

# FROM CHOKEPOINTS TO CHOICES

Why recent energy disruptions make renewables a strategic imperative

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## 1- WHAT'S IMPACTED

### GLOBAL

- ▶ **Global energy system** suffering from a dependency on handful of geographic chokepoints (e.g. Strait of Hormuz).
- ▶ **Price volatility**, shipping uncertainty, supply-chain disruptions now active variables shaping policy and investment.
- ▶ **Self-sufficiency** - importing nations looking at alternates, leveraging local resources.

### MIDDLE EAST

- ▶ **Exporter outlook:** greater uncertainty around resilience, stability, long-term predictability of oil markets.
- ▶ **Renewables:** treated not only as climate solutions, but as tools of national resilience.
- ▶ **Major producers:** repositioning hydrocarbons within broader industrial and economic strategies.

## 2- TEMPORARY SHIFTS

- ▶ Repurposing of disrupted hydrocarbons (exports) towards domestic applications
- ▶ Renewable sources of energy continue to be seen as a stabilizing force, especially for unpredictable environments.
- ▶ Energy security elevated as immediate policy priority amid price shocks, transport risks.

## 3- STRUCTURAL SHIFTS

- ▶ Importers moving beyond supplier diversification → reducing dependence on imported fuels altogether.
- ▶ Exporters shifting from maximizing volumes to maximizing value per barrel.
- ▶ Hydrocarbons becoming inputs into a diversified, lower-carbon industrial economy.
- ▶ Security of supply no longer sufficient - resilience to shocks and disruptions is now central.

## 4- TAKEAWAYS BY STAKEHOLDER

### ENTERPRISES & VALUE CHAINS

- ▶ Acceleration of oil-to-chemicals and gas-to-chemicals strategies as transport fuel demand faces electrification pressure.
- ▶ Ultra-low-cost solar and wind enabling electrification of industrial processes, lower carbon intensity of chemical production.
- ▶ Renewables protecting exports against emerging carbon border measures.

### GOVERNMENTS / POLICYMAKERS

- ▶ Renewables repositioned as strategic infrastructure, not just transition assets.
- ▶ Localization, domestic value creation, non-oil GDP contribution becoming central project criteria.
- ▶ Renewables developed as part of integrated industrial ecosystems — co-located with hydrogen, petrochemicals, metals, export-oriented manufacturing.

## 5- INVESTMENT OUTLOOK

- ▶ **Downstream:** world-scale petrochemical assets, specialty materials, downstream platforms (Saudi Aramco, ADNOC).
- ▶ **Renewables:** co-located hydrogen, petrochemicals, metals, export-oriented manufacturing.
- ▶ **Enablers:** green hydrogen, storage, grid flexibility, interconnection assets.
- ▶ **Demand-side:** electricity, desalination, cooling, and transport — increasingly electrified.

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