RESPECTED PRESIDENT,
RESPECTED COMMISSIONER PEBALGS,
RESPECTED MINISTERS,
LADIES AND GENTLEMEN,

Allow me first of to express my gratitude to the host, the Republic of Montenegro for the hospitality and exceptionally successful organization of this meeting of the Ministerial Council, and the opportunity to review the progress of the work of the energy community, realization of our mutual task in the reform of the energy sector and liberalization of the energy markets, and to deliver conclusions for the significant issues.

I would like once again, to congratulate to the new member countries of the energy community, Norway, Moldova and Ukraine. I am convinced that with their membership and participation, the conditions in which will operate the mutual markets of energy in the region will gain new dimension and essential quality. At the same time, I would like to express support to Turkey in its efforts to overcome all of the obstacles on the path to gaining status member country of the Energy community in the shortest period.

One year after stepping into force of the Agreement for establishing Energy community, we witness in all of the signatory countries, continuous progress in the fulfillment of the obligations from the Agreement that are not easy or simple. The legal framework for the reforms of the energy market in the Republic of Macedonia started with the deliverance of Law on energy in May 2006, and after that, we entered the process of implementation through preparation of by-laws and creation of conditions for liberalization of the markets. This responsible task is realized under conditions of increased demand and unfavorable conditions in the energy supply due to the electricity deficit on the regional markets. Under process are other measures in the regulation of the market environment that do not refer to the market model, and which should secure permanent financial liquidity of the companies that perform the market services, technical readiness of the system and sustainable security in the supply, as well as, securing suitable social support necessary for realization of the reforms and similar.

As can be noted from the presented information during the meeting, the efforts of all Signatories are supported by the Donors community and already give concrete results. For the efficient functioning of the energy market it will be necessary and important to introduce new investments in the construction of inter-connective and transportation infrastructure. In this direction of special
significance is the determination of the regional priorities within the frames of the Trans-European transportation corridors, but also the construction of the internal transportation nets of the countries signatories. Another significant criteria connected to this issue is the priority of the directions for construction of the transportation infrastructure in function of diversification of the directions for supply with energy of the region and the countries in EU. The allocation of the directions for construction of the transportation systems is significant not only for the long-term security in the supply of energy within broader frames, but also for supply with sufficient quantities of energy necessary for the countries deficient in own energy sources, for the increase of the competition and liquidity of the energy markets in the region and supply of alternative kinds of energy into function of the measures of the energy efficiency.

The Republic of Macedonia makes significant steps for the construction of new sources of energy: three big HPPs, 400 small HPPs, upgrading of one TPP, one gas power plant and other sources of renewable energy.

The social aspects are constant challenge in all kinds of reforms so the energy is not an exception. The supply with energy is rightly named as universal and public service that in principal should be accessible for everybody. The increased expenses inducted by the implementation of the reforms and the market character of the prices of the energy have significant influence of the living expenses. In these regions, where the social problems are reality for significant part of the population, these additional expenses, introduced in relatively short period of time present serious load that can have negative impact on the economic, cultural and political field. Beside that, also the successful communication among the employers and the employees in respect of the conditions for work, equality, social help and social security is potential factor for decrease of the risk in the dynamics of the implementation of the reforms in the energy sector. The social dialogue is one of the basic components in the organization of the business ambience, reviewed and suitably arranged in the EU countries.

Because of these reasons, the introduction of consistent approach in the solving of these problems and construction of social dimension of the Energy community is the next significant step for the elimination of the obstacles for the implementation of the reforms in the energy, but also a step towards regulation of part of the society relations with EU legal frame.

Please, allow me at the end once again to express the support that my country gives in the approach for solving the stated and other problems that are part of the agenda of the Energy community. The forthcoming period will be dynamic and filled with challenges. Their solving will depend of the serious approach and efficiency of the cooperation on this plan.

Thank you for your attention.