

Foreword

Oil demand in Southeast Asia is growing faster than the world average, but regional oil production is on a downward trend. This has created a rising import dependency, which is expected to continue in the long term, and has increased concern regarding oil supply security for many countries in Southeast Asia.

Southeast Asian countries have been considering institutionalised oil stockpiling and a regional emergency response system, especially since the turn of the century. Based on the Energy Cooperation framework of the Association of Southeast Asian Nations (ASEAN) + 3 (China, Japan, and the Republic of Korea), proposed by Japan in 2002, ASEAN+3 countries established the Oil Stockpile Working Group to draw up the Oil Stockpiling Roadmap. The energy ministers of ASEAN+3 countries approved the roadmap in 2010, and each country is working to achieve the roadmap targets. In 2013, ASEAN countries ratified the ASEAN Petroleum Security Agreement, which set a framework for oil sharing scheme in supply emergencies. While some ASEAN countries have significant oil stockpiling, the average stockpile in ASEAN countries is lower than the International Energy Agency (IEA) standard.

This study examines how Southeast Asian countries could expand oil stockpiling. The authors hope it will be of use, not only for the countries in this study but also for other countries in Southeast Asia, to help institutionalise oil stockpiling and enhance oil supply security in the region.

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