

## 2016 Energy Security Workshop Agenda

# **“OIL AND GAS FOR ASIA” REVISITED: ASIA’S ENERGY SECURITY AMID GLOBAL MARKET CHANGE**

Woodrow Wilson International Center for Scholars  
1300 Pennsylvania Avenue NW  
Washington, D.C. 20004

July 8, 2016 | 9:00 a.m.–4:00 p.m.

The recent dramatic shifts in global energy markets carry a number of important implications for Asia’s energy security. Some countries have embraced abundant supplies and lower prices as an opportunity to enact much-needed policy reforms and improve trade balances. For others, the current outlook has had profoundly negative economic implications, which in turn could increase regional concerns about political stability. Given the predominance of oil-linked LNG contracts in Asia, these changes also have potentially significant yet ambiguous implications for efforts to advance a “golden age of gas” and encourage transitions to lower-carbon sources of energy more broadly. How stakeholders across the region respond to emerging dynamics will determine the extent to which recent developments accelerate progress on regional energy and environmental security goals or augur a return to more politicized markets.

*Kindly note that the Energy Security Workshop is held under Chatham House Rule.*

**8:30 a.m.      Registration and Refreshments**

**9:00 a.m.      Welcome and Introduction**

Clara GILLISPIE  
*The National Bureau of Asian Research*

Michael KUGELMAN  
*Woodrow Wilson International Center for Scholars*

**9:10 a.m.      Panel One**

*Overview of Global Oil Markets: Shifts in Supply, Demand, and Investment, and Key Implications for Asia*

The resilience of U.S. unconventional oil output, the return of Iranian oil to the market, rising Iraqi oil exports, and relatively modest growth in global oil demand now seem likely to prolong the period of global oversupply and extend the outlook for lower prices across a range of fuels. Asia's energy security prospects have improved dramatically with expectations that these trends can reduce oil supply insecurities. An added benefit for the region comes from the simultaneous crash in LNG prices, which in most cases remain linked to oil prices. It may be that new U.S. technology for unconventional oil production has fundamentally changed the economics of oil production, ushering in an era of structurally lower oil prices. Yet looking longer term, these trends are already driving a steep drop-off in global investment in new oil supplies, while global demand continues to rise, suggesting that tighter markets and sharply higher prices are likely to return in the not-too-distant future. How can Asia's big oil importers reap the benefits of lower oil prices while also hedging against the risk of a price spike resulting from collapsing investment? This panel will offer an overview of major shifts in world oil and gas markets and highlight key implications for Asia.

Moderator:

Mikkal E. HERBERG

*The National Bureau of Asian Research*

Author:

Antoine HALFF

*Center on Global Energy Policy, Columbia University*

Discussants:

J. William ICHORD

*International Business Consultant*

Ken KOYAMA

*The Institute of Energy Economics, Japan*

Masayuki TANIMOTO

*Japan Bank for International Cooperation*

**10:30 a.m.      Break**

**10:45 a.m.      Panel Two**

*New Outlooks, Old Challenges: The Geopolitics of Energy and Regional Cooperation in a New Market Era*

While energy security concerns have seemingly receded in policy dialogues in some Asia-Pacific countries, energy insecurity has not been vanquished. A prolonged period of lower oil prices promises important economic benefits for importers, but it could also undermine Asia's longer-term energy security goal of diversifying oil import sources geographically. Prolonged low prices will slow the development of new higher-cost supplies around the world—to which Asia has been looking to diversify its oil import needs—and reinforce the power of low-cost OPEC Middle East and African oil suppliers. Moreover, many key oil exporters are facing growing instability with the collapse in their oil revenues, which may increase global risks of supply disruptions given the prospects for diminishing diversification. This panel will revisit the geopolitics of energy in Asia in light of shifting market dynamics. Can Asia overcome its tense geopolitical atmosphere and key power rivalries to make progress on more collaborative regional approaches? Can a less zero-sum, competitive atmosphere to secure control over global oil supplies and transit routes increase the potential to strengthen regional energy cooperation and multilateral energy governance?

Moderator:

Mikkal E. HERBERG

*The National Bureau of Asian Research*

Author:

Meghan L. O'SULLIVAN

*Kennedy School of Government, Harvard University*

Discussants:

Edward C. CHOW

*Center for Strategic and International Studies*

Michael KUGELMAN

*Woodrow Wilson International Center for Scholars*

Miyeon OH

*The Atlantic Council*

**12:15 p.m.      Lunch**

**1:00 p.m.      Panel Three**

*Asia's LNG and Natural Gas Prospects in a Lower Price Era*

Because most LNG prices are linked to oil prices, lower oil prices have the potential to substantially boost the viability of LNG and gas to compete with coal and renewables in Asia. But prolonged low LNG prices will eventually reduce investment in new LNG supplies, which could constrain supply post-2020. These trends coincide with a rapidly changing LNG market in Asia that appears headed for substantial oversupply and already heightened pressure on prices as huge volumes of new supplies go online from Australia and the United States over the next five years. How might these existing conditions affect efforts to expand natural gas use in Asia in order to support cleaner energy initiatives?

Moderator:

Clara GILLISPIE

*The National Bureau of Asian Research*

Author:

Leslie PALTI-GUZMAN

*The Rapidan Group*

Discussants:

Ken KOYAMA

*The Institute of Energy Economics, Japan*

Nikos TSAFOS

*enalytica*

**2:20 p.m.      Break**

**2:30 p.m.      Panel Four**

*Fueling Asia's Energy and Environmental Security: Sustaining Momentum on Climate and Energy Innovation*

As overall demand for energy continues to rise dramatically, countries across the Asia-Pacific have set ambitious targets for mitigating growth in greenhouse gas emissions. Their efforts focus on a combination of measures that emphasize energy efficiency, deployment of lower-carbon sources, and technological and policy innovation. However, less tight markets and lower costs for existing energy sources could undercut the sense of urgency in pursuing these goals, as prior strategic and economic rationales are seemingly diminished. Within this context, how can regional stakeholders work together to avoid complacency? How can industry, policy, and research leaders further accelerate efforts to achieve climate ambitions while also advancing much-needed access to energy?

Moderator:

Mikkal E. HERBERG

*The National Bureau of Asian Research*

Special Presentation:

Melanie NAKAGAWA

*Department of State, United States*

Authors:

Cecilia TAM and Muhamad Izham ABD. SHUKOR (*as presented by Clara GILLISPIE*)

*Asia Pacific Energy Research Centre*

Discussant:

Mark THURBER

*Stanford University*

Respondent:

Laura SCHWARTZ

*The National Bureau of Asian Research*

**3:50 p.m.      Conclusion: Implications for the Asia-Pacific**

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