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Asian Energy Transition Emphasizes the Concept of "Multiple Pathways": Energy Asia 2025

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On June 16-18, a large-scale international conference titled "Energy Asia 2025" took place in the Malaysian capital of Kuala Lumpur. More than 4,000 people participated in the conference sponsored by Malaysian state-run oil company Petroliam Nasional Berhad (PETRONAS) under the theme "Delivering Asia's Energy Transition," including leaders of major energy companies around the world, cabinet ministers from Malaysia and other major countries, and globally famous experts.

The Energy Asia conference is the second one following the first held in 2023. Earlier, PETRONAS hosted the Asia Oil and Gas Conference. Since the previous one in 2023, the title has been changed to cover a wide range of energy and decarbonization issues comprehensively. The conference under the new title demonstrates not only a strategic policy of making discussions more comprehensive but also PETRONAS's ambition to disseminate Asian voices on energy issues to the rest of the world. Given such a purpose, Energy Asia is linked to the CERAWeek, one of the world's largest-scale meetings on energy issues that has been held annually in Houston, Texas. In fact, the CERAWeek is closely engaged with the Energy Asia conference as its knowledge partner. Daniel Yergin, who is a globally respected authority on energy and has made great contributions to the history of the development and success of CERAWeek, has energetically served as speaker or moderator in key Energy Asia sessions.

The latest Energy Asia conference's theme, "Delivering Asia's Energy Transition," responds to the essential and timely issue of how Asia should achieve a successful energy transition while facing and overcoming various energy problems. The global and Asian situations for considering the Asian energy transition issue have become more uncertain, difficult, and complex, as indicated by growing energy and geopolitical tensions in the Middle East and other regions, the issue of stable electricity supply amid demand growth through the spread of generative artificial intelligence and datacenters, the growing importance of how to secure stable and affordable energy supply, emerging problems regarding the balanced achievement of decarbonization and energy security, and energy and economic security issues caused by the deepening division of the world. These developments have been affected further by U.S. Trump 2.0 policies. The Energy Asia conference provided an opportunity for major energy stakeholders to discuss how Asia should promote its energy transition in the face of the new situation. In the following, I would like to summarize my comments on the particularly impressive points of discussion at the conference.

The most important point is that I felt that the participants in the conference shared the importance of the concept of "multiple energy transition pathways" that Japan emphasized at a Group of Seven summit in Hiroshima in 2023 and other conferences. The concept of multiple pathways is that methods or approaches towards the common goals of decarbonization and energy security enhancement should be allowed to vary, depending on country-specific conditions. This concept thus calls for avoiding any rigid or condescending attitude of forcing a single pathway. It was not easy to

officially incorporate the word “multiple pathways” in G7 Summit and other documents in 2023. Rather, Western countries mostly stuck to the single pathway. Two years later, however, I now feel that the attitude of emphasizing a steady energy transition based on the importance of multiple pathways has become dominant.

The reason for the change is that how to provide clean energy sources stably at affordable prices has become an important and realistic challenge in Asia, where energy demand is expected to steadily increase in the future. As a matter of course, Asia includes Japan, where energy demand is likely to decrease due to its mature economy and declining population, as well as China, which is predicted to see an energy demand fall due to economic growth deceleration and a decreasing population after expanding energy demand substantially under high economic growth in a manner to drive global energy demand growth over more than 30 years. However, the Association of Southeast Asian Nations (ASEAN), including Malaysia, which hosted the Energy Asia conference, and India and other countries in South Asia, is well expected to expand energy demand in the future and replace China as the driver of global energy demand growth. In ASEAN and South Asia, where the spread of artificial intelligence and datacenters is expected to further accelerate electricity demand growth, how to meet growing energy demand has been recognized as an urgent and important issue.

Of course, ASEAN and India, as well as developed countries, are trying to move forward with initiatives for the high ideals of achieving carbon neutrality by the middle of the 21st century. Malaysia adopted the National Energy Transition Roadmap in 2023 to implement and enhance measures to achieve carbon neutrality by 2050. However, it has become important to note that a gap between high ideals and reality in each country has become apparent and that all countries are agonizing over how to resolve the conflict between high ideals and reality. Incidentally, it is important that this issue is not limited to Asia but is a common one for countries around the world, including developed countries such as Japan, the United States, and European countries.

In the face of the widening gap between ideals and reality, emerging and developing Asian economies that must respond to growing energy demand and secure affordable energy supply are forced to focus on realistic and pragmatic methods for realizing their ideals. Given the diversity of Asian countries regarding economic development stages, income levels, energy resources endowment, and other conditions, it is natural for these countries to adopt multiple pathways suitable for their respective conditions.

In this context, participants in the Energy Asia conference focused discussions on the importance of fossil fuels such as liquefied natural gas and positively argued for the role of nuclear energy. In addition, there was a lively discussion on ASEAN-wide cooperation initiatives such as the ASEAN Power Grid, as well as country-by-country initiatives. Through discussions at the conference, I felt that the concept of multiple pathways has been established as a keyword for promoting the energy transition in Asia or the whole world amid changes in the perception of reality during the passage of time.

As emphasized frequently at the conference, the global energy transition will fail to succeed without a successful Asian energy transition, given that Asia will lead future global energy demand growth. Towards a successful energy transition, Asian countries will have to pursue multiple pathways based on their different national conditions by giving priority to pragmatic measures while seeking ideals. International cooperation will be required to complement national initiatives. Japan will have to tackle not only bilateral cooperation with each ASEAN country but also regional cooperation for the Asia Zero Emission Community (AZEC) and ASEAN.

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