

Ladies and gentlemen,

Let me begin by congratulating the rapporteur on having produced a well-balanced and well thought out report. In particular, the report ranges across all the available sources of energy and devotes considerable attention to different geographical regions across the world. Moreover, the report takes into account supply, safety, security and environmental factors, research and a whole range of other considerations illustrating its thorough-going nature.

My response to this report can be divided into an appreciation of its strong points but also an awareness of one or two areas that could potentially be improved.

In so far as the positive aspects to the report are concerned, I fully endorse the four priorities that are:

*Building up the external dimension of our internal energy market;

* Strengthening partnerships for secure, safe, sustainable and competitive industry;

* Improving access to the sustainable energy for developing countries;

* and, finally, better promoting EU policies beyond its borders.

However, the core that runs through this is the strengthening of coordination of EU Energy policy between the Commission and the member states across the EU-27. The fact that the Europe will be able to speak with one voice will give Europe much greater influence in international forums.

However, there are three areas in which some improvement might be made.

Firstly, if it is certainly the case that progress has been made in the northern-southern and eastern

"neighbourhoods" of Europe, the report remains a little vague concerning the region of the Southern Atlantic. By this I mean such states as Nigeria, Angola and Brazil.

Secondly, South America represents a vast, untapped resource and more attention - at least from the point of view of energy policy - would undoubtedly be welcome.

Thirdly, there is perhaps a tendency when speaking about the emerging countries to concentrate on China. The other emerging countries not much less significance - and I am thinking of the growing influence of India in particular - and these latter would seem to have been partially forgotten.

Finally, with regard to the developing countries, if energy policy in this sphere is already on the right track, much still needs to be done. In particular, Europe should engage more actively in capacity building. To give a concrete example: in Mozambique vast amounts of gas have been discovered. However, they lack a regulatory

framework. If Europe were to assist them in developing this respect, this would increase European influence in a region where the Asian countries are already extremely active.

As EPP rapporteur for external EU energy policy, this morning, I should like to give you a brief overview of EU priorities and strategy with regard to gas. Given that some EU member states are currently phasing out nuclear energy - and that renewables are not yet in the position to take up the slack - gas will undoubtedly experience demand over the next generation.

Against this background, *our key priority* is to achieve a widely diversified gas supply through a fully interconnected and flexible EU gas network. This includes gas networks within the EU but also with neighbouring states, (including countries of origin and countries of transit).

Stated differently, our strategy is to diversify as this includes two aspects:

* Diversity of energy sources (sources include gas, coal, nuclear and renewables)

* Diversity in both countries of origin and countries of transit. With regard to gas in particular, our policy is that every European region has access to at least two distinct sources of gas.

It is, of course, necessary to strike a balance between different sources (coal, gas, nuclear and renewables). However, it is just as necessary to ensure - in so far as gas is concerned - that we do not come to depend excessively on one type or mode of transportation. We must at once develop pipeline, shale gas and LNG but *make sure that one is not developed to the detriment of the other.*

Striking a balance with regard to gas supposes additional flexibility and increase in the need for bi-directional pipelines; sufficient storage capacity and flexible supply from sources such as LNG.

As things stand, EU supplies arrive through three distinct corridors:

the northern corridor from Norway

the eastern corridor from Russia

the Mediterranean corridor from North Africa

A fourth source, in addition to these three corridors is LNG.

Against this background, in several regions of Europe dependency on a single source still prevails. For example, Gazprom supplies an overwhelming bulk of gas in some of the European states (Poland, 70%; Slovakia 100%; Hungary 80% and some western Balkan states 100%)

! Overcoming this situation requires investment in three high-priority corridors:

* Firstly, the Southern corridor (Caspian Basin, Central Asia etc.)

* Secondly, the corridor linking the Baltic, Black, Adriatic and Aegean seas. This includes both Baltic

Energy Market Interconnection Plan (BEMIP) on the one hand and the North-South Corridor in Central and South Eastern Europe, on the other hand.

* Thirdly, the North-South corridor in *Western Europe*. This latter should be able to make full use of possible alternative external supplies including from Africa *whilst* optimising the existing infrastructure in the Iberian Peninsula and most notably existing LNG plants and storage facilities.

To sum up briefly, given that the EU's main priority is to diversify gas supply through a fully interconnected and flexible gas network, it is to be expected that these last three priorities will contribute directly to achieving this goal.

Against this background, I look forward to working with the other rapporteurs on these matters. Thank you very much.

