

2008 PHILIPPINE ENERGY SUMMIT

Global and Regional Perspective on a Shared Responsibility

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29 January 2008

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Global Energy Concerns

- o security of supply;
- o high prices;
- o environmental harm.

Growing Energy Demand

World energy demand forecast to grow by **1.6% until 2030.**

70% of growth from emerging economies
(about 30% from PRC alone)

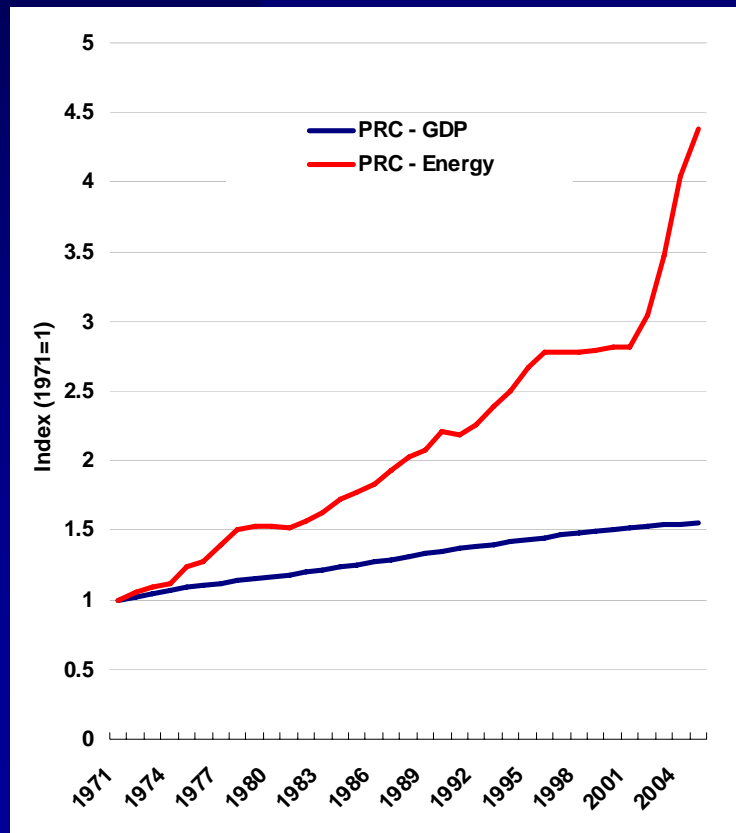
50% for generating electricity

20% for transport, which is entirely oil based

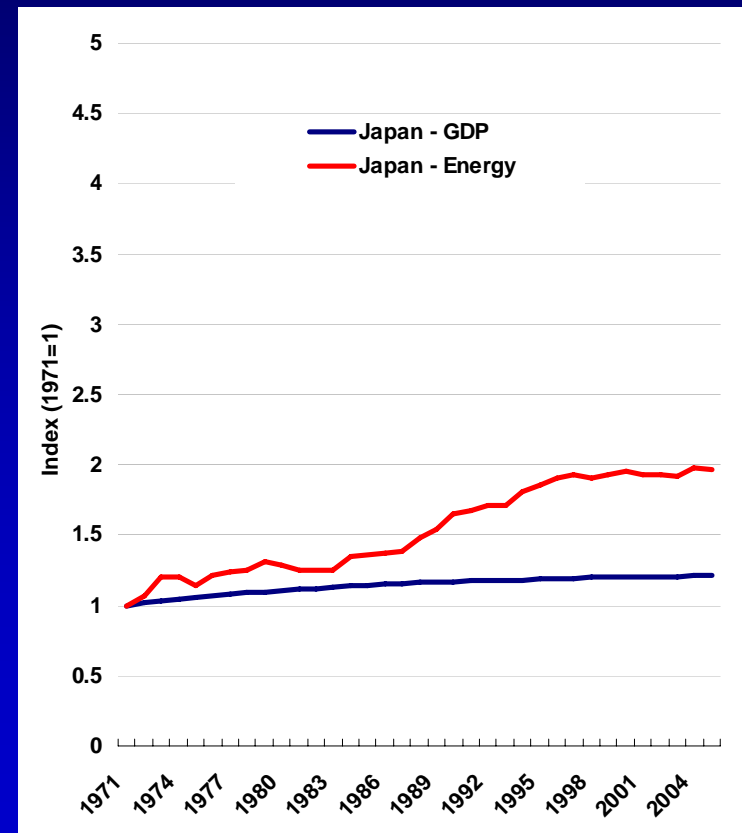
Grid-based electric lighting consumes **19%** of
the total global electricity production

Economic Growth and Energy Consumption: PRC & Japan

PRC

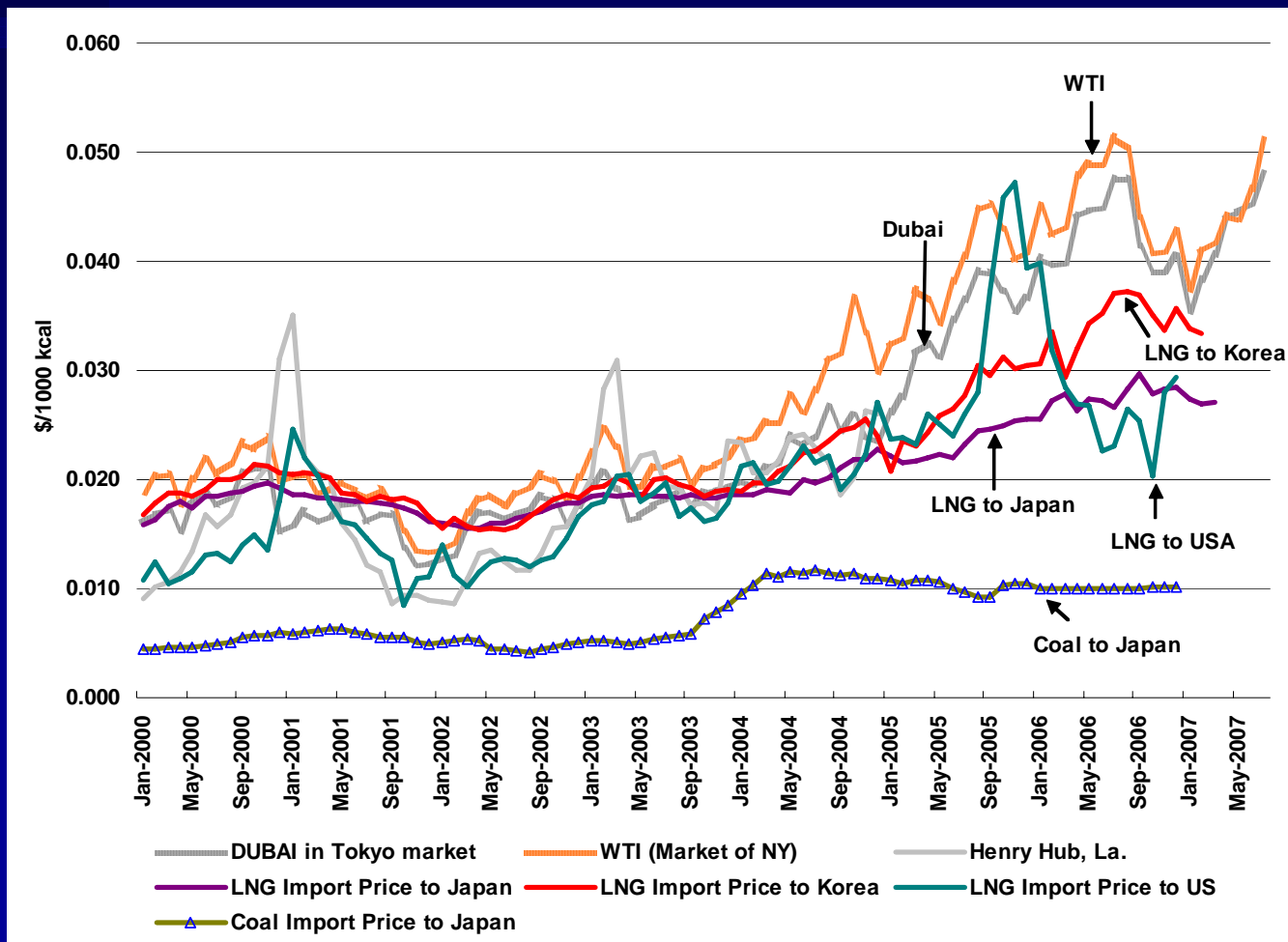


Japan



Source: Asia Pacific Energy Research Centre

Rising Oil and Natural Gas Prices



Source: Asia Pacific Energy Research Centre

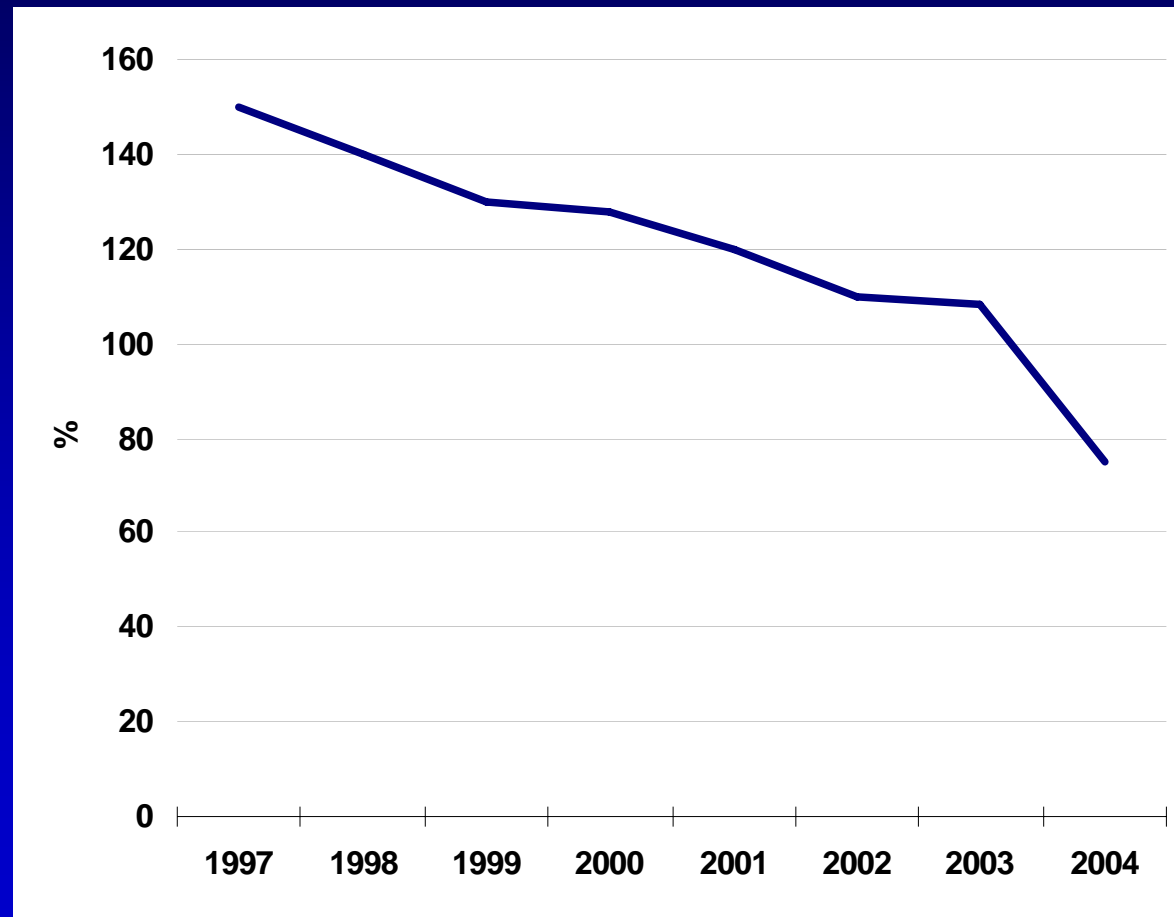
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Oil Reserve Replacement Rate for Oil Majors (%, 1997-2004)

Oil reserve replacement rate equals proved reserves found by drilling as a percentage of reserves removed by production.

Since the late 1990s, the average size of new discoveries around the world has declined threefold.

Newly found deposits are smaller, deeper, and harder to reach.

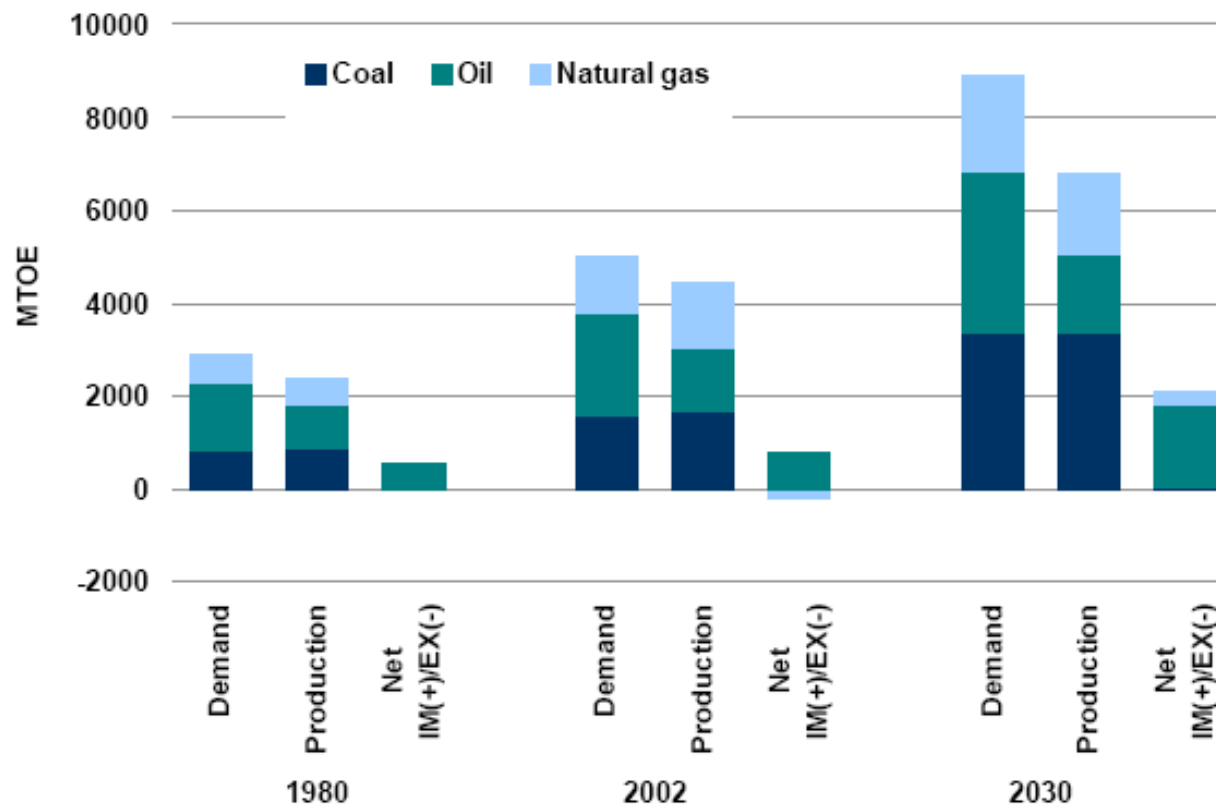


Source: Asia Pacific Energy Research Centre

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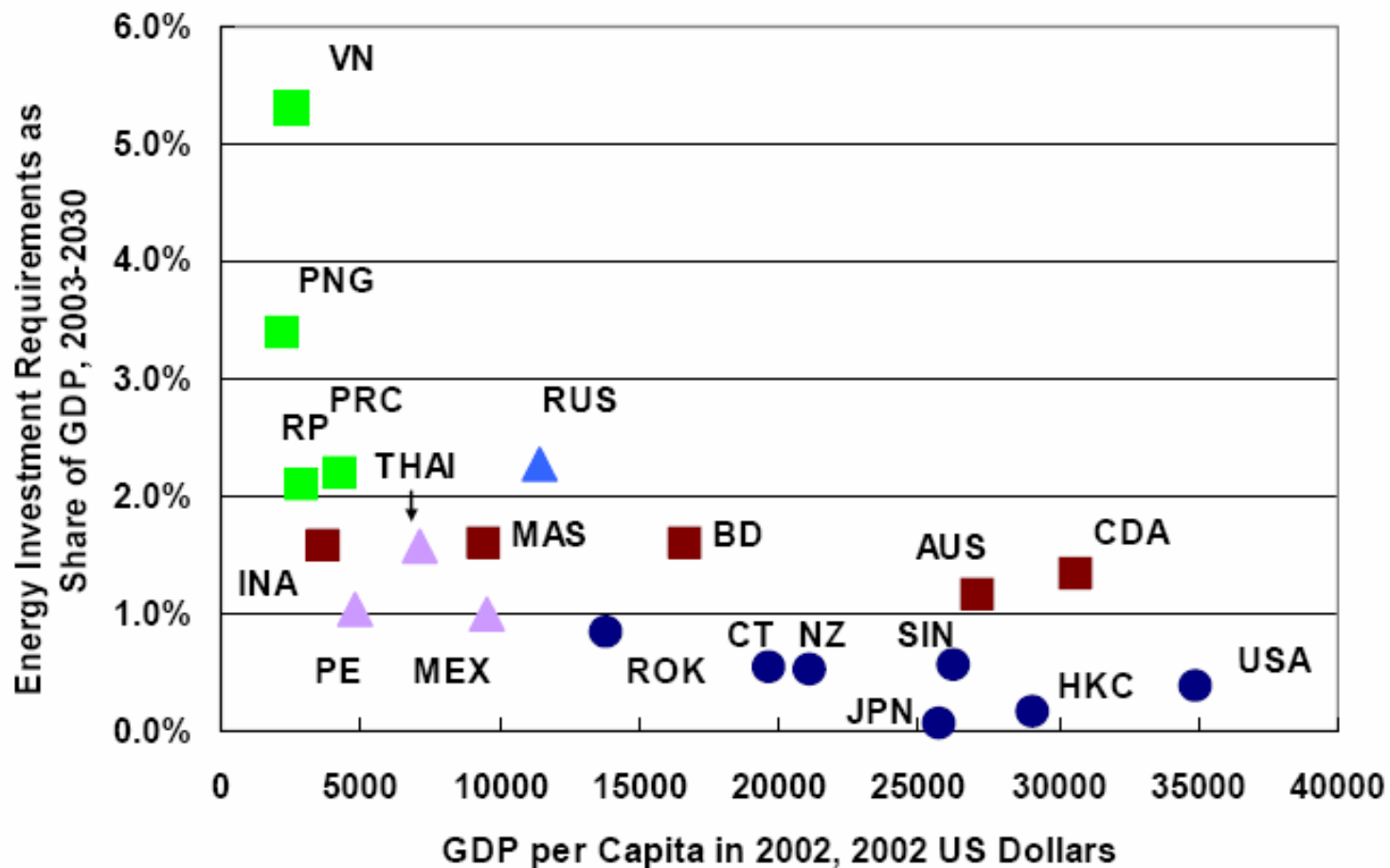
Asia & Pacific: Tight Supply-Demand Balance

*Increasing Import Dependence for Oil and Natural Gas
Projected Tight Balance between Coal Demand and its Production by 2030*



Source: Asia Pacific Energy Research Centre

Financing Needs are Huge



Source: ERC / EIA

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ADB-Philippines Partnership in the Energy Sector



The summit will help the Philippines address the challenges.

Over the last 30 years, ADB has provided about **\$2.8 billion** in loans and around **\$15 million** in technical assistances to the sector **mostly focused on conventional energy**

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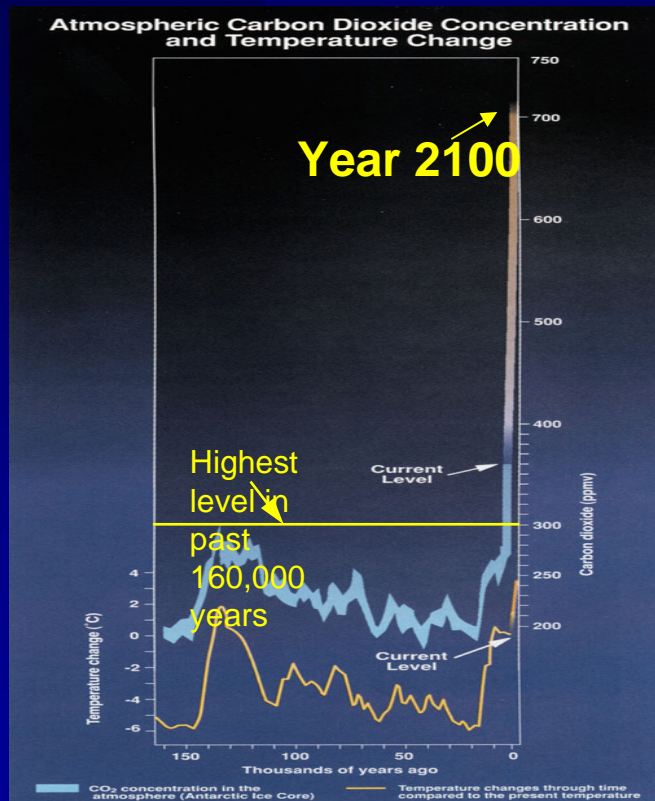
ADB-Philippines Partnership in the Energy Sector

- Partnership has evolved and been customized in response to changing circumstances.
- 20 loans to National Power Corporation (\$1.6 billion) for power generation and transmission projects.
- Private sector loans.
- Policy-based loans for power sector restructuring and debt liabilities management (\$1.3 billion).
- 34 technical assistance grants (about \$15 million) to the power sector for institutional strengthening and various studies.

Philippines Energy Sector Reform Highlights

- Electrification Rate
 - From **55%** in 1986 to **94%** in 2006 at barangay level
 - From less than 50% in 1986 to 75% in 2006 at household level
- Sector Reform
 - Independent energy regulator established
 - Substantial progress in privatization
 - Wholesale electricity spot market operational
- **Challenges**
 - Making electricity rate more affordable
 - Averting power shortages beyond 2012
 - Environment for PPP
 - Promoting clean energy and energy efficiency

New Direction: Energy Efficiency and Renewable Energy to tackle the threat of climate change



Source: Intergovernmental Panel on Climate Change, 2001

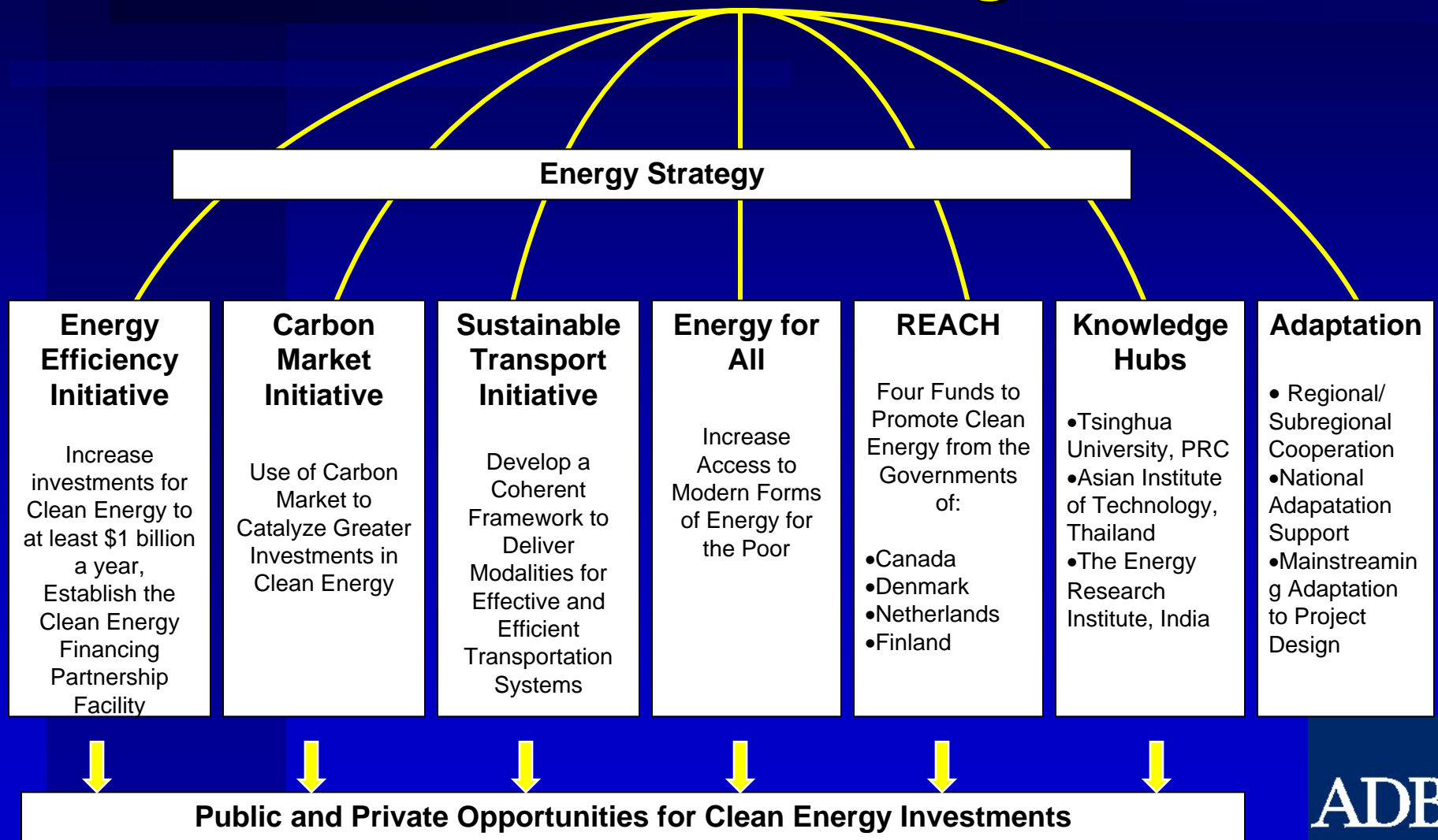


With global concern about the environment, we must all work towards a low-carbon future

A fossil fuel supply based solution alone is not sustainable.

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ADB's Response: Clean Energy and Environment Program



Clean Energy Initiative

- Launched in July 2005, to promote investments in addition to “advocacy” for cleaner energy
- **Supply side:** renewable energy, loss reduction, new fuel efficient technologies for power generation
- **Demand side:** efficient use of energy by consumers, cleaner production by energy intensive industries, high-efficiency equipment and appliances – eg, motors, lighting, insulation.

The Partnership Credo

Together we can do it

Together we must do it

Together we will do it

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ADB-PHILIPPINES PARTNERSHIP

- o Living and working in Manila, ADB understands the challenges and shares the vision of a Philippines free from poverty
- o We will continue to **work with all Filipinos** to make this happen.

For More Information

www.adb.org

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