

Participating in 43rd IAEE Tokyo International Conference

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From July 31 through August 4, the International Association for Energy Economics (IAEE) held its 43rd annual International Conference at the National Graduate Institute for Policy Studies (GRIPS) in Tokyo. The IAEE is an international academic society functioning as a platform to analyze and consider energy and environmental issues from the main viewpoint of economy and others including politics, geopolitics, technology and society. Its annual International Conferences have been held at various sites in the world, including Tokyo for the latest one cosponsored by the Institute of Energy Economics, Japan, and GRIPS.

The 41st IAEE International Conference took place in Groningen, the Netherlands, in 2018 and the 42nd one in Montreal, Canada. The IAEE failed to hold the annual meeting in 2020 due to the COVID-19 pandemic. In 2021, it convened an online International Conference for the first time. The latest one was the first face-to-face meeting in three years, taking the form of a hybrid conference combining direct participation with online participation. Since July, Japan including Tokyo has faced the seventh wave of COVID-19 infections that has featured a rapid increase in the daily number of new infections. However, the conference was implemented safely on schedule. The number of participants in the conference surpassed 600 on a registration basis, including more than 400 direct participants. More than half of the direct participants came from abroad. The 43rd IAEE International Conference was the second held in Tokyo, following the first one in 1986, where I had an opportunity to take part in a large international conference in the second month after my entry into the IEEJ. I felt a surge of emotion at the first IAEE conference in Tokyo in 36 years.

The general theme for the Tokyo meeting was “Mapping the Energy Future: Voyage in Uncharted Territory.” As noted in the opening plenary session on August 1, the phrase “Voyage in Uncharted Territory” fits the current international situation that features chaos and great uncertainties. In such situation, participants vividly discussed how to depict the future picture of energy. The conference comprised the opening and closing plenary sessions, eight dual plenary sessions, four round table meetings and 75 concurrent sessions. At these gatherings, presentations and question-and-answer discussions were conducted under various themes.

Undoubtedly, one of the key focuses at the conference was global decarbonization towards the goal of carbon neutrality as an important challenge regarding global energy and environmental issues. Participants discussed energy policies and measures for carbon neutrality, as well as relevant problems and solutions. The trend to enhance decarbonization initiatives has globally accelerated since 2020 and remained a global important challenge. The trend will remain a great power to transform the future picture of energy in the world over the long term. Therefore, it was natural for the trend to attract high interest at the conference.

However, symbolizing the phrase “Voyage in Uncharted Territory” among IAEE conference

participants were the outbreak and escalation of the Ukraine crisis since Russia's invasion into Ukraine, the subsequent global comeback to the issue of energy security and growing interests in energy geopolitics and global energy governance. For me, having participated in numerous international meetings including the IAEE International Conferences, the Tokyo conference was an opportunity to feel dramatic changes in a global energy forum by understanding that energy security and geopolitics have been emphasized as an important matter of interest to such extent. In this sense, I would like to summarize key points of the discussions mainly at the Dual Plenary 1 session that I moderated under the theme "Energy Geopolitics: Challenges and Opportunities for Asia."

First, I felt that how to get energy as an indispensable good stably at affordable prices has become a central energy issue and a global challenge due to global energy price hikes, energy market destabilization and insecurity about future Russian energy supply. Energy security has become a top priority challenge in developed countries including European countries that depends heavily on Russian energy supply, the United States where energy price hikes affect approval ratings for the current administration and Japan plagued with concern about a tighter electricity supply-demand balance in the coming winter. Importantly, however, it was pointed out in the conference that Asian and other developing and emerging countries have been hardest hit by the energy price hikes. Stabilizing international energy markets amounts not only to ensuring national energy security but also to stabilizing and developing the world. We should be conscious of the significance of initiatives for energy market stabilization as a matter of global interest as well as national interest.

Second, discussions at the conference led me to feel that international energy markets now face destabilization that is likely to deteriorate or escalate further. Energy security generally focuses on security of supply in energy-consuming countries. While this is natural, security of demand is an unignorable issue for energy-producing countries. If the trend to enhance energy security in energy-consuming countries is combined with the decarbonization trend to reduce demand for fossil fuels, resource-rich and energy-producing countries' economic, political and social stability will be affected. The stability of fossil fuel markets will remain important in the course of energy transition over the long term. The issue of how to stabilize the Middle East, though hidden behind the Ukraine crisis, will continue to hold the key to international energy market stability. However, the division of the international community and the subsequent energy market chaos are even more serious, as clarified by the Ukraine crisis. As the Western bloc advocating values such as freedom and democracy is confronting China and Russia, other countries are involved in the confrontation in a manner to indicate a global structural rivalry or confrontation. In such world, energy has become a strategic good and a political weapon. As the Ukraine crisis is expected to be prolonged with no end in sight, the international energy situation is assumed to have no choice but to further continue a "voyage in uncharted territory." Energy strategies and policies must be based on the assumption.

Third, I would like to note that I felt the need for seriously considering how to reconstruct global energy governance for the long term even in the face of a dark, severe future picture of the world, what each country and entity should do for the reconstruction and how to develop international architecture for the reconstruction. On the occasion of the first oil crisis in 1973, cooperation between then Western oil-consuming countries collapsed once in the face of the Arab oil embargo. The International Energy Agency was then created to rebuild the cooperation. Since then, countries in the world have prioritized international cooperation through the IEA and other organizations while promoting national energy security. This international system has been shaken by the Ukraine crisis. Toward the coming winter, Europe, expected to face serious gas shortages depending on future developments, and Japan, shaken by the Russian Sakhalin 2 issue, may be forced to wage a zero-sum game to acquire additional gas supply sources. Major countries may be required to reaffirm the

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importance of maintaining global energy governance and develop some framework or international initiative to enhance, share and cooperate in market stabilization efforts.

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