

## Energy and The Atlantic Basin: State of Play and Prospects for Pan-Atlantic Cooperation

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### Key Takeaways

- **Renewed geostrategic competition** has reshaped the global energy scenario, but it has also generated even more incentives among Atlantic Basin states to engage in pan-Atlantic energy cooperation.
- Nevertheless, the new **post-2021 ‘business as usual’ scenario is already complicating the decarbonization transition**, as the global climate consensus begins to loosen and impetus for serious cooperation fades.
- Still, **the key trends in Atlantic Basin energy** that were clearly discernible or visibly emerging in 2015 – and which stimulated the first early movements toward pan-Atlantic energy cooperation -- **all continue to deepen**. The case for an Atlantic Energy Forum is stronger than ever.
- **The historic directional shift in global net energy flows has not ceased**, as Atlantic Basin oil and gas production continues to increase in absolute terms AND in relative share of the global total.
- **The Atlantic Energy Renaissance continues strong**, as it enters a new and critical phase.
- **Atlantic Basin oil now accounts for 47% of global production** and could move beyond the 49% once projected for 2035.
- **Atlantic Basin gas – deep in the throes of an Atlantic revolution in LNG – remains set to supply an ever greater share** into the future of the ‘Asian call’ on global energy.
- **The shale revolution in the U.S. has deepened**, and it has been essential in finally breaking the structural dependence of Europe on Russian gas. **New Atlantic Basin energy is now moving east to Europe in ever greater quantities**.
- **Sanctions against Russia have further reinforced this reversal of net energy flows**. The Russian energy that once flowed freely in the dominate East-to-West pattern of the past, now are increasingly directed East to China, India and other parts of Eurasia and Asia.
- **The offshore boom, after a brief pause following the 2015 price collapse, has revived in the years since**. After significant improvements in costs, efficiency and emissions intensity, the Atlantic offshore hydrocarbons sector is set to provide a growing share (already 25%) of global production, no matter how much or how little, oil and gas will be called upon, or allowed, to contribute to the energy mix moving forward.
- The early picture of an Atlantic Basin lead in the global energy transition has faded. Asia has overwhelming overtaken the West in renewables investment, manufacturing, installed capacity and generation. **While the Atlantic Basin clearly now dominates the fossil world, it has lost ground to Asia within the new interdependence networks of the decarbonization economy** in which China has developed into the key hub.

- This situation presents vulnerabilities for Atlantic Basin states, but it also points to **a clear imperative to renew cooperative efforts with China** and its BRICS partners on energy and climate challenges. **Pan-Atlantic energy cooperation could play an important role.**
- **The Atlantic Basin remains the most energy interdependent region in the world.** Between two-thirds to three-fourths of the energy trade of Atlantic Basin states is ‘intra-Atlantic’. **Even more than it did in 2015, the increased density of this energy system suggests high potential for pan-Atlantic energy cooperation** – whether from the cost and efficiency standpoint of industry or from the strategic perspective of energy and foreign policy makers.
- However, there are **many new energy and climate trends and possibilities that were not clearly visible in 2015**, but which today provide for additional points of focus in any new agenda for discussion regarding pan-Atlantic energy cooperation.
  - **Energy access in the Southern Atlantic**, particularly in Africa
  - **Atlantic Ocean energy** and ocean-based emissions mitigation and adaptation potential
  - **Access to critical minerals** for decarbonization, particularly in the Southern Atlantic
- Finally, there is a **growing conflict between short-term energy and long-term climate interests**, as the discourses of ‘Energy Security’ vs ‘Climate Security’ reemerge.

Amid the rising global tensions and the continued mounting of temperatures and the physical and economic damage they are provoking, **the imperative for pan-Atlantic energy cooperation is clear and its potential is ripe.**