

## Special issue: Impact of the liberalization and capitalization of energy market: a way for emerging countries

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### Introduction

Dealing with the issues on energy markets have become a challenging task for energy players, particularly in the oil and gas sectors. The intensification of their financialization since 2004 had made them more complex but also more integrated with other tradable asset classes. More importantly, their large and frequent fluctuations in terms of both prices and volatility, particularly in the aftermath of the global financial crisis 2008-2009, posit difficulties for gauging energy price behavior and are primary sources of concerns for macroeconomic stability and general economic performance. It is worth noting that the high level of energy market volatility is strongly related to the supply uncertainty, storage constraints, short-term inelasticity of demand, and unexpected macroeconomic and geopolitical changes.

The 2019 World Energy Outlook recently published by the International Energy Agency (IEA) has drawn attention of energy market stakeholders on, at least, three important facts: i) there is still one billion of people worldwide having no access to electricity, which contrasts the willingness of rapid cut in global carbon emissions under the Paris climate agreement to target no more than 2°C increase in global temperature; ii) under the sustainable development goals, more than half of the growth in energy demand projected by the IEA (1% each year towards 2040), due to global economic expansion and rising world population, would be satisfied by low-carbon sources and another third by natural gas; iii) despite the increase in US shale output and the rising share of renewables which both reshape the world energy markets, the global economy still relies heavily on oil production and supply from the Middle East with, as usual, a continuing rise on energy security risk and geopolitical complexity.

The above-mentioned predictions of changes in global energy market, coupled with the increasing economic uncertainty, the intensity of international trade tension and

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climate risk, would lead to significant changes in, not only the behavior of market participants, but also market designs. Rapid transformations of the energy markets are also expected with a move to more sustainable sources, with however uncertain growth patterns. All these factors affect the price formulation and decision-making processes, which makes the energy price modeling and forecasting extremely difficult.

This Special issue aims to advance the on the theories and practices of the impact of the liberalization and capitalization of energy market. A special attention and focus is done on emerging countries. Indeed, in these countries, the economic, social and political role of the energy sector is crucial for their developments.

We selected 6 high-quality articles which investigate the following specific issues: The energy transition; The impact of other financial assets and commodity markets in Middle east region; The study of oil fluctuations and the financial stability in developing countries; The carbon emissions, Income inequality and environmental degradation which a study on Mediterranean countries; Volatility spillover and hedging effectiveness among crude oil and Islamic markets; And the investigation of energy consumption patterns.