPCC) and others on more specific fields and issues, including climate change implications.

Therefore, dear friends, I hope that my words can provide food for thought as you move into your discussions. Thank you very much for your attention and I wish all of you a productive a valuable session.