

Introduction

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Introduction

With robust economic growth and motorisation, the Association of Southeast Asian Nations (ASEAN) is emerging rapidly as an oil demand centre. Despite decarbonisation efforts, ASEAN oil demand is growing steadily. How it will be met raises a question over oil supply security. Regional crude oil production is in decline. Whether refinery capacity will be added on time to meet product demand is uncertain. Concern over oil supply security will become more serious as import dependency rises.

Countries employ many countermeasures against oil supply insecurity, targeting more supply, less demand, and better facility and transport security. These countermeasures are important and should be pursued, and oil stockpiling is a last resort to secure supply against disruption. The study focuses on oil stockpiling because it is not developed adequately amidst rising import dependency.

Chapter 1 outlines future oil demand and supply in ASEAN, summarises supply risks, and covers the status of oil stockpiling. Taking Indonesia, the Philippines, and Viet Nam as examples, chapter 2 analyses the costs and benefits of oil stockpiling based on scenarios of stockpiling development options and supply disruptions. Chapter 3 summarises the discussion and presents policy recommendations.