

In the Name of God

Presentation

of

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of

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at

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*Mr. Chairman, Mr. President,
Excellencies, Ladies & Gentleman,*

It indeed gives me a great pleasure to take part in the first energy pact conference in the beautiful city of Geneva. The issues under review during this conference are vital for the future of our planet and mankind. The presence of such distinguished participants, statesmen and experts in this timely meeting will provide a very good opportunity to tackle these issues. Geneva with its special position as home to many important organizations is a natural place for having this meeting and a base for Energy Pact Foundation with such impressive agenda for its activities.

The government of the Republic and State of Geneva should also be thanked for providing this forum for discussing such important issues. I am sure, with active participation of such well known experts in this first annual seminar of energy pact, more understanding will be achieved, and in the future, this will become an important forum for discussion of important issues related to energy.

*Iran, as a first country in the Middle East to start production of oil in commercial form in 1908, and now as one of the major oil and gas producers in the world, **with reserve of 138 billion barrels of oil and having the production capacity of about 4.3 million barrels per day, and 28 TCM***

of gas reserve with planning to increase the gas production by year 2025 to 400 billion cubic meters per year *is ready to play its part in making successful the dialogue and understanding that the organizers of this seminar have in mind.*

As a major producer and exporter of fossil fuel to the world, and at the same time as a major consumer of the same, we are very much in favor of any measure that can help in the efficient use of energy that can limit damage to the environment. I think it is also important to note that damage to the environment is not solely because of the use of fossil fuels, but it is due to their misuse. We, as human beings, in the process of improper use of these resources

that are gifts from the nature to us, harm the environment. This is a well known fact that, today, still about 1.6 billion people in developing countries, have no access to any form of modern energy. It means they are forced to burn wood or animal waste to have access to energy. In this process, about two million people mainly women and young girls die every year as a result of indoor pollution from poor quality of cooking fuels. Providing affordable energy to this large number of our fellow human beings is a noble task, and if this can be done through the use of renewable and more modern forms of energy, it is fine. However, as experience shows if this proves to be unaffordable or more

damaging to the environment as a result of deforestation, then the use of clean fossil fuels through simple and efficient cooking means can save the environment and human life. As mentioned, we welcome all efforts for providing clean and affordable energy to all the people and not only the rich nations. In this process the security of food supply should not be compromised. Recent reports concerning destruction of vast areas of rain forests to plant trees in order to get biofuels is an alarming development. Trying to correct one wrong should not lead to more wrongs. In our opinion if the right amount of resources are spent in research and development for making the use of fossil fuels more efficient

or capturing the harmful emissions from the environment affordable to all, the road for sustainable development will be paved. All concerned authorities should take whatever measures possible to fight the greed, which has been the main reason for lack of concerns for the protection of the environment for many years. Today's financial crisis around the world, which has made many pollutant industries to seek help from their respective governments, has created a good opportunity to promote cleaner industries. The governments of rich nations with their financial capabilities are in a good position to make their financial assistance to these industries, subject to more efficient and

cleaner practice. I am not suggesting that governments of poorer countries are free of responsibilities, they should also play their part, though the lead has to come from richer nations, according to the principle of common but differentiated responsibilities. In this respect I would like to mention some of the measures we have taken at home to play our part in protecting the environment, through more efficient use of energy.. The first practical step to limit the wasteful use of energy, came last year with the introduction of smart cards for gasoline, where its success in limiting its consumption and import has encouraged us to take similar measures for the use of gas oil this year. These

measures should be followed by adjusting prices to international levels. Helping the affected portion of the population is a vital part of this policy, which is now being debated in our majlis (parliament).. This example shows how the issue of energy efficiency can become a complicated national issue. Besides gasoline & gas oil consumption, the issue of inefficient use of natural gas is also a great challenge for us. The share of natural gas as a clean source of energy in Iran's energy mix has risen to above 60% from around 5% in about 30 years and it can only reach its maximum possible rate of 70% within a few years. we have reached the production of about 500 million cubic meters per day

this year which puts us at fourth position in the world. We hope, through changing energy consumption policies and their optimization, as well as increased natural gas production capacity, Iran can play a major role in meeting the growing need of the world, especially that of Europe for natural gas. This is exactly why, we in the Ministry of Petroleum were even happier than our counterparts in the Iranian Atomic Energy Agency, when this month, the news of the test run of Iran's first nuclear power plant was announced. Because its production of electricity in the near future will decrease the pressure we have been facing to meet the growing need of electricity of our nation of 70 million

people especially following many years of low rain falls which has increased, the power plants' demand for natural gas and gas oil substantially in recent years.

In conclusion, I wish to reiterate that Iran's oil and gas, in the coming decades can play a key role in meeting regional and global energy needs. This requires massive international and economic cooperation to ensure capital and technology to develop Iran oil and gas sectors. Political global interactions are also vital to eliminate tensions and conflicts from the strategically important Persian Gulf region.

The decision of Switzerland to enter into a long term gas deal with Iran which was

finalized last year shows their long term vision which will benefit both nations and other European countries.

At the end once again I would like to congratulate the founders of the energy pact foundation for their vision and wish them all success in the years ahead.

Thank you for your kind attention.