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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Outline of the Meeting

- 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

- 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
All the presentation materials are available at www.petrostock.org

Next Meeting
Washington DC (Tentative)