UfM Gas Platform

Press Release

Consensus at the UfM Gas Platform conference in Paris that natural gas will play a crucial role in the Mediterranean's journey towards net zero

Paris, 8 March 2024 — Doubts about the future of natural gas in the coming decades are unfounded as its role as a transitional fuel in the energy mix will be essential to 2050 and beyond

On 5 March, the UfM (Union for the Mediterranean) Gas Platform conference took place at the Park Hyatt Paris-Vendôme hotel. Organised by the newly-christened Organisation Méditerranéenne de l'Énergie et du Climat (OMEC, formerly OME), as Secretariat of the Platform and with the support of the European Commission, the event examined both energy security and climate challenges through the lens of **the Role of Gas in the Mediterranean Energy Transition.** Over 100 delegates, online or in person, from institutions and the industry from more than 20 countries of the Euro-Mediterranean region contributed to the success of the event.

Postponed from December 2023 due to the ongoing crisis in the Eastern Mediterranean, the conference's speakers were united in stressing the urgent need to reestablish lasting stability in the region. For H.E. Walid Fayad (Minister of Energy and Water, Lebanon), geopolitical security is indeed a prerequisite for achieving energy security and a just energy transition — as demonstrated by the ongoing repercussions of Russia's invasion of Ukraine. In a video message, H.E. Tarek El Molla (Minister of Petroleum and Mineral Resources, Egypt) highlighted that, despite the uncertainties and recent turbulences worldwide, it is our collective role now to ensure that the needed energy is available and sustainable to support economic development and prosperity in the region in ways that are more responsible, environmentally friendly and with reduced impact on the climate.

Amid such unpredictability, there was certainty among speakers that natural gas will be among the best solutions for moving towards a net-zero future in the coming decades, while ensuring a reliable energy supply and also supporting the economic development and livelihood of people in the region. But, as recalled by Maria Cristina Lobillo-Borrero (Director - Energy Platform Task Force, DG ENER – EC), while the EU will still need gas in the future, it will need less and produced in a cleaner way. A trend accepted by the neighbouring Mediterranean countries. Reduction of methane emissions is part of the energy transition process and necessary for imports of gas to the EU to be maintained.

Although the shift from fossil fuels to renewable energy will undoubtedly rely on natural gas as a transitional fuel, an ecological transition also necessitates a curbing of demand through significant energy savings and better energy efficiency. OMEC's Mediterranean Energy Perspectives report underlined the anticipated boom in the Southern Mediterranean's population and GDP by 2050, which will result in a projected 30% increase in the energy demand across the Mediterranean by that time. Against the backdrop of climate change and the urgent need to reduce the current energy demand in the region by at least 20% (or, if the current demand continues, 37%) by 2050 to meet net-zero targets, it is essential to see the demand for oil and coal to be drastically reduced, and for gas to decrease by half. In any scenario, there is unanimous agreement that natural gas will continue to act as a reliable back-up to renewable energy and as a necessary fuel for high-temperature industrial processes, while also providing necessary revenue streams.

Importantly, the paths to achieving net zero will be different for the Southern and Northern Mediterranean regions. While the North maintains its downward trend in energy demand in line with its declining population and continue to substitute fossil fuels for renewables, the South's demand will inevitably increase with its growing population and economy, as will its need for gas by 2050 and beyond. The overall curb in fossil fuels across the Mediterranean as a whole must also be combined with a five-fold increase in renewables for power generation by 2050, as well as a major shift towards electrification, and a disruptive transformation of the transport, industry, and building sectors.

New resources and technologies will play an important role in the region's energy transition. Europe's burgeoning biomethane and biogas production has the potential to reduce CO2 emissions in an affordable and scalable way, and to reduce dependency on natural gas from third countries, particularly when we look beyond Germany and France to the potential of available abandoned and non-fertile land across the wider Mediterranean. Projecting further forward, hydrogen is expected to be an important element in the decarbonised energy mix of the future, representing an exciting opportunity for pioneering countries like Egypt and Morocco. While experts remain divided on the achievability of the EU's ambitious target to produce ten million tons of hydrogen and to import the same quantity by 2030, they agree that the industry needs a common regulatory framework to facilitate bi-lateral partnerships, and a significant scale-up of existing production infrastructure and financing to see prices come down.

Regional cooperation was a recurring theme of the discussions. OMEC Chairman Lapo Pistelli praised the Southern Mediterranean's growing autonomy in carving its own future independently of Europe, while encouraging the sentiment of friendship in regional partnerships that will be essential for attracting the trillions of dollars of investment needed to ensure a just and orderly energy transition. Net-zero targets can only be achieved through a holistic view of energy systems, and strategic and regulatory synergy across the Mediterranean.

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Initiated in Malta in July 2014, confirmed in Rome in November 2014 and launched in June 2015, in Brussels, the objective of the UfM Gas Platform is to enhance the cooperation in the Euro-Med. region between all stakeholders of the gas chain, in a bottom-up approach to improve gas security by identifying barriers and opportunities. The "Organisation Méditerranéenne de l'Energie et du Climat" (OMEC) runs the Platform's secretariat in close coordination with the UfM co-presidency.

The UfM Gas Platform is one of the three UfM Energy Platforms (the two others are on regional electricity market and on renewable energy and energy efficiency) established by EU Energy Ministers, Ministers of Southern and Eastern Mediterranean countries, and the European Commission to further strengthen regional cooperation in the Mediterranean for ensuring secure, affordable and sustainable energy for the region and beyond.

More information about the UfM Gas Platform available at https://www.ufmgasplatform.org/