

WELCOMING REMARKS

**by Mr. A. Rakhmetullin at the Expert Meeting on Assessing the OSCE's Future
Contribution to International Energy Security
Co-operation**

(Vilnius, 13 September 2010)

Dear Mr. Chairman,
Excellencies, ladies and gentlemen,

I would like to start by expressing our sincere gratitude to our host the incoming Lithuanian OSCE Chairmanship and to the OSCE Secretariat for excellent organizing this very important Meeting on the energy security issues.

I am pleased to see around the table government officials and experts from the OSCE participating States, representatives of key international and regional organizations, civil society representatives, business circles and academics. Such a representative participation confirms the relevance and importance of this topic which always enjoys the increased interest of various stakeholders.

In fact, ensuring energy security is a global challenge affecting the perspectives of sustainable development in all regions and countries of the world with the OSCE attaching increasing significance to this range of problems. The contribution of our Lithuanian hosts to this OSCE-wide effort is a clear sign that the important issue of energy security will remain high in the OSCE agenda also next year.

The OSCE possesses a large potential and opportunities and can indeed play a useful role as a platform for dialogue and coordination of efforts for exchanging experiences and ideas between participating States, Partners for Co-operation, in resolving these issues.

As Coordinator of Economic and Environmental Activities rightly outlined a while ago, there is a number of important OSCE documents underlining the crucial necessity to identify OSCE's place and role in ensuring energy security dialogue.

Overall, efforts have been made over the recent years to diversify demand and supply, energy sources and transport routes, as well as to improve the flexibility of

the transport systems through the diversity of the supply routes or interactions between suppliers and consumers.

Being developing in the OSCE region, the energy cooperation dialogue covers several aspects: security of supplies, security of demand, security of transit and security of distribution chain up to the end user. The legal framework and its ability to protect rights of the parties are also within the scope of the energy security.

Unfortunately, some remaining contradictions impede development of this dialogue, as well as the OSCE's contribution in the energy cooperation field.

The conference which gathered two-thirds of the OSCE participating States particularly emphasized the increasing interdependence between energy producers and consumers and, at the same time, a special role of transit countries in this process.

It is important to recognize the significance of ensuring energy dialogue in the OSCE area as the component of the comprehensive concept of security. Consistent and sustainable development of economies of the OSCE participating States depends on the stability and steadiness of the energy supply. We have consistently advocated the diversification of energy supplies in the OSCE area that assists as much as possible in ensuring energy security of the participating States.

Over the next twenty years, fossil fuels will keep dominating in the world use of energy and will amount to 85 % of the world initial demand growth. Oil will remain the only primary fuel, even if its percentage dips insignificantly. In the foreseeable future, the demand for natural gas will keep growing. Substantial increase in the interregional trend is taking place in the whole world, especially with the development of condensed gas.

Such development will expand the role of the energy cooperation in a whole and energy transit in particular in this global process and a vital role of the energy centers. Predictable and sustainable legal frameworks will be necessary for these processes and such frameworks would also apply to the OSCE community.

I am confident that our deliberations during these two days will produce useful results and these outcomes would be instrumental for our future work in identification of the OSCE's role in ensuring energy security through bolstering constructive and result-oriented dialogue.

The Kazakh Chairmanship also hopes that some of the main inputs of this Meeting could be to particular extent incorporated into the documents we expect to be adopted at the OSCE Astana Summit in December.

I thank you for your attention and wish all participants constructive and productive work.