

4. GOVERNMENT-PRIVATE SECTOR DIALOGUE

PROCEDURE

The Chair of the APEC Energy Business Network (EBN) will address Ministers (10:00 - 10:20).

The Chair to open the floor for discussion (10:20 - 10:45).

OBJECTIVE

- To allow Ministers to consider issues of concern to APEC energy industry.

RECOMMENDATIONS

- That Ministers:
 - welcome the meeting of energy business at the APEC Energy Business Forum;
 - note the recommendations of the EBN; and
 - encourage the efforts of the EBN to strengthen its structure and widen its membership.

BACKGROUND

Addressing the challenges of energy security and sustainable development requires the active involvement of the private sector. The promotion of well-functioning markets characterised by free and open trade, secure and transparent frameworks for investment, market-based price signals, market transparency, good governance and effective competition is essential to increase the economic benefits from trade and investment liberalisation and to address the APEC region's energy security and sustainable development challenges.

Increasing energy demands throughout the APEC region will require substantial new investment in the energy sector. This is estimated by the Asia Pacific Energy Research Centre (APEREC) to be at least US\$ six trillion to 2030. Removing investment barriers and allowing access for domestic and foreign investors encourages investment in the energy sector.

The Role of the EBN

At the Second Meeting of APEC Energy Ministers (Edmonton, 1997), the APEC Energy Working Group (EWG) was directed to promote greater interaction between the EWG and the business sector, resulting in the formation of the EBN.

The purpose of the EBN is to provide an industry perspective on the key energy challenges facing the APEC region, which in turn helps the EWG contribute to APEC's broader goals of promoting economic growth, cooperation, trade and investment in a sustainable manner. The EBN meets twice a year, back-to-back with EWG meetings, and reports to the EWG.

The EBN has identified several key energy issues of importance to energy business for reporting to Ministers at EMM8. In particular, the EBN " ...urges APEC Energy Ministers to recommend to APEC Leaders that they should commit to a new resolve on effective regional action and reform of institutional arrangements to progress their Ha Noi Declaration and to address the dual challenge of energy security and climate change" and calls for Energy Ministers to:

- increase the utilisation of mature energy supply and end-use technologies that contribute to energy security and climate change imperatives;
- implement new energy technologies that offer advances in the management of energy security and climate change;
- increase public and private investment in energy efficiency, diversifying energy supplies, emissions abatement and cleaner energy technologies to address the dual challenges of energy security and climate change; and
- formulate appropriate cost-effective energy policies that will lead to the reduction of greenhouse gas emissions.

The EBN's recommendations to Ministers are tabled.

The APEC Gas (APGAS) Forum

At the Seventh Meeting of APEC Energy Ministers (Gyeongju, 2005), Ministers encouraged APEC economies to expand cross-border energy trade and to support the establishment of the APGAS Forum.

The APGAS Forum is a meeting of key stakeholders in the APEC region's gas markets, including gas and LNG producers, shippers, buyers and end users, policy makers and regulators. The Forum aims to create a consensus amongst the APEC economies on the actions necessary to ensure free and unhindered trade in gas and LNG. The Forum aims to build greater commercial transparency and trust by encouraging dialogue between stakeholders to critically examine the function and interaction of gas markets in order to determine how gas industry best practice can be developed in the Asia Pacific.

APGAS1 was held in Perth, Australia, in September 2005. APGAS1 participants recognised that gas is a key driver of regional economic development and the need for greater market transparency and stability of energy policy if gas projects were to be developed, particularly given the significant capital investment required. APGAS2 was also held in Perth in August/September 2006 and developed recommendations for consideration by Energy Ministers at EMM8. The Official Recorder's Report of APGAS2 has been tabled and the APGAS recommendations to Ministers are presented within the EBN's report.

APEC Energy Business Forum

The APEC Energy Business Forum was held in Darwin on 28 May.

Recognising that APEC places great importance on the role of business in meeting regional energy objectives, Australia, through the Australian Energy Alliance, has provided a forum where senior energy industry representatives from a wide range of APEC member economies could discuss the issues of addressing energy security and environmental impacts from a commercial perspective.

The Forum aimed to create a wider regional understanding of the public policy implications of high energy prices and climate change, and the likely policy framework that will be need to be developed within the region to deal with these issues.

The Forum was open to attendance and participation by Energy Ministers and its outcomes will be reported to Ministers.

The Australian Energy Alliance provides Australian industry representation to the EBN.

MEETING PAPERS

- APEC Energy Business Network report. *Response to the APEC Leaders' Ha Noi Declaration and Recommendations to EMM8.*
- *A Destiny that Cannot be Assumed* - Official Recorder's Report of APGAS2.
- APEC Energy Business Forum Agenda.