

### **At the Pacific Energy Summit 2018**

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On November 14, I had an opportunity to participate in the Pacific Energy Summit (PES) 2018 in Washington DC. The annual international conference has been sponsored by the U.S. National Bureau of Asian Research since the first one held in Tokyo in 2009. It has taken place in such other cities as Jakarta, Hanoi, Vancouver, Seoul, Beijing and Singapore. Some 70 people participated in the Washington DC meeting on a registration basis, including U.S. and Asian government officials involved in energy policy, energy industry representatives and think tank researchers.

Titled “An Indo-Pacific Vision for Energy and Environmental Security,” the latest PES comprised four sessions on “Energy Security in the United States’ New Indo-Pacific Strategy,” “A New Era for Oil Security and Efficient Transportation,” “What is the Right Energy Mix for the Indo-Pacific’s Electrifying Future” and “Globalizing Gas Market: Maximizing Benefits for Energy and Environmental Security in the Indo-Pacific.” The sessions included keynote speeches and panel discussions under the Chatham House rule. In the following, I would like to make some comments about discussions at the conference.

The most impressive point for me at the latest PES is that the concept of the Indo-Pacific included in the title of the conference has been strategically put at the center of discussions in the United States. In the earlier PES meetings, the concept of “Asia” or “Asia-Pacific” had been dominant. The Washington meeting was the first PES meeting in which the concept of the “Indo-Pacific” was so dominant.

The concept of the Indo-Pacific has attracted global attentions. In a milestone development regarding U.S. discussions on the concept in October 2017, then U.S. Secretary of State Rex Tillerson used the word “the free and open Indo-Pacific” in a speech at the Center for Strategic and International Studies. In the U.S. National Security Strategy released in December 2017, “the free and open Indo-Pacific” replaced the traditional term “Asia-Pacific.” It is important to take note of this change. Behind the change, the United States’ view on China has dramatically altered, with the international strategy environment transitioning to a new phase, according to numerous analysts. This can be based on the perception that China has changed from a “strategic partner” to a “strategic competitor” for the United States, threatening the U.S. hegemony.

At the PES, no one indicated China particularly as the United States’ rival or expressed any critical view on China. Participants in the PES provided fact-based and objective analyses on the

international energy situation and had active discussions about the United States' roles in such situations. Nevertheless, many US participants explicitly reiterated the term "Indo-Pacific." The PES thus became the first opportunity for me to strongly feel the transformation of the United States' view of the world through discussions about energy problems.

Second, it was impressive that in the context of emphasizing the Indo-Pacific, participants indicated that the United States as a very important presence regarding energy would have influence on the Indo-Pacific and on the entire world. The shale revolution has made progress, transforming the United States into the world's largest oil and gas producer. The country is now about to become a key oil and liquefied natural gas exporter. The United States represents the significant presence in international oil trade and the second largest one in international gas trade. Some of the speakers at the PES hinted that it would be important for US to consider how the United States would increase its presence and exert influence on the Indo-Pacific in the energy space.

For major Indo-Pacific energy importing countries that are expected to expand energy demand and their dependence on energy imports, the United States can basically be expected to play great roles as a key energy supply source or a source for the diversification of supply sources and as an LNG supply source that would improve and perform market functions. The United States for its part could take advantage of its growing energy production and exports to the Indo-Pacific to invigorate its economy and energy industry, enjoying a win-win relationship with the region. The United States as an energy supplier would ensure supply security for Indo-Pacific energy importers, while these Indo-Pacific countries would provide demand security for the United States. Major Indo-Pacific energy importers including Japan, China, South Korea, India and the Association of Southeast Asian Nations are exposed to geopolitical risks in the Middle East as their main energy supply source, identifying their need to diversify their energy supply sources. Some participants in the PES paid attention to Russia as another key source for diversifying energy supply sources, leading the author anew to consider relations among the United States, Russia and the Middle East regarding Indo-Pacific energy importers

Third, participants in the PES frequently pointed out that the United States should seek international cooperation to compliment each country's unilateral efforts to efficiently address energy and environmental problems in the Indo-Pacific while increasing its presence as an energy supplier. Particularly, U.S. participants reiterated Japan as a cooperation partner in various ways, leading the author to feel that the United States gives priority to and hopes for cooperation with Japan under the current international situation. For the first time since just after the Great East Japan Earthquake, Japan was most frequently cited in an international conference. My feeling was that how to respond to the high interests in and hopes on Japan may be a challenge for Japan.

As the United States as Japan's most important ally places growing hopes on Japan, what role Japan should play is a very important, great challenge for Japan's Indo-Pacific strategy. Japan has put forward a principle of transition from "competition to cooperation" with China through Prime Minister Shinzo Abe's recent visit to Beijing and talks with top Chinese leaders. Following Abe's recent agreement with Russian President Vladimir Putin to base bilateral peace treaty negotiations on the 1956 Japan-Soviet communique, the future course of the negotiations is

attracting global attentions. It will become increasingly important for Japan to develop its international strategy based on the Indo-Pacific strategy. Japan will be required to appropriately approach energy problems and promote energy cooperation and collaboration in a changing global political and geopolitical landscape.

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