

Energy, neo-globalisation and competitiveness

Future prospects and policy messages for Turkey

Mehmet Ögütçü

Director, BG Energy Holdings (UK)

Turkish Competitiveness Forum

Istanbul, Conrad, 8 November 2007

mehmet.ogutcu@bg-group.com



No longer the old globalisation that we have known...

- ★ **BRICs**
- ★ **Resource nationalism**
- ★ **Technological revolution**
- ★ **Powershift in geopolitics**



Energy as the lifeblood of economic development and competitiveness

- ★ Changing world energy outlook
- ★ Energy (and its supply and demand security) to undermine or boost competitiveness
- ★ Competing pipelines
- ★ Energy as a political instrument
- ★ Climate change and environment



Economic nationalism, "national champions" and competition

- * EU rules, France, Spain, Italy and Germany**
- * China, Russia, Kazakhstan,**
- * for and against?**
- * future prospects**



What about Turkey?

- ★ **Energy consumer, transit and regional hub**
- ★ **Power generation gaps**
- ★ **Investment climate**
- ★ **SMEs and gray economy**
- ★ **Anticipated energy sector consolidation and M&As**



Key messages

- ★ **No illusion: energy cannot be treated only as an economic commodity - it is political.**
- ★ **Turkey pays one of the world's highest energy prices - no good for competitiveness**
- ★ **Factor in the environmental impact, social responsibility and “carbon economy” as key inputs to competitiveness**
- ★ **Need for an integrated strategy and vigorous actions for enhancing competitiveness without reinventing the wheel**

