



Turkey may become oil, gas mediator, says former PM

Turkey could play a significant role in mediating between energy dependent Europe and oil- and gas-rich Russia and Iran, said Aram Sarkisian, a former Armenian prime minister and energy professional today.



GÖKHAN KURTARAN
ISTANBUL
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"Without Russia and Iran, Caspian oil and gas could not be transferred to Europe," Sarkisian told the Hürriyet Daily News over the weekend.

"The pipeline projects to bring the vast resources of the Caspian region to Europe through Turkey are still in question," said Sarkisian, who is currently the president of Euroasia House, a London-based institution involved in research and policy development on Russian oil and gas. "Conditions have changed rapidly in the Caspian region including Turkey after the Baku-Tbilisi-Ceyhan crude oil pipeline was stretched from Azerbaijan to Turkey," he said, noting that delays in the implementation of alternative pipelines to Europe might end up with irrecoverable losses.

He was speaking on the sidelines of "Global Energy Outlook" conference organized by the Istanbul International Energy and Climate Center at Sabancı University.

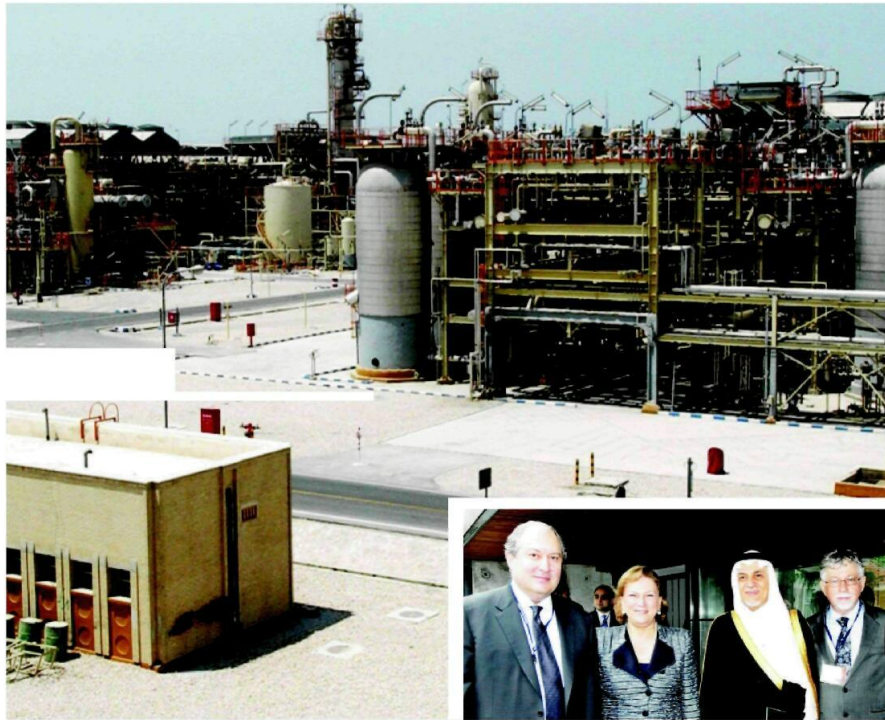
Urge for Nabucco

"Turkey is the only country that could bring Iran and Russia together again to open negotiations for energy security in the region," he said. "Russia has always been seen as a mistrusted neighbor, due to historical constraints. Armenia's confidence in Russia may be established by Turkey as it became one of the Russia's strongest energy partners."

According to him, as the energy demand rises in Europe, the long-term discussions over the details of the route of the Nabucco plan, the gas bridge project from Asia to Europe, should come to an end.

The pipeline to connect the world's richest gas regions – the Caspian region, Middle East and Egypt – to the European consumer

Aram Sarkisian, a former Armenian prime minister, says Turkey 'is the only country' that could bring Iran and Russia together again to open negotiations for energy security in the region. The pipeline projects to bring the vast resources of the Caspian region to Europe through Turkey are still in question, says Sakrisian, who is currently the head of a London-based institution involved in research and policy development on Russian oil and gas



FACILITY: The Iran South Pars Gas Complex Company, a consortium of various Iranian, European and Asian companies, is seen in the bigger photo. The Nabucco plan may change its route due to rising demand in China, says Aram Sarkisian (L).

markets, might "change its route to China due to rising demand in Chinese market," he said. "I think the European Union has no energy policy," he said. "The vast sources of Caspian oil and gas might go to the Chinese market eventually if Europe keeps on waiting, delaying the projects."

Emphasizing Turkey's close ties with Russia, the former Armenian prime minister said the trust harmed by the disagreement resulted in supply disruptions in many European nations, with complete cutoffs of their gas supplies transported

through Ukraine from Russia in 2009 "could be restored by Turkey." In order to have sustainable energy security in the region, "we all have to trust in each other in the region," Sarkisian told the Daily News.

Arctic resources

Sarkisian suggested Turkey and India partner with each other on the vast Arctic resources. "Turkey and India, as emerging economies, should have a say on the Arctic oil and gas resources," said Sarkisian.

Total Arctic resources are estimated to be nearly 90 billion barrels of oil, 1.67

trillion cubic feet of natural gas, and 44 billion barrels of natural gas liquids, according to the U.S. Geological Survey.

Emphasizing the importance of the vast oil and gas resources in Iran, Sarkisian said, "Being a European country both economically and culturally, Turkey can mediate between Iran and the European Union to make use of the vast resources there." Without the approval of Iran, Caspian resources could never be fully developed, according to Sarkisian. "Everyone waits for the change in the Iran, but the change will come once the EU starts opening its doors to relations with Iran."

'TURKEY MIGHT PLAY ROLE IN GAS PRICING'

ISTANBUL - Hürriyet Daily News

Turkey has significant potential to become a gas hub where "price dynamics" would be determined, according to Güler Sabancı, top executive of Sabancı Holding.

"Turkey already demonstrated its role through oil and gas pipelines and the current trends in global energy dynamics will increase the role and the responsibilities of the country in improving energy security in the future," Sabancı said during her speech at the "Global Energy Outlook" meeting organized by Istanbul International Centre for Energy and Climate in Istanbul.

Recent events like the unrest in Arab countries carry the potential to become "game changers" in the global gas market, which in turn can provide new opportunities, said Sabancı. She noted that there are also serious challenges in front of Turkey, as the country produces neither gas nor oil.

Over the next 25 years at least 80 percent of the rise in global oil production will be attributed to Middle East and Caspian countries such as Saudi Arabia, Iran, Iraq, Azerbaijan and Kazakhstan, she said. "This is why the political regimes in these countries and their stability are global issues and concern us all."

During this period, two-thirds of the world's investments in energy will be in emerging economies, she said, adding that the amount sums up to \$21 trillion. "Most of this will be in electricity, which will amount to around \$10 trillion," Sabancı added.

"The interruption of the flow of Libyan oil, nearly 1.6 million barrels per day, to the European market could not be easily met by Saudi resources," said **Fatih Birol**, chief economist at the International Energy Agency, or IEA. "The quality of oil that European refineries need is the light crude oil can not be just obtained from Saudi Arabia," said Birol.