

## Businesses Call for Measures to Address Energy Security in APEC

Chinese Taipei, 27 May 2010 - Recent turmoil in global energy markets underscores "the continuing challenges we face in strengthening energy security throughout the Asia Pacific," says the APEC Business Advisory Council (ABAC).

In a letter to APEC Energy Ministers, ABAC - a group comprising some of the most respected business people from throughout the Asia-Pacific - makes very specific recommendations as to how these challenges might be addressed. Excerpts follow:

- ABAC strongly recommends continued engagement between governments and the private sector... This is important as the private sector, including energy producers, transporters, financiers, and consumers as well as relevant NGOs, provide essential perspective on the real impact of proposed policy and regulatory measures on actual markets, consumption patterns and productivity.
- In 2008, ABAC sponsored publication of the *Strategic Framework for Energy Security in APEC*, a document designed to guide APEC's energy security work. From our perspective much remains to be done to implement many of the recommendations contained in this document.
- In the near term, we encourage APEC governments to focus on improving efficiency and conservation as a cost effective approach that can be broadly applied across the spectrum of supply and demand. Expansion and diversification of energy resources remains an important piece of any comprehensive energy security approach. APEC should work to secure wider use of low-carbon fossil fuels, including promoting the use of natural gas and development of gas transport infrastructure.
- Nuclear energy is appropriate for many economies as a low emissions source of power generation. ABAC supports consideration of nuclear energy and studies into its feasibility in APEC individual economies.
- We recommend Ministers undertake to study the possibility of establishing an APEC or Asian futures market in gas.
- A comprehensive approach must include efforts to manage demand through conservation and efficiency efforts. This should include emphasis on improving the energy efficiency of power plants, promoting conservation and efficiency in buildings, and development of a common labelling system to promote dissemination of energy efficient products, including home appliances and IT products.
- It is important to prioritise development of standard metrics to assess efficiency, preferably by sector, to assist in measuring progress and quantify results. We encourage Ministers to commit to establishing an APEC-wide common understanding of terminology, standards and best practices for measuring efficiency. Eliminating distortions and promoting efficiencies in energy markets must also be a cornerstone of a strategic approach to improving energy security. Recognising that in a group as diverse as APEC, complete harmonisation of standards is very difficult, we feel that in the near term, a focus on transparency and information sharing in this area may be a more practical goal.
- Expanded emphasis on developing "clean" energy and promoting innovation in energy and related technologies is a final core pillar to a complete APEC energy security approach. Such development must involve close cooperation with

- government through public-private partnerships and regulatory framework that encourages private sector investment.
- APEC economies should complement UNFCCC principles and processes by endorsing the development of an APEC Low-Carbon Pathfinder Scheme. The Scheme would be based on the successful APEC formula of voluntary, non-binding, open regionalism. Under such a Scheme, low-carbon policy measures by each APEC economy would be systematically and transparently prioritised and reviewed, with reports published annually or biennially so as to share experiences with other APEC economies.
  - APEC must continue to recognise that regional energy security strategies must be developed and implemented in the context of the overall global energy security situation. As such, relevant APEC agencies and sub-fora should coordinate closely with energy-related international organisations to ensure synchronicity of effort and maximise the potential for collaborative progress.

The letter is signed by ABAC 2010 Chair, Gempachiro Aihara, on behalf of the group.

For more information, contact: [mitsuiabac@mitsui.com](mailto:mitsuiabac@mitsui.com) or [media@apec.org](mailto:media@apec.org)