

## **NEWSLETTER GME – New issue now online**

Rome, 13 March 2019 – The new issue of the newsletter of Gestore dei Mercati Energetici (Gme) is online and can be downloaded from the website [www.mercatoelettrico.org](http://www.mercatoelettrico.org).

The newsletter begins with an intervention by Chiara Proietti Silvestri from the RIE on the figures regarding the circular economy in Italy. The RIE researcher talked about the *"reconciliation of economic growth with environmental protection. This is the need that brought the concept of circular economy to the core of today's debate on sustainability"*, adding that the change in the production model from a linear consumption model to a circular one is due to a series of specific reasons: *"First of all, the structural waste on which this type of economy is based. She explains that "some numbers can help us clarify the situation: in Europe, 60% of waste ends up in landfills or incinerators, while only 40% is recycled or reused; a car remains parked on average 92% of the time; 31% of foodstuffs are wasted along the value chain; offices are used from 35% to 50% of the time even during working hours. This generates economic losses and an inefficient use of available resources"*. Proietti Silvestri points out that, in Italy *"the value of the circular economy has reached important figures, recording in 2015 a total turnover of 88 billion euros, 22 billion euros in terms of added value and almost 600,000 employees. It accounts for about 1.5% of the national added value, almost as much as strategic sectors such as energy or textile"*. the RIE analyst explains that, analyzing the degree of circularity of the Italian economy, namely the percentage ratio between secondary raw materials - derived from waste recycling - and the total domestic material consumption (DMC) of a country *"Italy stands at 17%, one of the highest in Europe and constantly improving: from 2010 to 2016, the increase in our country was 47% and + 6% at European level"*.

As for the degree of innovation, Italy is still lagging behind if we consider the 2014 scenario provided by Eurostat data: *"In this year, there has been a sharp decline in the number of patents to levels recorded 10 years earlier, with 15 patents compared to 36 registered in*



2013. In the European framework, it means 0.25 patents per million inhabitants versus an EU average of 0.67". In short, underlines Proietti Silvestri, "over the years, Italy has developed a growing number of good practices and innovative experiences that aim to optimize the collection, reuse, reuse, recycling and repair of products". In addition, "it is no coincidence that Italy has achieved important results in terms of material productivity. According to the Eco-innovation index prepared by the European Commission, in 2017 Italy ranked seventh in the European ranking and its performance in this area is 13% higher than the EU average". While highlighting this progress, the Commission has however stressed the need for structural changes to facilitate the transition to more efficient and more circular and sustainable production models. The RIE expert explained that "in the first place, the gap between the macro-areas of the country must be reduced: there is, in fact, a considerable difference in the performance of waste management, especially between North and South (in favor of the former) . Secondly, it is necessary to work on the difficulties faced by companies in the circular economy - which in Italy are essentially small-medium size (SMEs) - in their activities" in particular "the complex bureaucratic-administrative system and access to credit ". In essence, "the new challenge of the circular economy consists in a radical rethinking of production and consumption models, involving all the players in the value chain: from procurement to final consumption up to the transfer of the asset to a second useful life. It is certainly not a simple challenge, nor is it limited to a reduction in the negative impacts of the linear economy", concluded Proietti Silvestri. "Rather, it represents a paradigm shift in the system that aims at generating economic and employment opportunities, environmental and social benefits: all this, in order to secure a sustainable economic growth".

The new issue also includes the usual technical commentaries on the markets and the national and European electricity and environment exchanges, the section devoted to the analysis of the trends of the Italian gas market and the section with an analysis on European trends, which delves into trends in key European commodities markets.

The GME's new publication also reports, as customary, the summary data of the electricity market for February 2019.



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