

Introduction

The necessary multilateral cooperation needed to make ‘Paris’ successful is seriously challenged by the various trade disputes and increasing geopolitical tensions. The liberal political and economic world order is seriously challenged. From a period of economization of international relations, we now seemed to have moved to a period of politization of economic relations. Such a change will also affect the energy relations in the world. If energy relations change, what is the potential impact on energy transition choices of major countries around the world.

The climate and energy policies of countries will, based on the legacy of their current systems, vary in the chosen paths of transition and the combination of energy technologies. The path for China differs from that of the US and the EU, but also within the EU these paths will differ, despite the overarching policy goals. In many countries, domestic production matters, and new energy technologies are favoured when they replace imported energy with domestic capacities. Policy makers thus link their climate change polities to their security of supply policies.

Security of supply of consuming countries find their mirror image in security of demand of producing and exporting countries. After a long period of international market developments, producing countries (and private investors in upstream oil and gas projects) are beginning to worry about their long-term security of demand for oil and gas. Climate change policy may change the market outlook for oil and gas, although the transition is going to take decades. The danger of creating a mismatch in demand and supply is large, because the energy sector has very long lead times and long production profiles. When signals to investors/markets become more unclear and uncertain, such mismatches could lead to increasing volatility in oil and gas prices. How will the oil and gas industry be influenced by these changing prospects in the longer term? And how will relations between producing and consuming countries be affected? Will this lead to more geopolitical and geo-economic strains between producer and consumer countries - or among producing countries (for instance in OPEC), or even among consuming countries? Natural gas, despite its ample reserves and the growth in LNG projects, is sometimes seen as more geopolitical than oil, due to more rigid supply relations when pipelines are used. Particularly in Europe, the natural gas discussion is predominantly about the import dependency on Russian gas.

This training on geopolitics and energy is designed to challenge participants to think about current and potential issues in energy relations.

Coby van der Linde
CIEP Director

'International energy relations in a Post-Paris World' Geopolitics of energy transition		28 May 2019 09:30 – 16:30 Huys Clingendael, The Hague
09:00	<i>Reception: welcome coffee & tea</i>	
09:30	Welcome and introduction <ul style="list-style-type: none"> • Who is who • About CIEP and CIEP's Energy Training 	Coby van der Linde CIEP
09:45	Post-Paris energy relations <ul style="list-style-type: none"> • Politization of energy relations • Different perspectives on future of energy use 	Coby van der Linde CIEP
11:00	<i>Refreshments</i>	
11:15	Impact of geopolitics on oil and gas markets <ul style="list-style-type: none"> • Crude oil producers and consumers • Gas producers and consumers 	Luca Franza CIEP
12:30	<i>Lunch</i>	
13:30	New energy technologies in a competitive world order <ul style="list-style-type: none"> • Energy transition and industrial policies • Geopolitics and energy transition choices 	Pier Stapersma CIEP
14:45	<i>Refreshments</i>	
15:15	Geopolitics of Renewables <ul style="list-style-type: none"> • Discussion of the Irena report 	
16:30	<i>Drinks</i>	