



ASIAN ENERGY SECURITY NETWORK DAILY REPORT, Wednesday, April 6, 2005

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1. Nautilus Institute Releases DPRK Dataset

The Nautilus Institute (David Von Hippel, DPRK DATASETS: DEMAND, TRANSFORMATION, FUEL, RESOURCES, RESULTS, February 2005) released supply- and demand-side dataset reflecting the data used in a LEAP (Long-range Energy Alternatives Planning) model of the DPRK energy sector. The DPRK model was prepared as input to the Asian Energy Security Project. Data for current accounts (or the "base year") and for different energy paths/scenarios for years through 2030 are included. The DPRK dataset is being used in conjunction with datasets from the ROK, Japan, the

Russian Far East, Mongolia, and the PRC to form a regional dataset to examine options for and energy security costs and benefits of regional energy cooperation.

<http://www.nautilus.org/archives/energy/eaef/EAEFdatasets/index.html#dprk>

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2. Oil Security Policy

Fondazione Eni Enrico Mattei (V. Costantini, F. Gracceva, "OIL SECURITY: SHORT AND LONG TERM POLICIES," September 2004) released this paper for the Nota Di Lavoro Series in connection with the Insuring against Disruption of Energy Supply (INDES) Project. On the short term side, the authors discuss the revision of the IEA emergency response oil stock system and focus on issues including the extension of IEA emergency system to non-OECD countries and high costs of stock management for private industries. On the long-term side, oil supply security is discussed in terms of demand and supply side measures. The liberalization of international trade and the increasing demand for oil in developing countries are pointed to as factors that affect policy.

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3. DPRK Energy Industry

Korean Energy Economics Institute (KEEI) (E.S. Yang, "A RESEARCH ON FINANCIAL INVESTMENT SOURCES FOR RECONSTRUCTING AND DEVELOPING ENERGY INDUSTRY OF DPRK," December 31, 2004) released this report in response to the DPRK energy crisis. The goal of the study is to provide a clear picture of the most urgent tasks for the DPRK in order to refurbish its troubled energy infrastructure and facilities, and to scrutinize the financial resources that the DPRK might utilize to rebuild its energy infrastructure. According to the author, the DPRK needs to reconstruct its energy infrastructure, and requires massive investment in the energy industry along with technology transfer in order to escape from its energy crisis. The sources of financing considered in the paper for rebuilding energy infrastructure in the DPRK include domestic funds of the ROK (Republic of Korea), project finance, the DPRK's claims-compensation funds from Japan, ODA (Official Development Assistance), and development financing from international financial organizations such as the IMF (International Monetary Fund), World Bank and ADB (Asian Development Bank). Read the abstract (in English) and find the paper (in Korean) here.

http://www.keei.re.kr/web_keei/en_publish.nsf/frame.htm?ReadForm&url=/web_keei/en_publish.nsf/mainV/50BED65951F35E0649256F890015E1CA?OpenDocument

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4. ROK Energy Policy

Korean Ministry of Commerce, Industry, and Energy, Energy and Resources Policy Division

("ENERGY POLICIES OF KOREA," 2004) released this report detailing the status of the ROK's energy policy and domestic energy consumption and the direction and major tasks of ROK energy policy. Major policy tasks suggested in the report include response to the United Nations Framework Convention on Climate Change, promoting market functions of the energy industry, development and dissemination of new and renewable energy technologies, and contribution to a collaborative framework on energy cooperation in Northeast Asia.

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5. PRC Energy Efficiency

Dr. Mark Levine, Director of Energy Efficiency and Renewable Energy Programs, Lawrence Berkeley National Laboratory (Mark D. Levine, "CHINA'S ENERGY EFFICIENCY POLICY AT A CROSSROADS: WHAT IS TO BE DONE?", March 2005) released this presentation originally prepared for a conference in Beijing. In his presentation, Levine points to the inadequacy of investment in energy efficiency as a dimension of PRC's energy policy crisis. To produce the needed investment, Levine points to policy options including building and fuel economy standards, providing government support for utility demand-side management programs and similar programs, and investment incentives for energy-efficiency technologies.

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6. Japanese Energy Security

Japan Focus (Oil and Gas Journal Editors, "JAPANESE ENERGY PROFILE: THE SEARCH FOR SECURITY," February, 2005) released this article as it appeared in the Oil and Gas Journal on February 1, 2005. The article identifies several fronts that the Japanese government is working on to enhance energy security and to reduce the country's reliance on oil from the Middle East. According to analyst Hosoe Tomoko in a January report by Fesharaki Associates Consulting & Technical Services Inc., "that dependency is unlikely to change anytime soon."

Read the article here.

https://nautilus.org/wp-content/uploads/2015/06/Japan_Focus_nrg_security.pdf

Read the Tomoko report in Middle East Economic Survey here.

https://nautilus.org/wp-content/uploads/2015/06/MEES_Tomoko_FACTS.pdf

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7. Japan-PRC Exploration Conflict

Agence France Presse ("JAPAN THREATENS TO FORGE AHEAD IN ENERGY ROW WITH CHINA," April 1, 2005) reported that Japan threatened to grant oil and gas exploration rights to Japanese companies in a disputed area in the East China Sea unless PRC halts its mining project there. The

move could escalate an energy dispute between the two Asian powers, which have not agreed on where to draw the boundaries of each other's exclusive economic zones in shared seas. Shoichi Nakagawa, the minister of economy, trade and industry, said an official Japanese geophysical survey had confirmed the Chinese project extended into what Japan claims as its side of the underground areas.

Read the article here.

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8. PRC Boost in Refining Capacity

Agence France Presse ('CHINA TO BOOST REFINING CAPACITY BY A THIRD TO HANDLE BOOMING ENERGY DEMAND,' March 29, 2005) reported that the PRC, whose booming economy is expected to see record demand for oil this year, plans to expand its refining capacity by more than a third within the next five years, according to state media. By 2010, the country aims to add 100 million tonnes per year to its refining capacity, on top of its current capacity of nearly 300 million tones/yr, the Xinhua news agency said, citing the China Petroleum and Chemical Industry Association. "Fast-growing domestic demand for finished oil products has given full play to the surplus refining capacity that had lain idle for a dozen years," said Tan Zhuzhou, president of the association.

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9. Nuclear Support at IAEA Conference

Europe Environment ("NUCLEAR POWER: WIDE SUPPORT FOR ATOMIC ENERGY AT IEAE CONFERENCE IN PARIS," April 1, 2005) reported that the international ministerial conference on "Nuclear Power for the 21st Century", held in Paris on March 21 and 22, provided an opportunity for the nuclear industry and pro-nuclear governments to reaffirm their support for this carbon-free energy source. According to the conference organizers, the International Atomic Energy Agency (IAEA), an overwhelming majority of participants affirmed that nuclear power can make a major contribution to meeting energy needs and sustaining the world's development in the 21st century, for a large number of both developed and developing countries. Greenpeace International has meanwhile insisted that nuclear power "will never be the miracle solution to the greenhouse effect", not least as it only generates electricity and therefore only covers certain energy needs.

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10. RFE/Sakhalin-PRC Natural Gas Agreement

Rosneft ("PARTICIPANTS OF THE SAKHALIN-1 PROJECT INTEND TO DELIVER NATURAL GAS TO CHINA," February 3, 2005) reported that the Participants in the [Sakhalin-1](#) project were going to sign an agreement for delivery to the PRC of up to 10 billion cubic meters of natural gas per year, Rosneft President Sergey Bogdantchikov announced at a press conference in Juzhno-Sakhalinsk on February 3. According to Bogdantchikov, the reason for making the decision to deliver of Sakhalin-1 gas to the PRC was the inability of Japanese companies to confirm their intention to buy the gas. "The project follows the schedule. The two-year marketing experience of the Sakhalin-1 project shareholders Consortium's has shown that Japanese companies cannot yet confirm their ability to purchase the natural gas before 2013. In this respect the Consortium has to shift to another market, PRC", the Rosneft President said, and noted especially that at the present moment "a possibility of constructing a pipeline to PRC through the Khabarovsk Territory is being examined".

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11. ROK-Russian Development Agreement

Rosneft ("ROSNEFT AND KNOC INITIATE COOPERATED ACTIVITY AT WESTERN KAMCHATKS SHELF," February 22, 2005) reported that OJSC Rosneft Oil Company and the Korea National Oil Corporation (KNOC) on February 22, 2005 in Moscow reached an Interim Finance Agreement (IFA), which envisaged KNOC participation in the Western Kamchatka Shelf perspective region. Rosneft possesses the license for exploring the area for hydrocarbons. According to the ROK party representatives, there are two reasons for KNOC to place special emphasize on its participation in the Western Kamchatka Shelf development. The first thing is that the area is geographically close to the Korean peninsula, the second is its huge industrial potential. Rosneft and KNOC believe that the Russian Kamchatka shelf hydrocarbon reserves development will prove a significant contribution to the process of stabilizing deliveries of oil to the Asian Pacific Region markets and providing a stable energy balance in the region.

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12. PRC and Asia's Security

The Economist ("CHINA AND THE KEY TO ASIAN PEACE- ASIA'S SECURITY," March 26, 2005) released this article that asks the question, "Will China lead the Pacific century?" According to the article, how the PRC chooses to handle its growing influence will determine whether East Asia remains stable enough to continue to prosper, or stumbles back into rivalry and conflict. The article examines problems hidden in the PRC's great economic growth and examines the PRC's potential to lead the region, taking into consideration conflicts such as Taiwan, a nuclear DPRK, and energy disputes.

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