

Ladies and Gentlemen, Honorable Invited and Participants in the Works of today's Meeting,

As an introduction I would like to point out that, the response of the two countries' Ministries that placed the event under their supervision, as well as all speakers and involved parties from other institutions, shows the acceptance of our initiative and the essential support that was provided to the two institutions (Chamber and Institute of Energy). For this I want to address my gratitude and my appreciation to all.

The Board of Directors of the Greek-Albanian Commercial and Industrial Chamber and its roughly 270 members, perceive that Albania apart from its given geographic place in Europe, will constitute in the near future a politically integral member of the European Union. Therefore I consider that, not only our future planning but also the management of current developments is moved towards European accession. Accordingly, all the energy events in progress concern and influence the two countries (Albania and Greece) with somewhat the same way that concern and influence most of other European countries. For this reason, my orientation could not lead elsewhere but to the cooperation with an internationally recognizable institution of research of energy subjects, specialized in our own geographic region, such as IENE.

The perspective from where I will approach the subject is mainly practical and it has as bisection the prospect of synergy that starts with the bilateral issues but is also based on an intra-Balkan and further European framework.

Therefore I borrow one of the basic conclusions from the final report of the European Committee of Research of Competition in energy, where it is confirmed that, the gas and electric energy markets do not function as they suppose to, despite the fact that for more than one decade serious institutional efforts are taking place for their liberalization. Unfortunately, we are still far from the creation of a united, competitive and fully functional European energy market. And this has as a consequence, that the consumers, the businesses and our economies as a whole, still cannot secure sufficient supply of energy at the lowest possible cost.

In order to create a market that would offer terms of true competition three basic conditions are needed:

1. Access in reserves of energy,
2. Access in networks and
3. Access in customers

And all these of course, to be regulated and guaranteed with explicit and complete institutional frame of a liberalized, free market.

Nevertheless, three important structural problems, and a series of other obstacles, remain.

Firstly, many energy markets operate in a concentrating way. The study of this subject through the reports of the E.U. and through the studies of other specialized institutions (IENE-ECONOMIST) shows that wherever there are exclusive energy providers they unilaterally concentrate the power of the decision-making in their corresponding national markets.

Such markets, monopolies or oligopolies, despite any effort for liberalization, remain primarily national, with exceptionally limited new entries and almost no competitiveness, giving to the incumbents the opportunity to impose high prices in order to protect their positions and their profits. Thus, the development of the energy sector is impeded, at the expense of the state and national interest.

Secondly, many markets of energy are characterized by a high degree of vertical integration; which means that the same institution that controls the network and the supply. It is not surprising that such institutions see their networks as strategic advantages that allow them to exclude the competition through discrimination. Moreover, wherever the network operators are incorporated, they have very few motives to invest in networks - and this is also an important obstacle to new entries and threatens the security of supply. That is why many of the networks of interconnection of electric energy in Europe are saturated for many years and are not evolved despite the fact that the demand exceeds the available capability.

It is explicit that all Europe needs expansion of its energy interconnection; our countries even more so. At the present moment, it appears - unfortunately (because of the international economic crisis) – that there is a relative insufficiency of investment resources but fortunately – there is a political will and serious interest from investors.

Thirdly, as I mentioned before, there is an absence of the cross-border interconnection and cross-border competition. The institutions of each country are often and for various reasons, forced to maintain for a big part the traditional form of domestic markets of energy, and thus to lose their boldness regarding strategic co operations and the entry in other national markets, either as collaborators or as competitors on a large scale. Specifically for the wider region of Balkans, the different forms of energy markets between neighboring and/or similar states, contribute to the current picture that renders energy production and transmission difficult.

The base of the current meeting is that our countries have already develop good relations with each other at all levels, have already proceeded on institutional regulations that demonstrate the explicit developmental orientations of both Public and Private sectors, which practically serve the national energy programs and programs for international cooperation.

Specifically, for the two countries, it is known that Albania and Greece allocate:

- **Conventional energy resources in inactivity** and which further exploitation can occur with a milder way and with friendliness towards the environment.
- **Natural wealth, suitable morphology of the ground, water resources and appropriate climate conditions** that provide us with the possibility of development of productive units of Renewable Energy Sources capable to cover more than 20% of the domestic consumption which constitutes a mid-long-term objective of the E.U., and
- Business-friendly environment that combines the **economic dynamics** together with **science and technological know-how**.

For those reasons, I don't declare that the works of this Meeting will be the end of our energy problems but I am certain that the points of view of the speakers and the conclusions of the work groups, will document various opinions and consequently, they

will constitute the spark for a beginning of a series of new cooperation with common goals and mutual social, political and business advantages..