

## Prospects for Energy Cooperation in Northeast Asia

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In Northeast Asia, where one third of the world's energy consumption is concentrated, energy cooperation among countries within the region is strongly required in pursuit of improving energy security capability at the regional level. The energy security situation in Northeast Asia is deteriorating due to the rapid increase in energy imports in the region. There are three big energy importers, namely China, Japan, and Korea, and two big energy producers, namely China and Russia. However, energy cooperation among the countries in the region still remain at the meager level, in the sense that the energy importing countries heavily depend on imports from the other regions than Northeast Asia, while Russia, a unique net energy exporting country in the region, exports energy mostly to the European region.

In the wake of the historic two summits between the Republic of Korea (ROK) and Democratic People's Republic of Korea (DPRK) in last year and the summit between the United States and DPRK last June, it has become a matter of attraction to review prospects for regional energy cooperation in Northeast Asia. This is because nuclear crisis in the Korean peninsula was one of the most significant factor to impede the energy cooperation in the region. Indeed, it was a major reason for delaying or suspending several regional inter-state energy projects, involving the countries in the region, ie, ROK, China, Japan and Russia, such as development of cross-border natural gas pipeline networks and power interconnection system, although they had been discussed since the early 2000s.

Energy cooperation projects to be promoted at the regional basis in Northeast Asia include;

- Enhancing cooperation in upstream, mid-stream, and downstream for the oil, gas, coal and electricity sectors,
- Constructing cross-border energy supply infrastructure, such as pipelines and interconnected power networks to facilitate intra-regional energy trades,
- Cooperation for energy conservation/efficiency improvement and renewable energy,
- Promoting policy cooperation at the multilateral level, including information sharing, facilitating policy dialogues, enhancing mutual understanding in the energy sector

Among these projects, construction of cross-border energy transportation infrastructure between countries, such as natural gas pipeline and power grid networks are expected to be actively facilitated, if the denuclearization of DPRK is achieved, as the political risk of the projects will be greatly reduced. If DPRK is allowed to participate in these projects, it can also contribute to solve the energy poverty problem in the country.

Implementation scheme to promote the cooperation projects shall be based on a multilateral basis, involving all Northeast Asian countries, which will eventually require to establish a more solid multilateral institutionalized framework for the regional energy cooperation in Northeast Asia. Policy agenda, for example, include: 1) Establishment of policy dialogues and promotion of information/data exchange and sharing mechanisms, 2) Undertaking joint research/study, 3) Encourage energy expert/business dialogues & participation. 4) Creation of institutionalized mechanism for multilateral energy cooperation, say Northeast Asian Energy Charter, 5) Address on an intra-regional energy financing mechanisms.