

GME NEWSLETTER - New issue published

Rome 15 February 2021 – The new issue of the newsletter of the Energy Markets Manager (GME) is online, downloadable from the website www.mercatoelettrico.org.

The newsletter opens with a speech by Mattia Santori of the RIE on the Italian primacy in the circular economy. *"According to the OECD and the World Bank, the overall consumption of materials such as biomass, fossil fuels, metals and minerals will double over the next forty years, and at the same time annual waste production will increase by 70% by 2050. The new action plan for the circular economy, published in March 2020 by the European Commission, is based on these data, which renews and continues the path started in 2015 with the so-called Circular Economy Package"*, underlined the RIE researcher. For its part, Italy, although it does not currently have a National Strategy for the Circular Economy, *"in September 2020 issued four legislative decrees which implement the European Directives on: packaging; batteries, accumulators, electronic waste (WEEE); end-of-life vehicles and landfills. In terms of objectives, the aim is to achieve 55% recycling of municipal waste by 2025, which will need to increase to 65% in 2035, while already in 2030 for packaging alone, a total of 70% must be reached. As for landfills – Santori specified -, by 2035 the maximum ceiling will have to be 10%, while starting from 2023 the separate collection of organic waste will become mandatory. Targets that do not sound unattainable for a country such as ours which, in the last ten years, has focused on recycling and recovering materials. The virtuous path undertaken by Italy today sees almost all the waste recovery chains on the right trajectory to fulfil the 2030 objectives, with the exception of wooden packaging - where the objective has already been largely exceeded - and plastics, where a gap of 11.2 percent remains to be filled"*. According to the "2020 Report on the circular economy" published by ENEA, Italy confirms itself as the leader *"both regarding the greater economic value generated per unit of material consumption (production) and relating to the capacity for differentiation, recovery and enhancement of waste (waste management); it maintains the second position, behind France, in the rate of circular use of materials (secondary raw materials); it is respectively third and fourth in terms of performance related to investments and employment (innovation and investments) and also with regard to the quantity of material consumed (consumption)"*, highlights the RIE researcher who recalls how the Eurostat



snapshot - taken in 2018 - underlines how our country is one of the economies that boasts the greatest economic value generated per unit of material consumption. *"In other words, with purchasing power equality, for each kg of resource consumed, € 3.5 of GDP is generated, against a European average of 2.24 - Santori pointed out -. The same takes place in the area of energy productivity, where € 9.9 is produced for every equivalent kg of oil, against a European average of 8.26"*. There are, however, some areas in which the situation could definitely improve such as the rate of landfill disposal, the use of imports of secondary raw materials and the low number of patents which highlights a lack of innovation in our country. *"One of the sore points concerns the circularity of consumption. Italy records an internal consumption of material which in 2018 was equal to 500 million tons (slightly down) and an energy consumption of 116 thousand TOE (Tonnes of Oil Equivalent) per year (constant). The delay in the development of the sharing economy weighs on Italy's placement"*, specified the RIE analyst.

At national level, the budget law for 2020 contains a number of initial measures for the "Green new deal", with the establishment of a public investment fund (4.24 billion Euro for the years from 2020 to 2023), intended to support innovative projects and investment programs with high environmental sustainability. *"Investments will be supported for the circular economy, as well as for the decarbonisation of the economy, urban regeneration, sustainable tourism and adaptation and mitigation of risks deriving from climate change. A first sign which, however, risks not being enough. The hope - Santori concluded - is that the definition of the National Recovery and Resilience Plan and the consequent spending plan of the incoming European funds, thanks to the Next Generation EU, are able to heal the contradictions of a national circular system that today seems to depend more on creativity and private investments than on the quantity of public resources intended for technological advancement"*.

The new issue also includes the usual technical comments relating to the national and European electricity and environmental markets and exchanges, the section dedicated to the analysis of trends in the Italian gas market and the analysis section on trends in Europe, which explores the trends on the main European commodities markets.



Furthermore, starting from this issue, in order to provide greater information and display completeness, the Italian Electricity Market section has been enriched with the addition of extra information, already provided for coupled borders, on all foreign borders, including non-coupled ones (Switzerland, Montenegro, Malta).

The new GME publication also reports, as is now customary, the summary data of the electricity market for the month of January 2020.

Gestore dei Mercati Energetici S.p.A.

Governance Tel. +39 06 8012 4549

Fax. +39 06 8012 4519

governance@mercatoelettrico.org

www.mercatoelettrico.org

Press release