

# 2. Progress Report of the APEC Outlook 8<sup>th</sup> Edition

## **APERCC Workshop**

The 60<sup>th</sup> Meeting of APEC Energy Working Group (EWG)  
7 December 2020

David Wogan, Assistant Vice President



# Objectives of the 8<sup>th</sup> edition Outlook

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- Provide estimates of energy demand & supply through 2050
- Project progress on two APEC energy goals
  - Energy intensity
  - Renewable share doubling goal

# Project schedule

	Q4	Q1 2021	Q2	Q3	Q4	Q1 2022	Q2
<b>✘ Scenario review</b>							
Model development							
<b>✘ Assumption review</b>							
Current Policy modeling	X						
<b>✘ Current policy review</b>	<b>X</b>	<b>X</b>					
Announced Policy Modeling		X	X				
Climate Change Modeling		X	X				
<b>✘ External review</b>			<b>X</b>				
Drafting			X	X	X	X	
Editing					X		
<b>✘ Report review</b>						<b>X</b>	
<b>✘ Publication</b>						X	<b>X</b>

# Updates for the 8<sup>th</sup> edition Outlook

- New primary data source
  - Previous editions used IEA data
  - 8<sup>th</sup> edition uses EGEDA energy balances from member economies
- New modeling tools
  - Improved consistency and accessibility
  - Built using open-source technologies
- Different energy units
  - Previous editions used MTOE
  - 8<sup>th</sup> edition uses PJ (*note: 1 PJ = 41.9 MTOE*)

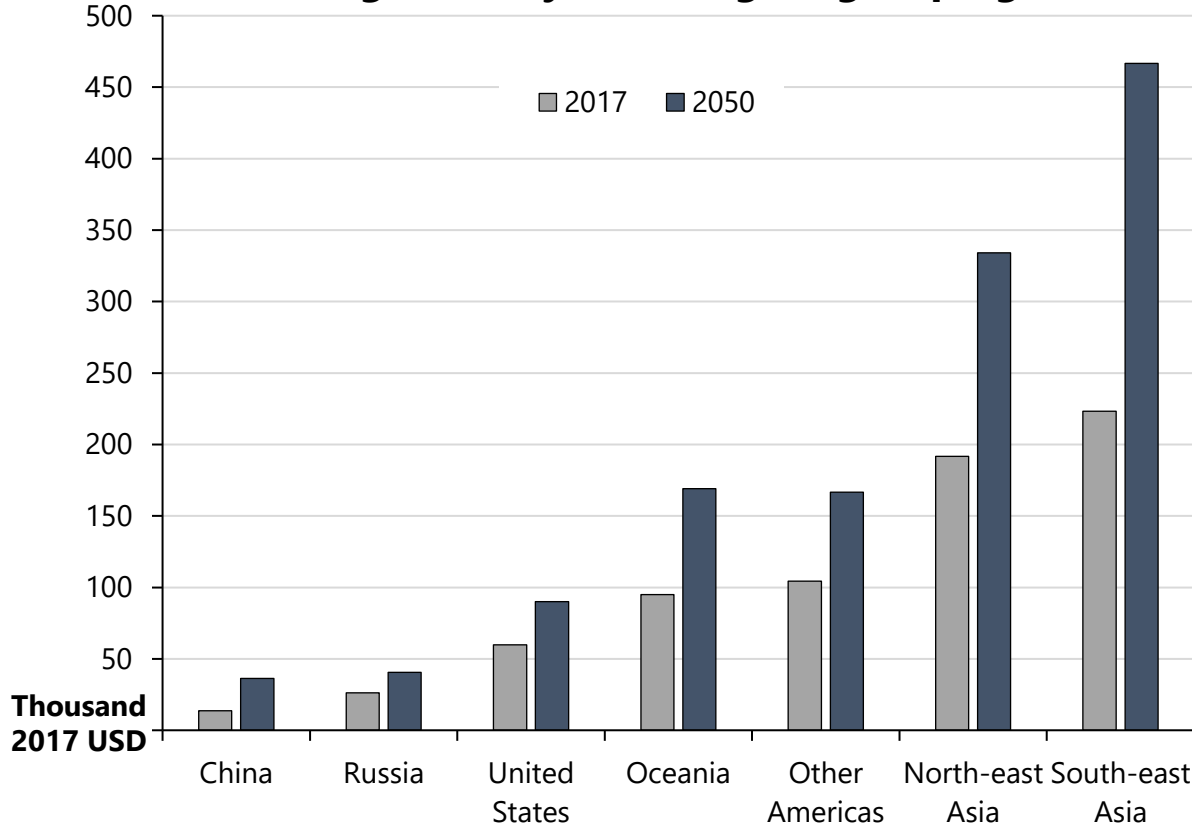
# 8<sup>th</sup> edition scenarios

Current Policies	Announced Policies	Climate Change
<p>A continuation of <b>current trends and policies in effect</b> without any additional policy interventions.</p> <p><b>Current</b> policies are those that are active in law, regulation, and/or implementation.</p>	<p>The addition of announced policies that have <b>not yet been implemented</b>.</p>	<p>A decarbonization pathway consistent with a <b>2DC</b> future under the Paris Agreement to identify the <b>additional level of ambition and policy packages</b> for carbon management.</p>

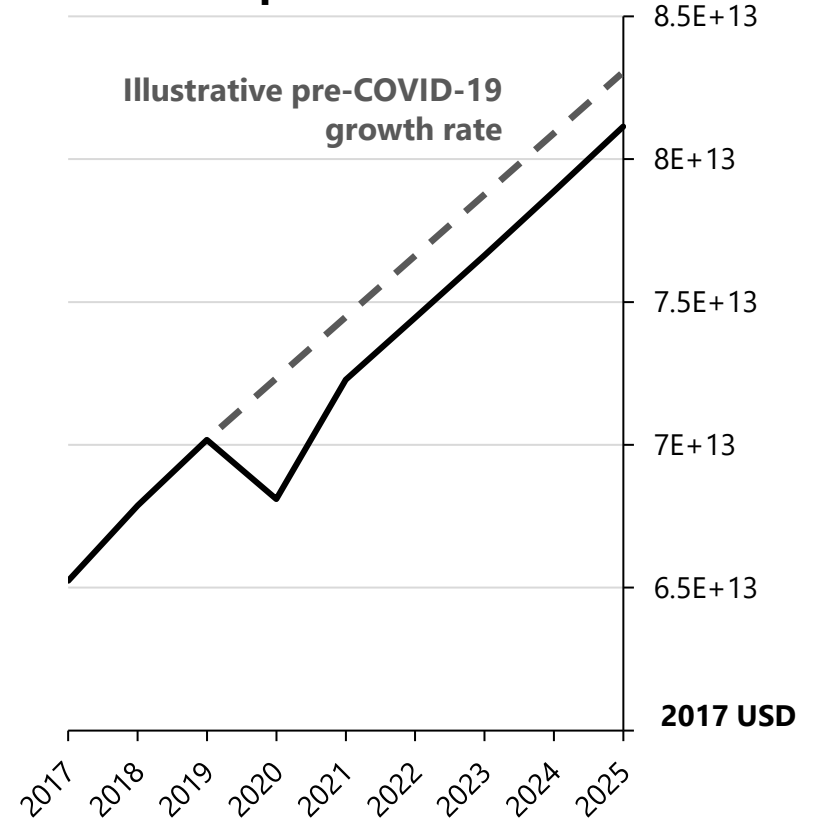
**Note:** base year is 2017 and projections run through 2050.

# APEC economic growth is expected to continue

## GDP growth by APEC region grouping

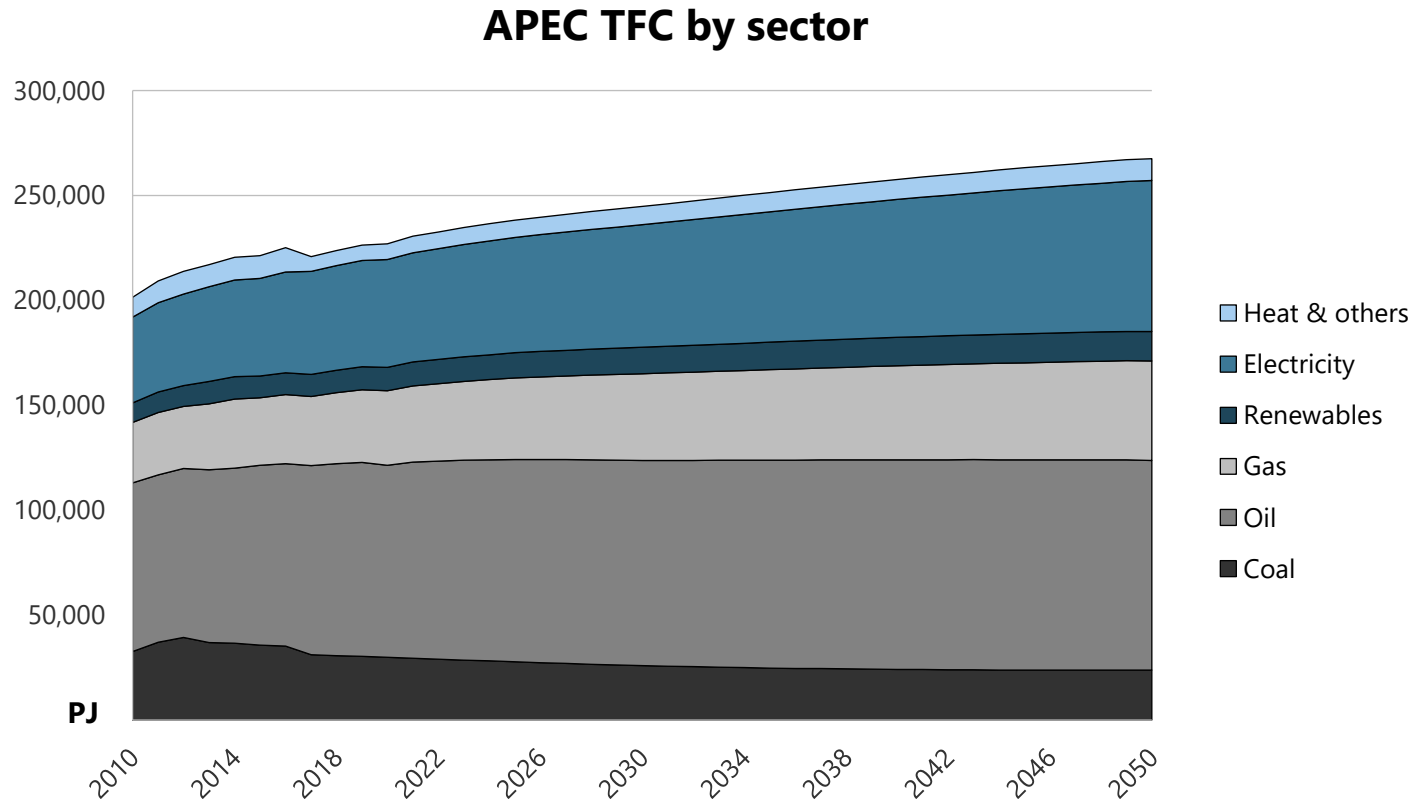


## COVID-19 impact on APEC GDP



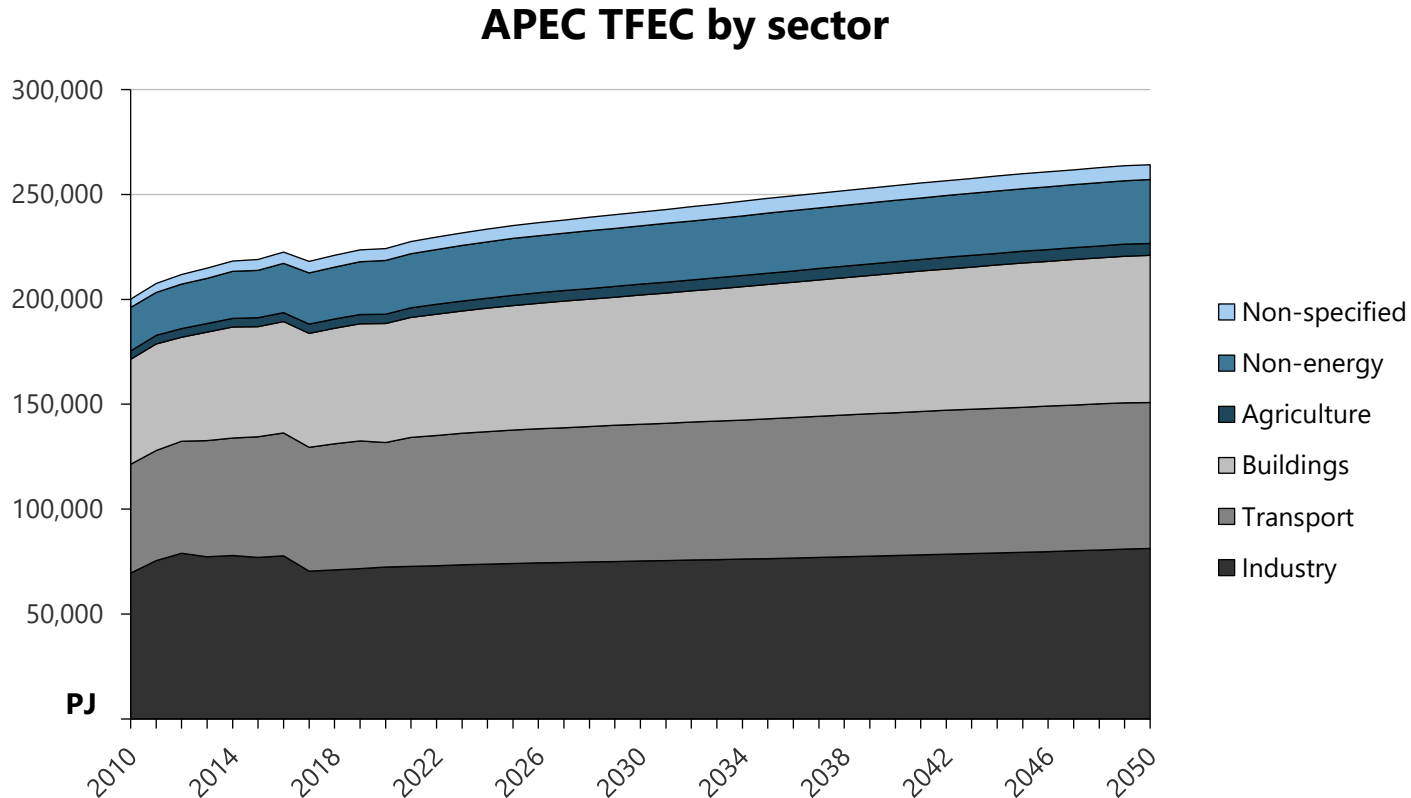
*Despite the slowdown in 2020 and 2021 from COVID-19, APEC economies return to pre-COVID-19 growth rates*

# Total final consumption grows by 21% (2017-2050)



*Fossil fuels comprise nearly two-thirds of TFC in 2050. Coal consumption declines while all other fuels increase.*

# Industrial activities remain largest source of energy consumption

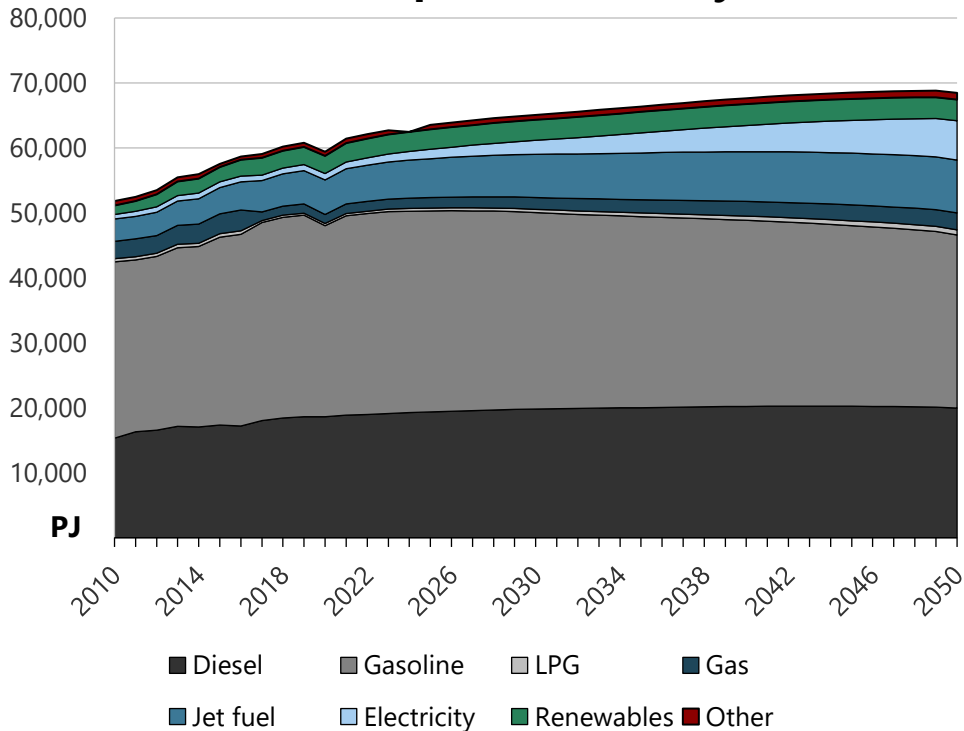


*The share of energy demand in the buildings sector increases slightly, while transport declines.*

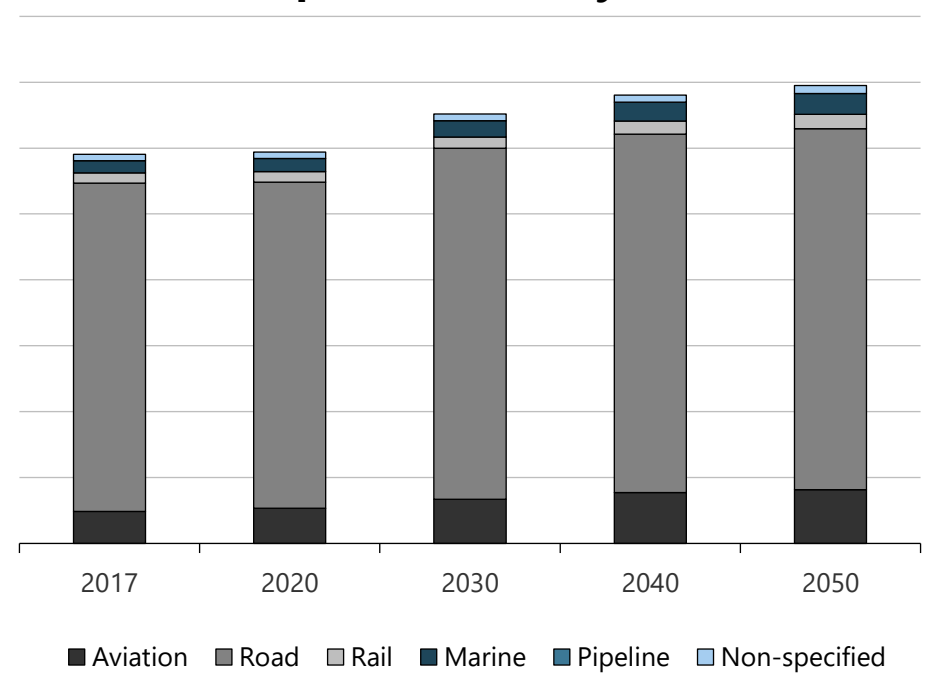


# Transport sector most affected by COVID-19

## Transport demand by fuel

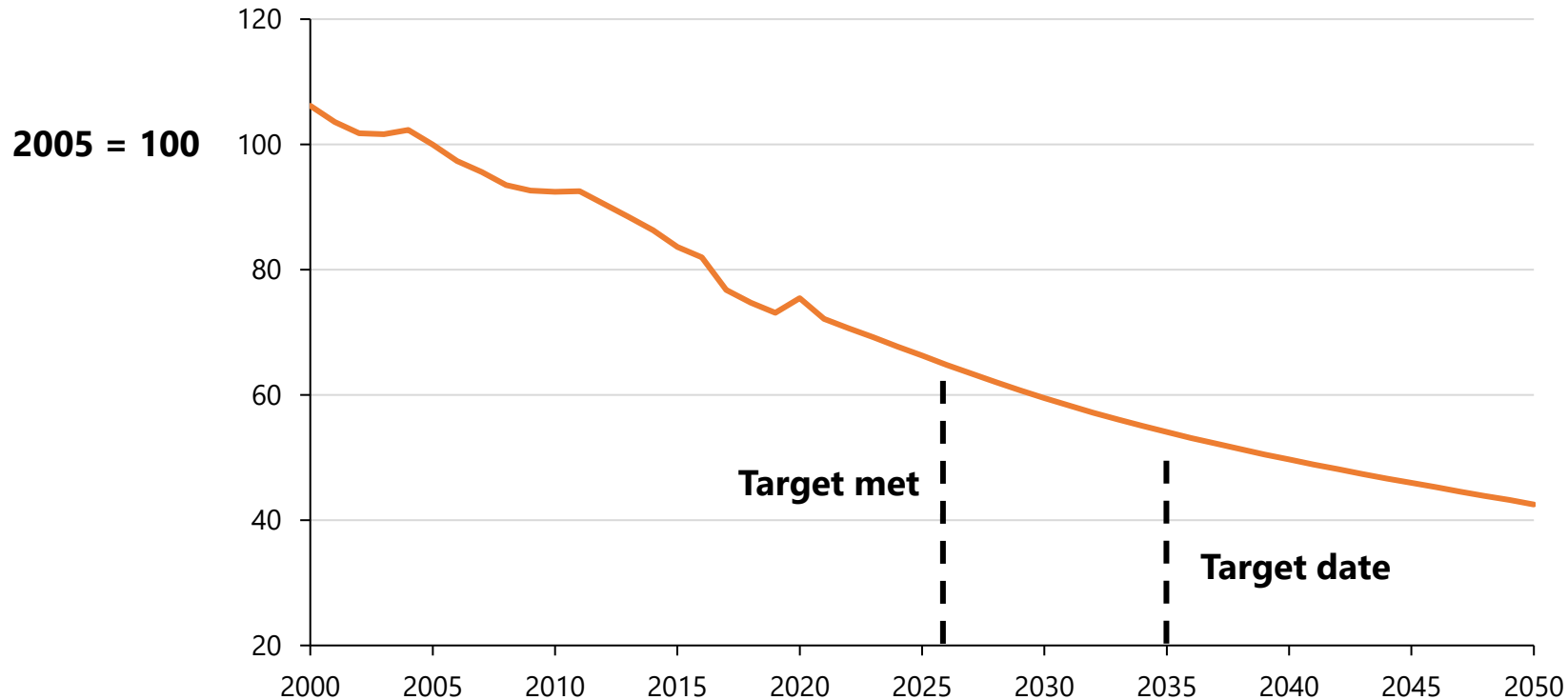


## Transport demand by mode



*Gasoline and jet fuel consumption drops in the near-term due to reduced mobility. Electricity consumption increases over seven times over the forecast period.*

# Energy intensity reduction goal on track to be met around 2025-2026



*Preliminary projections suggest energy intensity would decrease by 45% by target date of 2035. However, future GDP growth is uncertain.*

# EWG member reviews

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- December – January: Current Policy Scenario preliminary results
- May – June: preliminary results for all three scenarios
  - Current Policies
  - Announced Policies
  - Climate Change
- An APERC researcher will be in contact to coordinate the review process

# Key takeaways

- Outlook 8<sup>th</sup> edition is on track for Q2 2022 publication
- Preliminary results will be sent for EWG feedback this month
- APEC energy demand grows steadily
- The short-term impact from COVID-19 is abrupt, but economic growth and energy demand expected to recover to pre-2020 growth rates
- Energy intensity goal is on track to be met in the 2025-2026 timeframe. However, revised GDP forecasts should be included in the analysis before recommendations can be made about updating the goal.



**Thank you for your kind attention.**

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