

The 111th GSDM Platform Seminar  
Session 7: Energy Trading and Cooperation in NEA

# Energy Cooperation in NEA

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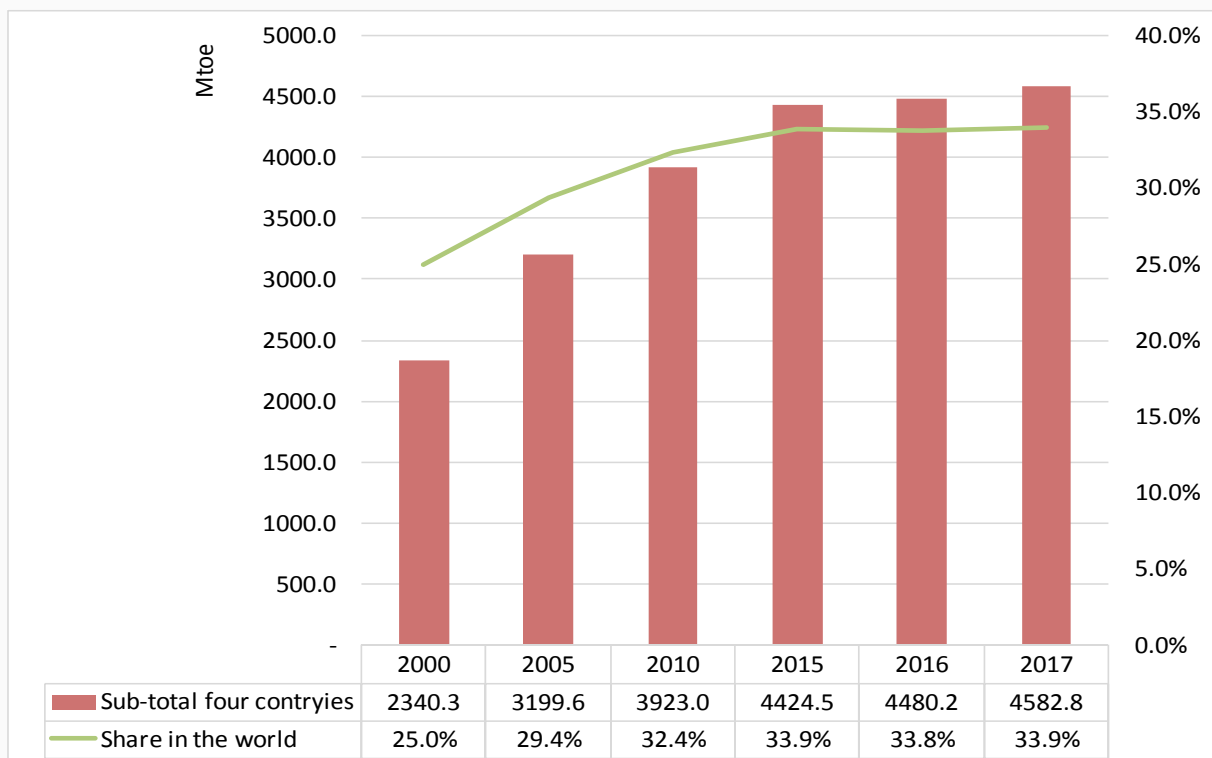
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## 1. Energy consumption in NEA and its shares in the world



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## Energy production in NEA

		2000	2005	2010	2015	2017	Rank in 2017
Crude oil, Mt	Russia	326.7	474.8	512.5	541.9	554.4	3
	China	162.6	181.4	203	214.6	191.5	7
	Sub-total two countries	489.3	656.2	715.5	756.4	745.9	
	World	3616.2	3936.1	3981.4	4355.2	4387.1	
	Share	13.5%	16.7%	18.0%	17.4%	17.0%	
Natural Gas, Gm <sup>3</sup>	Russia	537.1	589.5	598.4	584.4	635.6	2
	China	27.4	49.7	96.5	135.7	149.2	6
	Sub-total two countries	564.5	639.2	694.9	720.1	784.8	
	World	2405.5	2764.9	3169.3	3519.4	3680.4	
	Share	23.5%	23.1%	21.9%	20.5%	21.3%	
Coal, Mt	China	1384.2	2365.1	3428.4	3746.5	3523.2	1
	Russia	262.1	300	322.9	372.6	411.2	6
	Mongolia	5.2	7.5	25.2	24.2	49.5	14
	South Korea	4.2	2.8	2.1	1.8	1.5	33
	Japan	3.1	1.1	0.9	1.2	1.4	34
	Sub-total five countries	1658.7	2676.6	3779.5	4146.3	3986.7	
	World	4725.6	6103.2	7479.1	7954.2	7727.3	
	Share	35.1%	43.9%	50.5%	52.1%	51.6%	



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## Energy trade in NEA

- Russia is the world's largest exporter of natural gas and large oil exporter, but also non-OPEC countries have a certain voice in the world's oil prices; China, Japan and ROK are the world's largest oil and gas importers.
- The growth rate of coal export from Mongolia and Russia has increased rapidly; China, Japan and ROK are main coal importers in the world.



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## 2. The energy development trend in the world

- Global energy demand will continue to grow at a certain rate
- Clean fossil energy and renewable energy will maintain a relatively high growth rate
- The competitiveness of energy supply will further intensify
  - ✓ The competition of oil and gas export share, such as the United States is changing from the big oil and gas importing country to both importing and exporting country, and will be transferred to the big exporting country.
  - ✓ The competition between non-traditional oil and gas (such as shale oil, shale gas, oil sands, etc.) and traditional oil and gas resources.
  - ✓ The competition between renewable electricity, nuclear power, non-fossil energy, electricity and fossil energy power.



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## 3. The significance and role of energy cooperation in NEA

- Increasing trust and interpretation. Energy : political
- Promoting coordinated economic development. Energy : economy
- Ensuring common energy security. Balance, prices (level, and Asian Premium), transportation routs (the Indian Ocean-Malacca Strait)



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## 4. The challenges for energy cooperation in NEA

- Lack of political trust among countries in NEA
- Lack of effective energy cooperation mechanism in NEA
- Insufficient of project preliminary study on regional energy cooperation in NEA
  - ✓ The study on region energy market: energy demand and supply potential.
  - ✓ Feasibility study of project: technology and cost, such as for the project of NEA supper grid, Natural gas and oil pipeline in NEA, in particular the situation on the Korean Peninsula has eased.
  - ✓ The study of project environmental effect: such as for Natural gas and oil pipeline in NEA.
  - ✓ Which organization will lead or push the projects progress?



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## 5. Goals of and key areas of energy cooperation in NEA

### 1. Goals

- ✓ The short-term goal : to liberalize and facilitate trade and investment in the energy sector, and eventually build a unified energy market .
- ✓ The long-term goal : to reach a stable and effective multilateral treaty and corresponding institutions. To promotes the formulation of “the Charter of the NEA Energy Community” .

### 2. key areas

- ✓ Establishment of energy **cooperation mechanism** in NEA
- ✓ Establishment of **common energy market** in NEA
- ✓ Joint **development of energy resources**
- ✓ **Interconnection** of energy infrastructure in NEA
- ✓ Jointly carry out **energy-saving and environmental protection** technology and industry development
- ✓ Jointly promote the reform of the global energy and environmental **governance system**



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**Thank you for your kind attention!**



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