

Joint Statement by Energy Ministers of G8, The People's Republic of China, India and
The Republic of Korea
Aomori, Japan on 8 June 2008,

Energy Ministers of the G8, The People's Republic of China, India and The Republic of Korea met in Aomori, Japan on 8 June 2008 in order to discuss the globally significant issues related to addressing energy security and climate change. While recognizing varied national circumstances among the 11 participating countries, given the fact that we collectively account for about 65% of the global energy consumption, we must play an important role in achieving global energy security, climate change mitigation and sustainable development. We affirmed that this Meeting extended the following message to contribute to the fruitful discussion in the G8 Hokkaido Toyako Summit.

Oil Market and Investment Climate

1. We share serious concerns over the current level of oil prices. Current high oil prices are unprecedented and against the interest of either consuming or producing countries. They pose a heavy burden – particularly on resource-scarce developing countries. Producing and consuming countries share a common interest in encouraging greater global energy market security and sustainability. Recognizing the crucial role of financial and macroeconomic policies in resolving current economic issues, all of us responsible for energy policy should work together. We call for enhanced oil market dialogue and cooperation between producers and consumers.
2. Determinants of oil price are complex and considered by many to include shorter term factors such as supply policies of some producers and blocs, inventory levels and geopolitical tensions. We support further analysis of oil market determinants. We welcome the forthcoming discussion on oil markets at the G8 Finance Ministers Meeting on 13-14 June 2008.
3. Some factors contributing to the oil market are more structural and longer-term in nature, including the growth of global oil demand, particularly in the transportation sector, and the urgent need for increased and timely investment in the energy sector and enhanced access to oil and gas reserves around the world. Open and transparent markets and fair, effective and efficient regulation are critical to reducing

uncertainties and promoting needed investment. We affirm the need to maximize investment in our own domestic production and we call on other oil producing countries to increase investment to keep markets well supplied in response to rising world demand.

4. We affirm to enhance vigorously our actions consistent with national circumstances which can be done at home to enhance emergency preparedness to address any supply disruption risks, to substantially improve energy efficiency, to promote non-conventional oil and alternative energy resources and to diversify supply routes. The development of alternative transport and fuel technologies is essential to reduce the oil dependence in the transport sector. Greater flow of oil products driven by the market also contributes to the oil market stability.
5. We welcome the positive outcome of the International Energy Forum (IEF) held in Rome in April 2008 and encourage the IEF to swiftly build on this outcome, delivering a programme of activities that drive shared analysis by producer and consumer countries tackling: barriers to energy investment; technology development; market transparency; cooperation between International and National Oil Companies; human capital through their energy sector skills initiative; and energy poverty. We invite the IEF to report progress with their work programme in 2009. We will participate fully in the Joint Oil Data Initiative (JODI) and will provide timely, reliable and complete data to the initiative. Through such cooperative activities, both oil consuming and producing countries should strive to eliminate future uncertainties about oil supply stability.
6. We welcome the efforts of countries exporting oil and gas as well as minerals that are implementing the Extractive Industries Transparency Initiative (EITI) on a voluntary basis to strengthen governance by improving transparency and accountability in the extractives sector.
7. We also welcome the Joint Statement by Energy Ministers of The People's Republic of China, India, Japan, Republic of Korea and the United States of America on 7 June 2008, which have addressed the aforementioned issues. We particularly welcome the willingness of The People's Republic of China and India to further cooperate with the IEA. We believe that these efforts will enhance market stability.

Energy Security and Climate Change

- 8.** We believe that addressing energy security, climate change and economic growth can be achieved in a mutually conducive manner, recognizing the primary role of the United Nations Framework Convention on Climate Change (UNFCCC) in the climate change negotiation with input from the Major Economies Meeting process.

Energy Efficiency

- 9.** Promotion of energy efficiency both in energy supply and demand chain is a necessary prerequisite for enhancing energy security and mitigation of climate change while supporting economic growth in a cost effective manner. We will continue to vigorously promote policies and measures for improving energy efficiency, to which the IEA's energy efficiency related recommendations provide valuable inputs.. Actions which all of us may consider could include improved energy intensity statistics, enhanced energy performance requirements for appliances, phasing out of the most inefficient lighting, enhanced fuel efficiency standards for vehicles, mandatory energy efficiency standards for new buildings and promotion of buildings with low or no net energy consumption.
- 10.** Many of us recognize that aspirational goals for improving energy efficiency could help in promoting international efforts for exploring abundant global potential for energy efficiency. We will seek to realize the potential for improving energy efficiency in our own countries to the maximum extent possible through nationally and voluntarily determined measurable energy efficiency goals/objectives and action plans, while ensuring economic growth.
- 11.** Our efforts for improving energy efficiency can be further enhanced through international cooperation through sharing of best practices and promoting global partnership. To this end, we decided to establish the International Partnership for Energy Efficiency Cooperation (IPEEC). The IPEEC will serve as a high-level forum for facilitating broad actions that yield high energy efficiency gains, where participating countries see an added value. They include supporting on-going work of the participating countries and relevant organizations, exchanging information of best practices policies and measures and developing public-private partnership in key energy consuming sectors as well as on a cross-sectoral basis. IPEEC will consider ways to implement the outcomes of the Heiligendamm Dialogue Process on energy efficiency. We encourage all interested countries to join the IPEEC.

- 12.** Each of us can enhance the effectiveness of our respective national energy efficiency policies by focusing on key energy consuming sectors such as industry, power, residential/commercial and transportation through analyzing/measuring current energy efficiency performance, evaluating energy efficiency potentials and identifying applicable technologies, taking into account our own specific national and sector-specific circumstances. We also recognize that the sectoral approaches as described above could be useful methods for improving energy efficiency. We will work collectively on their practical development. We welcome international cooperation and various initiatives through public-private partnerships that are conducive to promoting energy efficiency in key energy consuming sectors.
- 13.** We highly appreciate the ongoing work on energy indicators. While recognizing the need to take into account specific national circumstances, they will help assessment of sectoral, national and international energy efficiency performances and potentials. Due to the need of collecting more timely and reliable data to further improve these indicators, we encourage governments and private sectors of all the interested economies to further cooperate in these efforts. Capacity building on energy statistics is essential to this end.

Energy Diversification towards Lower-Carbon Energy

- 14.** Together with energy efficiency, energy diversification to encourage greater use of lower-carbon energy is a key for addressing energy security and climate change. Based on our specific national circumstances and priorities, we will promote various kinds of lower-carbon energies, that could include renewable energies, cleaner use of fossil fuels, and for those of us interested, nuclear energy, with nationally determined voluntary goals and action plans, where appropriate.

Cleaner Use of Fossil Fuel

- 15.** Given the dominant role of fossil fuels in the coming decades, clean use of fossil fuels including clean coal technologies and cleaner petroleum technologies, is essential. With a view to significantly reducing emissions from the power sector, we will pursue policies, including international cooperation and through cooperation with private sectors to ensure that all newly built coal-fired power plants are equipped with advanced and, to the extent practicable, state of the art technologies, and will replace or upgrade older and less efficient ones as soon as practicable and

economically feasible.

- 16.** We recognize the role of Carbon Capture and Storage (CCS) in tackling the global challenges of climate change and energy security. We will work towards the creation of an enabling environment for the broad deployment of CCS through the acceleration of research, development, deployment and dissemination of CCS by addressing, together with the private sector, the financial gap and risks facing early CCS projects; establishing appropriate legal and regulatory frameworks to enable safe and large scale storage of CO₂; and enhancing public education and awareness about CCS and the contribution it could make to tackling climate change and energy security.

Renewable Energy

- 17.** Renewable energies have significant potential of improving energy security, energy access, climate change mitigation and of creating new industries and jobs. We also recognize that some renewable energy sources have challenges in terms of their economic viability, supply stability and geographic limitation. Successful and enhanced deployment will depend on further improving their competitiveness through cost-effective promotion by governments. We will thus promote research, development and demonstration of new and renewable energy technologies and will facilitate financing for them. We will also prepare cost-effective mechanisms for accelerating deployment at national level and will share our best practices. We appreciate the need to promote appropriate regulation, incentives and/or market mechanisms keeping in view the development stage of various renewable energy technologies. Where commercially viable options are already available, we will accelerate enhanced deployment especially by improvement of grid integration in the field of electricity generated from renewable energy. In promoting renewable energies, we will also work to ensure their sustainable production and use.

- 18.** We welcome the positive contribution of various international initiatives for renewable energy including the 2005 Beijing International Renewable Energy Conference, the 2008 Washington International Renewable Energy Conference (WIREC), the Renewable Energy Network for the 21st Century (REN21), the Renewable Energy and Energy Efficiency Partnership (REEEP), and the Global Bioenergy Partnership (GBEP). We look forward to a continued significant role of the International Renewable Energy Conference to be organized by India in early

2010.

Nuclear Energy

- 19.** We are pursuing different ways to achieve energy security and climate change protection goals. We note that a growing number of countries have expressed interest in nuclear power programmes as a means to address climate change and energy security concerns. This is because these countries take the position that nuclear energy can serve as base load electric power supply, emits no greenhouse gas in the process of power generation, and reduces dependence on fossil-fuels.
- 20.** We emphasize that the safe and peaceful use of nuclear energy must be carried out in a manner that ensures nuclear non-proliferation, safety and security and take note of the importance of various schemes for nuclear liability, such as the Convention on Supplementary Compensation for Nuclear Damage. We also emphasize the necessity of responsible policies for decommissioning and fuel and radioactive waste management.
- 21.** To make sure that civilian nuclear energy is applied in a manner ensuring nuclear non-proliferation, safety and security, cooperation with international institutions and countries which have already introduced or are introducing civilian nuclear energy should be realized, through agreed frameworks, in developing infrastructure that includes human resources, regulatory systems and financial resources. The countries using nuclear energy or contemplating its use consider that the development of advanced nuclear energy technologies is an important element for the safe, efficient and peaceful use of nuclear energy. We reaffirm the important role of international institutions such as the International Atomic Energy Agency (IAEA). We take note of national/international initiatives to further peaceful uses of nuclear energy, including the Global Nuclear Energy Partnership (GNEP), the Russian initiative on the International uranium enrichment center in the Russian Federation, the Japanese initiative on IAEA standby arrangements system for the assurance of nuclear fuel supply, and the German initiative for an enrichment centre under the exclusive control of the IAEA. We take note of the efforts made in the frameworks of the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO), the Generation IV International Forum (GIF), and the International Thermonuclear Experimental Reactor (ITER). We keep in mind that the responsibility for the safe use of nuclear energy rests with the country using it.

Diffusion of Lower Carbon and Efficient Energy Technologies

22. We will ensure stronger international co-operation, including through financial mechanisms, to promote development, commercialization, and deployment of lower carbon and efficient energy technologies in developing countries so as to reduce the cost differential between current and lower carbon and more efficient technologies.

Innovative Energy Technology

23. Recognizing the critical role of innovative energy technology research, development and demonstration (RD&D) in realizing energy security and addressing climate change in the long-term, we should collectively endeavor to increase energy RD&D according to our national circumstances. Those of us interested will take the initiative to accelerate efficient and lower carbon technology RD&D by using relevant structures within the IEA and the technology development roadmaps for key technologies prepared by the IEA and countries; assessing the current status of existing international partnerships for technology cooperation; and exploring the need for additional ones, along with the IEA non-Member partners and other entities and relevant partnerships, and invite interested major economies to join in these efforts. We will also employ policy and fiscal measures to catalyze private markets for commercialization of these technologies.

24. We will strengthen our cooperation in developing innovative technologies through existing relevant international organizations, initiatives and partnerships such as Carbon Sequestration Leadership Forum (CSLF), International Partnership for a Hydrogen Economy (IPHE), the IAEA, the INPRO project, the GIF and the GNEP and Implementing Agreements of the IEA. We encourage all countries to strengthen information exchange on cutting-edge technologies, making use of the existing partnerships and initiatives, as appropriate, to support developing countries' capacity building of RD&D, and we encourage the IEA and other international mechanisms to extend their technology networks to developing countries to further strengthen information exchange on cutting-edge technologies and to establish a basis for appropriate transfer of state of art technologies in a cost-effective manner.

Closing

25. We highly appreciate this first opportunity for Energy Ministers of G8, The People's Republic of China, India and The Republic of Korea to discuss issues of common

interest. We will continue to foster dialogue between the Energy Ministers of the G8 and other economies.

26.We welcome the initiative of the forthcoming Italian Presidency of the G8 to convene an Energy Ministers' Meeting in 2009.