



## INTERDEPENDENCE SERVES GOAL OF MUTUAL ENERGY SECURITY

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**E**nergy access and use is a key driver for mankind's development, mainly in terms of mobility and transportation, industrial production, heating and cooling, and electrical supply. However, the world's growing energy needs also imply facing the related environmental impact and the security implications, for both producer and consumer countries.

Currently, two main big shifts are occurring in the world energy system: the first concerns the sources of consumption, since the demand of energy is coming more and more from emerging-market economies, China and also India, in the first place.

The second is related to the worldwide concern about the environmental impact of energy use; growing pressure is moving the policy and technology orientation away from fossil fuels and towards low-carbon technologies.

Moreover, recent political instability in the Middle East and Northern Africa, key areas for energy supply, need careful monitoring to assess their implications as the situation evolves and creates so much uncertainty.

Energy security is a global good: we have moved away from a vision of energy security as a "zero-sum game", since security of producers and consumers, of more or less industrialised countries that are richer or poorer in terms of energy resources, rely on each other and cannot thus be considered separately. Hence, we are progressively shifting towards a concept of energy security as a global good.

In this sense, Italy has favoured international cooperation on energy price transparency, in order to address price volatility, and promoted the creation of various international platforms for low-carbon technologies as well as actions against energy poverty in Africa.

Therefore, Italy has fully supported initiatives such as the International Energy Forum (IEF), fostering cooperation between energy producer and consumer nations, and which should address the concerns of producer countries, that have emerged in past years, and the recent ones related to low energy prices and changed market conditions.

Italy has long been pursuing a policy of diversification of energy suppliers, so that nowadays its energy system is relatively diversified. In fact, to strengthen energy security and safety, routes are no less important than the origin of energy products. Therefore, diversification should apply not only to suppliers of oil and gas, but also to pipelines and transport routes. Italy has developed a model of interdependence - rather than pure dependence - with supplying countries, in order to make bilateral relations

with these countries more "sustainable" in the long term, by balancing the supply of natural (primarily energy) resources with export of other products and technology transfers and investments, which are necessary to its partners especially to improve their upstream capacity. This pattern has the merit of both strengthening the negotiating position of Italy as a potential energy "hub" and creating a mutually beneficial relation between energy companies on the two sides. This takes into account the "asymmetries" of the energy market, namely the different nature of the actors involved (public-owned or State-run in supplying countries and mostly private in importing countries in Europe).

Concerning natural gas, recognising its role as a transition fuel towards a low carbon energy system, the Italian strategy is to enhance its strategic position for gas supplies, given the existing and planned transport infrastructure. Italy intends to play an increasing role as "energy hub" between Africa, Central and Eastern Europe and Asia, thus enhancing energy security for Europe and the Mediterranean basin. In fact in the context of energy security, the role of natural gas and Liquefied Natural Gas (LNG) is crucial at global level as it provides security and diversification of supply, fosters competition and offers considerable potential for reducing CO<sub>2</sub> emissions in the power sector as well as in the transport sector (also in maritime use).

The Ministry of Economic Development is about to launch the Italian National Strategy for LNG in the transport sector. We are working to improve fuel quality, energy efficiency and emissions performance of heavy-duty vehicles with the contribution of alternative fuels.

### A special meeting point

In the current world scenario, with low energy prices and high volatility of the markets, Italy believes it is of the utmost importance to try to upgrade the cooperation between the main international energy organisations and entities. The scope is to identify problems more rapidly, through a better sharing of information and understanding, and addressing solutions. The IEF, OPEC, IEA and other relevant fora, should find a common ground to engage in dialogue and exercises to respond to emergencies and to reshape together the global energy governance.

The IEF can serve as a special meeting point between consumer and producer countries, as a driving force towards innovative solutions. In conclusion IEF should "test" itself by improving its agenda and developing ever more profound themes in the global energy context. ■