

### **At the 12th IEA-IEF-OPEC Symposium on Energy Outlooks**

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On February 16, the 12th IEA-IEF-OPEC Symposium on Energy Outlooks took place at the headquarters of the International Energy Forum in Riyadh. The annual symposium has been held since the first one in 2011 for dialogue between oil producing and consuming countries. Representatives of the three international organizations named in the title participated in the symposium along with government officials, energy industry people and experts from major countries, holding vigorous discussions. This symposium has been designed for the International Energy Agency, representing oil consuming countries, and the Organization of the Petroleum Exporting Countries, representing oil producing countries, to frankly discuss matters of interest to them as mediated by the IEF established for talks between oil producing and consuming countries.

I participated in the annual symposium for the first time in two years since the 10th one in February 2020, just before the COVID-19 outbreak expanded into a pandemic. Since March 2020, I had refrained from traveling overseas for international conferences. The participation in the latest IEA-IEF-OPEC symposium represented my first overseas travel for a real international conference to have face-to-face talks in two years, leading me to feel a surge of emotion. In the past two years, the COVID-19 crisis exerted great impacts on energy markets, followed by a great wave of carbon neutrality declarations, simultaneous energy price hikes and the current Ukraine crisis that has led energy geopolitics to attract global interest. Great changes have thus come in international energy markets in the past two years. It is important that participants in the symposium discussed these changes and key current challenges. In the following, I would like to comment on impressive points at the symposium.

First, energy security was taken up as a central topic. As a matter of course, the COVID-19 pandemic's impacts on international energy markets and the significance of carbon neutrality initiatives were also frequently cited as key matters of interest to speakers. For most of the symposium participants, however, urgently important topics were the simultaneous energy price hikes rattling international energy markets since late last year and their impacts on global and national economies and civic life.

Factors behind the energy price hikes include not only the tightening supply-demand balance as a fundamental factor but also the potential structural tightening of the balance due to investment shortages in transition to decarbonization, the growing influence of energy geopolitics as symbolized by the current Ukraine crisis and other issues that lead us to become conscious of the significance of energy security.

My talks with energy policy and industry stakeholders and experts in the world at online international conferences focused on the impacts of the COVID-19 crisis in 2020 and on prospects and challenges regarding carbon neutrality goals in 2021. As international energy markets have come to a turning point, however, major speakers and moderators at the latest symposium emphasized the

significance of energy security and energy market stabilization initiatives.

This change is the first impressive point for me. This reflects that the energy price hikes, as well as energy geopolitical factors and complicated market conditions behind the hikes, have increased uncertainties and loomed as significant and serious issues.

Even in such situation, however, carbon neutrality initiatives should not be ignored. It remains an extremely important challenge to promote initiatives to realize carbon neutrality pledged by all major countries in the world as a long-term goal. This point was basically reflected in the symposium. At the same time, however, I think that the energy market destabilization and energy price hikes led symposium participants to become keenly conscious that how to promote transition to carbon neutrality smoothly and stably while holding down costs or burdens would be extremely important.

While the symposium featured high interest in energy security, it was interesting that talks at the symposium indicated that the issue of energy security has grown more diversified and complicated. The most important urgent challenge regarding energy security is the growing Ukraine crisis accompanied by potential energy supply disruptions, which is a rather classic energy security issue. The significance of Russia as energy supplier, Europe's heavy dependence on Russian energy sources and concern on a grave development in which geopolitical risks would lead to supply disruptions are the biggest matters of interest regarding energy security at present.

In addition to the classic issue, new energy security issues are growing important, including investment shortages and the structural tightening of the energy supply-demand balance in the world in transition to decarbonization. If international supply chains are developed for blue hydrogen/ammonia, stable supply of the new clean fuels through international trade will loom as a new issue. Other new energy security issues include electricity supply security that is growing important regarding electrification as a key to decarbonization, as well as stable supply of critical minerals that will play a decisive role in promoting renewable energy and electrification. Given these new energy security issues, the symposium focused on energy security.

The discussions at the symposium also demonstrated great interest in nuclear energy. Multiple speakers made presentations on the future course, potential and roles of nuclear energy, followed by numerous participants' statements on the roles of nuclear energy. This indicates that nuclear energy has been highlighted as a stable baseload power source contributing to stable electricity supply under decarbonization initiatives. I was impressed that in the world where energy security is given priority, nuclear energy has been revisited as a key option. Symposium participants pointed to new important developments such as the European Union's positioning of nuclear energy as sustainable investment category in its taxonomy, France's announcement of new nuclear plant construction plans and globally promoted initiatives to develop small modular reactors. My impression is that talks on these developments at the symposium represent a new move that had not been seen during meetings on future global energy issues in the past decade.

As noted at the outset, my first participation in a real international conference in two years led me to feel that deep talks that cannot be realized in online meetings are important and valuable. It was impressed upon me that such real talks and networking would remain indispensable for discussing important energy issues in the world and exploring solutions.