

## **Mugur Isărescu: How can the EU generate a virtuous circle in the Black Sea Region – the case of food and energy security**

Speech by Mr Mugur Isărescu, Governor of the National Bank of Romania, opening the European League for Economic Cooperation (ELEC) conference, Bucharest, 26 April 2016.

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Commissioner,

Ministers,

Your Excellencies (Ambassadors),

Distinguished guests,

Ladies and gentlemen,

I am honoured to open this ELEC conference that will focus on how the EU can generate a virtuous circle in the Black Sea Region in the case of food and energy security.

It is the fifth time that the National Bank of Romania is the host for an ELEC conference.

The fact that we gather here, today, not at the National Bank of Romania office, but at the Romanian Banking Institute is quite significant: this establishment is a hub of financial education committed to passing knowledge both to experts and non-experts. I wish this to be a substantial debate in an open and insightful manner, which will cast more light and clarity on the topics you are going to discuss.

I am pleased to welcome Miguel Arias Canete, Commissioner for Climate Action and Energy; and Rudi Mögele, Deputy Director General, DG Agriculture and Rural Development. They will be keynote speakers today.

Allow me to greet Baron Bernard Snoy, President of ELEC International and Jerry van Waterschoot, Secretary General of ELEC International.

The European League for Economic Cooperation has been, ever since its foundation in 1946, an independent network of business people who put their knowledge and influence together to deepen European integration.

The League has stood out over the decades for a lot of significant reasons, including the very diverse nature of its membership and their interests, as well as a specific concern for independence in formulating their opinions. It is exactly this diversity and independence that prompts ELEC to ask the right questions and, in the answers it provides, to give priority to the common European interest.

I salute the close cooperation between government officials in the region with high European officials, as well as, with the private sector and prestigious organizations such as ELEC. The Prime Minister of Romania, Mr. Dacian Cioloș, will have a brief address on this topic.

Mr. Achim Irimescu, Minister for Agriculture and Rural Development will chair the round table on agriculture, together with his counterpart from the Republic of Moldova, Minister Eduard Grama and other renowned authorities who are ready to share their expertise on the factors that generate food insecurity in the extended Black Sea region in the context of the 21st century challenges.

Mr. Vasile Iuga, Partner at PricewaterhouseCoopers will chair the round table on energy security and together with prominent experts will focus on long term development of energy networks in Central and Eastern Europe.

Ladies and Gentlemen,

Now, a few words about the topic of this conference.

We all agree that the Black Sea Region is increasingly becoming a priority on the international agenda. In fact, a regional approach is emerging as actors completely understand that common problems need to be addressed jointly. Over the past five years the region and the world have faced many troubled moments; fast changes have influenced the way peoples choose to look to the future.

The idea of strengthening cooperation in the Black Sea Region is not new. It sprang from a paradox: although the countries in the area shared geographical proximity, they came from different historical and political backgrounds and, as a consequence, had poor or quasi-inexistent economic relations.

As a veteran in this field, I can give you a simple example: in the '90s, to reach either Baku or Tbilisi one had to fly through Vienna. In effect, in the autumn of 1997, the Governor of the Central Bank of Turkey contacted me and suggested the founding of a Governors' Club of Central Asia and Black Sea Region, with the Bank for International Settlements serving as a model.

It was officially instituted on May 1st, 1998, in Istanbul, when nine countries signed the founding protocol. During the following years, thirteen more countries gradually joined our Club, now spreading from the Baltic Sea to the Pacific Ocean, from Central Asia to the centre of Europe.

Regional cooperation in different fields like food and energy security – focal points of today's conference – might be initiated at a high political level, but its implementation requires an active, broader and more informed participation of private sector and civil society, as the main vehicles of cross-border cooperation. The expansion of each one's participation has a double effect; it allows for more informed regional policies and faster project implementation, on one hand, and it cultivates an understanding that regional cooperation has a direct impact on everyday life and individual citizens' welfare on the other hand.

The Romans used to say "*mens sana in corpore sano*". The way I see it, it greatly matters what you fuel your body with. Greater food production for an increasing population goes hand in hand with ensuring access to affordable, safe and nutritious food. The way food nourishes our bodies, energy fuels the economy. So, energy needs to be secure, affordable and sustainable.

I could go further and stress once again that for a healthy economy there is a substantial need for a healthy financial and banking systems.

However, today's conference will not generate either solutions or concrete answers to the multiple of issues the food and energy security rises, but it will most certainly cast a new light on possible ways to handle the challenges ahead of us.

These discussions aim to help us all on a journey we have embarked, a journey that can only be made through constant and diverse dialogue until we reach common ground and close to perfection possible solutions.

Thank you, ladies and gentlemen, for your attention.

I wish you a lively and successful debate.