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The growing realization is that Covid can be put behind us with vaccination.

Economies are growing despite supply chain issues and unemployment is low - in some countries such as Germany, it's proving hard to get any kind of labor services. Most businesses are adjusting to the new normal; the main loser has been the service sector but generally, we are today in an economically decent starting position.

How is India's Covid resurgence impacting global growth prospects?

As serious as the situation is, on a per capita basis India's infection rates are not any worse than in some other countries. The reason why most poor countries are suffering disproportionately is due to crowded living conditions and no effective practice of social distancing. Their health systems are also completely overwhelmed. We're seeing this in India, Brazil and parts of Africa and Southeast Asia.

Are we underestimating the danger of inflation numbers on commodities?

We should distinguish where inflation is occurring. There are severe bottlenecks, but they mostly affect finished, manufactured goods such as home appliances where there is also strong demand. The service industry has not been affected so far and nor has the energy sector by and large. Inflation has not been triggered by these bottlenecks - our global market system is typically very successful at alleviating these within a matter of months. Also, in many countries, inflationary numbers are composed of the whole economy and in the US, the service sector is much larger proportionally.

US economic activity figures continue to be strong?

We need to be wary that there's a lot of slack in the US economy - in existing factories, in airline fleets, in cars - any new growth needs to address and absorb that first. The jury's still out on the pandemic's impact on long term global growth trends - a case in point is the potential fallout from large economies like India and what it's going through today.

How can OPEC manage the market amid all these uncertainties?

OPEC now faces a credibility challenge on two fronts. One is that depleting inventories in the US and other consuming countries can be replaced with the high flexibility of shale. The other is OPEC's own spare capacity. Managing supply has become more intricate. ■

**Paraphrased comments*

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