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Global Energy Review 2020 : IEA

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Why in News

Recently, the **International Energy Agency (IEA)** has released a report namely, **Global Energy Review:2020** which also includes the impact of the **Covid-19** crisis on global energy demand and CO₂ emissions.

The **imposition of lockdown** in several countries has largely restricted transportation such as road and air travel. In turn, the drastic reduction in the global energy demands has been observed.

Global Energy Demands

- The countries in **full lockdown** are experiencing an average decline of **25% in energy demand per week**, while in those with a **partial lockdown**, the fall in energy demand is about **18% per week**.
- Global energy demand **declined by 3.8%** in the first quarter of 2020 compared to the first quarter of 2019.
- Further, it is expected that the impact of Covid-19 on energy demand in 2020 would be **more than seven times larger** than the impact of the 2008 financial crisis on global energy demand.

- Considering the above scenario the global demand of various energy sources can be analysed as given below:
 - **Coal Demand:**
 - It has been declined by 8% compared with the first quarter of 2019.
 - The reasons for such decline include, China – a coal-based economy – was the country hardest hit by Covid-19 in the first quarter and cheap gas and continued growth in renewables elsewhere challenged coal.
 - **Oil Demand:**
 - It has declined by 5% in the first quarter, majorly due to curtailment in mobility and aviation, which account for nearly 60% of global oil demand.
 - The report also estimates that the global demand for oil could further drop by 9% on average in 2020, which will return oil consumption to 2012 levels.
 - **Gas Demand:**

The impact of the pandemic on gas demand has been **moderate, at around 2%**, as gas-based economies were not strongly affected in the first quarter of 2020.
 - **Renewables Energy Resources Demand:**
 - It is the only source that has **registered a growth in demand**, driven by larger installed capacity.
 - Further, the demand for renewables is **expected to rise by 1% by 2020** because of low operating costs and preferential access for many power systems.
 - **Electricity Demand:**
 - It has been **declined by 20%** during periods of full lockdown in several countries.
 - However, the residential demand is outweighed by reductions in commercial and industrial operations.

Covid-19 and CO₂ Emissions

- Overall, the emissions decline in 2020 could be **8% lower than in 2019**, which would be the lowest level of emissions since 2010.
- It is also the largest level of emission reduction – **six times larger than witnessed during the 2009 financial crisis**, and twice as large as the combined total of all reductions witnessed since World War II.
- In the first quarter of 2020, the decline in CO₂ emissions is more than the fall in global energy demand.

India's Energy Demands

- India, which is **one of the IEA association countries**, has experienced a **reduction in its energy demands by 30%** as a result of the nation-wide lockdown.
- Moreover, in India, where economic growth and power production are slowing significantly, the demand for coal is expected to decline steeply.
China and India are the largest and third-largest electricity users in the world respectively, and coal use is dominant in both these countries shaping the global demand for this fuel.

International Energy Agency

- The International Energy Agency (IEA) is an autonomous organisation which works to ensure reliable, affordable and clean energy.
- It was established in the wake of 1973 (set up in 1974) oil crisis after the OPEC cartel had shocked the world with a steep increase in oil prices.
- It is headquartered in Paris, France.
- World Energy Outlook report is released by IEA annually.
- **India** became an **associate member** of the International Energy Agency in **2017**.
- Mexico officially became the International Energy Agency's 30th member country in February 2018, and its first member in Latin America.

Source:IE