



Introductory Remarks by Slavtcho Neykov

Thank you very much to all of you for being here,

Thanks a lot to IENE and to Eurelectric for this event,

I am privileged to be here and now in my capacity as the Chair of the special working group within Eurelectric which focuses on the Energy Community area and MENA but I am also privileged to be among so many Greek friends. I note that most of them are with ties and I am the only one who looks like your Prime Minister Mr. Tsipras without a tie. So, please, accept my apologies for being without a tie but I think when your Prime Minister uses this manner this means it is politically and policy wise accepted.

Let me tell you a few things first on the procedure; and I would appreciate certainly that you all turn off your mobiles, so put them in a mode which will not disturb our work. Otherwise, we have several speakers on the list and time runs very quickly; so after the two introductory presentations we shall have a panel debate and I will ask the three speakers there to have each of them about 5' minutes to make introductory notes, introductory statement and then we shall continue with the participation of all of you.

Otherwise, when it comes to the topic of the energy market integration and transition in South Eastern Europe I am quite excited not only because I have myself dealt with this issue for a lot of years but also because I come from the region. The people in South Eastern Europe are specific people and the developments are specific – thus, there is one word which can in my view summarize the needed approach towards the topic and it is realism. I think that the previous two speakers gave a very good frame for this. South Eastern Europe is boiling in a lot of aspects, there is a very strong expectation towards EU enlargement but at the same time just a couple of days ago the President of the European Commission said that (and I am

quoting) “the Balkans need a definite EU perspective but I will not allow to be put under pressure” (end of the citation). We cannot take the energy sector out of these overall developments. We have to consider this within this general political and policy framework. And that is why I think we need this realism I mentioned explicitly about.

You know that Bulgaria is currently the President of the Council of the European Union - in fact these days nobody in Bulgaria focuses on that. Everybody speaks about an energy related scandal, so this is part of the reality, part of the realism. I myself and maybe most of you have participated in making long lists and short lists of projects, which are considered to be a priority, but when we look at the map of South Eastern Europe, particularly when it comes to gas, projects do not seem to happen and this is also part of the realism. We have to consider why, for example, in South Eastern Europe if you look at the legislation which targets the investment climate, we have pretty good legislative framework on the spot and we have pretty low taxation - but then at the same time strategic investors are leaving instead of coming and this is also part of the realism we have to definitely consider.

Now, when it comes to energy market integration and energy market liberalization the good point - and it was underlined by the previous speakers - is that on political level there is no country in the region which denies, which moves aside, the EU priorities; i.e. the energy policy of the European Union is definitely at a political level energy policy throughout Europe because all these countries without being members of the European Union share them. But again when it comes to realism if you look at the annual reports which are done by the Energy Community Secretariat, you will see a lot of diversions instead of coming closer to each other. So, this is a kind of specific frame within which I would like to put the debate today.

Let me finish my introductory statement with another quotation from President Juncker who also said very recently, again concerning the EU perspective particularly of the Western Balkans. He said that the Western Balkans should know very well the fact that EU is a community of values and (I am quoting here) “we are not here so that our hands are kissed or to distribute candies”. So, within this overall framework

I rely very much on our speakers that they will present their views in a realistic manner about the energy market integration and the transition in SE Europe.

I just want to make a comment on what Mr. Chadjivassiliades said about the scope of South Eastern Europe, I think it would also be fair if we put there Ukraine and Moldova as well, as part of the overall process not only because they are countries which are part of the Energy Community (a process which Georgia also joined recently and formally), but also because South Eastern Europe is very strongly dependent particularly when it comes to gas on the transit. And this transit is strongly related to Ukraine and Moldova - we recently saw even some sparkles between Russia and Ukraine going through which nobody knows how they will affect South Eastern Europe..