



ENERGY CHARTER SECRETARIAT



MINISTRY OF ENERGY AND MINERAL RESOURCES
REPUBLIC OF INDONESIA

BALI ENERGY FORUM

THE ENERGY CHALLENGES IN THE ASIA-PACIFIC REGION: POSSIBLE SOLUTIONS

19-20 SEPTEMBER 2013 • BALI, INDONESIA
Discovery Kartika Plaza Hotel

CONCLUDING DECLARATION

The first Bali Energy Forum, which was co-organised by the Ministry of Energy and Mineral Resources of the Republic of Indonesia and by the Energy Charter Secretariat, brought together over 120 participants of 15 countries, in Kuta, Bali, Indonesia, on 19-20 September 2013. During the two-day conference, representatives and speakers from academia, international institutions, various government bodies, and the business community gathered to discuss the energy challenges facing the Asia-Pacific Region, and to provide actionable solutions based on the broad principles of policy cooperation, open markets and robust investment promotion and protection, which are also the Energy Charter Treaty's key mandates.

It was recognised that the continuation of impressive economic growth and unprecedented prosperity must be underpinned by the sustainable, efficient, predictable and transparent energy markets. In this context, previous episodes of high energy price volatility, the current challenges of securing sufficient and efficient energy investments, and the region's transition to the correct future energy mix were identified as the main energy challenges facing the Asia-Pacific Region.

The deepening energy interdependence within the Asia-Pacific runs parallel to the growing interconnectedness between the region and the rest of the world, as exemplified by the ASEAN-wide energy projects, such as the ASEAN Grid and the Trans-ASEAN pipelines, and the expanding volume of inter-regional trade.

Considering the recommendations, provisions and principles that were expressed by the representatives of the member countries and observers to the Energy Charter during the discussions at the Bali Energy Forum 2013,

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The Conference acknowledges:

- the significance of several important recent regional developments, such as the widening gap between conventional domestic energy supplies and its demands; the recent energy policy changes made by the major regional players, and the development of unconventional sources of fossil fuels;
- the need for existing international energy organisations, paying utmost respect and considerations to the developing countries' unalienable sovereign rights and its unique national interests, to modernise its institutional arrangements and objectives in response to the changing global economic and technological realities; to expand its constituency towards a broader geographic and developmental representation, and to consolidate their resources into areas that are in genuine need for stronger international and multi-lateral support;
- that access to sufficient capital and relevant expertise for energy investments remains critical to continued economic growth in the region's less developed economies, while transitioning to the right energy mix will become increasingly important for the region's maturing traditional energy producers;
- that the promotion of open market access, multilateral cooperation in the energy field, and sustainable use of energy, which are also the core principles of the Energy Charter Treaty, are important components of any long-term energy plan in the region.

The following principles may be explored:

- to accelerate the current pace of regional multilateral energy infrastructure developments, such as the ASEAN Grid and the Trans-ASEAN pipeline, as a means to promote stronger regional ties; more flexible energy supplies, and overall energy security;
- to invite the ASEAN member states to consider the Energy Charter Process as an useful tool for their domestic energy policy and regional cooperation;
- to develop further or to establish transparent institutional legal and regulatory frameworks, which would be essential for the creation of an integrated and competitive regional energy market;
- to encourage necessary investments in conventional energy projects and the deployment of innovative technologies in order to afford the region a wide mix of policy and energy-use possibilities in the future;

- to provide special policy focus on the promotion of energy sources that had demonstrated potential, such as hydropower in countries with extensive river networks, such as the Mekong River; geothermal energy in island states, and unconventional gas for traditional coal producers;
- to promote the transfer of technological and managerial know-how into the Asia-Pacific region and the strengthening of networks for exchanging experience and knowledge at the level of local, regional and national authorities, as well as technical and professional organisations.

The Energy Charter Secretariat was invited to explore the possibility for an in-depth study on the usefulness of taking multilateral approaches when dealing with the energy challenges facing the region.

The Energy Charter's ongoing modernisation process and its deliberations on the updated Energy Charter, as it continues to realign itself with the current geopolitical, economic and technological realities were appreciated and generally supported.

It was suggested that the Bali Energy Forum should be held regularly in order to maintain dialogue between the countries of the Asia-Pacific region and to monitor the abovementioned recommendations.

The gratitude of the participants was expressed to the Government of the Republic of Indonesia for the warm welcome, excellent organisation and the smooth running of the Forum. The Asia-Pacific region has experienced rapid economic growth in recent years. Driven by this growth and demographic developments, demand for primary energy is growing fast. The countries of the region face numerous challenges to ensure supply of energy at affordable prices, while also taking into account environmental issues.