

FIFTH MEETING OF APEC ENERGY MINISTERS

FOSTERING REGIONAL ENERGY COOPERATION: SETTING A LONG TERM VISION AND IMPLEMENTING SHORT TERM ACTIONS

Mexico City, México, 23 July 2002

We, APEC Energy Ministers, met for the fifth time in Mexico City on 23rd July 2002 to discuss energy issues in the region, the progress made by our economies in implementing actions to achieve APEC goals and to chart the course for future activities of the APEC Energy Working Group.

1. We acknowledge the essential contribution of energy to maintaining the Asia Pacific region's economic growth and social development, and are committed to continue to strengthen simultaneously the APEC goals of economic growth, energy security and environmental protection. We note that, as outlined in *Energy Outlook 2002*, APEC's rapidly increasing energy demand will exceed that of any other region. Growth in the APEC region's energy supply infrastructure will therefore need to keep pace with demand if the region's development goals are to be met. A key challenge is to ensure that this growth takes place in a manner consistent with our environmental and social objectives.
2. It is estimated that substantial new investments will be required over the coming years to meet the APEC region's future energy needs. We reaffirm our commitment to energy market reform and greater transparency to attract the significant private investment needed for regional energy development, production and infrastructure. We remain committed to the environmentally responsible development and clean use of energy and to our belief that quality of life benefits flow from the availability of cleaner, more affordable energy.
3. We note the economic, environmental, and energy security benefits of the diversification of energy supplies. Continued research, development and deployment of a broad range of energy technology options will also help meet longer-term energy security objectives while addressing environmental impacts of energy use and production. Furthermore, intra-regional infrastructure development and increased energy efficiency will also help ensure that energy does not become a bottleneck to the APEC region's future economic development and social progress.

4. Recognizing that our implementation commitment and strategy established at our last meeting in San Diego, California, United States, 12th May 2000, covers a wide scope of initiatives, we commend the efforts and achievements of the Energy Working Group in implementing our decisions and in responding to calls by APEC Ministers and Economic Leaders. We welcome the opportunity to reaffirm the principles our initiatives embody and our direction that the focus should be on implementation of our initiatives for the achievement of practical results.

5. We continue to fully support the Energy Working Group's broad based work program, which covers activities aimed at, among other things, diversifying our energy mixes, improving energy efficiency, enhancing research, development and deployment of renewable energy such as photovoltaic, wind power etc, deploying new and renewable energy technologies, promoting clean energy, facilitating energy business and trade, improving data collection and information sharing, encouraging private investment through policy and regulatory reform, and sharing best practices related to energy emergency planning.

6. We endorse the recommendations under the Energy Security Initiative as agreed by the Energy Working Group at its 23rd meeting, taking consideration that APEC's fundamental principles of cooperation, voluntary participation and mutual respect must be recognised under the widely differing circumstances of our economies. APEC Economic Leaders welcomed the Energy Security Initiative in their declaration of November 16th 2000, and, accelerated by the events in the United States on September 11th 2001, the subsequent Leaders Statement on Counter-terrorism released on October 21st identified this APEC initiative as a key measure for enhancing counter-terrorism.

7. We commend the Energy Working Group for its solid contribution to energy security through its broad based program covering both short term and longer term options that can be drawn upon by economies. We also welcome the opportunity to share experiences and best practices with respect to emergency preparedness plans to deal with short-term supply disruptions.

8. We direct the Energy Working Group to promote the implementation of the Energy Security Initiative. In the short term, undertake work on improving monthly oil data, where available; real time emergency information sharing; the option of oil stocks among interested members; considering a feasibility study on possible joint stocks among interested members; and organising dialogues on sea lane security issues. In the longer term, look into energy exploration and development; alternative fuels; high efficiency vehicles; and more energy-efficient modes of public transport.

9. We note the Energy Business Network concern that sustainability needs practical responses that encompass burning fuels more cleanly, capture and geological sequestration of carbon dioxide, the use of new and renewable energy technologies, and improving energy efficiency. To assist sustainable development, the member economies agree to work together to pursue collaborative research programs. We also welcome progress under the 21st Century Renewable Energy Development Initiative, which includes a strong private sector involvement and applications in rural and remote regions.

10. We acknowledge the importance of sharing information on energy standards, and the desirability of reducing barriers to trade in energy- efficient appliances and products to enhance energy efficiency. We therefore endorse the Energy Standards and Labelling Co-operation Initiative as a timely and effective policy instrument. We also welcome the Pledges of fifteen economies under the Pledge and Review process for achieving energy efficiency gains. We further encourage all economies to consider a Pledge.

11. We also recognise the importance of strengthening efforts on energy education, as proposed by one of the economies, and request that the Energy Working Group review this initiative.

12. We welcome the initiative of the Energy Working Group to showcase its contribution to energy for sustainable development through the report *Energy for Sustainable Development: The Contribution and Role of the APEC Energy Working Group*. We believe that the forthcoming World Summit on Sustainable Development would be an opportunity for APEC to demonstrate to a wider global audience how voluntary regional partnerships can be utilised to achieve sustainable development objectives. We therefore direct the Energy Working Group through Australia and Mexico to forward this report to the World Summit on Sustainable Development for their consideration.

13. We believe that cross-border inter-connections of energy systems have the potential to bring great economic and technical benefits to our energy systems and to provide significant energy trade opportunities. We therefore direct the Energy Working Group to expand its preliminary work on addressing barriers to cross-border connection of power grids to cover gas pipeline networks and to work closely with the Energy Business Network in this regard.

14. We believe that energy emergency planning is important, including for disasters caused by natural factors, and that economies should be encouraged to share related information. We therefore welcome the progress made on the Earthquake Response Cooperation Initiative that has resulted in information and experience sharing in this kind of emergencies for energy supply systems.

15. We re-affirm our commitment to working closely with the business sector and note their recommendations for enhancing the functioning of the energy market. In particular we note the challenges of facilitating investment for energy infrastructure development in all member economies and the importance of clear, transparent and predictable laws and regulations to attracting foreign and private sources of capital, technology and expertise to facilitate both modernisation and diversification of energy sources in the region. We are pleased to note that there have been four Implementation Facilitation Assistance Team visits directed at reform of the energy market within Thailand (twice), Peru and the Philippines, which the hosts have deemed very helpful. We note that Implementation Facilitation Assistance Teams can provide experience and advice on options and approaches to address any issues within the energy sector and encourage the use of these teams.

16. We direct the Energy Working Group to explore mechanisms for working more closely with financial institutions to facilitate the infrastructure development within the region.

17. We continue to be committed to the implementation of the Framework for the Integration of Women in APEC, which is a significant step to enhance the ability of women to contribute to and benefit from prosperity of the region.

18. We acknowledge the efforts of the Expert Groups and APERC in continuing to support the activities of the Energy Working Group.

19. We appreciate the considerable dedication of time, resources and effort by Australia to providing a Secretariat for the Energy Working Group and hope that Australia can continue to provide this outstanding support.

20. We thank the Government of Mexico for hosting this meeting, in particular the Mexican Department of Energy for its leadership in coordinating the issues discussed at this Fifth APEC Energy Ministerial Meeting.

21. We welcome the opportunity to meet and discuss recent developments in the energy sector and the opportunity afforded by this meeting to give direction to the future of the work of the Energy Working Group. Making the best use of energy will remain a priority for all APEC economies. We are aware that using our resources in a responsible manner and ensuring the availability of energy services in our respective economies will be a contribution to the fulfilment of our longer term vision. We are committed to meeting APEC's rapidly increasing demand for secure, reliable and affordable energy in an environmentally responsible way and direct the Energy Working Group to chart the progress in the implementation of the initiatives mentioned above and to report back at the next Ministerial meeting.
