

REPORT TO SENIOR OFFICIALS MEETING

Energy Officials from APEC participants met in Singapore on 17-18 May 1990 to discuss development of a program for energy cooperation in the Asia Pacific region.

Officials agreed that there was significant scope for cooperation given the importance of the energy sector to the region's development; the challenges countries face from rising demand for energy; the long lead times and large investments involved in energy supply; requirements for increased energy efficiency; continuing concerns about the security of supply; and heightened concerns about the environmental impact of energy production and usage. In addressing these challenges, the officials identified a work program based on five major themes for consideration. Cooperation under the project could involve both information exchanges on energy policy experiences, and, in some cases, practical projects. Officials noted the importance of this work not duplicating the efforts of existing fora.

THEMES

1. Energy Supply and Demand

Agreement was reached on the need for the development of a regional database and outlook on energy supply and demand using a common format for data collection. Examination of forecasting methodology and underlying assumptions would also be required. The database and outlook would underpin the identification and consideration of a number of the other themes and specific policy issues. It was considered that the initial task would be undertaken in conjunction with existing regional bodies.

2. Energy and Environment

Officials agreed that this issue requires specific consideration although it would be important to avoid duplication of work on general environment issues in other fora. Exchange of information on responses to specific environment issues relating to energy and forecast energy use could improve policy responses.

A specific project on coal utilisation and clean coal technology was proposed for consideration. Such a project responds to the immediate concerns of most participants. This project would be carried out with a view to an initial report being made to Ministers in Seoul.

3. Energy Conservation and Efficiency

Officials considered that there would be significant benefit from exchanges of information on experiences in this field.

4. Research, Development and Technology Transfer

There is again scope for a worthwhile exchange of information in this field.

A key element of both themes 3 and 4 is the need to ensure the availability of skilled personnel to apply and adapt new technology and processes. This is closely associated with the APEC project on Human Resource Development in relation to training. The energy officials recommended that the Human Resources Development project should consider the energy sector as a priority.

5. Resource Exploration and Development

Exploration and subsequent development of energy resources are closely linked with issues of financing infrastructure requirements and government policy. Sharing of information on these issues and on the underlying supply and demand outlooks could contribute to government energy policy. The cross-linkages with the work project on Expansion of Investment and Technology Transfer also need to be recognised.

These themes are developed in more detail in the attached paper which is intended to form the basis of a report to Ministers on the proposed Energy project.

FUTURE STEPS

Subject to Ministerial consideration in July, the APEC Energy Officials Group envisages that it would meet again before the end of 1990 and, possibly again, prior to the Seoul APEC Ministerial in 1991. Progress reports will be made to the Senior Officials Meetings undertaking preparations for the Seoul APEC meeting. Responsibility for elements of the proposed Energy Officials Work Program will be considered, through capitals, after the SOM on 21-22 May and incorporated into the Group's report to Ministers in Singapore.