

“Turkey’s Energy Strategy and its Contribution to  
Global Energy Security”

(Türkiye’nin Enerji Stratejisi ve Küresel Enerji Güvenliğine Katkısı)

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**Berris Ekinci:**

I would like to thank Ambassador Kılıç and AVIM for inviting me to this event. This is a great pleasure and honor for me to be here today. As it has been stated earlier by Ambassador Kılıç and Ambassador Ceylan, I will focus on Energy Corridor Projects. As you can see Turkey has a geostrategic location between countries and consumer markets. On the other hand energy demand security is as well important for the producer countries. So at that point we believe that Turkey will play an important role. Because some of this oil and gas, we believe has to be directed to the North to Turkey. We have been talking for some years now on another project which is the South-North energy pipeline system. From Iraq to South energy corridor which would include both natural gas and oil pipelines which would be transporting the resources from the whole of Iraq. So, Baku-Tbilisi-Ceyhan crude oil pipeline project this was not a subtle project anymore of course. It is operational since 2006 and this is as well a very important project for Turkey and for as well the countries with we have put in this project, Azerbaijan and Georgia. So it can transport one million barrel of oil per day and it is transporting the oil from the field in the Azeri sector of the Caspian Sea of the field Azeri Çirak-Gunesli. BOTAS, Turkish Pipeline Company is having talks with the Azeri’s counterparts with regards to increase the capacity of the Baku-Tbilisi-Ceyhan. So, this is at a project stage and this is Samsun-Ceyhan crude oil pipeline, which is aiming a transporting both Russian and Caspian oil. From Samsun directly to Ceyhan. We are developing BTC pipeline as well as, with regards to this project, the issue of the Turkish trades, the transportation of oil through the Turkish strait plays an important role. Because, our aim is to bypass as much as possible the transportation of oil through the Turkish straits. So this is natural gas pipeline, which is as well operational from Russia, the Blue Stream pipeline. Which is of course, contributed a lot to our energy supply, security. As you know Russia is our biggest provider in terms of natural gas and we are importing natural gas from Russia to different routes. One is the Blue Stream and the other one is the Western Line. As you know, in the last couple of years, there had been

some issues related to the Western Line and during those times, we had Russia increasing its natural gas exports to Turkey through the Blue stream. This is another product of cooperation with Azerbaijan this is the Baku-Tbilisi-Erzurum natural gas pipeline. Which is as well operational and it transports the natural gas from a field called Shahdeniz in Azerbaijan in the Caspian Sea as well. And this is a field you have been hearing a lot during the last couple of months. We are talking about the second phase of the Shahdeniz field and the second phase will be producing an additional 16 bcm of natural gas and 10 will be transported to Europe through Turkey and 6 to Turkey itself. So, this is the Turkey - Greece interconnector is implemented and we have been exporting

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natural gas to Greece for a couple of years. And this is a very important interconnector because as a matter of fact, for the first time, the Caspian gas has been exported to the Western markets, to Greece, to a different route. The Greece-Italy connection has not established yet. It may be postponed. Since, nowadays, there is much more talk about the Trans-Adriatic pipeline. So, this is the larger picture, one most of the projects, TANAP Project is the most important one, nowadays. So, the TANAP Project, as you know in 2009, we have signed with 4 other countries an intergovernmental agreement and Nabucco natural gas pipeline, with regard to the Nabucco Project. Unfortunately, this has not

been possible and the consortium to find the necessary gas for the project. Since, the energy supply security and energy needs are very important for Turkey and Europe. You just stated our strategic location, then we decided to sit down and have discussions with Azerbaijan. And we have designed with our Azeri friends and another pipeline project, which is the Trans-Anatolian pipeline project, which will begin at the Turkish-Georgian border as a matter of fact, Baku-Tbilisi-Erzurum, the leg of the Baku-Tbilisi-Erzurum which comes until the Georgian border will be as well expanded by the Shahdeniz Consortium. And there will be a totally new pipeline in Turkey which will begin at the Turkish-Georgian border and will end. It will be decided in the coming months; in June will be ending either at the Turkish-Bulgarian border or the Turkish-Greek border depending on the decision of the Shahdeniz Consortium. So, this will be a pipeline of 32 bcm capacity, of course, it will begin with a lower capacity as you have stated the Shahdeniz phase two will be producing around 16 bcm. 10 will be towards Europe and 6 to Turkey itself and this pipeline is important because, it will as well, carry not only the Shahdeniz gas, but in the future it will carry other gas which will be produced

in the Caspian Sea, in the Azeri sector of the Caspian Sea, in the other fields. At a later stage, we very much hope and there is probation to this in the intergovernmental agreement. As a later stage, we very much hope that Turkmen gas as well will be linked to this pipeline. So, there will be creating another route for Turkmenistan and it will assist to their energy demand security as well. Since, they are exporting to Russia as well as China. So, TANAP is on track and waiting in June, Shahdeniz Consortium to take the decision with regards to the Trans-Adriatic pipeline or the Nabucco-West. As you know, Turkey as I have stated, one of the significance of the Nabucco Project, so we are present in the Nabucco-West. We believe that the strategic aspects have to be taken into account. Another important decision with regards to these projects would be taken at the end of this year, again by the Shahdeniz Consortium. This is linked with the sanction of the Shahdeniz phase two. Because without the sanction of the development of phase two, it will not be possible to produce that gas to delivered to the relevant markets. As you see from the projects, Turkey, of course in the 70s, we have the Kirkuk-Ceyhan pipeline and with the solution of the former Soviet Republic, then came into the picture, the Caspian countries and also the Caucasian Azerbaijan. So, we have realized projects such as the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum. Nowadays, there are additional projects that we are working upon, which will originate from the Caspian region. Iraq is very important, so there will be new projects, and also we believe that there will be a direction taken towards to Turkey from Iraq. In our energy security, especially natural gas, Iran plays an important role, after Russia, Iran is our second provider. The most important countries for us in terms of natural gas, Russia, Iran and Azerbaijan. We are as well importing energy from a couple of countries. Of course another game-changer maybe in region will be the Eastern-Mediterranean. This as well increases the important of Turkey as a transportation corridor and as an energy center. Because, when you look with regards to the energy demand increase, Turkey emanates as one of the markets with the highest growth-rate in energy demand. Energy demand rises second after China. So, this very important for companies when they design their projects and pipelines. So for the Eastern-Mediterranean gas as well. The most plausible market would be Turkey and beyond Turkey, European markets. This brings us of course to Ceyhan. As I said the Iraqi oil comes to Ceyhan, the Azeri oil comes to Ceyhan, in the future we very much hope that the Kazakh oil and some of the Russian oil as well will come to Ceyhan. And now, there will be additional, oil coming from Iraq to Ceyhan. Of course, we are talking about East-Med natural gas. So this gas as well coming to Ceyhan. We are also having some projects, building energy plants in Ceyhan for transforming this already very important center into an energy hub in the Eastern-Mediterranean region and which will become as well the second biggest energy terminal after Rotterdam in Europe. Thank you very much.

