

IMF Urges Asia to Diversify Energy Sources Quickly



Published on April 26, 2026

Document Date: Sun, Apr 26 2026 07:37:21 pm

Category: ,English,International - ,Snippets

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An official from the International Monetary Fund has called on Asian economies to accelerate energy diversification efforts amid ongoing global supply disruptions linked to Middle East tensions.

Thomas Helbling said the recent energy shock has intensified concerns over long-term energy security across the region. He noted that many Asian economies remain heavily dependent on oil

and gas imports, particularly from the Middle East, making them vulnerable to external disruptions.

According to the IMF's latest Regional Economic Outlook, Asia's growth is projected to slow from 5 percent in 2025 to 4.4 percent in 2026 and 4.2 percent in 2027. Energy consumption remains a significant factor, with oil and gas use accounting for around 4 percent of regional GDP—nearly double that of Europe—and exceeding 10 percent in countries such as Malaysia and Thailand.

Helbling emphasised that economies with higher fossil fuel dependence are more exposed to supply shocks. He added that emerging Asian markets face greater risks, as households allocate a larger share of income to energy costs, while governments may struggle with rising import bills.

He also warned that energy price increases could strain balance-of-payments positions in importing countries. Policymakers were advised to maintain flexible monetary strategies, anchor inflation expectations, and allow exchange rates to absorb external shocks.

The IMF stressed that broadening energy sources will be key to strengthening resilience and ensuring sustainable economic stability across Asia.