

Media Coverage

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2014 Pacific Energy Summit Launched..."Energy Cooperation Needed"

The 2014 Pacific Energy Summit was launched in June 30, Seoul, South Korea, at JW Marriott Hotel.

Co hosted by the NBR and KEEI, with Asan and Exxon sponsoring the conference, the two-day conference has gathered a number of high-level energy experts around the world.

MOFA Vice Minister Cho delivered a speech regarding cleaner and safer nuclear energy use in the future, the role of natural gas and emphasized the need of collaboration for the sustainable energy use in the future.

He said, "nuclear energy is critical for meeting energy supply and facing climate change, but due to its safety matters after the Fukushima accident, the issue has become from a national to an international matter.

He then introduced the Northeast Asia Peace and Cooperation Initiative as well as Eurasia Initiative, as to engage in 'win-win' strategy for every nation.

The Summit includes seven classified sessions with two roundtables. This year it has put its main focus on northeast Asia's energy policy, especially nuclear safety matters from Fukushima and the impact of Russia-China energy tie in the specific region.

Among the participants, Sung Kim, Oh Sung Hwan, Robert Boudreau, Lin ChenGye, Shimomura (OECD), Director General (NEA), Park ChongKyun (IAEA), Dohee Han, Mr. Bold (Mongolian), Hamid (Bangladesh), Kono Taro (Japanese), Susilo (Indonesia), and Pran(Cambodia) gathered together to attend the grand Summit.

The original text was translated from Korean to English.

July 1, 2014

**Tae-yul Cho, Vice President of the Ministry of Foreign Affairs says,
“natural gas will be a bridge heading for the era of the renewable
energy”**

Tae-yul Cho said on Monday (June 30th) “Natural gas and nuclear energy will be a bridge for the era of the renewable energy.”

He said as a keynote speaker of the Pacific Energy Summit, “International society has made its best effort to supply renewable energy as an alternative one responding to the climate change, but it is not sufficient.”

He also said, “Natural gas has the little amount of the greenhouse gas emission, and it has competitive price. Therefore, its role has been getting important since Fukushima nuclear accident.”

As Korean government has constructed a gas hub with an oil hub as a top priority, he expects that it will have a synergy effect.

He added, “The recent big deal for gas between China and Russia will expand the connection of the energy markets for the two countries, which will contribute to increased connectivity.”

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[Korea-China-Japan-Russia Experts Discussion During Pacific Energy Summit](#)

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How should we assess Russia's fast-growing pace in Asia's energy markets regarding gas and oil. How will the Russian gas pipe influence the current status of northeast Asia's energy markets? Last month, the Pacific Energy Summit was held for two days in Seoul, gathering almost 200 high-level energy experts around the world to discuss these very issues.

Among the seven sessions, many participants showed their interests in the second day, on *Russia's Asia Bet: Will it Pay Off*, a professional discussion among representatives from Korea, China, Japan and Russia. Dr. Ryu from KEEI, Xu Chinghua, President of China International Institute of Strategic Studies Center for Energy and Environment, Kenzo from Japanese Oil Company (Daecocu) and Dr. Tatiana Mitrova from ERIRAS participated as panelists, and Dr. Paik from Oxford Energy Institute acted as a moderator. The following below are additional comments by panelists right after the discussion. Sunday News had approval from the Summit host and speakers to publish this discussion.

Mitrova = "Between China and Russia, last year was 'oil', and now it came to 'gas'. It wasn't a swift deal, but rather a deliberate, long term contract, in which prospects for more than 20 years are needed to be considered. This was not a political or extemporaneous decision, but closer to a strategic one. Ukraine may have influence, but it was not the actual cause. The deal with China is reciprocal. It is after the contract, which actually matters. When the infrastructure for the agreement is settled, additional contracts will be seen.

The gas pipeline itself acts as the 'infrastructure' for this agreement. This made possible for Russia to fulfill its mission to foster economic development in Far East. There were some arguments in the past regarding pipeline connection from Russia to South Korea. Nevertheless,

the rumor via North Korea was just a political show-off and seemingly unrealistic. However, connection between Russian and China became a reality, which created a basis for additional extension in Japan and South Korea. Russia has no reason to disregard South Korea's strong desire for the extension. It is a great opportunity for South Korea, but it all depends on China."

Xu Chinghua = "The 21st Century is an energy Cold War between East and West. The contract seems to be a better deal for China, due to its cheapness, but actually it was China that "helped" Russia, as China had to take the risk of geopolitical aspects. This deal not only showed each nation's energy tie, but it also represented both nations' strategic cooperation. But Russia should keep its eye on the LNG contract the Chinese Minister signed with England two weeks ago.

This means that China is engaging in realistic energy diplomacy, gaining its national interests. Russia is now 3rd for China in oil imports, following Middle East and Africa. This implies China has various routes for energy imports. In particular, in terms of energy trade it is the final decision, which is important, rather than other negotiation issues like the actual route (pipeline). China will soon build a company which will manage national pipelines in the near future."

Asakura = "Peace and prosperity should lie in the East Sea (Sea of Japan) rather than dispute. The notion that East Sea is the point where the two forces (U.S+Japan and China+Russia) clash is utterly outdated. Depending on technological revolution geopolitical perspectives should also be altered. Building pipelines under 3500m has become feasible thanks to current technological development. This level is the lowest in the East Sea. This means it will be possible to build a natural gas pipeline from Vladivostok to Nigata, also connecting Ulsan or Pohang in South Korea as well. We should also notice the difference between LNG and PNG. LNG is mostly seen from Ocean Forces, while PNG is used by Continental Forces. East Sea could be the place for both LNG and PNG. Japan will be more than delighted if South Korea considers building gas pipeline in the west connecting the land.

Dr. Ryu = "The world energy order in northeast Asia is quickly shifting. Energy issues should be approached in multilateral ways. International collaboration is imperative in order to assure the safety and transparency

in the energy market. The time for dealing solely with Russia, or China, is gone. Two Koreas' trust-building, Eurasia Initiative, North Korea nuclear issues, and so on, can only be resolved by international cooperation. 'Energy' has become a concern for South Korea. Gas cooperation was mentioned during President Lee, but last year the topic was excluded during Korea-Russia roundtable. Topics like TSR and TKR were included. Core issue like energy security should be dealt with consistency and long-term vision. This is because it is a national interest regardless of the changing party rule. North Korean route was also very important in terms of PNG, but this will not be settled unless nuclear problem within the region is solved first. It is now time for solutions. Russia won't let China monopolize the pipeline and become the main player in the region. China will welcome Korea and Japan in the market, for enhancing its purchasing power. Right now, Korea is also in a position to protect its national interests.

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