

2008 JOINT MINISTERIAL STATEMENT OF THE 5TH ASEAN+3 (CHINA, JAPAN AND KOREA) MINISTERS ON ENERGY MEETING

Issued in Bangkok, Thailand on 7 August 2008

Introduction

1. The 5th ASEAN+3 (China, Japan and Korea) Ministers on Energy Meeting (AMEM+3) was held in Bangkok, Thailand on 7 August 2008. The Meeting was chaired by H.E. Lieut. Gen. Poonpirom Liptapanlop, Minister of Energy for Thailand, and co-chaired by the Ministers from China, H.E. Mr. Sun Qin, Vice Administrator of the National Energy Administration; Japan, H.E. Mr. Takamori Yoshikawa, Senior Vice Minister of Economy, Trade and Industry; and Korea, H.E. Dr. Lee Jae Hoon, Vice Minister of Knowledge Economy. The Meeting was also attended by the Ministers on Energy from ASEAN Member Countries.
2. The Ministers exchanged views on recent national, regional and international developments on energy and reviewed the progress of regional cooperation initiatives. The Ministers acknowledged and reaffirmed the 10-year ASEAN+3 Work Plan adopted by the Leaders during the 11th ASEAN+3 Summit on 20 November 2007 to enhance ASEAN+3 relations and cooperation. Section C of the ASEAN+3 Work Plan (2007-2017) is dedicated to Energy, Environment, Climate Change and Sustainable Development Cooperation where it listed down 12 areas on energy cooperation. The Ministers explored ways to pursue the 10-year Work Plan.

Recent Energy Developments in the Region

3. The global energy sector is increasingly facing enormous challenges that are impacting the socio-economic, political, and environment landscape of the region. While the global economy is considered to be more resilient than before, the still unrelenting escalation in oil prices poses a major challenge to economic growth momentum and long-term energy security. Meanwhile, the region's energy needs will continue to grow in the short to long-term, necessitating that all available supplies be considered to satisfy requirements while effectively managing greenhouse gas emissions and climate change.
4. The Ministers called for greater cooperation and integration to address the challenges. The Ministers also stressed the importance of appropriate regional actions to build a sustainable energy future.

Call for Deeper and Closer Regional Energy Cooperation and Integration

5. The Ministers commended the on-going activities and progress achieved under the ASEAN Senior Officials on Energy Meeting+3 (SOME+3) Energy Cooperation. Amidst growing challenges, the Ministers agreed to strengthen the ASEAN SOME+3 Energy Cooperation in the present five fora – energy security, oil market, oil stockpiling, natural gas, and new renewable energy (NRE) and energy efficiency and conservation (EE&C).

Energy Security

6. The Ministers affirmed that the scale of response and urgency of action are critical to address energy security of the region. To meet the anticipated doubling of energy demand, the Ministers also affirmed that concerted efforts are needed to building up sufficient and reliable supplies while also addressing social and environmental aspects. The Ministers, therefore, agreed to step up efforts collectively and urgently towards energy security and sustainable development.
7. The Ministers commended continuous conduct of studies on Energy Demand Outlook in the region as a guide in identifying policy options to ensure energy security. The Ministers particularly noted the on-going "2nd ASEAN+3 Energy Outlook" by the Institute of Energy Economics, Japan (IEEJ) and the ASEAN Centre for Energy (ACE) to be completed by end 2008. The Ministers also noted and welcomed other studies presented and discussed during the annual ASEAN+3 Energy Security Forum to widen discussions on energy security.
8. Realising the growing importance and reliance of coal in the region's energy mix, the Ministers expressed satisfaction on the progress of coal cooperation as an integral part of the ASEAN+3 Energy Security Forum. The Ministers noted the conduct of the 6th ASEAN Forum on Coal (AFOC) Council Meeting and International Clean Coal Conference in Viet Nam on 18-21 August 2008 and encouraged ASEAN+3 to participate in the said events.
9. The Ministers also noted the progress of re-activating the ASEAN+3 Energy Communication System to enhance emergency preparedness mechanism and the continued collection of Oil Price and Energy Data housed under ACE.

Oil Market

10. The Ministers expressed serious concerns about the unprecedented current high oil prices which pose a downward risk to global economy and are against the interest of both consuming and producing countries. The Ministers emphasized the need to strengthen cooperation among those responsible for energy policy. The Ministers, therefore, called for enhanced oil market dialogue and cooperation between producers and consumers. They also emphasised the need for increase in investment, both upstream and downstream, to ensure adequate level of spare capacity as well as market transparency through the enhancement of the Joint Oil Data Initiative (JODI) covering capacity expansion plans. They encouraged the relevant international organizations such as the IEA, IEF, OPEC and the IMF to work together to analyse the real and financial factors behind the recent surge in oil prices. They also called relevant national authorities to examine the functioning of commodity futures market and to take appropriate measures if needed.
11. The Ministers affirmed to vigorously enhance their actions in such areas as enhancing emergency preparedness, promoting energy efficiency and alternative energy sources. In this context, they also recognized that moving towards phased and gradual withdrawal of price subsidies for conventional energies is desirable because market-based energy pricing helps markets send the appropriate signals to enhance energy efficiency and increase investment in alternative energy sources. They commended some countries for their recent moves in this direction and encouraged further progress in this area.

Oil Stockpiling

12. In light of persistent risks of supply disruptions and highly volatile oil market, the Ministers recognised the necessity of oil stockpiling initiatives. The Ministers welcomed the activities for the development of the Oil Stockpiling Roadmap which will be based on four (4) principles: i) voluntary and non-binding, ii) mutual benefits, iii) mutual respect and respect for bilateral and regional cooperation, and iv) step-by-step approach with long-term perspectives. The preparation and development of the detailed concept of the Oil Stockpiling Roadmap will be subject to exhaustive deliberations and discussions among ASEAN+3 Countries.
13. The Ministers welcomed the Philippine Department of Energy as lead coordinator for ASEAN and the National Energy Administration of China; Ministry of Economy, Trade and Industry (METI) of Japan; and Ministry of Knowledge Economy (MKE) of Korea as lead coordinators for +3 countries for the Oil Stockpiling Roadmap. The Ministers also acknowledged the ASEAN Centre for Energy (ACE) with the assistance of the Japan Oil, Gas and Metals National Corporation (JOGMEC) to serve as temporary secretariats of the Working Group. The Ministers requested the Working Group to start the work at the 1st Working Group Meeting to be held in the Philippines late November 2008 and to report any progress to the 8th SOME+3 and 6th AMEM+3 in 2009.

NRE and EE&C

14. The Ministers recognised the urgent need to address energy demand side in a rational way, noting that prolonged high prices have not obviously curb consumption contrary to earlier expectations. The Ministers affirmed that widespread promotion of highly efficient energy technologies and best practices and adoption of policies to improve energy efficiency will effectively restrain demand without sacrificing productivity and growth. The Ministers agreed to further cooperation on EE&C through increased dialogues, networking and information sharing.
15. The Ministers acknowledged the gains on the development and promotion of renewable energy. Realising the growing supply-demand gap, the Ministers confirmed the need to accelerate the development of renewable energy (RE) sources to meet the demand. The Ministers agreed to work closely to explore ways to encourage more investments in innovative RE technologies to move past the laboratory to full-scale commercial production. The Ministers also agreed to promote technology transfer and beef up local skills in the development and manufacturing of RE technologies. (China, Thailand and Japan)
16. The Ministers welcomed Republic of Korea's offer for cooperation on Clean Development Mechanism (CDM) to widen opportunities for CDM projects to help reduce greenhouse gas emissions (GHG) and promote sustainable development through activities enhancing capacity building. The Ministers also noted that the ASEAN Centre for Energy (ACE) has been tasked to review the proposal for further action.

Natural Gas

17. The Ministers acknowledged increasing significance of natural gas in the region. The Ministers also noted that an open market mutually benefits both importers and exporters of gas. In this context, the Ministers agreed to enhance gas trade through greater bilateral and regional coordination and cooperation to ensure sufficient supply for the international and domestic markets.
18. The Ministers also welcomed China's hosting of the 5th ASEAN+3 Natural Gas Forum and 4th ASEAN+3 Natural Gas Business Dialogue in the Fall Quarter of 2008. The Ministers expressed hope that the two meetings will help facilitate new investments and partnerships.

Nuclear

19. Recognising the Leaders' adoption of the ASEAN+3 Cooperation Work Plan (2007-2017) on 20 November 2007 which includes the use of civilian nuclear energy, the Ministers agreed to move forward the initiative to develop civilian nuclear energy as an option to meet the future energy demand in the region while ensuring safety, security and non-proliferation.
20. The Ministers appreciated Thailand's initiative to organize an ASEAN+3 Forum on Nuclear Energy Safety on 16-17 June 2008 in Bangkok as the first step to promote dialogue on safety use of civilian nuclear energy in the region. The Minister noted the Report of the Forum and encouraged ASEAN+3 countries to continue to convene such a Forum annually.
21. The Ministers welcomed Republic of Korea's proposal for cooperation on civilian nuclear energy, consistent with the ASEAN+3 Cooperation Work Plan (2007-2017). Korea proposes that the cooperation programme could begin with capacity building such as training staff/personnel for civilian nuclear power development in the region. The Ministers also noted that the ASEAN Centre for Energy (ACE) along with interested ASEAN Member States will be tasked to review the proposal for further action.

Others

22. The Ministers commended the on-going activities and preparations for future activities under the SOME+3 Energy Cooperation and look forward to review further updates and recommendations at the next ASEAN+3 Ministers on Energy Meeting in Myanmar in 2009.

LIST OF MINISTERS

1. H.E. Pehin Dato Haji Yahya, Minister of Energy, Prime Minister's Office for Brunei Darussalam;
2. H.E. Mr. Suy Sem, Minister of Industry, Mines and Energy for Cambodia;
3. H.E. Mr. Sun Qin, Vice Administrator of the National Energy Administration for China;
4. Dr. Luluk Sumiarso, on behalf of H.E. Dr. Purnomo Yusgiantoro, Minister of Energy and Mineral Resources for Indonesia;
5. H.E. Mr. Takamori Yoshikawa, Senior Vice Minister of Economy, Trade and Industry for Japan;
6. H.E. Dr. Lee Jae Hoon, Vice Minister of Knowledge Economy for Korea;
7. H.E. Mr. Somboun Rasasombath, Vice Minister of Energy and Mines for Lao PDR;
8. H.E. Dato' Joseph Salang, Deputy Minister of Energy, Water and Communications for Malaysia;
9. H.E. Brig. Gen. Than Htay, Deputy Minister of Energy for Myanmar;
10. H.E. Mr. Angelo T. Reyes, Secretary of Energy for the Philippines;
11. H.E. Mr. S Iswaran, Senior Minister of State (Trade & Industry), Ministry of Trade and Industry for Singapore;
12. H.E. Lieut. Gen. Poonpirom Liptapanlop, Minister of Energy for Thailand;
13. H.E. Dr. Do Huu Hao, Vice Minister of Industry and Trade for Viet Nam; and
14. H.E. Dr. Surin Pitsuwan, Secretary-General of ASEAN