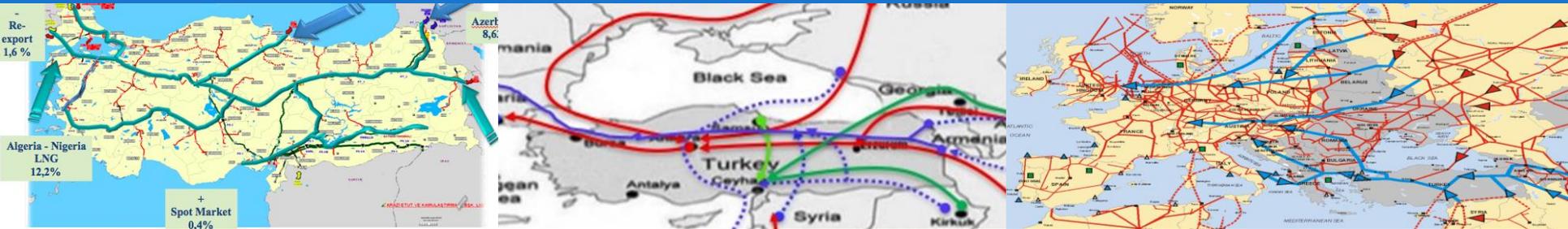


Turkey as an Energy Hub

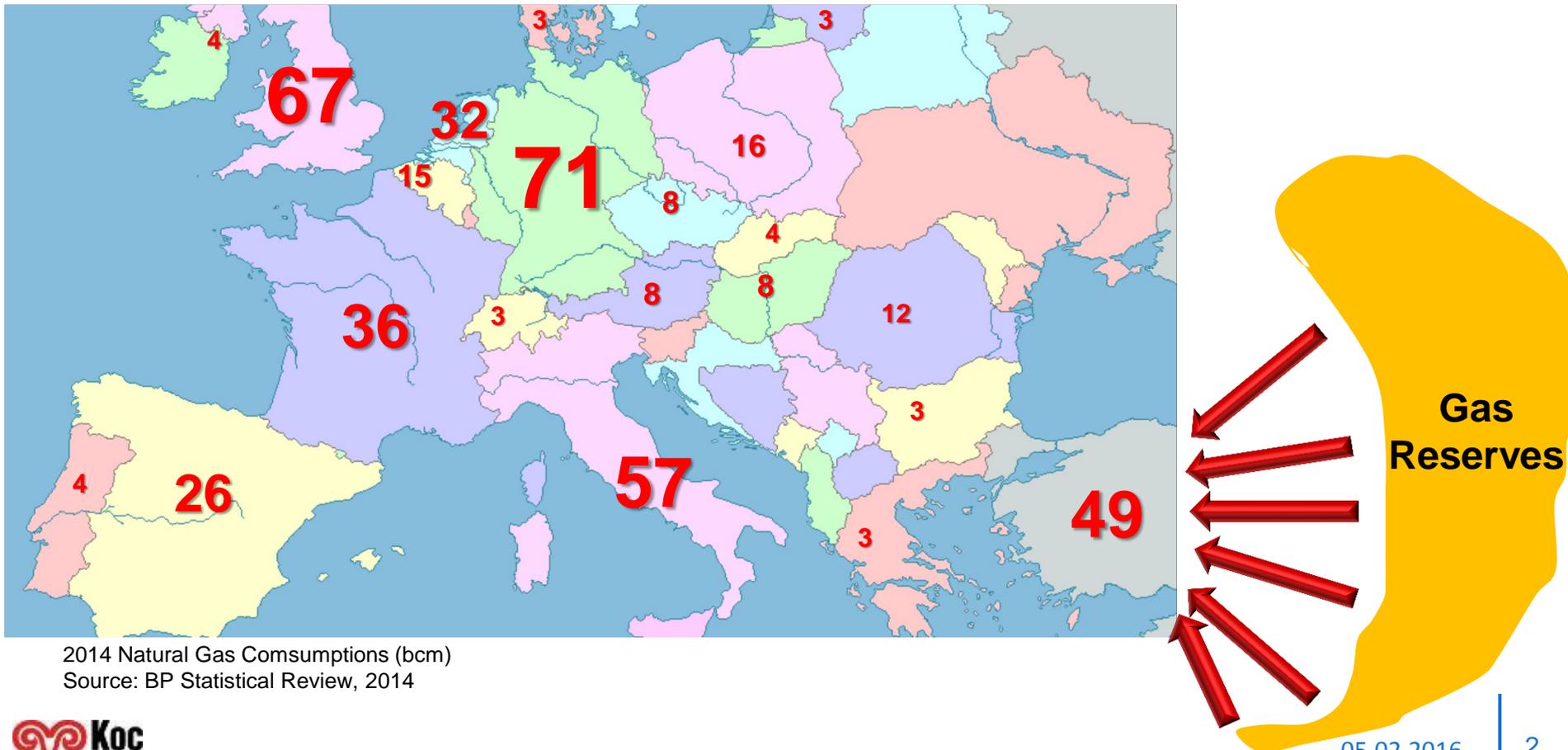
What, Why, When, Who, How?



Rıdvan Uçar
İstanbul, 05/02/2016

Gas Comsumptions and Gas Flow

- Should there be a new hub, where is the best place?



What is Energy Hub?

Hub



A place that is the centre of a particular activity

Example: Silicon Valley has become the hub of the electronics industry

Source: Cambridge Dictionary

No definition for energy hub...

Energy Hub



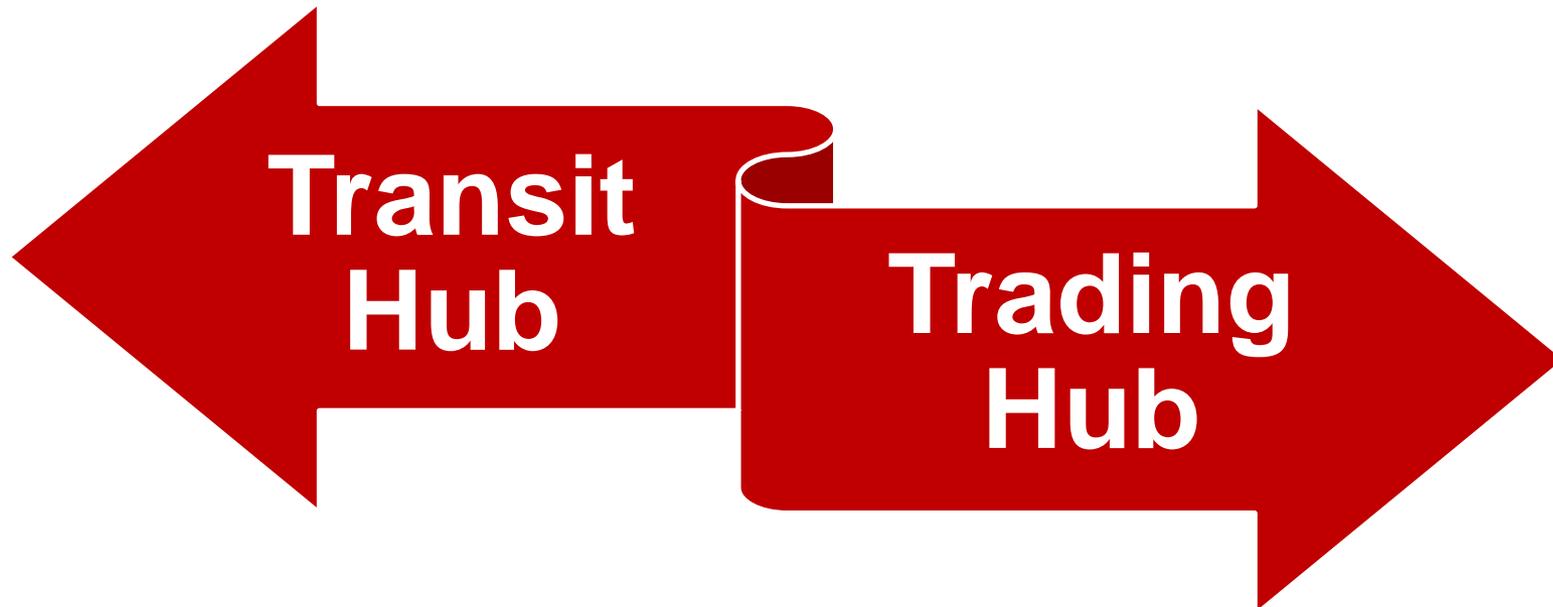
A place that is the centre of energy

Drived from «hub» definition for this presentation

Example: Turkey will become the hub of the energy

What is Energy Hub?

- Two concepts related to hub and energy



Difference Between Trading and Transit Hub?

Trading Hub



a place where goods from other places are bought and sold

Source: Cambridge Dictionary

No definition for transit hub...

Transit



The movement of goods or people from one place to another

Source: Cambridge Dictionary

(Energy) Transit Hub



The movement of energy from one place to another

*Derived from «transit»
for this presentation*

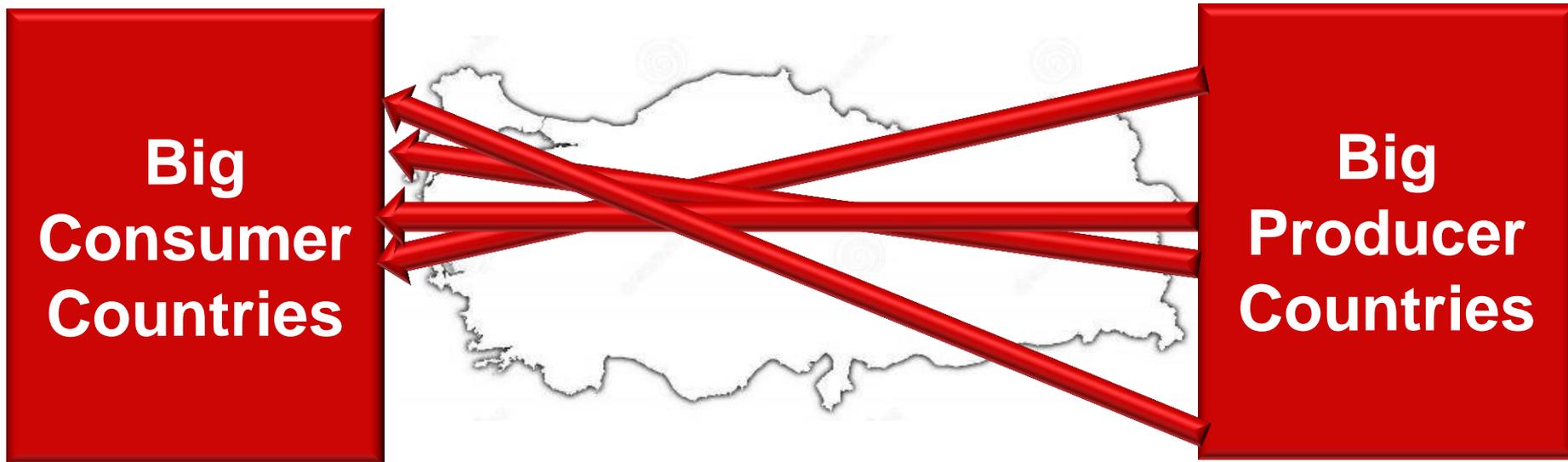
Turkey and Hub Concepts

- **Decision time for Turkey!**



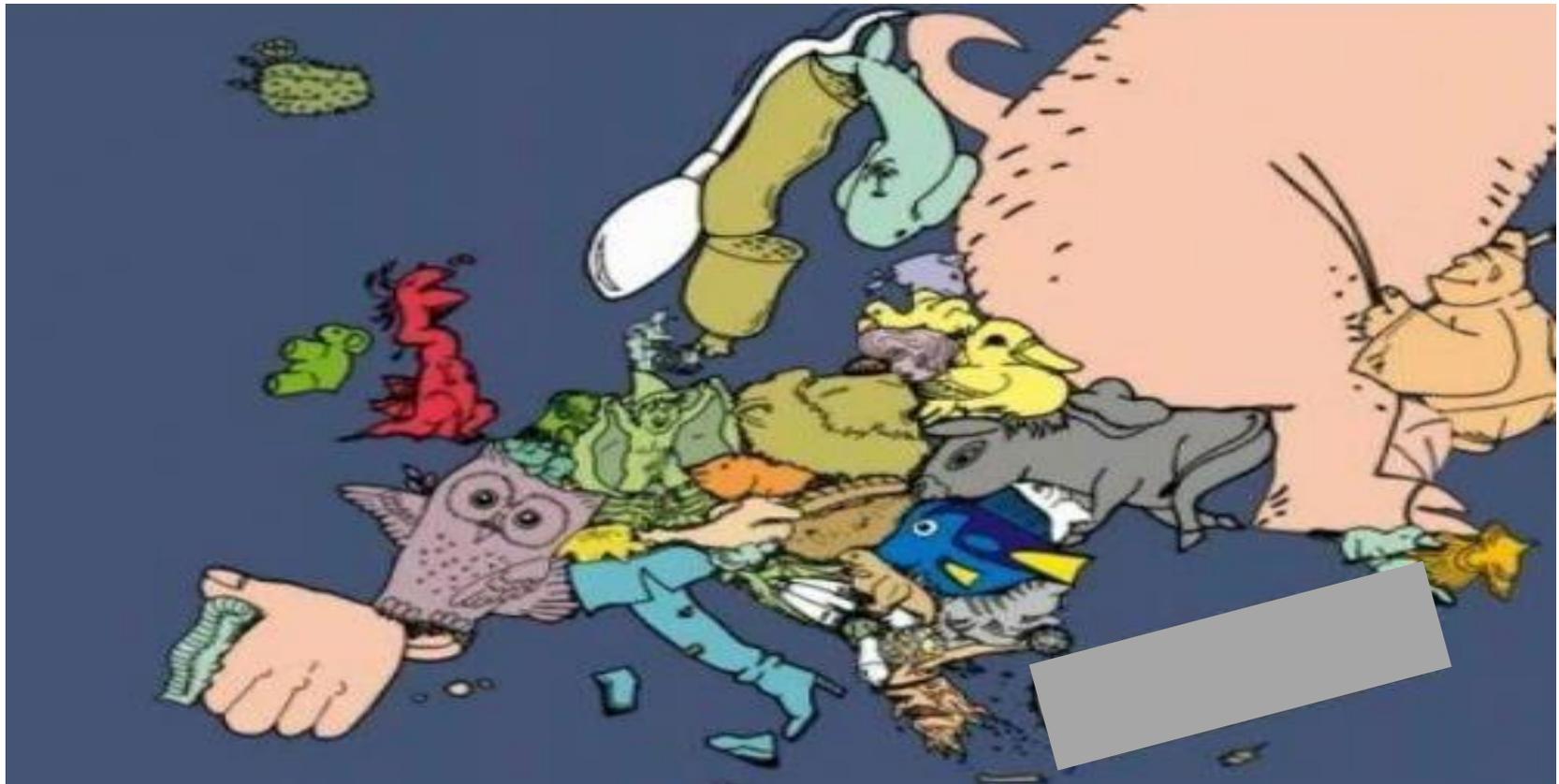
Turkey as a Natural Gas Transit Hub

The movement of energy from one place to another



Is Perception Reality?

- How Turkey is perceived?

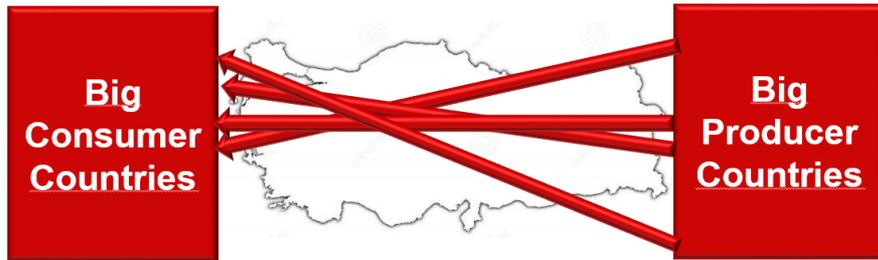


Turkey as a Trading Hub

A place where goods from other places are bought and sold



Small Difference Makes Big Change



Turkey as a transit hub or bridge country



Turkey as a trading hub or trading center

Why Do We Have to Be a Trading Hub?

- Turkey is a big natural gas consumer, closer to the diversified gas sources
- Turkey has a perfect location for a trading center,
- Being a pipeline bridge is straight forward, but advantages are limited,
- Turkey has all competencies to play as a trading center for supply security of Turkey and EU for today and for the future,
- Turkey has a unique opportunity and has to be a trading center for our next generations.

When is the Best Timing?

- Yesterday was late to take an action, but it's never too late,
- Today is the best timing to declare and take necessary actions to become a real trading center (not a bridge hub) of the future,
- The next decade will be very important for the supply security of Turkey and EU
- Sooner is better, each day we're losing 86.400 seconds

Who Will Make Turkey a Trading Center?

- **Turkey's supply security is as important as EU supply security,**
- **Turkey has an important responsibility due to its unique geographical position,**
- **We're responsible for our future, thus we should write the history of our future carefully!**
- **Turkey should complete the necessary homeworks and be prepared for the future global challenges.**

How? History Tells about it...

I have missed more than 9000 shots in my career. I've lost almost 300 games. 26 times, I've been trusted to take the game winning shot and missed. I've failed over and over again in my life. And that is why I succeed.

Michael Jordan

It is no use saying, 'we are doing our best'. You have got to succeed in doing what is necessary.

Winston Churchill

Success depends upon previous preparation, and without such preparation there is sure to be failure

Confucius

Long Time in Liberalization Process

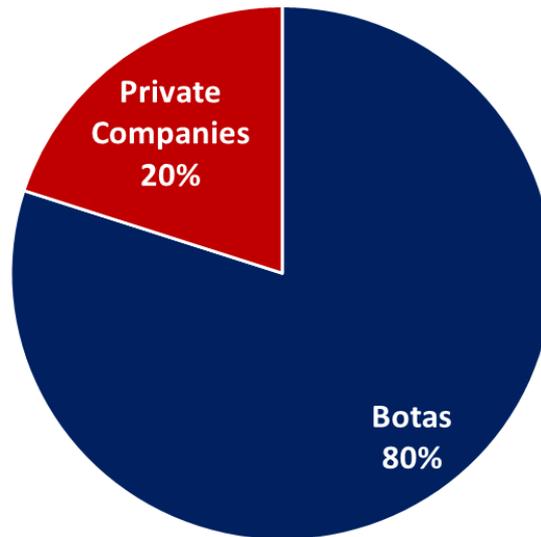
15 years

2001
Law 4646

2008
1st Phase
Private Sector
Contracts

2013
2nd Phase
Private Sector
Contracts

2016
New 4646
(TBA)



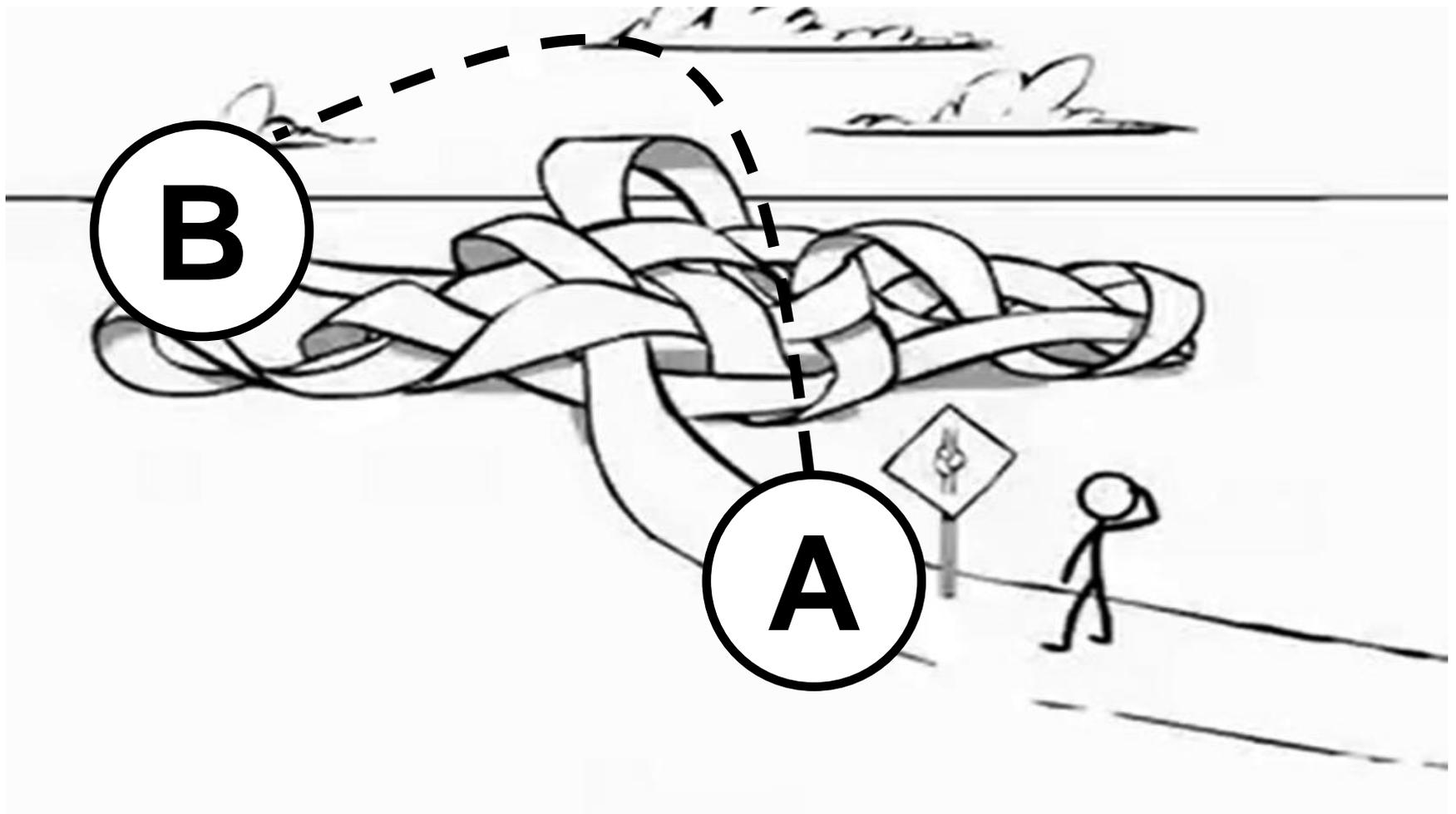
Turkey as a Trading Hub, Homework...

- **Is Turkey ready for the future?**
 - What is our present entry capacity and what will be in the future?
 - What will be our daily demand in the future?
 - What is our gas transmission capacity in our national network? And what will be in the future?
 - Is it enough to be a trading hub? Can buyers find gas in our market during winter season? Can we sell them?
 - Do we have supply security problem?
 - How are we going to combine pipeline gas, underground storage and LNG?
 - What is our plan? What do we want to be? A bridge country of gas highways or a trading center?

Conclusion

- As private sector, we don't see any other option than being a trading center (or hub), it's our **responsibility** for our future,
- We don't understand the definition of «transit hub», if it's used in place of being a «pipeline», and **we don't accept**,
- We know that our government is thinking the same and we are **committed** to do our part for this,
- Given the current conditions and Turkey's unique geostrategic position, we **have to** be a key trading center for the supply security of Turkey and EU.

The Road is not Easy, But There is a Way...



What is Our Best Self? What is Our Dream?

B = Our Best Self



We need to define «Our Best Self»:

1. Our Best Self = Being a perfect **transit hub** (a bridge country)
2. Our Best Self = Being a perfect **trading hub**
3. Our Best Self = Being a **transit hub** AND being a **trading hub**

Last Words

I did not tell half of what I think, for I knew I would not be believed.

Inspired by Marco Polo's quote: I did not tell half of what I saw, for I knew I would not be believed (1324).

**Thank you for your
attention**