

ASIA-PACIFIC ECONOMIC CO-OPERATION
SUMMARY RECORD OF THE
NINTH ENERGY WORKING GROUP MEETING
26-27 OCTOBER 1994
THAVORN PALM BEACH HOTEL, PHUKET
THAILAND

INTRODUCTION

The ninth meeting of the APEC Energy Working Group was held in Phuket, Thailand on 26-27 October 1994. Members reviewed activities undertaken and planned under the Group's four program themes, and considered a number of evolving initiatives and new proposals of both a program and policy nature. Consideration was also given to the revised document by Japan on the 3Es (economic growth, energy security and environmental protection) and to the focus for the Working Group's activities over the next three to four years.

The meeting was co-chaired by Thailand and Australia. Attendance comprised delegations from Australia, Canada, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Philippines, Singapore, Chinese Taipei, Thailand, and the United States of America, together with representatives from the Energy Working Group Secretariat and the APEC Secretariat.

The Agenda as adopted is at Annex 1. A list of participants is at Annex 2.

1. OPENING ADDRESS

The Co-Chairmen, Dr Piyasvasti Amranand, Thailand and Mr Russell Higgins, Australia presented opening statements commenting on issues of importance and relevance to discussions during the meeting.

2. ROUND TABLE STATEMENTS ON NOTABLE ENERGY DEVELOPMENTS AND ACTIVITIES

Each delegation presented a brief overview of domestic energy matters of importance to their economy that have occurred since the last meeting and responded to questions. In this way members were kept informed of notable changes. Reform of the power generation sector in terms of its structure, regulation and pricing, and measures to conserve energy, were common themes in the presentations of many economies. Summaries of these presentations are at Annex 3.

The EWG Secretariat proposed that in the future, in addition to their overview presentations, members highlight developments in relation to a specific energy

issue; the issue to be decided at the previous EWG meeting. These could then be collated to provide an anthology of APEC member's approaches or experiences in regard to key issues.

Members agreed to the proposal, stressing the need for these papers to be policy oriented, short (one to two pages maximum) and with a standard format. It was suggested that for the next meeting each member prepare a short policy paper on reforms relevant to their electricity industries.

Action Arising/Next Step

- Members agreed that at future EWG meetings, in addition to their reports on Notable Energy Developments, each member economy would also prepare a brief written report on a specific energy issue; the issue to be decided upon at the previous meeting.
 - For EWG 10, members agreed to provide reports of no more than two pages, on reforms relevant to their electricity industries.
- The EWG Secretariat is to advise members by 15 November on a suggested format for these reports.

3. MEASURES TO IMPROVE RATIONAL ENERGY CONSUMPTION

Members considered the paper on 'Measures to Improve Rational Energy Consumption' which had been slightly revised in the light of comments received since the last meeting, and noted that seven case studies had been included.

In his introduction, the Australian Co-Chairman emphasised the importance to all member economies of applying measures to improve the efficiency with which energy is produced and used. He reminded members that they had agreed at the eighth meeting to the non binding principles set out in the report, subject to further consideration and endorsement at this meeting.

In presenting the report, the Australian delegate emphasised that endorsement of the non binding energy principles was important in providing a guide for the work of the Group, and that the principles recognised the fact that each member economy has different characteristics and may need to apply different individual measures. However, the principles identified the "common ground" between members.

Members agreed with the approach set out in the paper and endorsed the non binding principles set out in the document, with the deletion of the word 'entirely' from principle 4. In regard to principle 7, members accepted that this includes reference to the environment element. Thailand advised that they wished to amend their case studies in the appendices to the document.

Members agreed that these principles should be borne in mind in considering the 3Es paper, the future directions paper, and when deciding on Expert Group and Working Group activities.

Members agreed that the principles, together with the preamble to the principles, and a clear statement on their status, should be forwarded to the Senior Officials Group. Members also agreed that if a meeting of Energy Ministers is to be held at some stage in the future, the Working Group would consider at the appropriate time whether these principles should be submitted for consideration.

Action Arising/Next Steps

- Thailand is to provide its updated case studies to the EWG Secretariat as soon as practicable.
- The EWG Secretariat is to circulate a final paper as endorsed by all member economies by end November 1994.
- The EWG Secretariat is to forward the text of the principles, together with the preamble to the principles, to the Senior Officials meeting, noting their status as non binding, and that their function is to guide the work of the Energy Group.

4. 3E'S PAPER (ECONOMIC GROWTH, ENERGY SECURITY AND ENVIRONMENTAL PROTECTION)

Members welcomed the presentation from Japan on the 3Es paper (economic growth, energy security and environmental protection) and complimented Japan on its initiative. Japan advised that this paper had been revised in the light of members comments since the last EWG meeting and that the paper had been considered at the September meetings of the ETI Group and the SOM. Members noted the advice from the Japanese delegation that the report is to be considered again at meetings of the SOM and the ETI before going to the APEC Ministers' and Leaders' meetings in November.

Members agreed that the Report is an important conceptual paper that could be drawn upon by the various APEC fora in the development of their activities. In this context the paper was endorsed. The Korean delegation suggested the issues arising from the 3Es paper needed to be developed in the future on a sub-regional basis within APEC's activities in order to pursue more practical cooperative programs. Members did not propose further redrafting of the text, but agreed that the Executive Summary should be redrafted to align it with the body of the document. This was done.

Members agreed that the EWG should note the relationship of the issues raised by the 3Es paper to its activities. Many of the activities already being undertaken by the EWG are relevant to the 3Es. It was also agreed that the EWG should develop a work plan in concert with other relevant APEC fora such

as the CTI and the ETI Groups so that a cohesive and non-duplicative effort can be developed in pursuing appropriate activities. For example, the CTI might be approached with a specific proposal to examine finance aspects relevant to energy.

Action Arising/Next Steps

- Japan is to circulate the 3Es document to the ETI and to the forthcoming Leaders' and Ministers' meetings.
- The EWG Secretariat is to develop a practical operational arrangement with other relevant APEC fora, and a proposed workplan in this regard for the consideration of the EWG.

5. PROGRESS REPORT ON PROGRAMS OF COOPERATION

Members noted the financial report on the Group's 1993, 1994 and 1995 centrally funded programs of cooperation. Members also noted that for future projects the Budget and Administration Committee now requires Groups to prepare cover statements indicating how the projects contribute toward the Group's objectives as described in the vision and policy papers.

Action Arising/Next Steps

- Expert Groups are to prepare cover statements for submission with project proposals at the next EWG meeting, indicating how the proposed 1996 APEC centrally funded projects would contribute toward the Group's objectives as described in the vision and policy papers.

Energy Supply and Demand Theme

Japan presented a progress report on the APEC energy database. The publication "APEC Energy Statistics 1992" prepared by the Energy Database Expert Group and printed through arrangements with the APEC Secretariat was tabled at the meeting. Additional copies for each member economy will be provided by the APEC Secretariat. Members expressed their appreciation for the efforts of the Expert Group under the leadership of Japan for the work undertaken, and to the APEC Secretariat for the timely presentation of the report. The Expert Group Chairman noted that the "APEC Time Series Statistics 1980-1991" are now expected to be published in February 1995.

Members noted progress on the third trial run of the energy database and those members that have not provided data for the first quarter of 1994 were asked to do so by the end of November to facilitate the first standard run.

Members considered and supported in general the proposal from the Japanese delegation that the Energy Database Group extend its activities to include projections of energy supply and demand in the APEC region. In making the presentation, Japan stressed that the issues associated with this activity will be

addressed incrementally, and saw that it may take quite some time to reach consensus.

Some members reiterated the view expressed at EWG 7 that they have reservations concerning the application of a central projections model. However, they agreed that experts on projections should consider this issue further given the importance of projections in facilitating an understanding of the key issues of significance that might arise in the context of energy demand and trade. It was confirmed that there was no intention to make projections on behalf of member economies. The clear connection between forecasts and policy, and the implications that can arise in this context were stressed. Questions associated with process, including who it is proposed will determine variables and how the findings will be reviewed and verified, ought be addressed in any proposal submitted to the EWG for consideration.

It was agreed that the meeting scheduled for 14 and 15 April 1995 should include experts in energy projections from the government and business sectors, and that the agenda would involve discussion of assumptions and examination of methodologies associated with projections. It is understood that some member economies will derive benefit from the experience of experts in this field. The experts are to further define the proposal and put this to the EWG for consideration, taking into account the need to address the questions raised by members.

The Japanese delegation reported on the recent APEC Coal Flow Seminar and ad-hoc policy makers meeting that was held in Tokyo on 4-7 October 1994. The seminar was co-sponsored by Japan and Australia.

Members noted that these events provided useful insights into the role governments can play in developing policies for ensuring that coal meets its full potential in contributing to the energy needs of the APEC region, and that a number of issues identified are relevant for consideration by the EWG. Japan and Australia agreed to prepare records of proceedings identifying these issues and circulate these to members.

A proposal that follow up seminars be held, perhaps annually, was agreed. However, members felt that each seminar should have a different emphasis as a wide range of issues, including those identified in the 3Es paper, warrant attention. A follow up seminar on supply/demand balance, similar to the first seminar, could be considered at a later date. It was agreed that on this basis, Japan and Australia would develop a joint proposal for a seminar next year for consideration by the EWG out of session.

Action Arising/Next Steps

- The APEC Secretariat is to distribute further copies of the APEC Energy Statistics 1992 report to member economies.

- By the end of November 1994, data are to be provided to the Institute of Energy Economics, Japan by all member economies to facilitate the first standard run.
- The Expert Group will arrange for publication of the "APEC Time Series Statistics 1980-1991" in February 1995.
- A meeting in April 1995 of experts in energy projections from the government and business sectors is to consider issues associated with progressing work on projections; this having regard to the comments made by members at EWG 9, and with a view to providing a more detailed proposal to EWG 10 for consideration.
- Japan and Australia agreed to prepare records of proceedings identifying issues arising from the recent Coal Flow Seminar and ad-hoc policy makers meeting for circulation to members.
- Japan and Australia are to develop a proposal for a follow up seminar on a specific aspect of coal trade for circulation to members for consideration out of session. The proposal is to have a different focus and emphasis to the October 1994 events.

Energy and the Environment Theme

The United States presented the progress report on activities under this theme.

Members noted that the second technical seminar on clean coal technologies was held in Indonesia from 11 to 13 October 1994 and that it was considered to be a great success, with over 100 persons from government and the business sector attending. They also noted the draft agenda for the CCT training course which is to be held in Sydney from 28 November to 7 December 1994 and that like the CCT Technical Seminars, this activity is in part supported by funds provided by NEDO.

The Expert Group will provide to the EWG Secretariat, for dissemination to members early in 1995, the proceedings of the technical seminar and a comprehensive report on the training course.

Members endorsed the program of activities undertaken by the Expert Group and asked that their appreciation be conveyed to the Chairman.

Action Arising/Next Step

- A training course is to be held in Sydney Australia from 28 November to 7 December 1994.
- The Expert Group is to provide the EWG Secretariat with the proceedings of the technical seminar and a comprehensive report on the training course for circulation to members early in 1995.

Energy Efficiency and Conservation Theme

The United States' delegation presented the Expert Group's progress report on activities under this theme, and noted the activities of the Inter-utility Demand Side Management Liaison Group which have been highly successful.

Preparations for the Energy Audit Workshop to be held in Chinese Taipei on 14-15 November are proceeding well. The Workshop will be followed by the Energy Efficiency and Conservation Expert Group meeting on 17-18 November 1994. The Expert Group meeting will include an open forum to discuss cogeneration in the APEC region and energy performance databases.

The USA's delegation and the delegate from Malaysia advised members that discussions are underway to possibly hold the Urban Transportation Energy Efficiency and Alternative Fuels Workshop in Malaysia in the first half of March 1995.

The compendium of "APEC regional energy efficiency policies and regulations in the building and industrial sector" and the compendium of "energy efficiency practices and conservation measures in the food and beverage industry" have been completed and will be published and distributed to members.

The draft "APEC Energy Efficiency and Conservation Theme Operation and Guideline Manual" which includes information on the Expert Group's Mission and Objectives; Strategic Plan for the Group; Operational matters; and Guidelines on specific EE&C activities was discussed. This initiative was welcomed, it being considered that this would provide valuable guidance for the Expert Group. The principle that member economies ought be given the opportunity to chair the Group should they so wish was specifically raised and supported.

Action Arising/Next Steps

- The next meeting of the Expert Group is scheduled for 17-18 November 1994, in Chinese Taipei, in conjunction with the Energy Audit Workshop.
- The compendium of "APEC regional energy efficiency policies and regulations in the building and industrial sector", and the compendium of "energy efficiency practices and conservation measures in the food and beverage industry", will be published and distributed to members as soon as practicable.
- The Chairman of the Expert Group is to advise the EWG Secretariat if and when it has been decided to hold the Urban Transportation Energy Efficiency and Alternative Fuels Workshop in Malaysia. The EWG Secretariat is to advise all members. Specific details of the event will then be advised to members via the Expert Group's Chair.

Research, Development and Technology Transfer Theme

The delegate from Indonesia presented a progress report on the Technology Cooperation Expert Group. It was advised that although the Expert Group has not met since EWG 8, work on the Group's activities is proceeding satisfactorily. Arrangements are being made for publication of the Technology Cooperation Guide and the status report on natural gas vehicles. A preliminary report on the Energy Research and Development Databank has been prepared and will be considered at the next Expert Group meeting. The next meeting of the Expert Group will be held in Sydney on 28-29 November 1994.

This presentation was followed by a report by the Japanese and Korean delegations on progress on the proposal for the third Research, Development and Technology Transfer seminar scheduled for 14-16 February 1995 in Seoul, the Republic of Korea. The theme for the seminar will be "Innovation and Cooperation in Energy Technology for the 21st Century".

Members expressed their support for the activities being carried out under this theme, their appreciation to the leadership being given to this work by the Indonesian Chair, and to Japan and Korea in respect of their development of arrangements for the next seminar.

Action Arising/Next Steps

- The next meeting of the Expert Group is scheduled for 28-29 November 1994, in Sydney Australia.
- The Technology Co-operation Guide and the Status Report on the Use of Natural Gas as a Vehicle Fuel are prepared and will be published before the end of the year.
 - The project organiser will liaise with the APEC Secretariat about the printing contract.
- The third Research Development and Technology Transfer seminar is to be held in Seoul on 14-16 February 1995.

GENERAL

The representative from the APEC Secretariat advised that the Budget and Administrative Committee has changed the guidelines for tendering arrangements. The Chairs of Expert Groups were asked to comply with this requirement. It was also requested that relevant correspondence on projects be copied to the APEC Secretariat so that the Secretariat could keep informed of developments.

6.1 STANDARDS AND LABELLING

The Australian delegate introduced the "Energy Efficiency Standards and Labelling" paper. He noted the importance attached to this issue by most member economies, and that the paper identified scope for cooperative action. It was suggested that priority should be given to standards of performance and standards for the methods of testing to determine energy efficiency. This could be followed by determining ways in which certain protocols could be established covering conformance of standards and procedures for the accreditation and acceptance of certification by test laboratories or other review facilities. It was put forward that if the proposal is agreed, then a revised agreed paper be forwarded to the Expert Group on Energy Efficiency and Conservation, which has done a great deal of work on this issue.

Members welcomed the initiative as reflected in the paper prepared as providing a useful basis for developing a program for further action, and agreed with the priorities indicated.

The Malaysian and Philippines' delegates drew attention to the disparities which exist in standards between member economies and suggested that a minimum standards approach be followed. The Korean delegation noted that this is a challenging issue and said that energy efficiency would need to be defined and that a range of practical issues, such as measures and accreditation, would need to be addressed for the consideration of members. The delegation from the People's Republic of China commented that work on this initiative may be helpful in developing standards within their economy.

The delegate from Canada noted that this issue is relevant to other APEC fora such as the CTI and ETI Groups, and suggested that the efforts being contemplated by the EWG be brought to the attention of these Groups so that sound operational arrangements across APEC fora can be developed.

It was agreed that the document, amended by including reference to the points raised in discussion, be forwarded to the Expert Group on Energy Efficiency and Conservation, with a request that the Expert Group develop a proposal for the EWG's consideration that contained recommendations and a time frame for activity based on the paper. Greater definition of the work proposed to be undertaken was requested.

It was also agreed that the Chairman of the EWG write to the Chairman of the CTI Group advising of the work on this issue underway within the EWG and being contemplated, to determine if the CTI Group wishes to be involved in furthering consideration of this matter.

Action Arising/Next Steps

- Australia will refine the document tabled in the light of comment received and forward it to the Chairman of the Expert Group on Energy Efficiency and Conservation, requesting that Group to consider the issues raised and develop a work program for the consideration of the EWG.

- The Expert Group on Energy Efficiency and Conservation is to furnish a proposed work program for consideration by the EWG.
- The EWG Chairman is to write to the CTI Chairman advising of the work being undertaken and contemplated, and seeking advice on whether the CTI Group wishes to be involved in advancing this initiative.

6.2 REGIONAL COOPERATION IN RESPONDING TO OIL SPILL EMERGENCIES

Australia introduced a proposal that the EWG consider the benefits of establishing cooperative regional oil spill preparedness and response arrangements. This proposal was in recognition of the fact that there was a risk of significant oil spills in the APEC region and that some spills could be beyond the response capability of individual member economies.

While Australia, in common with other APEC member economies, is seeking to enter into bilateral or multilateral cooperative arrangements for the purpose of maintaining an efficient response capability for oil spills, it considers that significant benefits could be achieved if member economies could agree to a broader cooperative regional oil spill preparedness and response arrangement.

Members agreed that effective regional oil spill preparedness and response arrangements are important. The more efficient integration of response efforts, and the development of higher levels of expertise through better training programs would lower overall costs and be of benefit to member economies. It was noted that the Transport and Marine Resources Working Groups may have an interest in this issue and should be contacted to gauge their interest in working on this issue.

Members asked Australia to draw up in more detail a proposal for cooperation at a regional level, recognising that in terms of practical application, the geographic spread of member economies would mean that only member economies in close proximity to a spill would be likely to be involved in responding to the spill. The EWG will then consider the more detailed proposal, noting that organisations other than those whose primary function is energy may be involved in developing arrangements for implementation.

Action Arising/Next Step

- Australia, in consultation with other member economies, is to develop a detailed proposal for cooperation in responding to oil spills for the consideration of the EWG at its next meeting.
- In developing its proposal, Australia is to consult with the Transport and Marine Resources Working Groups to determine if these Groups wish to be involved in pursuing this issue.

6.3 DEVELOPING A FRAMEWORK TO FACILITATE INVESTMENT IN POWER INFRASTRUCTURE IN APEC MEMBER ECONOMIES

The delegates from Australia and Chinese Taipei introduced their respective proposals for activity relevant to facilitating investment in power infrastructure in member economies. The proposals varied in scope and emphasis. However, the thrust of both proposals is to develop a better understanding of the factors relevant to investment processes and decisions so that any impediments identified can be addressed on an informed basis. It was recognised that this is a very broad issue that would need to be broken down into various activities of manageable proportions if further work is to be undertaken.

Several delegations including Malaysia, Philippines, Hong Kong, Korea and the USA drew attention to the work that has been done elsewhere, and the delegation from the People's Republic of China questioned whether value could be added by APEC undertaking this work. However, the importance of the issue was confirmed by members who agreed that a refined proposal, encompassing elements of both proposals and having regard to comments made, should be prepared for consideration at the next EWG meeting. This should include reference to the studies that have been undertaken by various authoritative bodies.

Action Arising/Next Step

- Australia, Chinese Taipei and Thailand are to consult in developing a refined proposal for consideration by the EWG at its May 1995 meeting
 - drawing on the comments made at this meeting,
 - which identifies work relevant to this subject already undertaken by authoritative bodies; and
 - which answers the question on whether value can be added by APEC undertaking this work.
- Member economies are to advise the EWG Secretariat by the end of November 1994 of studies relevant to this issue of which they are aware.

7. EWG CURRENT FOCUS AND FUTURE DIRECTIONS

The Australian delegate introduced the revised document "Energy Working Group: Current Focus and Future Directions" prepared by the EWG Secretariat. He noted that as agreed by members, the document consolidates the objectives of APEC and the EWG, the Vision Statement, Working and Expert Group activities, and the Overview Policy Issues Paper, to provide a strategic focus for future endeavours. He noted that the revised text contains an evaluation of the current focus of the EWG and future strategic priorities, and possible initiatives for the EWG over the next three to four years.

The Australian delegate noted that a number of suggested new initiatives had been incorporated in the document, including some which would involve activating the fifth strategic theme "Exploration and Development" decided upon by the EWG at its first meeting in Singapore. The document is intended to capture the objectives and activities of the EWG so that both those associated with energy matters and those outside that have an interest in the activities of the Group would better understand its role and functions. The document is dynamic in that it will need to be amended from time to time to reflect new and emerging priorities.

Members endorsed the document, including in respect of the priorities identified and the analyses of issues that ought to be addressed.

A number of delegates stressed the importance of involving the business sector (both private and public) in a focussed way in the activities proposed by the EWG. A proposal put forward to examine an EWG business forum is to be considered in addition to other measures.

The delegation from Indonesia stressed the importance of recognising the intangible as well as tangible benefits that accrue from the EWG's activities, and the Canadian delegate sought and received clarification on how benefits would be identified for the EWG. The delegation from Korea emphasised the importance of the nuclear power public acceptance issue in the APEC region and suggested it be considered in future EWG activities. The delegation from Japan stated that due consideration should be given to the exchange of information and that care needs to be taken to ensure the effective coordination of effort between the various APEC fora. The representative from the APEC Secretariat made a welcomed intervention in terms of improving the text.

The delegation from the USA proposed that the document be reviewed and updated on a regular basis, each time looking forward three to four years, and it was agreed that this would be done on a 12 or 18 month basis.

In his summing up of discussion the Australian Co-Chairman noted the full support of members for the document as presented and the decision to review and update the document every 12 to 18 months. He stressed the importance of each member economy considering ways to involve their business communities in the EWG's activities. He also noted the importance of the EWG keeping informed of decisions taken by APEC Ministers and in other APEC fora that would impact on the work of the Group.

In addition, the Co-Chairman noted the support for the initiatives prepared under the Exploration and Development theme, but observed that activation would depend on whether one or more member economies are prepared to take the lead. It was accepted that this is not an immediate issue, but one that should be addressed in the not too distant future given the support indicated by many delegates.

Action Arising/Next Steps

- The EWG Secretariat is to tidy up the document and forward final copies to member economies.
- The document is to be revised either at EWG 11 or EWG 12; a decision to be taken before EWG 11.

8. CONSIDERATION OF A POSSIBLE APEC ENERGY MINISTERS MEETING

Members considered the possibility of holding an Energy Ministers' meeting and agreed that at this time such a meeting would be premature. However, it was agreed that given the EWG's increasing focus on policy matters and the potential for protocols on cooperation that could require support at the political level, a situation could arise where Ministerial involvement to provide the necessary support and guidance is fully justified. A Ministerial level meeting before the first half of 1996 is considered unjustified, but members agreed that such an event should be kept in mind when considering how to effectively pursue the objectives of APEC.

It was agreed that consideration of timing and explanation of modalities should not be undertaken until it is clear that there is an agenda to justify such a meeting. It was also agreed that based on the work before the EWG, the EWG Secretariat would draw up a "possible" agenda for discussion at the next meeting.

Action Arising/Next Steps

- Members are to consider from time to time whether the objectives of APEC, in terms of the activities organised by the Energy Working Group, could best and justifiably be facilitated by a meeting of Energy Ministers.
- The EWG Secretariat is to draw up a possible agenda based on comment received from members, for circulation and discussion at EWG 10.

9. SECRETARIAT REPORTS

Representatives from the Energy Working Group Secretariat and the APEC Secretariat presented reports on operational arrangements relevant to Energy Working Group's activities. These covered issues raised in the report from the Senior Officials Meeting held in September 1994, the operation of the APEC Secretariat, the Budget and Administrative Committee and on general budget matters and guidelines.

Members noted the requirement that 1993 APEC centrally funded activities need to be completed by 30 June 1995 after which any undisbursed funds would return to the Central Fund. 1994 projects and future year projects should be completed within two fiscal years. Members also noted the importance of project

organisers liaising with the APEC Secretariat, particularly in relation to contracting for services.

Members noted the EWG Secretariat's suggested changes to the non-member participation guideline that were included to remove unnecessary administrative requirements for agreement on non-member participation in activities of a non policy nature. Members agreed that the EWG Secretariat should pursue this matter with the APEC Secretariat, the Budget and Administrative Committee, and Senior Officials, and that each member would brief its BAC and SOM delegates to support this.

Members expressed a desire that the EWG continue to schedule its meetings in a way that was most efficient and effective for the Group. Back-to-back meetings would only be held if this was beneficial to the EWG.

The members also agreed with the suggestion from the EWG Secretariat that 50 per cent of proceeds from the Group's publications should be retained by the Working Group. Members agreed to brief their delegates to the Budget and Administrative Committee meetings to support the EWG Secretariat's actions with regard to this issue.

The delegate from the USA reported that some Expert Groups were experiencing difficulties with the requirement that documents that cost more than US\$5,000 to publish needed to receive approval for that expenditure from the APEC Secretariat. It was agreed that as a first step, the Chairs of the relevant Expert Groups should provide specific examples of the problems they were experiencing to the APEC Secretariat as a basis for discussing and resolving this difficulty.

The representative from the APEC Secretariat advised that the time frame for action is very tight as Ministers are meeting next month.

Action Arising/Next Steps

- Members noted that 1993 APEC centrally funded activities need to be completed by 30 June 1995 after which any undisbursed funds would return to the Central Fund and that 1994 projects and future year projects should be completed within two fiscal years
- Members noted the importance of project organisers liaising closely with the APEC Secretariat, particularly in relation to contracting for services.
- Members agreed that the EWG Secretariat pursue the suggested changes to the non-member participation guideline, and that they would seek the support of their delegates to the BAC and SOM for this.
- Members agreed that Working Groups should retain 50 percent of proceeds from the Groups publications and that they would need support for this initiative from their delegates to the BAC and the SOM.

- The EWG Secretariat is to circulate to all members within the next week a proposal for the changes agreed.

10. ENERGY WORKING GROUP NEWSLETTER

The representative from the EWG Secretariat introduced this item and expressed his thanks for the contributions to the newsletter received from the Chairs of the Expert Groups and from member economies.

Members expressed satisfaction with the draft newsletter circulated and some suggested minor changes to text and format were agreed. It was also agreed that in future issues, to be circulated shortly after each EWG meeting, newsworthy items including a report of recent notable developments should be included. Linking in with the APEC Secretariat's distribution list is to be examined by the EWG Secretariat.

Action Arising/Next Step

- 100 copies of the revised draft of the current newsletter are to be circulated by the EWG Secretariat to each member economy for its internal distribution.
- The newsletter is to be prepared twice yearly after each EWG meeting.
- The EWG Secretariat is to explore the merits of linking distribution of the newsletter into the APEC Secretariat's distribution list.

11. OTHER BUSINESS

Members considered the PECC/MEF proposal that a joint PECC/MEF - EWG meeting be held, possibly in conjunction with EWG 10. Members agreed that the PECC/MEF proposal had the potential to make a contribution to the work of the EWG, but considered that the proposal needs much further development before any firm arrangements could be considered. It was noted that no representative had been briefed to talk on the proposal. The delegate from Australia provided some background.

The EWG Secretariat was asked to convey the Group's in principle support to PECC/MEF, and ask PECC/MEF to develop the proposal further so that members can make an informed decision out of session.

The delegation from the People's Republic of China asked whether PECC/MEF authorities in Beijing had been contacted by PECC/MEF in regard to the proposal. However, no-one present was informed on this.

Action Arising/Next Step

- The EWG Secretariat is to ask PECC/MEF to develop its proposal further so that members can take an informed decision on the proposal.

12. DATE AND VENUE FOR NEXT MEETING

The next meeting of the EWG will be held in the People's Republic of China on 9 and 10 May 1995, and the offers by Chinese Taipei and Hong Kong to host EWG 11 in the second half of 1995, and EWG 12 in the first half on 1996 respectively were warmly welcomed. Details of the venue and timing for EWG 11 will be advised at EWG 10. However it was noted that the meeting in Chinese Taipei would need to be held early in October because of the proximity of the Leaders' meeting.

The delegation from the People's Republic of China made a detailed intervention in regard to the arrangements to apply when hosting a meeting of the Energy Working Group, and referred to the specific requirements they recorded at EWG 7 for a previous activity sponsored by an Expert Group.

The delegation from Chinese Taipei responded noting that a specific requirement referred to was not agreed. However, they stressed that the protocols and proceedings agreed for membership of APEC would be fully implemented.

Members confirmed the importance of such compliance noted the spirit of cooperation that has characterised the activities of the Energy Working Group.

13. REPORT TO SENIOR OFFICIALS

A report to Senior Officials was agreed.