



Global energy crisis

Description

Theme:

- Since 2021, the world is facing an energy crisis due to several factors. At present, we are in the middle of the first global energy crisis. In many countries including the UK and Spain, electricity prices are increasing.

Sources of electricity:

- Major sources of electricity are fossil fuels (coal, crude oil, natural gas), nuclear energy, and renewable energy resources (solar energy, wind energy, hydro energy, biomass energy, tidal energy, geothermal energy etc.).

Reasons for the Global Energy crisis:

- In 2020, lockdowns were imposed in many parts of the world due to the Covid pandemic. After the lockdowns are lifted, the demand for electricity increased as the economic activity returned to normal. But the production did not increase as per the demand due to several factors such as labour shortage and supply chain disruptions.
- So, there was a natural gas shortage, coal shortage, and oil shortage internationally. That led increase in prices. Adding to that, in 2021, The Organization of the Petroleum Exporting Countries (OPEC+) countries decided to only gradually increase the supply of crude oil to keep the prices in check. They took this decision because, during lockdowns, the demand for oil reduced and hence the prices dropped.
- Several fossil fuel companies argue that the push for the energy transition to renewable energy resources caused a decrease in investments in fossil fuel production. They recommended increasing the investments in fossil fuel companies to cope with the present energy crisis. Several climate activists are against this idea because they think that we cannot neglect the climate crisis while solving the energy crisis.
- Even though the share of renewable energy resources is increasing in electricity

generation, it is not at all enough to completely eliminate fossil fuel usage. The [renewable energy sector](#) needs huge investments to meet the energy security of the world.

- [Increasing consumption](#) is also another cause of the energy crisis.
- Russia's invasion of Ukraine resulted in several sanctions on Russia. Russia is the world's third-biggest producer of crude oil and the second-largest producer of natural gas. So, [Russia's invasion of Ukraine](#) too contributed to the power crisis.

What needs to be done:

- [Investment in the renewable energy sector](#) should be increased to a great extent. And to cope with the present demand, [short term investments in fossil fuel production](#) are needed.
- Government can take several steps to [increase the share of renewable energy](#). For example, making solar power generation compulsory for every home and commercial building and providing financial assistance for that can also reduce the demand for energy to a great extent. As a byproduct, this move can reduce the air pollution levels.
- [Common people](#) also can take small steps to tackle the energy crisis.
 - Utilizing renewable energy options as much as possible.
 - Using energy-efficient products can save energy.
 - Preventing power wastage by switching lights, fans and electronic items off when not used can also save energy.

Conclusion:

The prices of major sources of electricity are increasing. To cope with the present demand, short term investments in fossil fuels are needed. And along with that, long term investments in the renewable energy sector should be increased to a great extent to meet the energy security of the world.

Your Turn...

What are your thoughts on Global Energy Crisis? Express your point of view through the comment section below. And subscribe to our blog to read answers to the trending GD topics.

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References:

- [WEF 2022: Aramco CEO warns of global oil crunch due to lack of investment](#)
- [Nations Should Conserve Fuel as Global Energy Crisis Looms, Agency Warns](#)
- [This Is How the Global Energy Crisis Ends](#)
- [Explained | How bad is the world's energy crisis?](#)
- [What is the Global Energy Crisis?](#)
- [What does the current global energy crisis mean for energy investment?](#)

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