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# ***Petrostocks 2007***

## ***Report to EWG 33***

**The 33rd Meeting of APEC Energy Working Group  
Auckland, New Zealand  
28-29 March 2007**

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Asia-Pacific  
Economic Cooperation

# ***Outline of the Meeting***

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- **Dates**
  - **29-31 January, 2007**
- **Place**
  - **New Orleans, Louisiana, USA**
- **Attendees**
  - **116 Participants from 19 countries and 3 international organisations**
    - **Bulgaria, China, Czech Republic, Denmark, Finland, France, Germany, Hungary, India, Japan, Korea, New Zealand, Singapore, Slovenia, Spain, Sweden, Turkey, UK and USA**
    - **APERC, EU Commission and IEA**

# *Major Issues Discussed*

## ■ **New Risks**

- Upstream: Middle East
- Downstream: Refinery
- Natural Disaster: Hurricane Katrina

## ■ **Need for Expansion of Stockpile**

- US: New stockpile site – Richton, MI
  - 700 million barrels -> 1 billion barrels
- China
  - China's first strategic storage completed construction in December 2006.
  - Another 3 strategic storages will be constructed within 10-20 years.
- India
  - The Indian Cabinet approved strategic storage in January 2004 and funding in January 2006 with plans for 3 locations finalised.
- EU
- Africa

## ■ **Emergency Preparedness**

- Natural Disaster



# *Major Hurdles and Some Solutions*

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## ■ Major Hurdles

- Financing
- Changes in Fuel Specs

## ■ Some Solutions

- Financial Instruments
  - Hedging through NY Mercantile Exchange
  - Time-swaps
  - Tickets
- Planning Stockpile Programmes
- Collective Response to Emergencies



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All the presentation materials  
are available at  
**[www.petrostock.org](http://www.petrostock.org)**

Next Meeting  
Washington DC (Tentative)