



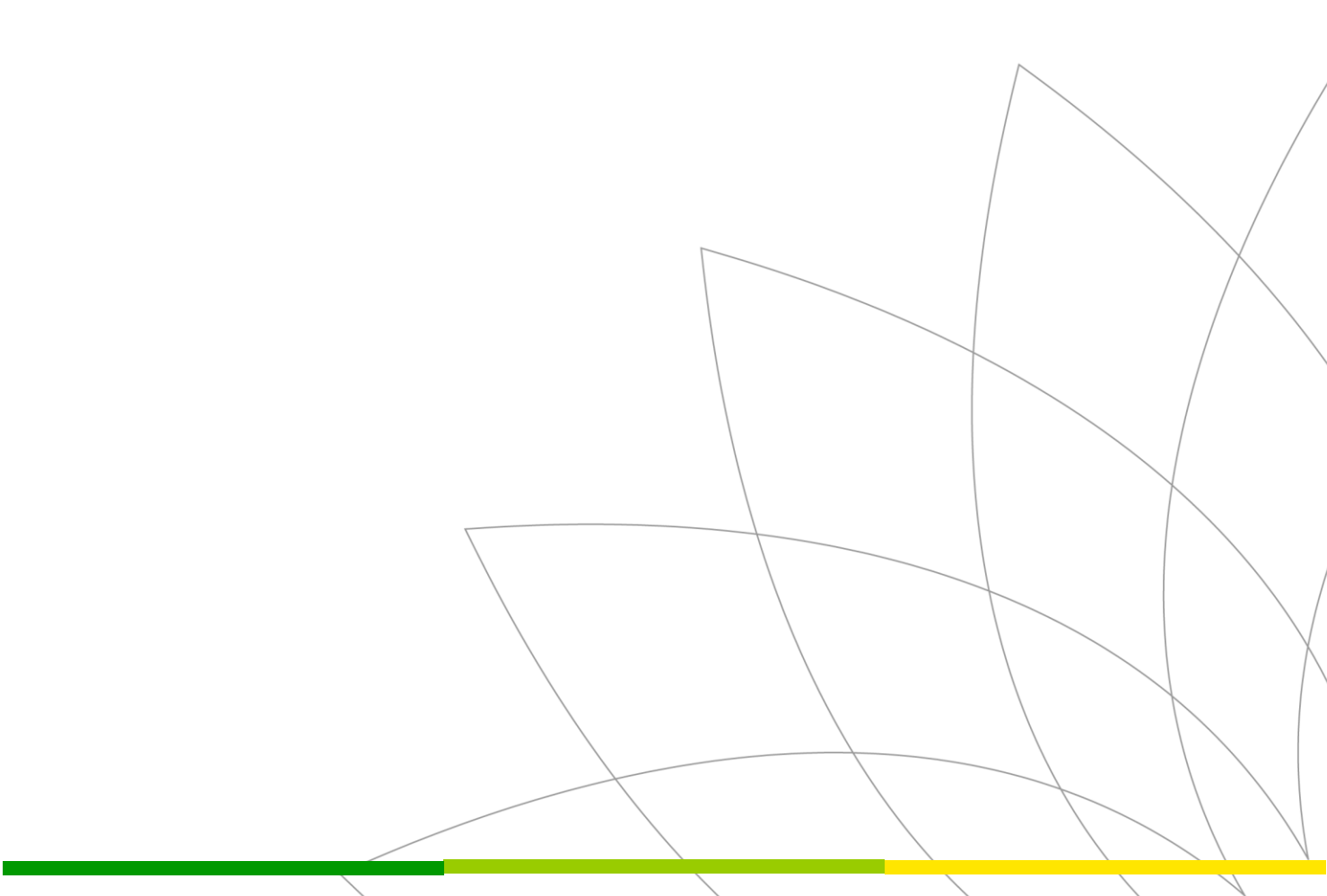
# Building on the past; embracing the future

**Dev Sanyal**

Chief executive of alternative energy and executive vice president,  
regions

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Thank you Nick and good afternoon everyone.

Can I add my thanks to the Delphi Economic Forum for organising this symposium.

Thank you also to the British Embassy and British Council for their support – and of course to the Greek government.

Our theme is 'Building on the past; embracing the future' and so let me start with a story that reflects both of those ideas.

During the recent building of the Trans Adriatic Pipeline – or TAP – across Greece a fortress was discovered in Thrace.

It dates from the 4th century BC and from the campaigns of Philip II, which preceded the expansion of the empire under his son Alexander the Great.

And that brought two thoughts to mind.

## Building on the past – trade means trust

The first is this. The empire that Phillip and Alexander built was not only a military and cultural superpower, but a great trading force.

As well as having flourishing ports, it controlled much of the Silk Road between Asia and Europe.

In ancient times, trade was often secured by military means – and equally often disrupted by war – as was the Silk Road.

Today we face different challenges to trade – those associated with what is sometimes called 'peak globalisation'.

The growth boom that drove up international trade from the 1980s has ended.

The energy boom that helped lift millions out of poverty has slowed – though demand remains strong. We expect consumption to grow by a third to 2040 – compared with growth of 50% in the past two decades.

Nationalist sentiment has grown, along with new trade barriers.

Trade has declined as a proportion of global GDP.

But note that the decline since 2008 has only been around 3% - from around 61% to 58%. More of a dip than a dive.

And if we look at a longer timeframe, we see that global trade has always fluctuated.

In the 19th century, for example, trade grew strongly, only to decline with the wars and depression of the early 20th century.

The lesson is that trade is not collapsing, but neither can it be taken for granted. It has to be nurtured. And it thrives most strongly where there is trust.

Trade between the UK and Greece is underpinned by trust built up through decades of partnership in war and peace.

And partnership also underpins the Southern Gas Corridor – the 3,500 kilometre pipeline system of which TAP is a substantial part, stretching for 550 kilometres and nearing completion.

Like the Silk Road, it connects Asia to Europe.

The entire Southern Gas Corridor system will transport around 10 million cubic metres of gas from the Caspian Sea to Europe each year, with a significant volume used in Greece.

And it has been built by trust as much as by steel.

It has required multiple agreements between seven governments, 11 companies and hundreds of suppliers.

It has provided one of the largest foreign direct investments in Greece and provided work for more than 3,500 people, 80% from local communities.

And the partners have worked to make the project a model of good stakeholder relations.

Strong relationships have been built, from national governments to tiny villages.

Communities have been invested in and the environment respected.

That fortress in Thrace was found in one of more than 400 excavations where the team has worked with archaeologists to make sure anything that is uncovered is preserved and protected.

In other words, delivering one of the world's largest projects has depended on attending to the smallest detail.

The government of Greece has been a vital and valuable partner in this enterprise. The participants in TAP have been very grateful for your efforts and we look forward to working with you to get the gas flowing to customers.

## Embracing the future – development means sustainability

And that prospect takes me to the second thought I would like to share with you.

Prime Minister Mitsotakis made an interesting observation at the recent summit in New York, when he discussed the Greek initiative to protect cultural heritage sites from climate change.

He said that while respect for the environment was a strong theme among ancient Greek philosophers, they did not have access to the science that we have today.

And that science is of course telling us that we have to build a lower-carbon economy.

We need to re-imagine the landscape and reshape our energy system.

The 20th century global financial system, with institutions such as the IMF and World Bank, was founded on the premise that finance was the principal driver of development.

Today, we have a dual goal. Prosperity has to be achieved with sustainability. And that creates a dual challenge, to provide more energy, but with less carbon.

Work to address that challenge is intensifying globally. And here in Greece, as the Prime Minister announced, an ambitious programme is planned. It includes closing all lignite plants in a decade, while boosting renewable energy and energy efficiency.

And I see the southern corridor very much as part of a reimagined energy sector for Greece, because of the strategic role that natural gas can play.

By switching from coal to gas, the world has cut more than 500 million tonnes of CO2 in this decade alone. And that is because gas emits half the carbon of coal when burned for power.

Gas provides the perfect partner for renewable energy as it can be flexed up when there is less wind or sunshine and flexed down when the wind and sun are strong – as in Greece.

Greece has the potential to become a regional gas hub. Not only is the TAP pipeline nearing completion, but LNG capacity is being added, the Greek-Bulgarian Interconnector is being built and the East Med pipeline is now the subject of international agreements.

Greece also has ambitious targets to develop its renewable energy sector - 20% of all energy by next year and 35% by 2030.

At BP we also have targets, such as zero growth in operational emissions to 2025, and we work with many governments who have their own targets.

So let me share three brief observations on how such targets can be pursued.

First and foremost, we believe that the best way to reduce carbon emissions is to put a price on them, as has happened in Europe. Carbon pricing makes energy efficiency more attractive and it makes low carbon solutions more competitive.

In the UK, the government has supplemented the price set by the European Trading System with its own carbon price floor. This has helped to drive carbon emissions to 19th century levels, with a grid largely powered by gas and renewables.

A second message from our experience is that a consistent regulatory regime is very important. Predictability leads to confident investment.

And a third point is that sustainability needs to be delivered hand-in-hand with energy justice to provide equitable access and support those whose livelihoods are affected by change.

And indeed, we see this happening here, for example in efforts being made to reduce energy poverty and liberalise the power market.

Greece is well-placed to reimagine its energy landscape because of its improving economic situation. As we have found in BP, a period of challenge and adversity can build resilience and create opportunity.

## Conclusion

To conclude, we stand at a unique moment in history: the end of the era of globalisation as we have known it; and the start of a new chapter of energy transition.

The Greek philosopher Heraclitus said: “Everything flows; nothing abides; everything gives way; nothing stays fixed.”

And when we look at that fortress from his era, alongside the new infrastructure from our own, we see two ways in which he was right.

Trade has changed. It is no longer so dependent on hard power. And it cannot be taken for granted. Its preservation requires trust and effort. We are seeing that with TAP and the Southern Gas Corridor.

And development is changing. It is no longer driven simply by finance but by the twin objectives of prosperity and sustainability. And this includes reimaging the energy system. We are seeing that with the action being taken in both the UK and Greece.

Change is never simple, but I believe we can achieve a future in which we have both open trade routes and a sustainable economy.

As Alexander the Great himself concluded: “With the right attitude, self-imposed limitations vanish.”

Thank you.