

2009 JOINT MINISTERIAL STATEMENT OF THE 6TH ASEAN+3 (CHINA, JAPAN AND KOREA) MINISTERS ON ENERGY MEETING

Issued in Mandalay, Myanmar on 29 July 2009

Introduction

1. The 6th ASEAN+3 (China, Japan and Korea) Ministers on Energy Meeting (AMEM+3) was held in Mandalay, Myanmar on 29 July 2009. The Meeting was chaired by H.E. Brig. Gen. Lun Thi, Minister for Energy of Myanmar, and co-chaired by H.E. Mr. Liu Qi, Deputy Administrator of the National Energy Administration of China; H.E. Mr. Takayuki Ueda, Director General of Economy, Trade and Industry of Japan; and H.E. Mr. Junggwon Kim, Deputy Minister of Knowledge Economy of the Republic of Korea. The Meeting was also attended by the Ministers of Energy from the ASEAN Member States.
2. The Ministers had an extensive exchange of views on recent national, regional and international developments on energy and reviewed the progress and plans of regional cooperation initiatives. The Ministers acknowledged the progress and relevant recommendations of 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.

Recent Energy Developments in the Region

3. The global financial recession and volatile oil prices, and outbreak of influenza A(H1N1) pandemic have greatly affected the economy of the ASEAN+3 region, even as efforts to enhance the region's long-term energy security continues. Meanwhile, the region's energy requirements are expected to grow rapidly in the medium- to long-term, necessitating the need to adopt comprehensive policies to diversify energy supplies.
4. The Ministers called for greater cooperation and integration to address the key issues and challenges in the energy sector. The Ministers also reiterated the importance of enhancing regional cooperation and appropriate regional actions to build a secure, stable, safe and 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 (5) fora on energy security, oil market, oil stockpiling, natural gas, and new and 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 were critical to address energy security concerns of the region. To meet the anticipated growth of energy demand, the Ministers also affirmed that concerted efforts are needed in building up sufficient and reliable supplies while also addressing social and environmental aspects. The Ministers, therefore, agreed to step up efforts urgently towards energy security and sustainable development.

7. The Ministers commended the continuous conduct of studies on Energy Demand Outlook in the region as a guide in identifying policy options to ensure energy security. The Ministers requested the Senior Officials to look into the policy recommendations of the “2nd ASEAN Energy Demand Outlook”. They noted the progress of re-activating the ASEAN+3 Energy Communication System to enhance emergency preparedness mechanism, market transparency and the continued collection of Oil Price and Energy Data housed under ACE.
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. In this regard, the Ministers noted the MOU in May 2009 between ACE and Japan Coal Energy Centre (JCOAL) for information sharing and closer cooperation to promote clean coal technology. The Ministers noted the conduct of the 7th ASEAN Forum on Coal (AFOC) Council Meeting held in Indonesia on 24-25 June 2009 and encouraged the +3 Countries to participate in the AFOC Meeting.
9. The Ministers noted the report of the 7th SOME+3 Energy Security Forum held on 29 November 2008 in Manila, Philippines and welcomed other studies presented and discussed in the Forum to widen discussions on energy security.

Oil Market

10. The Ministers expressed serious concerns that the highly volatile oil prices which pose a great challenge to the 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, energy supplies, markets and transport routes. The Ministers reiterated their earlier call for enhanced oil market dialogue and cooperation between producers and consumers. They emphasised the need for an 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.
11. The Ministers affirmed to vigorously enhance their actions in such areas as emergency preparedness, and 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 energy sources is desirable because market-based energy pricing helps markets to send the appropriate signals and increase investment in energy efficiency and accelerate the deployment of alternative energy sources. They commended some countries for their recent moves in this direction and encouraged further progress in this area.
12. The Ministers noted the outcomes and relevant recommendations of the 6th ASEAN+3 Oil Market Forum held on 29 November 2008 in Manila, Philippines.

Oil Stockpiling

13. The Ministers welcomed the intensive discussion and progress in the three (3) meetings in the ASEAN+3 Working Group preparing the Oil Stockpiling Roadmap (OSRM) hosted by the ASEAN Centre for Energy with the support by the Japan Oil, Gas and Metals National Corporation (JOGMEC) of Japan.

14. The Ministers commended the members of the Working Group on OSRM for sharing basic concepts of the OSRM and encouraged member countries to continue this work to develop the OSRM based on the four (4) principles: 1) voluntary and nonbinding, 2) mutual benefits, 3) mutual respect and respect for bilateral and regional cooperation, and 4) step-by-step approach with long-term perspective.
15. The Ministers noted the outcomes and relevant recommendations of the 7th ASEAN+3 Oil Stockpiling Forum held on 28 November 2008 in Philippines.

NRE and EE&C

16. The Ministers called for coordinated response and regional actions 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, capacity building, and networking and information sharing. In this regard, the Ministers welcomed the proposal to hold joint policy oriented workshop with the ASEAN Secretariat and ACE to deepen understanding on each other's EE&C policies and to learn from them.
17. The Ministers noted the rising trends in the deployment, development and promotion of renewable energy in the ASEAN+3 countries. Aware of the growing conventional energy 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.
18. The Ministers also agreed to promote public-private partnership for technology transfer through advice from experts and beef up local skills in the development and manufacturing of RE technologies.
19. The Ministers noted the Report of the 5th ASEAN+3 New and Renewable Energy (NRE) and Energy Efficiency and Conservation (EE&C) Forum held on 23 March 2009 in Kuala Lumpur, Malaysia.

Natural Gas

20. The Ministers acknowledged the 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 domestic, regional and international markets.
21. The Ministers also welcomed China's hosting of the 5th ASEAN+3 Natural Gas Forum and 4th ASEAN+3 Natural Gas Business Dialogue on 29-30 October 2008 in China. The Ministers expressed hope that the two meetings will help facilitate new investments and partnerships.
22. The Ministers noted the Report of the Fifth ASEAN+3 Natural Gas Forum held on 30 October 2008 in Beijing, the People's Republic of China.

CDM

23. The Ministers welcomed the effort of the ASEAN Centre for Energy jointly with Korea Energy Management Corporation (KEMCO) in further advancing the progress and cooperation on Clean Development Mechanism (CDM) which has widened opportunity for CDM to help reduce greenhouse gas emissions and promote sustainable development through activity enhancing capacity building.

Nuclear

24. The Ministers acknowledged growing expectations on nuclear energy programmes as a means to address climate change and energy security concerns. 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 nuclear nonproliferation/safeguards, safety and security, in accordance to their respective international obligations. In this context, the Ministers welcomed international cooperation in areas including human resources, regulatory systems and financial mechanisms.
25. The Ministers endorsed the Republic of Korea's proposal for cooperation on civilian nuclear energy capacity building program.

Others

26. 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 Vietnam in 2010.

LIST OF MINISTERS

1. H.E. Pehin Dato Haji Mohammad, Minister of Energy, at the Prime Minister's Office of Brunei Darussalam;
2. H.E. Dr. Ith Praing, Secretary of State, on behalf of the Minister of Industry, Mines and Energy of Cambodia;
3. H.E. Mr. Liu Qi, Deputy Administrator, National Energy Administration of China;
4. H.E. Mr. Novian Moezahar Thaib, Secretary General of National Energy Council on behalf of Minister of Energy and Mineral Resources of Indonesia;
5. H.E. Mr. Takayuki Ueda, Director General Ministry of Economy, Trade and Industry of Japan;
6. H.E. Mr. Junggwan Kim, Deputy Minister of Knowledge Economy of Korea;
7. H.E. Mr. Soulivong Daravong, Minister of Energy and Mines of Lao PDR;
8. H.E. Datuk Peter Chin Fah Kui, Minister of Energy, Green Technology and Water of Malaysia;
9. H.E. Brig. Gen. Lun Thi, Minister for Energy, Ministry of Energy of Myanmar;
10. H.E. Joselito Chad N. Jacinto, Jr. Charge D'Affaires, Embassy of the Republic of the Philippines, on behalf of Secretary of Energy of the Philippines;
11. H.E. Mr. Wong Siew Kwong, Director, External Relations, on behalf of the Senior Minister of State (Trade and Industry), Ministry of Trade and Industry of Singapore;
12. H.E. Mr. Wannarat Channukul, Minister of Energy of Thailand;
13. H.E. Mr. Vu Huy Hoang, Minister of Industry and Trade of Viet Nam; and
14. H.E. Mr. S. Pushpanathan, Deputy Secretary-General of ASEAN for ASEAN Economic Community, on behalf of Secretary-General of ASEAN.