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**Daniel Yergin: “COP 26” Meeting is Biden’s Next Move on *The New Map* of Geopolitics and Energy**

*The upcoming Glasgow climate conference in November culminates energy transition’s rise as a defining global issue and sets the stage for what comes next—the challenges of turning climate ambitions into climate action for the United States and world leaders alike*

**WASHINGTON, D.C.** (September 14, 2021) – The global focus on energy transition—coupled with the international embrace “net zero carbon” goals—is shaping the “New Map” of energy and geopolitics, especially in light of a global pandemic and rising U.S.-China tensions, says [Daniel Yergin](https://ihsmarkit.com/experts/dan-yergin.html), IHS Markit Vice Chairman and author of [*The New Map: Energy, Climate and the Clash of Nations*](https://bit.ly/3fawpiD), now available in paperback from Penguin Press with a new epilogue that embodies Biden administration policies and an appendix on the South China Sea.

When world leaders, including U.S. President Joe Biden, convene at the UN Climate Change Conference of the Parties (COP 26) in Glasgow this November they will usher in the “next phase” on that map, one defined by the task of turning climate ambitions into practical action.

“Geophysical maps change very slowly. But political, technical and economic maps can change quickly, revealing new topographies that present multiple challenges and need to be traversed with care and thought,” Yergin writes in the new epilogue. “We are on such terrain today.”

In *The New Map,* Yergin, author of *The Quest* and *The Prize* (for which he received the Pulitzer Prize) surveys an energy world being reshaped by myriad forces—from the remarkable change in the energy position of the United States, to geopolitical tension with China and Russia, to the reappearance of the electric car and the growing global role of renewables—amid the added disruption of the COVID-19 pandemic.

The book chronicles the rise of energy transition as a potent global issue and, in the new epilogue, one of President Biden’s most ambitious goals—reducing U.S. emissions by 50 percent by 2030, decarbonizing electricity by 2035 and achieving net zero carbon for the entire United States by 2050—representing an enormous change of direction for the United States.

Yergin points to the inherent tensions in the Biden administration. It is seeking to make “climate” a major criterion in every policy—from infrastructure to financial regulation—and pressuring the oil and gas industry in a way that could lead to increased oil imports. Yet Biden himself, in contrast to his major Democratic rivals, pledged not to “ban fracking” and, when he was a U.S. Senator, warned against dependence on foreign oil.

By the spring of 2021, more than 70% of the world’s total CO2 emissions—and 80% of world GDP—were under the net zero umbrella, Yergin writes.

“The very fact that so many nations have voluntarily embraced something so fundamental and so challenging as carbon neutrality is remarkable. What makes it even more remarkable is that much of this was done during COVID-19 time, when lockdowns became ubiquitous and economic activity, suppressed,” writes Yergin.

“Alignment with Paris”—the 2015 Paris climate agreement—has become a clarion call outside of government as well, Yergin observes. Financial firms, representing many tens of trillions of dollars of assets, have added “climate risk” to the criteria by which they make investment and lending decisions. More than 30 central banks have elevated “climate” into their mandates. “Climate disclosure”—aiming to demonstrate how company strategies align with the Paris goal—has become a requirement of company reporting.

Now the world is moving from the “after Paris” era to a new and challenging “post-Glasgow” phase, posing tough questions that will be on the global agenda for years, Yergin says.

“By now the ‘What’ has become clear in terms of energy transition—net zero carbon,” he writes. “But what remains uncertain is the ‘How.’ How to get all the way to carbon neutrality in a global economy that currently relies on fossil fuels for 80 percent of its energy.”

In many ways the acceleration of energy transition overshadowed several remarkable events across the energy spectrum during a tumultuous year, Yergin writes. Among them:

* The unprecedented collapse of oil demand from COVID (which briefly sent prices into negative territory) abated and oil demand recovered, lifting prices to a level that would permit new investment in oil and gas projects.
* At the end of 2020—for the first time in 72 years—the United States on a net basis was energy independent, an event as significant as it was largely overlooked.
* New technological developments, including carbon capture and storage, have made “green” or “clean” energy solutions competitive on an international scale. And hydrogen has moved from being an “also ran” to a major potential energy source by 2050.
* The U.S. shale industry—particularly hard hit by the COVID collapse in oil prices—stabilized and the United States remains the world’s number one producer of oil and natural gas.
* Unprecedented stress in global supply chains is pushing up costs and helping to push up inflation—the cost of shipping one container from China to the United States has increased from $1,500 to as high as $30,000.
* With the move to electric cars, demand for critical minerals will skyrocket (lithium up 4300%, cobalt and nickel up 2500%), with an electric vehicle using 6 times more minerals than a conventional car and a wind turbine using 9 times more minerals than a gas-fueled power plant.
* The new global supply chains for “net zero carbon”, beginning with mining, will also come under scrutiny for their carbon and ESG footprints, as “Big Oil” gives way to “Big Shovels”.
* The resources needed for the “mineral-intensive energy system” of the future are also highly concentrated in relatively few countries. Whereas the top 3 oil producers in the world are responsible for about 30 percent of total liquids production, the top 3 lithium producers control more than 80% of supply. China controls 60% of rare earths output needed for wind towers; the Democratic Republic of the Congo, 70% of the cobalt required for EV batteries.

The situation is rendered more complex by a new era of great power competition and strategic rivalry—particularly between China and the United States, Yergin writes. The Biden administration has proved to be even more forward-leaning on this than Trump’s—seeking to mobilize the European Union and the Quad (the security dialogue among the United States, India, Japan and Australia) in Asia in the increasingly-tense stand-off.

“Here is where the geopolitical and energy maps overlap,” he writes. “The great power rivalry will create challenges for the world economy, including intensified competition for resources and additional pressures on what will become the increasingly stressed supply chains for net zero carbon.”

A new global “North/South” divide is also emerging, creating new tensions between developed and developing countries, he writes. “Energy transition certainly means something very different to a developing country such as India, where hundreds of millions of impoverished people do not have access to commercial energy, than to Germany or the Netherlands,” he adds.

All this adds up to a new era in the relationship between energy and nations—one marked by the emergence of climate change as one of the defining features of the *New Map*.

“The drive for net zero carbon in a matter of just a few decades will mean remaking the global economy—and doing so in a remarkably short time. It will require huge investment, bring dislocations, add to financial burdens on governments and impose heavy costs on some parts of the economy,” Yergin writes. “At the same time, it will create major new economic opportunities, open new frontiers for technology and innovation and stimulate entrepreneurship and creativity. While it will present new avenues for cooperation, it will also create risks for conflict.”

Follow Daniel Yergin on Twitter: [@DanielYergin](https://twitter.com/DanielYergin); LinkedIn: [www.linkedin.com/in/daniel-yergin](http://www.linkedin.com/in/daniel-yergin)

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**Praise for *The New Map*:**

“Mandatory reading for President-elect Joe Biden’s incoming team.” **— Admiral James Stavridis**

“A master class on how the world works.” **— NPR**

“Supremely readable—no mean feat among geostrategy tomes.” **— *Wall Street Journal***

“At a time when solid facts and reasoned arguments are in retreat, Daniel Yergin rides to the rescue. (★★★★ out of four) Yergin provides an engaging survey course on the lifeblood of modern civilization — where the world has been and where it is likely headed.”**— *USA Today***

“A *tour de force* of geopolitical understanding.” ***– Washington Post***

As Daniel Yergin writes in *The New Map,* which I highly recommend to you, climate change will have enormous impact on how energy….and in strategies and investment, in technology and infrastructure, and in relations between countries.” **– Hon. Scott Morrison, Prime Minister of Australia**

“Brisk and authoritative, an impressive combination.” **— *The Economist***

“Admirable, well-researched, highly readable examination of all the changes that have turned the rock-solid certainties of the past into today’s dangerous combustibility.” **— *Foreign Policy***

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