

Achieving Oil Security, with Emphasis on the Transport Sector

Asia Pacific Energy Research Centre (APERC)

Summary of APERC Presentation

- Dependence on oil products in the APEC region is projected to rise, driven primarily by the transport sector, which will account for nearly 70 percent of the incremental oil demand growth by 2030.
- Road transport is projected to account for about 80 percent of total transport energy demand through 2030 and oil products will remain the primary energy source within this sector.
- Increasing transport energy demand may pose challenges to APEC economies because of declining domestic oil production and rising oil import dependence (projected to increase to 52 percent by 2030 from its current level of 36 percent).
- Local and global environment is another challenge posed by the transport energy demand growth, as the transport sector leads both air pollutant and carbon dioxide emissions.
- Continued urbanisation, high income growth (3.5 percent per annum), expansion of the domestic automobile industry within economies, and sustained industrialisation are the major drivers affecting the growth in oil products demand for road transport.
- Transport energy demand reflects diverse factors, such as economic development, urban form, and industry structure. A holistic approach tailored to meet the needs of each APEC economy is essential to enhance transport energy efficiency and security.
- Transport issues concern various government agencies; trans-agency coordination, at both the central and local levels, is thus recommended to enhance the effectiveness of policy implementation.
- Continued efforts are necessary to develop technologies. Such efforts should focus on technologies to improve vehicle efficiency and those for alternative fuels.
- APEC economies may need to increase traffic demand management to enhance energy security through the transport sector. Two options are to enhance public education to shift lifestyles away from vehicle dependence and to develop mass transit systems to facilitate this change.
- Timely investment in mass transit systems is necessary to reduce people's vehicle dependence. City planners need to assess their future transport requirements and plan appropriate timing in investment towards mass transit systems.

Source: APERC (2006), "APEC Energy Demand and Supply Outlook" and APERC (2007), "Urban Transport Energy Use in the APEC Region".

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