UPEI-President Bernd Schnittler at the Autumn Meeting 2011

in Prague, 14 October 2011. (Check against delivery)

Excellencies, Ladies and Gentlemen, dear Friends!

We are very happy to have our annual Autumn Meeting in this country and in particular in this fascinating city with its great history.

It is common knowledge that beautiful surroundings inspire creative thoughts and lively discussions. I hope this will also be the case in this particular meeting.

The global development of the future demand for energy is impressive. We assume that up to the year 2030 there will be an increase of nearly 40 to 50 percent, mainly in India with about 90 percent plus – which is ten times more than in the US –, China with a plus of 80 percent and also Iran with an increase of 95 to 100 percent. These are the results of a study conducted by the London Business School.

However, this global development will not be sustainable. There will be fierce competition in energy sourcing and we have to expect that national interests will prevail – which brings more protectionism. Already now 90 percent of oil companies active in production are in the hands of individual countries and their governments.

For the coming 20 years fossil energy sources will still be the main Energy source in the transport sector. Also in 2030 mineral oil will cover 84 percent of the energy for cars, trucks and planes – regardless of discussions concerning e-mobility and bio fuels.

However, the replacement by alternative and other energies will increase till 2030: oil will be reduced to 27 percent, the shares of gas and coal will be 26 percent each and renewable energies will be up to nearly 10 percent in the global energy demand 2030.

Europe will consume more gas and this will increase the dependency mainly on Russia. Russia strives to have a direct link to the end-consumer and as independent observations and studies say they are equally interested in the upstream and downstream business. One example is that Gazprom has increased its shares in the German energy company RWE.

In addition there will be more gas import from the United States to Europe as the US are increasing their shale gas exploration.

At present we have a huge paradigm change or you can call it a "green revolution" in Europe. There is a great shift towards wind energy and solar power – the latest represented by the Desertec initiative in North Africa, for example.

Energy efficiency is a mega-trend in housing, cars and industry. Nuclear energy will be further developed on a global scale which means that at present 65 power stations are under construction.

Europe demonstrates weakness as we unfortunately don't have a joint energy policy. The Energy Commissioner Oettinger calls for EU countries to speak with one voice. Improved coordination in the EU Member States must clearly define priorities in external energy policy. The EU receives 60 percent of its gas and 80 percent of its oil from beyond its borders.

Within this global and European scene you find UPEI and its Members active. Depending on the individual oil markets in EU countries, independent oil companies cover 35 up to 45 percent of the oil market in trading and

importing. There is a strong competition between major companies and independent companies – so called SMEs – and we have to defend our position as there are always attempts by competitors in the market to weaken our position.

We advocate for fair trading conditions, promoting a competitive open market. We strive for the equal treatment of our Members in the formulation of laws and regulations for the independents. This is our function within Europe: to ensure transparency, to give protection from price manipulation and to safeguard a secure energy supply and crisis management with strategic oil and gas stocks.

In this regard I wish us a successful meeting.

Thank you very much for your attention.