Session 2: Implementation, Economic Impact and Challenges

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

Source: The European House – Ambrosetti elaboration, 2019
• 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!)

Source: figure based on Sauer 2015.
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.