

PROPOSALS ARISING FROM THE SEVENTH MEETING OF THE EWG BUSINESS NETWORK (EBN7)

The following action items for the Energy Working Group (EWG) arose from the seventh meeting of the EBN (EBN7).

3.1 FIFTH MEETING OF APEC ENERGY MINISTERS (EMM5)

During the presentation of the Summary Record of the sixth meeting of the EBN at EWG22, the EBN Chair, Ms Rosario B. Venturina, advised EWG members that the EBN *was looking to contribute to the forthcoming Energy Ministers Meeting*.¹

At the First Meeting of the Steering Committee for the Fifth Meeting of APEC Energy Ministers (EMM5) held on 28 February 2002, the Chair of the Steering Committee in discussing the participation of business at EMM5, *emphasized the importance of a fuller private sector participation in this process as it responded to a mandate made by Economic Leaders last year at their Shanghai meeting*.²

Further, in discussing the format of the Ministers-Business Sector Dialogue the Chair highlighted:

the importance of letting the EBN decide on the way they want to participate in the Dialogue, as well as how do they want to structure its Business Forum. He suggested that the Steering Committee members talk privately to their private sector colleagues prior to the EBN meeting so that EBN members would be prepared to discuss the issues when they meet. The Chair noted that there would be considerable inter-sessional work to be undertaken with the private sector to ensure a good outcome at the Ministerial. Australia noted that the EBN would present a report at EWG-23 on the outcomes of the EBN meeting and this would probably include details of their views on the Ministerial/Business dialogue. This will help the Steering Committee to have an outline of the issues that the Ministers-Private Sector Dialogue will address.

The Steering Committee agreed that the EBN should decide on their participation in the Dialogue and Business Forum. However, any recommendations from the business sector should be known well in advance by the Steering Committee, in order to make sure that such conclusions/recommendations are solid, timely and transparent to all members.³

At EBN7 during discussions on *Individual Economy Updates* (EBN7, Agenda Item 2), EBN members made a number of observations, particularly in relation to non-energy issues having an impact in the energy sector. Members noted that there was an opportunity to register their concerns, particularly about the use of subsidies, with the relevant Energy Ministers. EBN members resolved that Ministers should *In respect to alternative fuels, recognise that Gas to*

¹ APEC Energy Working Group, Twenty-Second Meeting, Port Moresby, Papua New Guinea, 27-28 September 2001, *Summary Record of the 22nd Energy Working Group Meeting*, p2

² First Meeting of the Steering Committee for the Fifth APEC Energy Ministers Meeting, Draft Summary of the Chair, p3

³ First Meeting of the Steering Committee for the Fifth APEC Energy Ministers Meeting, Summary of the Chair, pp3-4

Liquids is an emerging viable technology for the production of synthetic fuel products and the undesirability of using permanent subsidies for alternative fuels, such as ethanol. Members noted that the issue of cleaner fuels fell within the topic of sustainable development which is of interest to Energy Ministers. Members also noted that the EBN Chair would report the outcomes of this meeting to the next meeting of the Energy Working Group and that the issue could then carry forward to the meeting of Energy Ministers.

In discussing the fifth APEC Energy Ministers Meeting at EBN7, Mexico provided considerable detail on the logistics and draft schedule for the Energy Ministers Meeting that will be held in Mexico on 22-23 July 2002. Mexico advised members that the next Steering Committee Meeting, being held back-to-back with EWG23 in May, would finalise the agenda for the meeting and that the EBN would need to finalise its priority areas for discussion by that time.

Considerable discussion was held by EBN members on the topics to be discussed with Ministers and the protocols for the face-to-face meeting between the Ministers and the private sector representatives. It was agreed by members that up to six topics would be considered for preparation of first draft papers and members volunteered for particular topics as follows:

1. Implementation Activities (US)).
2. Mobilising private sector investment in energy infrastructure (Canada).
3. Sustainable development (Australia).
4. Strengthening operational aspects of APEC energy micro-economic reform (Thailand).
5. Addressing the barriers to the inter-connection of power and gas grids in APEC economies (Australia).
6. Production of synthetic fuels (New Zealand).

The EBN Chair sought initial drafts within a week. Once these had been circulated between and commented on by members a decision would be taken on the final topics for submission.

The final topics for discussion at EMM5 will be forwarded to the Steering Committee in time for consideration at the Steering Committee Meeting to be held on 14 May 2002.

3.2 ECONOMY ATTENDANCE AT EBN MEETINGS

The EBN was established by the EWG at its fifteenth meeting held in Ixtapa, Mexico, on 3-4 March 1998, in response to directives from Energy Ministers.

The key objective of the EBN is to provide a business perspective on energy related issues that can be considered through the APEC process. Subsequently, the EBN reports to the EWG on suggested work topics and specific initiatives it believes should be considered by the EWG.

The EBN has met seven times and is due to meet again in Mexico in July 2002. Current members of the EBN are as follows:

Australia; Canada; Hong Kong, China; Japan; Korea; Malaysia; Mexico; New Zealand; the Philippines; Singapore; Chinese Taipei; Thailand; and the United States. The PECC Energy Forum also attends meetings as an Observer.

At EBN7, the Chair noted that a number of economies did not send representatives to EBN meetings. EBN members discussed possible measures that could address the lack of representation from particular economies. Members resolved that the EWG Secretariat should register with EWG members the EBN's disappointment that not more member economies are

represented and strenuously encourage all member economies to designate EBN representatives, including substitutes, to attend future meetings.

EWG members may wish to note that at their thirteenth APEC Ministerial Meeting held in Shanghai on 17-18 October last year, APEC Ministers in discussing energy, *called on economies to encourage greater private sector involvement in the EWG work program and the EWG to cooperate closely with the EWG Business Network.*⁴

In discussing the convening of an APEC Dialogue on Globalization and Share Prosperity at their meeting in Shanghai, Economic Leaders said: *... At the same time, APEC should reach out to business and other stakeholders to communicate APEC's objectives, activities and benefits to ensure that they participate in and benefit from the APEC process and globalization at large.*⁵

3.3 SELECTION OF CHAIR AND VICE CHAIR

At its Inaugural meeting in Oakland on 6-8 September 1999 EBN members decided that the EBN would have a chair and a vice chair to serve for a one year term. Further, after having served for a period as chair, the representative would not be eligible to serve again for a period of 10 years. The Vice Chair is to assume the position of Chair on completion of the one year term.

At EBN6, in selecting a new Chair and Vice Chair, EBN members agreed that it is important that the Chair and the Vice Chair should come from different geographical hubs within the APEC region. Subsequently, the Philippines was selected as Chair and Mexico as the Vice Chair.

During the discussions on the selection of Chair and Vice Chair it was suggested that there is no need for hosting to be tied to the Chairing role. EBN members also discussed the 10 year exclusion rule and its impact on the selection process for a Chair and Vice Chair. The Chair of the EBN noted that this issue could be resolved at a later meeting.

At EBN7 the issue of the 10 year exclusion rule and its impact on the selection process for a Chair and Vice Chair was discussed. Following discussion, EBN members decided that this rule should be amended and that an exclusion of three years would apply.

A copy of the EBN Terms of Reference is at [Attachment A](#).

Action Proposed for the Twenty-Third Meeting

- Members to consider the proposals arising from EBN7 and agree on appropriate action for each item.

⁴ The Thirteenth APEC Ministerial Meeting, Shanghai, People's Republic of China 17-18 October 2001, Joint Statement, Clause 64, p13. The document can be found on the APEC Secretariat Internet Website at the following address: <http://www.apecsec.org.sg>

⁵ Leaders' Declaration - China. APEC Economic Leaders' Declaration, Shanghai, China, 21 October 2001, Meeting New Challenges in the New Century, p4. The document can be found on the APEC Secretariat Internet Website at the following address: <http://www.apecsec.org.sg>