



The 2<sup>nd</sup> APEC Oil & Gas Security Network (OGSN) Forum

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# APEC Oil & Gas Security Initiative (OGSI): The Way Forward

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# 1. Oil & Gas Security Exercise (OGSE)

- Following Thailand (Joint Southeast Asian Economies) and Indonesia in 2013, the Philippines hosted the Exercise for the first time under the framework of OGSII.
- **Peru** has shown its interest to host the Exercise in **late 2016**. APERC will pursue its possibility as the first Exercise outside Southeast Asia.
- If realised, active participation of experts from developed economies in the Americas (**USA** and **Canada**) may be needed.
- ***Is there any possibility to involve experts from regional organisations just like ASEAN institutions in Exercises in Southeast Asia?***
  - ***Organization of American States (OAS)***
  - ***Latin American Energy Organization (OLADE)***
  - ***The Economic Commission for Latin America and the Caribbean (ECLAC)***

## 2. Oil & Gas Security Network (OGSN)

- OGSN Newsletter is published once every two months.
- Its current format is as follows:
  - Oil update
  - Gas update
  - Middle East update
  - Interview with experts
  - Forthcoming events
- ***Any proposal or suggestions on additional topics, necessary information, and useful materials for the improvement of its quality?***

## 2. Oil & Gas Security Network (OGSN)

- The 3<sup>rd</sup> OGSN Forum will be held in 2017.
- **Does any economy volunteer to hold the 3<sup>rd</sup> Forum?**
- If not, APERC will consider holding the 3<sup>rd</sup> Forum in Japan.

- A candidate venue might be in **Hokkaido**, the northern-most island in Japan, or **Tohoku**, the northeast region of Japan.
- It might be cold in Hokkaido/Tohoku areas in March/April.



- **Any proposals or suggestions on venue, agenda, format and request for a site visit, in order to improve the Forum's quality?**

### *3. Oil & Gas Security Studies (OGSS)*

- 6 projects were completed in the 1<sup>st</sup> year of 2014/2015.
  - Oil Supply Security and Emergency Policy in the APEC Region
  - The Impact on Oil Distribution by the Great East Japan Earthquake, and Future Issues and Countermeasures
  - The Energy Reform in Mexico
  - Prospects and Compromise Points of the Arab Spring
  - Petroleum Product Trading and Security
  - Melting of the Arctic Sea Ice
- 3 projects will be completed in the 2<sup>nd</sup> year of 2015/2016.
  - ISIS and its Risk for APEC
  - Fuel Supply in a Possible Emergency Situation
  - Energy Security Indexation
- ***Any proposals or suggestions for the theme of the 3<sup>rd</sup> year of projects (2016/2017)?***

## 4. Future of OGSi: Broader Perspective

- Energy Security Indexation is
  - to identify important issues that may pose a risk to the energy supply security, and
  - to assess those issues relative to the level of risk they pose.
- ***Future of Energy Security Indexation Project***
  - ✓ ***Any need to continue this study and develop an Energy Security Indexation System?***
  - ✓ ***Any need to disseminate and improvement of an Energy Security Indexation System through seminars or workshops?***
  - ✓ ***Any possibility to apply an Energy Security Indexation System to each APEC economy and review or evaluate the result?***

## 4. Future of OGSi: Broader Perspective

- APEC Energy Security Initiative (ESI) was endorsed by EWG and Leaders in 2001.
- In ESI, 'Energy Security' is a very broad concept which comprises
  - Short-term measures to respond to temporary energy supply disruptions:
    - ✓ transparency of the global oil market ⇒ *JODI (Joint Oil Data Initiative*  
*→Joint Organisations Data Initiative)*
    - ✓ maritime security ⇒ *APERC Simulation Exercise of Sea Lane Disruption*
    - ✓ a real-time emergency information sharing system (RTEIS) ⇒ *OGSN*
    - ✓ emergency mechanisms and contingency plans ⇒ *OGSE*



## 4. Future of OGSI: Broader Perspective

- Longer-term measures to address the broader energy challenges facing the APEC region:
  - ✓ investment *⇒analysis in APEC Energy Demand & Supply Outlook 6<sup>th</sup> Edition*
  - ✓ trade and technology cooperation in energy infrastructure *⇒"Quality of Energy Infrastructure" Project*
  - ✓ natural gas *⇒LNG Trade Facilitation Initiative*
  - ✓ energy efficiency *⇒Energy Intensity Target +PREE, LCMT*
  - ✓ clean fossil energy *⇒EGCFE?*
  - ✓ renewable energy *⇒RE Doubling Goal +PRLCE, LCMT*
  - ✓ hydrogen and fuel cells
- ✓ Unaddressed issues such as clean fossil energy and hydrogen and fuel cells, as well as newly emerging issues, can be themes for OGSS or other APEC projects.



## 4. Future of OGSi: Broader Perspective

- **Emergency mechanisms and contingency plans** seem to be core issues for OGSi.
- ***New/Broadened OGSi?***
  - ***Report on Voluntary Oil/Gas Stockpiling Target***
  - ***Report on Substitutes for Oil/Gas Stockpiling (lease of surplus stockpiling capacity, ticket system, etc.)***
  - ***Proposals on Emergency Supply Sharing System (bilateral or sub-regional agreements)***
  - ***Procedures for APEC-wide Meeting on Emergency Supply Sharing (when needed)***
  - ***Supply Proposal on Energy Resources complementary to Oil/Gas***
- ***Needs for further studies on appropriate level of stockpiling, problems of preceding supply sharing systems?***

## Cf. Japan's Oil Stockpiling Outreach Policies

by Mr. Atsushi Taketani, Director, Petroleum Refining and Reserve Division, ANRE/METI,  
at the 1<sup>st</sup> OGSN Forum on 23 April, 2015

### Cooperation ideas on oil stockpiling in Asia

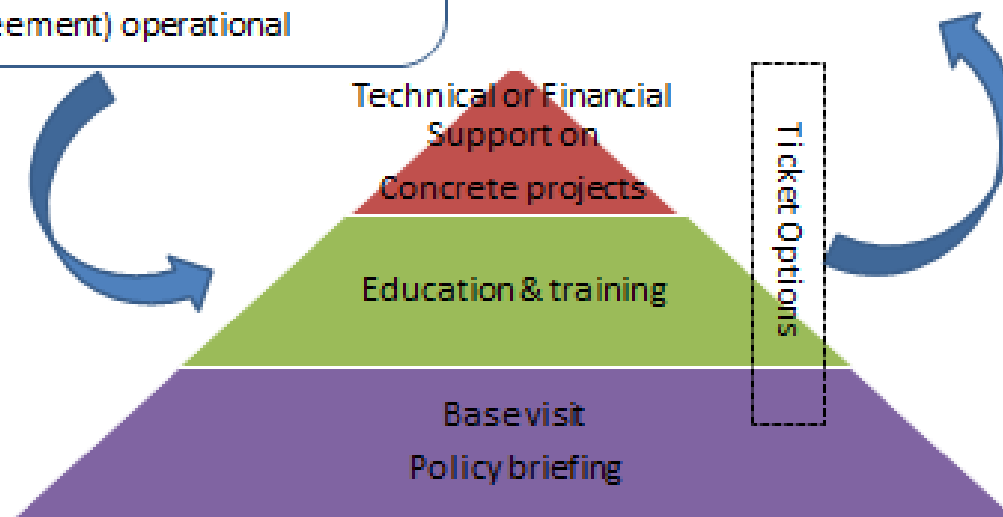
- METI (Ministry of Economy, Trade and Industry) will help ASEAN countries to achieve each target of OSRM(Oil Stockpiling Roadmap) by sharing our expertise, technologies and ideas.

#### Japan's support

- Survey of ASEAN countries' needs
- Study on cooperative measures
- Discussing strategy for making APSA(ASEAN Petroleum Security Agreement) operational

#### Goal

- Achieving the target of OSRM
- Enhancing energy security in Asia



7



***We would be very glad to discuss on  
the future of OGS I with you!***