

## The Future of an Increasingly Uncertain International Order and Global Energy Challenges

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On January 29, I had the opportunity to participate in an event titled *“Energy & Economic Security: The U.S. and Japan’s Strategies in a Rapidly Changing World,”* hosted by the Japan Society in New York. The event took the form of a panel discussion moderated by Dr. Joshua Walker, President of the Japan Society, with three panelists: Mr. Takajiro Ishikawa, President of Mitsubishi Heavy Industries America, Professor Carolyn Kissane of New York University, and myself. Rather than merely recounting the discussions that took place, I will instead present the perspectives and issues that were stimulated by the dialogue, offering them in the form of my personal reflections.

As noted above, the theme of the panel discussion could not have been more timely. International affairs since the beginning of 2026 have been characterized by upheaval and volatility. The U.S. military action in Venezuela and its subsequent “management” of Venezuelan oil, escalating tensions surrounding Iran and the renewed possibility of U.S. military strikes, and the disputes between the United States and Europe over Greenland have unfolded in rapid succession, sending shockwaves across the globe.

At present, the international energy market continues to perceive an abundance of supply, and therefore, these geopolitical upheavals have not resulted in significant price surges or market turmoil. Nevertheless, in my view, the global energy market has become increasingly sensitive to geopolitical risks and to signs of instability in the prevailing energy order.

Underlying this heightened sensitivity is a growing global perception that the United States—the longstanding linchpin of both international politics and the global energy system—is undergoing change. The recent crises involving Venezuela, Iran, and Greenland are all issues in which the United States has played a central and deeply entangled role, and many observers see U.S. actions themselves as major catalysts of global instability. What the world fears is not only the events themselves but also the ambiguity surrounding how a shifting United States will shape the future of the international order. This sense of uncertainty, I believe, is prompting global energy markets to react more sharply to geopolitical risks and structural instability.

Another reason the discussion theme was so timely is that, amid intensifying U.S.–China rivalry, the global implications of geopolitical fragmentation for energy and economic security have come to the forefront. This is not merely a matter of global concern—it constitutes a pressing and immediate challenge for both the United States and Japan.

The deepening fragmentation of the international system is driving a shift away from the paradigm that prioritized free trade and global division of labor. The dominant model—one in which the world pursued cost minimization and optimal efficiency—has begun to be replaced by a paradigm that emphasizes domestic production of strategic materials and technologies, even at higher cost, complemented by secure supply chains established in cooperation with trusted strategic partners.

The urgency of this issue today is largely due to China’s overwhelming competitiveness in clean energy technologies and its growing dominance in the global market—now increasingly viewed by major competitors as a significant risk to global energy and economic security.

The most critical challenge in the clean energy sector concerns China’s dominance in the production and especially the refining of rare earth elements and other critical minerals. China’s share in refining is so high that it arguably occupies the position of a near-monopolistic supplier. As the world accelerates its energy transition and expands clean energy deployment, demand for these critical minerals will surge, further deepening global dependence on China. Should tightening supply lead to price increases, China’s leverage as a supplier would inevitably grow.

Given this sobering reality, both the United States and Japan are compelled to place far greater emphasis on ensuring the stable supply of rare earths and other critical minerals. In a world marked by deepening fragmentation and China’s overwhelming dominance in this field—and in anticipation of the potential “weaponization” of strategic materials—both countries must develop and implement appropriate strategies. Such strategies must go beyond expanding supply or diversifying sources; they must also encompass demand-side measures such as resource efficiency, development of substitute technologies, and enhanced recycling.

Furthermore, it is essential to strengthen emergency response capabilities, including the establishment of strategic stockpiles, in preparation for the potential “weaponization” of critical minerals and the market disruptions that such actions could trigger. Enhancing this emergency preparedness must encompass not only the development of national stockpiles but also the creation of cooperative frameworks among consuming and importing countries to complement individual efforts. A review of the history of international energy markets reveals repeated instances in which “panic buying” and

competitive scrambling for supplies during crises have only deepened market turmoil. To construct a stable international supply system for critical minerals, comprehensive and integrated measures of the kind described above are indispensable. The lessons drawn from past energy crises must be applied with utmost seriousness.

Another perspective that warrants close attention in examining the relationship between global fragmentation and energy issues is the emerging contest among three distinct forms of dominance within the energy sphere. These consist of dominance in the oil and gas sector, dominance in the clean energy domain, and dominance in the field of artificial intelligence (AI). The current global landscape appears to be characterized by a structure in which the United States is pursuing petro-dominance to maximize its national interests, China is seeking to consolidate its clean-energy dominance, and both countries are engaged in an increasingly intense competition for AI dominance. How this triangular struggle for supremacy will shape the future international energy order—and how the world should respond to it—constitutes a matter of profound concern for me.

A further reason why the panel's topic drew considerable attention lies in the growing interest in the future strategies of both the United States and Japan regarding energy and economic security. As noted earlier, America's recent initiatives have become the focal point of global attention. Meanwhile, the outcome of Japan's House of Representatives election on February 8 will determine the next government and its policy direction—developments that are being watched closely.

Equally important is the direction of the Japan–U.S. relationship under the next Japanese administration, particularly regarding bilateral energy cooperation. For Japan, strengthening ties with the United States—its most vital ally—is indispensable, and advancing energy collaboration will be an essential component of that effort. At the same time, Japan must conduct rigorous, realistic analyses of the future international energy order and the U.S. role within it. Formulating and executing strategies that maximize Japan's national interests in an increasingly uncertain world will be crucial. As global politics and the international energy landscape grow more unpredictable, the challenges facing Japan's next government are both numerous and complex.

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