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S KOREAN ENERGY IMPORTS UP 335 PCT IN 2005

SEOUL, Feb. 23 (Yonhap) -- South Korea's energy imports rose sharply in 2005, as the price of oil, gas and other fuels rose from greater worldwide demand, the Ministry of Commerce, Industry and Energy said Thursday.

Imports rose 33.5 percent year-on-year to US\$66.7 billion, accounting for 25.5 percent of the country's total imports of \$261.2 billion for the year, the ministry said in a preliminary tally.

South Korea relies almost exclusively on overseas oil and gas to meet its needs, making it vulnerable to energy price fluctuations.

The price of crude oil rose 39.2 percent, and liquefied natural gas (LNG) and coal prices jumped 28.7 percent and 28.3 percent, respectively, from 2004 to 2005.

"A rise in crude oil prices usually causes other energy prices to go up as well," an official at the ministry's energy policy bureau said.

While imported energy costs rose sharply, he said, the overall amount of imported oil, gas and coal edged up 0.6 percent from the previous year to 227 million tons of oil equivalent (TOE).

Thanks to greater demand, the country posted an export growth of 51.2 percent for petrochemical products and refined oil compared with 2004. This adds up to \$15.3 billion, or 5.4 percent of the country's \$284.7 billion in total exports for the year.

The ministry said that because South Korean refiners invested heavily to upgrade capabilities, exports are expected to grow in coming years. Southeast Asia, China and the United States are the main importers of South Korea's oil products.

Meanwhile, the Korea Energy Economic Institute (KEEI) forecast that the country's energy demand will rise 3.2 percent annually to 2.36 billion TOE this year.

The state-run think tank said the gain is smaller than the 4.2 percent increase tallied for the 2004-2005 period and reflects conservation efforts by the general public and industries because of high energy prices.

The KEEI said demand for oil could reach 769.7 million barrels or a gain of 0.7 percent from last year, with those for LNG and coal gaining 11.0 percent and 3.4 percent, respectively.

It added that growth in energy demand is expected to steadily decline in the coming years. The research center said national demand could reach 263.7 million TOE in 2010, only a 15 percent gain from 2005.

(THROUGH ASIA PULSE)