

3rd South East Europe Energy Dialogue

Thessaloniki, June 18th-19th, 2009



Session III

Balkans as a Corridor of Energy Supplies to Europe – The Transit Countries

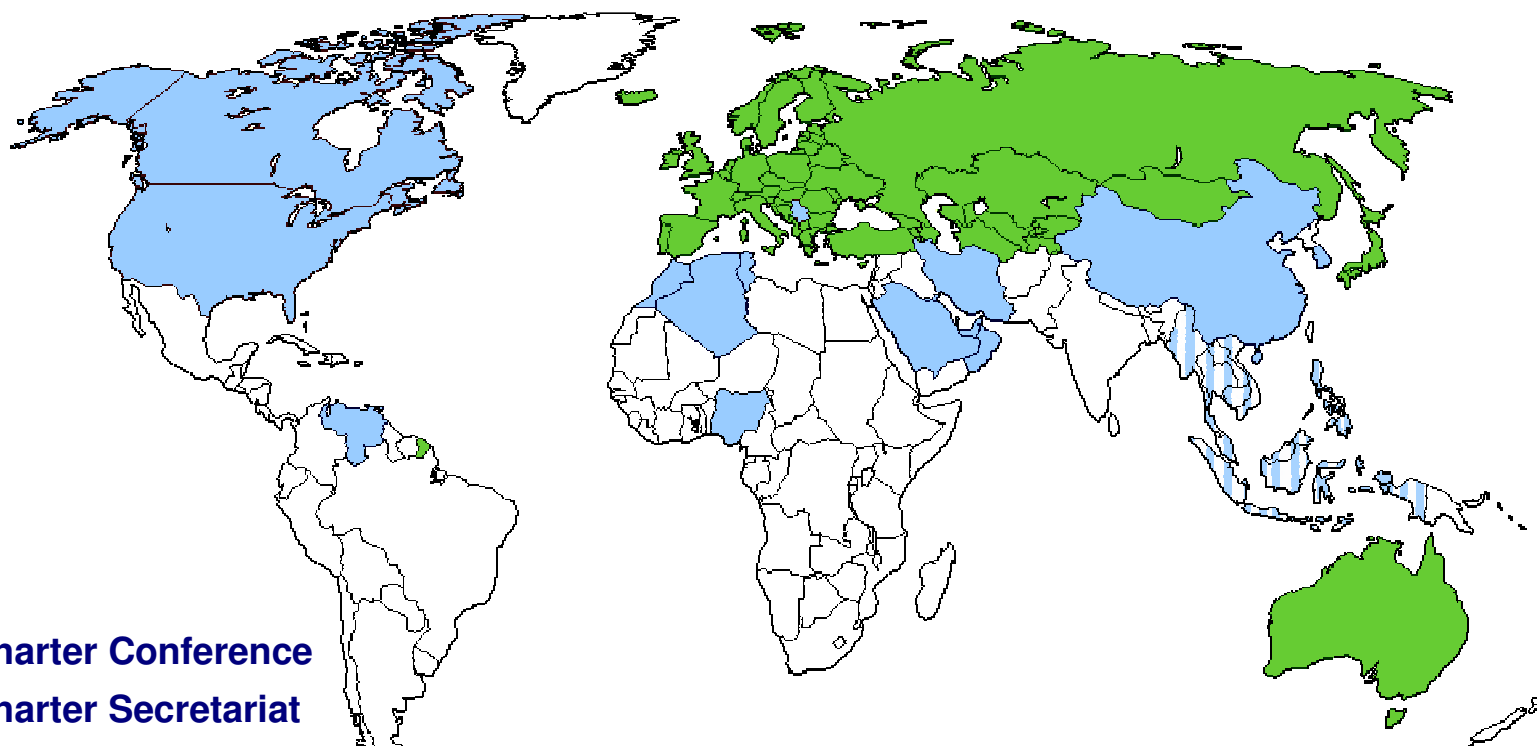
Thea Khitarishvili
Senior Expert
Energy Charter Secretariat

THE ENERGY CHARTER TREATY



1994 - Signature

1998 - In Force



BODIES

- Energy Charter Conference
- Energy Charter Secretariat
- Energy Charter Groups
(Ad Hoc Strategy Group, Trade & Transit;
Investment and Energy Efficiency)
- Industry Advisory Panel
- Legal Task Force

■ signatory

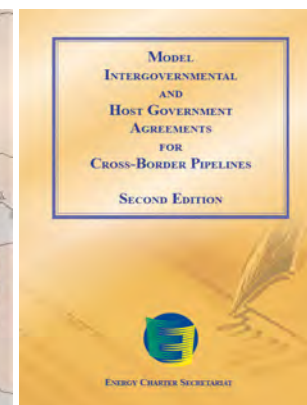
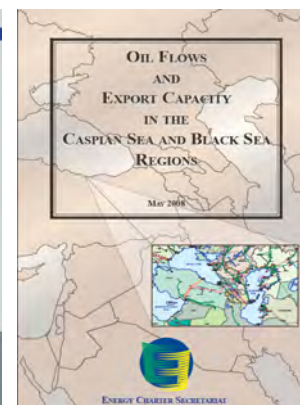
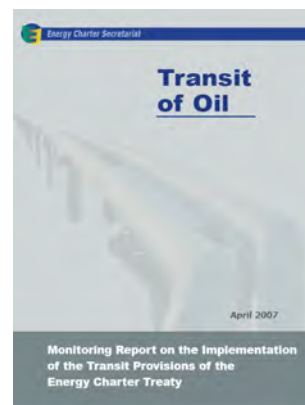
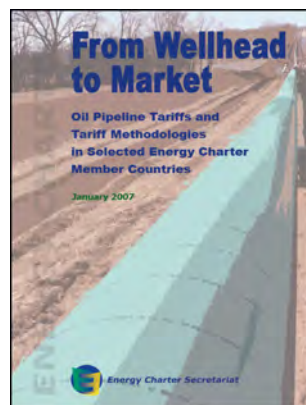
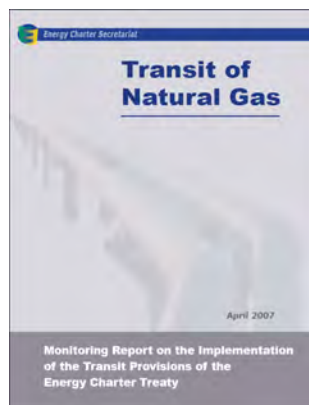
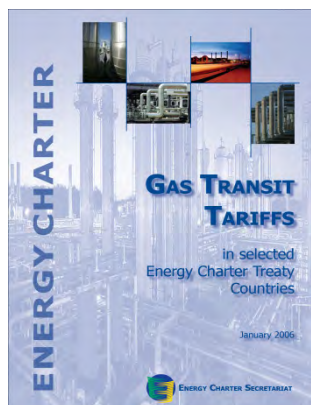
■ observer



Energy Charter Treaty Principles

- Promotion and protection of energy investments
 - non-discrimination (MFN / NT)
- Enhancing energy trade
 - WTO rules
- Facilitation of transit
 - freedom of transit
 - non-discrimination
- Energy Efficiency
- Dispute settlement rules

Energy Charter Secretariat



**All publications are available in English and Russian languages
and can be downloaded at**

www.encharter.org

Mail: Bld. de la Woluwe 56, B-1200 Brussels, Belgium

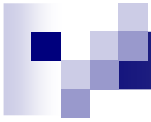
Phone: +32-2-775-9800 Fax: +32-2-775-9801

E-mail: info@encharter.org

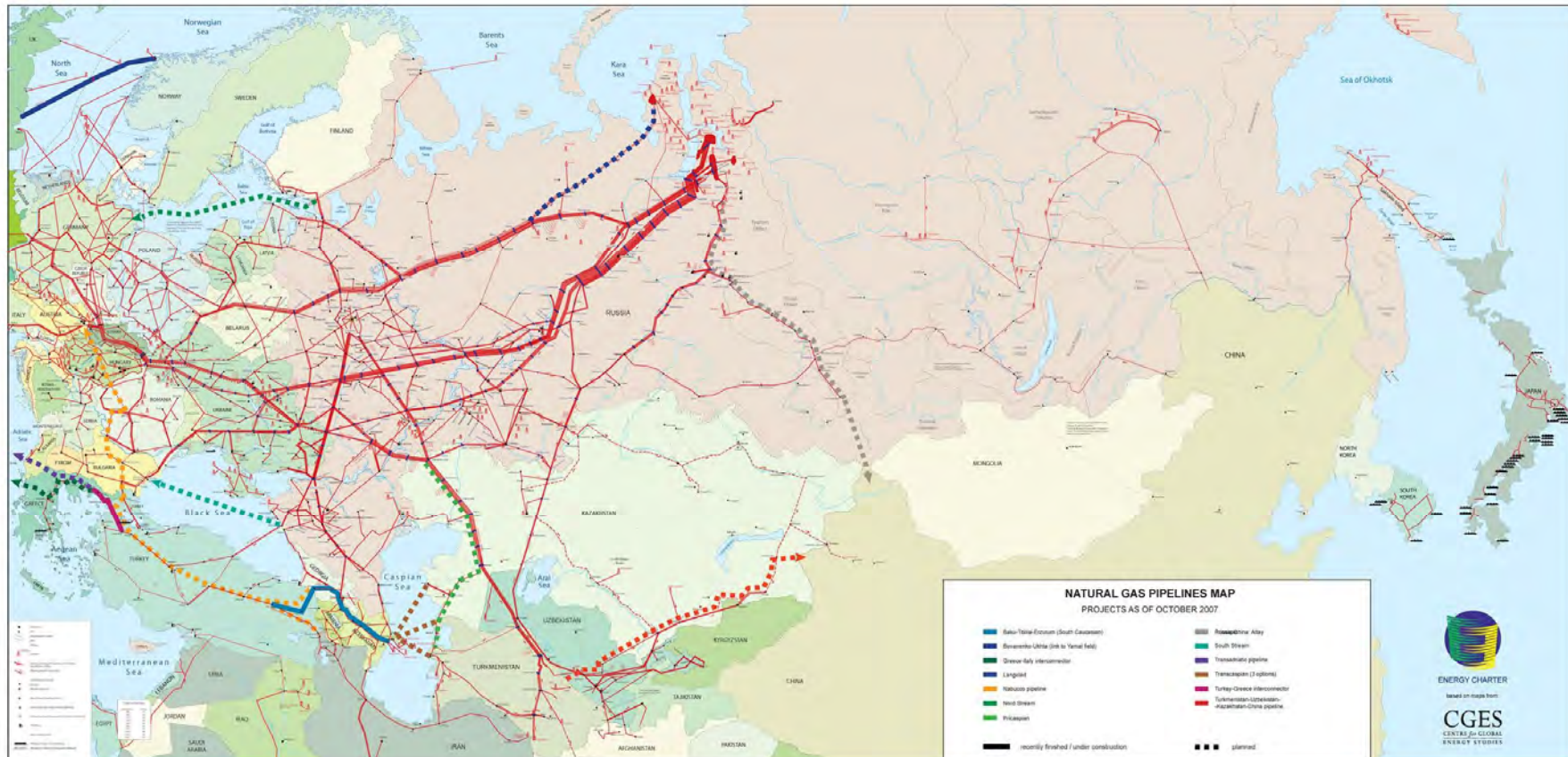


Balkan Corridor – Session 3 themes

- Oil and gas supplies and routes to Europe
- Existing and new oil and gas pipelines
- Major challenges for the South East European oil and gas industry
- How the financial crisis affects current plans for new oil and gas pipelines



Existing and projected gas pipelines from East





Balkan Corridor – affect of financial crisis

■ Investment obstacles

- Financial uncertainty
- Cost of investments and profitability

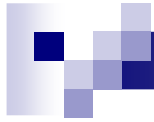
■ Risks influencing the expected profitability and therefore the decision to invest

- Market risks (uncertainty on price and volume)
- regulatory risk (impact of market rules and regulation)
- political risk (uncertainty relating to international relations and often involvement of several transit regimes).



Balkan Corridor – themes for discussion

- Energy corridors vs pipeline projects
- Competing projects
 - Impact of the pipe to pipe competition
- Barriers to the development of energy corridors
- Transit matters
- Government role in developing energy corridors
- Project specific arrangements
- Role of the multilateral framework for Cooperation



Thank You

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Energy Charter Secretariat

Tel.: +322 775 98 00

Fax.: +322 775 98 01