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#### **Green Hydrogen Momentum Accelerated in 1H 2022.**

There has been a massive acceleration in green hydrogen investment this year as the price of grey hydrogen has risen along with natural gas prices. This took only in a matter of months in a development that was expected to take a decade. This is a complete paradox reflective of how the war in Ukraine has impacted Europe and triggered an energy crisis. Germany has taken drastic measures, reactivating its coal plants and introducing mechanisms to cut gas consumption. But diversifying gas supply will take a long time and will need investments and could jeopardize the Green Deal and net zero targets.

#### **Is first mover advantage critical in the hydrogen game?**

There are opportunities to this, as players can set the parameters and frameworks in developing the market, such as establishing certifications and trade conditions. Investors are understandably concerned that it will take time for hydrogen production costs to drop but the industry has the potential to become a huge market, with a \$10 trillion value. Even for oil producing countries such as those in the GCC, hydrogen could generate long term revenues to rival oil and gas, and more importantly provide up to one million jobs by 2050.

#### **Asian versus European markets**

The Middle East's partnerships in Asia are in place based on existing client relationships in oil and gas. Japan, for example which has already received shipments of ammonia, is expected to import huge amounts of green molecules to abate carbon emissions by up to 20%. However, this could potentially shift from East to West considering that Europe has huge needs today. It is a historic opportunity for the Middle East to look from East to West and forge partnerships with European markets. ■

*\*Paraphrased Comments*

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