

**Address of Mr. Revaz Babunashvili, Charge d’Affaires a.i., Counsellor,
Embassy of Georgia to the Slovak Republic and the Republic of Slovenia to
the Conference “Strengthening the Energy Security in the OSCE area”
(Bratislava, July 6-7, 2009)
Session 1: Reliable energy as an integral part of 21st century energy security**

Excellencies, Ladies and Gentlemen,

It is my pleasure to address you on the occasion of the Energy Conference committed to strengthen Energy Security and partnership in the OSCE area.

Considering that energy is a driving force of the economic development energy security, including reliable energy alternatives, has become an integral part of overall national security of the states.

Close cooperation and balance of interests between energy producer, transit and consumer countries including enhanced dialogue on growing energy independence, security of supply and demand of energy resources, are essential elements for sustainable development.

Energy resources and routes should not be monopolized by some actors leaving others dependent and vulnerable. Monopolization of access to energy sources and supply routes leads to political manipulations as has been evidenced on a number of occasions. Worse still, the trend seems to have been intensified over the last three years.

In this regard, the key element is diversification of supply in its proper understanding. Diversity and respectively security, is best achieved by diversification of the routes, sources and suppliers. This should be considered carefully while supporting the projects that serve to achieve this vitally important objective.

Georgia knows it all first-hand as two politically-driven price hikes on natural gas in 2006 and 2007 as well as “mysterious” disruptions of gas supplies by blowing up main and reserve gas pipelines in January 2006, exposed our vulnerability.

However, due to our geo-political location and having Azerbaijan as a neighbour and a reliable partner, we managed to restore the supply back and diversify our sources of supply.

Georgia, actually, is among the few countries that did not suffer from recent gas delivery crisis owing to its reliable partnership with Azerbaijan. The five-year gas supply contract concluded between Azerbaijan and Georgia is a wonderful illustration of this cooperation.

This and other examples from recent history have generated increased demand and active need in the OSCE area to build energy relations based on common reliance and respect. The European states as well as the Caspian states are exploring opportunities to diversify and thus steady their energy relations.

In this context, there is no alternative to intensive dialogue between Europe and the states of the Caspian region.

We believe that Europe should step up efforts in order to get long-term, reliable energy partners that it could count on, partners that would guarantee stable supply of energy to the European citizens. In this framework Black Sea – Caspian Energy Corridor, "White Stream" and "NABUCCO" projects will play key roles.

Where does Georgia see its role in the context of increased demand for stable and reliable energy relations on the Euroasian continent and the entire world, and how can Georgia contribute to energy security worldwide?

Georgia can be a solid bridge to facilitate diversification of demand for the Central Asian energy, and on the other hand facilitate diversification of energy supplies to Europe.

Georgia attaches particular importance to energy transit from the Caspian region through the Black Sea to Europe and as the Black Sea country sees itself as a reliable transit partner in the region-wide projects.

The reasons why Georgia can play its role of a bridge and a transit country in the regional projects equally serving energy security interests of the European and Caspian states are multiple:

First, within the past couple of years Georgia emerged as a success story moving from a country with semi-permanent energy black-outs and extremely dependence on a single energy supplier to a net exporter of electricity and largely diversified energy relations with regional neighbours.

Today, Georgia has got three various suppliers of gas, and it sells electricity to three markets – Turkey, Azerbaijan and Russia.

Private investment in hydro power sector is particularly encouraged as growing demand at our neighbouring markets provides export opportunities.

Second, Georgia proved to be a reliable energy partner providing stable transit of oil and gas from the Caspian region to the west.

Georgia plays a key role in the energy transit projects of global relevance such as Baku-Tbilisi-Ceyhan, Baku-Tbilisi-Erzurum and Baku-Tbilisi-Supsa pipelines. While

facilitating transportation of oil and gas from East to West, throughout the past years Georgia has proved to be a reliable transit country.

Third, it is noteworthy that nowadays political factors have no influence on Georgia's energy relations with its partners and neighbours. Currently, Georgia buys zero cubic metres of gas from Russia. However, it exports electricity to Russia and provides stable transit of the Russian gas to Armenia.

Throughout the past years, Georgia emerged as an energy hub of the region and will not spare efforts to strengthen its role as such.

Concluding my remarks, I would like to stress following main points:

Recent Russian-Ukrainian "Gas Crisis" that left a great part of Europe without the Russian gas proved that dependence on one energy supplier may pose grave problems to consumers. In order to decrease dependence on that one supplier, it is vital to continue further development of major international pipelines to deliver oil and gas from the Caspian region and Central Asia to the European consumers "NABUCCO", "White Stream", "Trans-Caspian Pipeline" and other alternative energy projects being among them.

Turkey, Azerbaijan and Georgia are credible partners in terms of alternative energy supply routes. The successful operation of the "Baku-Tbilisi-Ceyhan" pipeline and "Baku-Tbilisi-Erzurum" gas pipeline is a vivid example of the above-mentioned.

Georgia as a credible transit country is always open for and ready to participate in any alternative project aimed at ensuring the European energy security.

Thank you.