

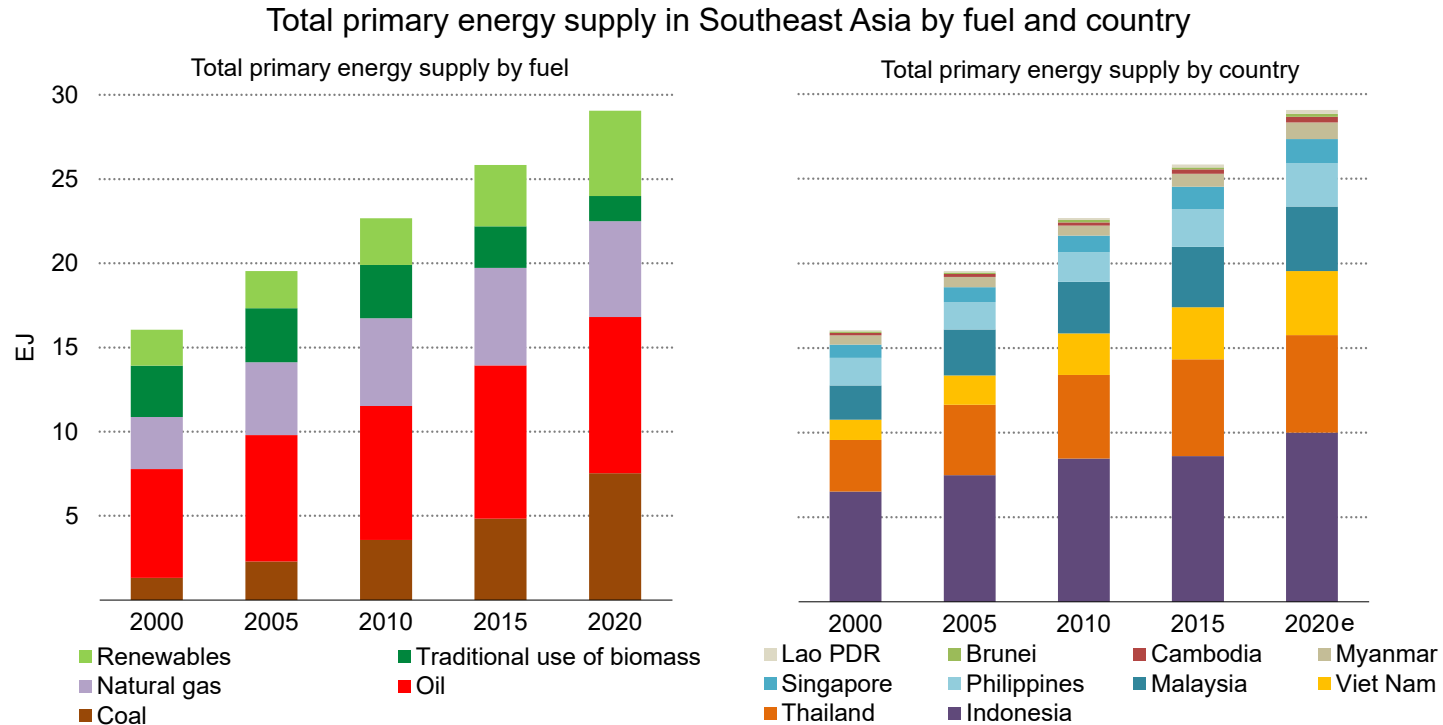


Southeast Asia Energy Outlook 2022

May 2022

- The IEA and ASEAN celebrated ten years of cooperation in late 2021, with Energy Ministers and the Executive Director noting the wide-ranging scope & achievements of the relationship, including the IEA's designation as ASEAN's 'strategic partner'.
- The *Southeast Asia Energy Outlook 2022* is the fifth edition of this World Energy Outlook Special Report – published on a regular basis since 2013.
- Since the last dedicated Southeast Asia report in 2019, the region's policymakers have taken on new, ambitious policy commitments but countries have also been severely affected by the Covid-19 pandemic and, more recently, high and volatile prices exacerbated by Russia's invasion of Ukraine.
- This report explores possible trajectories for the region, based on IEA scenarios:
 - The Stated Policies Scenario (STEPS) explores the implications of today's policy landscape
 - The Sustainable Development Scenario (SDS) reflects the region's new climate policy ambitions

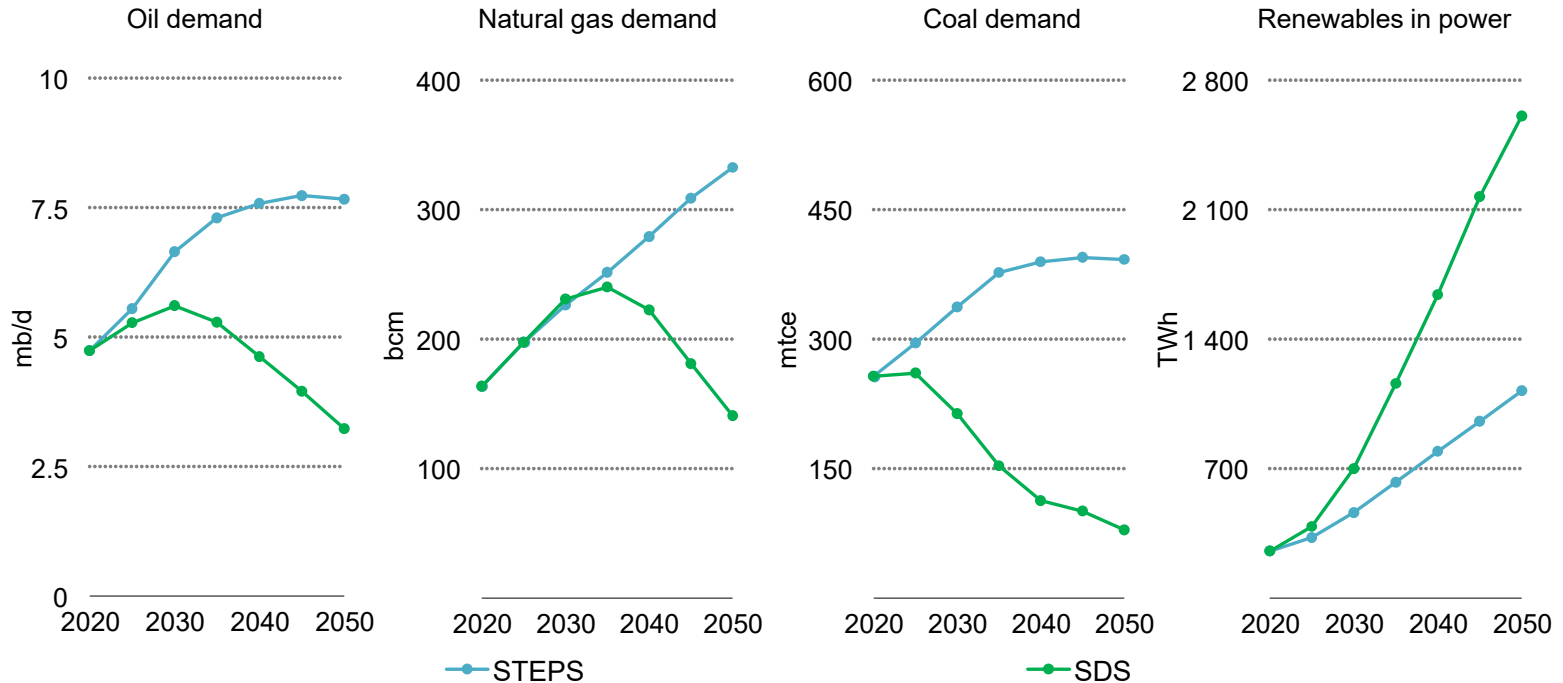
Southeast Asia is an emerging heavyweight of global energy



The 10 member economies of the Association of Southeast Asian Nations (ASEAN) are among the world's fastest growing, but there are strong country-by-country economic and energy variations

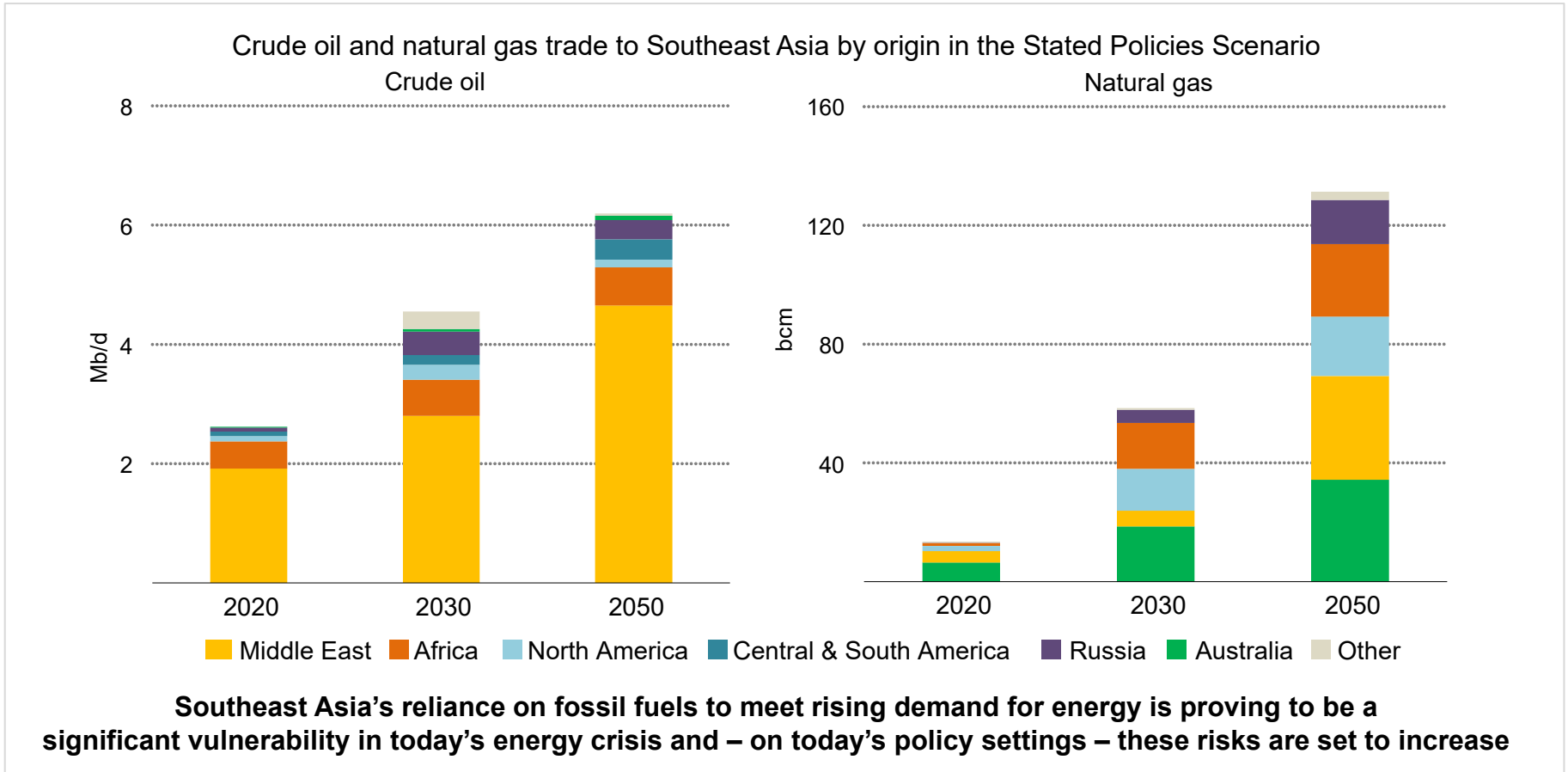
Announced climate ambitions have huge implications for energy

Energy demand trends in Southeast Asia by scenario



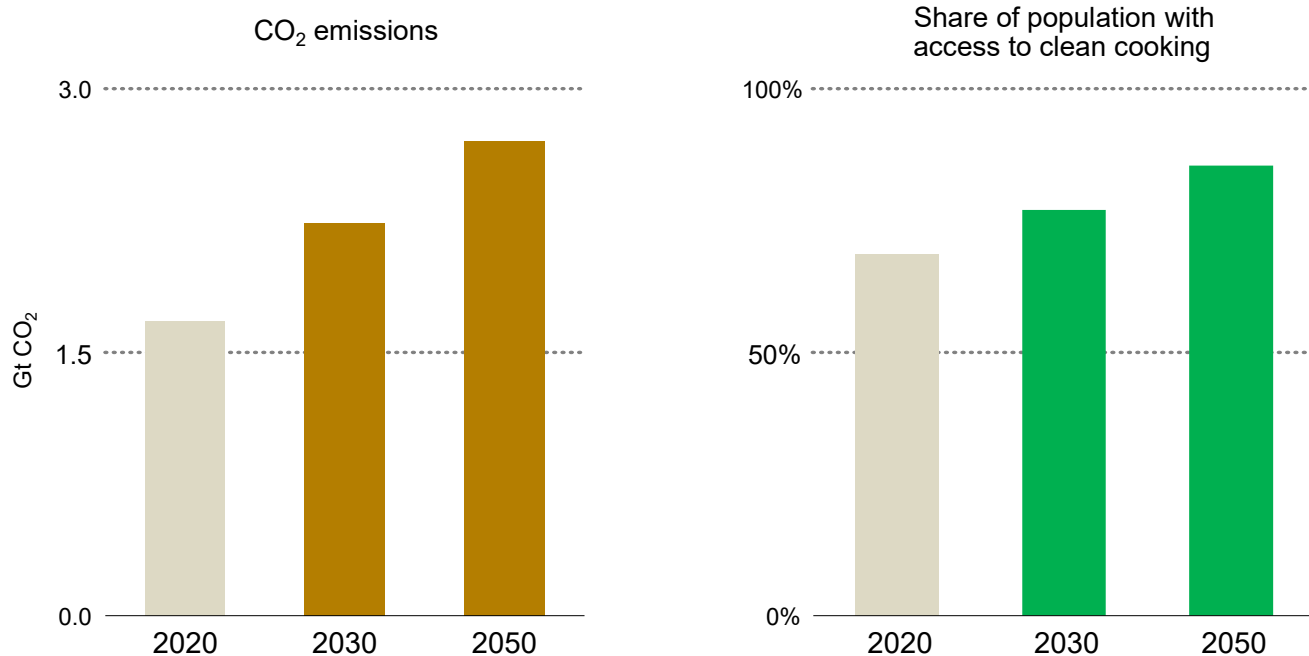
Today's policy settings in the STEPS imply continued strong reliance on fossil fuels to meet future demand growth; meeting new net zero goals will require major efforts to improve efficiency & switch to low emissions power & fuels

Today's pathway brings significant energy security risks



The region is not on track to hit its sustainability goals

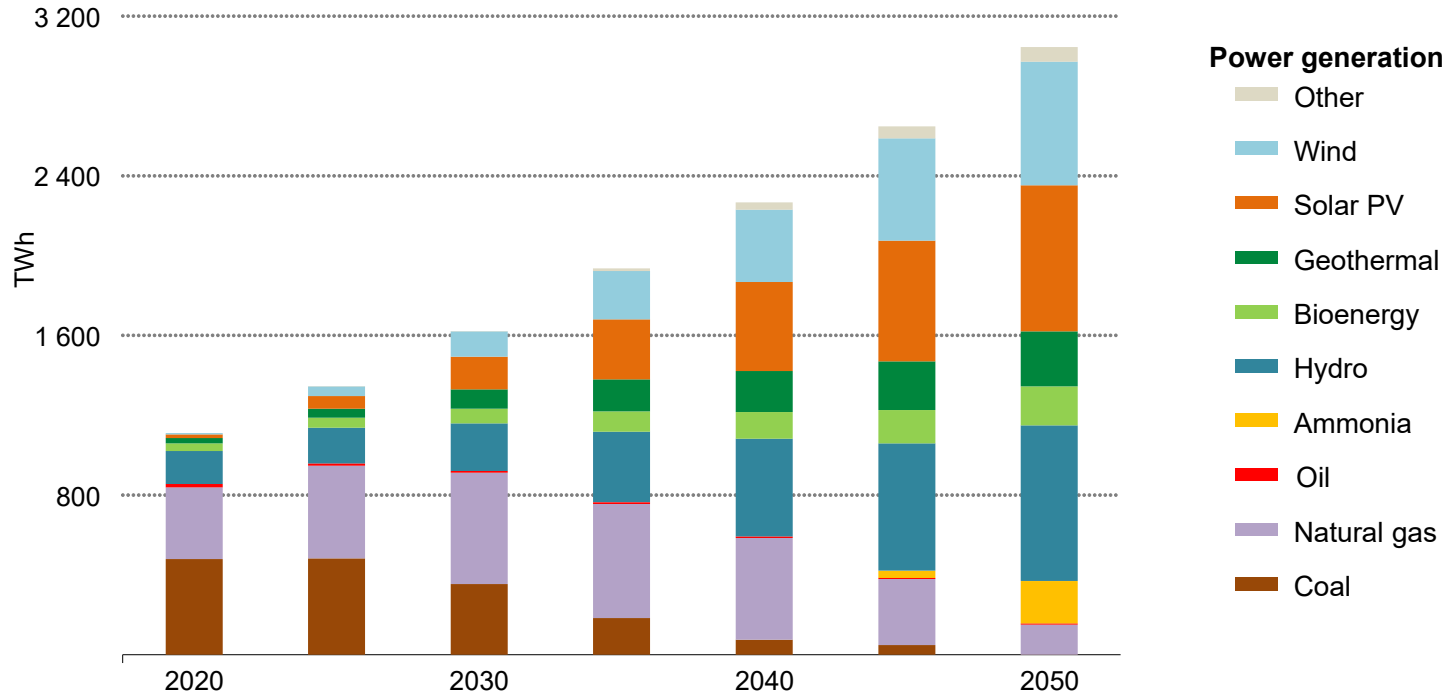
Key sustainability indicators in Southeast Asia in the Stated Policies Scenario



Today's policy settings produce a rising trend for energy-related emissions and – while Southeast Asia has made impressive progress with access to electricity – universal access to clean cooking fuels is not secured

Flexibility is the watchword for a wind and solar-rich power mix

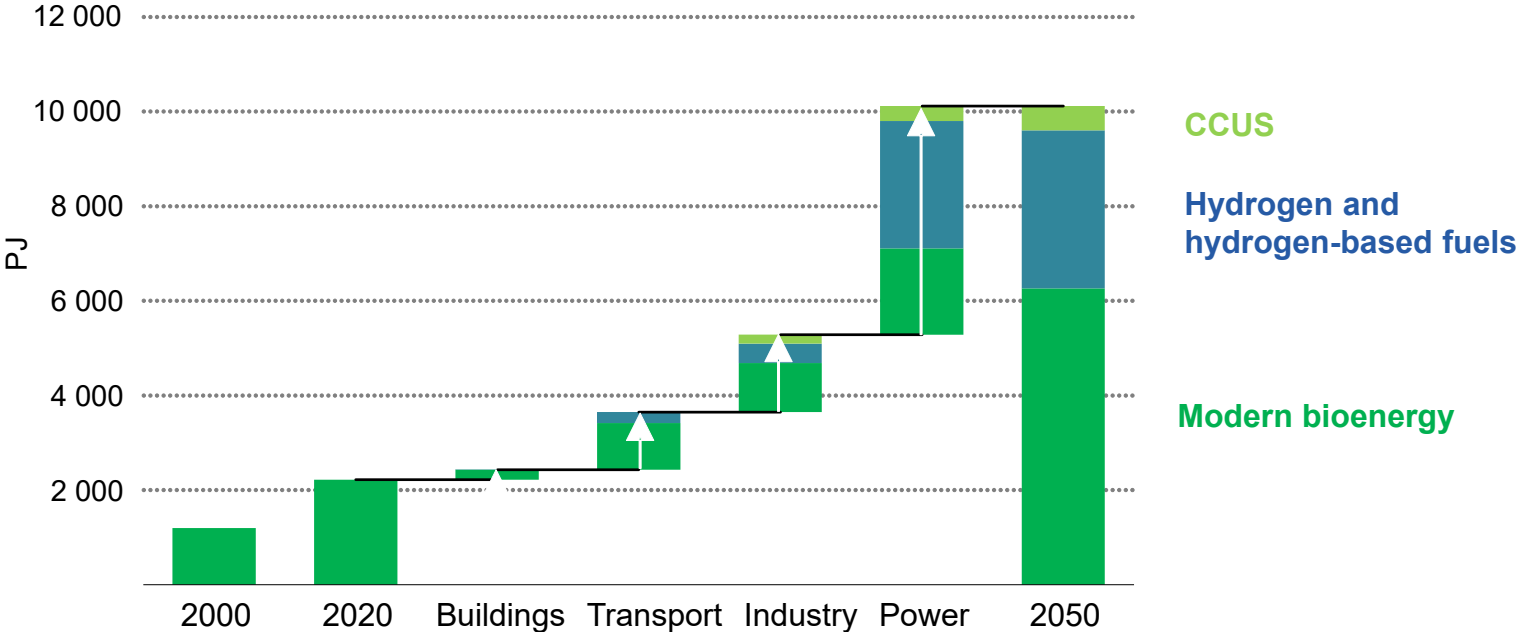
Power generation and shares of variable renewables in Southeast Asia in the Sustainable Development Scenario



Today's contractual arrangements for coal- and gas-fired plants offer no incentives for these plants to provide flexibility; this is one of the areas that will need to change to enable a rapid rise of clean electrification

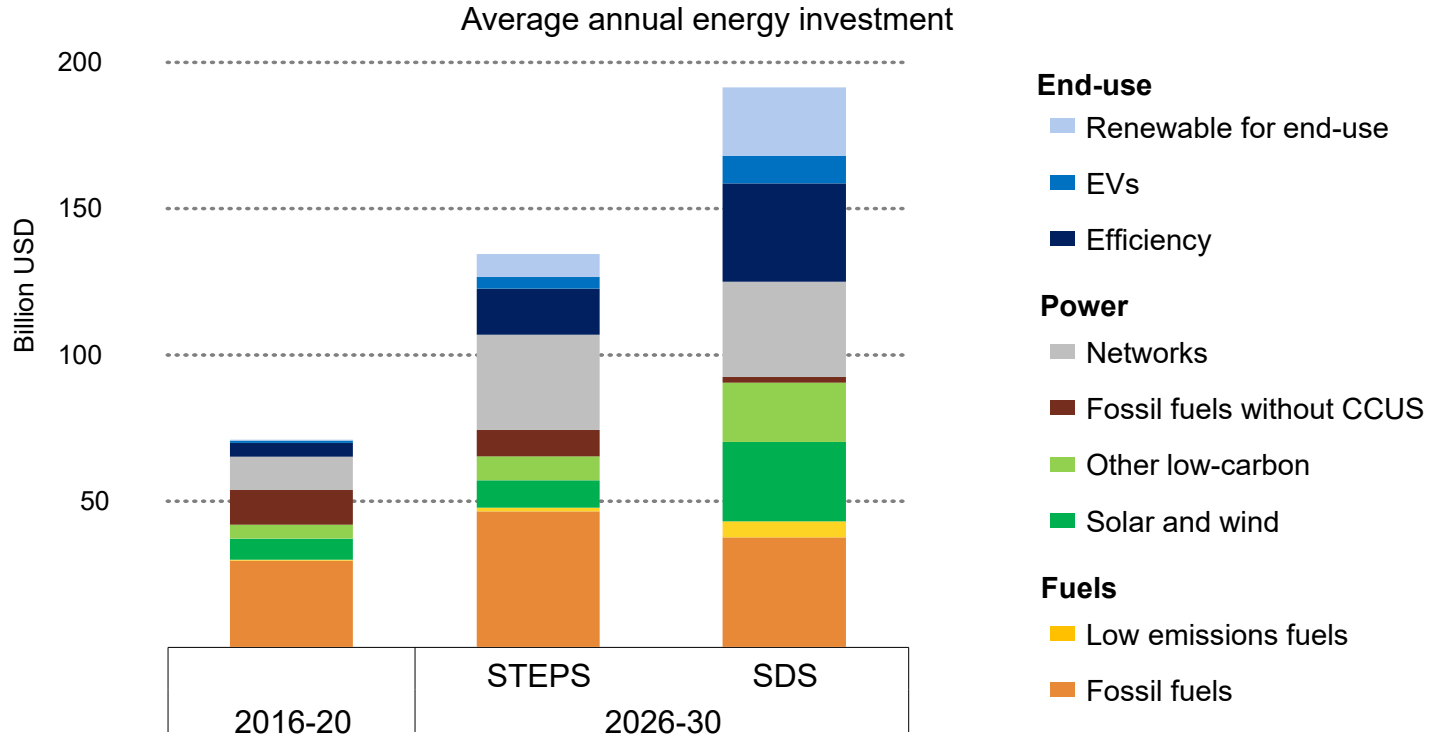
Low emissions fuels are a vital part of Southeast Asia's energy future

Changes of low-emissions and abated fuels in Southeast Asia in the Sustainable Development Scenario



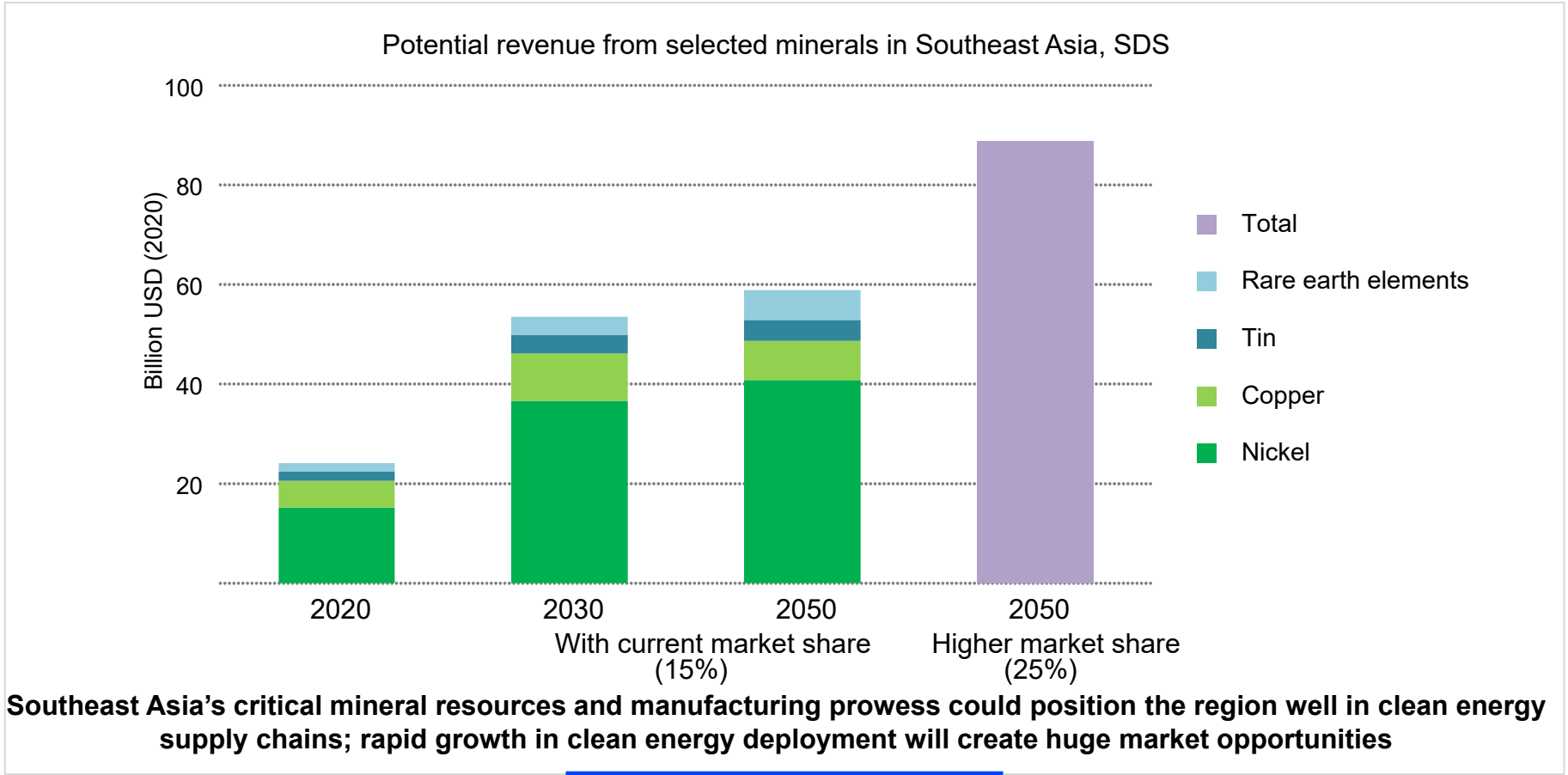
Countries across Southeast Asia are well-placed to tap into significant resources of bioenergy and hydrogen as well as CO₂ storage potential

A surge in clean energy investment is needed this decade



National & international public finance will be essential to meet the region's energy security & climate goals, but governments need to do much more to attract private investors by reducing regulatory and financing risks

A new global energy economy is emerging



Southeast Asia's critical mineral resources and manufacturing prowess could position the region well in clean energy supply chains; rapid growth in clean energy deployment will create huge market opportunities

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