

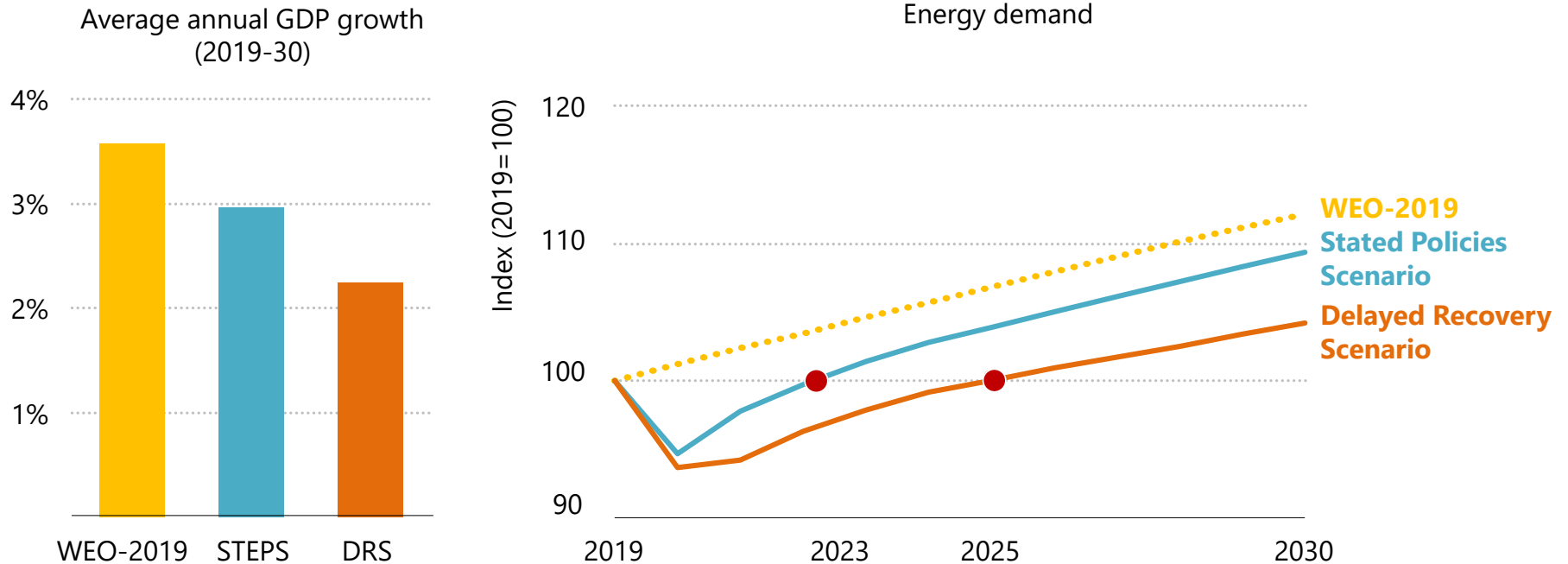


WEO week Day 1: Impacts of Covid-19

Stéphanie Bouckaert and Tae-Yoon Kim

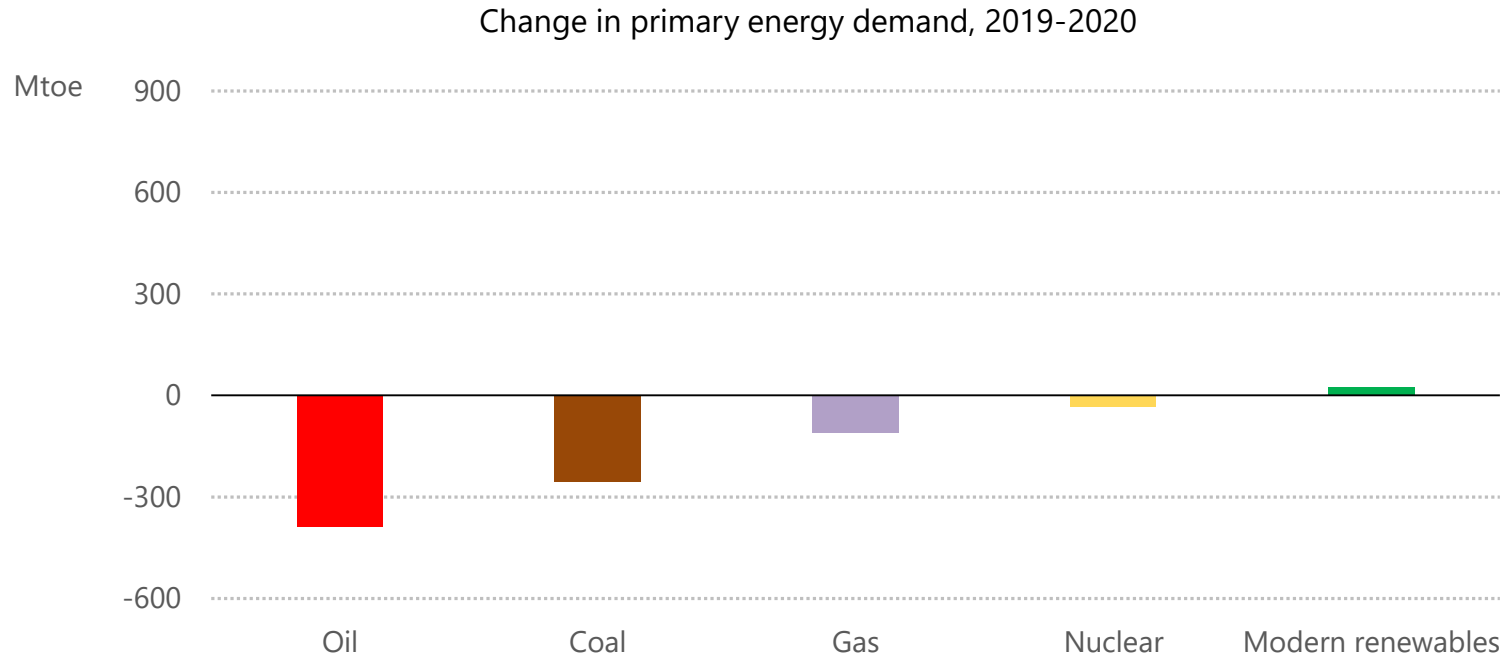
16 November 2020

A shock to the energy system



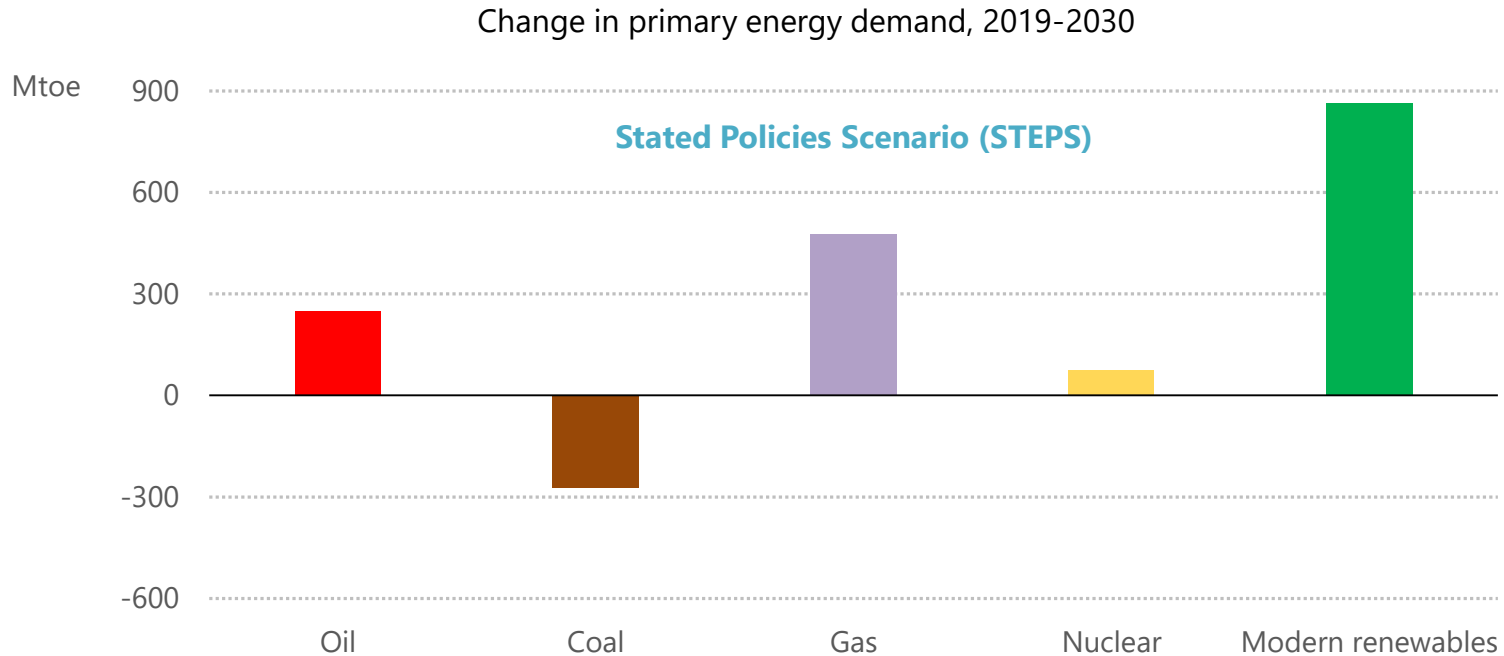
Bringing the pandemic under control in 2021 would allow energy demand to return to pre-crisis levels by early 2023. A longer pandemic would usher in the slowest decade of energy demand growth for a century

Impacts vary widely by fuel & technology



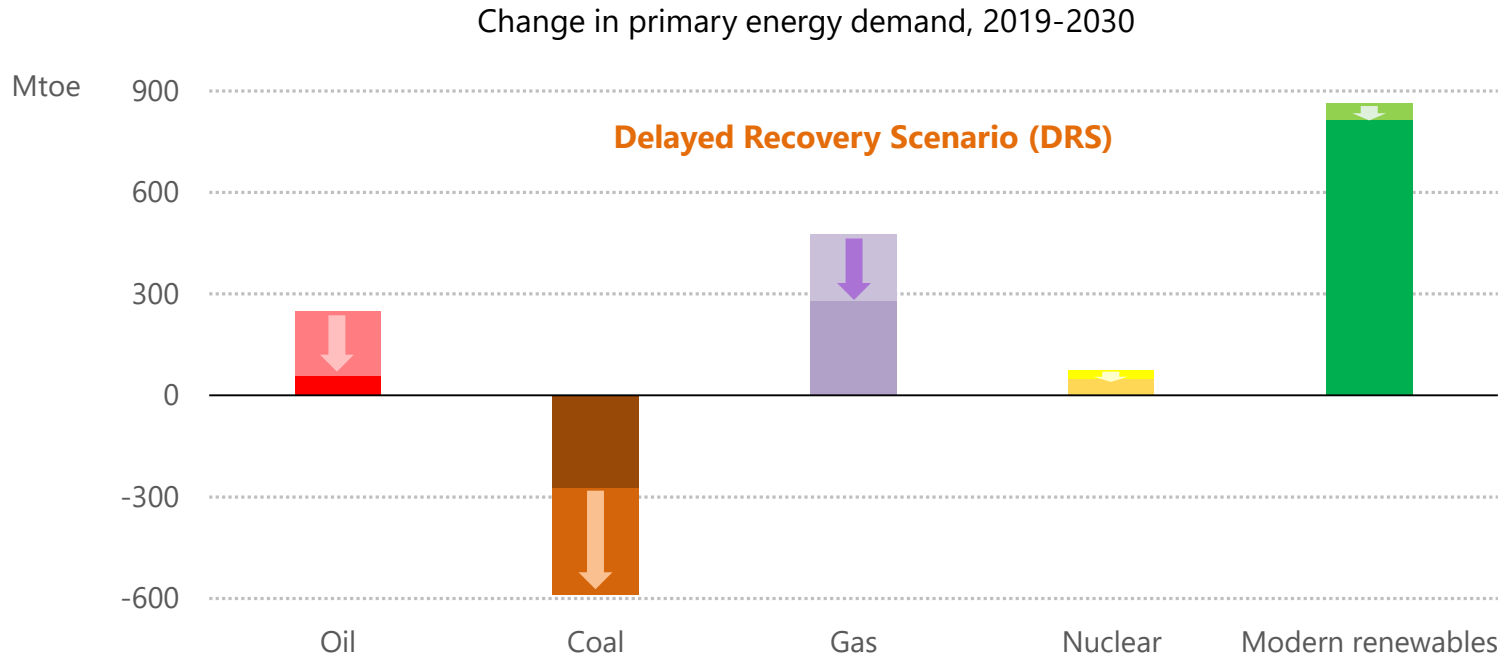
After a 5% drop in energy demand in 2020, renewables lead the rebound while coal never gets back to pre-crisis levels

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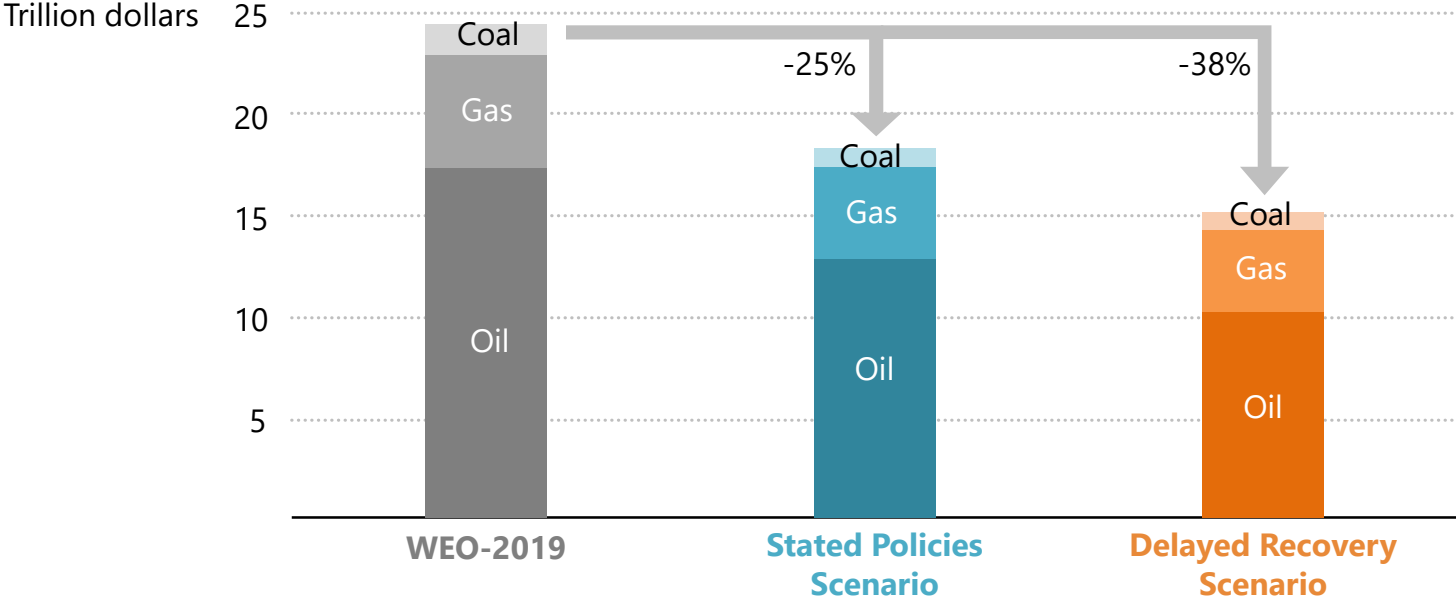
Impacts vary widely by fuel & technology



After a 5% drop in energy demand in 2020, renewables lead the rebound while coal never gets back to pre-crisis levels; a delayed recovery puts energy into slow motion, prolonging today's overhang of supply

Diversification: the critical watchword for fossil fuel producers

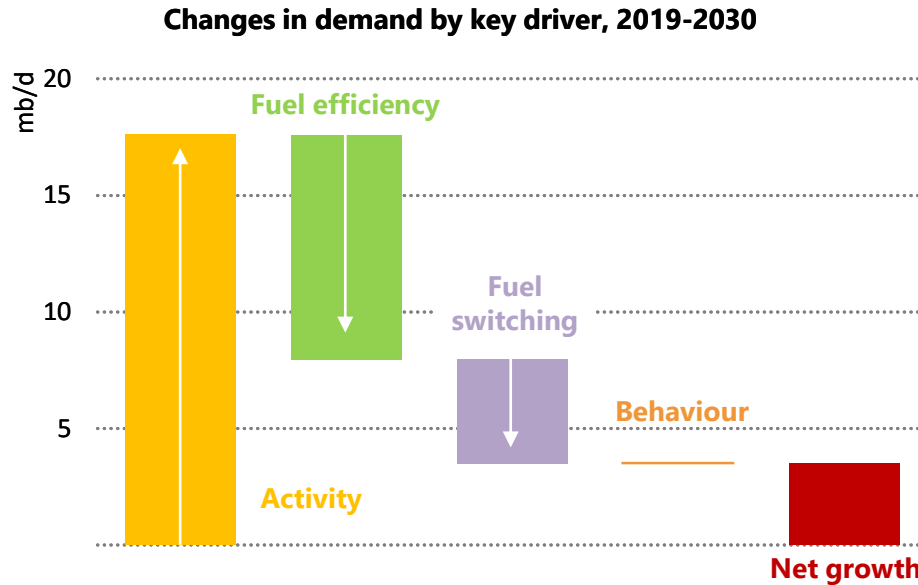
Today's value of oil, gas and coal production to 2040



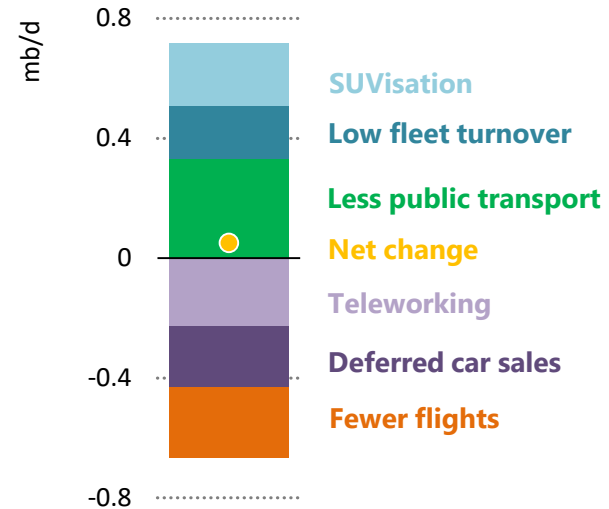
A lower price and demand outlook, due in the near term to Covid-19, adds to the strains on countries that rely on oil & gas revenues. The pressure for changes in strategies & business models also became stronger

The role of behavioural factors comes into focus

Changes in transport oil demand due to pandemic-related behaviour changes in the Stated Policies Scenario



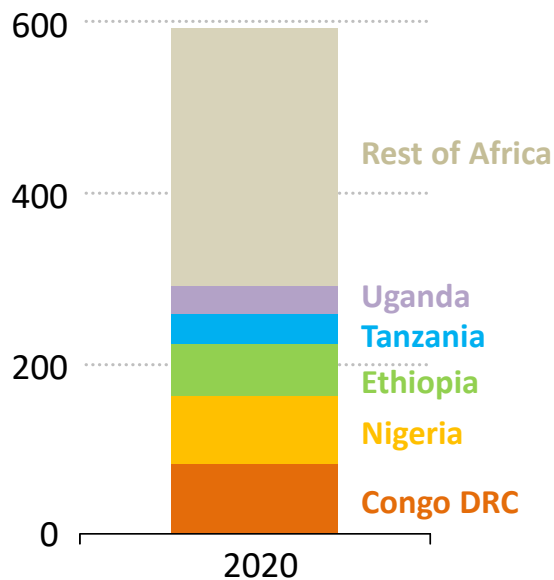
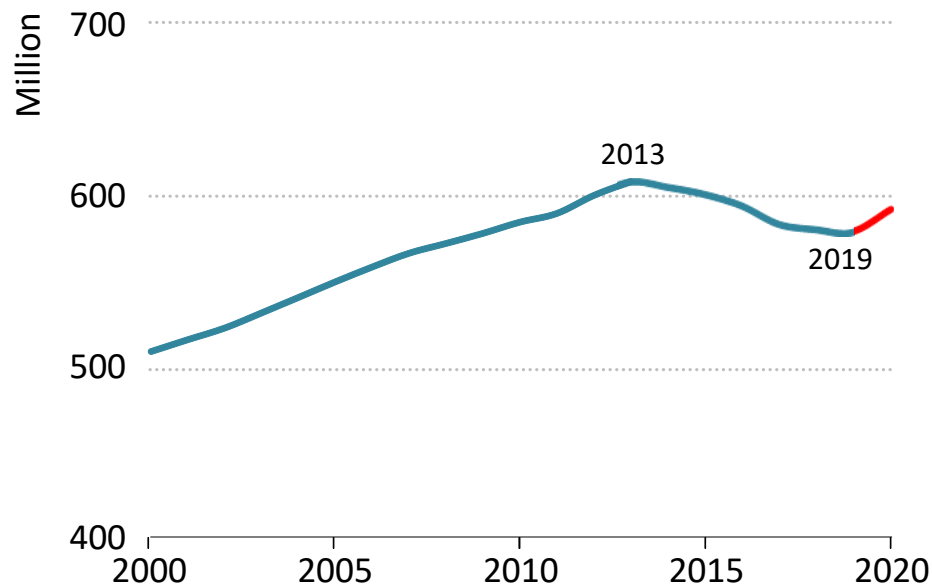
Behaviour change impacts breakdown



Behaviour changes do not lead to a major reduction in net terms with the countervailing forces at play; however, policy measures could help making a larger contribution to curbing demand (and emissions)

The poorest feel the worst effects of the crisis

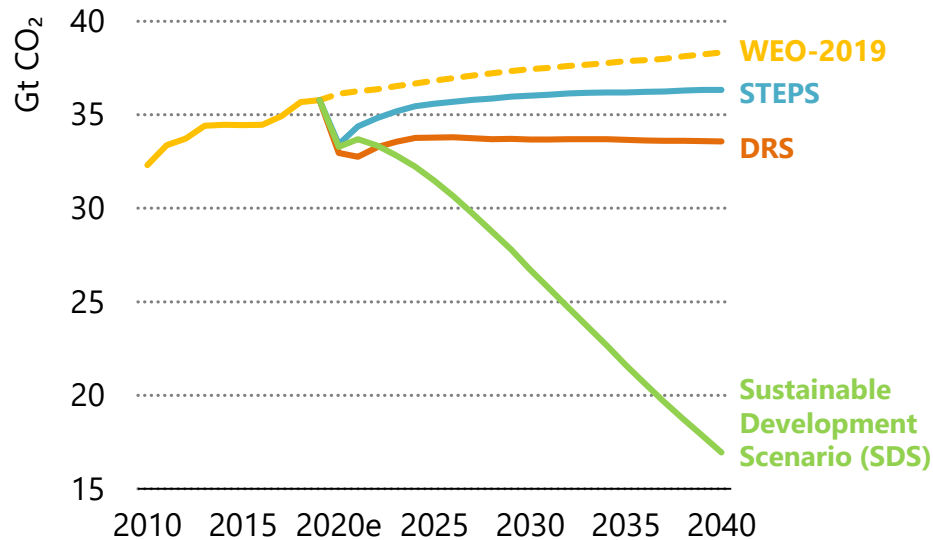
Population without access to electricity in Africa



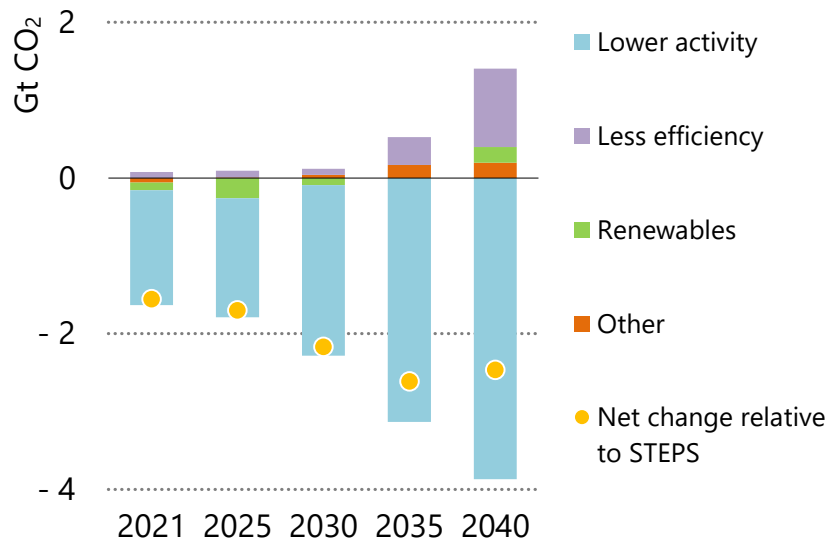
The number of people without electricity access is rising in 2020, and five countries make up half of the total in Africa. Higher financing costs limit progress and a delayed recovery leaves 630 million in the dark in 2030.

Only a sustainable recovery can break the emissions trend

Energy sector and industrial process CO₂ emissions by scenario



Emissions reductions in DRS relative to STEPS



Emissions reductions in the DRS come at a huge social and economic cost. Structural changes in energy supply and demand, not reductions in activity, are the key to energy transitions

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