

-Opinion article-

MEDITERRANEAN GAS, A DIVIDEND OR A CHALLENGE?

Barcelona, 31 July 2020 – By **Anwar Zibaoui**, General Coordinator at [ASCAME](http://ascame.org) –

The recent events that have taken place in the Eastern Mediterranean due to the gas battle originate dangerous prospects in relations between neighboring countries in the region.

The discovery of the last gas fields is increasing regional turmoil, causing various reactions: the tension between Turkey, Greece and Cyprus; between Lebanon and Israel; the absence of a law to demarcate maritime boundaries between Lebanon, Israel and Cyprus, or the war in Syria and the appetite of other external players such as Russia, China and Qatar, cause a highly complicated and volatile situation.

These discoveries have generated new expectations in the world energy market. They pose new challenges for governments and international actors, and start the race to exploit the discovered wealth. Furthermore, they have regional economic implications, as the eastern Mediterranean could probably become one of the main global gas supply areas. The region's resources are estimated at 122 trillion cubic feet of gas, in addition to 1.7 million cubic meters of oil off the coast of Syria, Lebanon, Cyprus, Israel, Egypt and Palestine.

The United States and Russia, the world's largest producers of natural gas, are poised to play a role in brokering and profiting from the coming crises. All this implies that the European powers, despite being the main beneficiaries of this wealth, may be relegated.

The Mediterranean region has no conflicts or strategic challenges for the coming years, and there are many factors that come together to trigger a possible crisis. For example, Turkey's expansion aircraft in the Mediterranean, a conflict that almost triggered a war between Turkey and Greece a few weeks ago and which was avoided by the efforts made by Chancellor Angela Merkel. At the same time, tension prevails on the Libyan front, at the risk of an Egyptian-Turkish conflict. In any case, Europe is involved in power and energy struggles in the Mediterranean.

In the era of the European eclipse within the scenario of international relations, France, Italy and Spain try to maintain an active European presence in the Mediterranean because it constitutes, together with Western Asia and North Africa, an extension of European economic and strategic security. Therefore, Europe would be making a serious mistake if the security of the Eastern Mediterranean is left to other parties.

Energy security is a fundamental concern. The EU should have alternatives to diversify its supply sources, as well as its political and economic risks, in addition to limiting its dependence on Russian gas, which represents 38% of its imports. The crisis in Ukraine and the possibility of an interruption in the supply of gas to Europe show the need for solutions, and recent and great discoveries in the eastern Mediterranean give the EU the option it is just looking for.

Global amounts may justify a new gas pipeline between the Eastern Mediterranean and Italy and the rest of Europe. From the southern Mediterranean, there are already the gas pipelines that transport gas from Algeria to the EU, where 70% of the production of the Maghreb country is directed. Algeria is the world's third largest gas exporter with a production capacity of 80 billion cubic feet of LNG. But it would be necessary to complete the MIDCAT gas pipeline through the Catalan Pyrenees, whose expected capacity is precisely 8,000 million. That would make Spain a hub or transit country, thus providing it with great income and economic benefits.

One of the advantages of exploiting Mediterranean gas is not only the great opportunity for development and growth for the new producing countries, but also for the EU, which by 2030 will need to import some 113 billion cubic meters per year.

Until 2035, the demand for natural gas is expected to grow by an average of 1.9% a year, surpassing all other energy sources. Global energy consumption is also projected to grow 41% through 2035.

Internal and geopolitical risks are the main causes of all this. Some countries will have to join forces if they want to take advantage of their resources and find the best economic and strategic solutions to optimise their operations. They should bear in mind that exploiting these huge gas reserves and attracting immense foreign investment will not be possible without promoting a peaceful and stable environment among them.

This COVID-19 crisis reminds us of the importance of the community, proximity, interdependence and the need for a shared long-term vision, essential to mobilise the necessary resources to develop energy cooperation between the two shores of the Mediterranean and promote the construction of an energy market in the region.

There have been various initiatives in the field of Euro-Mediterranean energy cooperation that have not generated significant results. Therefore, the main public and private actors should multiply their efforts to change this trend, since they are all aware of the mutual dependence on energy between Europe and the Mediterranean.