

Energy Investment Outlook in SE Europe with Special Reference to Cyprus

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INSTITUTE OF ENERGY
FOR SOUTH EAST EUROPE



The SE European Region Defined



- Core countries**
- Albania
 - Bosnia and Herzegovina
 - Bulgaria
 - Croatia
 - Cyprus
 - Greece
 - Hungary
 - Israel
 - Kosovo
 - Montenegro
 - North Macedonia
 - Romania
 - Serbia
 - Slovenia
 - Turkey

- Peripheral countries**
- Austria
 - Egypt
 - Italy
 - Lebanon
 - Moldova
 - Slovakia
 - Syria
 - Ukraine

SEE Energy Investment Outlook 2021-2030

- ❑ The **investment prospects** in the energy sector of SE Europe over the next 10 years can only be described as **positive**.
- ❑ In terms of planned investments, a group of **five countries (i.e. Turkey, Bulgaria, Romania, Serbia, Greece)** appear to be moving **much faster than others** in attracting the needed investment for a variety of energy projects, while progress in the rest of the countries is moving more slowly.
- ❑ The region as a whole can be considered as presenting **attractive business opportunities in almost all branches of the energy sector**. The present analysis shows that investment in the energy sector will be spread as follows between countries and interregional projects.
- ❑ Compared to investment estimates made in the 2017 edition of IENE's "SEE Energy Outlook", the current estimates for energy related investments in SEE are much higher (+€137.5 billion) for the 13 country reference group, indicating strong interest for investments in the region.

Findings of SEE Energy Investment Outlook Per Country (2021-2030)

Country	Estimated Investment (mn €) 2021 Estimate	Estimated Investment (mn €) 2017 Estimate	GDP growth 2021 (%) IMF World Economic Outlook	GDP growth annual projection to 2025 (%)
Albania	4,500	7,460	5.3	3.5-4.5
Bosnia and Herzegovina	9,400	8,722	2.8	3-3.2
Bulgaria	47,000	11,050	4.5	3.1-4.5
Croatia	21,000	8,525	6.3	3.2-5.8
Cyprus	16,200	7,350	4.8	2.7-3.6
Greece	44,400	23,300	6.5	1.5-4.6
Hungary	25,300	-	7.6	2.6-5.1
Israel	39,300	-	7.1	3.2-4.1
Kosovo	7,400	2,605	4.8	n/a
Montenegro	4,600	2,400	7.0	2.9-5.6
North Macedonia	10,400	3,400	4.0	3.6-4.2
Romania	50,100	20,630	7.0	3.6-4.8
Serbia	15,200	11,260	6.5	4.0-4.5
Slovenia	12,100	3,185	6.3	2.9-4.6
Turkey	130,000	124,935	9.0	3.3
TOTAL	436,900	234,822		

NB. Hungary and Israel were not included in the 2017 SEE Country Survey and hence no estimates have been prepared by IENE.

Findings of SEE Energy Investment Outlook Per Sector (2021-2030)

	Project sector	Description	2021 Investment estimate (€ mn)	2017 Investment estimate (€ mn)*
OIL	Upstream	<ul style="list-style-type: none"> Field Exploration Development of new oil and gas wells 	63,000	38,790
	Downstream	<ul style="list-style-type: none"> Refining (upgrading) Loading Terminals Storage facilities Crude / Product Pipeline(s) 		
GAS	Country Gas Network	<ul style="list-style-type: none"> Grid development Main intra country pipeline(s) Storage facilities FSRU and LNG Terminals 	25,150	16,550
ELECTRICITY	Power Generation	<ul style="list-style-type: none"> Lignite Coal Gas (including CHP) Nuclear Large Hydro 	150,150	139,550
	Electricity Grid	<ul style="list-style-type: none"> New H/V transmission lines Upgrading and expansion of existing grid 		
	RES	<ul style="list-style-type: none"> Small Hydro Wind farms Photovoltaics Concentrating Solar Power Biomass (including liquid biofuels) Geothermal 	109,900	40,009
ENERGY EFFICIENCY		<ul style="list-style-type: none"> Buildings Industry Electric vehicles 	88,700	-
	Total anticipated investments by 2021-2030		436,900	234,822
	Gas infrastructure		23,303	33,350
	Electricity Interconnections		8,440	4,700
	Cross-border energy projects (total)		31,743	38,050
	Grand Total		468,643	272,872

*(1) This estimate refers to Scenario A as stated in SEE Energy Outlook 2016/2017, p. 1123-1124.

(2) No investment estimates for Energy Efficiency applications were provided in the SEE Energy Outlook 2016/2017.

The Position of Cyprus in the Eastern Mediterranean



Οι Βασικοί Ενεργειακοί Επενδυτικοί Άξονες της Κύπρου

- Αναβάθμιση, εκσυγχρονισμός και επέκταση δικτύων ηλεκτρικής ενέργειας (μεταφορά και διανομή)
- Νέες θερμικές μονάδες παραγωγής ηλεκτρισμού (με φυσικό αέριο)
- Διεθνείς ηλεκτρικές διασυνδέσεις (EuroAsia Interconnector, EuroAfrica Interconnector)
- Ανανεώσιμες Πηγές Ενέργειας (φωτοβολταϊκά και αιολικά πάρκα, υπεράκτια αιολικά, αποθήκευση ενέργειας με ηλεκτρικές μπαταρίες)
- Ενίσχυση συστημάτων διεσπαρμένης παραγωγής ηλεκτρικής ενέργειας από ΑΠΕ
- Βελτίωση ενεργειακής αποδοτικότητας (κατοικίες, επιχειρήσεις, βιομηχανία, μεταφορές)
- Εγκατάσταση τερματικού LNG στο Βασιλικό και κατασκευή χερσαίων έργων υποδομής
- Δημιουργία δικτύου φυσικού αερίου στην Κύπρο (κύριοι αγωγοί και δίκτυα)
- Συνέχιση προγράμματος ερευνών υδρογονανθράκων εντός Κυπριακής ΑΟΖ
- Εκμετάλλευση βεβαιωμένων κοιτασμάτων για παραγωγή πετρελαίου και φυσικού αερίου

Energy Investment Outlook Per Sector in Cyprus (2021-2030)

	Project sector	Description	Investment estimate (€ mn)
OIL	Upstream	<ul style="list-style-type: none"> Field Exploration Development of new oil and gas wells and associated infrastructure 	8,200
	Downstream	<ul style="list-style-type: none"> Loading Terminals Storage facilities 	
GAS	Gas Network	<ul style="list-style-type: none"> Grid development Main intra country pipeline(s) Storage facilities FSRU Terminal 	800
ELECTRICITY	Power Generation	<ul style="list-style-type: none"> Gas (including CHP) 	1,200
	Electricity Grid	<ul style="list-style-type: none"> New H/V transmission lines Upgrading and expansion of existing grid 	
	RES	<ul style="list-style-type: none"> Small Hydro Wind farms Photovoltaics Concentrating Solar Power Biomass (including liquid biofuels) 	1,000
ENERGY EFFICIENCY		<ul style="list-style-type: none"> Energy upgrading of buildings/transport 	5,000
Total anticipated investments by 2030			16,200

Sources of Finance

- The **main sources of finance** for planned energy infrastructure projects in SE Europe include:
 - Government/own resources
 - International Financial Institutions (IFIs)
 - European Commission
 - European Bank for Reconstruction and Development (EBRD)
 - European Investment Bank (EIB)
 - World Bank
 - German government-owned development bank KfW
 - European Western Balkans Joint Fund (EWBJF)
 - International Development Association (IDA)
 - Commercial banks/private investors
 - Financial facilities for investments in energy efficiency and renewable energy



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The background of the slide is a dark blue, stylized representation of a globe. Overlaid on the globe are numerous glowing blue lines that form a complex, interconnected network, symbolizing energy transmission or a global network. The lines are thicker and more prominent in some areas, creating a sense of depth and movement.

*Thank you
for your attention!*

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