

INTRODUCTORY REMARKS
BY THE EXECUTIVE DIRECTOR OF IENE
Mr. COSTIS STAMBOLIS

Your Excellencies,

- Secretary General of the Hellenic Ministry of Development Mr. Constantinos Mousouroulis
- Ambassador of Bulgaria for Energy and Climate Change Mr. Peter Poptchev
- Consul General of Turkey in Thessaloniki Mr. Abaci
- Ex Minister Verivakis
- Ex Minister Tsohatzopoulos
- Distinguished representative of the World Energy Council Mr. Slavov
- Dr. John Desyripis, Chairman of IENE
- Dear Speakers and Dear Delegates,

Let me welcome you all to our 3rd South East Europe Energy Dialogue which our Institute started organizing, here in Thessaloniki, for the third consecutive year. The choice of this city venue by the organizers is not accidental. This place is long associated with extraordinary economic, industrial, social and cultural development and has come in many ways to symbolize Greece's rebirth after the ruins of the 2nd World War. In more recent years Thessaloniki has emerged as a regional hub for inter cultural dialogue and business development. In that sense our choice of location could not be more appropriate.

This year's Energy Dialogue conference is convened at a very critical moment from both international and regional perspective. From an international point of view one cannot fail to observe that the major financial crisis which erupted last September has affected economies worldwide with the USA and Europe being most affected and with the BRIC countries, despite their dynamism and tremendous resource potential, suffering too as can be seen in their diminished rates of growth. Hence the theme title of our conference "Threats and Opportunities in the Energy Markets in the Current Economic Crisis".

The impact of the crisis in the energy sector was significant as was witnessed by the huge drop in the price of internationally traded commodities, including oil and gas but also electricity, which as many of us know is now traded on a daily basis in several local markets but increasingly so on a regional and cross-border basis. A subject which I am sure will be amply discussed in the various sessions of our gathering. The effect of the crisis on oil prices is particularly worrying since it has affected much needed investment in new oil and gas fields.

Although global oil and gas needs are reduced in comparison with last year, with some 2.5 to 3.0 million of daily oil barrels taken off the market, with global oil supplies now down a steep 3.2 million barrels below levels of a year ago, thanks to a drastic OPEC cut, there is worldwide concern of where the situation might lead when economic development bounces back. Hence the rise in oil prices which we are experiencing over the last 2 months with the barrel now selling at 70 dollars, almost twice up from what it was in the early part of this year.

From a regional perspective the issue of energy security is dominating the current discussion as most countries of the region are in the process of redefining on new energy routes their long term plans and some of them even re-thinking their energy mix. But energy security in our part of the world goes hand in hand with the importation of oil and gas which today are gaining a new significance as S.E. Europe is emerging as a vital energy bridge, a transit route, between the energy rich countries of the Caspian region and Russia and the energy hungry Europe.

In that sense we are very fortunate because we have among us in this year's Dialogue meeting very knowledgeable speakers from Russia, Kazakhstan and Iran who will expound on their area's potential.

Ladies and Gentleman,

Distinguished speakers let me conclude my introductory remarks by saying that more than anything else we are here to examine and discuss the following major issues:

- (a) The role of SE Europe in a global setting
- (b) The state of the energy markets today, given the impact of the current economic and financial crisis,

(c) The changes that need to be introduced to make markets more efficient thus improving the prospects for investment and development.

In this context the participation of the World Energy Council (WEC) in our Dialogue meeting is especially useful and on behalf of IENE I am grateful to WEC's Regional Representative Mr. Slav Slavov who I warmly welcome for being with us today to co chair with me this opening session.

I would therefore now like to call Mr. Slavov to say also a few introductory remarks.