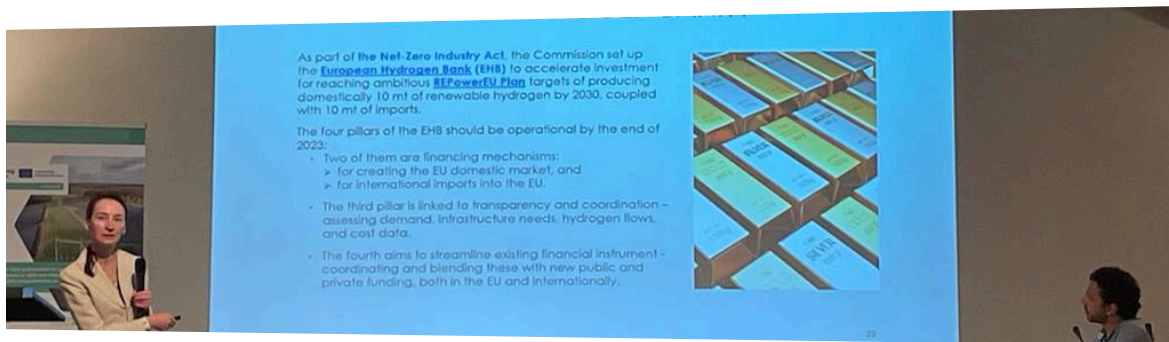


The Green Hydrogen Economy: overcoming the obstacles

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How can we make the green hydrogen economy work? Last week I was at the [UNLOCK symposium](#) organised by the [Consell de Mallorca](#) in Palma, where I was asked to give a presentation on the development of the green hydrogen economy and how governmental policies can help to overcome „development“ obstacles.

The main challenge in the development of the green hydrogen economy is insufficient supply of green hydrogen, which results in insufficient demand, and vice versa.

According to the recent IEA report, only 1% of global hydrogen production was low-emission hydrogen in 2022. However, to reach our Net Zero goals by 2030, we will need around 50 Mt of hydrogen production based on electrolysis and more than 30 Mt produced from fossil fuels with CCUS (Carbon Capture, Utilisation and Storage), for a total of more than 50% of global hydrogen production. This would require an installed capacity of more than 550 GW of electrolyzers worldwide, even though a part of hydrogen production would still remain based on fossil fuels in combination with CCUS. At the same time, there is an insufficient demand for hydrogen, whereas it is expected that demand, especially for green hydrogen, will increase in future.

As a result, due to the uncertainties around the future evolution of green hydrogen supply and demand, lack of clarity about future certification and regulation, lack of infrastructure, and uncertainty about the future energy system, the investment decisions are delayed.

At this point, clear support from the European Union is of crucial importance. This support was stated again during the European Hydrogen Week event in Brussels, when the European Commission President Ursula von der Leyen announced the second auction of the European Hydrogen Bank worth €2.2 billion and the European Union’s support to build one of the biggest hydrogen projects in the world in the Brazilian state of Piauí.

The European Union initiatives to accelerate investments into green hydrogen economy must be, however, taken up by EU Member States and European regions, who have an important role in improving regional policies. In doing so, they can enhance sustainable growth, SME competitiveness and jobs creation in regional green hydrogen valleys.

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