

**Opportunities for Economic Cooperation and Energy
Resource Cooperation: Korea and CIS**

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I. Cooperation Opportunities

Korea's Direct Investment to Central Asia

	Investment Project	Investment Amount (1,000 \$)
Kazakhstan	96	426,604
Uzbekistan	93	424,777
Tajikistan	3	58,100
Kyrgyzstan	15	10,252
Azerbaijan	1	5
Turkmenistan	0	0
Total	208	919,738

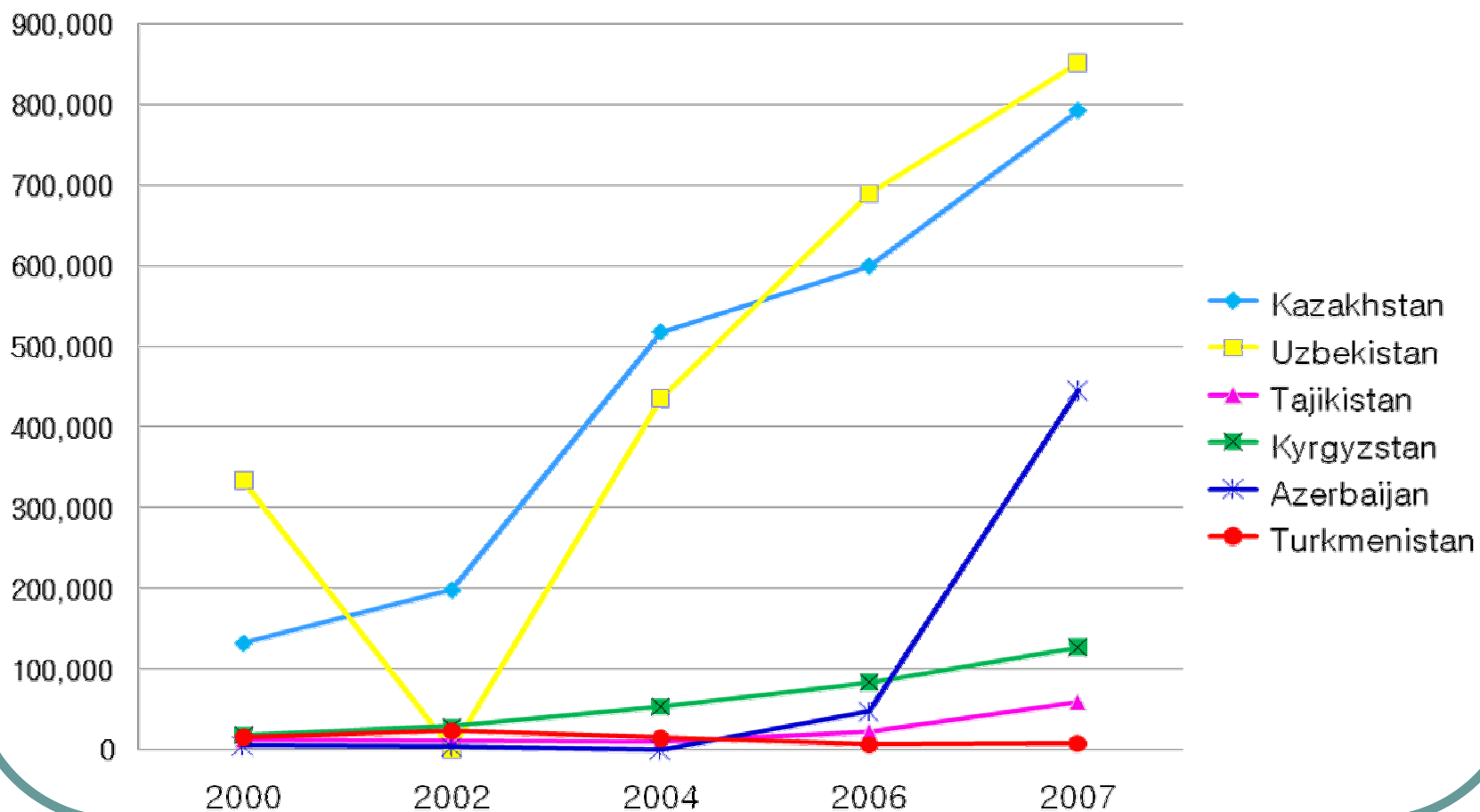
I. Cooperation Opportunities

Trade between Korea and Central Asia

	2000	2002	2004	2006	2007
Kazakhstan	131,766	197,780	517,979	599,697	792,745
Uzbekistan	334,402	285,791,	435,993	689,389	852,192
Tajikistan	12,354	11,395	9,691	22,426	58,804
Kyrgyzstan	17,304	28,041	53,185	83,265	126,983
Azerbaijan	4,963	3,875	19.776	47,370	445,955
Turkmenistan	15,370	23,119	14,293	6,759	7,580

I. Cooperation Opportunities

Trends of Trade Volume with Central Asia



I. Cooperation Opportunities

Economic Forecast of Central Asian Countries

	GDP growth rate (2005–2015)	GDP per capita (2015)	Poverty rate
Azerbaijan	11.2	2,829	26.6
Kazakhstan	7.5	5,248	16.3
Turkmenistan	5.8	1,959	18.1
Kyrgyzstan	5.8	593	32.9
Tajikistan	6.1	375	31.3
Uzbekistan	5.2	591	17.8
Average	7.2	1,933	23.8

I. Cooperation Opportunities

Forecast of Central Asian Market to 2015

	Population (million)	GDP (\$ billion)	Export (\$ billion)	Import (\$ billion)
Kazakhstan	15.3	177.8	81.2	50.2
Uzbekistan	31.0	24.8	11.9	10.7
Tajikistan	7.9	5.0	2.0	2.2
Kyrgyzstan	5.8	3.6	0.9	1.3
Turkmenistan	5.9	73.5	20.0	17.3
Azerbaijan	9.1	65.5	26.1	21.7

I. Cooperation Opportunities

Forecast of Central Asian Economic Growth to 2015

	real GDP Growth Rate			Export Growth rate	Import Growth Rate
	2006–2010	2011–2015	2006–2015		
Kazakhstan	8.7	7.0	7.9	14.0	11.0
Uzbekistan	4.5	4.2	4.3	8.2	10.0
Tajikistan	3.8	3.4	3.6	2.2	2.5
Kyrgyzstan	5.5	4.5	5.0	5.8	5.4
Turkmenistan	12.4	8.2	10.0	15.0	17.0
Azerbaijan	12.3	6.5	9.5	16.0	17.0

II. Energy Cooperation for Economic Development

- Tremendous increase energy resource demand in Northeast Asia especially in China
- Increasing regional energy security problem
- Improving role of Russia and Central Asia as a supplier
- as a buyer Korea, Japan and China cooperate and compete

Total Energy Consumption(%)

	Oil	Gas	Nuclear	Coal
Korea	60	8	13	19
Japan	52	13	15	15
China	28	3	4	62

Source: U.S. E.I.A.

II. Energy Cooperation for Economic Development

- Russia needs;
 - economic development in Far East and East Siberia
 - Infrastructure for energy resource in East Siberia and Far East
 - oil & gas in East Siberia and Far East substitute to in western Siberia
 - energy resource's market diversification
 - energy trade with Asia Pacific Countries including Northeast Asian Countries

II. Energy Cooperation for Economic Development

CIS needs:

- Socio-economic development
education, medicare, SOC(road, telecommunication etc.)
- Macroeconomic stability
Inflation, recovery industrial product, etc.
- Sustainable developments
manufacturing, infrastructure for economic growth etc.
- Reducing energy industry dependency & foreign direct investment
- Economic growth model
Brazil model, Dubai model, Northeast Asia Model (Korea)

II. Energy Cooperation for Economic Development

Korea needs;

- Strengthen energy security
- Diversification Energy supply
- creating energy trade infrastructure
asset swap, common using infrastructure(port, storage, etc.)
- framework of Northeast Asia Energy Cooperation Institution or
Trans Asia Energy System.
- Participate economic developments process
(Russian Far East and East Siberia, Central Asia Countries)

II. Energy Cooperation for Economic Development

- Korea Energy Trade With CIS

- Crude Oil: US \$ 55.9 billion (888.4 million bbls)

- Russia 1.6%, Central Asia 0.5 %)

- LNG : US \$ 11.9 billion (24.3 million tons)

- LNG 1.5 million tons from Russia (2009)

- Coal : US \$ 5.3 billion (76.0 million tons)

- Russia 11%

II. Energy Cooperation for Economic Development

- Strengthen and Promote Energy Cooperation between Korea and CIS
- Oil and Gas field E & P cooperation
- Other resources cooperation (Coal, Nuclear)
- Economic Cooperation (Trade & Investment)
Share development experience
(technology, industry, IT, petrochemical, transportation, shipbuilding, etc.)
- Cultural Exchange

III. Cooperation Strategy for Future Mutual Development

- No Markets for cross-border energy trades
 - Rising Number of Oil Importers in Asia
- ⇒ Creating Institutional Energy Cooperation Mechanism in Long run such as Trans Asia Energy System or Northeast Energy Common Market

Asia's Rising Number of Oil Importers

	Share total Asian oil Importers(%)		
	1992	2000	2010
Korea	21.0	21.3	23.3
Japan	77.4	53.2	36.5
China	–	10.9	19.4
Taiwan & Hong Kong	10.0	9.7	9.0
ASEAN	–	5.9	16.9

III. Cooperation Strategy for Future Mutual Development

- Korean companies hope contribute to economic and energy cooperation in Russia and CIS
(Hyundai, LG, Samsung, Lotte, National Energy Companies etc.)
- ⇒ Establishment Dialogue in Political, Business, Research Level
- Simultaneously implementation of cooperation project in Short run

III. Cooperation Strategy for Future Mutual Development

- “win–win strategy,” “package deal,” “needs exchange,”
- share common eurasian value such as Democracy, Peace etc.
- “inter–regional cooperation,” “intra–regional cooperation”
- business friendly cooperation and cooperation implementation
- cultural and human capital exchange
- overall partnership for economic and energy cooperation

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Thank you for your Attention!

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