

World Energy Outlook: No Business as Usual Possible

by, Maartje Tubbesing, Worldwatch Institute

On November 28, just in time for the beginning of the UN climate conference in Durban, South Africa, the International Energy Agency (IEA) launched this year's World Energy Outlook. A high-ranking panel which included the US Deputy Secretary of Energy Daniel Poneman, IEA Executive Director Maria van der Hoeven, and IEA chief economist Fatih Birol, presented the most important aspects of this comprehensive overview of the world energy situation. In her opening remarks, Jessica Mathews, president of the Carnegie Endowment for International Peace, pointed out the urgent need for action in the UN climate negotiations in Durban. Climate change is no longer a future threat, it is an immediate concern. It affects all aspects of life, from ecology and health, to economy and personal security. Inaction of governments will be fatal. This year's World Energy Outlook (WEO) leaves a five year window of opportunity in which real cuts in CO₂ emissions can still avert the worst case scenario of a 6 degree Celsius increase in global temperature. Both Dr. Mathews and Mr. Poneman praised the role of the IEA as crucial for providing reliable data about the state of the world's energy markets and for addressing energy challenges, as it works independently from political influences. The IEA is a crucial source of data, research, and support for addressing energy challenges and working towards a sustainable energy supply system.

Maria van der Hoeven expressed her regret that the current financial crisis has taken away the focus from energy and climate issues. While the former will eventually be resolved, van der Hoeven said, the energy and climate crises will persist for much longer. Despite financial constraints, countries of the world must act and invest now, or the world risks being locked in an unsustainable energy system. Energy infrastructure built today will be around for decades and will continue to emit greenhouse gases. Emissions from current energy systems already take up 80 percent of allowed emissions quotas required to stay within the 2 degree Celsius target.

Additionally, the nuclear accident in Fukushima and the turmoil in the Middle East and Northern Africa raise questions about future energy security and

investments. The current discourse about the closing window of opportunity for closing action might seem pessimistic, but this opportunity must be acted upon. The longer we stay inactive, the tougher the transition to a sustainable energy system will be. Our vital task is to invest in energy efficiency and renewable energy technologies that help transform our economic system towards a "low-carbon" future.

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Following the panelists' opening remarks, Fatih Birol, IEA's chief economist, presented on the main findings of WEO 2011:

- CO₂ emissions reached a record high in 2010 – a contradiction of the commitments agreed upon at the 16th annual COP in Cancún in 2010.
- Over the period 2009-2010, world energy efficiency rates have worsened for the first time – previously, energy efficiency had constantly improved each year due to technological improvements
- High oil prices will increasingly affect the trade balances of most OECD countries – the OECD countries' share in oil production is negligible, and political decisions in Moscow, Delhi and Beijing will have a huge impact on the global energy market.

Dr. Birol concluded by reiterating Ms. van der Hoeven's point that there is no time to lose. If the world economy continues with "business-as-usual" we are well on a track to a 6 degrees Celsius rise in global temperatures by the end of the century, with devastating impacts to ecosystems and on the livelihoods and security of people around the world.