

# 1999 JOINT PRESS STATEMENT FOR THE 17TH ASEAN MINISTERS ON ENERGY MEETING

*Issued in Bangkok, Thailand on 3 July 1999*

1. The Seventeenth ASEAN Ministers on Energy Meeting (AMEM) was held on 3 July 1999 in Bangkok, Thailand, preceded by the ASEAN Senior Officials' Meeting on Energy (SOME) held from 1-2 July 1999.
2. The Meeting was chaired by H.E. Dr. Savit Bhotiwihok, Minister to the Prime Minister's Office of Thailand, with H.E. Dr. Nguyen Xuan Chuan, Vice Minister of Industry of Vietnam, as Vice-Chairman. The Meeting was attended by H.E. Pengiran Indera Wijaya Pengiran Dr. Haji Ismail Bin Pengiran Haji Damit, Minister of Development of Brunei Darussalam; H.E. Mr. Suy Sem, Minister of Industry, Mines and Energy of Cambodia; H.E. Mr. Isbandi Gondo Suwignyo, Ambassador of Indonesia to Thailand, as representative of H.E. Dr. Kuntoro Mangkusubroto, Minister of Mines and Energy of Indonesia; H.E. Mr. Soulivong Daravong, Minister of Industry and Handicrafts of Lao People's Democratic Republic; H.E. Datuk Leo Moggie, Minister of Energy, Communications and Multimedia of Malaysia; H.E. Brig. Gen. Lun Thi, Minister of Energy of Myanmar; H.E. Mr. Mario V. Tiaoqui, Secretary of Energy of the Philippines; and H.E. Mr. Lim Swee Say, Minister of State (Trade and Industry) of Singapore; and Dr. Suthad Setboonsarng, Deputy Secretary-General, as representative of H.E. Mr. Rodolfo C. Severino Jr., ASEAN Secretary-General, was in attendance.
3. The Ministers extended a warm welcome to Cambodia on her admission into ASEAN in Hanoi on 30 April 1999 and participation for the first time as a member of ASEAN in the ASEAN Ministers on Energy Meeting. The Ministers expressed their commitment to assist Cambodia in her expeditious integration into ASEAN energy cooperation activities.
4. The representative of the Minister of Mines and Energy of Indonesia briefed the ASEAN Ministers on Energy on the activities of the Organization of Petroleum Exporting Countries (OPEC).

## **Current Issues in the ASEAN Energy Sector**

5. The Ministers held extensive discussions and shared their experiences and thoughts on current issues affecting the energy sector in the region, from which a convergence of views and common themes emerged, as follows:
  - The global financial crisis had severely affected the energy sector of ASEAN member countries including collaborative efforts in the energy sector. The decline in energy demand, the rise in energy prices in terms of local currencies, and the financial crisis in some ASEAN countries have had substantial impacts on joint collaborative efforts in the energy sector, particularly the Trans-ASEAN Gas Pipeline and the ASEAN Power Grid.
  - To cope with the crisis, ASEAN countries are accelerating the restructuring, liberalization and privatization of the energy sector, particularly in the power supply industry.
  - Encouragement of private sector participation in the energy sector was underlined as a common theme.

- Common features found in the liberalization of the energy sector in several ASEAN countries include separation of generation and transmission; establishment of power pool and independent systems operator; introduction of retail competition; and establishment of independent regulatory bodies.
  - Development of transmission infrastructure, which is essential for energy trade and associated management and trading systems, should help to maintain a sustainable economic growth and increase energy security.
  - ASEAN could seek assistance from bilateral and multilateral partners in strengthening its capacity to develop energy efficiency and NRSE which are perceived as environmental friendly.
  - Sharing of experiences among ASEAN is essential, especially for new members of ASEAN.
  - The need to focus on environmental concerns such as climatic change was also underlined. Such strategy will provide the needed boost for renewable energy.
  - There may be a need to review the provisions of the ASEAN Petroleum Security Agreement in relation to the financial crisis and increasing price of oil.
  - Energy security should be viewed in light of globalization and liberalization trends.
6. The Ministers noted that there are significant signs of economic recovery in the region and underlined the importance of strengthening collaboration in the energy sector to support sustainable growth and regional economic integration in ASEAN. In this connection, the Ministers reaffirmed their commitment to the development of the integrated ASEAN energy network consisting of the ASEAN Power Grid and the Trans-ASEAN Gas Pipeline Projects as the ASEAN energy sector's collective and coordinated programme.
7. The Ministers recognized the need to establish an ASEAN Power Pool in the future and tasked the ASEAN Senior Officials on Energy to submit their recommendations by the next ASEAN Ministers on Energy Meeting.

#### **ASEAN Energy Action Plan 1999-2004, to operationalize the Hanoi Plan of Action**

8. The Ministers collectively resolved to hasten the implementation of the energy action agenda under the Hanoi Plan of Action adopted by the Sixth ASEAN Summit in Hanoi on 16 December 1998. In this regard, the Ministers adopted the ASEAN Plan of Action for Energy Cooperation 1999-2004, which for the first time involved the region-wide participation of all ten countries of Southeast Asia. They directed their senior officials and the ASEAN energy-related institutions to work closely and concertedly to achieve the strategic goals and priority programs under the energy action plan to achieve greater regional economic integration and international competitiveness.
9. The Ministers welcomed the further expansion of the ASEAN Power Grid Project to 14 interconnection projects, with the addition of four interconnection projects between Thailand-Myanmar, Vietnam-Cambodia, Lao PDR-Cambodia and Thailand-Cambodia, respectively. The Ministers emphasized the importance of instituting the policy and implementation framework or masterplan for the ASEAN Power Grid implementation, through concerted efforts of the ASEAN power utilities/authorities and the ASEAN Centre for Energy.

10. The Ministers also welcomed the Charter on the Establishment of the ASEAN Forum on Coal (AFOC), as an important milestone to enhance private sector involvement and participation in ASEAN cooperation in the coal sector.

#### **ASCOPE Activities**

11. The Ministers welcomed the progress made by ASCOPE on the Trans-ASEAN Gas Pipeline Project under the ASEAN Plan of Action for Energy Cooperation 1999-2004. The Ministers enjoined ASEAN energy authorities from both public and private sectors to actively participate in the Forum on Trans-ASEAN Pipeline and Power Grids to be organized by ASCOPE in Kuala Lumpur in October 1999, as this is a very timely consultative platform for both the power utilities/authorities and national oil companies of ASEAN member countries.

#### **ASEAN Energy Business Forum**

12. The Ministers noted the success of the Second ASEAN Business Forum held in Manila, Philippines, and lauded the forum as a sign of the continuing thrust of the Ministers for active private sector participation in the energy sector.

#### **ASEAN Centre for Energy (ACE)**

13. The Ministers lauded the ASEAN Centre for Energy (ACE) on its first year of operation, and expressed their continuous support to the programmes and activities of the ACE.
14. The Ministers noted with appreciation that ASEAN energy cooperation has received technical assistance from ASEAN Dialogue Partners such as Australia and the European Union, and other countries including Switzerland and Germany.

#### **18th AMEM**

15. The 18th ASEAN Ministers on Energy Meeting will be held in Hanoi, Vietnam sometime in June/July 2000.