

# ASIAN ENERGY SECURITY NETWORK DAILY REPORT, Wednesday, September 28th, 2005

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## **1. DPRK Light Water Reactors**

The Nautilus Institute (The East Asia Science and Security Collaborative (EASSC), "LIGHT WATER REACTORS AT THE SIX PARTY TALKS: THE BARRIER THAT MAKES THE WATER FLOW"

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September 21, 2005) released this report responding to the Joint Statement and its discussion: "The DPRK took less than twenty-four hours to dispel any illusions that the Joint Statement Released at Six-Party Talks on September 19th, 2005 had resolved the nuclear confrontation between the international community and North Korea (hereafter DPRK). The media and American analysts in particular have suggested that North Korea's declarations after the Joint Statement were made in bad faith. We suggest otherwise that North Korea was simply following the formula suggested by the United States to clarify the issues that remain to be resolved. We also believe that there is a way past the LWR obstacle that may be acceptable to all parties. In essence, substituting Russian VVER LWR technology for American-sourced LWR technology may be the solution."

<https://nautilus.org/napsnet/napsnet-policy-forum/light-water-reactors-at-the-six-party-talks-the-barrier-that-makes-the-water-flow/>

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## **2. Japan Nuclear Power**

The Nautilus Institute (T. Suzuki, "JAPAN'S NUCLEAR POWER PROGRAM: TRENDS AND ISSUES," May 12-17, 2005) released this report from the Institute's Asian Energy Security Workshop 2005 in Beijing, China, hosted by the Energy and Environmental Technology Center (EETC) at Tsinghua University in Beijing. In this presentation, Suzuki, a senior research scientist at the Central Research Institute of Electric Power Company (CRIEPI) at the University of Tokyo, provides an overview of Japan's nuclear power programs, policies, and issues. Suzuki concludes that the "back-end of [the] fuel cycle will be a key factor in determining future viability of nuclear power in Japan," in terms of nuclear power's competitiveness and the politics of spent fuel and waste management.

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## **3. DPRK Energy**

Nautilus Institute Senior Associate, David Von Hippel (D. Von Hippel, "DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA: NATIONAL AND REGIONAL ENERGY FUTURES," recommend, August, 2005, v2.3, pp 4-7) wrote this article for Stockholm Environment Institute's (SEI-B) newsletter for the Community for Energy, Environment and Development (COMMEND). Drawing from analysis using Long Range Energy Alternatives Planning (LEAP) software, Von Hippel outlines four energy pathway scenarios for DPRK. Energy security costs implications of the paths are discussed along with lessons for other countries.

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## **4. Energy Security**

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The International Energy Agency (IEA) (W. Ramsay, "ENERGY SECURITY: SOME ISSUES," May 31, 2005) released this presentation from the Energy Roundtable XVI held in Montreux Palace Hotel, on May 31, 2005. In his presentation, Ramsay looks at PRC as a key driving force in world oil demand growth in a world with declining spare oil production, surplus refining, and available power generation capacity. Ramsay points to energy policy challenges that include acquiring better energy data, better conditions for access to capital, and a better regulatory environment.

Download the reports at: [https://nautilus.org/wp-content/uploads/2015/06/IEA\\_Ramsay.pdf](https://nautilus.org/wp-content/uploads/2015/06/IEA_Ramsay.pdf)

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## **5. APEC Energy**

The Asia Pacific Energy Research Centre (APEREC) released presentations from the 30th Meeting of the APEC Energy Working Group (EWG) held in August, 2005 in Ulsan, Korea. "The EWG seeks to further APEC goals of facilitating energy trade and investment within APEC economies and ensuring that energy contributes to the enhancement of the APEC community. EWG meetings are held twice a year in conjunction with Expert Group Chairs meetings and EWG Business Network meetings." Presentations from the meeting include "ENERGY DEMAND AND SUPPLY OUTLOOK IN APEC NORTHEAST ASIA CASE" (Yonghun Jung, 22 August, 2005) and "APEC DOWNSTREAM OIL MARKET STUDY" (In collaboration with the Institute of Energy Economics, Japan, August, 2005).

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## **6. International Technical Cooperation**

The Cooperative Monitoring Center (CMC) at Sandia National Laboratories in Livermore, California "enables international technical cooperation on strategic issues such as nonproliferation, combating terrorism, nuclear and bio-security and environmental stability. The primary sponsor is the US Department of Energy's National Nuclear Security Administration." The Center's research includes diverse topics related to security and cooperation in the Asian countries and includes seminars and research papers devoted to Inter-Korean security.

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## **7. NEAsian Cooperation**

The Korea Times ("KOREA TO PROPOSE NORTHEAST ASIAN ENERGY COUNCIL," September 26, 2005) reported that ROK will begin an initiative to set up an energy council comprising six nations in Northeast Asia as part of joint moves to reduce dependence on imported oil and other energies. The Ministry of Commerce, Industry and Energy said on Sunday that in the incoming First Far Eastern International Economic Congress, Lee Won-gul, vice commerce minister, will propose that six

Northeastern Asian countries, including ROK, Japan and PRC, create a council for regional cooperation in energy issues. The other three candidates to join the council are DPRK, Russia and Mongolia.

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## **8. DPRK Agreements**

The Washington Post (G. Kessler, "NATIONS SEEK TO HOLD NORTH KOREA TO TEXT OF AGREEMENT," September 21, 2005) reported that the United States, Russia and other nations urged DPRK to abide by a six-nation deal to dismantle its nuclear programs after the government in Pyongyang issued a statement that cast doubt on the agreement it had signed with great fanfare in Beijing on Monday. DPRK, in a statement issued by an unnamed foreign ministry spokesman, said it would not begin to dismantle its nuclear programs until after it received a civilian nuclear reactor.

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BBC Monitoring ("SOUTH KOREA SETS OUT NORTH KOREA ENERGY AID PLAN," September 26, 2005) reported that Seoul has hammered out a possible blueprint for providing electricity aid to DPRK. The plan has yet to secure the consent of both Pyongyang and Washington, but government officials here remain hopeful, claiming that it is a feasible option. The tentative framework calls on the five member nations of the six-party nuclear talks to begin supplying DPRK with the elements necessary to operate its thermal plants once the North reinstates its obligations to the Nuclear Nonproliferation Treaty. At the same time, ROK is to launch construction work for relevant facilities to allow the transmission of electricity from the South to DPRK. The undertaking is expected to take about three years.

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Yonhap News Agency ("RUSSIA READY TO JOIN LWR PROJECT FOR N. KOREA: ENERGY OFFICIAL," September 23, 2005, Moscow) reported that the head of Russia's Federal Atomic Energy Agency (Rosatom) said Thursday Moscow was ready to join the project to build light-water reactors (LWRs) under an agreement reached Monday as part of a deal to end the North's nuclear weapons ambitions. Alexander Rumyantsev said in a news conference that, "We are ready to join the project for the construction of the nuclear plants (for North Korea) if all political problems are resolved."

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## **9. Japan-PRC relations**

Agence France Presse ("JAPAN SAYS CHINA HAS BEGUN PRODUCTION IN DISPUTED GAS FIELD," September 20, 2005, Tokyo) reported that Japan said that PRC has started production of gas or oil in a bitterly disputed energy field in the East China Sea where PRC warships were recently spotted. Japanese officials have spotted flames spouting out of a PRC drilling facility just on PRC's

side of what Japan says is a dividing line in the potentially lucrative fields. PRC does not recognize the line.

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## **10. Russia-PRC Pipeline**

Financial Times (R. McGregor, "GAZPROM IN TALKS OVER NEW CHINA PIPELINES ENERGY," September 22, 2005, Beijing) reported that Gazprom, Russia's gas giant, is negotiating with PRC's largest energy company to build two pipelines to transport up to 60bn cubic metres across the border annually. Alexander Medvedev, Gazprom's executive in charge of exports, said in Beijing yesterday the talks with CNPC, the PRC oil major, were aimed at identifying which of two routes should take priority, and the timing of the start of any deliveries.

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## **11. Energy Costs**

The Financial Times (A. Balls, C. Giles, C. Swann, "G7 WARNS ON ARTIFICIAL INTERFERENCE IN ENERGY MARKET," September 26, 2005, Washington) reported that finance ministers and central bank governors of the Group of Seven leading economies have warned against artificial efforts to shield consumers from higher energy costs, saying that price caps and subsidies on fuel could backfire. Several Asian nations, including PRC, India, Indonesia and Malaysia, have been using subsidies to cushion the effects of soaring oil prices on their citizens and businesses. In the final communique from their weekend meeting in Washington, the G7 economic leaders said such measures would have "an adverse effect on the global market and should be avoided".

[https://nautilus.org/wp-content/uploads/2015/06/FT\\_oil\\_prices.pdf](https://nautilus.org/wp-content/uploads/2015/06/FT_oil_prices.pdf)

The Financial Times (A. Ostrovsky, "RUSSIA LOOKS AT INCENTIVES TO BOOST OUTPUT," September 21, 2005, Moscow) reported that President Vladimir Putin of Russia indicated yesterday that the Kremlin would be prepared to give oil companies tax breaks to explore new fields, a day after they promised to freeze domestic fuel prices until the end of the year. In comments broadcast on state-owned television, Viktor Khristenko, minister for industry and energy, told Mr Putin the government should lower taxation in the oil sector and, in particular, unpeg the mineral extraction tax from global prices to encourage investment in exploration and development of difficult fields.

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## **12. PRC Pollution**

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South China Morning Post (A. Yan, "HAZY RESULTS FOR POLLUTION CLEANUP; NOT ALL CITIES UNDER UN-BACKED PILOT EFFORT SEE IMPROVEMENTS," September 24, 2005) reported that some of the mainland's most polluted cities have cleaned up their act over the past few years with the help of a joint UN-central government programme, but others are still choking under a contaminated shroud. Eighteen cities across the country were enlisted four years ago as pilot centres for the Clean Energy Action project, a US\$ 3.19 million initiative funded by the United Nations Development Programme and the central government, said a report released in Beijing yesterday.

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### **13. ROK Energy**

Yonhap News Agency ("S. KOREAN ENERGY CONSUMPTION GROWTH UP IN FIRST HALF," September 26, 2005, Seoul) reported that ROK's energy consumption grew more than 4 percent from a year earlier in the first half of this year, a government report said Monday. Total energy consumption reached 114.7 million tons of oil equivalent (TOE), up 4.3 percent from the same six-month period in 2004, the country's statistical office and Commerce Ministry said.

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Nautilus Institute

608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email:

[nautilus@nautilus.org](mailto:nautilus@nautilus.org)