

**1st East Asia Energy Forum
Bohol Island 9 August 2017**

Oil Security Challenge in Asia Pacific

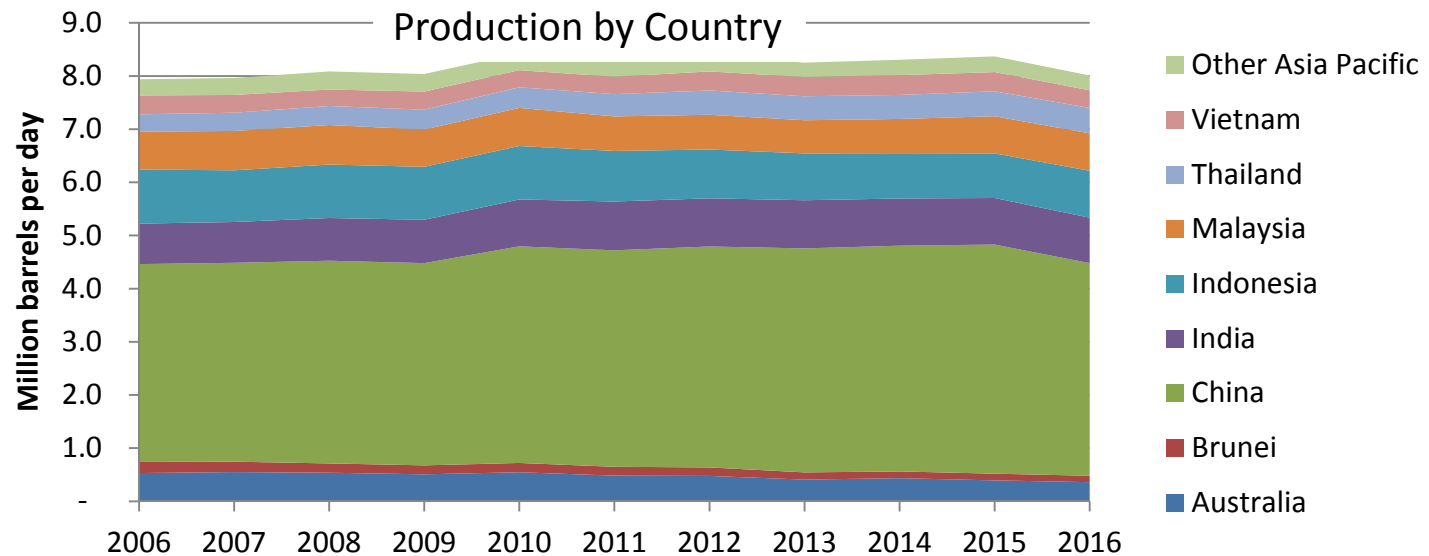
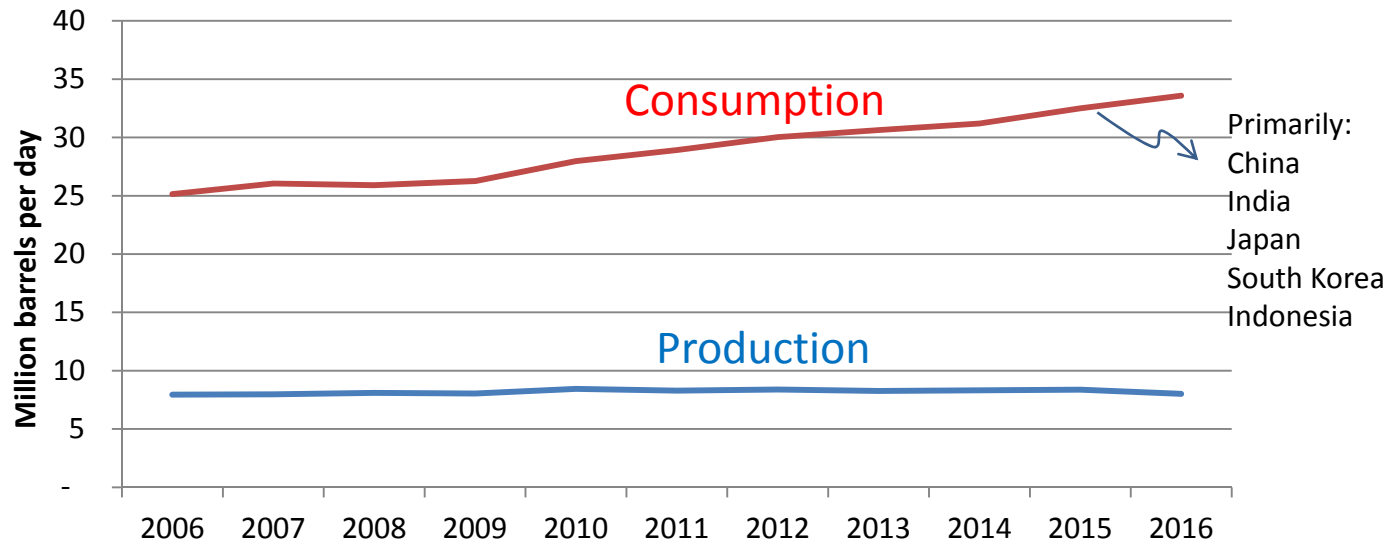


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Asia Pacific Oil Production – Consumption



Source: BP Statistical Review of World Energy 2017



Growing Oil Insecurity in Asia-Pacific

- Asia Pacific are large oil consuming countries; consumption level is 400% of its production level (2016)
- Large oil import dependence creates oil vulnerability → oil insecurity
- Oil security in Asia-Pacific is complex challenge because the region is diverse in scales and national interests
- Each country has its own approach in coping with oil insecurity



Oil Security Measures

- Develop alternative fuels to oil (biofuel, gas, EV)
 - Improve oil use efficiency
 - Diversify oil import sources
- Long-Term**
- Improve emergency preparedness
 - Restraining of oil consumption (mandatory)
 - Fuel switching
 - Prevent hoarding and panic purchase (accurate oil market information)
 - Develop emergency oil stockpile
 - Establish cooperation (consumer-consumer, consumer producer)
- Short-Term**



Oil Stockpile System

Owner: Government vs. Private Stockpile

Type: Crude Oil vs. Petroleum Products

Location: In country vs. in oil producing countries

Scheme: Joint vs. Individual Stockpile



Oil Stockpile

- Several major oil importing countries has developed or is developing their own strategic oil stockpiles.
- Some studies show that **regional coordination in stockpiling arrangements and sharing of oil stocks** in an emergency could provide significant benefits.
- As of now there is no regionalized oil security system in Asia-Pacific
- There are initiatives for the development of joint oil stockpile in the region:
 - APEC-EWG
 - ASEAN + 3
 - Asia Cooperation Dialogue (ACD)
 - Roundtable of Asian and Middle East Ministers on Oil and Gas Coop.
 - APSA (ASEAN Petroleum Security Agreement)



Current Setting

World low demand,
technology development,
over supply, low price

Geopolitical uncertainty

- South China Sea
- North Korea
- Russia sanctions
- Middle east

Global realignment?
(may result from “America First”)

What is the next step?