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Africa to power Europe's demands

While Europe is going through an energy crisis triggered by the Russia-Ukraine war, the African continent can be a reliable partner to secure energy for its needs – the reliance on Africa will make more sense if we relate it to history and learn our lessons from there.

Energy Crisis in 1973 and 2022
By the early 1970s, 83% of America's oil imports came from the Middle East. In the oil embargo of 1973-74, the OPEC nations reduced oil production by 5%, resulting in skyrocketing energy prices and a fuel shortage in the West, particularly the United States. During the embargo, US oil imports from the Middle East fell by nearly half, and the price of oil quadrupled over the next few years.

On the one hand, the embargo exacerbated energy supplies and increased inflation; on the other hand, it helped the US move away from energy reliance on OPEC countries by bolstering domestic oil production and establishing strategic petroleum reserves to stockpile emergency supplies.

Recent Energy Crisis
Around 50 years later, an almost similar situation is occurring in Europe, which is immensely dependent on Russian gas supplies. In 2021, the EU imported approximately 83% of natural gas, 45% of which came from Russia. Following the eruption of the Russia-Ukraine war and Russian supply cut-offs to Europe, average gas costs surged to 177% in Europe in 2022, compared to 2020.

Europe is buying Russian oil indirectly from India, resulting in higher energy prices across Europe. The United Kingdom is one of the few markets not affected by Russian energy cuts because it gets most of its gas from Norway, but energy shortages in neighbouring countries still impact it.

Lessons Learnt
The most important lesson to derive from the 1973 energy crisis is the need for diversity of supply and increased domestic production. The current crisis is even more severe due to the accelerating challenges posed by climate change. The EU has pledged to reduce greenhouse gas emissions by more than half of 1990 levels by 2030 and to achieve carbon neutrality by 2050.

However, it has been feared that the Russian war will slow Europe's transition to renewable energy through increased use of coal due to energy shortage. To achieve its climate targets and fulfil its growing energy needs, Europe's renewable energy development needs to be accelerated and much more extensively than at present.

In addition, Europe needs to collaborate with other regions like Africa, where there are immense untapped renewable energy resources like solar and wind.

Europe and Africa Interconnectors
To help fill the energy gap in Europe, there is a revived interest in interconnection projects between the EU and Africa – these were shunned in the past due to costs. The high potential for renewables, particularly solar power, in Africa can offer an alternative to Russian gas and fossil fuels in Europe. To date, only two interconnectors of 1,400MW total capacity connect the two continents; both link Spain and Morocco (REMO and REMO2).

However, at COP27 in 2022, Morocco, Spain, Portugal, France and Germany signed the Sustainable Electricity Trade (SET) Memorandum of Understanding to promote cross-border trading of corporate green energy. Many countries have realised this trend and are planning to act on it by kickstarting interconnector projects between the two regions.

Planned Projects
Some planned projects to connect Europe and Africa include:

EuroAfrica Interconnector – the 2GW interconnector is expected to connect the electricity grids of Egypt, Cyprus and Greece by 2026. The Cyprus to Crete interconnector is expected to serve as a common link between EuroAfrica and EuroAsia (Israel-Cyprus-Greece) interconnectors – Nexans has been selected as a preferred bidder to supply and install ~1,800km HVDC cable between Cyprus and Crete (Greece).

Gregy Interconnector – the 3GW Gregy interconnector between Greece and Egypt has a budget of €3.5 billion. The project will allow 100% renewable energy exports from Egypt by tapping into the country's 61GW of renewables to be installed by 2035. The 525kV interconnector is targeting completion in 2028.

Elmed Interconnector – the Italian TSO, Terna, has initiated the authorisation process for the 600MW interconnector between Italy and Tunisia. The 400kV project has secured €307 million in funding from the Connecting Europe Facility (CEF). This is the first instance of a European Commission grant allocated to an intercontinental project.

Xlinks Interconnector – this ground-breaking project involves the construction of a 10.5GW solar and wind facility in Morocco and the transportation of 3.6GW of energy through four 3,800km -long cables to the UK. The project also includes the construction of two to three cable factories in Hunterston and Port Talbot (UK) and a 26,000 -ton carousel vessel to install these cables. The project is expected to enter construction in 2028, with completion in 2032

Other Projects
Other Projects announced interconnectors between Africa and Europe include:

- **The Portugal-Morocco Link (1GW)**
- **TuNur Phase 2 between Italy and Tunisia (2GW)**
- **TuNur Phase 3 between France and Tunisia (2GW)**
- **The Algeria-Spain Interconnector (1GW), LEG1 between Greece and Libya (2GW) GAP between Greece and Egypt (2GW)**

The current trend of furnishing Europe with clean energy from Africa creates more opportunity for growth and development in the under-developed African region and helps Europe to tackle its energy crisis. Overall, it is an equally profitable opportunity for both sides and should not be missed.

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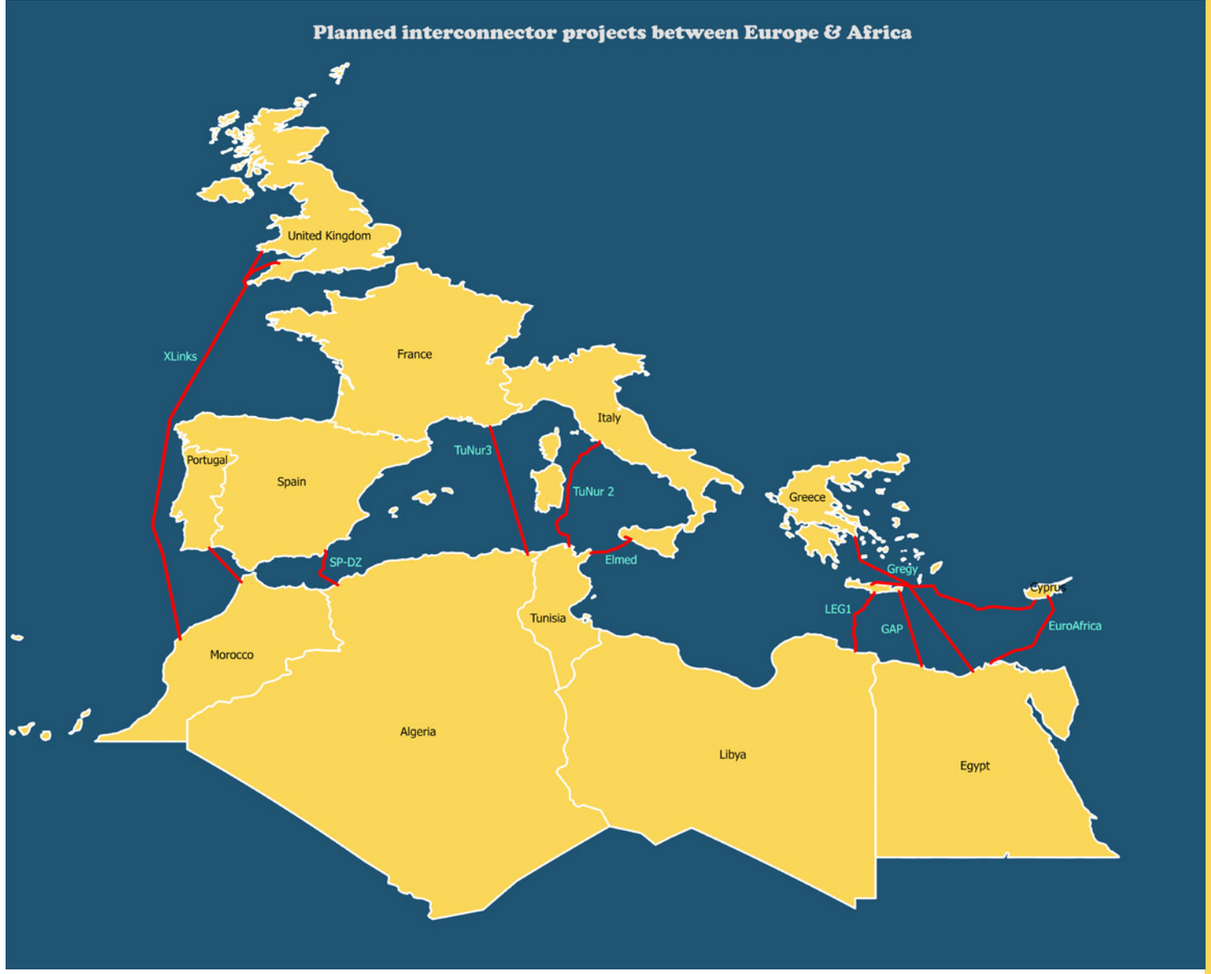

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