



能源与环境政策研究中心

Center for Energy & Environmental Policy Research

Energy Cooperation and Security under the Belt and Road Initiative

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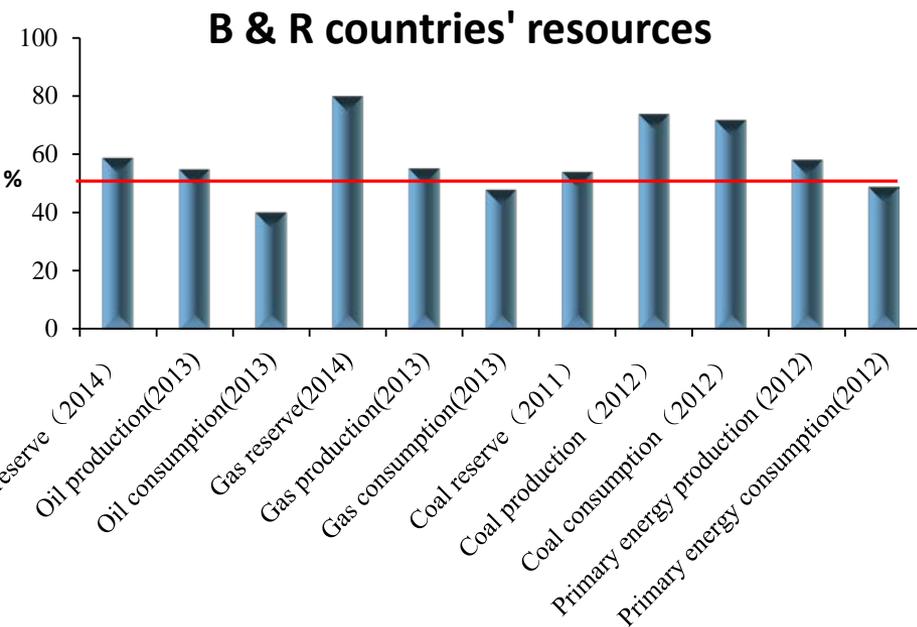
Background

The world energy pattern and energy governance are undergoing profound changes!

- **Tight global energy supplies are easing**
- **The center of energy consumption shifts eastward and the Asia-Pacific region becomes the new core**
- **The oil prices will remain low for a long time, which will become a new normal**
- **The rapid development of LNG trade will promote a unified global market for natural gas**
- **New energy will bring about a reform in the global new energy system**

Energy situation

B&R will become the new breakthrough on global energy cooperation and governance!



The foundation for energy cooperation under B&R

Advantages:

- ◆ Abundant oil, gas and unconventional resources
- ◆ Widespread oil and gas pipeline networks
- ◆ Multi regional energy cooperation networks
- ◆ Great potential on energy demand growth within the region

Shortages:

- ◆ Weak energy industrial support system
- ◆ limited pipeline capacity of infrastructure
- ◆ Lagged exploration and development technology
- ◆ Single energy cooperation form
- ◆ High transportation risk (the Strait of Malacca and Hormuz)

Vision and priorities of energy cooperation under B&R

- An unprecedented large-scale cooperation framework, which features international, cross-regional, comprehensive and open cooperation in various fields
- In accordance with the principles of mutual complementarity and mutual benefit
- Promote global energy security and explore new modes of regional and global energy governance
- Build jointly a global energy security chain, and facilitate the efficient use of green energy

Energy cooperative target under B&R

- Solve the bottleneck problems in energy faced by the countries within the region
- Encourage integrated and extended industrial chain of energy and resource cooperation
- Form a collective response mechanism to cope with the price fluctuations and supply risk
- Build an innovation mechanism for the development and use of new energy
- Foster innovation in the global energy governance system, promote equal, open and inclusive energy cooperation for all countries, win a greater say for developing countries and improve the rules for global energy cooperation

Energy cooperation priority areas under B&R

- Building coordination and communication platform
- Building energy trade platform
- Building financial support platform
- Building energy resources reserve mechanism
- Improving energy transportation networks
- Promoting the transfer and application of new energy technologies

The influence of B&R on global energy governance

- B&R can greatly improve the stability of the global energy trade networks
- B&R can effectively strengthen global energy security

Improve the stability of the global oil trade network

- The influences on global trade of the major exporters are generally evenly distributed which indicates that both the supply and demand sides tend to adopt diversified strategies to spread the risk, avoid systemic risk, and improve the stability of trade.
- The Top three countries are under B&R which contribute 20%, 13.0% and 7.5% to the stability of global oil trade,

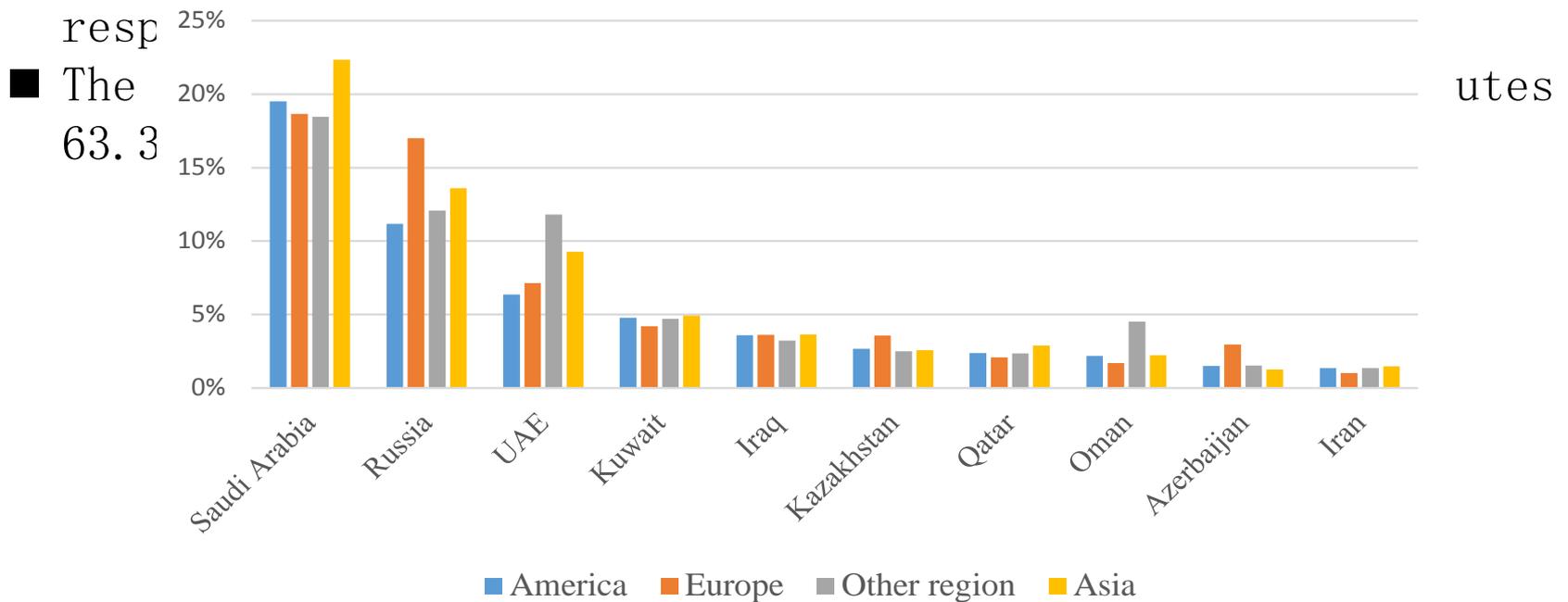


Figure. Regional distribution of influence for

Strengthen global energy security

- ◆ Large gap of investment risk among B&R countries
- ◆ Shortage of effective investment due to unstable political situation and high risk
- ◆ New bilateral and multilateral investment cooperation systems will form an effective mechanism to control the risk and encourage long-term investment
- ◆ The cooperation can effectively lower the risk

Country	score	Country	Score	
Singapore	69.93	Mongolia	49.61	
UAE	65.22	Azerbaijan	48.87	
Russia	61.51	Armenia	48.43	
Saudi Arabia	60.09	Iran	46.37	
Qatar	59.62	Greece	46.16	
Lithuania	58.04	Bahrain	46.12	
Malaysia	57.69	Moldova	46.05	
Estonia	56.12	Albania	46.00	
Poland	55.65	Thailand	45.66	
Slovakia	55.13	Ukraine	45.65	
Brunei	54.37	Serbia	44.44	
Kazakhstan	54.13	Turkey	44.00	
Israel	53.64	Belarus	42.86	
Latvia	53.63	Vietnam	41.07	
Slovenia	53.47	Philippines	40.93	
Czech Republic	53.33	Jordan	40.05	
Hungary	53.29	India	38.16	
Romania	53.06	Indonesia	37.37	
Oman	52.08	Lebanon	36.79	
Croatia	52.02	Sri Lanka	36.44	
Cyprus	51.93	Egypt	33.52	
Kuwait	50.49	Iraq	32.50	
Bulgaria	50.12	Pakistan	31.40	
Myanmar	29.83	Yemen	28.06	
Bangladesh	29.27	Syria	25.22	
Low risk	Relative low risk	Middle risk	Relative high risk	High risk

Promote low carbon development

- Accelerate green and low carbon development through the upgrading of energy patterns as well as technical advancement
- Promote the building of regional and international new energy cooperation platform, and step up the transfer of new energy technologies
- Improve large-scale natural gas utilization, enhance the exploration and development of natural gas, and develop unconventional gas resources such as shale gas, coal seam gas and deep water oil and gas.
- Positive contribution to regional and global low carbon development

Conclusions

- ◆ Put forward new ideas about energy cooperation
 - Covers various regions, fields and countries, extend industrial chain, flexible and complement, benefit to less developed areas, a sustainable path
- ◆ It is consistent with the ideal of global energy governance, and is more inclusive
 - multilateral framework, the interests of all participants, a unified platform for dialogue and cooperation
- ◆ It is conducive to global energy security, and thus is to benefit all
 - Guarantee the security, keeping the stability of energy investment and trade, dealing with the systemic risks through



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Thank you for your attention.

Questions and comments are welcome.

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