



**MARCH 22<sup>nd</sup>, 2004**

**CONFERENCE ROOM  
5<sup>th</sup> Office Building ENI E&P  
Via Emilia 1  
SAN DONATO MILANESE**

**16:00 p.m.**

## **NEW MARKETS FOR NATURAL GAS SECURITY OF SUPPLY IN AN ENLARGED EUROPE**

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### ➤ **ABSTRACT**

In November 2000, the European Commission launched a Green Paper on European energy supply security<sup>1</sup>. The Green Paper identifies two main priorities 1) controlling the growth of demand and 2) managing supply dependence in Europe. The final conclusion was that the import dependency from oil and gas supplies from outside the EU will rapidly increase. Enlargement of the EU, even with a gas-rich country like Norway, will not change the situation. More likely, the situation will get worse, since Central and East European (CEE) accession countries depend almost entirely on Russian gas supply, while at the same time demand for gas in those countries is growing. Apart from the 'traditional' gas sources in Norway, Algeria and especially Russia, 'new' gas countries enter the picture as potentially important supplier for the EU (including candidates) market.

Security of supply is widely used to cover a range of issues spread over different time frames. In this session we will focus on the long term supply security and not addressing the short and medium term security of supply (SoS) risks facing the gas consuming countries in Europe. The long term SoS is defined as the ability to meet the future, i.e. up to 2030, demand for gas with a combination of indigenous and imported gas supplies. There is inevitably great uncertainty about the precise availability of future gas supplies in terms of their source and costs. The so called "supply gap" will be closed but against what efforts in terms of gas prices and infrastructure investments and what are the regulatory and transit requirements for gas trade and contracts to create a stable development of the gas markets in Europe. Particularly given the energy dependency of the EU on importing gas from resources outside the EU, the long-term development of the European gas markets are crucial.

The presentation will focus on the topic of "Security of natural gas supply in the long run to the main consumer markets", in EU-15 and particularly on the role of the 15 candidate accession countries.

### ➤ **BIOGRAPHY**

Sandro Furlan is professor of Energy Economics at the Scuola Enrico Mattei – Eni Corporate University where he is co-ordinator of the Energy & Environment Department.

He holds a master in Energy Economics and PhD studies in Energy Economics at the IFP School in Paris. After he graduated in Political Science he did research at University of Trieste. He has been consultant at the OECD Development Centre and after post graduate studies he joined the research staff at the IFP School. He has participated to some European projects Synergy and Tacis programs related to Eastern Europe countries. He has been visiting researcher at the MIT Cambridge, University of California-Davis, Tellus Institute in Boston. Topics of his research activity are: Valuation of external costs in transports, supply and pricing of natural gas and the use of hydrogen as energy vector in transport sector.

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<sup>1</sup> *Towards a European strategy for the security of energy supply - COM(2000) 769 final 29 11 2000*