

# ICCI 2008

*May 15 – 16 – 17, 2008*

*WOW Convention Center – Istanbul*

*Exclusive Report*



May 15, 2008

## Opening Speeches

---

### **Selahattin Çimen**

*(Undersecretary – Ministry of Energy and Natural Resources)*

- We always believed the pioneer role of private sector.
- By courtesy of private sector's investments, in 2023 Turkey will utilize 100% of its renewable energy resources.

### **Hasan Köktaş**

*(Chairman – EMRA [Energy Market Regulatory Authority] )*

- Turkey needs around 125 billion US\$ of investment on energy until 2020. The public sector can not afford that much investment by itself.
- Cost-Based Pricing Mechanism is the key issue on liberalization of electricity and natural gas markets.
- We will re-evaluate the liberalization process in natural gas market and find a new model to accelerate the process.

### **M.Hilmi Güler**

*(Minister of Energy and Natural Resources)*

- We, as the Ministry of Energy, have made all efforts to liberalize the natural gas market but please do not forget that initially we wanted to release 65% of contracts but no demand realized more than 4 bcm. They could not cope with even that much.
- The mass media manipulates the current picture in BOTAŞ. I want to remind you that the company has no loss, just some small problems on receivables. We will solve this problem by revenues of privatization of debtor public companies.
- The drilling activities in Black Sea will begin in 2009. I hope that these reserves will cover most of our consumption.

May 17, 2008

## 12th Session

---

### **Tuğrul Erkin**

*(Chairman – DİVİD [Association of Natural Gas Importers and Exporters])*

- I do not believe that the liberalization process was failed. The process is running in spite of all resistance.
- There are two options to revise the Natural Gas Market Law No. 4646: The deadline for 2009 will be delayed to a following year, or the cap of 20% will be raised. But in any case, the liberalization process must be continued in a decided tone and the cap of BOTAŞ' market share must be certainly under 49%.
- There is irregular pricing in natural gas market which is blocking new players' entrance to the sector.

### **Gökhan Yardım**

*(General Manager – ADG Consultancy)*

- The Natural Gas Market Law No. 4646 must be executed efficiently to liberalize the market. A postponement in deadline can not help anything unless the political wing becomes much more decided on liberalization.
- The Board's Decree No. 725 must be cancelled.

### **Berris Ekinci**

*(Energy Department Manager – Ministry of Foreign Affairs)*

- The main resource alternative for Nabucco project is Azerbaijan, then Turkmenistan.
- Iran seems a hard alternative because of political reasons. There are some negotiations with Iraqi officials on Nabucco project but this alternative must be evaluated on long term.

### **Arif Aktürk**

*(General Manager & Board Member – Naturgaz)*

- The Board's Decree No. 725 must be changed immediately. Otherwise the energy supply security of Turkey will jeopardize in a few years.
- A Transit Energy Law must be prepared as soon as possible which must include loyalty fees.

- I think there is no alternative for Russian gas. According to me, when it comes to negotiations with Russian Federation to renew the contract in 2011, Russia will offer to give additional gas by Blue Stream to provide more empty capacity in Western line.