

Focus on proper deconstruction of the topic

# Global Energy Crisis and Emerging Developing Economies

## 1. Introduction

- What is the global energy crisis?
- Thesis Statement

## 2. Causes of Global Energy Crisis

2-1 The global movement against carbon emission from fossil fuel energy sources which began in the early 2000s

2-2 The global supply chain disruption caused by a halt in global trade during the COVID-19 pandemic

2-3 Sanctions on Russia and many European countries ~~Ther~~ ~~reducing~~ ~~the~~ ~~global~~ ~~energy~~ ~~to~~ ~~meet~~ ~~the~~ ~~growing~~ ~~demand~~

Irrelevant details

## 3. Implications of Energy Crisis on Developing Economies

3-1 Set back for industries

- increased ~~rising~~ production cost
- discouraged investments

3-2 Balance of payment crisis

- more import of fuel and energy resources to meet domestic demand

3-3 Increased poverty

- inflation, loss of jobs

This is the actual asked part of the topic, add more arguments here

## 4. Ways to Overcome Energy Crisis

### 4.1 Promoting energy efficiency measures

- energy conservation practices in households, industries and transportation, installing energy efficient technologies and appliances

### 4.2 Diversifying Energy resources

- reducing reliance on fossil fuels, investing in renewable energy resources

### 4.3 Policy and Regulatory Changes

- carbon-pricing mechanism, government subsidies for renewable energy investments

## 5. Conclusion

## Global Energy Crisis and Emerging Developing Economies

The world is in the midst of a global energy crisis; The head of the International Energy Agency warned that the 'worst is yet to come' as countries across the world face gas shortages and soaring energy prices. In simple words, energy crisis is any significant bottleneck in the supply of energy resources to an economy. With global oil consumption projected to grow by 1.7 million barrels a day, the head of the IEA highlighted that Russian crude will be needed to bridge the gap between demand and supply. The IEA also warns that the developing countries will be the number one casualty of the energy crisis, with oil importing nations in Africa, Asia and Latin America expected to be the hardest hit because of the import prices and weaker currencies. This essay will explore the causes of the global energy crisis, the implications of energy crisis on emerging developing economies. It will also suggest ways to overcome the energy crisis.

<sup>primary</sup>  
The ~~first~~ cause of the global energy crisis is the global movement against carbon emission from fossil fuel energy sources which began in the early 2000s. Fossil fuel energy has served the world for many decades beginning from the 1700s. Since then, this energy has powered industrial production, automobiles and activities of corporations which have contributed to GDP growth in several countries. In the late 2000s, evidence began to emerge that fossil fuels energy is a major contributor to greenhouse gas emissions and climate change and could negatively affect human life and animal life in the future. This directed the focus on reducing carbon emissions from fossil fuel usage. As a result, developing countries that highly relied on fossil fuel energy greatly suffered from a disruption in energy supply caused by the global movement against carbon emissions from fossil fuel energy sources.

The second cause of the global energy crisis was the global supply chain disruption caused by a halt in global trade during the COVID-19 pandemic. The effect of the energy shortfall was magnified during the

pandemic. As many countries began to lift the COVID-era restrictions, there was a sharp surge in energy demand in many countries, especially in European countries. The already depleted fossil fuel energy reserves were insufficient and could not meet the growing energy demand. This energy shortfall was responsible for the rising electricity and fossil fuel prices. This is how the global supply chain disruption because of the COVID-19 pandemic became the reason contributing to the global energy crisis.

The 2022 Russian-Ukraine war and the ~~D~~ Sanctions imposed on Russia and many European countries is another cause of the global energy crisis. A series of sanctions imposed by the United States and European Union declared their intention to phase out Russian gas imports completely. Russia was the largest exporter of fossil fuels and a particularly important supplier to Europe. As Europe sought to replace Russian gas, it bid up prices of US, Australian and Qatari ship-borne Liquefied Natural Gas (LNG), raising prices and diverting supply away from traditional

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LNG customers in Asia. Because gas frequently sets the price at which electricity is sold, power prices soared as well. This is how the global energy crisis was further worsened by the Russian-Ukraine war and the sanctions imposed on Russia.

The above paragraph discussed the factors contributing to the global energy crisis. The following paragraphs will shed a light on the implications this global energy crisis has on emerging developing ~~economies~~ economies.

No need to add connecting paragraphs

In emerging developing economies like Pakistan, the energy crisis poses significant setbacks for industries. The increased production cost stemming from energy shortages and rising prices directly impact manufacturing and production processes. Industries heavily reliant on consistent and affordable energy face challenges in maintaining operations efficiently and competitively. Moreover, the uncertainty in energy supply discourages investments in these economies. The lack of reliable energy infrastructure deters potential investors who seek stable operational conditions, thus

hindering economic growth and industrial development. In this way, the global energy crisis hampers the productivity and competitiveness of industries in developing economies.

Moreover, the global energy crisis has resulted in a balance of payment crisis in the emerging developing economies. These economies heavily

rely on imported fuel and energy resources to meet domestic demand. This

creates a significant strain on their balance of payments. The increased expenditure on energy imports leads to

a trade imbalance, where more money flows out to pay for these essential resources.

This imbalance can escalate into the ~~trade~~ balance of payment crisis, affecting the ~~country's~~ country's overall economic stability.

The interplay between energy prices and the balance of payments underscores the vulnerability of developing economies to external energy shocks.

Another implication of energy crisis on developing economies is the increase in poverty. The rise in energy

prices due to shortages has triggered inflation, making basic necessities more expensive for the population. Furthermore, the closure of industries or reduced production capacity ~~or~~ stemming from energy shortages has resulted in job losses, further deepening poverty levels in developing economies. The vicious cycle of rising inflation and ~~low~~ unemployment due to energy crisis-related challenges has significantly impacted the livelihood of individuals and families in these economies. This situation not only increases financial strain but also widens the gap between the wealthy and the impoverished, perpetuating cycles of poverty and inequality.

The implications of global energy crisis on emerging developing economies ~~highlighted above~~ explained above highlight the urgent need to ~~combat~~ overcome the energy crisis; The following paragraphs will suggest ways in which this can be done.

In order to overcome the energy crisis, promoting energy efficiency measures



is crucial. This involves implementing energy conservation practices across households, industries and transportation sectors. For instance, households can reduce energy consumption by using energy-efficient lighting, insulating homes to retain heat and optimizing heating and cooling systems. In industries, upgrading to energy-efficient machinery and processes can significantly reduce energy usage. Additionally, adopting sustainable transportation methods like promoting public transportation, carpooling and using hybrid or electric vehicles can contribute to energy conservation. Installing energy efficient technologies and appliances, such as LED lighting, can also play a vital role in reducing energy consumption and combating the energy crisis effectively.

Furthermore, diversifying energy resources is paramount in overcoming the energy crisis. This entails reducing dependence on fossil fuels and shifting towards investment in renewable energy resources. By decreasing reliance on fossil fuels like coal, oil, and natural gas, countries can mitigate environmental impacts and reduce carbon emissions that

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contribute to climate change. Investing in renewable energy, such as solar, wind, hydroelectricity, and geothermal power, offers sustainable alternatives that are abundant and environmentally friendly. Transitioning to renewable energy not only helps combat energy crisis but also fosters energy security, reduces greenhouse emissions and creates new job opportunities in the green energy sector.

It is also essential to implement policy and regulatory changes addressing the energy crisis. One key strategy is the adoption of carbon-pricing mechanism, which can help internalize the environmental costs of using fossil fuels and incentivize the transition to cleaner energy sources. Governments must also provide subsidies and incentives for renewable energy investments to stimulate growth in the green energy sector. By creating a supportive regulatory environment that encourages the development and adoption of renewable energy technologies, countries can accelerate the shift towards a more sustainable and resilient energy system. As a result of

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these policy interventions, countries can overcome the global energy crisis.

In conclusion, the on-going global energy crisis poses significant challenges, particularly for emerging developing economies. The global movement against carbon emissions from fossil fuel energy sources, the global supply chain disruption due to the COVID-19 pandemic and the sanctions placed on Russia as a result of the Russian-Ukraine war are the major factors contributing to the global energy crisis. ~~The~~ The IEA mentioned that this crisis will have a more detrimental effect on emerging developing economies; The implications of energy crisis ~~are~~ described in this essay. ~~It is~~ <sup>by IEA</sup> ~~proved~~ <sup>statement</sup>. However, overcoming the global energy crisis is possible by promoting energy efficiency measures, diversifying energy resources and implementing policy and regulatory changes addressing the crisis.