All major Countries facing shortages in national resources are seeking new ways to meet their energy requirements in a timely, uninterrupted and secure way. The leading factor within this process is to be identified not so much with obtaining energy at any cost rather than with its delivery to the specific country by means of secure routes and transportation systems, in order to cover that country’s energy needs and make sure production remains uninterrupted.

The issue of secure energy supply will arise as the most important factor which is expected to shape this newly stated 21st Century. As a matter of fact, such an issue, which import-depending countries seriously started considering for the first time as they experienced both embargoes and major supply cut-offs during the two oil crises of the 1970’s, has recently acquired a new dimension and has gained a top-priority status, as far as the foreign policy and energy agendas of many countries are concerned.

Currently, the problem of more secure production and exportation systems to conventional supply centres has turned into a medium-term major priority, while a vital importance has been given by the main consumer countries to both achieving supply diversification as well as supplying energy to their conventional transportation systems, by means of completely new and more secure alternatives.

These new strategic trends have thus brought Turkey into a frontline position, considering its bridging position between supply and demand points.

Turkey will, in fact, play an intermediary role, as far competition is concerned: by increasing the number of sources from which western consumers will be able to make choices; and by means of both of its location (which is close to areas-Middle East, Central Asia, Caspian Sea Basin, Southern Mediterranean-where more than 70% of the world’s total oil and natural gas reserves are to be found) and the pipeline projects currently being developed (in order to transfer such resources to Europe through its territory).

Within such a general context, current figures concerning assessed reserves of both Caspian natural gas and oil are comparable to those one has to consider when paying attention to both North Sea oil reserves and North American (USA and Canada) natural gas reserves. I would especially like to stress the role both regions, the Caspian Sea Basin and the Middle East, have/will have as candidates in substituting the North Sea, which, albeit being the most important oil field that belongs to the Western World, from a strategic point of view, will
see its reserves reach the limits of extinction in a near future.

Moreover, it should not be forgotten that total Caspian crude oil reserves (proven and probable) are equal to those of Saudi Arabia (263 Billion Barrels), while Caspian natural gas reserves are equal to those of Iran (27 Trillion Cubic Meter).

The Western World, which gives energy supply security a great importance, as far as this newly started 21st Century is concerned, aims at establishing a delicate balance, by means of the energy sources which are lying below the Caspian and Middle East Regions and their neighbouring areas.

The most critical role, as far as this stabilization process is concerned, is/will be played by Turkey, which has undertaken the task of granting safe transportation of the aforementioned potential/resources to the Western Markets during the last/recent 10 years, and especially by BOTAŞ, which has been in charge of various and important pipeline projects.

As already known, BOTAŞ has decided to build a 42 inch diameter pipeline, despite natural gas being purchased from Azerbaijan amounting only to 6.6 BCMA. A pipeline of this diameter would be capable of reaching a 20 BCMA (annual) transportation capability/capacity. Similarly, 48 inches have been chosen as the pipeline diameter for the 10 BCMA of natural gas coming from Iran, despite a possibly achievable capability/capacity of 24 BCMA.

These two important examples proving that right from the start has BOTAŞ been taking into consideration its role in creating a safe energy corridor between supply and demand centres. However, we are not limiting our targets only to Azerbaijan’s natural gas, despite a particular priority having been attached to the Caspian Sea Region.

By such means, European consumers, which are excessively dependent on Russian natural gas, will first start using Azeri natural gas and later on natural gas coming from Egypt, Syria, Iraq and even Turkmenistan & Kazakhstan: and all of which will be transported through Turkey, within the scope of specific commercial agreements coming into effect starting from 2010.

BOTAŞ will thus provide the EU with a very important contribution to its gas diversification policy, granting considerable expansions and increasing both consumer options and consequently competition, while generating additional income for all of Turkey’s neighbours.

The minimum level of transportation capacity/capability towards Europe is 20 BCMA of natural gas, with more relevant levels to be achieved only through an optimal utilization of infrastructures. It should also be kept in mind that it is possible to increase and double such transit capacities/capabilities through new investments and pipeline projects targeting the European market.

According to some estimates, the possible amount of natural gas to be transported to Europe through Turkey in 2020 should approximately reach a 100 BCMA-level and, BOTAŞ has been shaping its future plans according to them.
Considering the European Union will approximately need another additional 300 billion m³ gas, that is not yet contracted and that can be commercially directed there after 2010s, having a capacity/capability of 100 billion m³ gas that in the long term can be supplied through Turkey to international markets, besides the 40 billion m³ annual capacity/capability which is envisaged to be transported by both projects, does not seem to a target too difficult to reach.

The newly enlarged European Union will import 70% of its natural gas and will thus severely require it, from both the Caspian Sea Basin and the Middle East, to be transported through Turkey, with 15% of it to be supplied by the pipelines passing through Turkey.

During recent years, studies have been undertaken aiming at establishing a safe energy transportation corridor between West and East.

The projects Turkey has developed/has been developing together with its partners are complementary in targeting increasing security, as far as energy supply is concerned. Our approach to the energy-issue is based on a wide perspective. Developing and implementing new pipeline projects will create new accesses to receiving markets via territories other than the ones currently being used.

Taking all necessary steps in order to both act as a real hub in the region and strengthen Europe’s security in terms of energy supply, Turkey assigns utmost importance to the realization of the Turkey-Greece Natural Gas Pipeline Project (and to its extension to Italy), as well as to the realization of the Turkey-Bulgaria-Romania-Hungary-Austria Natural Gas Pipeline Project (Nabucco).

The Turkey-Greece Pipeline Project, of which construction works are already under way, is the first stage of a South European Gas Ring. The connection of this pipeline to Italy through the Adriatic Sea will be the second stage. Feasibility studies concerning the connection to Italy have been completed and engineering and environmental impact studies are expected to start in 2006.

Together with the aforementioned “Greece Line”, its first studies started in 2000, the Turkey-Bulgaria-Romania-Hungary-Austria Natural Gas Pipeline Project (Nabucco), aiming at once again conveying gas from the Caspian-Middle East Region to Central and Eastern Europe, is being carried out on schedule, with both technical and economical feasibility studies having been completed.

Turkey will either ensure considerable amounts of gas are/will be transported through its territory, thus reaching a very important position as a major transit country, or will have the possibility to market the aforementioned gas under its own re-export contracts.

Europe’s natural gas imports should increase in order to meet Europe’s continuously increasing demand. Hence, the paramount importance of a secure gas supply. Caspian, Middle Eastern and Southeast-Mediterranean countries will supply their resources, provided appropriate routes via Turkey can/will be developed and put in place.
As far as the aforementioned studies are concerned, BOTAŞ has been supplying its contribution, during these last 10 years, and will keep doing so.

Turkey’s importance as a gateway country keeps on growing. It strengthens Europe’s energy security, by both ensuring increased accesses to Caspian reserves and offering Middle Eastern producers the possibility for their energy to be transported. Turkey is/shall/will be ready to perform its strategic role in strengthening Europe’s energy supply security.

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