



## 2014 Energy Charter : Sustainable development for Serbia

Novi Sad, Parliament of Voïvodina / 30.09.2014



### **Speech of Henri de Grossouvre, president of « Paris Berlin Moscou »:**

#### ***“The future of Southeastern Europe in the perspective of Energy Development”***

Ladies and gentlemen,

I stand before you in my capacity as Chairman of Paris-Berlin-Moscou, an association created after the publication of my book, the same name on the eve of the Iraq crisis, while against the war in Iraq France, Germany and Russia were linked. History has proved them right. There were no weapons of mass destruction and now the country is in the throes of destruction and Islamic terrorism.

I would like to thank the president of the Forum, Mr Tihomir Simic to have invited me to this event in Novi Sad. I want also to mention that my book “Paris Berlin Moscow”, already published in French and in Italian, will be published in Serbian soon. The translator is among us, professor Nenad Krstic, and also Mr Miroslav Parovic who wrote the foreword to the Serbian



edition. These gentlemen organise an international seminar in Belgrad the 17<sup>th</sup> of October 2014 on the subject "Paris Berlin Moscow Belgrade". The Serbian edition of my book will be presented during this event.

I am not a specialist in the energy questions, but an observer of the international issues, specialized about the Franco-German couple and the economic issues, strategic and cultural about the Russia's partnership.

I am particularly happy to come to make this presentation in Serbia which is one of the hearts of the energy reunification of large Europe and a country accommodating the longest part of the gas pipeline south stream (450 km).

The future of Europe, particularly in its relationship with Russia, is currently decided in Kiev. I hope to share with you a part of the crisis' energy background. It will take us in the decisive years for Europe. The twenty next years will be about demography, technics, and economy. It is this context and these prospects which I will detail, after you to have recalled certain essential facts to your comprehension. Finally we will outline certain ideas for this Europe of the energy which we call of our wishes.

### **1. Energetic relationship between Russia and EU**

First of all, let's recall that Russia is an oil and gas power. It has the world's seventh largest oil reserves and the second in gas. It is also the producer of almost all metals considered strategic for the industry.

The Russian gas represents 19% of the consummate gas in the European Union, 40% of the exportations of gas of Russia. The energetic reports between the European Union and Russia can be summarized in three zones:

- The countries that the history did neighbor and historically linked to Russia and to his energetic complex, which explains their consumption of Russian gas, the



Baltic countries (100%), Bulgaria (100%), the Poland (90%), the Czech Republic (88%)

- The countries having a consumption of 50% of gas and of Russian oil as Germany
- The countries having other suppliers as France of which mix it French electric before all on nuclear power (75%) and hydroelectric (18%), of which Russia is only the fourth supplier after the Netherlands, the Norway and Algeria, although increasing to measure of the entry of GDF SUEZ in the consortium overseeing North Stream.

That's the state of play. According to the International Energy Agency and OECD European gas' request is expected to increase by 50% for the five next years, oil claim is expected to decline and Russia provides through its Department of Energy that Russia could provide 70% of this new demand.





## **2. Energy challenges of the Ukrainian crisis and game of Washington**

After seeing the big picture, we must be aware of the game taking place in Ukraine.

Before the Ukrainian revolution that saw the fall of the government say favorable to Russia in favor of a pro-Western government there had the first gas war between 2006 and 2009 to prevent the gas for the different states of the EU is dependent on relations between Russia and the intermediate countries (Belarus, Ukraine), Russia proposed two pipelines, one under the Baltic Sea (Nord Stream) and under the Black (South Stream) Sea.

Beyond the healthy desire of independence grows some countries to want more suppliers, as the Latin countries with Mediterranean gas, some European states make dangerous choice for the future of Europe is by appealing to the Gulf States which are sources of destabilization (like Qatar) for LNG (liquefied natural gas) the shale gas (Romania and Poland). Similarly, some European countries want to resume the Nabucco project that would connect Europe to the Caucasus via Azerbaijan.

This will be handled by the United States thanks to a very active anti-Russian sentiment in the Baltic States and Poland, now allows the United States to settle themselves in the heart of Europe's energy. Indeed, the United States of America have indicated their willingness to facilitate delivery of gas to their NATO allies. The transatlantic Treaty will be the legal framework for this offensive. This will be to the detriment of the European Union which will require regasification terminals, the American gas will be delivered as LNG, more expensive.

Russia could turn us back to China. If China and Russia have a very ambiguous relationship especially since the end of Stalin and the Sino-Soviet war, the numbers are clear: China yet fourth largest oil producer, is from late 2011 or early 2012, the world's largest importer especially it still has to survive the oil consumption of coal. If Russia's largest transit facilities for raw material are in Europe, she began to focus her hits on Asia. For example, 50% of the oil passing through the pipeline Kazakhstan-China is actually of Russian oil.

We need to consider this risk amplified by the Community institutions where distrust of Russia became unseemly and where the new energy policy is to remove Europe from Russia.



### 3. Which solutions? Which prospects?

To protect ourselves from it, I would like to submit some ideas.

- It is mixed with energy in every country that we will unite what should be without condition of dependency that would be dangerous.
- Most new developing countries have a clear energy agenda (such as Brazil in West Africa, China, Russia ...) If we want to also have an energy agenda, we must abandon the policy of liberal regulation where wealth is controlled by the free market or we will simply be defeated .
- Actually, we are moving towards a necessary transition due to energy scarcity will be one of the major challenges of the coming time. So as an actor and not just as an issue that we face up to the energy issue to give back our country their freedom.

