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THE MEDITERRANEAN ENERGY FUTURE IS BRIGHT IF ACTION IS TAKEN NOW

14 December 2011 Paris --- OME (Observatoire Méditerranéen de l'Énergie) launches its flagship publication *Mediterranean Energy Perspectives 2011* (MEP 2011) at EdF headquarters in Paris.

MEP 2011 is the third publication of MEP series and provides up to date information on the energy situation in the Mediterranean region today and outlook over the next two decades.

Overall energy demand is spurred by economic and population growth, especially in Southern Mediterranean countries. Prospects for the Mediterranean depend largely on the policies and measures authorities will put in place in order to manage this thriving energy demand.

Without strong efficiency measures and increased efforts to deploy renewable energy sources (RES), over the next two decades Mediterranean energy demand could increase by 40%, further burdening the region in terms of import dependence and exacerbating environmental concerns: an unsustainable and costly path.

While Mediterranean energy demand is, and will remain, heavily dependent on fossil fuels, efficiency measures and further deployment of renewable sources could bring the import dependence of the region down to a quarter of the energy mix from nearly half today and the South could double its export potential.

The Mediterranean is moving to a gas era. Natural gas will overtake oil as the dominant fuel in the energy mix by 2020 though oil will remain largely unchallenged in the transport sector.

Coal demand is set to decline but could gain momentum in the South if RES were not sufficiently deployed. Nuclear is under discussion now. RES will be the fastest growing source in the upcoming decades and could account for 11% to 16% of total primary energy supply by 2030.

Electricity demand is expected to climb at more than 2.8% per year on average to 2030; nearly 5% in the South. To sustain the upcoming demand, the Region would need to add around 380 GW of power generation capacity by 2030.

Renewable sources will break through into the power generation sector representing from 42% to 53% of total installed capacity in 2030. Wind and solar will be the fastest growing technologies.

Over the next twenty years, the Mediterranean will need around 715 billion euros to build this capacity, over 35 billion per year. A more efficient path would be overall cheaper despite the introduction of more costly technologies. Sparing gas in favour of renewable sources would enable South producing countries to significantly increase their exports and associated revenues.

Energy-related carbon dioxide emissions are projected to increase across the Mediterranean region. Yet carbon intensity is expected to decrease in all of the sub-regions over the outlook period to 2030. This is a positive indicator of moving towards lower carbon economies in both the North and South although important disparities remain between the sub-regions as well as the countries. Under current trends, CO₂ emissions would increase by 40% by 2030 while, a more efficient and green path would spare over 600 Mt, 20% less in 2030.

Water scarcity is looming in the region. There is urgency for better water management measures and for new sources (water desalination) to avoid a major crisis in the long term. However, water desalination requires large amounts of energy, which would burden the energy demand further.

While European nations are developing energy resources within their own borders, there is increasing interest to import natural gas and oil from Mediterranean producers and to tap into the South's vast undeveloped solar and wind resource potential. Today the direct energy links between the South and North shores are for hydrocarbons but grand schemes are under consideration to develop large-scale electricity inter-connections that could lead to a Mediterranean Ring power pool.

Although it is too early to determine how the striking political changes and the financial crisis will influence energy matters, efforts to reduce subsidies, strengthen infrastructures, expand trade and open markets to investors would have a significant impact on the energy landscape in the years ahead.

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OME is a private non-profit Association gathering the leading energy companies from the entire Mediterranean Region. With a 20-year track record, OME provides advice and perspectives on regional energy issues.

For more information about MEP or OME please contact Mrs. Aicha Amara.