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"New Silk Road"

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

The Southern Corridor Summit

Prague, 8 May 2009

Prime Ministers, Ministers, ladies and gentlemen,

Energy is a traded commodity but energy issues have been making the headlines recently for all the wrong sorts of reasons. We have seen volatile energy prices, commercial disputes and pipeline accidents disrupting energy flows.

And when people talk of new pipeline projects, too often the first reaction is to look at who is behind the initiative rather than to stress that such projects should increase everyone's energy security, by providing more choice to all countries concerned.

For energy suppliers, new pipeline projects can provide opportunities to access new markets, to conclude direct contracts with consumers and to mitigate transportation risks by ensuring a diversity of routes.

For transit countries, new pipeline projects provide opportunities to enhance their own energy security while benefitting from reasonable revenues from their energy transportation businesses. This in turn will increase their development and facilitate their economic integration into the EU's energy market

And, for consumers, new pipeline projects bring additional security by diversifying sources of energy supplies, as well as transportation routes and directions.

The energy sector offers real win-win opportunities.

Pipelines and energy networks can increase political and economic co-operation by creating real physical interdependencies and long-term commitments for mutual benefit.

Real, practical opportunities for investment will ensure the extraction and transportation of resources in the most environmentally sustainable manner, through the use of efficient, modern and cleaner technologies.

And the resulting substantial revenues offer a very real opportunity for further economic development, and can underpin policies to promote more diversified economic activities.

All of these considerations are particularly valid here today. The "Southern Corridor" initiative offers significant potential benefits to us all.

For the countries of the Caspian Basin and Central Asia, as well as those of Mashreq and the Middle East, the realization of this corridor would enable secure and long-term access to one of the world's largest, most integrated and financially attractive energy markets.

For the countries of the southern Caucasus and the Black Sea region, the realization of this corridor would offer them the possibility of additional energy supplies as well as a long-term source of transportation revenue.

And for the EU, the Southern Corridor offers geographically new sources of energy. As the title of this Summit suggests, this could amount to a renewed "Silk Road" - opening the potential for enhanced relations with the countries of the Southern Caucasus and Central Asia.

The Commission has been working for several years on developing our energy relations with the countries here today, not least to enable the practical realization of the Southern energy corridor.

This work has been boosted by the highly symbolic Memorandum of Understanding on energy with Iraq which I understand will be signed shortly. And the importance of the Southern Corridor was explicitly recognized by all 27 leaders of the EU Member States at the European Council in March. They also specifically underlined the importance of work to develop a mechanism to facilitate access to Caspian gas. A study is now underway, in co-operation with international financial institutions, on the possible shape of a Caspian Development Corporation.

The Commission, together with the EU Presidency and the countries of the Southern Corridor, have negotiated the Joint Declaration that will be signed later on today.

This document is an important achievement that will bring real benefits for all of us - without compromising the interests of any of our other energy partners. It is a co-operative effort that will provide business opportunities for gas to be transported by pipeline or by ship to our markets on the basis of the key principles of transparency, non-discrimination and market economics.

It will provide security of energy supply, transportation and demand through sustainable projects. It will create jobs and provide a stimulus for all our economies. It will also help in the fight against climate change by encouraging the use of a less carbon-intensive energy source.

The declaration commits the EU, as a consumer, to providing producer countries with reliable commitments on aggregate demand.

It commits producer countries to identifying specific additional volumes of gas and oil that have not already been commercially committed, and which can be dedicated specifically to the EU.

And it explicitly recognizes the need for commitments by transit countries for a long-term, predictable and stable regulatory regime.

The building blocks are all here. I trust that our discussions will enable us to collectively identify the next concrete steps towards making this important corridor a reality. I am sure this meeting will be a very successful one.