

## **Speech at the Second Asia and Pacific Energy Forum**

April 4, 2018

**Distinguished Dr. Shamshad Akhtar,**

**Dear colleagues,**

**Ladies and gentlemen, friends,**

I am very pleased to come to Thailand to attend the 2nd Asia and Pacific Energy Forum and discuss with colleagues on energy transition and sustainable development in the Asia-Pacific region. First of all, please allow me to express my sincere gratitude to the ESCAP for the careful preparation and thoughtful arrangements for this meeting.

In recent years, the strong economic growth in the Asia-Pacific region is an important engine for world economy, which has in turn increased the energy demand of various countries. Therefore, providing safe, stable, efficient and clean energy has become an important task for governments of all countries. In 2017, the total primary energy consumption in the Asia-Pacific region accounted for more than 42% of the global total, making it an important part of the world energy system. Among them, non-fossil energy consumption took up about 11%, which is 3.5% lower than the world average of 14.5%. On the opposite, fossil fuel maintains its large share in inappropriate consumption mix. Due to poor and imbalanced energy infrastructure, 400 million people in this region have no access to electricity, and rural residents have no access to clean electricity. Their energy accessibility needs to be improved. In despite of challenges, more importantly, this region is rich in energy resources, with strong complementarities among countries. With huge potential in regional energy cooperation and great momentum in development driven by innovation, we are in a historical period in which great things can be made in regional energy collaboration. Accelerating energy transition and promoting regional cooperation are the common mission of all countries in the Asia-Pacific region. As the energy authority of the Chinese government, the National Energy Administration of China is willing to play an active role and make its own contribution to regional energy development. Taking this opportunity, I would like to put forward some ideas for future work:

First, to promote the regional energy connectivity, which will help break down the geographic restraints of resources, share energy resources and facilitate technical progress. The countries in this region are interconnected by land and sea. Thus, promoting energy connectivity can increase mutual political trust between countries and form bonds of economic and technological mutual benefits. It is conducive to building a community of shared interests,

destiny, and responsibility between countries in the region. At present, the ESCAP Committee on Energy has established an expert working group on energy connectivity, and planned to carry out related research on the energy connectivity roadmap of the Asia-Pacific region. We are willing to actively participate in related work and promote the orderly development of energy connectivity in this region.

Second, to deepen cooperation in regional energy production capacity. Countries and regions in the Asia-Pacific region have different energy endowments and technological capabilities, which can complement each other and develop together. Countries in the region should seize the opportunity of a new round of science and technology revolution, to strengthen basic research on energy science and technology, make breakthroughs on key technologies and core equipment, and promote cooperation in major projects, advanced standards, and engineering services. We are willing to closely integrate our mature energy technologies and advanced production capacity with the development needs of countries in the Asia-Pacific region, actively build an industrial cooperation chain which integrate the upstream and downstream of energy resources, and jointly improve regional energy supply and support capabilities.

Third, to strengthen the communication of energy transition and regional cooperation policies. Promoting energy transition and regional cooperation requires concerted actions of all countries. We are willing to establish the concept of cooperation and win-win, uphold the principle of equal consultation, and strengthen the strategic link of energy transition and regional cooperation with countries in the Asia-Pacific region to create an open and transparent environment for regional energy transition and development. At the same time, we must adhere to the principle of seeking common ground while reserving differences, respect each country's exploration of development strategies and policies that suit its own national conditions, to achieve a reasonable development of regional energy resources.

We hope that countries in this region can join hands to strengthen cooperation in energy infrastructure construction, promote the facilitation of trade in energy resources, reduce transaction costs, and form an open and stable regional energy market so that we can jointly ensure the supply security and sustainable development of energy in this region.

### **Ladies and gentlemen!**

Last October, the 19th National Congress of the Chinese Communist Party was successfully convened, proposing that China will establish a well-off society in an all-round way and start a new journey for the nation in building a modern socialist country. President Xi Jinping stressed that China must unwaveringly implement the development concepts of innovation, coordination, greening, openness, and sharing, strengthen clean energy industry, energy production and consumption revolution, so as to build a clean, low-carbon, safe and efficient energy system. On March 5th, the first session of the 13th the National People's Congress was opened. Premier Li Keqiang made a work report on behalf of the State Council, affirming the achievements made in energy work, and proposed concrete goals including

optimized energy structure, lower energy consumption per unit of GDP, and greener development etc.

As the world's largest energy producer and consumer, China has always attached great importance to energy transition and development as well as international cooperation, to accelerate the construction of a clean, low-carbon, safe, and efficient modern energy system. Remarkable results have been achieved in sustainable energy development.

First, the quality of energy supply has been further improved. In 2017, China's total primary energy production was 3.59 billion TCE, of which coal accounted for 69.7%, and non-fossil energy 17.3%. Total primary energy consumption was approximately 4.49 billion TCE, of which coal accounted for 60.4%, non-fossil energy 13.8%. We can see that the proportion of non-fossil energy consumption has gradually increased. In 2017, power generation capacity of renewable energy in China reached 650 million kw, an increase of 14% year-on-year, and it accounted for approximately 36.6% of the total, which was a year-on-year increase of 2.1 percentage points. Thus, renewable energy is playing an increasingly prominent role as an alternative.

Second, capabilities for sustainable development of energy have been enhanced. The construction of infrastructure including inter-provincial power transmission channels, pumped-storage power stations, crude oil and natural gas pipelines and others has been accelerated. As of the end of 2017, the capacity of China's West-East Electricity Transmission Project was about 230 million kw, the total length of oil and gas pipelines about 127,000 km, and the total length of natural gas pipelines about 70,000 km. In addition, the institutional and scientific and technological innovations are advancing in an orderly manner, and new technologies and new formats such as distributed energy and multi-energy complementarities are emerging.

Third, energy connectivity has been further promoted. China has achieved power interconnection and border trade with seven neighboring countries including Russia, Mongolia, Kyrgyzstan, North Korea, Myanmar, Vietnam and Laos. As of 2017, China's power grid interconnection with neighboring countries was approximately 2.6 million kw, with a total import volume of 4.7 billion kwh and an export volume of 2.8 billion kwh. Energy connectivity with countries in the Asia-Pacific region continues to advance.

Fourth, international energy cooperation has been strengthened. "The Belt and Road" initiative has been actively responded by countries along the routes, and energy cooperation has progressed smoothly. At present, China and countries along the routes have already had a good foundation in energy and resources cooperation. The projects in the fields of thermal, hydro, nuclear power, grids, natural gas, etc. have progressed smoothly. China has jointly harvested the benefits of project cooperation with a number of countries along the routes.

As globalization continues to accelerate, China's development, regional development, and even that of the world are reinforcing one another. China will actively participate in the reform and construction of regional energy governance systems, and further realize sustainable energy development goals according to the principle of joint development, cooperation and sharing.

**Ladies and gentlemen!**

China is willing to work together with other countries to actively play its role and share useful experience to provide more support for the energy transition and development in the Asia Pacific region. China will work together with other countries to promote the development of energy in the Asia-Pacific region on a clean, low-carbon, smart-sharing road, so as to build a community of common energy destiny for human beings.

Thank you all! May I wish this conference a complete success!