



12th SE Europe Energy Dialogue

“ In Search of a New Energy Direction “

Serbia and Western Balkans at the crossroads

Mihailo Mihailović, Serbia

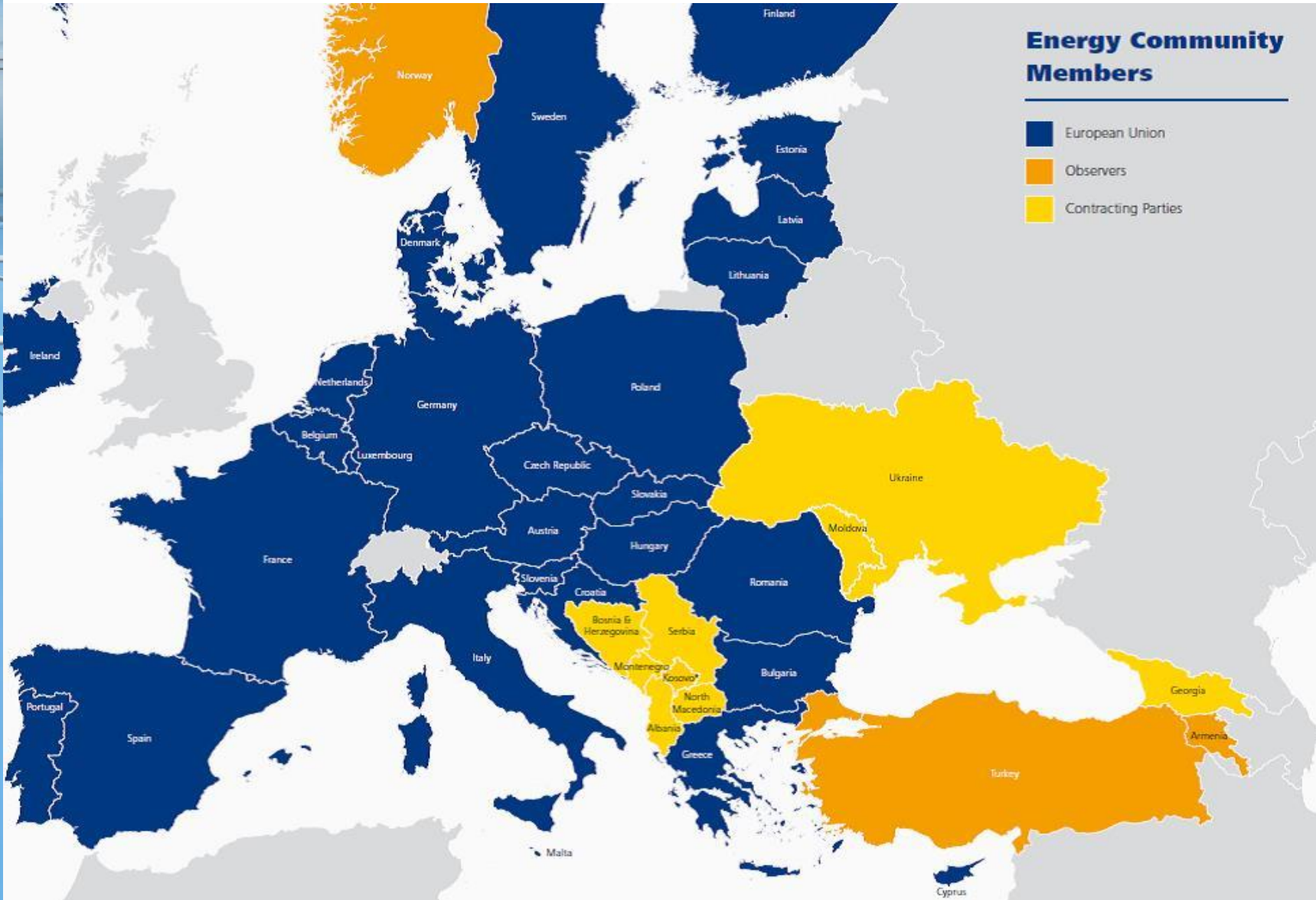
Athens, December 9 - 10, 2020

From Yugoslavia to Western Balkans



SE Europe
Energy Dialogue

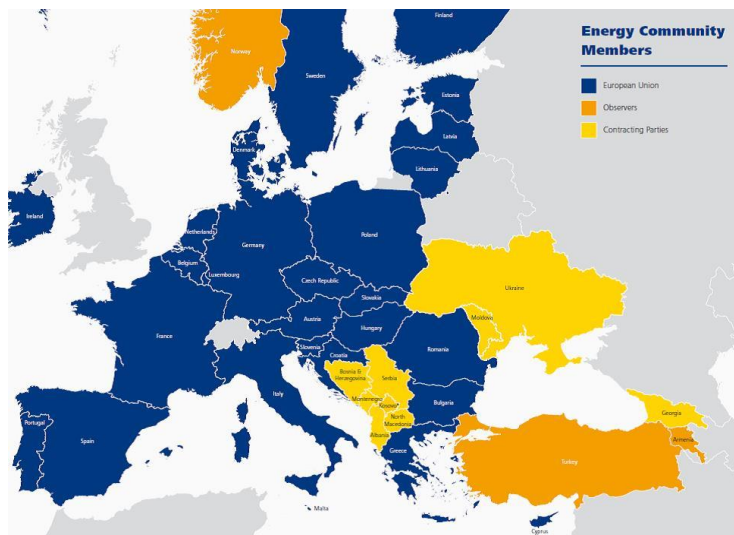
12TH



From Yugoslavia to Western Balkans and beyond

- National states in transition from socialism to market economy
- Mini Schengen comprising Serbia, Albania and North Macedonia
- Regional economic zone - Promotion of cross-border trade and commerce
- Common Regional market towards economic integration
- From national states to some kind of regional entity, an EU affiliate
- Natural gravity to Belgrade as the center
- From Western Balkans to EUgoslavia? A new experiment ?

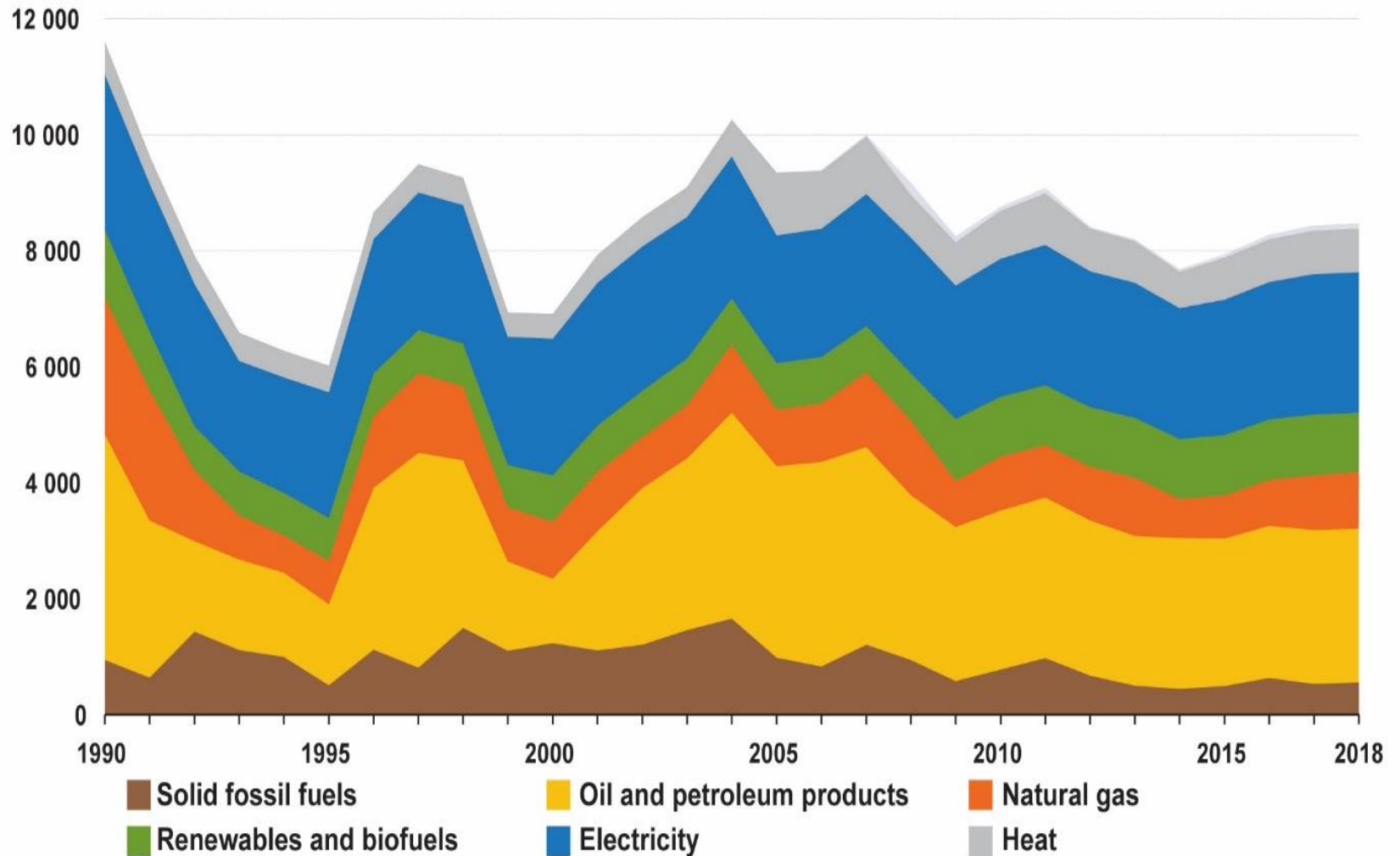
RCC - Regional Cooperation Council slogan: good. better. **Regional.**





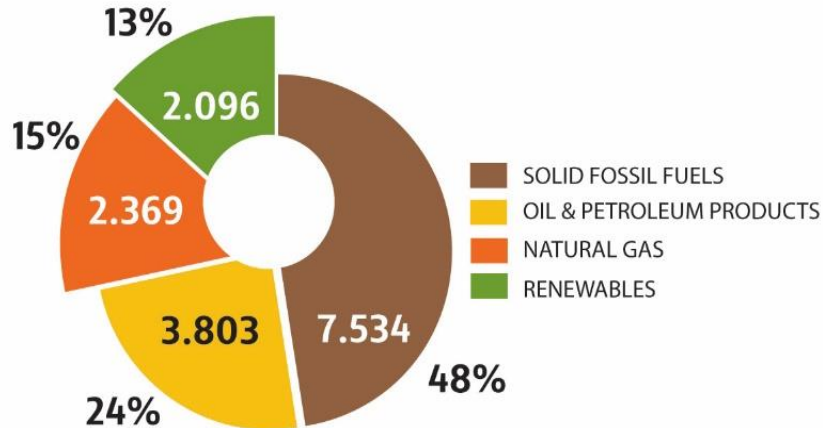
Serbia Historical circumstances

Serbia – Final energy Consumption 1990-2018 (ktoe)

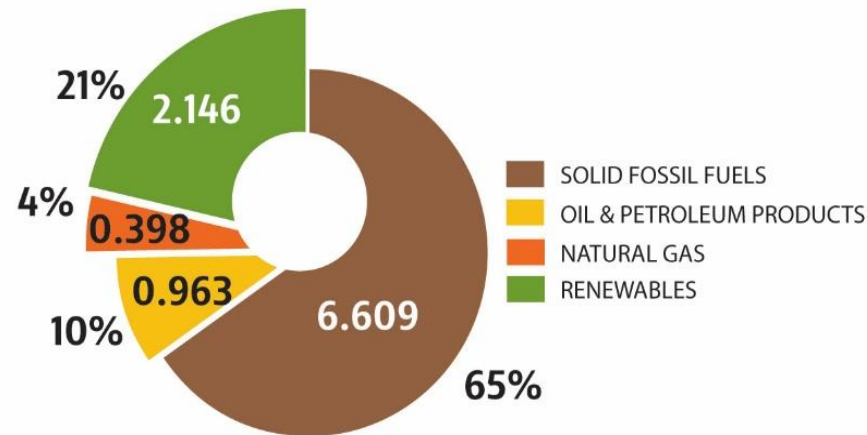


Source: Eurostat

Serbia Energy Import dependence



Primary Energy Consumption
15,802 Mtoe - 2018



Primary Energy Production
10,116 Mtoe - 2018

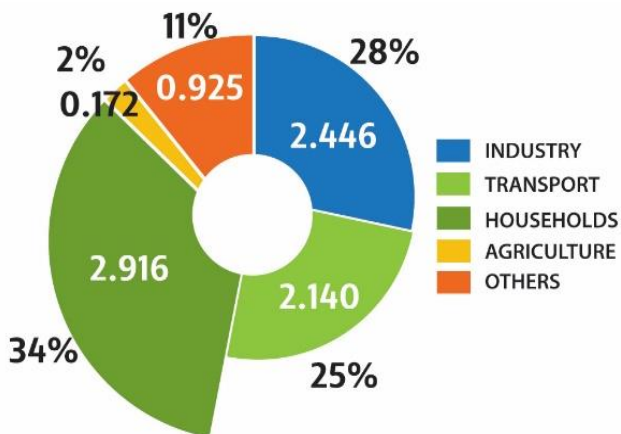
Source: SORS, Statistical Office of the Republic of Serbia

The average energy import dependency ratio for Serbia is in the range of 30-35% (average EU 28 - 53 %).

For 2018, energy import dependence equalled to 35.30 % (coal 10.13 %, oil and petrol products 76.70 %, natural gas 82 %).

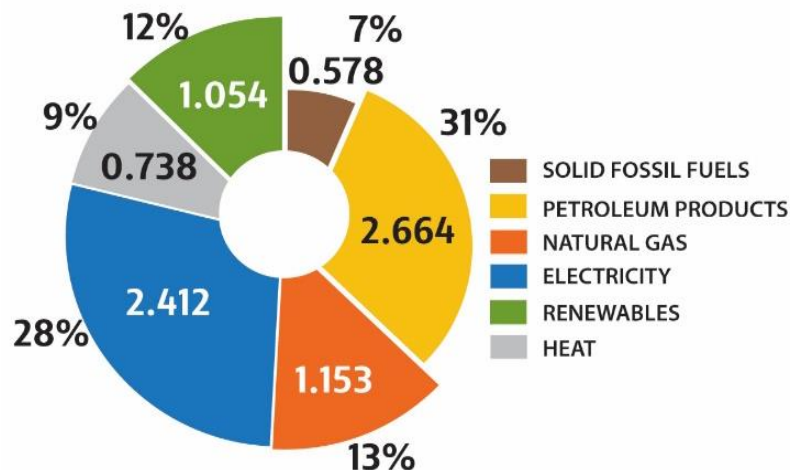
Serbia's energy import expenses for 2018 were around 2 Bill.€.

Serbia - Final Energy Consumption

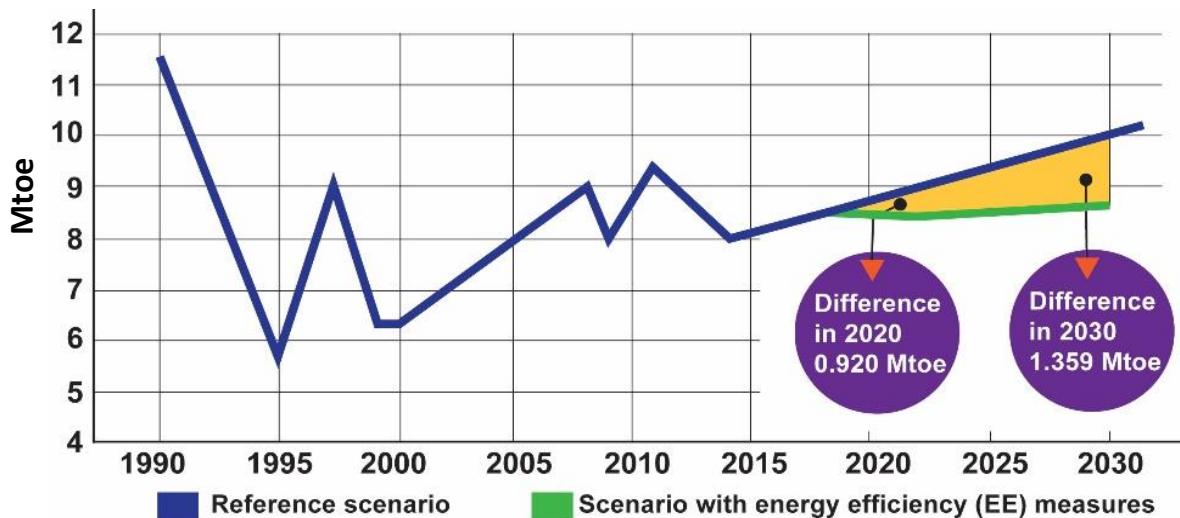


Final energy Consumption by Sector
8,599 Mtoe - 2018

Source: SORS, Statistical Office of the Republic of Serbia



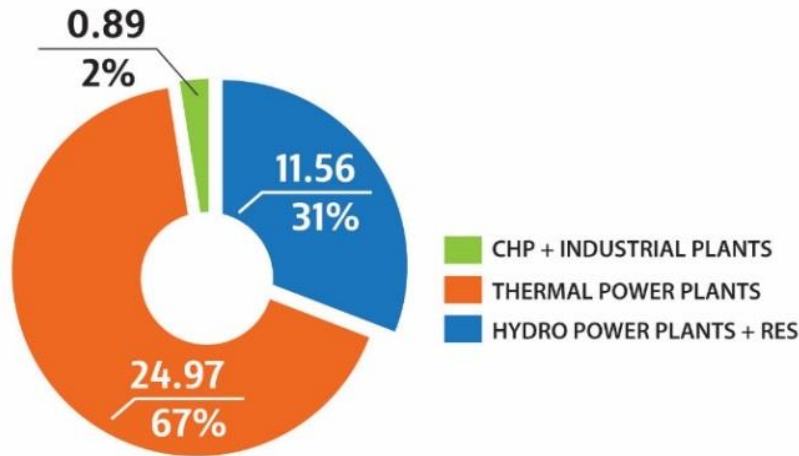
Final energy Consumption by Fuel
8,599 Mtoe - 2018



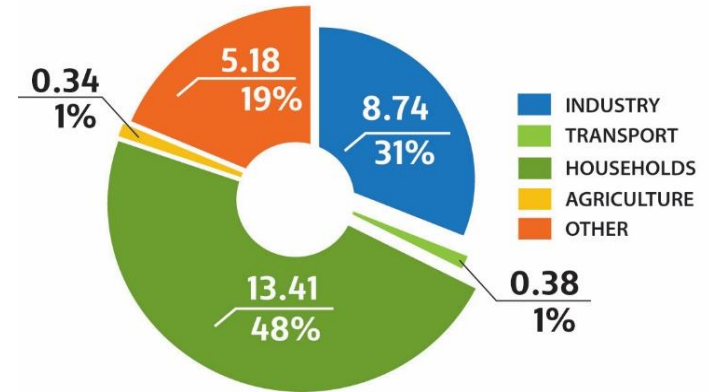
Source: Energy Sector Development Strategy of the Republic Serbia 2025-2030

Serbia Electricity production from installed 7905 MW

TPP - 4415 MW RES - 3490 MW

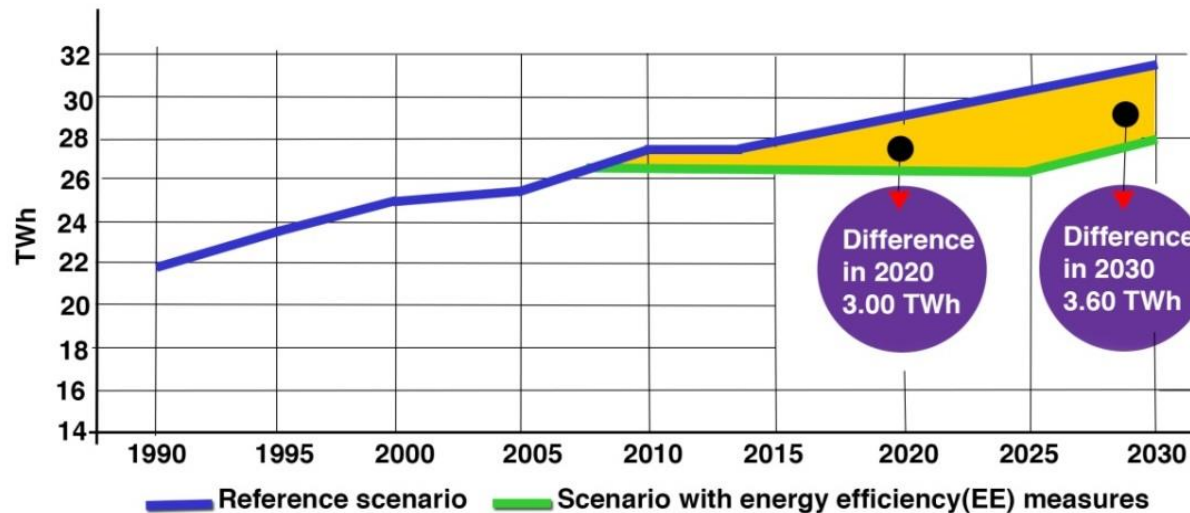


Gross Electricity Generation
37,42 TWh - 2018



Final Electricity Consumption
28,05 TWh - 2018

Source: SORS, Statistical Office of the Republic of Serbia



Source: Energy Sector Development Strategy of the Republic Serbia 2025-2030



Serbia- Natural Gas routes



PROJECTS

BALKAN STREAM

- Turkish Stream Extension
- Bulgaria - Serbia - Hungary
- Zajecar - Horgos
- 403 km in Serbia
- 12,87 bcm/y
- 4 Exits in Serbia
- Mid 2021

INTERCONNECTOR SRB-BUL

- Nis - Sofia
- Length 171 km
- 1,8 bcm/y
- Mid 2022

FUTURE PLANS

- Interconector SRB - ROU
- Mokrin - Arad, 1 bcm
- Interconector SRB - CRO
- Futog - Sotin, 1,5 bcm

National Challenges in the WB and SEE

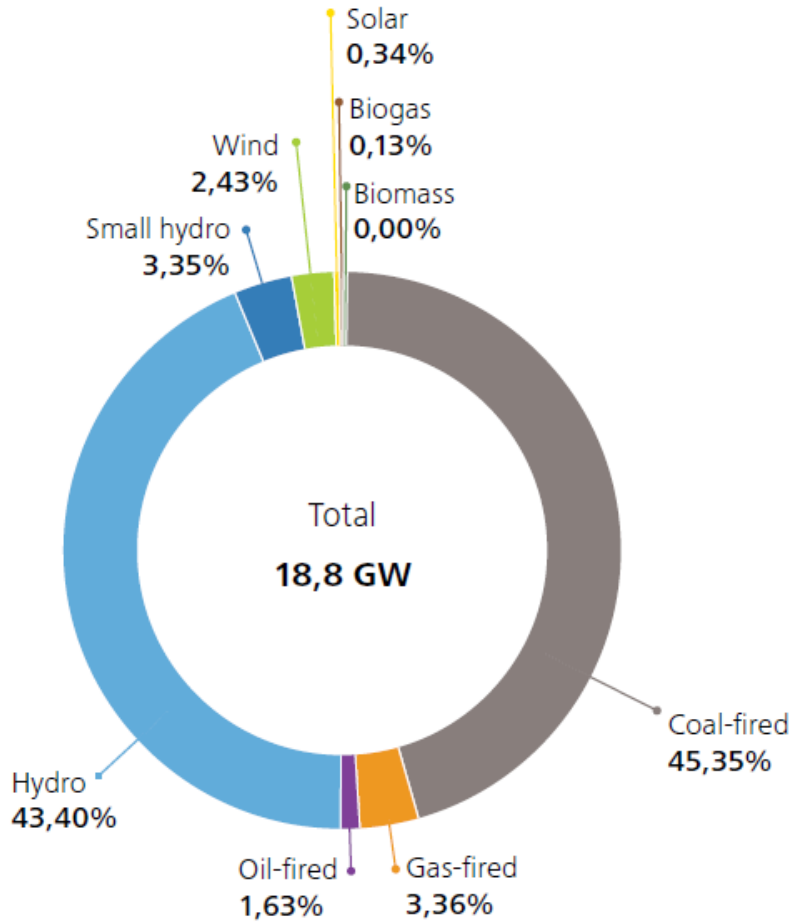
The World Energy Council's Energy Trilemma Index 2020

Country	Global Ranking	Energy Security	Energy Equity	Environmental Sustainability
Hungary	12	10	25	27
Slovenia	14	19	30	26
Croatia	23	20	39	25
Romania	25	3	62	17
Bulgaria	27	9	43	38
Israel	38	76	10	58
Greece	39	70	36	37
Albania	43	83	53	4
North Macedonia	46	59	40	51
Cyprus	57	104	32	57
Turkey	58	59	53	62
Montenegro	59	77	64	38
Serbia	60	39	67	74
Bosnia & Herzegovina	71	56	75	77

Source: Global WEC Energy Trilemma Ranking 2020 (out of 108 countries)

In order to provide energy under adequate security, quality and affordability standards some of the considered countries have been facing the cost of environmental sustainability.

WB6 - Installed Electricity Generation (%)

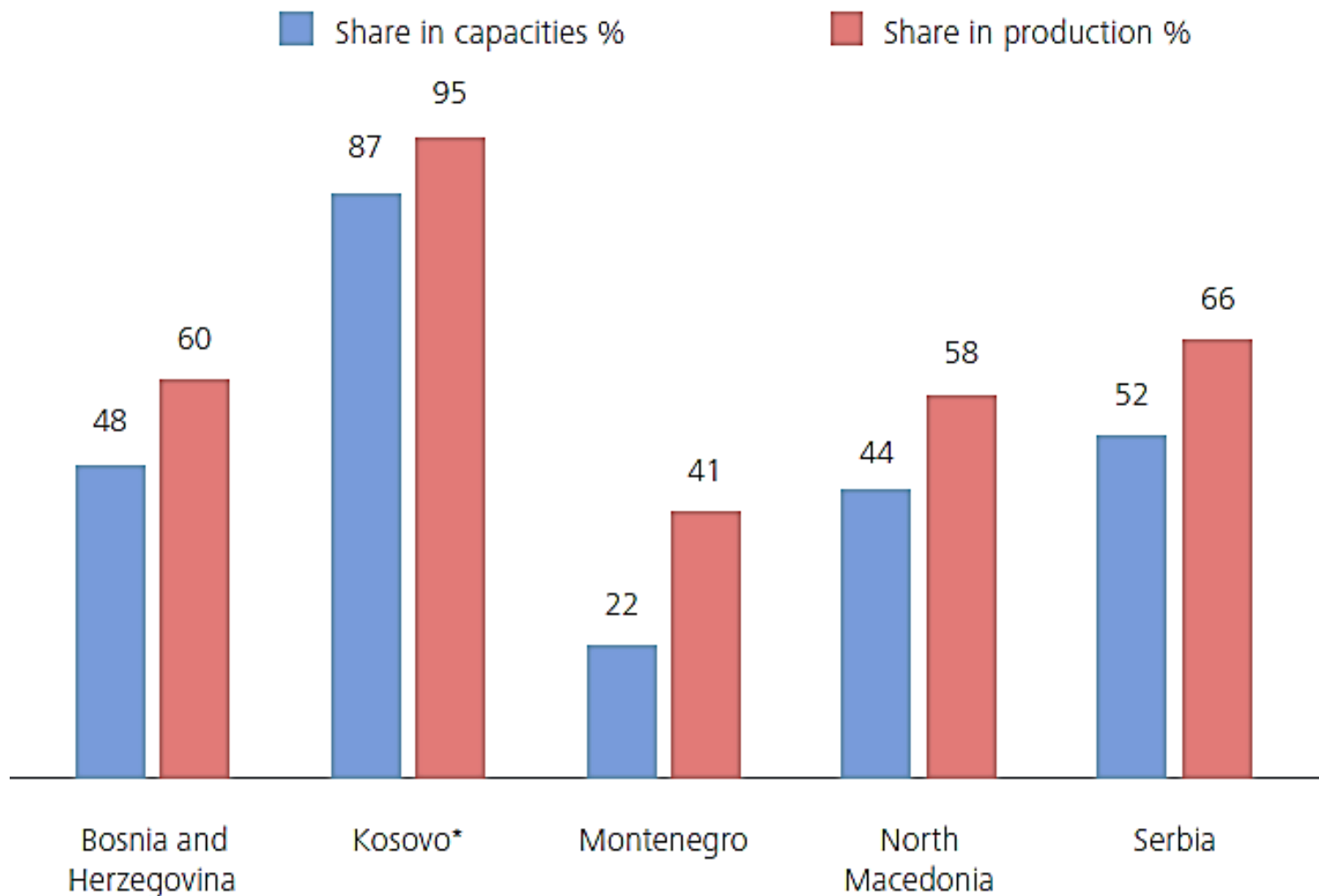


Generation mix - 18,8 GW
Coal-fired power plants 45 %
Oil and Gas power plants 5 %
Large Hydro Plants 44 %
Other Renewables 6 %

Source: compiled by the Energy Community Secretariat

In energy-climate transition and inevitable reforms in electricity production, national energy systems have to meet carbon emission pricing, eliminates state subsidies and implement LCPD, IED, RED, EED and other directives.

WB - Share of Coal in the electricity generation

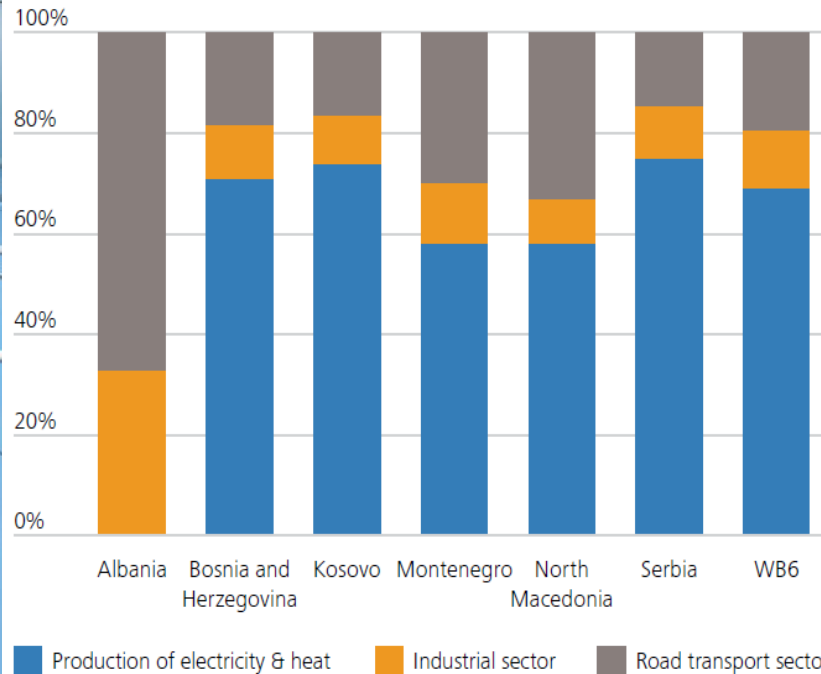


Source: Based on national regulatory authorities' reports

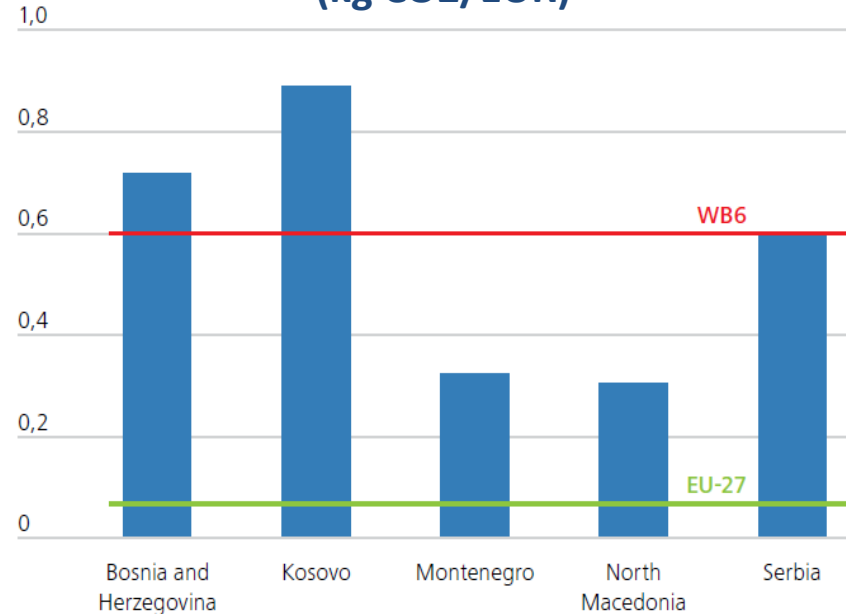


CO₂ Emission in WB6 - 2018

CO₂ emission per sector



CO₂ emissions from power sector per GDP (kg CO₂/EUR)



Source: Compiled and calculated by the Energy Community Secretariat

About 70% of total emission in WB6 is coming from electricity and heat production.

Carbon emission footprint in WB6 is critically higher than average in EU 27.

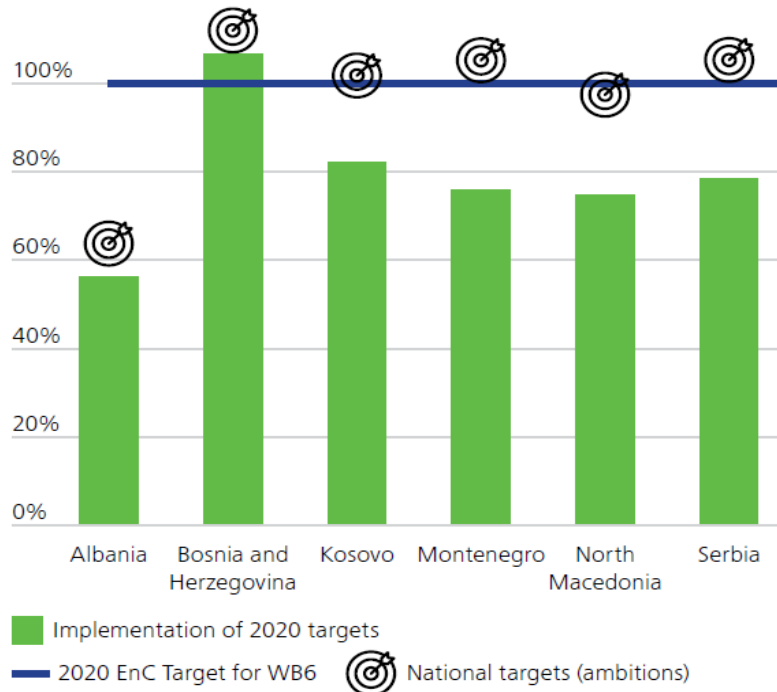
In electricity sector carbon emission relative to GDP, the WB6 on average emit eight times more CO₂ than EU-27.

Gradual Carbon Pricing combined with full market integration, both gas and electricity, is the essential condition for smooth transition to low emission profile.

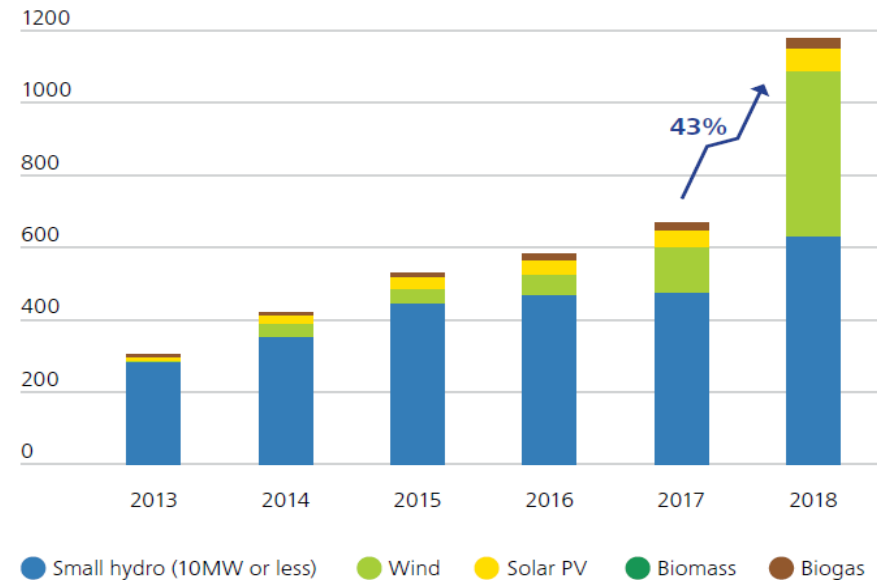


Energy Efficiency and RES Development in WB

Implementation of EE 2020 targets



Newly installed RES generations capacities (excl. large hydro) in MW, 2018



Source: Compiled and calculated by the Energy Community Secretariat

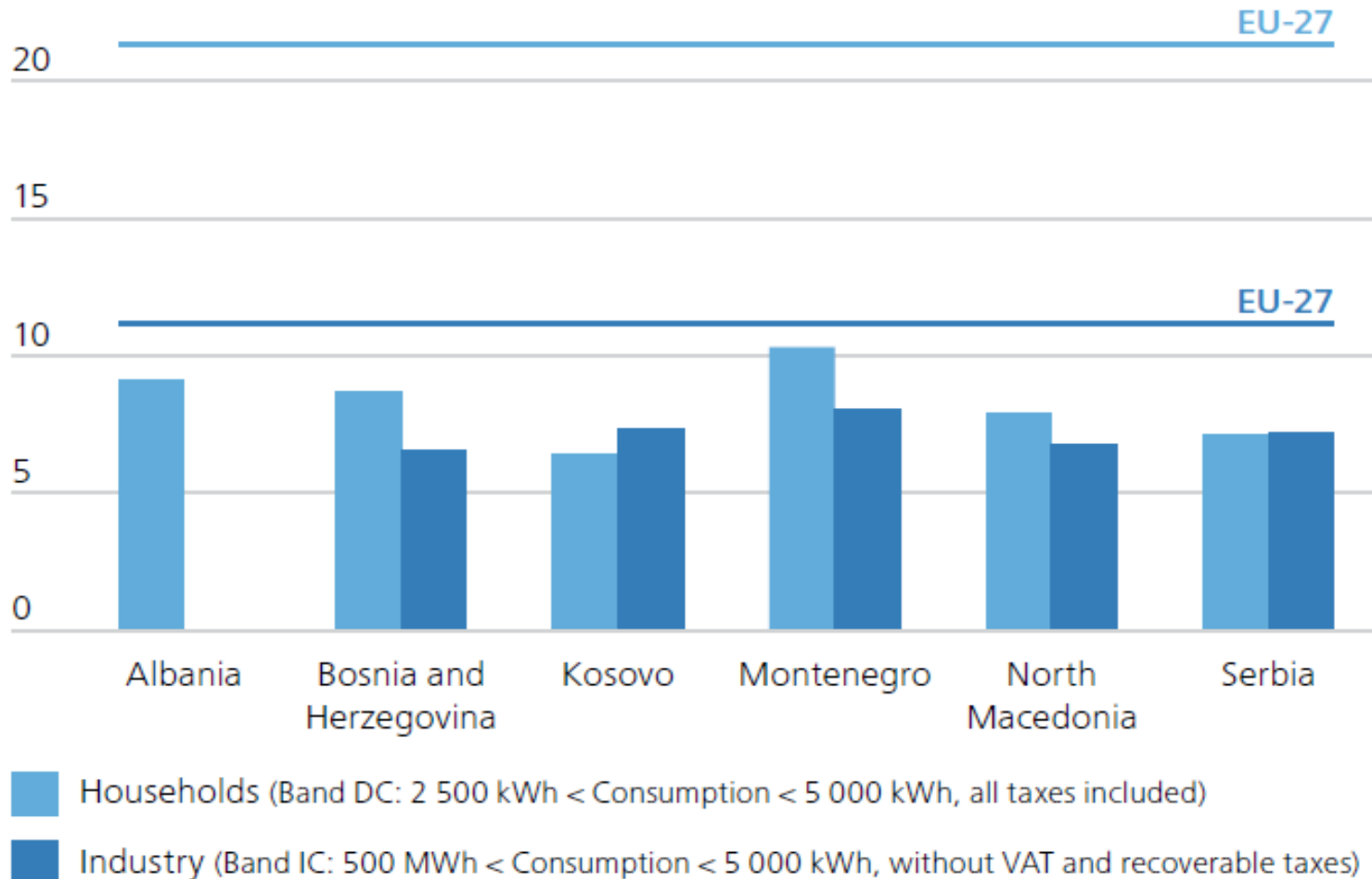
By implementation of the EE Directive 2012/27/EU in WB6 countries, the overall target for WB6 translates to 36,3 Mtoe in primary and 26,2 Mtoe in final energy consumption.

Excluding large hydro actual overall share of other RES in WB6 is around 6% (1120 MW). By Energy Community annual report there is a progress in 2019, showing a 19% increase in renewables capacities, dominantly in wind and solar.

The increase of EE and renewable sources (RES) in energy generation are key components to decarbonizing the economy and to provide clean and sustainable energy to consumers.



Electricity Prices in WB6 - 2018



The implementation of day-ahead and intraday market coupling among the WB6 parties and with EU Member States is a key prerequisite for full market integration.

Common Western Balkan Regional Market

Integration within the region, an important milestone for preparation for the EU accession - sort of regional economic zone



Regional Leaders at the summit in Sofia (10 November 2020) have confirmed Green Agenda commitments for the WB region towards a modern, climate neutral, resource-efficient and competitive economy.

Expected specific actions in Energy Sector:

- Set forward-looking 2030 energy and climate targets
- Develop and implement integrated energy and climate plans
- Alignment with EU ETS - Introducing carbon pricing instruments
- Decrease and gradually phase-out of coal subsidies
- Increase the share of renewable energy sources
- Introducing market based renewable support schemes
- Prioritise energy efficiency and improve it in all sectors
- Active participation in the Coal Region Transition initiative for WB



General Conclusions

Let's do everything we can to stop the Corona Virus!

Regional Strategic Connection in Economy, Energy and Sustainable Development is an Inevitable Task on the Road to Prosperous Society!

In Search of a New Energy Direction WB needs less Coal and more RES, Natural gas and Energy Efficiency.

RCC slogan: good. **better. Regional.**



Thank you for your attention!

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COVID 19 - Invisible Enemy - Pandemic Storm

China was first to report cases in Autumn 2019.

Is this the biggest public health emergency in decades?

The vaccine is no magic silver bullet that is going to turn off the pandemic.

Candidate vaccines - Pfizer and BioNTech, Moderna, Oxford/AstraZeneca, Sputnik V from Russia, Covaxin from India, and five vaccines (Sinovac, CNBG, CanSino) from China.

China is already on the “Health silk Road” with 5 vaccines in final stage trials around the world including Brazil, Mexico, Turkey, Morocco, Egypt, Indonesia etc.



Mohammed bin Rashid Al Maktoum (left), Prime minister of the United Arab Emirates, on 3 November, 2020 received a COVID 19- vaccine from CanSino Biologics from China – ScienceMag.org - John Cohen, 25.11.2020

COVID - Invisible Enemy - Pandemic footprint

Current status in SEE - 05 December 2020

Country	Total Cases	Total Deaths	Tot Cases/ 1M pop	Deaths/ 1M pop	Tests/ 1M pop	Population
Turkey	765,997	14,509	9,041	171	228,245	84,725,715
Romania	508,345	12,186	26,501	635	220,930	19,182,177
Israel	342,101	2,896	37,195	315	609,406	9,197,590
Hungary	243,581	5,706	25,242	591	198,766	9,649,776
Serbia	213,843	1,891	24,517	217	216,168	8,722,180
Bulgaria	158,807	4,650	22,930	671	145,744	6,925,803
Croatia	147,454	2,102	36,014	513	195,770	4,094,320
Greece	113,185	2,804	10,882	270	235,635	10,401,063
Bosnia and Herzegovina	93,768	2,922	28,658	893	133,189	3,271,995
Slovenia	84,775	1,700	40,776	818	265,573	2,079,061
North Macedonia	66,330	1,877	31,838	901	165,161	2,083,337
Albania	42,148	889	14,653	309	67,767	2,876,444
Montenegro	37,467	522	59,651	831	224,286	628,100
Cyprus	11,812	57	9,753	47	522,617	1,211,116
	2,829,613	54,711				165,048,677

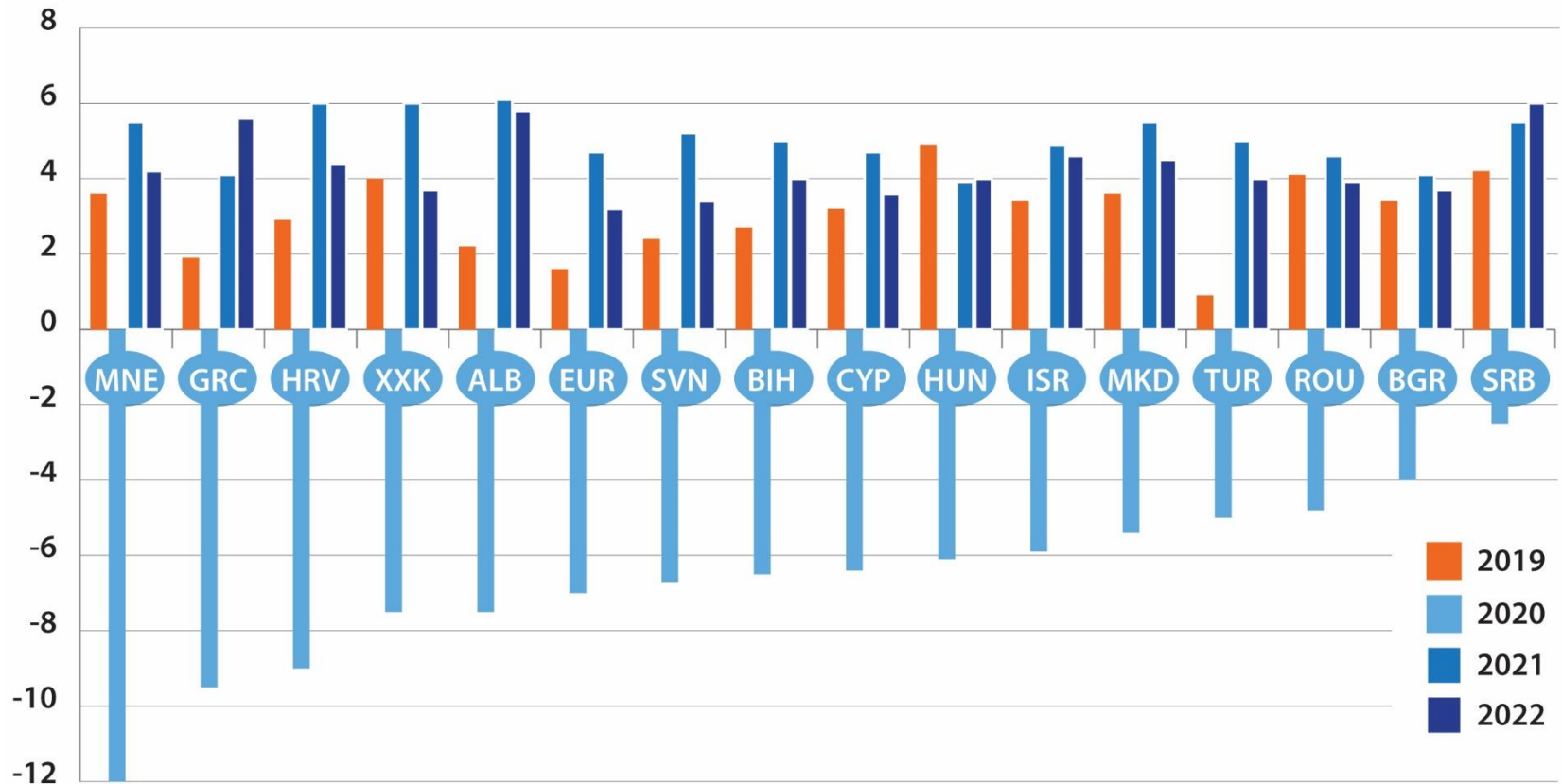
Source: Worldometers.info

Nine months after coronavirus was declared a pandemic, countries in the South East Europe are in deep recession, with the economic outlook heavily dependent on the course of the pandemic. The first priority remains getting the health crisis under control and limiting the economic damage.



Looking for shelter from Pandemic Storm

SEE Real GDP Growth - International Monetary Fund - October 2020

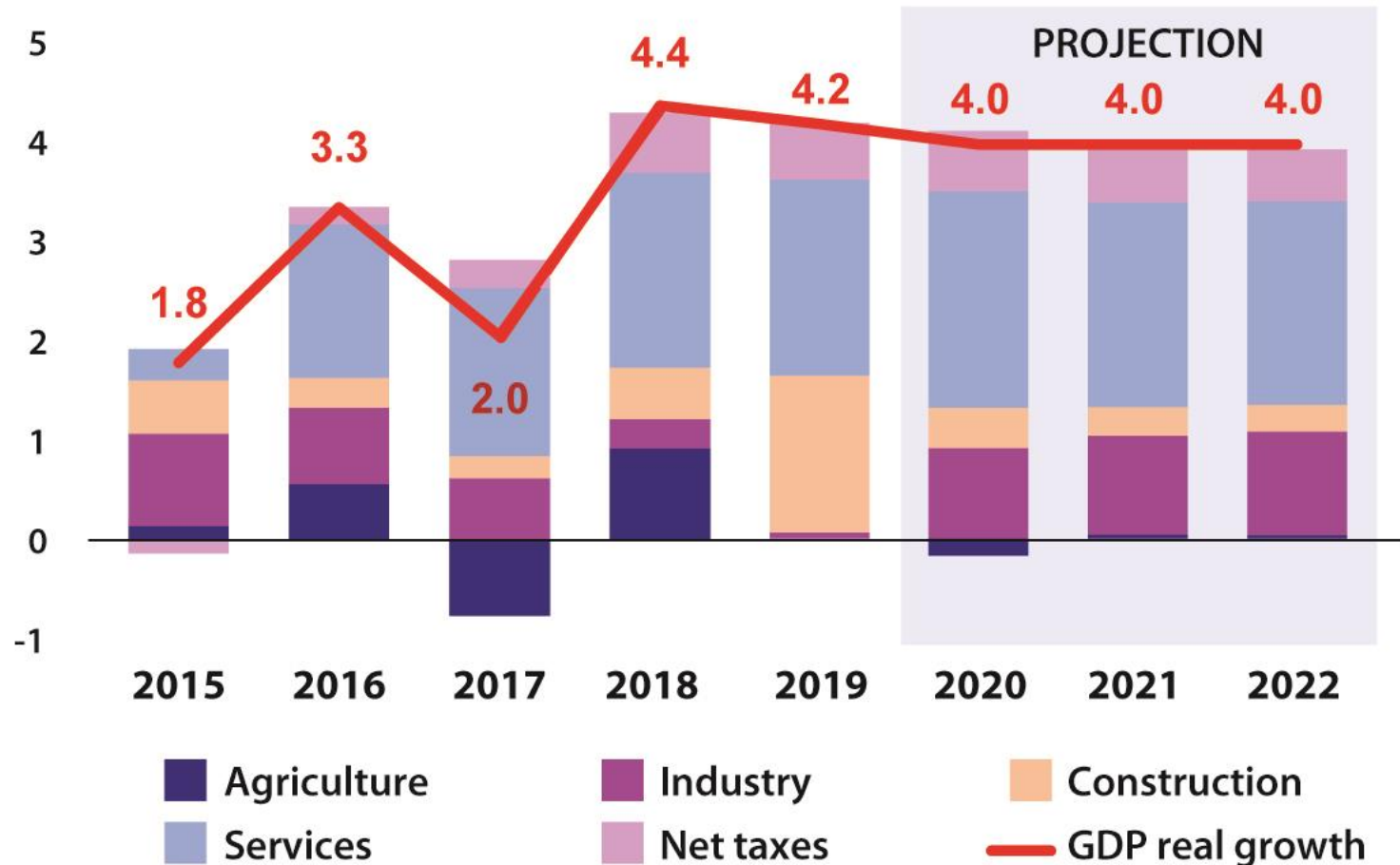


Sources: IMF, World Economic Outlook, October 2020

XXK - Kosovo - This designation is without prejudice to positions on status, and is in line with UNSCR 1244

Looking for shelter from Pandemic Storm

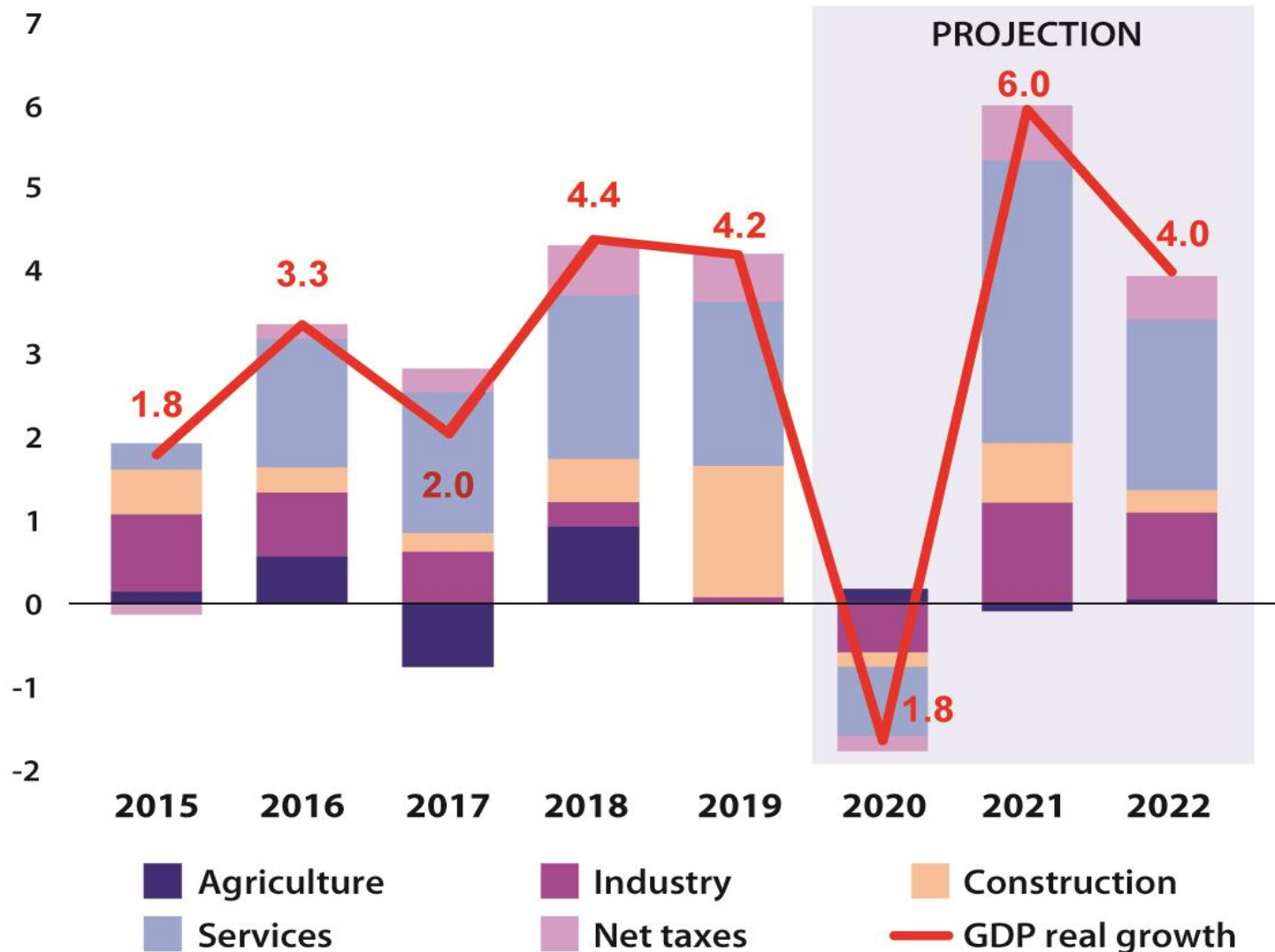
Serbia - Real GDP growth rate and midterm projection - February 2020



Source: Ministry of Finance, Republic of Serbia

Looking for shelter from Pandemic Storm

Serbia - Real GDP growth rate and midterm projection - October 2020



Source: Ministry of Finance, Republic of Serbia