

A photograph of several offshore oil rigs in the ocean at sunset. The sky is dark with a bright orange glow from the setting sun. Birds are flying in the sky. The rigs are silhouetted against the sky, with some lights visible on the platforms.

Geopolitics and Energy

1. What Is the world like today?

- More fragmented and unstable.
- Less peaceful and more heavily armed.
- Marked by great-power competition.



1. Energy in a World of Power and Rivalry

Energy resources as a source of power

- **Ukraine:** Energy as a weapon and an instrument of coercion
- **Strait of Hormuz:** A global energy shock.
- **Venezuela:** The “Donroe Doctrine” and access to Venezuelan oil.
- **China:** Dominance of the renewable energy value chain.



A dark, atmospheric photograph of an offshore oil rig at night. The rig's complex steel structure, including cranes and drilling platforms, is silhouetted against a dark sky. Some lights are visible on the rig, and the name "WEST BOLLSTA STAVANGER" is faintly visible on one of the lower sections. The overall mood is industrial and mysterious.

The Global Energy Landscape

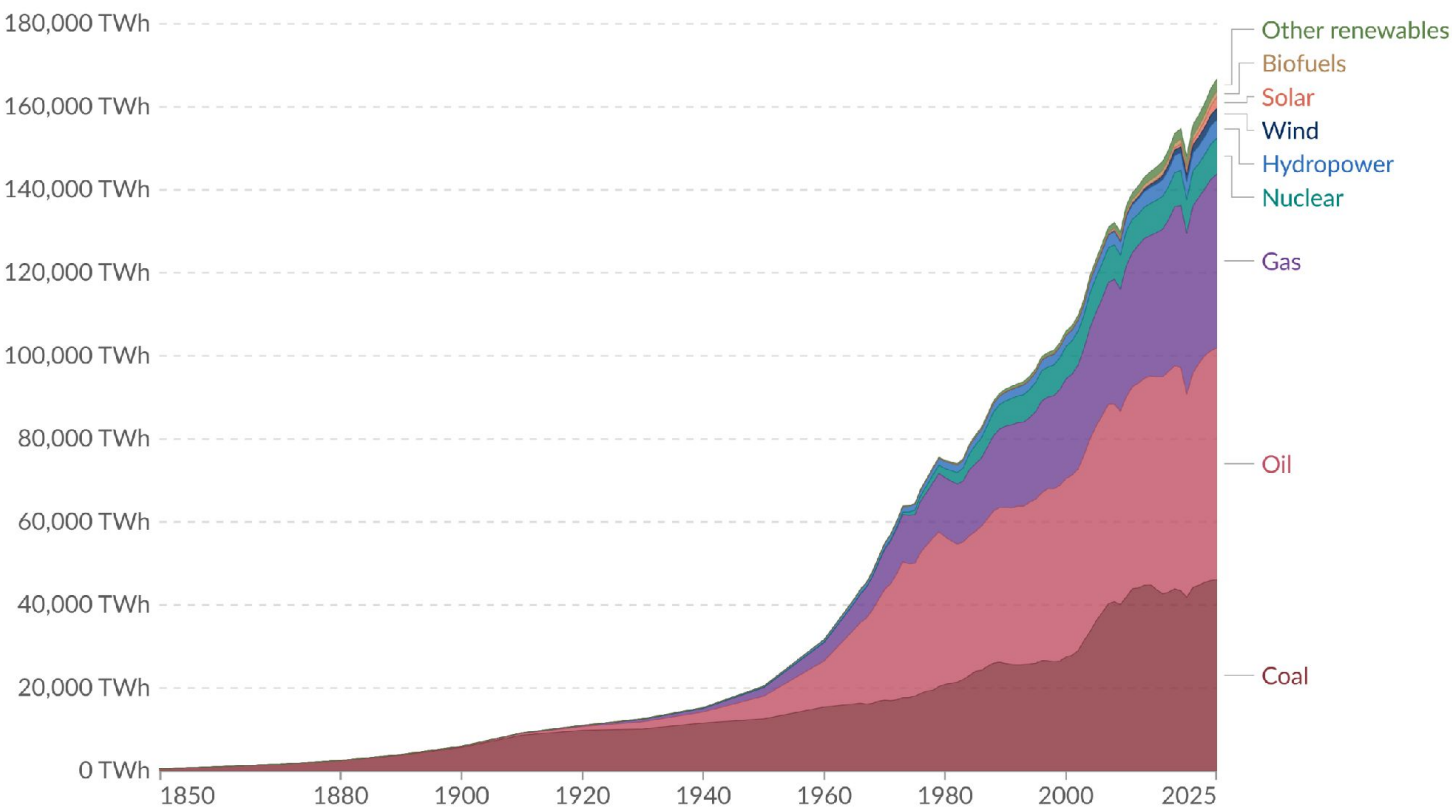
2. Fossil Fuels Dominate Global Energy Consumption

Fossil fuels remain dominant

Share of Global Energy Consumption (%) — 2025	
Fossil fuels	86.2
Renewables	8.6
Nuclear	5.17

Primary energy use by source World, 1850 to 2025

Measured in terawatt-hours¹ of total energy supply².



Data source: Energy Institute – Statistical Review of World Energy (2026); Smil (2017)

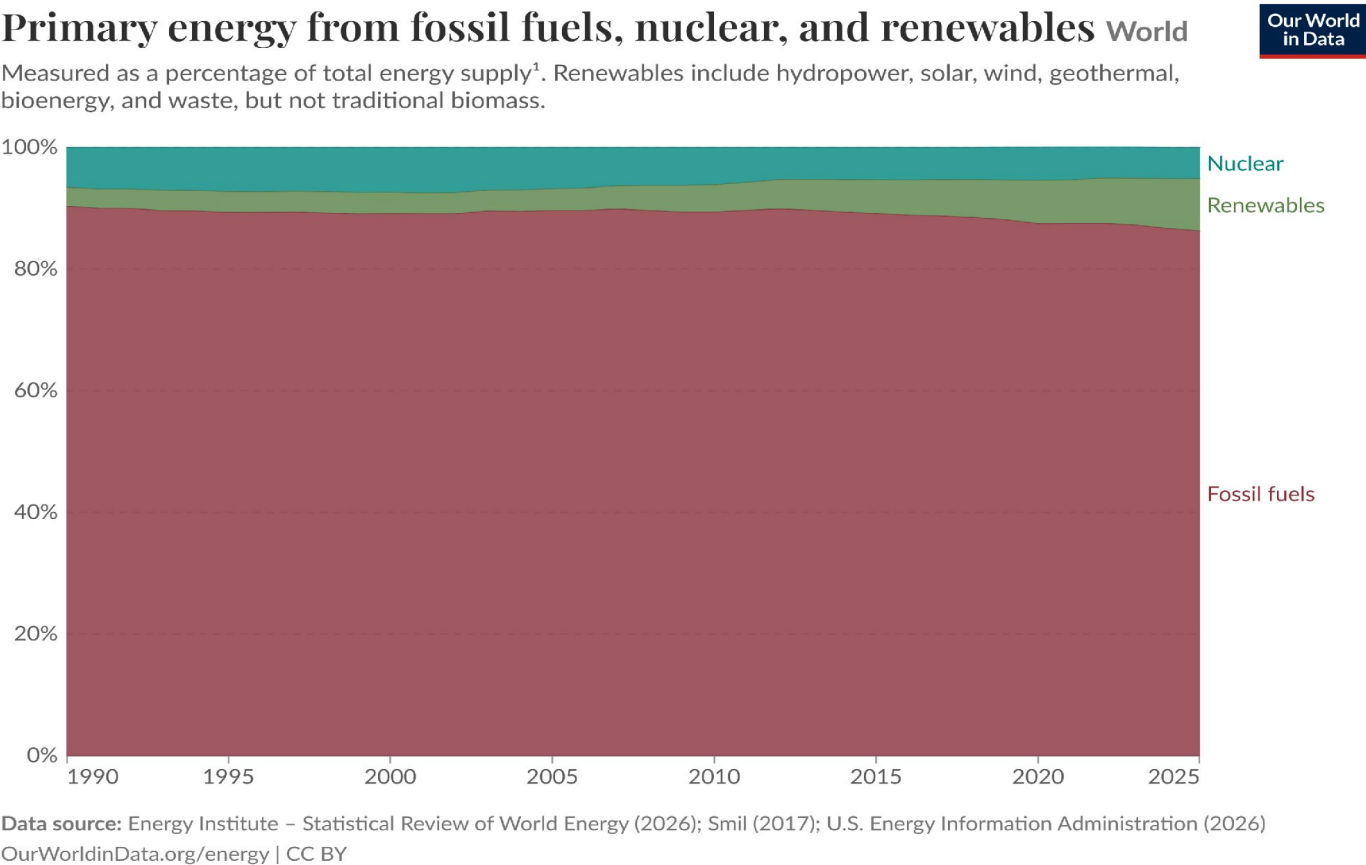
OurWorldinData.org/energy | CC BY

Note: Other renewables include geothermal, biomass, and waste. Traditional biomass is not included.

2. Fossil Fuels Dominate Global Energy Consumption

Although renewables are gaining ground

Evolution of Energy Consumption (%)	1980	2025
Fossil fuels	90.2	86.2
Renewables	3.13	8.6
Nuclear	6.59%	5.17%



1. **Total energy supply** Total energy supply is a measure of primary energy: the energy available to a country or region before it is converted into electricity or fuels for final use. It counts energy produced domestically or imported, minus what is exported or stored. Each source is measured by its physical energy content: fossil fuels and biomass by the heat released when they are burned; nuclear and geothermal by the heat they produce; and wind, solar, and hydropower by the electricity they generate.

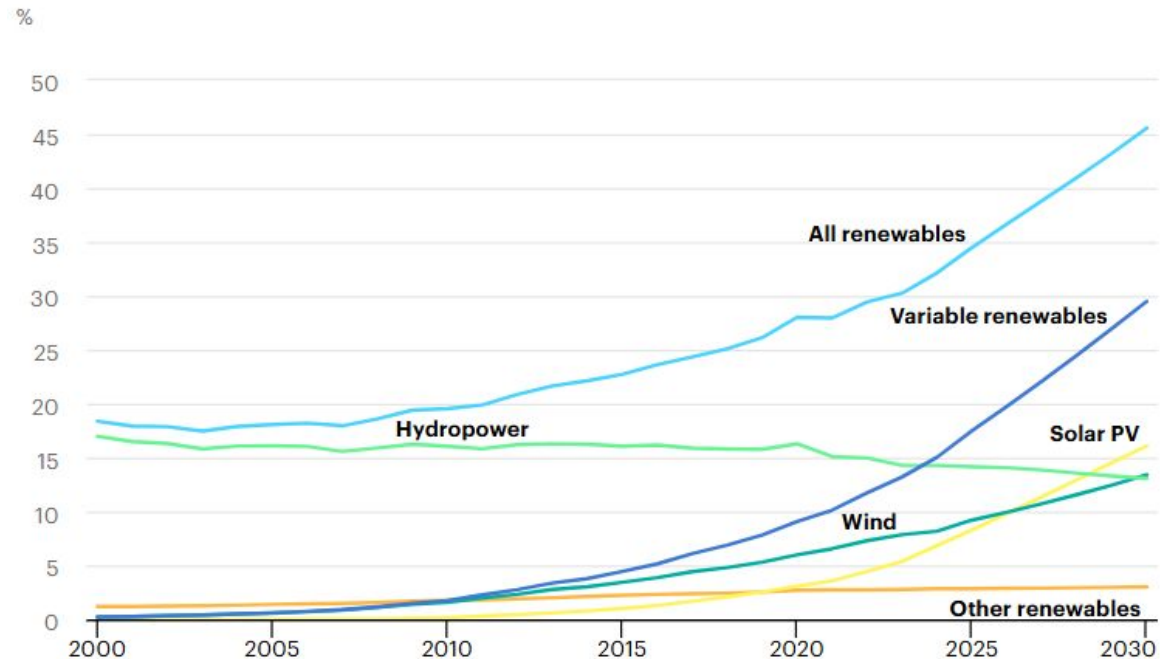
3. The Transformation of the Global Energy Mix

Renewable electricity generation is expected to account for a greater share by 2030

Global renewable electricity generation is projected to increase by nearly 90% by the end of 2030.

Share of renewable electricity generation by technology, 2000-2030

[Open](#)



Source: International Energy Agency

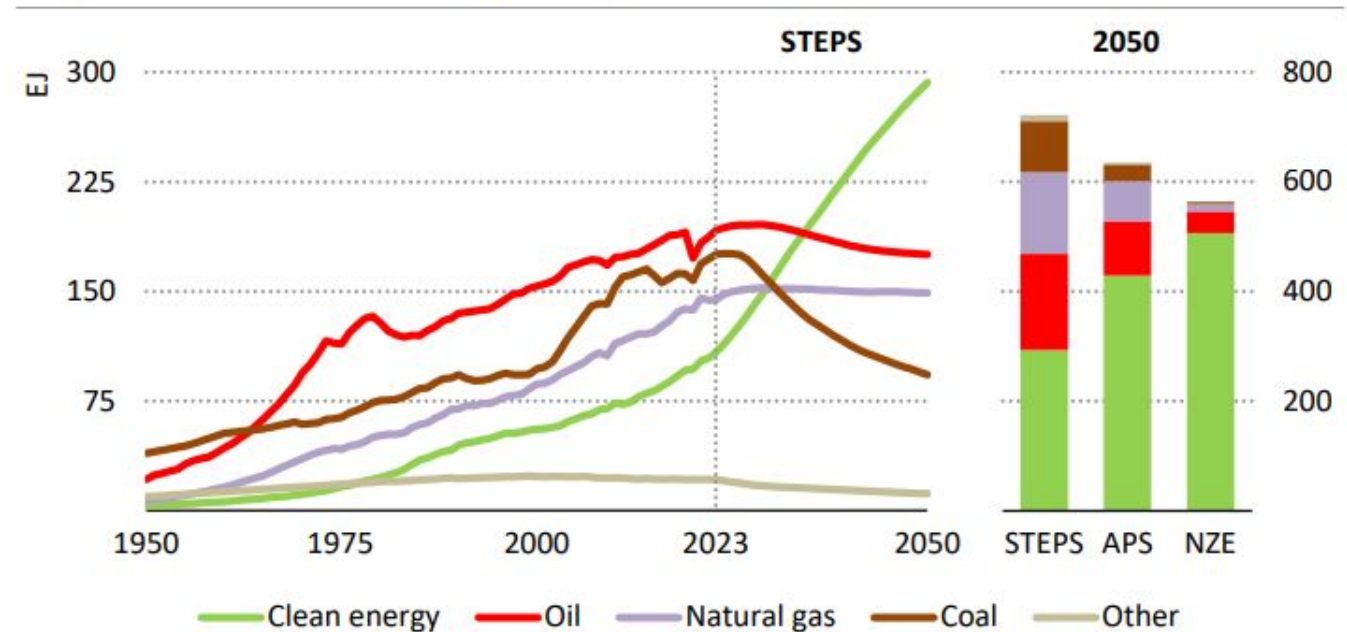
IEA. Licence: CC BY 4.0

3. The Transformation of the Global Energy Mix

Renewable electricity generation is expected to account for a greater share

The **global energy mix** will undergo a significant transformation by 2050, with **renewables accounting for a larger share**.

Figure 1.1 ▶ Global energy mix by scenario to 2050



IEA. CC BY 4.0.

Source: International Energy Agency

The background of the image shows several European Union flags, each with twelve yellow stars on a blue field, waving on tall silver flagpoles. Behind the flags is a large, modern building with a grid-like facade of windows. The entire scene is dimly lit, giving it a dark, moody appearance. The text "The European Energy Landscape" is centered over the middle of the image in a white, bold, sans-serif font.

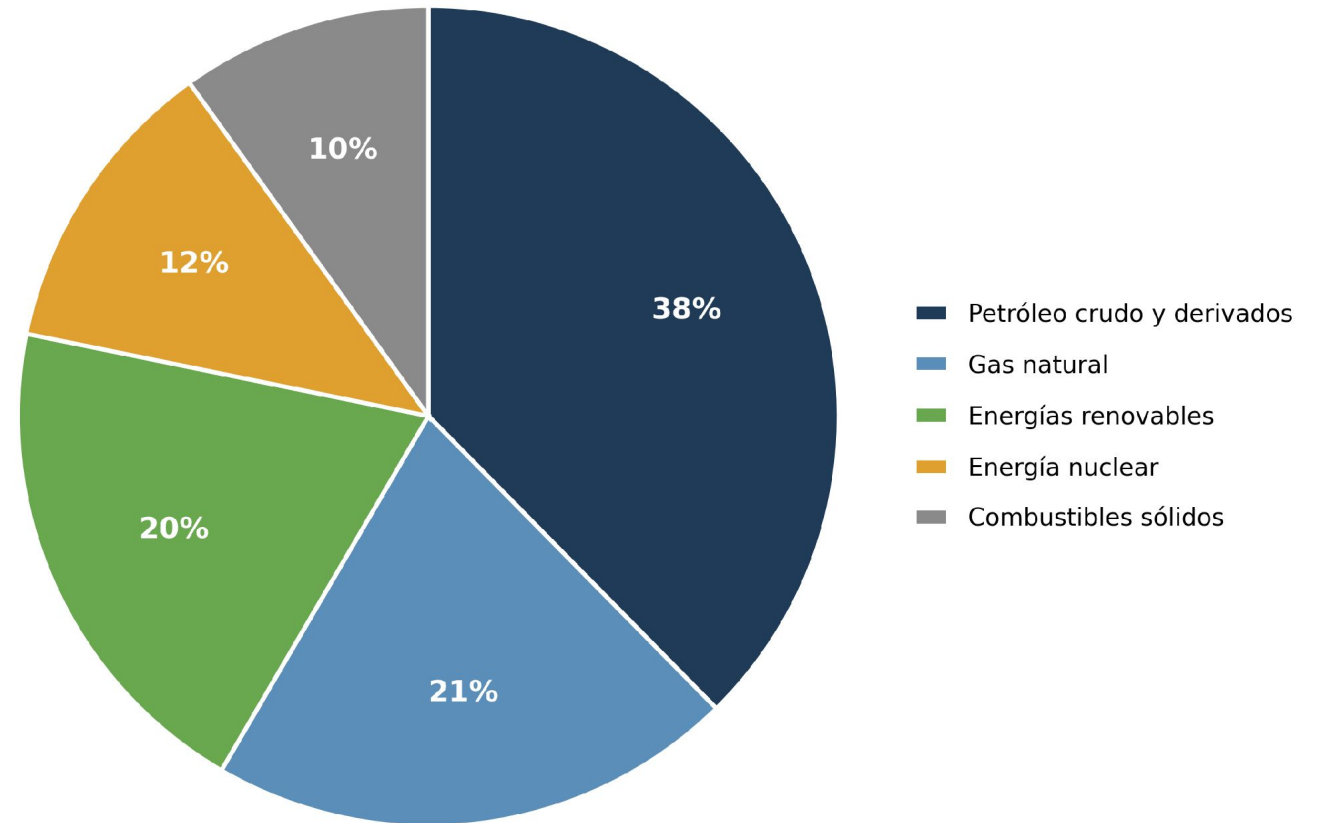
The European Energy Landscape

4. The European Energy Landscape

Dominance of fossil fuels

Energy from fossil fuel sources accounts for **69%** of the EU energy mix.

Mix energético de la Unión Europea

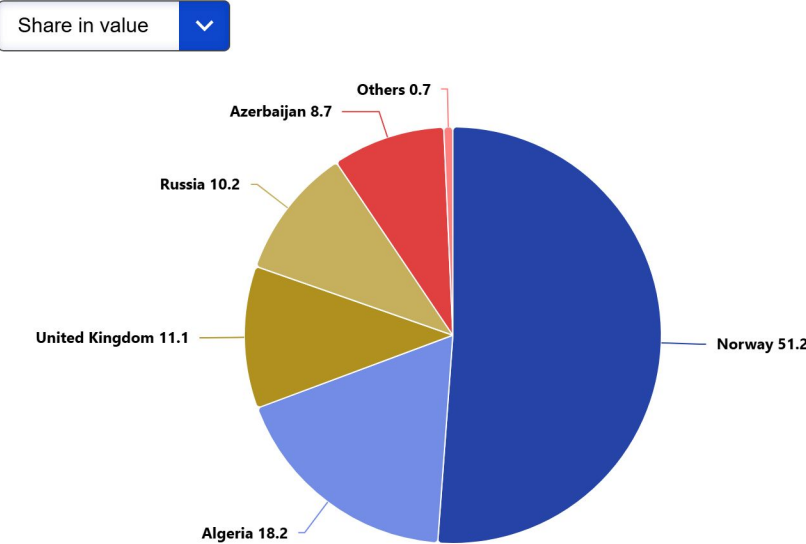


Source: European Commission

4. The European Energy Landscape

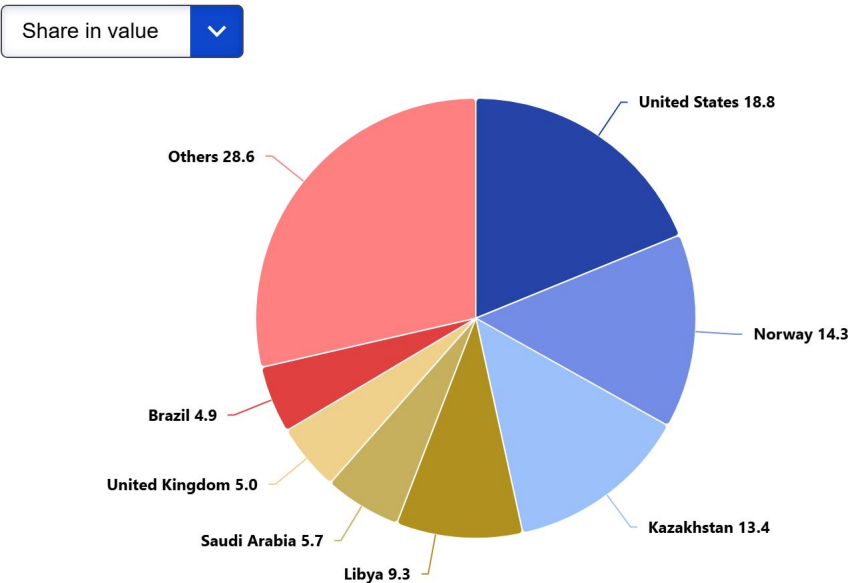
Where does the oil and gas used in Europe come from?

Imports of natural gas in gaseous state by partner, Q2 2026
(%)



Source: Eurostat database (Comext) and Eurostat estimates

Imports of petroleum oils by partner, Q2 2026
(%)



Source: Eurostat database (Comext) and Eurostat estimates

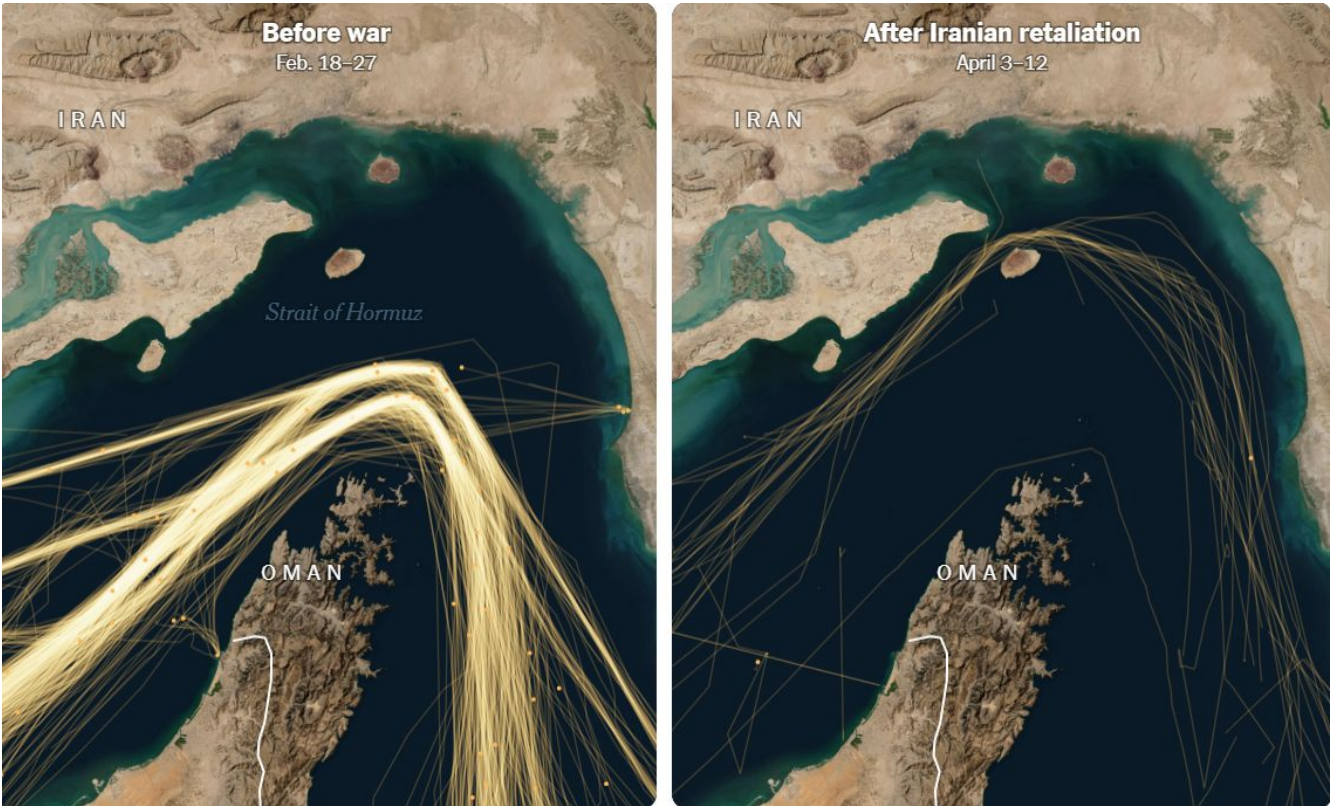
The background is a dark, textured map of the Persian Gulf region. The landmasses are rendered in a dark brown, almost black, color, while the water bodies are a slightly lighter, dark brown. The Strait of Hormuz is clearly visible, connecting the Persian Gulf to the Arabian Sea. The overall tone is somber and dramatic.

Hormuz: A New Energy Shock

5. Hormuz: A New Energy Shock

A strategic chokepoint

Exports from the Region	
Liquefied natural gas (LNG)	20% of global production
Petroleum and refined products	Diesel, gasoline, kerosene
Fertilizers	20-30% of global trade
Metallurgy	8% of global production
Helium	33% of global production



Source: The New York Times

5. Hormuz: A New Energy Shock

The blockade has sent energy prices soaring



The price of **Brent crude oil** has increased by **40%** since the start of the war



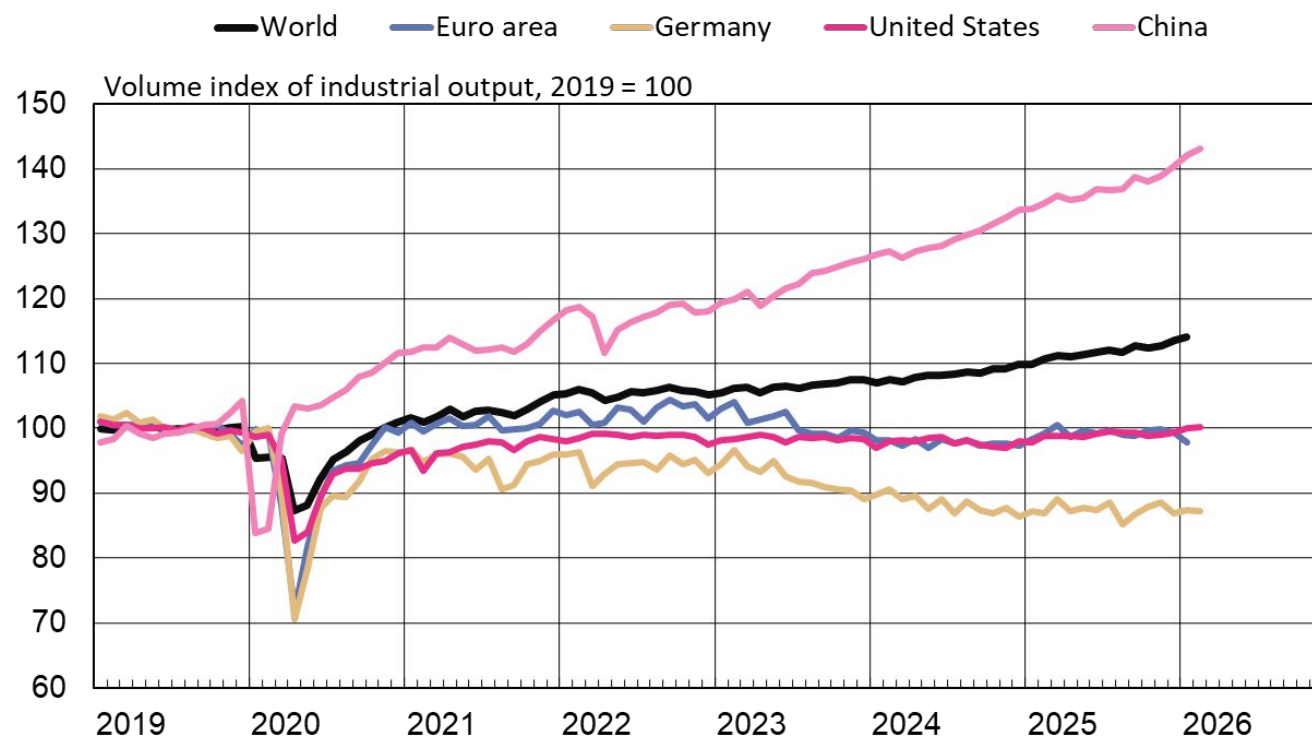
The price of **natural gas per MW/h** has increased by **128%** since the start of the war

5. Hormuz: A New Energy Shock

European industrial production affected by high energy costs

European industry is **contracting**, while China continues to expand its industrial production.

Industrial production in the euro area is suffering from high energy costs



Sources: Eurostat, Federal Reserve, World Bank and CPB Netherlands Bureau for Economic Policy Analysis.

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38240@teol(ET)en

5. Hormuz: A New Energy Shock

Instability in bond markets

US Treasury yields are at their **highest** level in 20 years

Treasury 10-Year Yield Hits Highest Since 2007



Source: Bloomberg

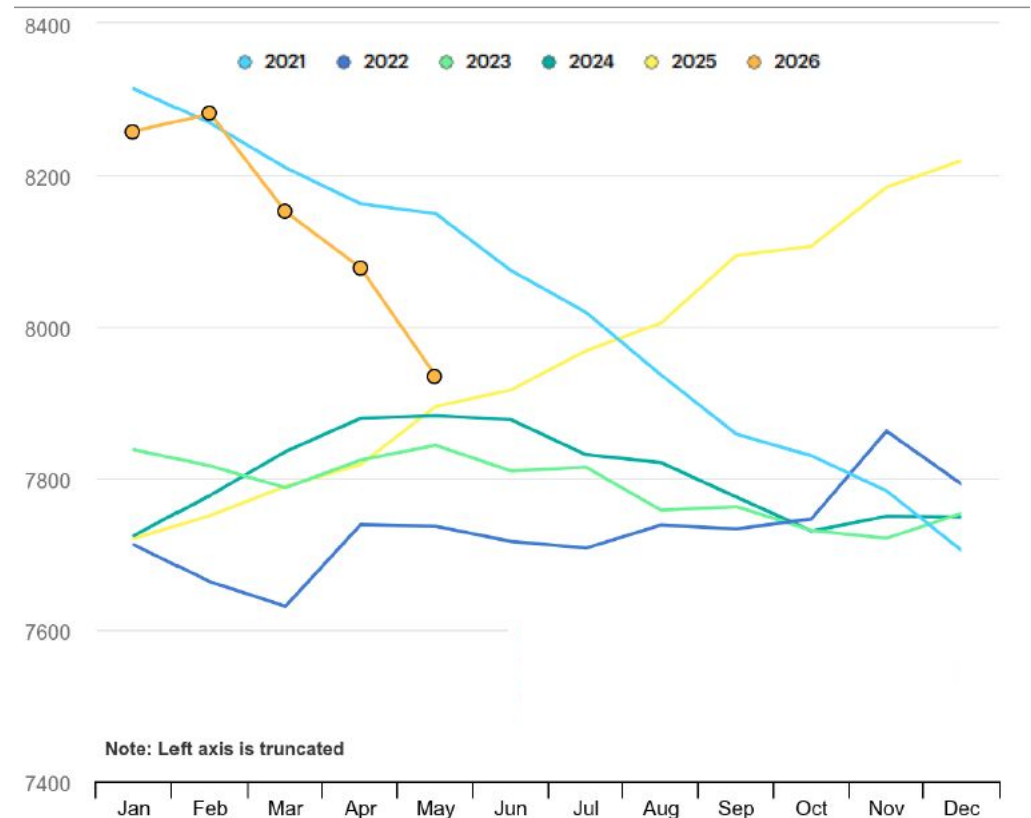
Bloomberg

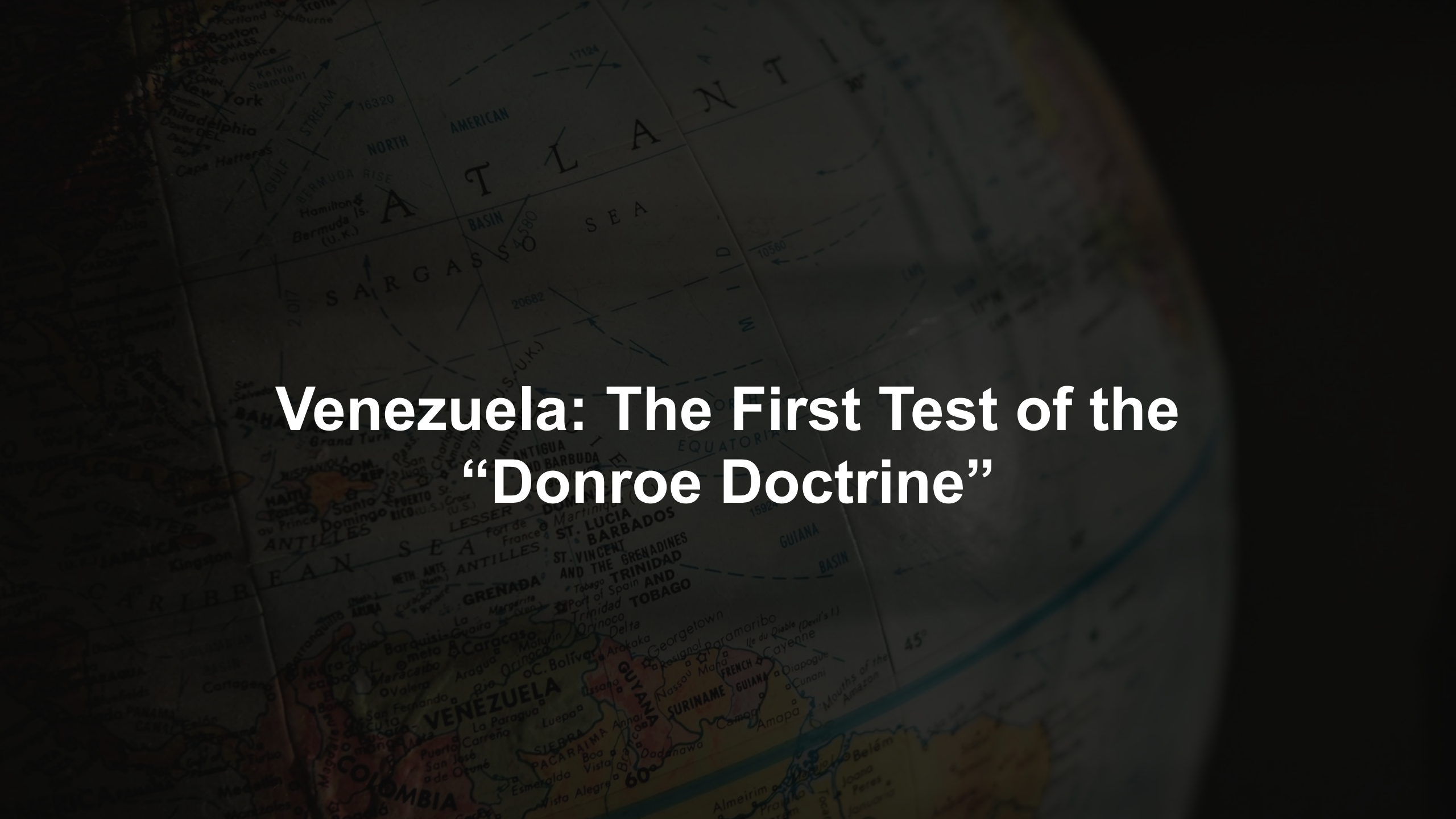
5. Hormuz: A New Energy Shock

Why haven't we yet felt the full impact of the energy crisis?

- The **market is well supplied**.
- **Declining demand**, particularly in the Asia-Pacific region.
- **Supply-side response**: Alternative export routes via Saudi Arabia and the United Arab Emirates; responses from the United States, Kazakhstan, Brazil, and Venezuela; and refinery flexibility.

Global Oil Inventories (million barrels, mb)





Venezuela: The First Test of the “Donroe Doctrine”

6. Venezuela: The First Test of the “Donroe Doctrine”

Power as the language of the “Donroe Doctrine”



6. Venezuela: The First Test of the “Donroe Doctrine”

Access to oil as the spoils: The “Oil Agreement”

- August 29, 2026: “Oil Agreement to **Ensure US Energy Dominance** and Drive Venezuela’s Economic Recovery.”
- **NABEP exploitation rights**: 100 years and 17 oil fields (65 billion barrels).
- **35%** US government ownership stake in NABEP.
- Purchase rights: **20%** of NABEP’s production at production cost, with preferential purchase rights over the remaining **80%**.



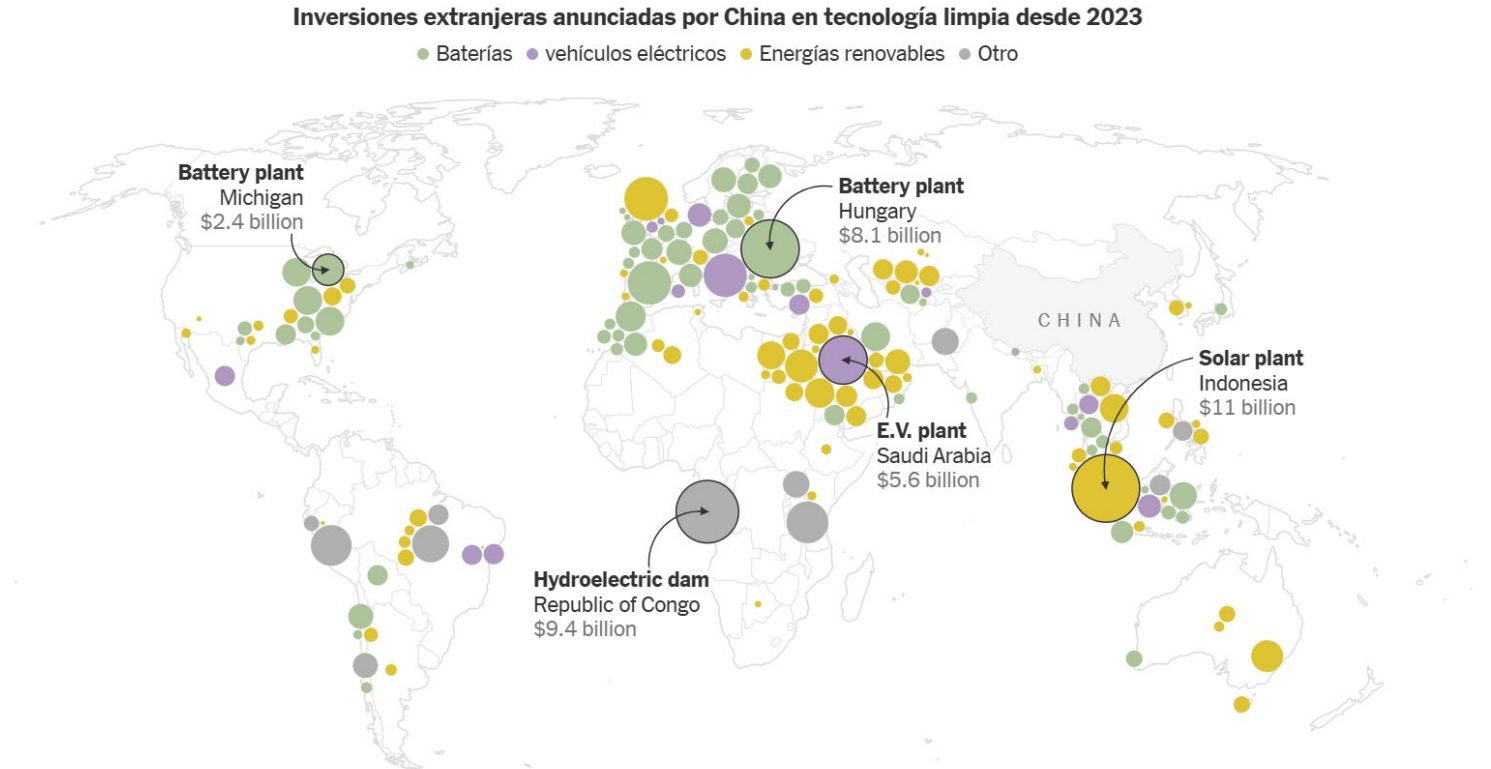


China: A Clean Energy Powerhouse

7. China: A Leader in Renewable Energy Deployment

China is a clean energy powerhouse

Since 2023, Chinese companies have announced **US\$168 billion** in overseas investment in **clean energy** production, generation, and transmission.



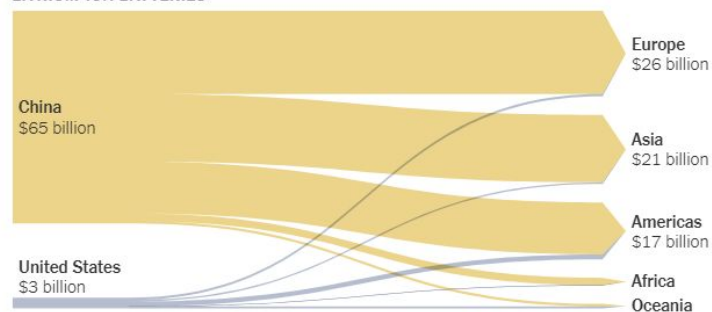
Source: The New York Times; Climate Energy Finance. Note: Circles are sized according to investment value. "Other" includes hydropower projects, electricity transmission and distribution, and green hydrogen

7. China: A Leader in Renewable Energy Deployment

Beijing exports renewable energy, while Washington exports oil and gas

Exports of clean energy technology

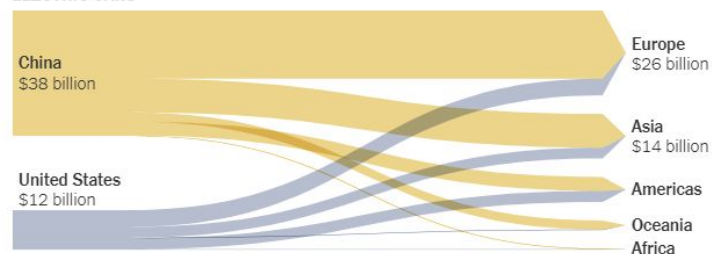
LITHIUM-ION BATTERIES



SOLAR PANELS AND MODULES



ELECTRIC CARS

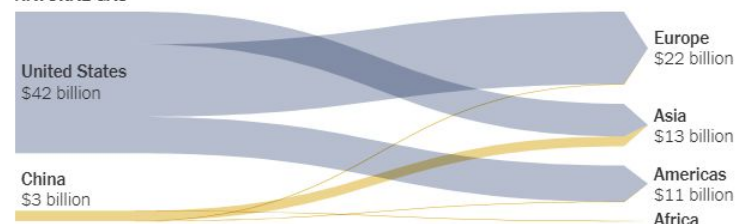


Fossil fuel exports

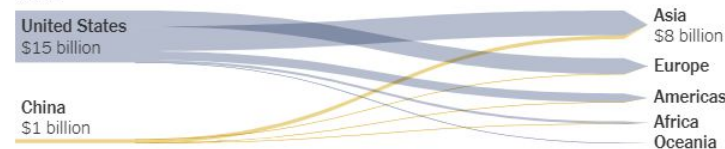
CRUDE OIL



NATURAL GAS



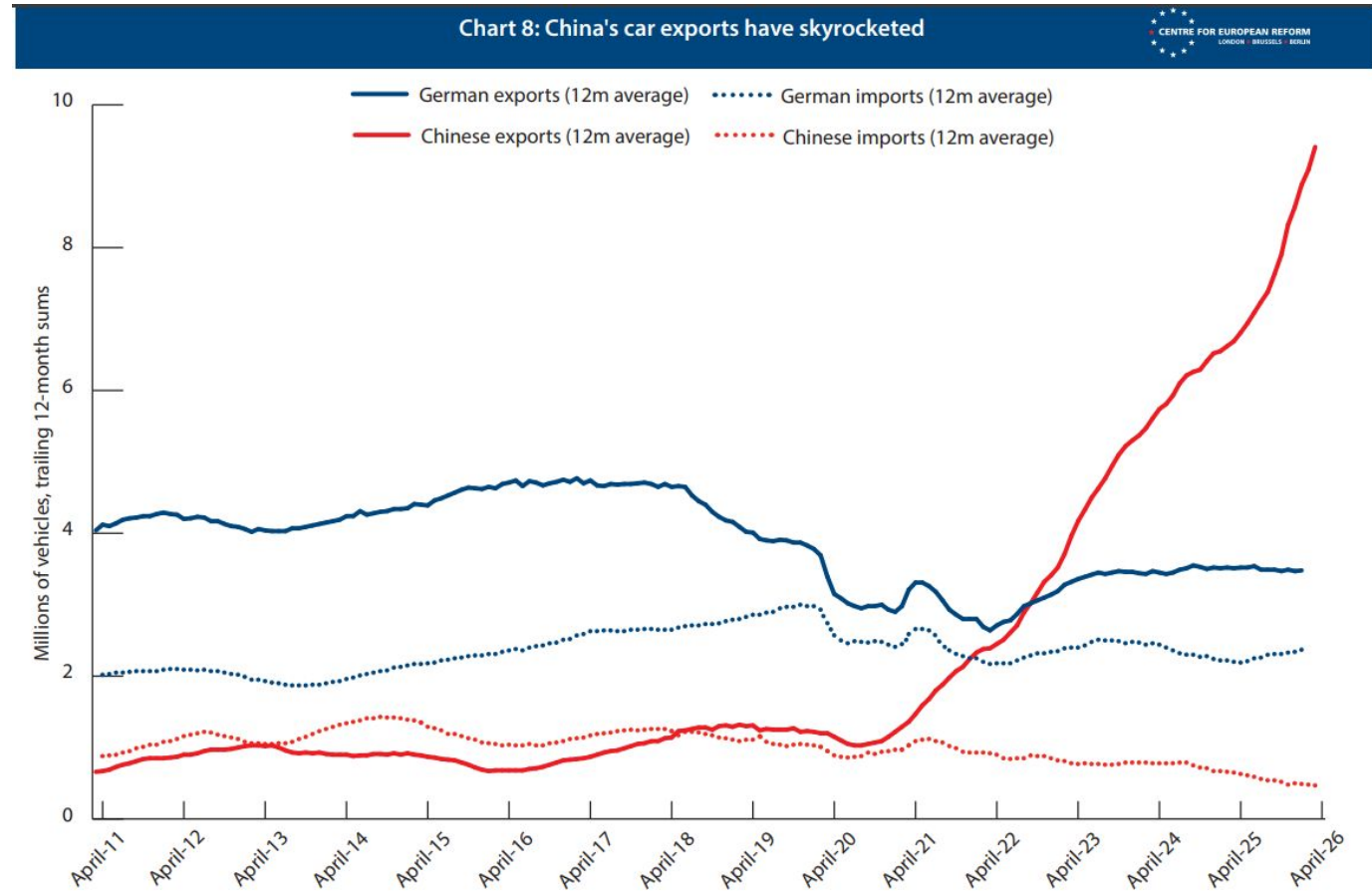
COAL



7. China: A Leader in Renewable Energy Deployment

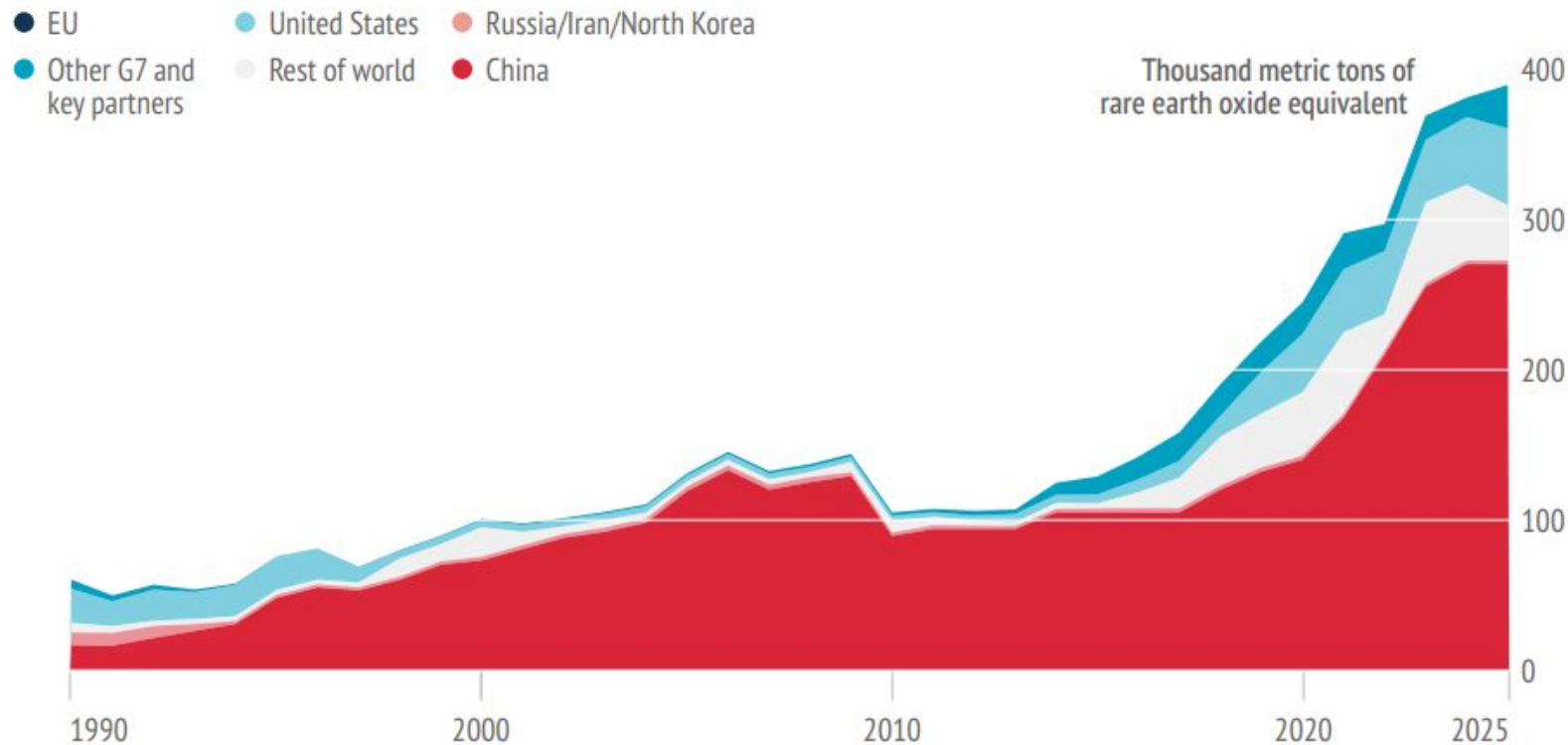
China leads in electric car exports, while Germany struggles

Chinese car exports have surged since 2020, while **German car** exports have **stagnated**



7. China: A Leader in Renewable Energy Deployment

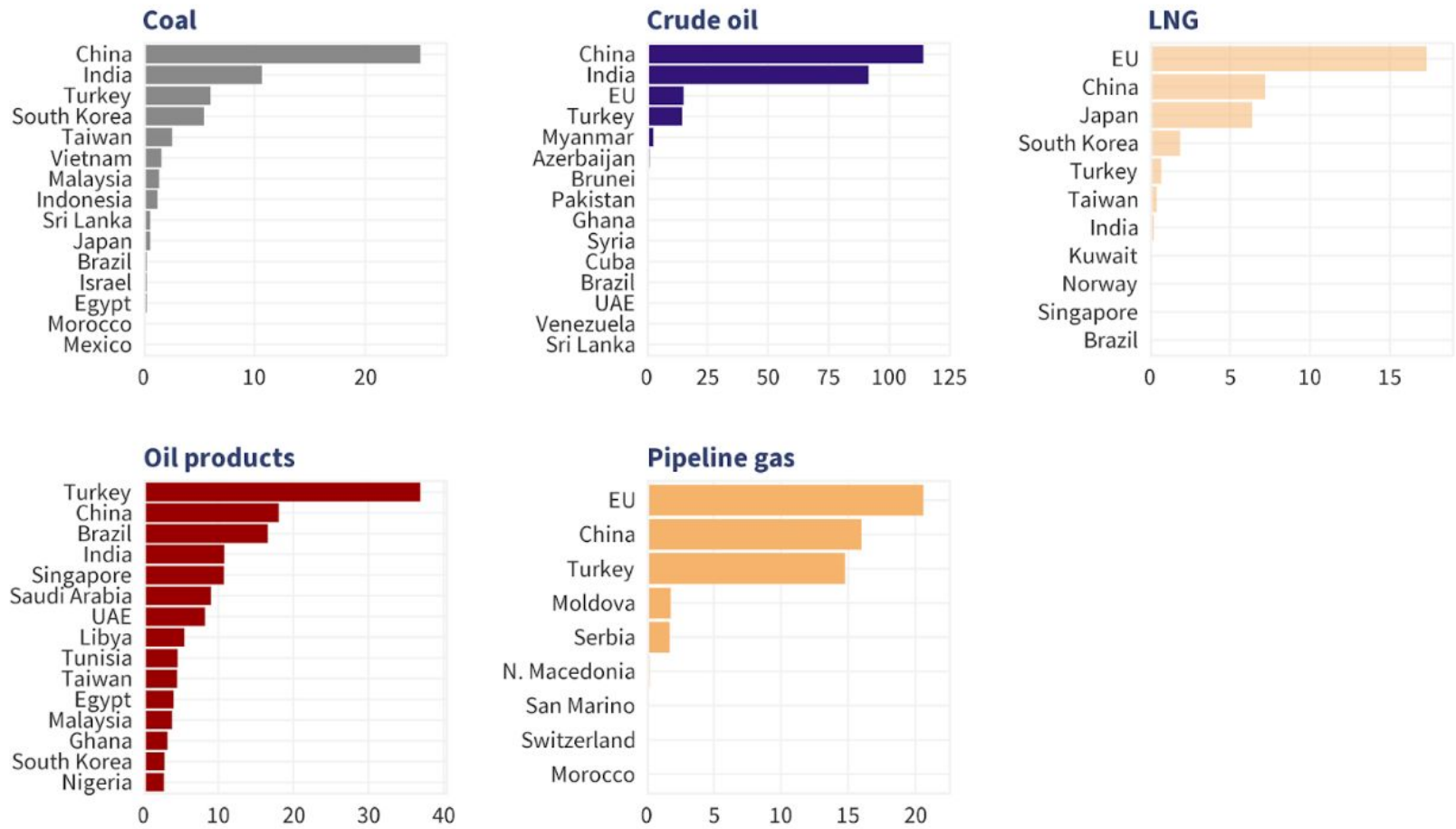
China dominates the clean energy market: Critical minerals and rare earth elements



Source: The Oxford Institute for Energy Studies (2023) . *China's rare earths dominance and policy responses*.

8. China: An Importer of Russian Fossil Fuels

Russia’s main energy partner since the start of the war in Ukraine



A globe is shown, centered on the Americas, with a focus on Latin America. The map displays various countries including Mexico, Central American nations, the Caribbean, and South American countries like Colombia, Venezuela, Brazil, and Argentina. A legend is visible on the left side of the globe. Overlaid on the center of the globe is the title 'Latin America: A Renewable Energy Powerhouse' in a large, white, sans-serif font.

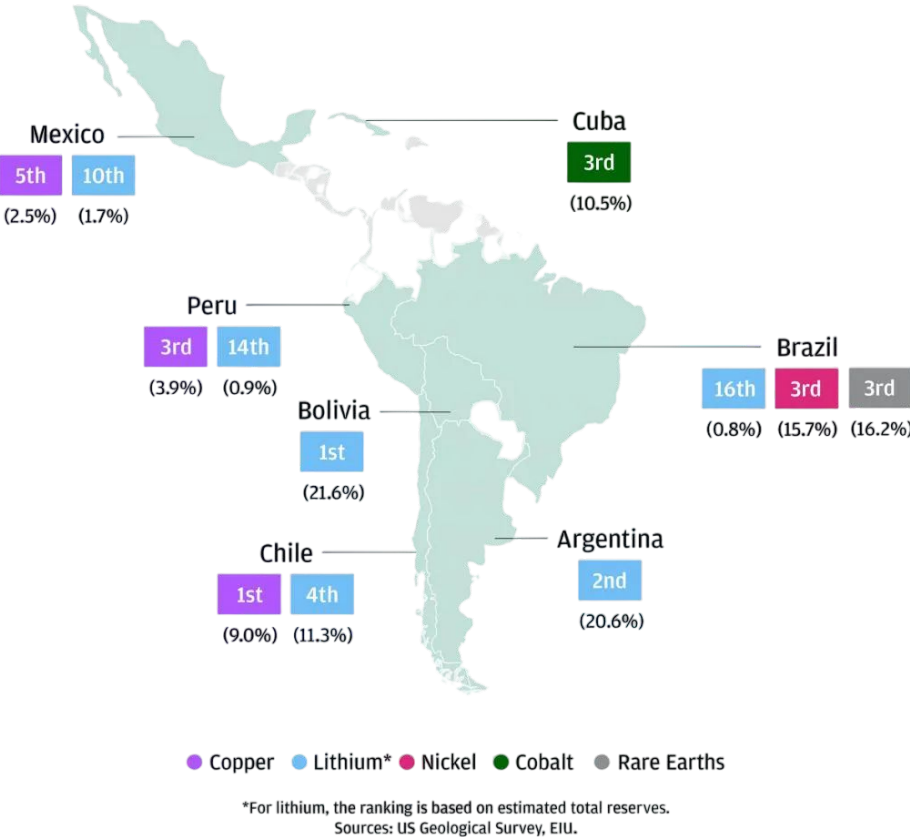
Latin America: A Renewable Energy Powerhouse

9. Latin America: A Renewable Energy Powerhouse

Critical minerals: A key component of the renewable energy value chain

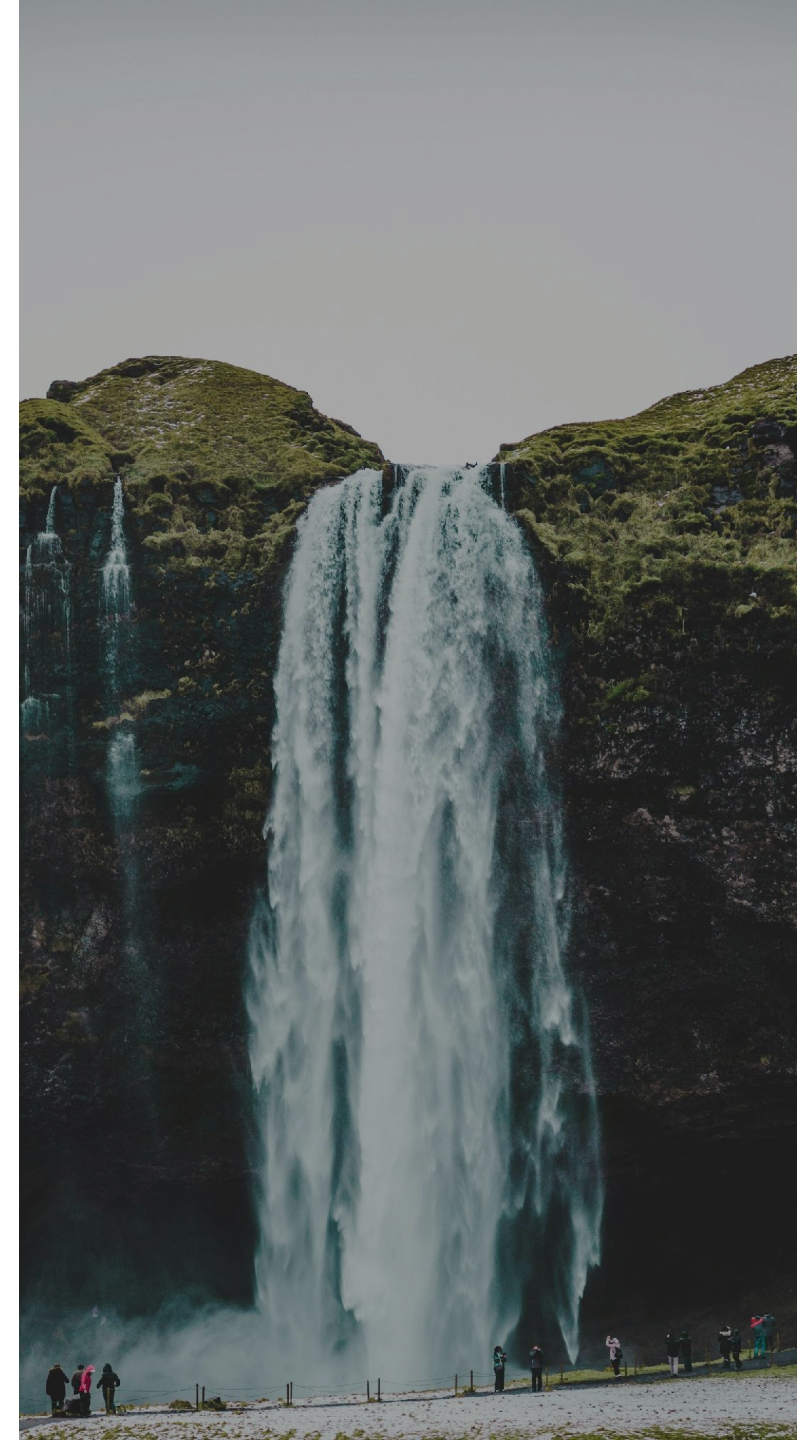
Latin America and the Caribbean’s Share of Global Reserves (%)	
Lithium	46%
Copper	35%
Rare earth elements	23%
Graphite	26%
Bauxite	16%

Source: Economist Impact (2024) Global race for critical minerals... a unique opportunity for Latin America?



9. Latin America: A Renewable Energy Powerhouse

- Home to **one-third of the world's freshwater resources**.
- Approximately **70% of its electricity generation** comes from **renewable sources**.



A high-contrast, black and white image of Earth from space. The horizon is a thin, curved line separating the dark, textured surface of the planet from the black void of space. The surface is covered in intricate, light-colored patterns that resemble craters, ridges, and valleys. The text "The End." is overlaid in the bottom left corner.

The End.