

# Global Energy Review 2020

February 17, 2021

## About Global Energy Review

- Global Energy Review, 2020 has been published by the International Energy Association (IEA).
- Each year it comes out with a report on global energy consumption under the report name global energy review report 2020.
- This year it includes estimates for how energy consumption and carbon dioxide (CO2) emissions trends are likely to have an impact over the rest of 2020.
- The report is in response to the exceptional circumstances stemmed from the coronavirus pandemic.
- This year's Global Energy Review report has expanded its coverage to include real-time analysis of developments in 2020 and give possible directions for the rest of the year.

## Major highlights of the Report

- Global energy demand declined by 3.8% in the first quarter of 2020, with much of its impact felt in March as lockdown measures were enforced in Europe, North America, and elsewhere in the world.
- **Global coal demand** was hit the hardest, falling by almost 8% compared with the first quarter of 2019. Reasons attributed to explain this drop are China being a coal-based economy was hardest hit by Covid-19 in the first quarter Low gas prices and continued growth in renewables elsewhere has challenged coal And even mild weather also capped coal usage.
- **Oil demand** was also hit sharply and was down nearly 5% in the first quarter because of restrictions on mobility and aviation. They both combined account for almost 60% of global oil demand. By the end of March, global road

transport activity has practically reduced by 50% below the 2019 average and aviation by 60% below the 2019 average.

- **Gas demand** was moderate at around 2%. The outcome of it was that gas-based economies were not much affected in the first quarter of 2020.
- **Renewables** were the only source of energy that posted growth in demand, which were driven by larger installed capacity and priority dispatch.
- **Electricity demand** has been drastically reduced as a result of lockdown measures. The need for electricity has been reduced by 20% or more during periods of full lockdown in several countries. Reductions in commercial and industrial operations far outweigh residential demand.
- **Global CO2 emissions** are expected to decline by 8% or almost 2.6 gigatonnes i.e., to the levels which were 10 years ago. This year's reduction would be the largest ever, than the previous record reduction of 0.4 Gt in 2009 that was caused by the global financial crisis and twice as large as the combined total of all earlier reductions since the end of World War II.

Aftermath of prior crises saw the rebound in emissions might be larger than the decline. We have to realize that such a thing doesn't happen again, and the investment to restart the economy is dedicated to clean and resilient energy infrastructure.

## **IEA**

- Established in 1974 as per framework of the OECD, IEA is an autonomous intergovernmental organisation.
- Its mission is guided by four main areas of focus: energy security, economic development, environmental awareness and engagement worldwide.
- Headquarters (Secretariat): Paris, France.

## **Roles and functions:**

- Established in the wake of the 1973-1974 oil crisis, to help its members respond to major oil supply disruptions, a role it continues to fulfil today.
- IEA's mandate has expanded over time to include tracking and analyzing global key energy trends, promoting sound energy policy, and fostering multinational energy technology cooperation.

## **Composition and eligibility:**

- It has 30 members at present. IEA family also includes eight association countries. A candidate country must be a member country of the OECD. But all OECD members are not IEA members.

## **To become member a candidate country must demonstrate that it has:**

- Crude oil and/or product reserves equivalent to 90 days of the previous year's net imports, to which the government has immediate access (even if it does not own them directly) and could be used to address disruptions to global oil supply.
- A demand restraint programme to reduce national oil consumption by up to 10%.
- Legislation and organisation to operate the Coordinated Emergency Response Measures (CERM) on a national basis.
- Legislation and measures to ensure that all oil companies under its jurisdiction report information upon request.
- Measures in place to ensure the capability of contributing its share of an IEA collective action.

## **Reports:**

- Global Energy & CO2 Status Report.
- World Energy Outlook.

- World Energy Statistics.
- World Energy Balances.
- Energy Technology Perspectives.