

**JOINT MINISTERIAL STATEMENT
SECOND EAS ENERGY MINISTERS MEETING
BANGKOK, THAILAND, 7 AUGUST 2008**

1. The Second EAS Energy Ministers Meeting was held on 7 August 2008 in Bangkok, Thailand. The Meeting was chaired by H.E. Lt. Gen. Poonpirom Liptapanlop, Minister of Energy of Thailand and co-chaired by H.E. Takamori Yoshikawa, Senior Vice Minister of Economy, Trade and Industry of Japan. The Meeting was attended by the Ministers Responsible for Energy from the ASEAN Member States, Australia, the People's Republic of China, Republic of India, Japan, Republic of Korea, and New Zealand. The Secretary-General of ASEAN was also in attendance

2. The Ministers were pleased with the notable developments in the three energy cooperation work streams consisting of Energy Efficiency and Conservation, Energy Market and Integration; and Biofuels for Transport and other purposes. The Ministers expressed their strong support and commitment to advance these activities.

3. The Ministers acknowledged the adoption of the Singapore Declaration on Climate Change, Energy and the Environment. The Ministers agreed to intensify ongoing cooperation to improve energy efficiency, and the use of cleaner energy, including the use of renewable and alternative sources. The Ministers further decided to push forward the Singapore Declaration through promoting the use of low-carbon and environmentally friendly technology, enhancing research and development, encouraging technology transfer, providing technical and financial assistance and enhancing the implementation of clean development mechanisms as well as developing carbon-trading mechanisms.

Serious Concerns over the Current Oil Prices

4. The Ministers expressed serious concerns about the unprecedented current high oil prices which are against the interest of both consuming and producing countries. Particular attention should be paid to the fact that resource-scarce developing countries are seriously hit by rapid price hikes. They posed a serious downward risk to the global economy. Producing and consuming countries share a common interest in encouraging greater global energy security and sustainability. Recognizing the crucial role of financial and macroeconomic policies in resolving current economic issues, the Ministers emphasized the need to strengthen cooperation among those responsible for energy policy. The Ministers, therefore, called for enhanced oil market dialogue and cooperation between producers and consumers. They also emphasized the need of 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. They encouraged the relevant international organizations such as the IEA, OPEC, IEF and the IMF to work together to analyze the real and financial factors behind the recent surge in oil prices. They also called relevant national authorities to examine the functioning of commodity futures market and to take appropriate measures if needed.

5. The Ministers affirmed to vigorously take their actions in such areas as enhancing emergency preparedness, improving energy efficiency and promoting alternative energy

sources. They also recognized that moving towards phased and gradual withdrawal of price subsidies for conventional energies is desirable because market-based energy pricing helps markets send the appropriate signals to enhance energy efficiency and increase investment in alternative energy sources. They commended some countries for their recent moves in this direction and welcomed further progress in this area.

Energy Cooperation Work Streams

6. The Ministers lauded the continuous efforts made by the EAS Energy Cooperation Task Force (ECTF) to advance the implementation of the three identified energy cooperation work streams, namely energy efficiency and conservation (EE&C), energy market integration, and bio-fuels for transport and other purposes.

7. In particular, the Ministers recognised the steady progress of the EAS ECTF cooperation to work toward the goal of affordable, secured and sustainable energy at all economic levels, as follow:

Energy Efficiency and Conservation Work Stream

8. The Ministers appreciated the submitted preliminary reports of energy efficiency goals and action plans and look forward to the report by each country, on a voluntary basis, of its quantitative and where possible, sector specific energy efficiency goals and action plans in the EMM3 in 2009. The Ministers recognised that the effectiveness of their respective national energy efficiency and conservation policy can be enhanced by focusing on key energy consuming sectors such as industry, power, residential/commercial and transportation through analyzing/measuring current energy efficiency performance, evaluating energy efficiency potential and identifying applicable technologies, taking into account their specific national and sector-specific circumstances. They also affirmed that sectoral approach as described above could be useful methods for dissemination and transfer of the best applicable technologies and promoting regional cooperation for improving energy efficiency in key energy consuming sectors.

9. The Ministers welcomed the compilation of on-going energy efficiency and conservation policies and measures under cooperation with the Asian Energy Efficiency & Conservation Collaboration Center as a valuable tool for sharing information and best practices and encourage each EAS countries to carry out a stocktake and update it if needed. The Ministers also welcomed] the work on “EAS Energy Outlook” by the Economic Research Institute for ASEAN and East Asia (ERIA). They recognized that the projected growth of energy demand necessitates further promotion of energy efficiency and conservation and encourage the ERIA to deepen its analysis and to provide inputs for making energy efficiency and conservation measures more effective.

Energy Market Integration Work Stream

10. The Ministers reaffirmed that integrated energy markets are important because they enhance energy security and diversity of supply, foster energy efficiency and the development of a wider range of energy sources, and promote energy cost competitiveness. With this in mind, the Ministers welcomed the overview report on “Energy Market

Integration in the East Asia Region”, and recognised its value in promoting a better understanding of the potential and benefits of open and competitive energy markets. The study analysed the level of energy market integration already in the region, assessed the potential for greater integration and recommended possible strategies for achieving the goal of greater energy market integration.

11. The findings of the study were noted by the Ministers, including that further integration of energy markets should aim to provide mutually beneficial trade and that transparent foreign investment guidelines and policies are important to encourage closer energy market integration.

12. The Ministers requested the ECTF to further consider the key recommendations of the study, and where appropriate to implement them. These include the recommendation to convene a consultative forum or other arrangements to share views on policy approaches, and to determine the next steps in promoting integrated energy markets in East Asia through the ECTF.

13. The Ministers requested the ECTF to deepen the Energy Market Integration study work for reporting to future EAS Energy Ministers' meetings. The Ministers also looked forward to the development of strategies and action plan to achieve greater energy market integration in the region.

Biofuels for Transport and Other Purposes Work Stream

14. The Ministers reaffirmed their strong interests in biofuels, which have great potential in addressing some of the energy security concern, particularly high oil prices while recognizing the need of their compatibility with sustainability. With this in mind, the Ministers endorsed the “Asia Biomass Energy Principles” for production and utilization of environmentally and socially sustainable biomass energy in the region. They welcomed the broad perspectives of the Principles including quality control, respect for natural diversity, minimum impact on food supply, compatibility with environment, stable supply of biomass energy and cost efficiency. The Ministers affirmed to promote production and utilization of biofuels, so long as it does not compromise food security and regional cooperation to this end in line with these Principles, taking into account relevant international debates and activities. The Ministers requested the ERIA to develop a methodology for assessing environmental and social sustainability in production and utilization of biomass taking into account specific regional circumstances. The Ministers also welcomed “EAS-ERIA Bio-Diesel Fuel (BDF) Standards” as a valuable benchmark reference in developing respective national standards of EAS countries.

15. The Ministers welcomed the work for establishing database about biomass by the Philippines in cooperation with the Asia Biomass Energy Cooperation Promotion Office. The Ministers also welcomed the launch of the Asia Biomass Energy Researchers Invitation Program by the Asia Biomass Energy Research Core.

16. The Ministers appreciated Thailand's initiative to organize an EAS Workshop on Biofuels in Bangkok on 18-19 June 2008. The Ministers took note the Summary Record of the Workshop and urged the EAS Biofuels for Transport and Other Purposes Work Stream

to further make use of the Summary Record, where possible.

Energy and Environmental Issues

17. The Ministers reaffirmed the need to take an effective approach to the interrelated challenges of climate change, energy security and other environmental and health issues as identified by the Leaders. The Ministers urged the EAS ECTF to forge closer cooperation in this area, and where appropriate, in relation to the measures being considered under the three energy cooperation work streams.

Crucial Role of International Cooperation

18. The Ministers emphasized that the on-going three work streams, namely, energy efficiency, biofuels for transport and other purposes and energy market integration are particularly relevant in addressing their common energy security challenges notably high oil prices, as well as mitigating climate change.

19. The Ministers appreciated the progress to date under Japan's Cooperation Initiative for Clean Energy and Sustainable Growth focusing on promoting energy efficiency, biomass and utilization of clean coal through accepting trainees, dispatching experts and establishing regional cooperation centres and expressed strong expectation for their further enhancement.

20. The Ministers welcomed the formal establishment of the ERIA and hope it will play an important role in contributing to the achievement of EAS shared goal. They encouraged the ERIA to continue its research work and provision of valuable inputs in their policy consideration.

Other Matters

21. The Ministers and their respective delegations thanked the people and Government of the Kingdom of Thailand for the warm hospitality and excellent arrangements made for the Meeting.

22. The Ministers agreed to meet again in Myanmar in 2009.

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List of Ministers

- a) **Hon. Martin Ferguson AM MP**, Minister for Resources and Energy for Australia;
- b) **H.E. Pehin Dato Haji Yahya**, Minister of Energy, at the Prime Minister's Office for

Brunei Darussalam;

- c) **H.E. Mr. Suy Sem**, Minister of Industry, Mines and Energy for Cambodia;
- d) **H.E. Mr. Sun Qin**, Deputy Administrator of the National Energy Administration for China;
- e) **H.E. Ms. Latha Reddy**, Ambassador of India for Thailand;
- f) **H.E. Dr. Luluk Sumiarso, on behalf of H.E. Dr. Purnomo Yusgiantoro**, Minister of Energy and Mineral Resources for Indonesia;
- g) **H.E. Mr. Takamori Yoshikawa**, Senior Vice Minister of Economy, Trade and Industry for Japan;
- h) **H.E. Dr. Lee Jae Hoon**, Vice Minister of Knowledge Economy for Korea;
- i) **H.E. Mr. Soumboun Rasasombath**, Vice Minister of Energy and Mines for Lao PDR;
- j) **H.E. Dato' Joseph Salang**, Deputy Minister of Energy, Water and Communications for Malaysia;
- k) **H.E. Brig. Gen. Than Htay**, Deputy Minister for Energy, Ministry of Energy for Myanmar;
- l) **Hon. Harry James Duynhoven**, Associate Minister of Energy for New Zealand;
- m) **H.E. Mr. Angelo T. Reyes**, Secretary of Energy for the Philippines;
- n) **H.E. Mr. S Iswaran**, Senior Minister of State (Trade and Industry), Ministry of Trade and Industry for Singapore;
- o) **H.E. Lt. Gen. Poonpirom Liptapanlop**, Minister of Energy for Thailand;
- p) **H.E. Dr. Do Huu Hao**, Vice Minister of Industry and Trade for Viet Nam; and
- q) **H.E. Dr. Surin Pitsuwan**, Secretary-General of ASEAN