

Statement by the Albanian Minister of Economy, Trade and Energy,
Mr. Dritan Prifti, at the
'EU – Mediterranean – Gulf, Renewable Energy Conference'
Brussels, October 8th, 2009

Dear Commissioner Ferrero-Waldner,
Dear Commissioner Piebalgs,
Honorable Ministers,
Distinguished ladies and gentlemen,

I'm very pleased to address this important conference and share with you our experience and vision on a topic which is vital for the sustainable development of our economies, essential for our common future. Renewable energy makes Albania look very good in the eyes of you all, because we proudly declare that over 90% of the electricity we supply to the grid comes from hydro power production, that is from renewable sources. We are rich in rivers with abundant water. We have used up only about 30% of our hydropower production capacity, and there is so much more potential, yet untapped, ready for new investments and new renewable energy production potential. Waters coming from our rivers account for over 10% of the waters that feed the Mediterranean Sea. In the last four years we have given about 200 concession licenses to develop new small and medium size hydros accounting for a 30% increase in our generation capacities, but in the next four years we will start constructing an extra 1,000 MW of new hydro power production capacities. The global financial crisis has slowed us down a little, because most investors are foreigners, but we will focus seriously on inviting more foreign capital, with generous incentive packages. Albania

is today the fastest growing economy of the European continent, growing at more than 4% this year, regardless of the global crisis. Albanian economy will grow by more than 6% next year.

We are doing very well with promoting wind energy production as well. Our independent energy regulator has provided licenses for wind energy production for more than 1,000 MW of capacity. This is way too much compared with our country's total production capacity of around 1,600 MW. Maybe we are overdoing it, and we must be more cautious with it. We must create some new base load capacities from thermal production, to ensure the right energy mix and independence from climatic volatility. The Albanian government is strongly committed to strengthen the security of energy supply in the country by creating all the possible opportunities for more domestic generation based on renewable energy sources, adopting a legal and institutional framework which encourages investments, and, integrating our country in the region and the EU market, by establishing and aligning with EU standards and rules.

The latest report on low carbon energies, released this week by the EC, indicates that we have to undertake significant efforts and triple the current investments on clean energies for the next decade, in order to cope with the climate change objectives which will be at the heart of Copenhagen conference in December. We must protect our planet. We must become energy independent. And there is no better way of doing it other than investing in renewable energy. Some countries have the resources and want to do it, but their natural potential is used up. Albania is blessed with a lot of unused natural potential, but does not have all the financial resources to invest as it wishes to.

We in Albania are very grateful to Italy who has signed a treaty with our government, considering Italian investments in renewable energy in Albania, the same as those made in Italy, thus providing the subsidies same as in Italy. This example of the Italian government could be extended by other EU countries to other non-EU countries. If EU countries make this offer to other non-EU countries, I am sure investments in renewable resources would increase rapidly in non-EU countries. This is an issue I would like the EC and member states to consider. Our targets for renewable energy production will only be met with strong incentives.

The way forward builds on our advantages and the lessons learnt. We already have taken important steps to diversify our domestic energy supply by introducing new capacities based on latest available technologies. We have upgraded and are still working to improve our interconnection systems with other countries in order to benefit from energy exchanges. Albania has gone well ahead by reforming its energy market and institutions, and most of the market operations are now performed by the private sector.

But we, and I'm referring particularly to the role of our governments, we still need to do much more to respond to the pressure of rapidly growing demand, and our social responsibility to respect the environment and contain the global warming. Albania has still a positive answer for this conference as our country offers vast green energy potentials.

We are very grateful to the European Union for the strong support and leadership commitment to address and support energy as a key factor

for regional stability and European integration, which is the primary aspiration for my country and the first priority for our government. We are also confident that the expansion of the green energy market could greatly benefit by the development of a strong framework which enables green energy exchanges between complementary systems and we remain open to discuss and actively participate in such systems.

I'm confident that we are on the right track to energy independence by promoting renewable and clean environment energy.

Congratulations for this important forum.

Thank you for your kind attention!