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HEADLINE: High oil prices spurring Asia to seek alternative energy sources: officials

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BODY:

High global oil prices are spurring Asian governments into accelerating their search for alternative power sources and encouraging energy conservation, regional officials said here Thursday.

Governments are increasingly diversifying their "fuel mix" to cut dependence on imported oil by developing other power sources such as natural gas, geo-thermal, hydro, liquefied natural gas and renewable fuels, they said.

Speaking at the annual Asia Power Conference here, the Southeast Asian energy officials said the region's oil-importing countries were helpless to influence soaring global prices and must learn to live with the situation.

World crude prices shot to a four-month high above 53 dollars a barrel in New York on Wednesday amid persistent market concerns over growing global demand, especially from fast-growing Asian economic giants China and India.

"The key challenge for us is to get used to an era of high energy prices and get our systems right, get our generators as efficient as possible and get our home users and consumers to pursue energy conservation," Singapore Senior Minister of State for Trade and Industry Vivian Balakrishnan said.

Balakrishnan said there was also a "silver lining" in high oil prices because it was spurring investment to find cheaper and more efficient fuel alternatives.

The executive director of the Association of Southeast Asian Nations (ASEAN) Centre for Energy based in Jakarta, Weerawat Chantanakome, said the region needed 370-485 billion US dollars in investment between 2000 and 2020 to develop these various power sources.

Philippine Energy Secretary Vincent Perez said diversification of the power mix was the

key to attaining energy security.

He said diversification had gained momentum in the Philippines, where the proportion of oil in the nation's power generation mix had fallen to 13 percent from 50 percent about 10 years ago, with natural gas accounting for a bigger share.

The power of the country's volcanoes was being harnessed through the development of geothermal plants, he said. Wind and solar power in certain parts of the country were also being developed.

Perez said coal could present a further alternative to oil, especially in Asia where the resource is abundant, but stressed it should only be used with the right technology to prevent environmental pollution.

Balakrishnan said Singapore's move to study the feasibility of building its first liquefied natural gas (LNG) facility was part of a long-term plan for alternatives.

Balakrishnan proposed that ASEAN should take stock of the region's capacity in terms of coal, geo-thermal, hydro and other renewable energy sources, which, if combined, could make it an energy exporter.

Perez said Manila planned to impose higher import tariffs on vehicles with bigger engines and was promoting the country as a manufacturing base for cars that run on bio-fuel or on both gasoline and electricity.

The comments from Southeast Asian officials follow China passing on Monday its first ever renewable energy law, which requires power grid operators to purchase resources from registered renewable energy producers.

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