

**“Current Economic and Geopolitical
Challenges in the Energy Sector: looking for
a cooperation between Italy and China”**

Dear Participants

I would like to thank LUISS for the invitation.

As a former researcher, I’m delighted to be here today to discuss energy, with a focus on China-Italy relations. I know you already had intensive exchanges and I will only briefly conclude today’s discussion with a few remarks.

The energy sector is today one of the most powerful economic drivers and in some cases

the real kingmaker of political and strategic decisions.

In fact, access to energy resources means economic prosperity but also geopolitical stability and national security.

Nevertheless, we know very well that those resources are distributed unequally; that's why a good governance of energy resources is required in order to guarantee political and economic stability.

What we are seeing recently is how much deep fluctuations of energy prices are another dimension of global insecurity.

I don't want to add any specific thoughts on that because you analyzed challenges and possible solutions this morning.

But, also as a member of the Italian Government, I believe that we should work on a global governance of energy as a pivotal point of possible cooperation between Italy and China in this sector, especially after COP21 in Paris. We have to work on planning a global energy transition where **renewable energy plays a double key role** to achieve universal energy access and mitigate climate change on one hand, and help ensure global **energy security** on the other hand.

In fact, despite our two countries having two different economic and productive systems and different energy needs, I believe we both seek major diversification of energy resources in order to attain higher levels of energy security and lower level of pollution.

This is the right time to take action and shift towards **more sustainable sources of energy** in order to protect environment. But there is also a close link between the use of renewables, energy geopolitics and international politics. **Energy security** has become a major issue for Italy and the EU as well as the G7 and G20 and within other multilateral fora. Nowadays, global energy demand is shifting decisively towards the emerging economies, particularly

China and India; the shale gas “revolution” is also affecting the global strategic picture.

I believe that energy should not be used as a means of political pressure nor as a threat to security.

That’s why Italy and Europe need to ensure the safety of energy supplies with a longer-term challenge to enhance European energy security and ensure diversification of the energy mix. But the more strategic challenge is to **enhance energy security on a global scale** and strengthen multilateral energy governance, which can in turn contribute to reinforcing the international rule of law as well as peace and stability.

More energy infrastructures, pipelines, diversifications of routes and suppliers are priorities of our governments as well as diversification of energy resources. Thanks to the development of high **technologies in using clean energy resources**, this goal will be even more affordable than in the past.

Another key contribution to enduring energy security, is to engage key global energy actors in structured **energy dialogues**.

Cooperation through **G20 and the International Energy Agency** are good examples.

Let me recall that under the Chinese' G20 presidency, a study group on **green finance** has

been set up, with the aim to identify viable options to promote green funding, also from the private sector, and the development of *green bonds*.

Another tool is represented by **the activation of the Association Initiative between the International Energy Agency and China** – together with Indonesia and Thailand – last November in Paris. Italy supports China's valuable contribution to this multilateral framework, since we are convinced that it will serve as a basis for higher levels of mutual cooperation in the future.

Moreover, at bilateral level, we have a longstanding history of collaboration in the

environment and sustainable development field. Many projects have been accomplished through the *Sino-Italian Cooperation Program for Environmental Protection* but we have to do more.

I also believe the “New Silk Roads” in the framework of the initiative “One Belt, One Road”, launched by the President Xi Jinping, could play an important role in this context. Thanks to many projects that are going to be implemented along the Silk Roads, Europe and Asia can carry out a win-win cooperation in terms of investments, trade and exchanges aimed at economic growth and social development. It represents, indeed, a reshaping of the current geopolitical frame of

Eurasia that could foster stability, security, peace and hopefully, with reference to the topic of this conference, new common policies in the energy sector.

As a matter of fact, international university cooperation in the field of Research and Development can strongly contribute to the pursuit of common views and policies not only in the energy sectors but also in many others that are strategic for growth.

We learnt that the Municipality of Shanghai is already working for being the world leading R&D Center in the next future, in compliance with the theory that innovation has to be the

driving force for economic growth and human development.

Innovation is indeed one of the main areas of our bilateral strategic partnership with China, the so called “Road to 50”. Many high level visits from Italy are marking this new path of collaboration towards the 50th anniversary of our bilateral relations in 2020.

Last year, for example, the Minister of Education, University and Scientific Research Giannini visited China for the kick off of the initiatives that Chinese and Italian Universities are undertaking this year. This conference is one of the events in this framework and I

would like to congratulate LUISS University for the organization.

Minister Giannini will be back in Shanghai next April to inaugurate the China International Science and Technology Fair where Italy will be the Guest of Honor. I wish this Fair could be a great chance for reinforcing our bilateral relations in Science and Technology.

Finally we welcome the creation of the Association of Italian Professor Teaching in Chinese Universities, the “Sinedrio Accademico”, that will surely help strengthening our bilateral cooperation.

I have welcomed this opportunity to share our views, experiences, best practices, since this is

the best way to deal with the highly strategic challenges linked to the energy sector.

Thank you.