

## Energy Supply and Demand

Taro Nakayama

As we enter the twenty-first century, the demand for energy in Asia will be surging, whereas the region's energy production will soon reach a peak. As a matter of fact, China has already become a net importer of oil and is forecast to increase its energy consumption considerably, along with its rapid economic growth. From medium- and long-term perspectives, regional energy supplies in Asia will fail to keep pace with growing demand, which will cause increasing dependency on outside suppliers, most notably the Middle East.

Europe and North America have developed natural gas pipeline grids that play significant roles in their economic development as well as their energy security. Many additional natural gas pipeline projects are under construction or are being planned in those countries. When we turn to Northeast Asia, however, we cannot see any international natural gas pipeline in operation or even under construction.

Considering the fragile energy structure in Northeast Asia, I am determined to take the initiative to establish an "Asian Energy Community," to tap the potential natural gas resources of East Siberia and build pipeline grids all around the Asian region. These measures will surely not only enhance the region's energy security but also promote mutual prosperity with the region.

We now have to take steps forward to promote dialogue and build cooperative relations in the energy sector in Asia. The Committee for the Promotion of the Asian Energy Community, established in 1997, serves as a forum in which we can exchange views and develop ideas on realizing the Community.