

Opening of the conference by Todor Kondakov*

**Dear members of the parliament,
Dear representatives of state institutions,
Dear representatives of diplomatic missions in Bulgaria,
Dear guests,**

As it is known, energy carriers are traditionally used as a tool to advance geopolitical interests, which due to many specific reasons is mostly related to natural gas. In its turn, Southeast Europe, which is located relatively close to the countries holding the largest stocks of this energy source: Iran, Russia, Qatar, Turkmenistan, Saudi Arabia, United Arab Emirates, Iraq, Azerbaijan, etc. is naturally seen as preferred route of many ambitious projects of natural gas supply to the European energy market. On the other hand, namely the clash of geopolitical interests, and mostly of external to the region forces often leads to failure of the strategically important gas pipeline projects, which is supported by the countries in it, through which territory they should have passed. In relation to this I will mention the terminated gas supply pipeline projects "Nabucco" and "South Stream", or the unclear fate of another project widely seen as a promising one - that of "Turkish stream". So, now we rely on future deliveries of natural gas from Azerbaijan through the planned for construction Trans-Anatolian and Trans-Adriatic gas pipelines and the respective interconnectors, as well as on possible future gas supplies from Iran, Turkmenistan or even from newly opened deposit "Zohar" in the Egyptian shelf. In this regard I will quote Bulgarian Prime Minister, Mr Borisov, who several weeks ago predicted that in the near future, through our country 25-30 bn. cu. m of natural gas will be transiting per year.

Without in any case underestimate these opportunities and realizing the great importance of the diversification of gas supplies to Europe, including the southeastern part, we should not forget that the gas volumes that Azerbaijan will be able to provide (in 2019 the earliest) can only cover half of the needs of southern Italy, which is their final user, and it will be hard to ensure energy security of the countries of Southeast Europe and, in particular, Bulgaria. I will also remind that the currently harvested natural gas in Iran is equivalent to the consumed by its industries and by Iranian households. Almost all gas harvested in Turkmenistan had already been agreed with China, Russia and Iran. On its turn, Egypt, in which shelf the deposit "Zohar" is situated, is threatened by gas deficit this year. At the same time the development of the domestic political situation in Turkey put under question the security of gas transit through the territory of the country - only within one month in the summer of 2015, there were blown up three key pipelines for the transit of energy resources from Azerbaijan and Iran. Eventually, at the moment a number of countries from Southeast Europe are still heavily dependent on Russian gas through the territory of Ukraine, which except the fact that until recently it was caught up in a civil war, today it relies on European Union funds and on the International Monetary Fund to pay the deliveries of its needs of natural gas, which is unlikely to continue endlessly. On the other hand, the periodic statements of Russian officials that Moscow intends to suspend gas transit through the territory of Ukraine, although it is perceived by some as a bluff, imperatively impose on the countries from Southeast Europe to seek alternative solutions.

In the meantime, during the conference held on September 3, 2015 in the Dutch town Wassenaar, organized by the International Energy Programme of the Clingendael Institute, the senior analyst at the International Energy Agency, Rodrigo Sholtbah, predicts that the volume of the harvested gas in Europe, by 2020, will decline by 35 billion . cu. m and this is also the relative increase of the consumption of this energy source.

Which means that, Europe will then need additional import of 70 billion. cu. m of gas. According to Sholtbah, in 2020 the Russian gas will cover 29% of the needs of the continent (ie the same as the last 2014), the Norwegian - 22% (vs. 23% in 2014), the gas from Northern African countries - 5%, and Azeri gas - only 1%. Moreover, it focuses on the fact that Russia is the only exporter of pipeline gas, which is able to substantially increase the volume of supply in mid-term perspective. If this is true, it means that at least in the next ten years we can hardly expect a radical change in the diversification of gas supplies to Europe, for which we can only regret.

At the same time, while the implementation of the gas projects in Southeast Europe faces serious problems and obstacles, in Northern Europe this can be performed much more easily, an example of which is the operation of the pipeline "Nord Stream", despite the requirements of the so called Third Energy Package of the EU, as well as the envisaged increase of the volumes of supplied through this route by building a new pipeline, called "Nord Stream-2".

The presence of this kind of "gas marginalization" of Southeast Europe seems particularly alarming against the backdrop of the launch of the project for the creation of a European Energy Union, which shall be based precisely on solidarity and equality among its participants.

In relation to this, I would like to draw attention to an important point: the major gas reserves in the world are located on the territory of the Eurasian supercontinent (approximately 70% of all gas reserves on the planet). The first and the second place by gas reserves is divide between Iran and Russia, followed by Qatar and Turkmenistan. Azerbaijan, Kazakhstan, United Arab Emirates, etc. also have large reserves of natural gas. That is, the main gas reserves are concentrated in the core of the Eurasian space, and most key customers are located in its periphery. From a purely economic perspective, unencumbered by any geopolitical and national considerations, the balance of the gas market can ensure quick harmonious and sustainable development of all Eurasian space. If purely political restrictions on gas supplies are to be removed from all sources to all possible users, volatile economies of the EU and China, which are already active enough, would have additional sound basis for extremely intensive ongoing development, ie with a guarantee of future prosperity.

The liberalized gas market within the Eurasian supercontinent and the formation on its basis of a single gas grid covering the entire territory of the Eurasian giant from Lisbon to Shanghai (of course, if we disregard the geopolitical and non-economic, ie non-gas factors) would ensure optimal conditions for development of economy of all Eurasian countries. In practice, however, this does not work, on the contrary, it is headed towards escalating energy confrontation between the European Union and the United States, on one hand, and Russia - on the other, which dimensions are particularly evident precisely in Southeast Europe.

As it is known, during the Cold War, the Russian-European relations in the gas sphere were developing successfully because they were separated, at a great extent, from geopolitics. Today, however, they become its hostage, which, as stated by Pierre Noel from the International Institute for Strategic Studies in Washington, "can make us true witnesses of energy war between Russia and Europe, which will be extremely harmful to both parties". Among everything else, this dangerous trend works for closer economic and political engagement of Russia and China and the gradual recovery of the bipolar division of the world and the resumption of the "cold" confrontation between the West (in the person of the Euro-Atlantic axis) and the East (in the face of a potential Russian-Chinese block) with all the negative consequences for the world as a whole, and for South East Europe, in particular, because it makes pointless the pursuit of the countries from the region to take advantage of the natural process of global integration in its quality as a mediator and a bridge, which cannot be disregarded between the two halves of the planet.

Exactly on these issues is dedicated the conference today, organized by the Bulgarian geopolitical association and the journal "Geopolitics" with the support of the Student Diplomatic Society. The participants will present their views on the implementation of various gas projects concerning the countries from the region and opportunities for the formulation of a common European energy policy which genuinely takes into account the interests of all countries on the continent and to ensure their energy security. We count on the representative of the Energy Directorate of the European Commission to outline the strategy of the European Union for diversification of the gas suppliers and future initiatives in this field.

It is very important to clarify the opportunities the region of Southeast Europe to actually become a kind of a gas hub, and on its territory the optimum number of gas pipelines to be realized, which not will ensure energy security of the countries in it, but will also provide significant revenues from transit fees and, more generally, raise their geopolitical weight on the continent. We will also try to outline the parameters of cooperation between the countries of Southeast Europe in the defense of those projects in the gas sphere, which they consider to be cost-effective, practical and realizable useful for themselves. And also, how their full equality with other European countries can be guaranteed .

I wish success to the participants in the conference today.

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