

OPENING SPEECH

Mr. Andris PIEBALGS, European Commissioner for Energy

**on the occasion of signing the Treaty establishing Energy Community
Athens, 25 October 2005**

Ladies and Gentlemen, it is a great pleasure for me as a representative in the Institution that has nurtured the Energy Community since its beginning in 1995, to be here today, to see all results in a signed Treaty amongst the parties and the European Union. The signing of the Treaty in Athens is a logical continuation of this process it has also a very high symbolic value. To recall in addition that this is the first multilateral Treaty ever signed in this region and that makes today even more impressive and illustrates that the region has entered a new era.

My colleagues would like to underline the importance of this Treaty to the momentum of cooperation that is rapidly gathering in the region. The Commission and the European Council have underlined the fact that the future of this region is within the European Union. In that perspective reconciliation can be easier but this step taken today is altogether different, as you have chosen to give commitment to each other and not just to the European Union.

The Energy Community Treaty has borrowed the European model that is a basis of the European Union. It has therefore a good pedigree. It seeks to allow the state of post-Marshall eastern Europe to agree on one area policy and then to develop this beginning further. Furthermore the Treaty is a key element of the European Union strategy in Southeastern Europe. In fact it extends the benefits of the internal market to the neighboring countries. Some of them have applied to espouse a European Union membership. Likewise it asks not for a commitment to do things in the near future but for each of the member state to do things now and to concentrate on the energy policy.

It seems to me to be appropriate that the first formal step has been taken in the area of energy policy. Energy is the basis of any successful economy. Getting energy right helps all other sectors, agriculture, manufacturing and services to move forward. From the computer program to the large industrial complexes stable energy supply is vital. You cannot have a high value model economy without getting the basic energy situation under control. I believe that this Treaty will benefit the region and Europe as a whole.

I would like also to highlight that Turkey supported this process and I think that we all recognize the important positive role that Turkey has played in the development of this process.

The Treaty will assist the overall investments and it has been a vital sector. It will strengthen the finances of the investment in this region by opening up the markets and creating bigger potential for exports. It will attract investment. I have heard all this new mythology about investment being expected precisely because of the Treaty and the new strategy of energy supply. And we can see all the increased interest in the private sector in developing large stations, building its connections and developing trade. All these are important to develop confidence that this region can move forward economically and socially. Furthermore, and probably the most important thing is that this Treaty has a capacity to resolve higher standards of social protection and result in the increase of energy policy in the region.

We need to make this Treaty concrete to benefit all consumers. This Treaty is not just good for Southeastern Europe, it is good for Europe as a whole. It is vital for the internal energy market and binds the region to the European Union. It creates an incentive for companies to invest here in order to export to the European Union. Your own company can help the market in which to become competitive.

In addition this Treaty will create a stable regulatory framework for new gas supply into this region. And also as a region to the rest of Europe by providing a common, stable and predictable regulatory framework for the European Union and the region, it will create incentives to interconnect the Middle East and North Africa. By doing this, this region will increase its security of supply and help the European Union do the same.

The Treaty therefore represents part of the answer to provide a robust policy framework to ensure energy policy both in Southeastern Europe as well in the European Union. Of course, however developing an energy policy achieving the three key goals of security, competitiveness and stable development, there is also a number of additional actions. For example, apart from the response of the European Union to the high oil prices one of the challenges of the agreement is to become more energy efficient.

Prime Minister, ladies and gentlemen, I recognize that the Energy Community Treaty is a major step forward for this region. It is the foundation of increased security supply to increased cooperation. The European Union has taken the role of patron and guarantor of this process. And I myself personally take all this seriously and I push for a report on balance and an effective basis.

Prime Minister, finally I would like to thank Greece and especially Minister Sioufas not only for your hospitality, but equally for your continued and determined support and commitment throughout the preparations and conclusions of the Treaty. And as a member of a new member-state of the EU, as I come from Latvia that recently joined the European Union, can be proud that my country is part of the European Union.

Thank you very much.