

EBC, Portorož, Slovenia, 15 Junij 2006

Ladies and Gentlemen!

I am honoured to welcome you to Portorož and to open the Ninth Annual General Meeting of the European Business Congress. I consider it a great privilege to welcome so many distinguished businessmen and to address this meeting at this most important time of economic development in the World, Europe and in Slovenia.

Although the subject of business and economic development is extremely large, I am taking the opportunity to focus on one particular theme: energy. The reason behind my choice is the fact that the energy sector is today recognised as a principle, indeed fundamental engine of all economic development. However, the present situation requires a major and efficient shift in the development of the energy sector which, according to European strategies and studies, should be achieved by 2020. Without it, we face regression.

Europe therefore needs to ensure a sustainable and secure supply of energy. We share the belief that this can be achieved on the basis of market mechanisms and by stimulating investments in the energy sector. New, extensive investments are needed in the energy sector all over the world.

Estimates indicate that Europe needs to invest most in the electricity sector; around 70% of total energy investments. A further 20% needs to go into gas infrastructure, with the remaining 10% into petrol and coal infrastructure. The estimated amount is 2,000 billion Euros. However, these estimates do not include all the other energy sectors; nor do they take account of funds for research and development, including new technologies. According to these data, Europe is ranked in 4th place in the world, after North America, China and the rest of Asia.

Furthermore, development must be based on the fact that Europe is strongly energy dependant, especially in natural gas and petrol. Present dependency is estimated to be 50%, while energy consumption is constantly growing and is expected to continue growing in the future, at a rate of approximately 2% per year. Europe needs therefore to diversify energy sources and energy routes. For example, Europe can consider itself fortunate in the case of gas supply. It is surrounded by three main sources of gas, Russia, Algeria and Norway, which are all very near to the European energy market.

Nevertheless, considering the whole situation, Europe needs to form a network of reliable trading partners. It needs also to increase energy efficiency and use of renewable sources and, finally, it cannot ignore a strategy for other energy resources, especially nuclear energy. All this cannot be achieved without a European energy policy based on reciprocity and mutual respect of the rules.

Europe has recognised all these needs and has directed its political goals towards transforming the sector and guaranteeing security of supply. In March 2006, we witnessed the publication of the Green Paper on Sustainable, Competitive and Secure Energy which has been extremely positively accepted. It provides solid ground for fruitful discussion, since it includes all relevant horizontal policy actions.

In my personal opinion, the debate triggered by the Green Paper is a new wind. It is important for Europe, as well as for all regions with which Europe has relations. The subjects of the Green Paper are not completely new but they are still fundamental for future development of the energy sector, the European economy and Europe's international relationships. This document provides an opportunity to reconsider market principles, sustainable development and partnerships between energy suppliers and energy consumers.

To conclude, I would once again like to express my pleasure that Slovenia is hosting this meeting. I believe that this has even higher importance due to the above mentioned facts. I hope that this meeting will be also an opportunity to strengthen business cooperation with Slovenia and build new business ties.

Ladies and Gentlemen, thank you for your attention and I wish you a successful meeting.