

Turkey and Bulgaria: Europe's Energy Corridor for 2011 and Beyond...

I would like to extend my warmest greetings to the participants of this august panel, our honored guests, the members of the business community and all of you in the audience that have demonstrated your interest in alternative energy and Bulgaria. I am honored to be present at such a forum.

Having worked in the South East European business community for nearly 25 years importing and exporting goods, I have always been cognizant of the relationship energy costs have to business. This correlation has become more and more relevant in wake of the increase in energy demands and decrease in easily accessible traditional resources. Every nation on the planet has been hit by rising energy prices and this spike underscores the need for collaboration on both a regional and global scale.

Turkey and Bulgaria, as economic, geographic and cultural neighbors are accustomed to cooperating on projects. From politics to security, the two countries have many shared interests. Recognition of these shared interests is what is most important to development in this region. Our collective ability to see South East Europe and the Anatolian peninsula as a connected region rather than a group of individual states trying to meet their own needs is vital to collaborative efforts. With more than 1 billion USD invested in Bulgaria, Turkey is a major partner in this new and exciting investment.

One area in the last few years which has been elevated to a higher profile is cooperation on energy production and distribution. We can look to the exciting developments that have literally been "produced" in Bulgaria and Turkey as a model for other regions. The establishment of Turkey and Bulgaria as energy

corridors linking Europe to Central Asian, Middle East and Russian suppliers emphasizes the regions importance.

In order to be true to the theme of the conference, “2011 and Beyond, I will highlight how the intricate network of distribution, which is growing in its diversity, and the evolving energy market, which is accelerating with new technology, can reinforce the bonds between Turkey and Bulgaria. There are many projects that highlight the collaboration between the two countries but the brevity of my speech encourages me to point to two that epitomize this cooperation, one demonstrating a past project and one for the future.

Ceyhan and Nabucco

For hundreds of years goods have crossed Turkey and Bulgaria to enter Europe; nowadays these two countries are of extreme importance to the energy sectors of Europe, the Middle East and Central Asia. As we see, Bulgaria’s strategic geographical location makes it a major hub for transit and distribution of oil and gas from Russia to Western Europe and other Balkan states. And we also see how Turkey is a natural bridge between the energy rich Caucasus, Central Asia, Middle East and the European markets. Bulgaria’s new pipelines in 2011, the Burgas-Alexandroupoli pipeline 2011 and Burgas-Vlore pipeline have shown that the country is a vital link in the supply chain. Turkey with its various planned projects such as the Samsun-Ceyhan and Nabucco lines will come on board as a strong ally in the region.

When the Ceyhan-Tiblisi-Baku Pipeline was established in 2005, it made logical sense to bypass the Black Sea in order to allow supplies to go directly to the Mediterranean Sea. It saves on Bosphorus strait traffic and distribution costs. This

example of cross border cooperation helped to put Turkey on the map as an important and reliable transit country to ensure energy safety for Europe.

Due to these important energy dealings, a comprehensive plan to link Ceyhan to Bulgaria via a new pipeline was proposed. By bypass the Mediterranean altogether with the proposed Nabucco pipeline, to be completed in 2015, supplies can more easily and directly reach Europe. Upon its commencement, it would transport Caspian and Middle East gas through Turkey, Bulgaria, Romania, Hungary and Austria to Central Europe. We can see how alternative routes help to increase competition and diversity among suppliers and distributors. This expansion in distribution routes can help to prevent overreliance on one source.

Alternatives and 2011

We can also note that the Alternative market will be of great importance in 2011 and the future. Turkey which has incredible wind energy potential along the Aegean Coastline has upped its production of this alternative from 433 MW in 2008 to over 1500 in 2010. There are also more projects for the coming years. The potential that solar and hydroelectric energy have demonstrate how rapid the sector is growing. As a close neighbor it would be feasible that energy surpluses from Turkey could be distributed to neighbors like Bulgaria.

Conclusion

We can see that in the wake of an energy crisis, nations need to act together and assist one another in procuring energy resources. Just last month Turkish Foreign Minister Ahmet Davutoglu, was here in Sofia speaking with Bulgarian Foreign Minister Nikolay Mladenov to announce cooperation on the Nabucco pipeline. I echo the words of Davutoglu when he stated last month: "we should consider our

common cultural heritage as a friendship bridge. With our collaboration, all invested parties come away with something positive.”

When I reflect on this quote it is clear that the diversifying of delivery routes and suppliers increases competition and passes better prices onto consumers, the shortened transport routes waste less and are better for the environment, and finally the increasing cooperation helps to create stronger political bonds. As we see the strengthening of the delivery networks, we also see two neighbors working literally side-by-side to build strong bonds in the energy sector. We all need to support collaborative projects in order for them to move forward. Thank you for your attention.