

Asia-Pacific Economic Cooperation in 2004
-- One Community, Our Future --

Statement

by

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Deputy Executive Director
of the APEC Secretariat

at

the 6th APEC Energy Ministers' Meeting

Manila, Philippines
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Mr. Chairman,
The Honorable Ministers,
Distinguished Delegates,

On behalf of the APEC Secretariat, I would like to extend my deep appreciation to the host of this Meeting for their warm hospitality and excellent arrangements..

I would also like to extend the warmest greetings from Ambassador Mario Artaza, the Executive Director of the APEC Secretariat, who cannot be with us today. As you may be aware, the APEC calendar this year has more events than is usually the case. This has caused both I myself and Ambassador Artaza to divide our time in this range of events.

In fact, the 2004 APEC year is an eventful year for the APEC process. Not only will there be the APEC Economic Leaders' Meeting in Santiago, Chile, this November, but around 75 APEC working-level meetings and ten Ministerial Meetings will take place.

This month alone there are three ministerial meetings on either side of the Pacific Ocean. Before this meeting of APEC Energy Ministers is taking place on the western rim of the Pacific, the Meeting of APEC Ministers Responsible for Trade just concluded on the eastern side of the Pacific in Southern Chile five days ago. What is more, in another five days time the APEC Mining Ministers Meeting will begin its business in Northern Chile.

I know many of us will continue our journey to the Mining Ministers Meeting right after this meeting, since energy and mining are closely related sectors, and mining is part of the business of the Energy Working Group in APEC as well.

The range of meetings that have already taken place and those that will occur in the months ahead are mindful of the overarching theme established by APEC 2004 Host, the Republic of Chile.

Chile has chosen the central theme of: "One Community, Our Future" together with 5 sub-themes indicating priority areas for this year.

This theme and sub-themes reflect the common desires of our Leaders, Ministers and other stakeholders to continue to build a strong and vibrant APEC region towards one Community.

This theme is also quite relevant to APEC Energy Ministers, because we have pursued three big "E"s such as Energy Security Initiative, Environmental concerns arising from energy production and consumption and Economic growth throughout the APEC region.

All of our members share the common goal of building a stable, prosperous and secure community in the Asia-Pacific region. Like others, our community is also linked by a number of factors. We are diverse in terms of culture, history and

economic development, but, we are increasingly interdependent in many areas such as investment and trading activities and in our social and cultural links.

Our community accounts for around half of the world's trade and is home to 2.5 billion people, the largest of its kind in terms of size, population, as well as economic power. The Bogor Goals that our Leaders set for the region some ten years ago have encouraged members of APEC, industrialized or developing, to strive for freer trade and investment by continuously lowering down barriers between our economies toward "One Community".

In energy sector, which is one of the most important engines of our economic growth, you are also building bridges between APEC economies. Promoting the interconnection of power grids and oil and gas pipelines and improving measures to safeguard sea lane security and numerous other initiatives are ensuring the APEC region continues to strengthen as a community.

The Energy Working Group is one of more than 20 subfora under APEC. Their coordinated and concerted efforts under the guidance of the APEC Leaders constitute the APEC movement towards Bogor Goals.

Now, I would like to report you on some of the APEC activities, many of which have direct relevance to the energy sector.

Over the past years, APEC has experienced quite a busy period of growth and evolution, which are attributable to the rapid process of globalization and liberalization. During this time, the APEC agenda was expanded from the focus on trade and economic cooperation into new areas that had not previously been a part of our process.

Many of these are often described as non-economic concerns as on the surface they are directly concerned with issues such as SARS, anti-corruption or human securitybuilding issues. However, these issues ultimately do have a large impact on the regional economy and are significant as APEC strives to reach its core free trade and investment goals.

The SARS epidemic is an important case in point. While SARS infections were a health issue, the cross-border outbreak of SARS represented a serious threat to regional trade. Downturn in business confidence and reduced consumer spending resulted in important economic sectors such as tourism and travel, suffering losses.

Another apparent non-economic issue that has been high on the APEC agenda in recent years is security. As the world has witnessed with the September 11 attacks, the Bali Bombing and numerous other acts of violence have posed a significant threat to the security of this regional economy.

Since its launch in 2003, the APEC Counter Terrorism Task Force has made significant progress in the counter terrorism agenda. The most recent event in this process was the Secure Trade in the APEC Region, or STAR, Conference in Chile in March.

This meeting covered a number of areas relevant to the energy sector including maritime security. The forum agreed that greater cooperation was required to facilitate greater regional compliance with the International Ship and Port Facility Security, ISPS, Code before its July 1 deadline.

Of particular concern was ways to apply the ISPS Code requirements to sensitive areas such as vessels carrying fuels and other chemicals. I am confident that Energy security will continue to be a concern of the APEC Counter Terrorism Task Force.

So far in 2004, we have seen three of the scheduled ten APEC Ministers' Meetings take place before this meeting today. Many of the issues raised in these meetings also relate directly to the energy sector, both as it relates to energy products, and to business practices in the region.

As the first ministerial meeting for 2004, the 4th Ministers' Meeting on Regional Science and Technology Cooperation took place early this year in Christchurch, New Zealand. The meeting covered areas that are of interest to the Energy Working Group. Science Ministers "noted the potential of hydrogen and fuel cell technologies to improve the region's energy, environment and economic security." They also called on the Industrial Science and Technology WG and the Center for Technology to continue collaboration with the Energy Working Group on this important research.

In April, APEC Education Ministers' Meeting also met in Santiago. It is notable that this meeting addressed topics how to expand the knowledge and use of English and other languages for cross-border trade and investment including the energy sector.

Most recently, the meeting of APEC Ministers Responsible for Trade was held in Pucon, Chile, over the past weekend. Trade Ministers committed themselves to the APEC's contribution to the success of the DDA process, and called on tangible progress on key areas of concerns such as agriculture, non-agricultural products market access (NAMA), as well as Singapore issues.

Over the following months the meetings of Ministers responsible for Transport, Finance, SME's, Tourism and the Joint Ministerial Meeting are set to take place in the lead-up to the 2004 Leaders' Meeting in Santiago in November.

The rapid process of globalization has ever deepened interdependence and interrelatedness of economies and industries. Each ministerial meeting covers areas of interest to other fora. In this sense, close collaboration with relevant fora is required more than ever before to avoid duplication and to enhance synergy effects.

Late last month, I participated in the 9th International Energy Forum (IEF-9) which was held in Amsterdam on the eve of the OPEC Ministers Meeting in Beirut early this month. Many of Your Excellencies present today were also actively

participating in the Forum, which provided a valuable opportunity to exchange of views between energy producers and consumers in times of record oil price.

At IEF-9, it was reported that the Joint Oil Data Initiative (JODI) is now undertaken jointly by six organisations including APEC, International Energy Agency, Organisation of Petroleum Exporting Countries, among others. I was proud that the JODI had been first initiated in the EWG by APERC.

By 20-21 November this year, APEC activities will reach the climax. APEC Leaders will review what we have accomplished this year and chart for our future when they meet in Santiago. The major outcome of the 6th Energy Ministers Meeting will definitely serve as one of the most important deliverables to the APEC Leaders.

I look forward to a fruitful discussion and successful outcome of this meeting.

Thank you.