

Speech of Ambassador Takekazu Kawamura, Chairman of the Energy Charter Conference (2007-present) on the Occasion of the Tenth Anniversary of the Entry into Force of the Energy Charter Treaty

16 April 2008

Mr. Ruud Lubbers, founding father of the Energy Charter, Ambassador Charles Rutten and Mr. Henning Christophersen, the previous Chairmen of the Energy Charter Conference, Ambassador Andre Mernier, Secretary-General of the Energy Charter Secretariat, Excellencies, Distinguished Guests, Ladies and Gentlemen.

It is a great honor for me to speak as the Chairman of the Energy Charter Conference on the occasion of this special event, where together with fellow member countries, we look back upon the ten-year history of the Energy Charter Treaty and also to the future of the process.

I would first like to express my sincere gratitude and appreciation to Mr. Ruud Lubbers, Ambassador Charles Rutten and Mr. Henning Christophersen for their dedication to the Energy Charter process. Without your tremendous efforts and achievements, I would not be standing here making this speech as the present Chair. I am delighted to follow in the footsteps of such excellent leaders, and hold a strong sense of the responsibility of my task. I also appreciate Ambassador Andre Mernier's proposal to hold this special event, the Energy Charter Secretariat for its arrangement, and the Government of Belgium for providing such a dignified venue in light of the significance of the event.

We have already heard much of the Energy Charter's history from the previous three speakers. Therefore I would like to touch upon the current situation of the Energy Charter and the possible future development of its process.

As we all know a political initiative launched in Europe in the early 1990s gave birth to the Energy Charter. Ever since, the Energy Charter process made significant progress, including the adoption of the Energy Charter Treaty in 1994. This treaty was agreed as a consequence of the cooperation between member countries, in order to bring the ideas laid out in the Energy Charter to fruition.

The Energy Charter Treaty, which serves to promote liberalization of trade and investment in the energy sector, has contributed to the development of the global trade system by adopting GATT/WTO rules in energy trade. The Treaty has also contributed to the development of the world economic system, as the first and only

multilateral agreement on the promotion and protection of energy investments.

With this background, the Energy Charter has successively spread across an expansive constituency with the current number of its members having grown to 51 states plus the European Communities.

Over the past ten years, the environment in the energy sector has changed drastically. Oil prices rose above the 100 dollars per barrel mark at the beginning of this year, and environmental concerns are more significant than ever before with the Kyoto Protocol in effect, and a post Kyoto framework now under discussion. Although the principles of the Energy Charter are eternal, in line with these new realities, the main role of the Energy Charter process has now become the enhancement of the energy security of the producing, consuming, and transit countries.

Thanks to a kind invitation by the Government of Turkey, the last Energy Charter Conference was held in Istanbul, the first to be convened outside Brussels. At this Conference, members discussed energy security in the Black Sea and Caspian Regions, and the invitation to the Islamic Republic of Afghanistan to accede to the Energy Charter Treaty was approved. Also the Hashemite Kingdom of Jordan signed the 1991 Energy Charter Declaration at the Conference. Furthermore, the Islamic Republic of Pakistan was also invited to accede to the Energy Charter Treaty by the Conference in 2006.

This represents a historic expansion of the geographical boundaries of the Energy Charter Treaty, and I am sure it will give us a better chance to further enhance energy security for the members of the Treaty who can mutually benefit from the liberalization of trade, transit and investment. These developments indicate that a number of energy producing, consuming and transit countries are starting to recognize the increasing importance of the Energy Charter. The Energy Charter Treaty is the only international instrument that can ensure the legal stability of energy development and I believe that more and more countries will grow to appreciate its importance in the future.

The Energy Charter is also expanding its cooperation with other international fora. Last year, the Energy Charter Secretariat was given guest status at an APEC energy working group. The Energy Charter Conference has been given an observer status at the UN General Assembly. Furthermore, we are closely cooperating with OPEC, the IEF, and the Asian Development Bank.

I believe that the Energy Charter Treaty can become a global framework for trade, transit and investment in the energy sectors, and thus strongly support the expansion in geographical coverage of the Energy Charter process. Being an open process, one can quite easily imagine the expansion of member countries promoting efficiency and reducing costs in the field of development, transportation and use of energy worldwide, and in turn enhancing the stability of energy supply and the efficiency of energy use.

Ladies and Gentlemen,

The question on how we should deal with energy is both an old and new challenge. Given the fact that we have sought how to efficiently use energy every day, in a safe and stable manner for sustainable growth, I believe that our efforts in the Energy Charter process are of truly universal significance.

I strongly hope and support that what was called the “European” Energy Charter in the last decade of the 20th century will develop into a global Energy Charter in the future, through continued efforts to expand the geographical coverage of its process.

In conclusion, I will make every effort, as the Conference Chairman, to hold dialogues with the countries concerned. I also would like to facilitate engagement of the Treaty mechanism with those countries which have already expressed their interest in joining the Treaty, as well as those countries which we should encourage to do likewise. Once again, I stress the importance of the Energy Charter Treaty as a legally stable international regime on energy development and transportation. I would like to reiterate my determination as the Chairman to continue to actively participate in and drive forward the Energy Charter process.

Thank you very much.