

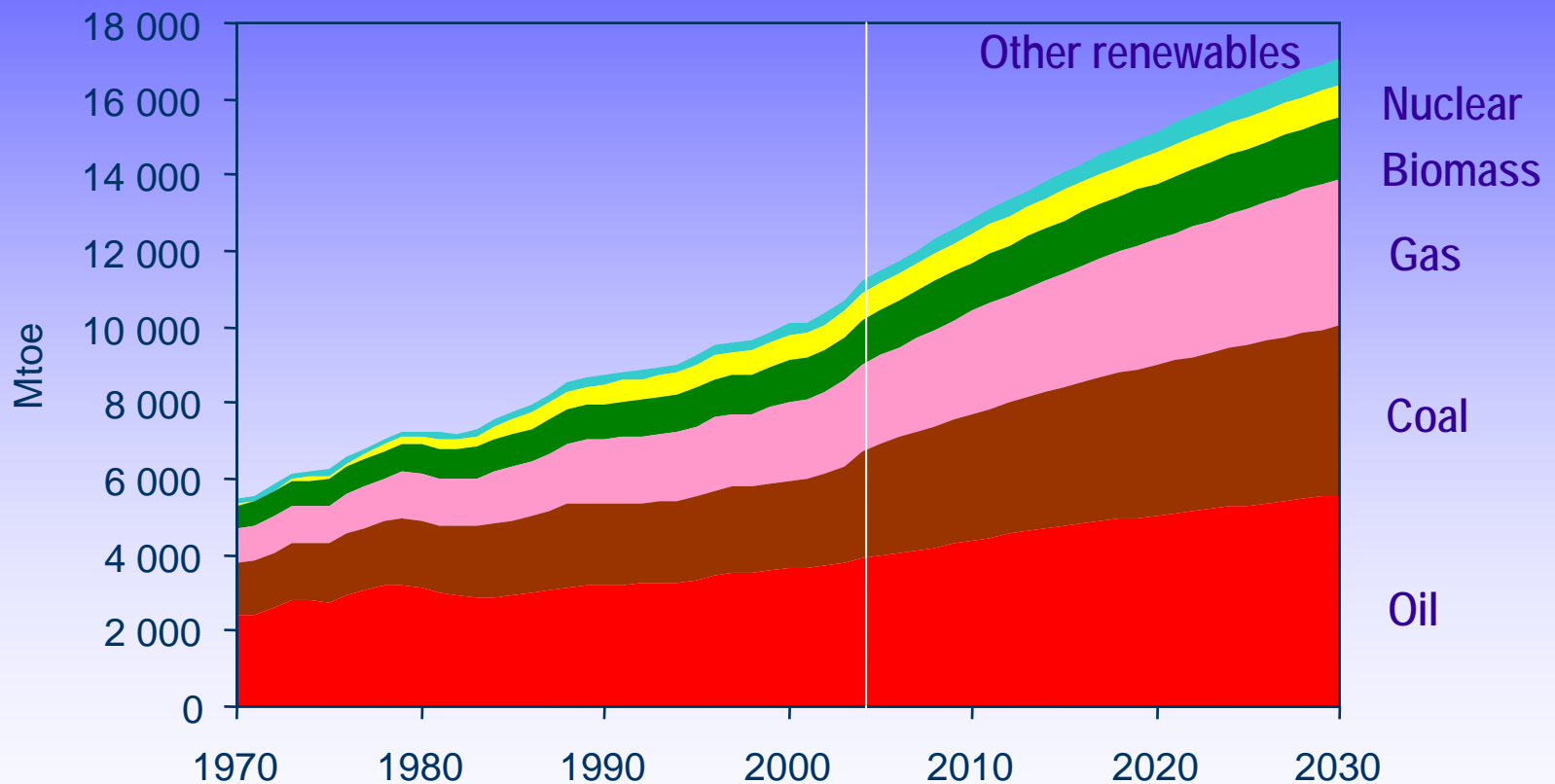
Bridging the Energy Gap

Claude Mandil
Executive Director
International Energy Agency

China Economic Forum
Tianjin, 18 January 2007



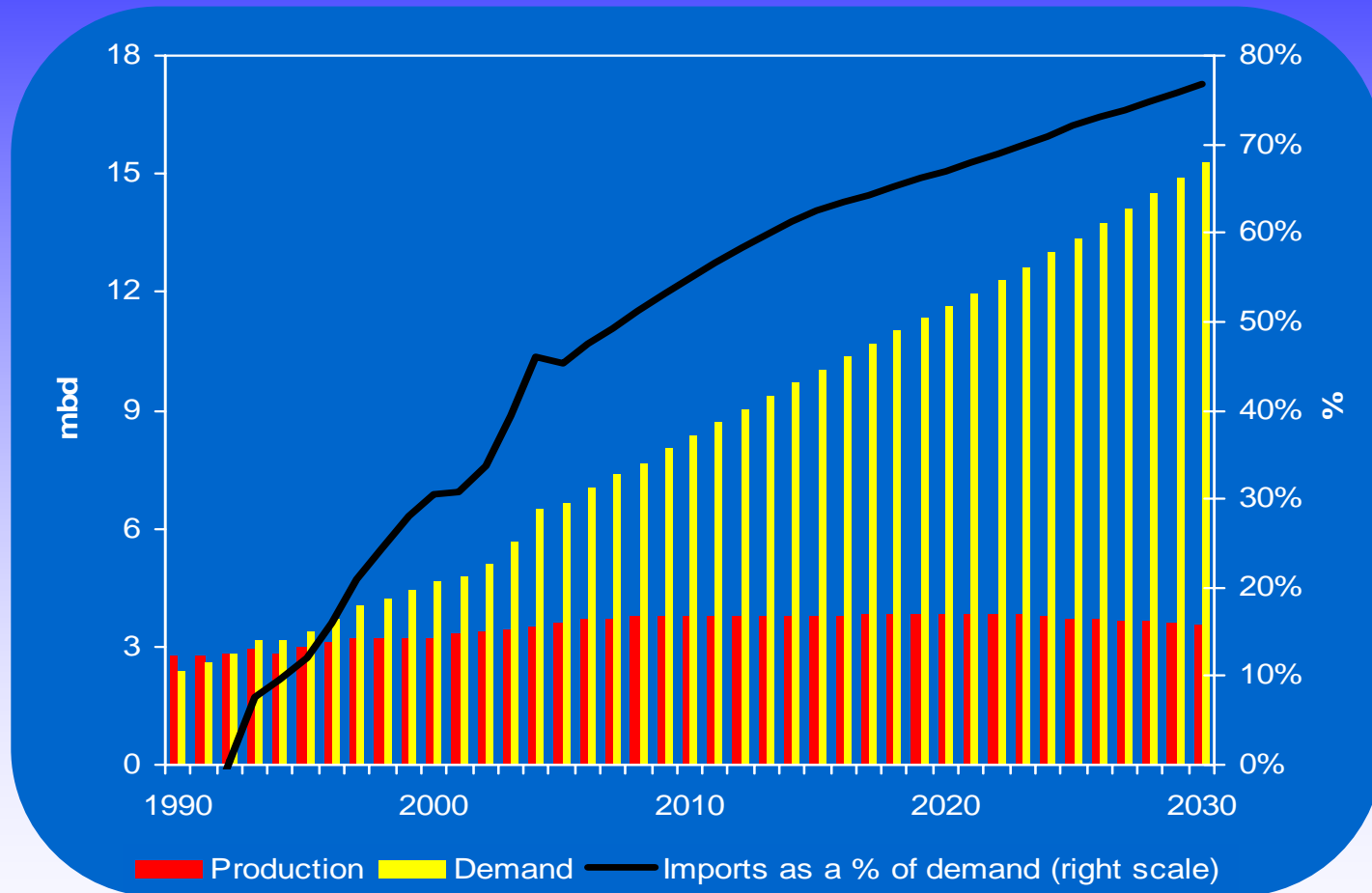
Reference Scenario World Primary Energy Demand



Global demand grows by more than half over the next quarter of a century, with coal use rising most in absolute terms.



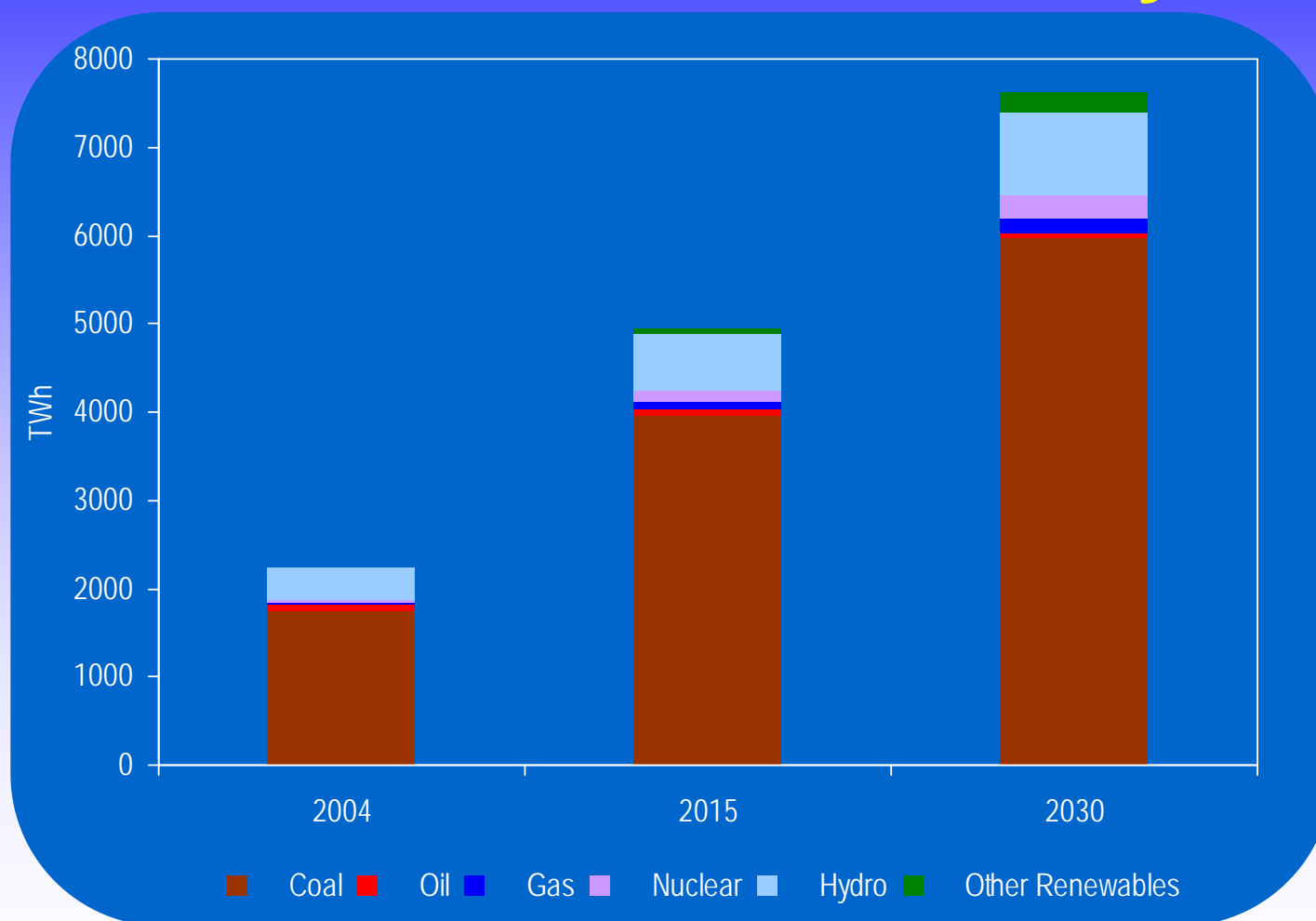
Reference Scenario China's Oil Outlook



China's oil imports will soar from around 3 mbd today to almost 12 mbd in 2030.



Reference Scenario Chinese Power Generation by Fuel



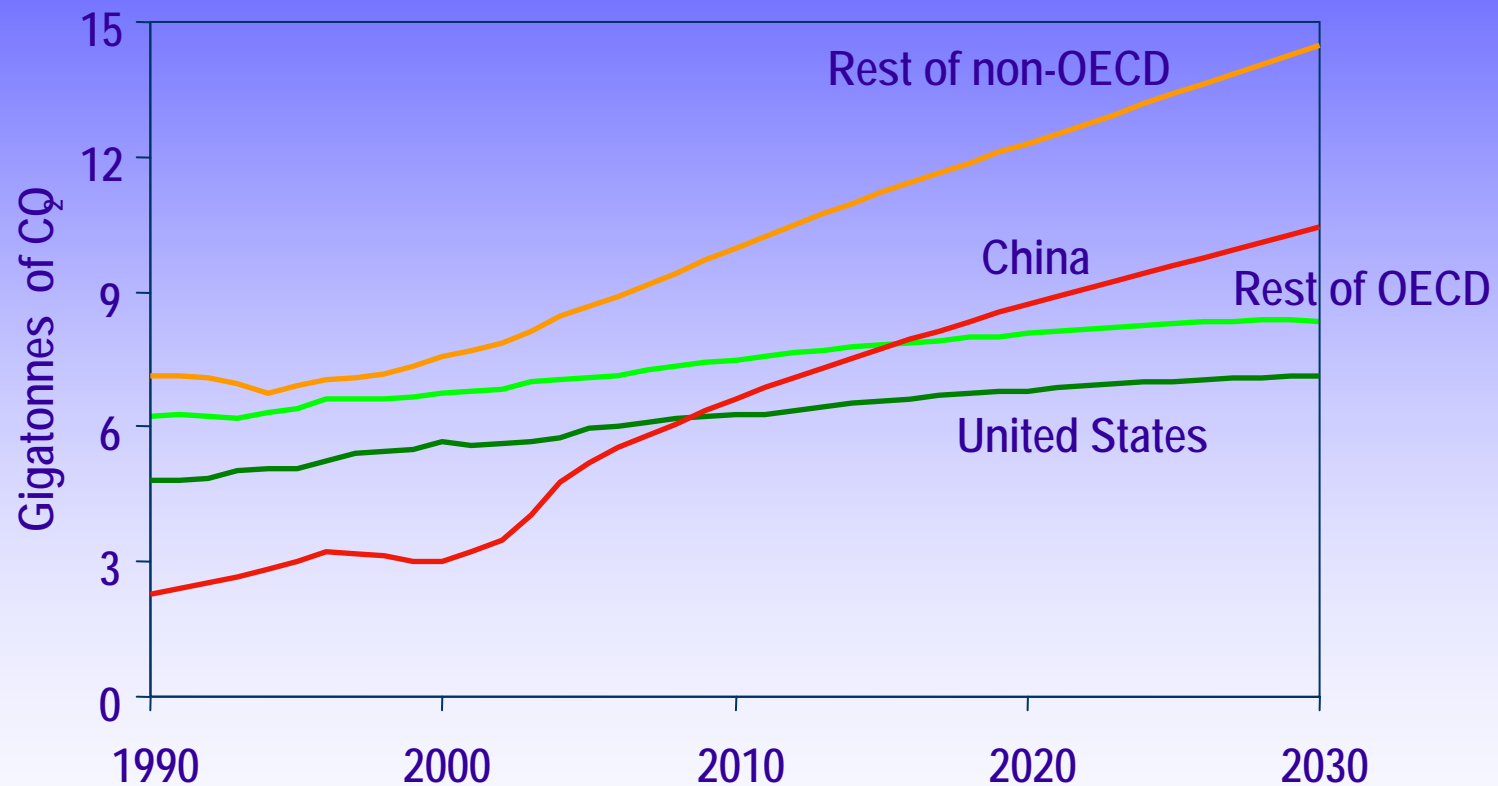
Installed capacity in China will more than double by 2015, most of the increase is met by coal power plants.



**These global trends
are not sustainable!**



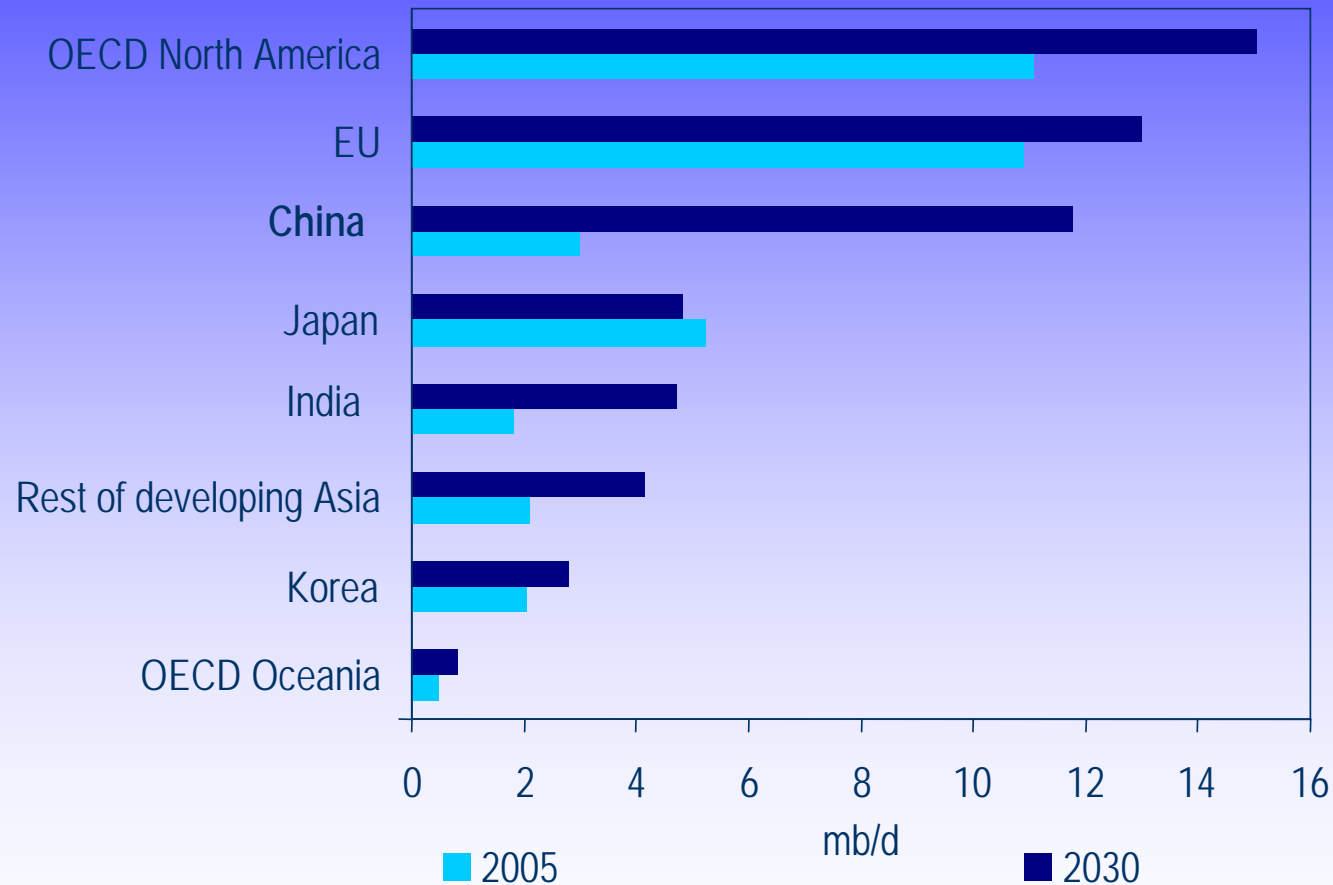
Reference Scenario Energy-Related CO₂ emissions by Region



China overtakes the US as world's biggest emitter before 2010, though per capita emissions reach just 60% of OECD levels in 2030.



Reference Scenario: Net Oil Imports



China sees the biggest jump in oil imports in absolute terms, import dependence reaching nearly 80% in 2030





“We will act with resolve and urgency to meet our shared multiple objectives of reducing greenhouse gas emissions, improving the global environment, enhancing energy security and cutting air pollution in conjunction with our vigorous efforts to reduce poverty“

— from “G8 Gleneagles Communiqué”

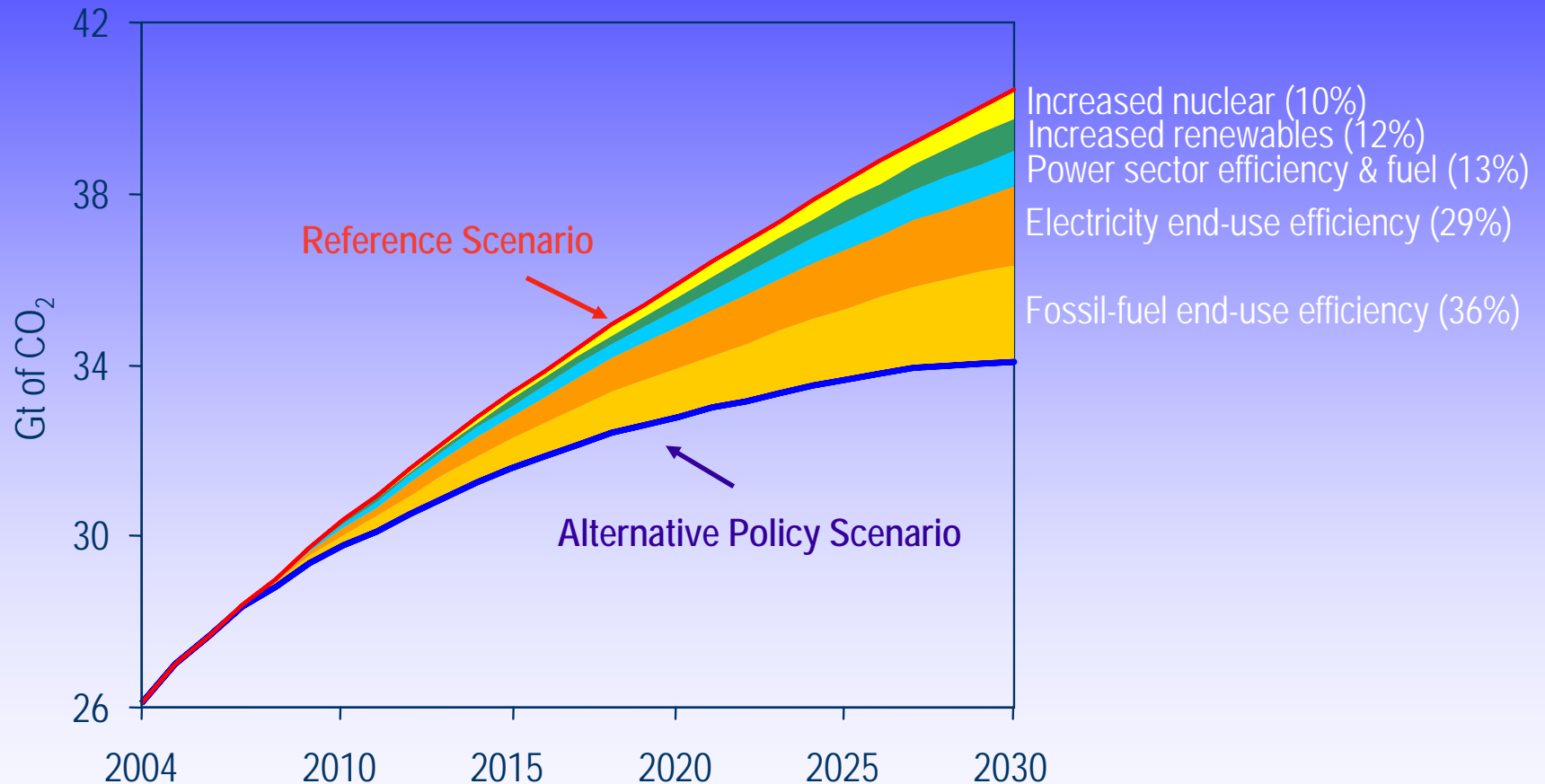
“We will move forward with timely implementation of the Gleneagles Plan of Action. We have instructed our relevant ministers to continue the Dialogue on Climate Change, Clean Energy and Sustainable Development and report its outcomes to the G8 Summit in 2008”

— from “G8 St. Petersburg Communiqué”



Alternative Policy Scenario

Key Policies for CO₂ Reduction

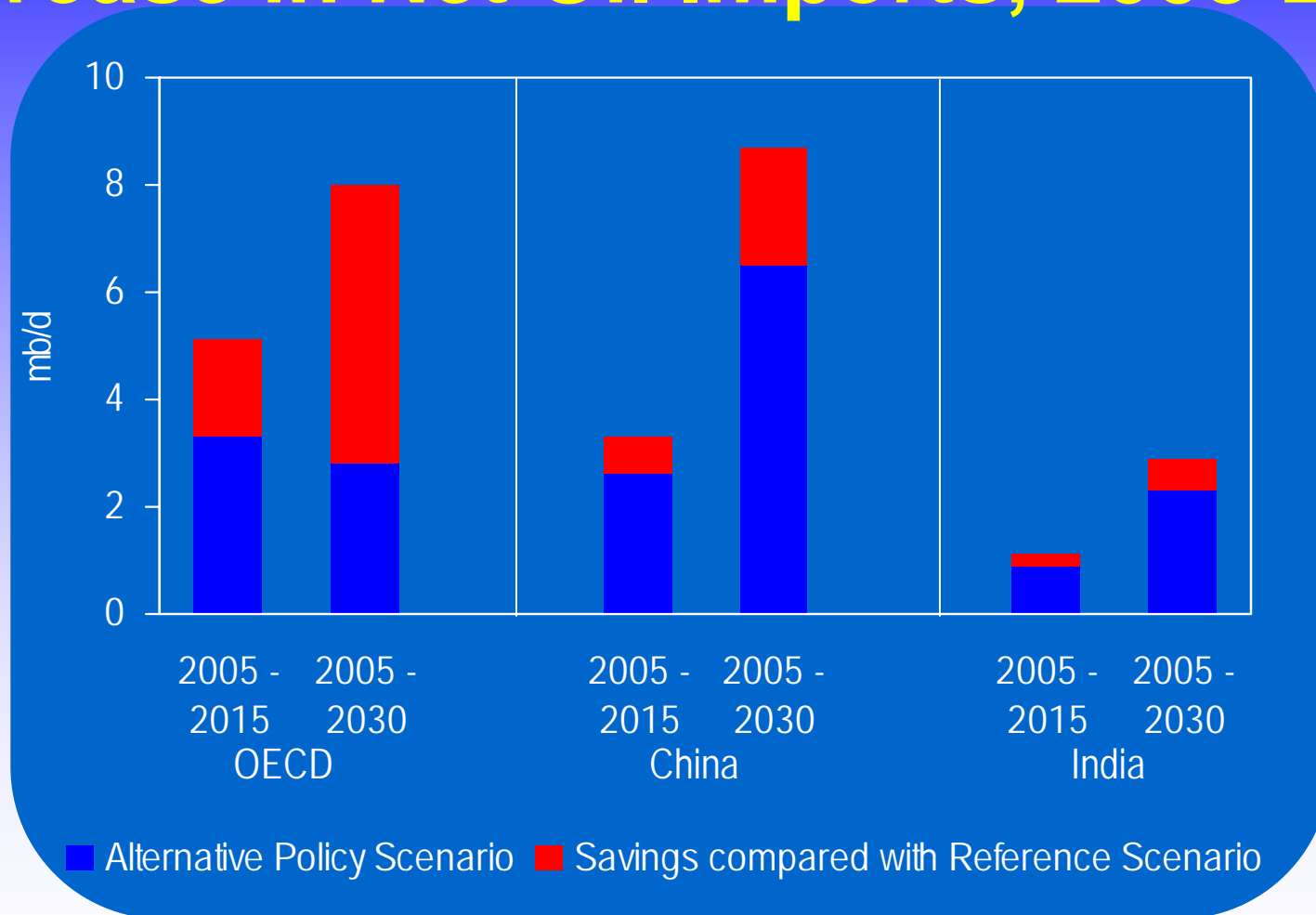


Improved end-use efficiency accounts for over two-thirds of avoided emissions in 2030 in the Alternative Policy Scenario.



Alternative Policy Scenario

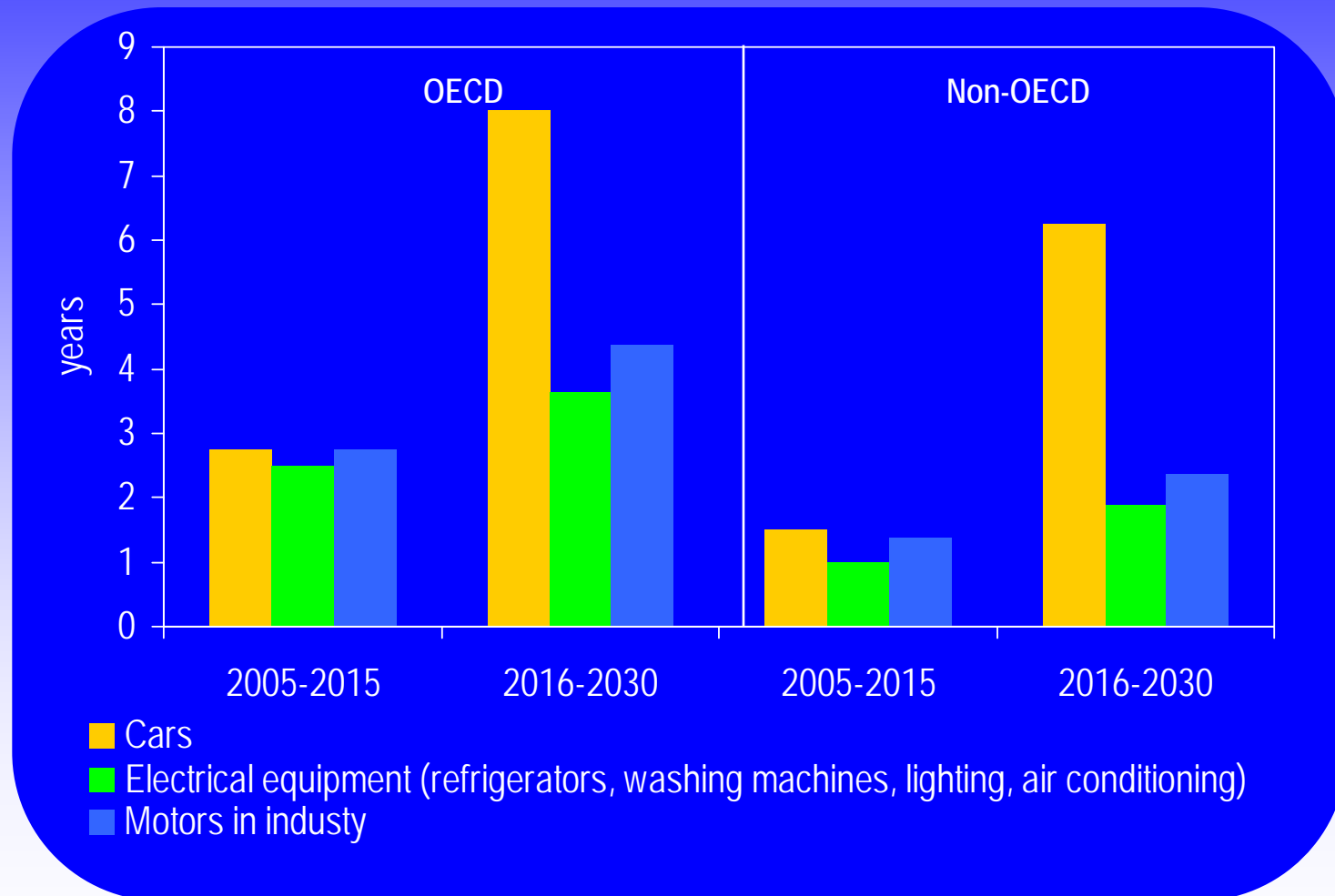
Increase in Net Oil Imports, 2005-2030



The rise in China and India oil imports can be substantially tempered in the Alternative Policy Scenario



Alternative Policy Scenario: Investment Payback Periods



In non-OECD countries, the payback periods of new policies are very short for policies introduced before 2015.



Tianjin has a chance to help make this better future a reality

- When investment is rising fast, best technologies and practices make the most difference.
- Some examples:
 - ◆ appropriate energy pricing, to create appropriate incentives for investment
 - ◆ strict application of building energy standards
 - ◆ acquiring rights of way for public transit systems to serve growing transport needs
- IEA Member countries are ready to share their experience, both positive and negative, as Tianjin plans and grows.

