

106<sup>th</sup> Kieler Konjunkturgespräche/International Business Cycle Forum | Hamburg, 24<sup>th</sup>/25<sup>th</sup> April 2023  
*Re-Energizing the World Economy*

# Opening Remarks

Stefan Kooths

*Research Center Business Cycles and Growth*



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13 - 14  
Mar  
2017

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## 95th International Business Cycle Forum

# Energizing the World Economy



From the Kiel Institute event series: International Business Cycle Forum



**24105 Kiel**

Kiel Institute for the World Economy



**Invitation only**

## Re-Energizing the World Economy

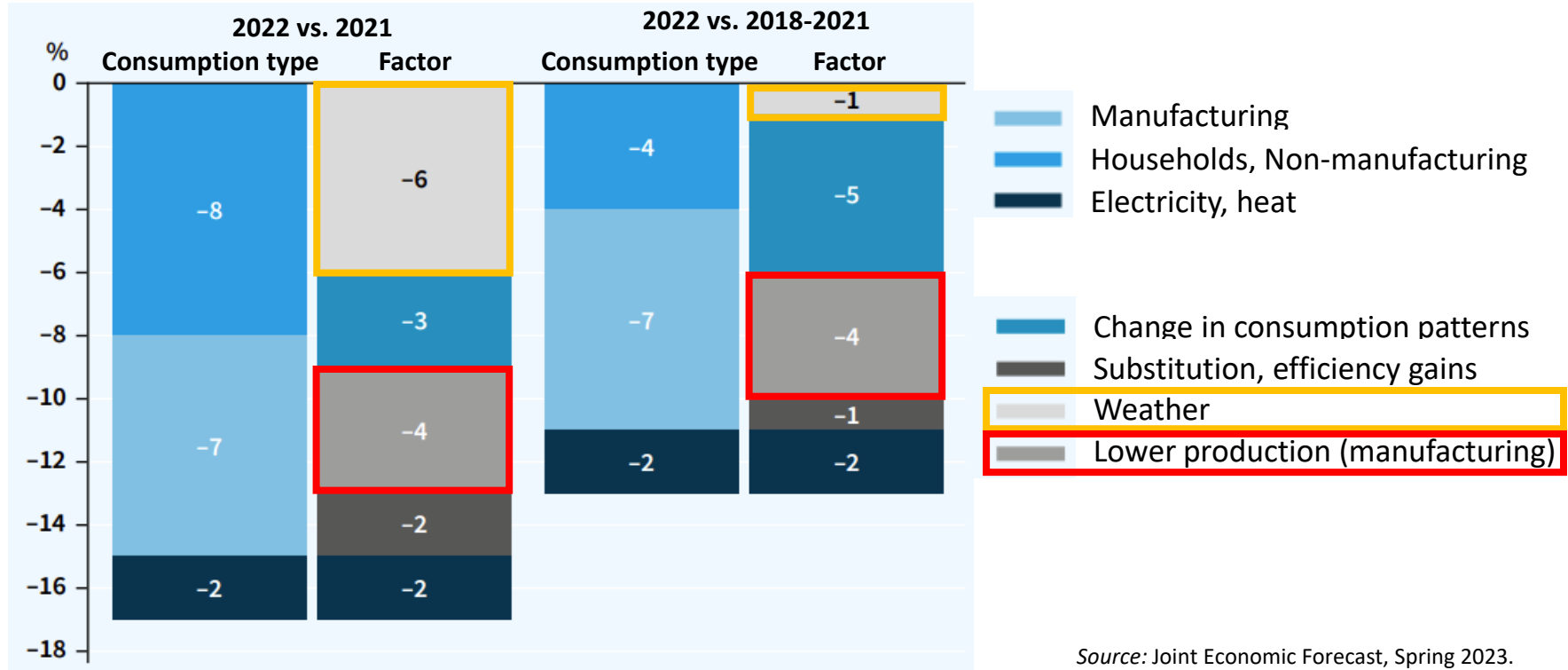


Short-/medium-term:  
**Energy-crisis**



Long-term:  
Decarbonization

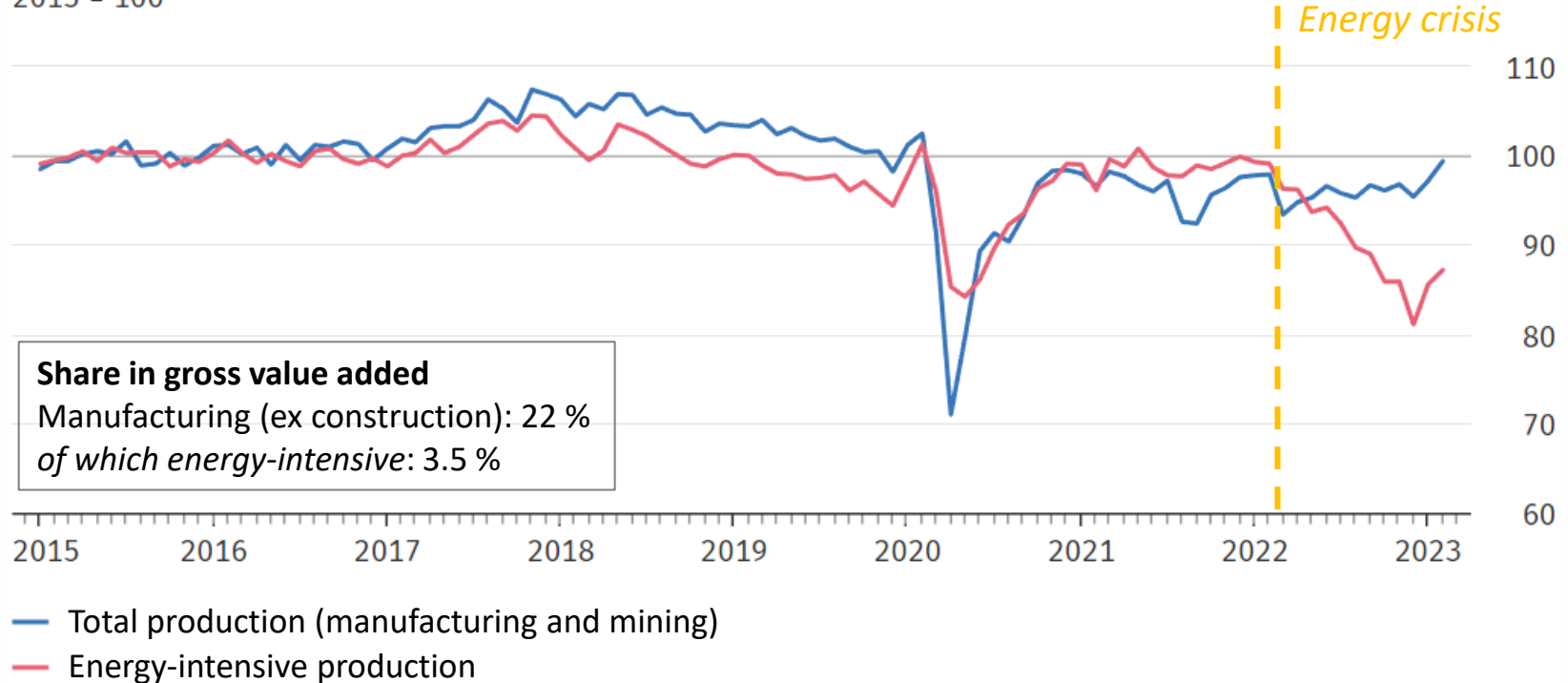
# Cutting back natural gas consumption: Germany



Source: Joint Economic Forecast, Spring 2023.

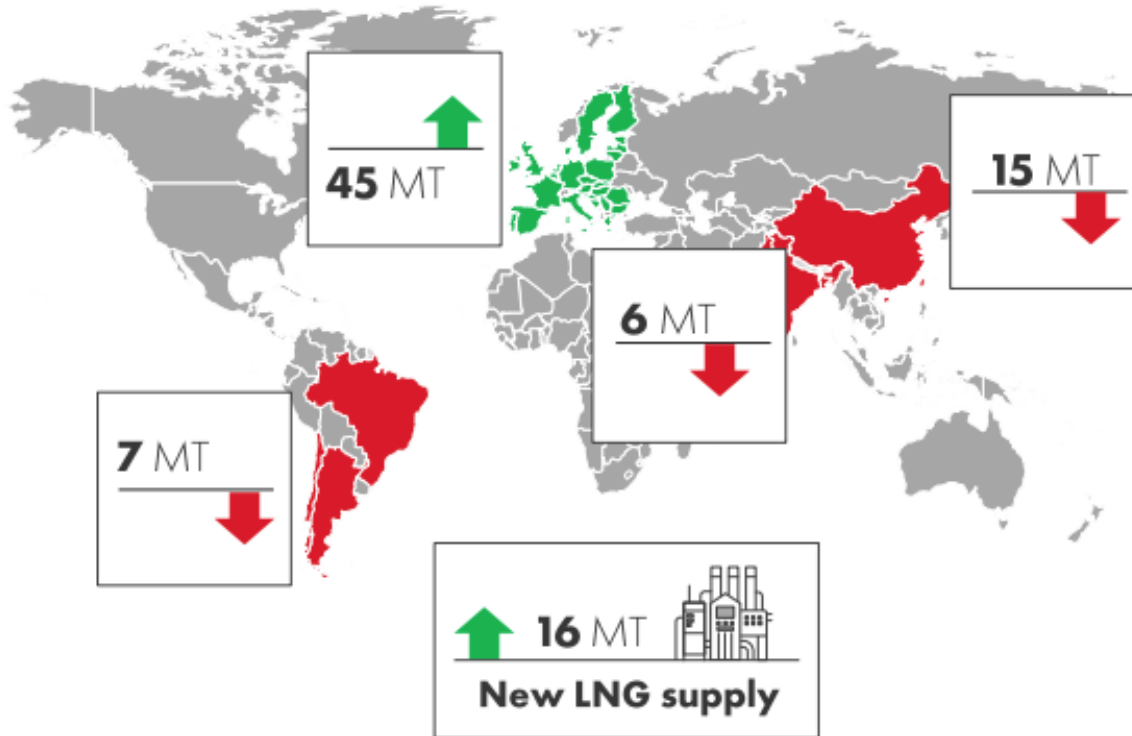
# Sharp decline in energy-intensive production

2015 = 100



Source: Statistisches Bundesamt (destatis).

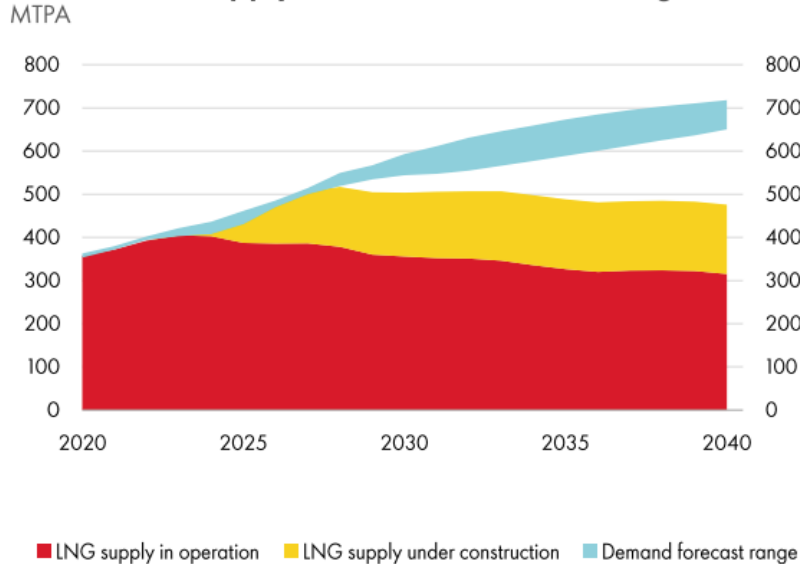
# Changes in global LNG trade 2022



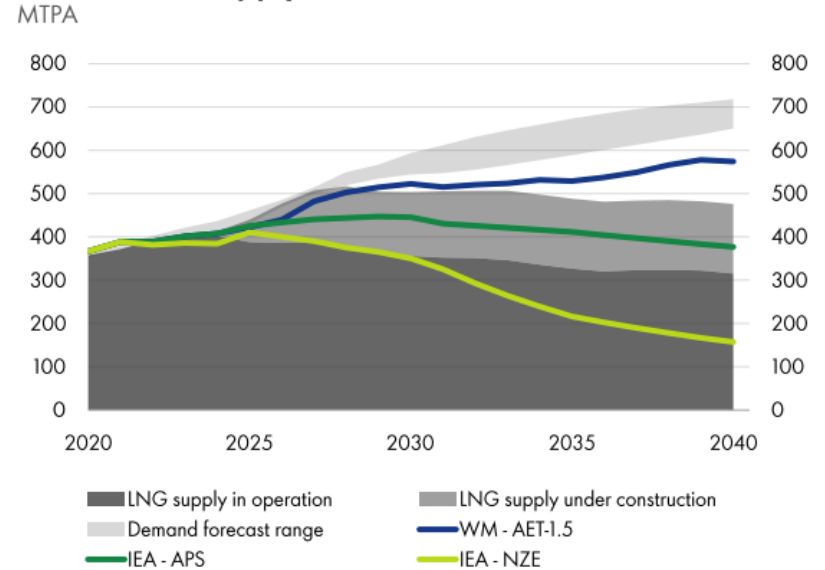
Source: Shell Global LNG Outlook 2023.

# Global LNG market scenarios

## Global LNG supply vs demand forecast range



## Global LNG supply vs demand scenarios



Source: Shell interpretation of Wood Mackenzie, Poten & Partners, IEA, S&P Global Commodity Insights and FGE 2022 & 2023 data.

AET1.5 = Accelerated Energy Transition-1.5-degree; APS = Announced Pledges Scenario; NZE: Net Zero Emissions by 2050 Scenario -Note: depiction of IEA scenarios has been adjusted for format

Source: Shell Global LNG Outlook 2023.

Incentives for long-term investments:  
long-term contracts



Tax on future pipeline gas  
from Russia



Conflict with long-run  
decarbonization goals?



## Re-Energizing the World Economy



Short-/medium-term:  
Energy-crisis



Long-term:  
**Decarbonization**

# Decarbonization: No growth engine 1/2

There is a reason for the universal use of fossil fuels.

# Decarbonization: No growth engine 2/2

Decarbonization:  
Economizing a so far free resource

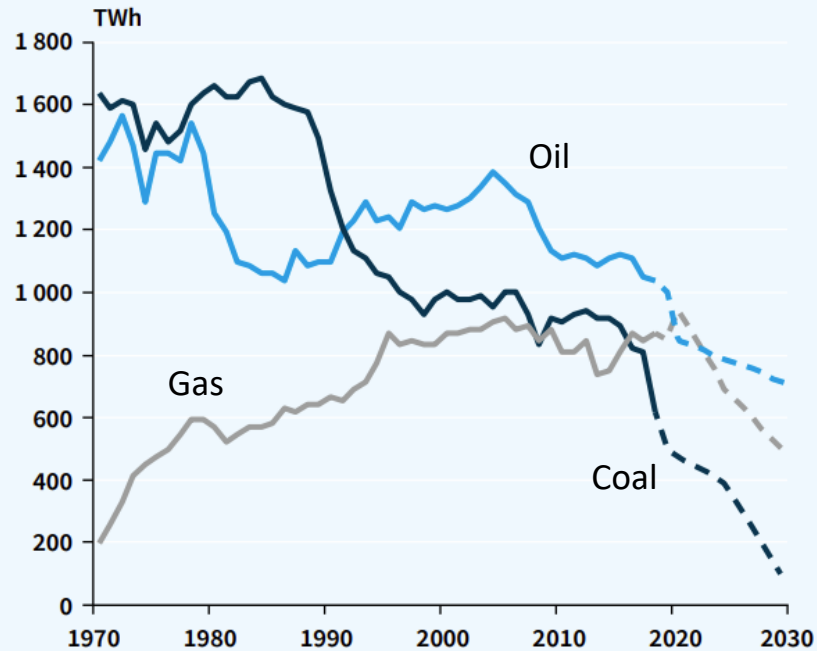


(Earlier) Extra investment  
without capacity effect

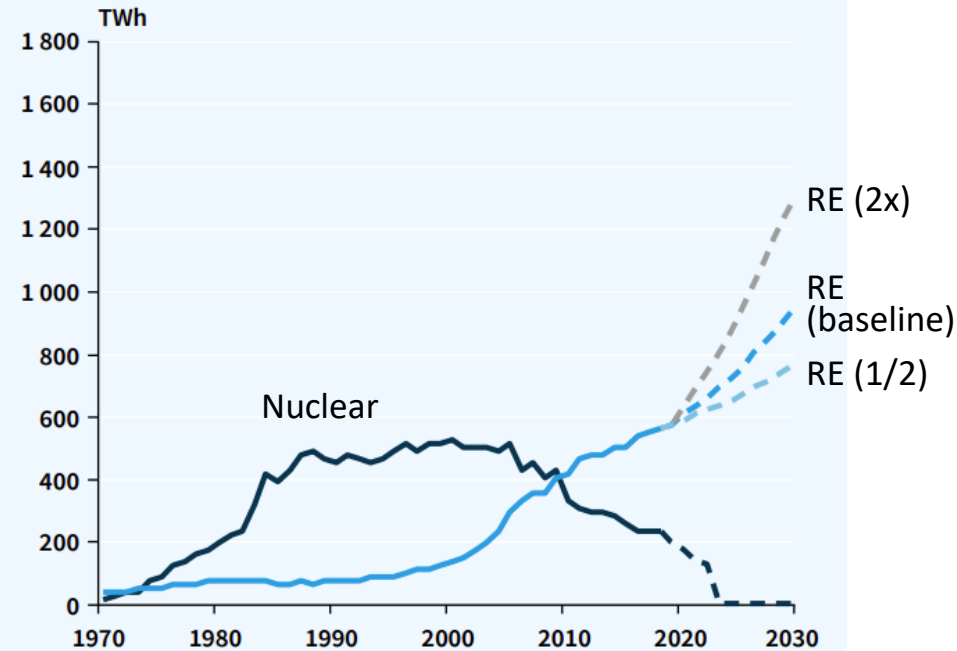
Redirection of  
R&D activities

# Germany: Energy consumption paths

## Use of fossil energy sources



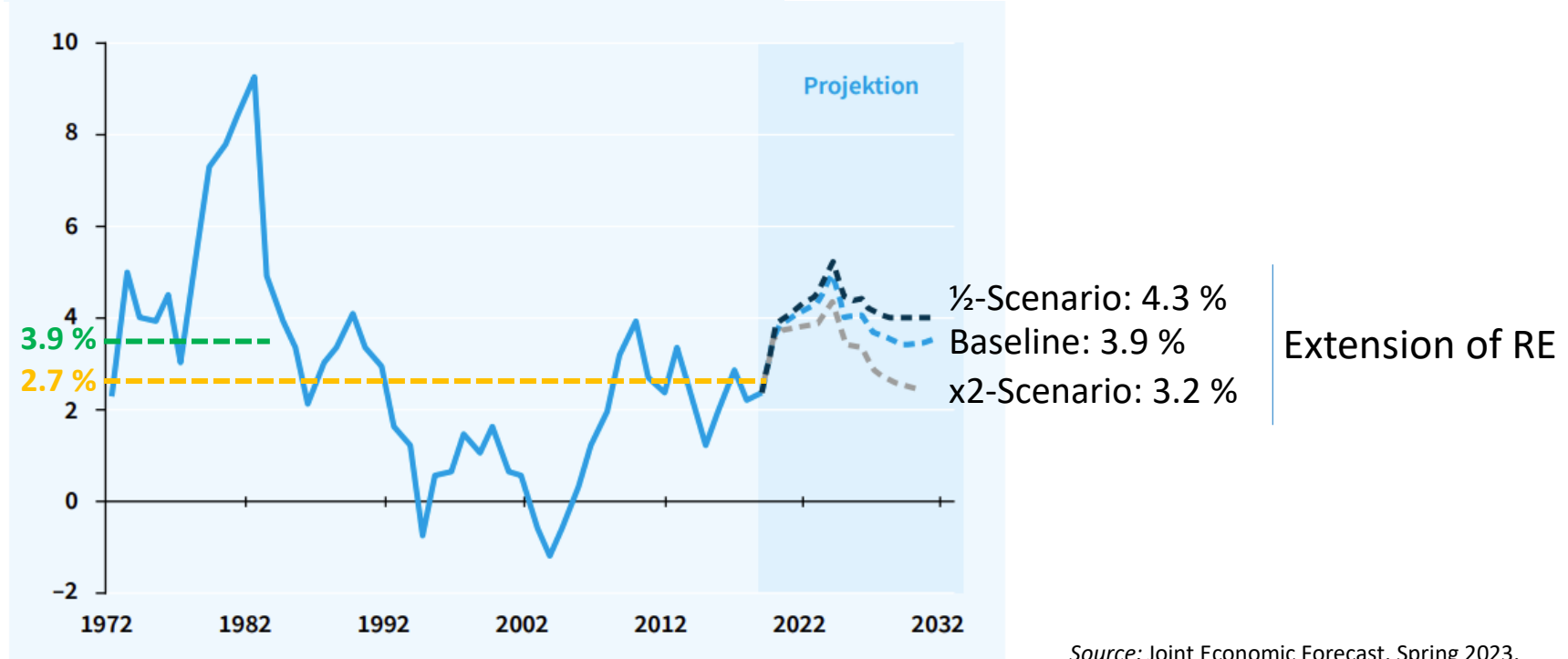
## Use of non-fossil energy sources



Source: Joint Economic Forecast, Spring 2023.

# Germany: Energy efficiency scenarios

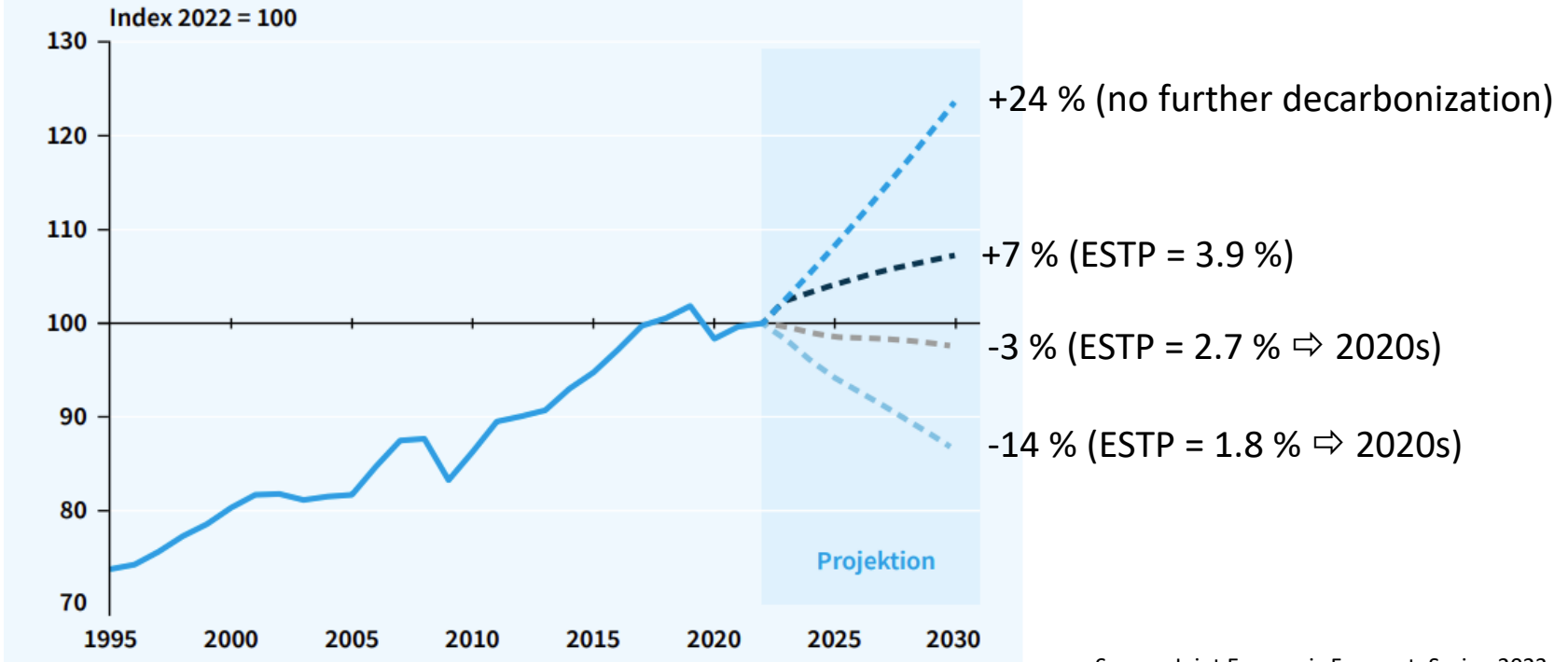
Energy saving technological progress (yoy, in %)



Source: Joint Economic Forecast, Spring 2023.

# Germany: Energy efficiency and potential output

## GDP and potential output



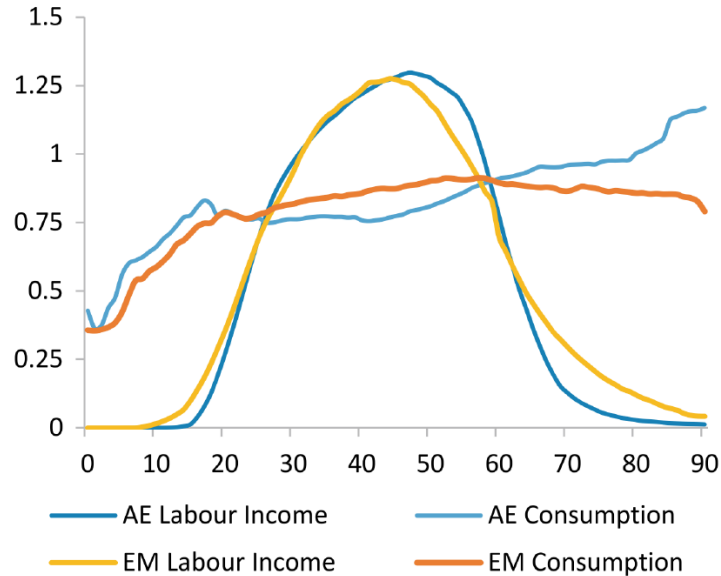
Source: Joint Economic Forecast, Spring 2023.

# Decarbonization + demographics: Interest rate

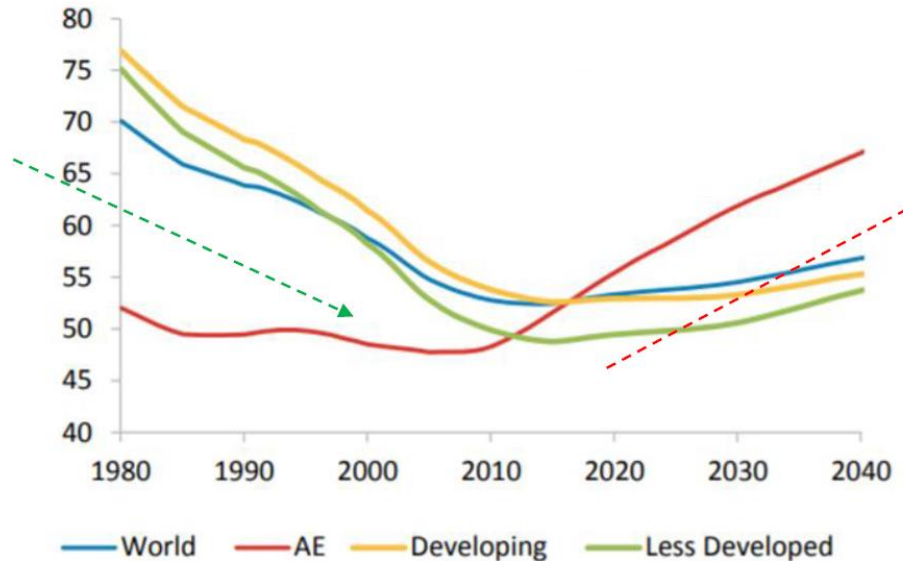
Decarbonization: Massive global investment  
Demographics: Weaker global savings

# Pradhan/Goodhart: The Great Demographic Reversal

## Life Cycle Labor Income and Consumption



## Dependency Ratio (per 100)

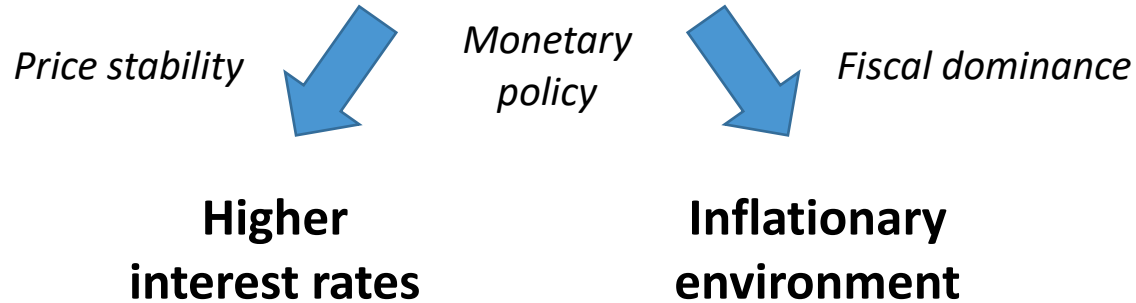


Source: M. Pradhan, Kieler Konjunkturgespräche, Autumn 2021.



# Inflation-interest scenarios

Demographics + Decarbonization:  
**Tighter capital markets**



# Game changer digitalization?

In terms of Kondratieff:  
Just another basic innovation

# Agenda | Day 1, session 1

13:15 - 13:30 **Welcoming address**

Nils Haupt, Senior Director Corporate Communications at Hapag-Lloyd AG

13:30 - 14:00 **Opening remarks and introduction**

Stefan Kooths, Vice president, Kiel Institute for the World Economy

14:00 - 14:50 **Keynote: Sizing up the energy crisis in the short, medium and long run**

Niklas Garnadt, Secretary General, German Council of Economic Experts

**Coffee break**

# Agenda | Day 1, session 2

15:30 - 16:15 **The impact of the rise in energy prices on Dutch corporates**

Beau Soederhuizen, CPB, The Hague

16:15 - 16:45 **Activities as company and beyond**

Wolfram Guntermann, Director Regulatory Affairs, Hapag Lloyd

**Break**

# Agenda | Day 1, session 3

17:15 - 17:45 **Global economic outlook**

Klaus-Jürgen Gern, Kiel Institute for the World Economy

17:45 - 18:30 **China: Economic outlook**

Maria Laura Lanzeni, former manager at Deutsche Bank, Frankfurt

**Flying buffet**

# Agenda | Day 2, session 1

09:00 - 09:45 **USA: Economic outlook**

Adolfo Laurenti, VISA, London

09:45 - 10:30 **UK: Economic outlook**

Stephen Millard, NIESR, London

**Coffee break**

# Agenda | Day 2, session 2

11:00 - 11:30 **Euro area: Economic outlook**

Ulrich Stolzenburg, Kiel Institute for the World Economy

11:30 - 12:15 **France: Economic outlook**

Jean-Alain Andrivon, Rexecode, Paris

12:15 - 13:00 **Germany: Economic outlook**

Nils Jannsen, Kiel Institute for the World Economy

**Lunch buffet**

# Contact



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