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THE GROWING ROLE AND INVOLVEMENT OF

ASCOPE

VIS-A-VIS EXTERNAL ORGANIZATIONS

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CONTENTS

1. OBJECTIVE
2. ASEAN NATIONAL OIL COMPANIES OR EQUIVALENT
3. ESTABLISHMENT OF ASCOPE
4. WORKING RELATIONSHIP WITH ASEAN
5. RELATIONSHIP WITH THE ASEAN ECONOMIC MINISTERS AND THE ASEAN MINISTERS ON ENERGY
6. INVOLVEMENT WITH THE ASEAN SENIOR OFFICIALS ON ENERGY (SOEs)
7. INVOLVEMENT WITH THE ASEAN CENTRE FOR ENERGY (ACE)
8. INVOLVEMENT WITH OTHER ASEAN ORGANIZATIONS
9. INVOLVEMENT WITH OTHER EXTERNAL ORGANIZATIONS
10. RATIONALES FOR COOPERATION WITH EXTERNAL ORGANIZATIONS
11. SUMMARY
12. RECOMMENDATION

OBJECTIVE

To define “The Growing Role and Involvement of ASCOPE vis-a-vis External Organizations”

ASEAN NATIONAL OIL COMPANIES OR EQUIVALENT**ASEAN NATIONAL OIL COMPANIES OR EQUIVALENT**

The countries in South East Asia noted the importance of their natural resources even before the establishment of the Association of South East Asian Nations (ASEAN) on August 8, 1967. Recognizing this importance the countries set up their own National Oil Companies (NOCs) , starting with Indonesia in 1957, with PERMINA, but currently known as PT PERTAMINA (PERSERO). The list of the current NOCs of ASEAN Member Countries is as per Attachment 1.

These NOCs were tasked to take charge of petroleum matters and to exercise, on behalf of their respective Governments, the implementation of their sovereign rights over their hydrocarbon resources.

The 1973 oil embargo and resulting turmoil in the crude oil markets made the ASEAN Governments all the more aware of the strategic and important role of crude oils and petroleum products in their national economic development process. Thus in 1975 the ASEAN Member Countries then decided to take steps to collectively protect their interests.

ESTABLISHMENT OF ASCOPE

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In June 1975 PERTAMINA of Indonesia sent a proposal to the Heads of National Oil Companies and Government Institutions in charge of petroleum matters in the ASEAN Region "to form cooperation within the field of oil industry among the ASEAN Member Countries". The proposal stated that

"joint cooperation will have as main aim to assist the ASEAN Member Countries in increasing their capabilities in all aspects and phases of the petroleum industry through mutual assistance".

After two meetings the five ASEAN Member Countries agreed to establish an entity known as the ASEAN Council on Petroleum or ASCOPE in short. Thus, on October 15, 1975 Indonesia (PERTAMINA), Malaysia (PETRONAS), the Philippines (PNOC), Singapore (SPC) and Thailand (PTT) signed the "**ASCOPE Declaration**" and the "**Memorandum of Understanding**" on ASCOPE, as per Attachment 2 and Attachment 3.

As the number of the ASEAN Member Countries increased, the membership to ASCOPE also increased. Brunei Darussalam (Petroleum Unit of the Prime Minister's Office) joined ASCOPE in 1985, Vietnam (PetroVietnam) on November 5, 1996, and Cambodia (CNPA) and Myanmar (MOGE) on February 14, 2001.

ESTABLISHMENT OF ASCOPE

Under the "ASCOPE Declaration", it was recognised that petroleum is of strategic importance to the economic development of South East Asian countries and that the interests and well being of the people of the region should be protected in their pursuit for economic development. Under the 'declaration', ASCOPE is firstly an instrument for regional cooperation on petroleum and energy matters among the ASEAN Member Countries. In this regard, the aims and purpose of ASCOPE, as underlined in both the "ASCOPE Declaration" and the "Memorandum of Understanding" on ASCOPE, are strictly in line with the objectives of ASEAN, as follows:

1. To promote active collaboration and mutual assistance in the development of the petroleum resources in the region through joint endeavours in the spirit of equality and partnership.
2. To collaborate in the efficient utilization of petroleum.
3. To provide assistance to each other in the form of training, the use of research facilities and services in all phases of the petroleum industry.
4. To facilitate the exchange of information which will promote methodologies leading to successful achievements in the petroleum industry and which may help in formulating policies within the industry.
5. To conduct petroleum conferences on a periodical basis.
6. To maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes.

From the above it can be seen that to achieve its objectives ASCOPE must be involved with external organizations in the region and globally. The involvement must be mutually beneficial.

WORKING RELATIONSHIP WITH ASEAN

WORKING RELATIONSHIP WITH ASEAN

Article 2 of the Memorandum of Understanding of ASCOPE, as per Attachment 3, is as follows:

“Due to its specific technical and operational character, it is agreed that ASCOPE should operate independently of ASEAN. However, firmly believing in the objectives of ASEAN, ASCOPE will conduct its activities within the ASEAN concept. Thus ASCOPE will closely liaise with and will inform ASEAN of its program and activities.”

Thus ASCOPE operates independently of ASEAN. However, ASCOPE would have to conduct its programs and activities within the ASEAN concept and to keep ASEAN informed of these programs and activities.

As such, the ASCOPE Secretariat would submit inputs on ASCOPE's programs/activities for the Energy Section of the ASEAN Annual Report. The ASEAN Annual Report covers the major accomplishments in all areas of ASEAN cooperation within that particular period. The submission by the ASCOPE Secretariat to the ASEAN Secretariat, for the ASEAN Annual Report, would contain issues, views and comments which have been discussed and approved during the ASCOPE Council Meeting.

In addition to the ASEAN Member Countries, ASCOPE and the ASEAN Secretariat are also involved with the +3 Countries of the People's Republic of China, Japan and the Republic of Korea, and with other countries within Asia and outside the region.

RELATIONSHIP WITH ASEAN ECONOMIC MINISTERS AND ASEAN MINISTERS ON ENERGY

RELATIONSHIP WITH THE ASEAN ECONOMIC MINISTERS AND THE ASEAN MINISTERS ON ENERGY

During its early years, ASCOPE reported its activities at the annual ASEAN Economic Ministers Meeting. The Sixth Meeting of the ASEAN Economic Ministers (AEM) which was held in Jakarta, Indonesia on June 5-6, 1978 discussed the institutional relationship between its Committee on Industries, Minerals and Energy (COIME), and ASCOPE. After considering various options, the ASEAN Economic Ministers Meeting concluded

“that ASCOPE should continue its activities in its present form, and that appropriate liaison and working relationships be established by COIME with ASCOPE on matters relating to petroleum. The Meeting further directed that COIME establish appropriate machinery to consider matters relating to ASEAN cooperation in non-petroleum energy resources.”

Beginning in 1980, ASCOPE activities were reported to the ASEAN Economic Ministers at the annual Energy Cooperation Meeting (AEM-EC). The First Meeting of the ASEAN Economic Ministers on Energy Cooperation (AEM-EC) was held in Bali, Indonesia on September 29-30, 1980. This Meeting directed ASCOPE to continue the cooperation among the ASEAN Member Countries in petroleum and natural gas matters, and outlined a policy direction to pursue an energy cooperation programme with the view to decrease dependence on imported oil and to accelerate the development of indigenous sources of energy among ASEAN Member Countries. In a move to set up a proper mechanism of cooperation for the exchange of information in primary and secondary sources of energy, research and development, and transfer of technology, the Meeting structured energy cooperation in ASEAN as follows:

- ASCOPE to handle the oil and gas matters in the region,
- COIME to handle all non-petroleum sources of energy, and
- COST (the ASEAN Committee on Science and Technology) to handle those energy sources which are in the R&D stages.

RELATIONSHIP WITH ASEAN ECONOMIC MINISTERS AND ASEAN MINISTERS ON ENERGY

In 1995, the title of the AEM-EC Meeting was changed to the “ASEAN Ministers on Energy Meeting” (AMEM).

Today, the ASCOPE Secretariat continues to present its Annual Progress Report to the ASEAN Energy Ministers. In this regard, AMEM continues to serve as the forum of the ASEAN Energy Ministers for regional energy cooperation and, consequently, is the highest authority on energy matters in ASEAN to which the ASCOPE Council reports.

RELATIONSHIP WITH THE ASEAN SOE

RELATIONSHIP WITH THE ASEAN SENIOR OFFICIALS ON ENERGY (SOE)

The ASEAN Senior Officials on Energy (SOEs) are working for the ASEAN Ministers on Energy, and as such, are working, cooperating and involved with ASCOPE, especially on matters pertaining to oil and gas. The formal involvements of ASCOPE are through the attendance and participation at the Senior Officials Meeting on Energy (SOME), at Special SOME, at Fora approved by AMEM and SOME, under the auspices of the SOME +3 Energy Policy Governing Group (SOME +3 EPGG). The Fora under the jurisdiction of the SOME +3 EPGG are the:

- ASEAN +3 Energy Security Forum
- ASEAN +3 Oil Market Forum
- ASEAN +3 Oil Stockpiling Forum
- ASEAN +3 Natural Gas Forum and
- ASEAN +3 Renewable Energy Forum.

AMEM and SOME recognize that ASCOPE have the necessary expertise for these Fora.

RELATIONSHIP WITH THE ASEAN SOE

RELATIONSHIP WITH THE ASEAN CENTRE FOR ENERGY (ACE)

The ASEAN Centre for Energy (ACE) was established on January 1, 1999, based in Jakarta, Indonesia.

Before ACE the entity was known as the ASEAN-EC Energy Management Training and Research Centre (AEEMTRC). AEEMTRC was entrusted with the responsibility to lead the cooperation areas on Energy and Environment and Energy Policy and Planning, and one of its earlier duties was to undertake the initial study on the Trans-ASEAN Gas Pipeline. AEEMTRC presented the completed study of the "Master Plan on Natural Gas Development and Utilization in the ASEAN Region" during the 6th ASCOPE Conference and Exhibition in Jakarta, Indonesia in 1997. In 1999 ASCOPE was tasked to look after the Trans-ASEAN Gas Pipeline (TAGP) Project by AMEM.

The Governing Board of ACE comprises Members who are the ASEAN Leaders of the Senior Officials on Energy (ASEAN SOEs Leaders) and an official from the ASEAN Secretariat. As such ACE can be considered as part of SOME.

ACE is expected to continue as a strategic centre for high level dialogues and ASEAN energy cooperations, and undertakes policy studies and researches, information and training services for the ASEAN member Countries. ACE needs the assistance and cooperation of ASCOPE on matters pertaining to the petroleum sector.

RELATIONSHIP WITH OTHER ASEAN ORGANIZATIONS

RELATIONSHIP WITH OTHER ASEAN ORGANIZATIONS

The other ASEAN Organizations which are involved with ASCOPE are:

1. HAPUA Heads of ASEAN Power Utilities/Authorities
2. AFOC ASEAN Forum on Coal
3. ASEAMS Association of South East Asia Marine Science

RELATIONSHIP WITH OTHER EXTERNAL ORGANIZATIONS

RELATIONSHIP WITH OTHER EXTERNAL ORGANIZATIONS

ASCOPE has been working together with non-ASEAN organizations, having similar aims and objectives, for mutual benefits. The cooperation with some of these non-ASEAN organizations started a long time ago. And of late, due to the fast changing scenario of the global energy status, the cooperation and working relationship between ASCOPE and them have intensified.

The non-ASEAN External Organizations which are involved and cooperating with ASCOPE are:

- | | |
|-----------|--|
| 1. CCOP | Coordinating Committee for Geoscience Programmes in East and Southeast Asia.
Bangkok, Thailand. |
| 2. PETRAD | International Programme for Petroleum Management and Administration
Stavanger, Norway |
| 3. NORAD | Norwegian Agency for Development Cooperation
Stavanger, Norway |
| 4. IEA | International Energy Agency
Paris, France |
| 5. METI | Ministry of Economy, Trade and Industry
Tokyo, Japan |

RELATIONSHIP WITH OTHER EXTERNAL ORGANIZATIONS

- | | |
|----------|--|
| 6. IEEJ | The Institute of Energy Economics, Japan
Tokyo, Japan |
| 7. MOCIE | Ministry of Commerce, Industry and Energy, Korea
Gwacheon-City, Gyeonggi-Do, Korea |
| 8. | Energy Bureau
National Development and Reform Commission P.R. China
Beijing, China |
| 9. APEC | Asia-Pacific Economies |

The details of these non-ASEAN External Organizations are as per Attachment 4.

RATIONALE FOR COOPERATION WITH EXTERNAL ORGANIZATIONS

RATIONALE FOR COOPERATION WITH EXTERNAL ORGANIZATIONS

It would be to the advantage and benefit of ASCOPE to work together with the external organizations mentioned above, external organizations which have similar aims and objectives, and external organizations comprising of ASEAN Senior Government Officials who have direct and indirect linkage to some ASCOPE Senior Officials.

Some of the rationales for cooperating with external organizations are as follows:

1. ASCOPE Members have been tasked to take charge of petroleum matters and to exercise, on behalf of their respective Governments, the implementation of their sovereign rights over their hydrocarbon resources.
2. One of the objectives of ASCOPE, as per the "ASCOPE Declaration" of 1975 (Attachment 2), is:
"To maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes"
3. In 1999, ASCOPE established its Vision, as follows:

"ASCOPE shall be globally competitive in an open international market by creating and facilitating synergistic business opportunities while actively engaging in the petroleum and petroleum related business"
4. ASCOPE, as an ASEAN entity, is working together with the ASEAN Ministers on Energy and the ASEAN Senior Officials on Energy (SOEs) on energy matters within ASEAN, within the region, and globally.

Some Members of the ASCOPE Council report to the ASEAN Ministers on Energy, some report to the ASEAN SOEs Leaders, while some report to higher authorities. As such, it is difficult for ASCOPE to be independent of either the ASEAN Ministers on Energy or the ASEAN SOEs Leaders.

RATIONALE FOR COOPERATION WITH EXTERNAL ORGANIZATIONS

5. Some of these external organizations possess information, data and technology which are useful for the ASEAN Member Countries, and ASCOPE.
6. With the current global scenario it is not prudent to exist in "splendid isolation". Cooperation, relationship and networking are important.
7. Indonesia, an ASCOPE Country Member, is a Member of OPEC, thus the need to interact with third parties.
8. ASCOPE has been tasked by the ASEAN Ministers on Energy to be responsible for the Trans-ASEAN Gas Pipeline (TAGP) Project, thus the need to be involved with external organizations.
9. PETRONAS of Malaysia and PTT Public Company Limited (PTT) of Thailand are listed in Fortune Top 500 Companies in the world.

SUMMARY

Since its establishment in 1975 ASCOPE has grown in stature. Starting with five (5) Founding Members in 1975, ASCOPE now has nine (9) Members. ASCOPE, as represented by its Members, have expanded. The role of ASCOPE has expanded. At the start all ASCOPE Members operated in the domestic arena, now some ASCOPE Members have gone global. ASCOPE Members are seen as united. ASCOPE is seen as being strong and credible, representing not only the ASEAN Member Countries but the region. ASCOPE has a voice.

As such it is not a surprise that external non-ASEAN organizations, with similar aims and objectives, want to cooperate and work together with ASCOPE. At the same time, it would be to ASCOPE's advantage to work together with them. These external non-ASEAN organizations do possess technology, data and information which are useful and beneficial to ASCOPE.

It cannot be denied that some of these external organizations do have their own agenda. Some of their agenda are transparent, while some are not so transparent, could even be considered as 'hidden'. Some of these external organizations are representatives of countries which are not the same as the ASEAN Member Countries. They could be considered as being "OECD", or representing the developed countries, whereas ASEAN is still developing. But they do have 'assets' which are useful to ASCOPE.

Since the cooperation and relationship with these 'suspect' external non-ASEAN organizations are beneficial and useful, ASCOPE should nurture the relationship and cooperation. But ASCOPE must be on the alert all the time, so as not to be "taken for a ride". ASCOPE must "manage" the cooperation and relationship.

Another important factor to be taken into account is that all areas of cooperation, all issues and all views which are to be shared with these external ASEAN and Non-ASEAN organizations must have the blessings and approval of the ASCOPE Council Members.

The roles of ASCOPE, as explained earlier, are very clear. To continue to succeed ASCOPE has to cooperate and to be involved with external ASEAN and non-ASEAN organizations. To be effective with these external organizations, ASCOPE must be able to manage the involvement, relationship and cooperation.

RECOMMENDATION

ASCOPE to continue working together and to be involved with the above-mentioned external ASEAN and Non-ASEAN organizations, with similar aims and objectives, for mutual benefits, and based on the following:

1. ASCOPE must be able to manage the relationship to ASCOPE's advantages and benefits, and
2. All areas of cooperation, issues and views to be shared with these external organizations must have the blessings and approval of the ASCOPE Council Members

THANK YOU

