

Welcoming Speech:  
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## **KEEI-IEA Joint Conference**

Promoting a Sustainable Energy Future in Northeast Asia:  
*Facilitation of Energy Cooperation and its Impact on World Energy Security*

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Distinguished participants, *Dr. Soon-hoon Bae*, Chairman of the Presidential Committee on Northeast Asian Business Hub, *Mr. Chil-Doo Kim*, Vice Minister of the Ministry of Commerce, Industry and Energy, *Ambassador William Ramsay*, Deputy Executive Director of the IEA, *Dr. Ria Kemper*, Secretary General of Energy Charter Secretariat, ladies and gentlemen.

It is my great privilege to greet you all for the Conference on Energy Security and Regional Cooperation in Northeast Asia. First of all, I would like to express my deep gratitude to the Ministry of Commerce, Industry and Energy, Korea National Oil Corporation, Maeil Business Newspaper, and UN/ESCAP for their thoughtful supports in preparation of this Conference. Thanks to continuous efforts of these institutions for promoting regional energy cooperation and achieving world energy security, we are now here at this wonderful venue.

Today, this Conference, I hope, will be another big step toward energy cooperation between the Northeast Asia countries. Over the last several years, regional cooperation in energy sector between Northeast Asian

countries has been one of the hottest issues, due to the expected potential benefits of regional energy cooperation. In retrospect, however, the countries in the region have experienced many difficulties in laying down the basic foundation for energy cooperation. Some people point out that the main culprits of these deadlocks are the historical legacies and discrepancies in politics and economy system across Northeast Asian countries.

Even though we are now facing new evolution of necessity to narrow down these significant gaps between countries, we have a long way to go to reach the reconciliation of political and economical dissimilarities. Therefore, it's time to find out what is the most appropriate way to speed up the evolved momentum toward more productive and beneficial cooperation for all countries in Northeast Asia. Energy cooperation could truly be the main pivot to accelerate regional economic cooperation, since the momentum of the mutual benefits from energy cooperation can be expected to promote regional economic cooperation.

There is no doubt that the security of energy supply is one of the most important factors in sustainable economic growth. That is, a country that secures stable and efficient energy supplying sources will be leading actors in the prosperous 21<sup>st</sup> century. Northeast Asia is a region of heavy energy consumption. Currently, its energy consumption accounts for almost one fifth of the world consumption. Furthermore, as the energy needs will continue to rise rapidly, securing reliable energy sources in this region will be a core factor of economic growth in the next decade.

Northeast Asia is heavily dependent on oil suppliers in the Middle East, even though there are abundant energy resources that exist within the region. In particular, for the major energy importing countries such as Japan, China and Korea, the dependency on imported oil, especially from the Middle East is extremely high. Based on security concerns, Northeast Asia is motivated to diversify its energy supply, and the diversification dictates shifting from oil to other energy resources such as natural gas, and moving from the Middle East to other energy suppliers for energy imports.

In this respect, the energy reserves in the far eastern region of Russia are very instrumental to the prosperity of Northeast Asia. Development of these abundant natural gas, oil, and electricity resources would also be much conducive to the economic growth of Russia. As you are aware, various energy projects have been advanced by many investors and researchers on natural gas pipelines, electric power links, and other types of cross-border energy trade. Owing to these growing interests in cross-border energy trade, more active involvement of the governments is expected.

Successful energy cooperation in Northeast Asia is expected to provide new opportunities, leading to the dependable and cost-effective energy supply sources. And we also believe that the stable and efficient energy supply will raise the competitiveness of each country, and productively contribute to the prosperity of all Northeast Asian countries.

However, up to now, since there is no well-coordinated cooperative mechanism for energy supply across Northeast Asian countries, an individual country is extremely vulnerable to any single energy crisis. As a

matter of fact, the countries in crisis have to depend on their own limited and myopic solutions. Furthermore, transportation through the marine route is the main transit method of energy resources for Northeast Asian countries. Such energy transit has an unpredictable instability of energy supply and has a potential danger of disastrous environmental pollution.

This Conference is a wonderful venue to meet policy makers, regulators, energy industry executives and experts from Northeast Asian countries, the IEA and UN/ESCAP. In here we are expected to discuss the regional challenges and outlook for energy security in Northeast Asia. And also we are going to assess the current market situation and major barriers to cross-border energy projects for each energy resources. Presumably, we would like to draw some conclusions on the role of the governments to enhance the energy security of Northeast Asia.

I hope this Conference will be a great chance to lay down a cooperative framework, under which all concerned countries can not only build up creative ideas for energy cooperation, but also provide new perspectives on energy cooperation in Northeast Asia. And also, I wish this event will be a great opportunity not just for energy cooperation for Northeast Asian countries, but also for economic integration of these countries.

I want to thank the staffs of the KEEI and IEA for their hard works in organizing this meaningful meeting. Finally I would like to offer my best wishes for a highly successful and productive conference.

Thank you very much for your attention.