

There is no self sufficiency of oil and gas in the EU countries, and in the near future the dependency on imported energy will be 70 %. The main source of imports is Russia, and for the EU there is no alternative. Russia, on the contrary, has many alternatives. The same oil and gas can be exported to the East or the USA.

For more than 30 years Finland has imported gas, oil and electricity from our eastern neighbour. We have not experienced the slightest problem and due to the long-term contracts the price has even been below the market price.

As the Council Presidency country, Finland is prepared to share this experience of co-operation with other EU members. At the same time, the overall EU dependency on fossil fuels should be discussed and the ambitious Swedish model explored.

Finland will most likely be asked to explain the pros and cons of its decision on the construction of a new nuclear plant both to avoid becoming dependent on imports of energy and to avoid greenhouse gas emissions.

Finland, as the first EU country, has decided to dispose of its nuclear waste under its own ground, and every other member should take the same responsibility. Finland is of the opinion that every country has a right to ban imports of foreign nuclear waste and spent fuel for final disposal on its territory.

Regarding nuclear safety, Finland relies on the criteria of the IAEA and on national supervision.

Finland takes for granted that energy falls under the national competence. For this reason, there is not much the EU as an institution can do to improve the security of energy supply. Many members are dependent on Russian imports, but the security of supply cannot be secured by Russian money alone. Russia needs foreign capital to be invested in new production. EU cannot finance such investments, and the EU energy security depends heavily on the investment criteria of the multinationals.

The North European gas pipeline improves the security of gas supply to Central Europe. It is a useful project, because it is not acceptable that the transit countries steal from the current pipelines (or storages) gas intended to be sold in the EU market.

Finland has liberalised its energy markets as decided in the EU. During its presidency certain (big) member states need to be reminded of their commitment to do the same.

In Finland electricity is cheap due to low production costs of hydro and nuclear energy.

The common Nordic electricity market, which is based on the electricity stock-exchange (Nord Pool), gives a slight idea of the future of the integrated "European" electricity market. The experiences are not only positive. The pricing of wholesale electricity has been made independent of the production costs and the stock exchange prices are based on the most expensive marginal production (including the emission rights). The result is the increase in the overall price of electricity to the consumers and windfall profits (which should be taxed) to the

big companies.

The narrowness of the emission market distorts market information, and the system needs to be revised.