

Energy Efficiency trends in Asia Pacific and opportunities to Recover Better

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SDG-7 by 2030 Progress – Key global trends



Covid-19 has impacted SDG-7 progress, but this is our reset moment. We can recover better.



The renewable energy opportunity is still to be fully realized.



Energy Efficiency uptake is not on track.



Only slight improvement in clean cooking challenge, 2.6 million people still lack access to clean cooking



Electricity access is growing, but 759 million people still don't have electricity access



SDG7.3 Energy Efficiency Progress – Global Trends



- The world average energy consumption to generate per US\$ of GDP is 5 Megajoules in 2017
- Africa has the highest energy intensity when compared to other regions.

1 Unit is in megajoules per US dollar of GDP at 2011 purchasing power parity SOURCE: ESMAP Tracking SDG7 Database, 2020

Annual Global Energy Intensity Trends



- The global energy intensity has been reducing steadily over the last decade.
- The average (y/y) improvement in energy efficiency between 2008-2018 has been 1.58% - much below SDG7.3 target of 2.6%

The countries driving this are those that form the bulk of energy consumption



Rate of EE improvement vs Rate of Economic growth



- Asia is the only region that is growing above 5% and has kept its reduced its energy intensity above 2.6% (2013-2018). Mostly owing to structural changes and improvements due to industrialization and more service sector.
- Africa has the second highest growth but very energy intensive

SOURCE: Analysis based on ESMAP Tracking SDG7 Database, 2020 and 2021



- In Asia Pacific, EE update in Central and Eastern Asia has been more the 3%, while South Asia it is around 3%.
- Western Asia followed by SE Asia have seen the lowest EE improvement in Asia.

World vs Regional trends of GDP growth vs EE improvement

Energy is mainly used in Industry, Buildings and transport with Oil as the dominant source

Sources and uses of energy for consumption, Mtoe, 2019



Greater efforts are needed in Energy Efficiency policy development and focus on implementation



Energy Efficiency policy progress in Asia

- More focus towards strengthening the implementation framework of policies is needed.
- Most efforts are in setting up high level energy efficiency policy planning and entities, but these vary in their strength.
- Some efforts in MEPS and Building EE codes but still its implementation needs more improvement.
- Efforts on incentivizing EE financing is not enough to spur large opportunities.

Vast EE potential for Buildings in Asia

 Every year, more than 50% of world's new buildings are constructed in Asia and an estimated 25 percent of overall energy consumption.

Job Creation through EE in Buildings

• EE creates 2.5-3 times more jobs compared to fossil fuel. The energy efficiency interventions for existing and new buildings could create about 2.4 million jobs in Southeast Asia alone.



Significant investment opportunities

• EE investment for Building Sector in South East Asia is valued at US\$ 152 billion.



Competitive and Resilient Businesses

 For example, Malaysia has 21 million sq. Meters floor area of office buildings and making them energy efficient will reduce energy costs for businesses.

SNAPSHOT: Major Building Energy Efficiency based Covid-19 stimulus packages in 2020*



*The packages mentioned are part of wider stimulus packages that have been released by these countries. The stimulus packages mentioned above are only for Building energy efficiency interventions that are more USD 1 billion.

Source Energy Policy Tracker https://www.energypolicytracker.org/

KEY ENABLERS to accelerate EE adoption in Asia Pacific

- Enhancing Policies and Regulatory Frameworks and focusing on Market Development
- Transitioning to Cost Reflective Electricity Tariffs
- Promoting availability of data to spur project development
- Capacity development of local financing ecosystem
- Promoting local manufacturing for EE technologies.
- Promoting Ease of Doing Business



THANK YOU !

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