

PRESS RELEASE

PRESENTATION OF THE 5TH
 “MED & ITALIAN ENERGY REPORT” OF
 SRM AND ESL@ENERGY CENTRE OF THE
 POLITECNICO DI TORINO

The Report focuses on the impact of geopolitical phenomena and the role of new technologies in energy, especially in the Euro-Mediterranean region.

- Europe has the best ratio of energy consumption to GDP, consuming far less energy than China and also slightly less than the US as a proportion of GDP. The EU, with a total consumption of 58.2 exajoules, generates a GDP of almost \$17 trillion. China, which has the same GDP, consumes almost three times as much energy (159.4 exajoules), while the US is in the middle, consuming 95.9 exajoules to generate a GDP of \$25 trillion.
- With an average of 55.5% of energy imports, Europe has the largest energy dependency among big economies. From this perspective the only totally self-sufficient country is the USA. China has 20% of energy import.
- Europe has changed the composition of its generation mix over the last 20 years. The use of coal has dropped from 31% to 16%, while natural gas has grown significantly from 12% to 20%. The most important rise has happened in renewable energies that have increased from 15% to 38%. Before the beginning of the war (2021) Russian gas accounted for more than 41% of total EU gas imports. In the first 9 months of 2023, Russian gas imports stood at 6% of the total for the EU.
- Europe: Increasing role played by Liquefied Natural Gas (LNG): from 2021 to 2023 there has been a growth of supplies from the US and Algeria, from 26% to 30% for the former and from 11% to 15% for the latter.
- Strategic role of maritime chokepoints: 20% of the world's oil trade passes through the Strait of Hormuz while 10% of the world's oil traffic and 8% of LNG flows through the Suez Canal. More than 26 million barrels of oil per day pass through these two passages.
- Med area: the Northern and Eastern shores rely on the Southern for 18% and 27% of their overall imports of crude oil and gas, respectively.
- Med area & Renewables: RES development on the three shores show stark differences. In fact, out of 309 GW of renewable installed capacity in the Mediterranean, 76% is located in the Northern shore only, 18% in Turkey, and only 3.6% in the entire Southern shore.
- In 2022, Italy demonstrated impressive efficiency in its economic output relative to energy consumption. With a total energy consumption slightly exceeding 6 Exajoules, the country achieved a GDP of \$2 trillion. Notably, Italy surpassed the European average in the GDP/total energy consumption ratio, aligning itself with major manufacturing competitors such as France (8.4 Exajoules with a GDP of \$2.8

trillion) and Germany (12.3 Exajoules with a GDP of \$4.1 trillion).

- Among the major European countries, Italy shows the highest level of energy dependency: 73.5%, followed by all the other big EU economies. France, which uses nuclear power, is the country with the lowest dependency at 44.2%.
- Italy significantly increased the use of gas and renewables for electricity production which are now the two most important ways to produce electricity (accounting for 54% and 35% of the electricity mix, respectively).
- Italy: Russian gas imports from the TAG pipeline arriving in Tarvisio decreased from 28.4% in 2020 to 2.4% in the first 10 months of 2023. While gas imports from Algeria via the Transmed pipeline arriving at Mazara del Vallo increased from 12% in 2020 to 20.2% in the first 10 months of 2023. A real Algeria-Russia substitution effect. Which was also a shift of the energy barycentre from the EAST to the SOUTH, thus restoring centrality to the Mediterranean.
- Green technologies require significant amount of critical raw materials: for example, an electric car contains six times the amount of minerals used in a conventional car. These raw materials are concentrated in a small number of countries. The highest country shares are related to Congo for cobalt (66%), Australia for lithium (54%), China for natural graphite (65%) and rare earths (65%), and South Africa for platinum (72%).
- Italian ports can actively contribute to global decarbonisation efforts because they are fossil fuel terminals, pipeline outlets, and close to energy-intensive industries.
- Projects focused on innovation, bolstering the industrial supply chain, and reducing pollution are seamlessly intertwined with the substantial energy focus that the Italian port sector has consistently demonstrated: 34% of port traffic is liquid bulk (over 169 million tonnes in 2022).

Brussels, 6th December 2023 – The Fifth **MED & Italian Energy Report**, which this year is named “Geopolitics of energy in the Mediterranean area between international crises and new energy commodities”, has been presented today at the European Parliament. This research endeavour is made with support from **the Fondazione Compagnia di San Paolo** and is the product of collaboration between **SRM** (research centre linked to Intesa Sanpaolo Banking Group) and the **ESL@Energy Centre of the Politecnico di Torino** with the participation of the Matching Energies Foundation.

The event was under the patronage of the **MEPs Tiziana Beghin, Patrizia Toia and Marco Zanni**, and was organised with the cooperation of the Brussels-based **European Regulatory and Public Affairs Office of Intesa Sanpaolo**.

The special feature of this year's is the launch of a specific strand of analysis dedicated to **the interactions between geopolitics and energy**. The focus is once again on the energy framework of the Mediterranean, its possible evolutionary scenarios and impacts, not only

in environmental and socio-economic terms, but this year also with reference to emerging energy technologies, with the intention of supporting science-based decisions at various levels and for different stakeholders. This Report also includes a focus on maritime transport.

After a welcome address by the three MEPs and the Head of European Regulatory and Public Affairs of Intesa Sanpaolo, **Francesca Passamonti**, there was the introductory speech by **Francesco Profumo**, President of Compagnia di San Paolo and ACRI.

The 2023 Report was presented by **Massimo Deandreis**, General Manager SRM, and **Ettore Bompard**, Scientific Director ESL@ Energy Center, Politecnico di Torino.

This was followed by a roundtable discussion titled '*Geopolitical security and sustainability towards the energy transition*' with the opening speech of **Stefano Grassi**, Head of Cabinet to Kadri Simson, EU Commissioner for Energy.

The results illustrated were discussed in a round table by the speakers present: representatives of Italian and European institutions, international trade associations, representatives of the energy industry and energy-related infrastructures. **Guido Saracco**, Rector of the Politecnico di Torino, has provided his final thoughts based on the discussion.

The proceedings were concluded by Ambassador Deputy Permanent Representative of Italy to the EU, **Stefano Verrecchia**.

For more details:

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