

Global Energy Review 2021

The Global Energy Review is an annual report released by the International Energy Agency (IEA). Important international reports and releases are relevant for the [UPSC exam](#). This report is especially significant under the environment and ecology segment of the IAS exam syllabus. While you don't need to know the details in the report, it is important to get a gist of the important points in the report. This will help you in writing well-rounded answers in the [IAS mains exam](#).

Global Energy Review

The Global Energy Review is an annual publication released by the [International Energy Agency \(IEA\)](#) which assesses the energy demand and the carbon dioxide emissions throughout the globe in various geographies.

- The Global Energy Review 2021 assesses the direction energy demand and carbon dioxide emissions are taking in the year.
- The vaccine rollouts in various countries and the fiscal responses to the economic crisis owing to the pandemic are pushing for a rebound in energy demand in 2021 and also boosting the outlook for economic growth.
- The 2021 report investigates whether the revival in activity risks taking the carbon dioxide emissions further up to a new high.
- It also assesses whether the new policies envisaged for a sustainable recovery are successful in curbing a rebound in emissions.

Global Energy Review 2021 – Key Findings

The key findings/major highlights of the Global Energy Review 2021 are given below.

1. The Covid-19 pandemic continues to impact global energy demand.
 1. Global energy demand is subdued because of the third wave of the covid-19 pandemic.
 2. Vaccination drives and stimulus packages by governments have produced a ray of hope.
 3. Global economic output is expected to recover by 6% in 2021, pushing the global GDP more than 2% higher than 2019 levels.
2. Emerging markets are driving energy demand back above 2019 levels.
 1. Global energy demand is expected to increase by 4.6% in 2021 (which more than compensates for the 4% contraction in 2020).
 2. The demand is set to be 0.5% above 2019 levels.
 3. Almost 70% of the increase in demand is from emerging markets and developing economies.
3. Global energy-related CO₂ emissions are heading for their second-largest annual increase ever.
 1. The demand for fossil fuels is set to increase exponentially with coal leading the pack. The coal demand is expected to rise by 60% leading to a 5% rise in emissions.
 2. This would effectively negate 80% of the drop in emissions of 2020.
4. Sluggish demand for transport oil is mitigating the rebound in emissions.
 1. Despite an expected annual hike of 6.2% in 2021, global oil demand is set to remain around 3% below 2019 levels.

2. A full return to pre-covid oil demand levels would have pushed up CO2 emissions a further 1.5%.
5. Global coal demand in 2021 is set to go past the 2019 levels and approach its 2014 peak.
 1. Coal demand is expected to increase 4.5% in 2021 with China alone accounting for more than 50% of the global growth.
6. Among fossil fuels, natural gas is on course for the biggest rise relative to 2019 levels.
 1. Natural gas demand is set to grow by 3.2% in 2021 with the increase triggered by Asia, Russia and the Middle East.
 2. This might push the global demand to more than 1% of the 2019 demand.
7. Electricity demand is heading for its fastest growth in more than 10 years.
 1. Demand for electricity is expected to increase by 4.5% in 2021 which is 5 times larger than the 2020 demand.
 2. About 80% of the projected demand comes from emerging markets with China leading the pack by accounting for half of the global growth.
8. Renewables remain the success story of the Covid-19 era.
 1. Demand for renewables grew by 3% in 2020 and is set to increase across all key sectors – power, heating, industry and transport – in 2021.
 2. Renewables are set to provide more than half of the rise in global electricity supply in 2021.
9. China alone is likely to account for almost half the global increase in renewable electricity generation.
 1. The United States is second in following China, while the EU and India are the third and fourth positions.

What the report says about India?

- India's solar photovoltaic (PV) market is expected to rebound rapidly in 2021, after experiencing a big decline in new capacity additions in 2020 because of the pandemic-induced delays.
- The report also says that India's economic recovery in 2021 is expected to increase CO2 emissions to almost 200 MT (metric tons). The emissions would be higher than 2020, leaving emissions 1.4% (or 30 MT) above 2019 levels.
- Emissions in the country were higher because of a recovery in demand in coal above 2019 levels.
- Currently, carbon dioxide emissions in India are largely on par with emissions in the European Union at 2.35 GT (gigatons), though they remain two-thirds lower on a per capita basis and 60% below the global average.
- IEA estimates a strong economic rebound in 2021, pushing the Indian GDP firmly above 2019 levels and driving up coal demand by almost 9% to 1.4% above 2019 levels.
- The report also states that India is set to see the largest hike in energy demand globally over the next two decades. By 2030, India will overtake the European Union as the third-largest energy consumer.