

Energy Security and Regional Cooperation in Asia

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Energy Security, an agenda in Asia

- **Growing oil import dependence of the region**
- **Emerging large-scale importers (China, India, etc.)**
- **Oil price increase after 1999**
- **Impact of September 11**
- **War in Iraq and potential instability in the Middle East**
- **Growing attention to “Geopolitical aspects” of energy**

Energy Policy To Enhance Energy Security

- **Unilateral Approach (by individual country)**
 - **Energy Source Diversification**
(Promotion of Natural gas, Coal, Nuclear, etc.)
 - **Oil Import Source Diversification**
 - **Oil Stockpile Buildup**
 - **Overseas Upstream Investment**
 - **Etc.**
- **Regional Cooperation**

Importance of Regional Cooperation

- **Understanding that energy security is a common challenge for Asia**
- **Cooperation can be beneficial:**
 - Synergies
 - Optimal use of existing resources, capital, technology, know-how, infrastructure, etc.
 - Bargaining power
 - From “national energy market” to “regional energy market”
 - Efficiency
 - New business opportunity

International Cooperation in Asia

- **Cooperation in North East Asia**
- **Cooperation in ASEAN + 3 (Japan, Korea and China)**
- **Cooperation in ASEAN**

Cooperation in North East Asia

- **Bilateral dialogue and cooperation (incl. Japan-Korea FTA talk).**
- **Seminar, workshop, etc. to facilitate regional cooperation.**
- **“North East Asia Petroleum Forum” on November 5-6, 2003**
 - **Common recognition on the issue of “Asia Premium”**
 - **Cooperation for oil stockpiling**
 - **Best utilization of existing infrastructure (refining capacity)**
 - **Promotion of natural gas market**

Cooperation in ASEAN +3

- **During the 8th IEF in Osaka, energy ministers of ASEAN + 3 met for the first time to discuss agenda for future cooperation.**
- **The ministers agreed on such issues as: creation of emergency network; initiative of oil stockpile development; joint study on the Asian oil market; etc.**
- **Forum will be created to discuss the above topics.**

Recent ASEAN +3 Forum

- **Oil Market Forum and Oil Stockpile Forum were held in Bangkok, Thailand on November 13-14, 2003.**
- **Participants (government officials and experts) agreed that “Asia Premium” is common issues for the region and that pursuit of concerted efforts is important.**
- **The importance of oil stockpile was also recognized. The Forum appreciate the effort to strengthen oil stockpile and other emergency measures in individual countries and ASEAN as a region (revision of APSA)**

Cooperation in ASEAN

- **Review of ASEAN Petroleum Security Agreement (APSA)**
- **MOU for Trans ASEAN Gas Pipeline (TAGP)**
- **MOU for Trans ASEAN Power Grid (TAPG)**

Importance of cooperation between East and West Asia (Middle East)

Middle East needs Asia because:

- **Growing market for their most important commodity**
- **Crucial needs for stable and sufficient revenue flows for their sustainable development**

Common Interests for Asia and the Middle East

- Asia countries need sufficient energy supply at reasonable prices to meet their growing energy requirement (**Energy Supply Security**)
- Middle East needs markets for their energy commodity to secure stable and sufficient revenue flows (**Energy Demand Security**)
- To achieve sustainable development, it is essential for the two region to have a better understanding of the interdependency and pursue the common interests

Conclusion

- **Pressed by the growing energy import dependence, North East Asia is now embarking on strategy development to enhance energy supply security**
- **Pursuit of energy security by individual countries is expected to contribute to enhance regional and global energy security.**
- **Asian countries are enhancing regional energy cooperation to address the common challenges**
- **Intra/Inter regional cooperation should be promoted for the benefit of regional and global economic development and prosperity**