

GME NEWSLETTER – New issue now online

Rome, 14 April 2025 – The new issue of the newsletter of Gestore dei Mercati Energetici (GME) is now available at <https://www.mercatoelettrico.org>.

The newsletter opens with an article by Francesco Sassi, from *Ricerche Industriali Energetiche* (RIE), about the growth of global energy demand. *The world is at different crossroads in the energy, political, and economic fields. The decarbonisation of energy systems is progressing globally, though with significant regional and technological variations. The energy crisis, triggered by the Covid-19 pandemic, has been further exacerbated by various conflicts and tensions at global level, including the trade wars initiated by the United States, making an already intricate and multifaceted situation even more complex. Sassi points out that anticipating the direction of global energy demand is now more crucial than ever, as both long-term trends and sudden, uncontrollable changes in demand might have major repercussions on worldwide energy and security policies, already clearly under stress in today's scenario.*

Thus, the publication of the Global Energy Review 2025 by the International Energy Agency offers an excellent opportunity to delve into various themes that affect energy demand today and in the near future. *The document, issued in the early months of 2025, highlights a few emerging trends that are likely to drive global demand. The latter grew by 2.2% in 2024, i.e. well above the average rate of +1.3% recorded from 2013 to 2023, but remained below the growth of the global economy, expanding by 3.2% in 2024, close to long-term average rates.*

Sassi stresses that, however, the most significant element in the past energy year is the *swift growth in electricity demand, which accounts for roughly 60% of the increase in global energy demand. Indeed, the rise in electricity demand reached 4.3% per year, the most substantial positive index ever recorded – excluding the years of economic recovery following global recessions – and reflecting a structural trend of global markets, sustained by the widespread use of appliances such as air conditioners.*



Finally, the rise in electricity demand in 2024 was supported by digitalisation and artificial intelligence – among the key drivers of global electricity demand in 2024 –, as well as by the electrification of final energy demand. *These factors generally drove electricity demand upwards. Nevertheless, a more thorough analysis reveals major differences in terms of geography and the energy sources that fuelled this surge in 2024. While Japan was the only advanced economy to record a decline in demand, global energy demand showed a positive sign – from China to Southeast Asia, and from the EU to India – narrowing the gap in growth rates between advanced and developing economies. In the context of energy demand growth in 2024, it is worth emphasising two other factors, which are also widely covered in the study by the IEA. On the one hand, there are signs of a considerable slowdown in the efficiency improvement of primary energy intensity in the global economy. The yearly efficiency enhancement rate dropped from 2% (average from 2010 to 2019) to 1% in 2024, practically halving its benefits within a few years, and showing a much higher energy consumption in energy-intensive sectors, such as manufacturing, and in countries like China and India. In these countries, where hydropower generation faced difficulties in 2024, the coal source played a leading role in covering the resulting deficits. On the other hand, this trend impacted the carbon intensity of global energy supply, which improved by 1.1% in 2024, and by 2.1% when measured by unit of economic activity. Sassi concludes that these trends also indicate a slowdown in energy efficiency enhancement rates vs. those in the last decade. Conversely, electricity intensity by unit of GDP – in which demand growth surpasses global GDP growth by 1% - shows a positive trend, supported by the ongoing energy transition.*

This issue of the newsletter comes with the usual technical commentaries about European and national power exchanges and environmental markets, a section focused on the analysis of Italian gas market trends, and a section with insights into the trends of the main European commodity markets.



As has become customary, the publication also reports the summary data of the Electricity Market for March 2025.

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Press Release