

Session 2: Implementation, Economic Impact and Challenges

- Energy Transition: Impact on Economy - T. Radoš (Croatian Chamber of Economy)





HRVATSKA
GOSPODARSKA
KOMORA

—
CROATIAN
CHAMBER OF
ECONOMY

SEKTOR ZA ENERGETIKU I ZAŠTITU OKOLIŠA
ENERGY AND ENVIRONMENT SECTOR

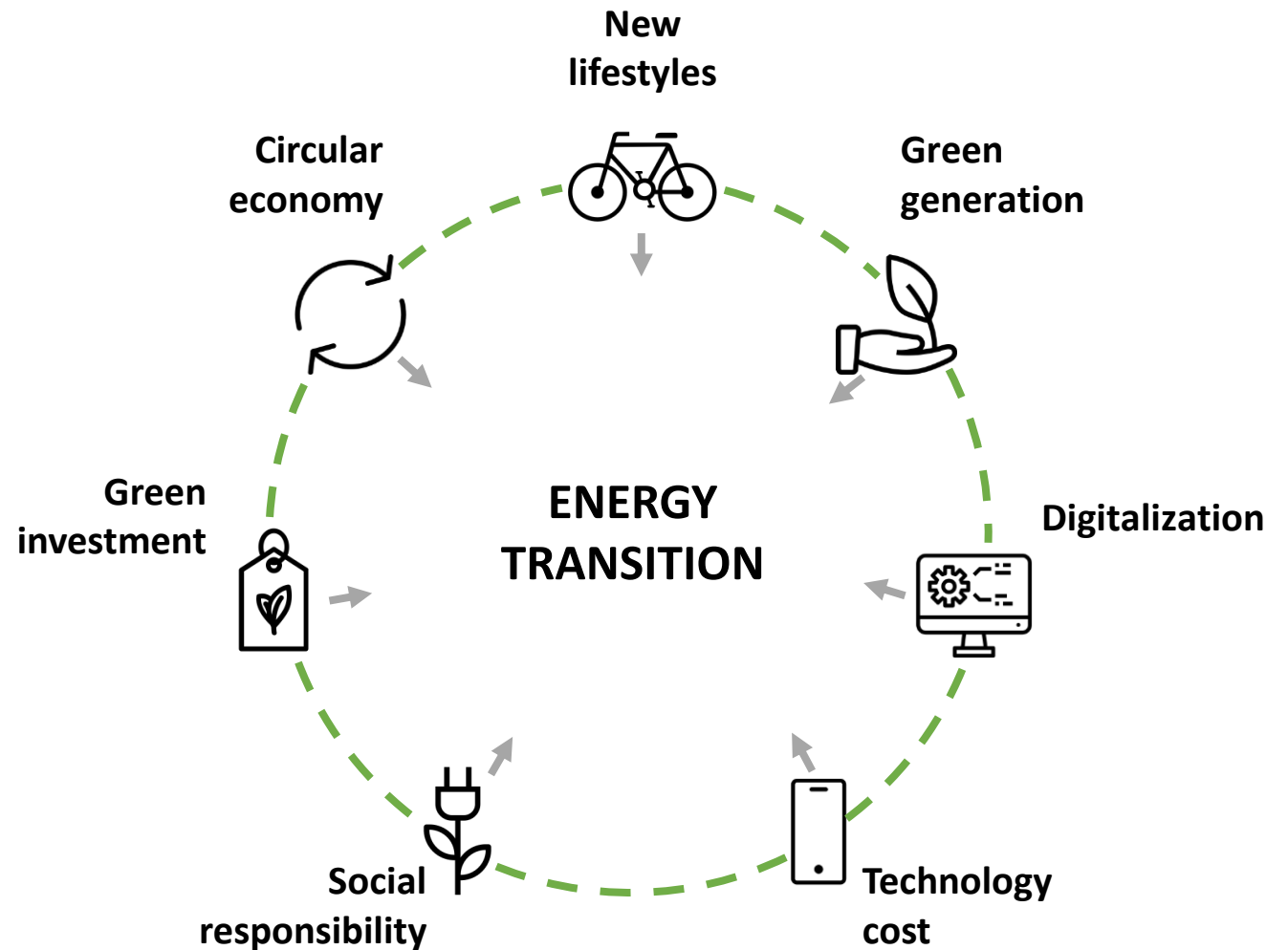
Energy Transition – Impact on Economy

Zagreb, November 20, 2020

Energy transition, Green

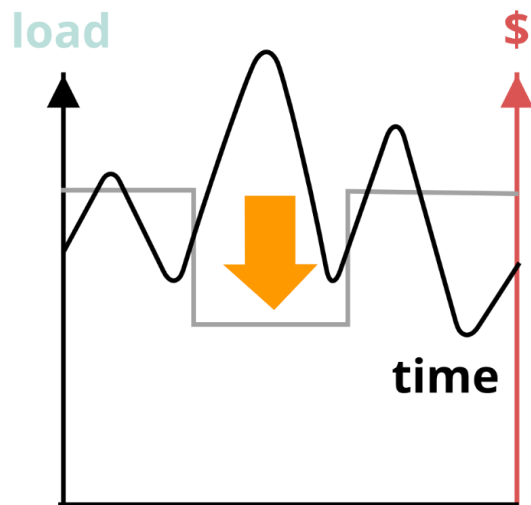
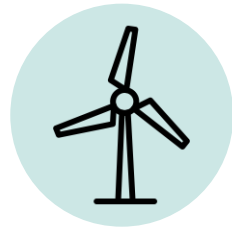
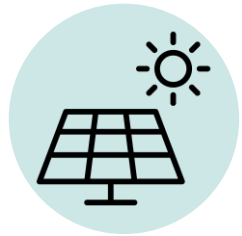
- Energy transition as the basis for a new economic model;
- EU Green Deal;
- Energy transition as a source of business activity;
- Green growth;
- Economic opportunities still to be recognized among business and political decision-makers.

Socio-economic trends driving energy transition



Combining energy transition and Industry 4.0.

Industry 4.0 – flexible use of energy



- Industry 4.0 - opportunities for producing customized products/new business models
- The interconnectedness and flexibility of Industry 4.0 technologies
- New opportunities for deployment of renewable energies
- Digitized and interconnected industries could fundamentally change working environments (number and type of jobs!)

Challenges associated with energy transition

Industrial competitiveness:

- Reduction of industrial production related to thermal technologies and *absorption* of the negatively impacted value chains;
- Strengthening the present electric technologies value chains and positioning on new technological productions;
- Guaranteeing adequate investment levels to face the challenges set by nrg. transition;
- Managing skills mismatch and integration of the workforce.

Distributive effects:

- Effectively ensuring social assistance and support to people who will be negatively affected by the transition;
- Guaranteeing equal access to the benefits generated by the energy transition;
- Avoiding unfair distribution of costs related to energy transition;
- Creating cost-reflecting and efficient energy market.

Economic impact of energy transition in Croatia

Integrated National Energy and Climate Plan of the Republic of Croatia for the period 2021-2030



Main targets: RES in gross final energy consumption **36,4%**;
RES in transport **13,2%**



Total investment by 2030
141,5 billion HRK

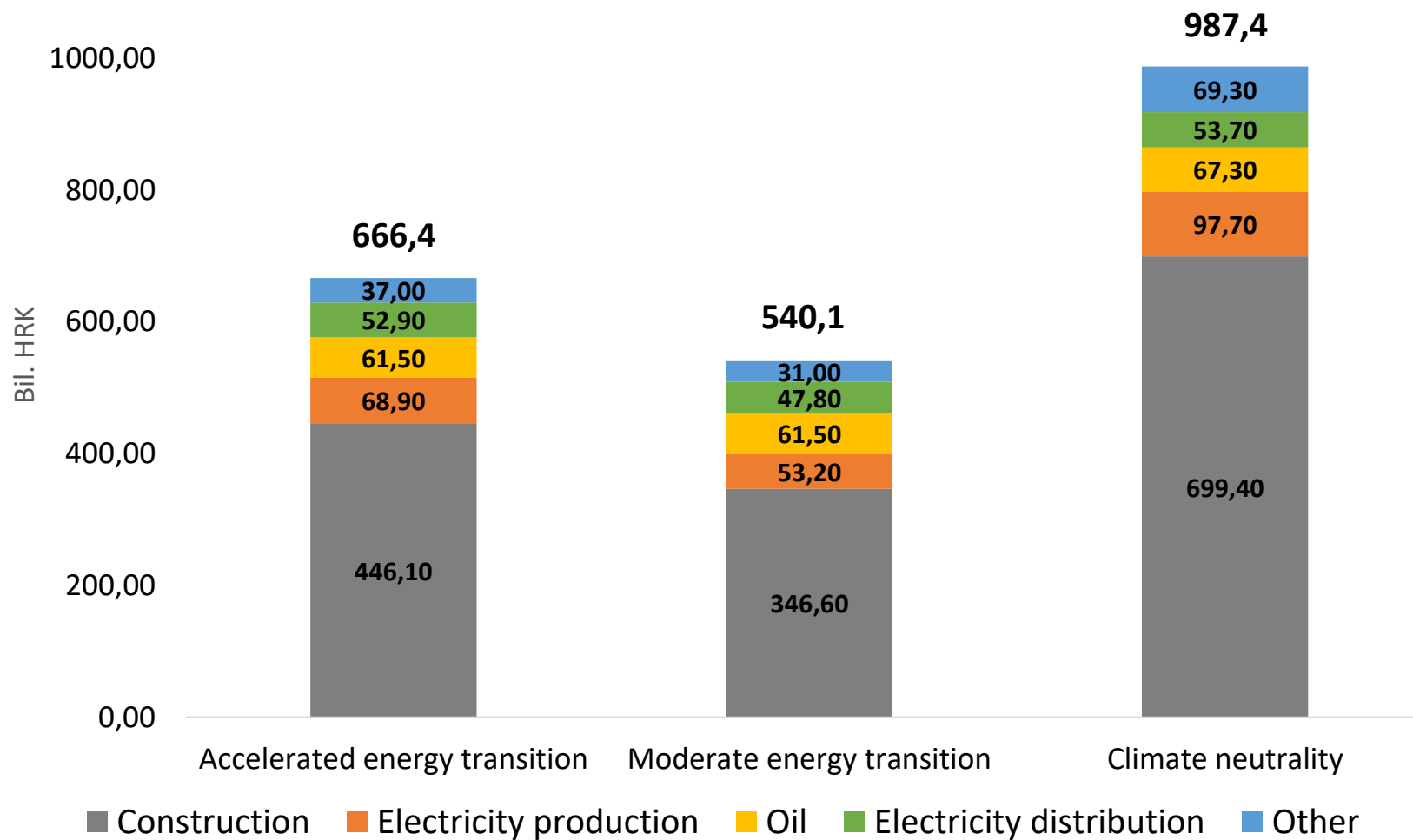


Economic impact:

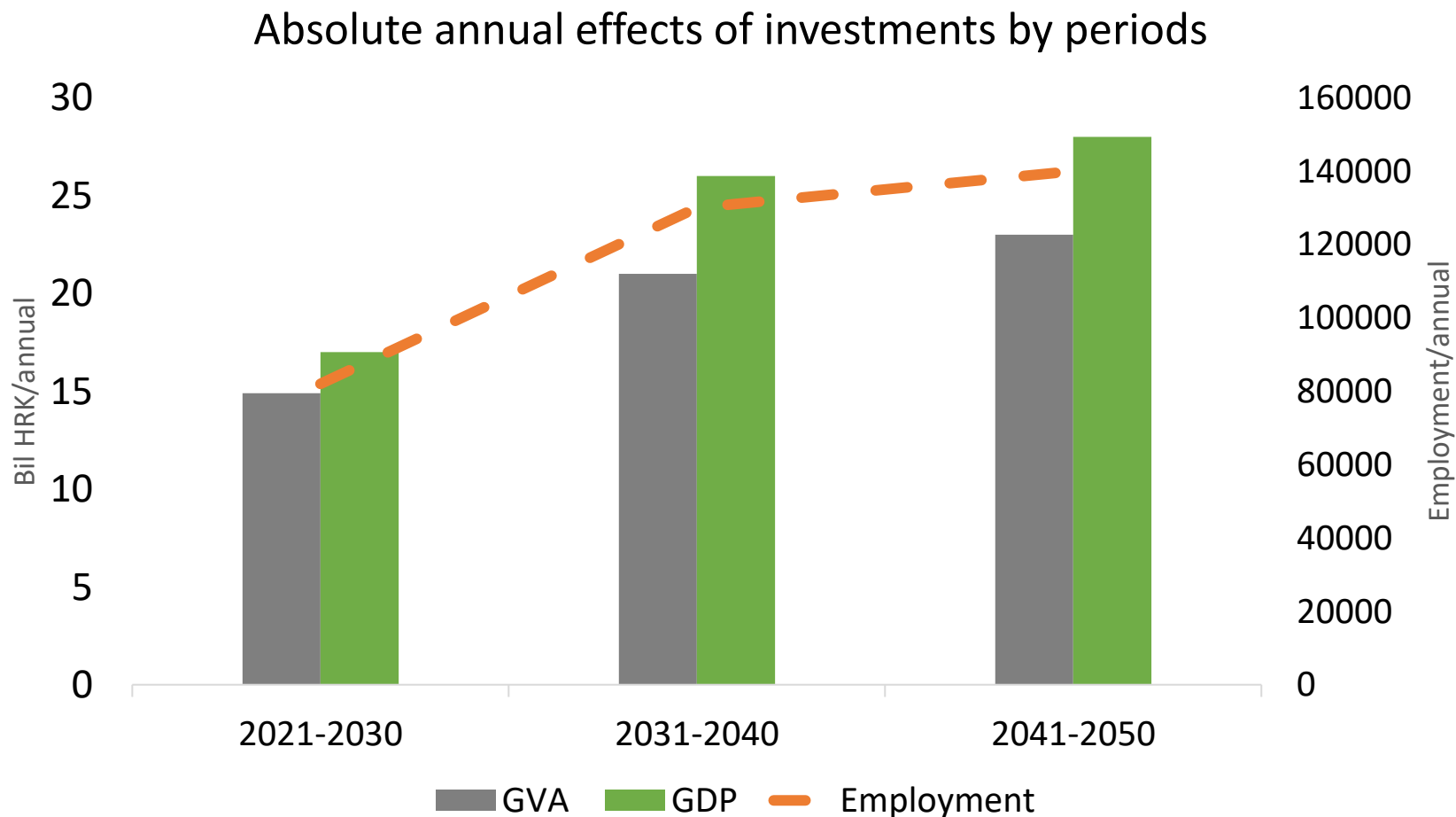
2-2,5% GDP growth by 2030

App. **40.000-80.000** new jobs by 2030 (as result of NECP investments)

Investment assessment according to scenarios 2021-2050



Assessment of investment macroeconomic effects in the energy sector and the Croatian Economy



Conclusion

- The road ahead is full of opportunities;
- A new vision for Energy transition – threat/constraint for business vs. source of business activity and performance;
- Energy transition in the core of a new economic model based on the Green Deal and strong de-carbonization policy of the EU;
- Croatia - stimulation of economic growth and development based on the natural asset base.