

Draft Speech Mr. Manabu Horii, Parliamentary Vice Minister for Foreign Affairs  
at the Ministerial Session, the 28th Meeting of the Energy Charter Conference  
29 November, 2017

Your Excellency Mr. Maksat Babayev, Deputy Chairman of the Cabinet of Ministers of Turkmenistan

Your Excellency Mr. Rashid Meredov, Deputy Chairman of the Cabinet of Ministers, Minister of Foreign Affairs of Turkmenistan

Dr. Urban Rusnák, Secretary General of the Energy Charter Secretariat,

Honourable Ministers, Distinguished Heads of International Organisations, Ambassadors, Distinguished Delegates, Ladies and Gentlemen,

On behalf of the Government of Japan, the 2016 Chair of the Energy Charter Conference, it is a great pleasure for me to deliver a speech at the Ministerial Session of the 28th Meeting of the Energy Charter Conference.

Global energy landscape is currently undergoing a cataclysmic change, that I may call it "the three shifts".

The first of these is "the shift in suppliers." The technological innovations including the shale revolution brought the rise of the U.S and other countries as global energy suppliers.

The second aspect of the great change is "the shift in consumers." Emerging countries in Asia, such as India, China and ASEAN countries, are taking a lead in the growth of the future global energy demand.

The third element of change is "the shift towards low-carbonization." Climate change is a global challenge, and low-carbonization is imperative for the energy sector, as it accounts for more than two-thirds of all greenhouse-gas emissions.

Given the change in the global landscape, we, the Members and Observers of the Energy Charter Conference (ECC), should exert more efforts for strengthening global energy security in a well-balanced manner. In this sense, the theme of today's

Conference, “Mobilizing investment for a sustainable energy future and diversified transportation routes”, sounds very timely.

Mr. Chair person,

Energy investment is crucial for the future of sustainable energy. As a result of the current low energy price, energy investment, particularly in its upstream, is greatly decreasing. Such circumstance may run the risk of short-supply and price-spike in the future, thus continuous energy investment is necessary for strengthening the energy security as well as the sustainable growth of the world economy.

We should also expeditedly achieve the energy access to all, one of the Sustainable Development Goals (SDGs), through “quality infrastructure investment” in accordance with international standards such as openness, transparency and economic efficiency of infrastructures, and financial viability of recipient countries, so that infrastructures shortfalls will not be the barrier to the enhancement of energy access. Japan has been providing the world’s largest support to developing countries in the energy sector through ODA 12.7 billion dollars in total for the last 5 years from 2011, and contributing to achieving the mutual goals in response to various needs of those countries.

In relation to the diversification of the transportation routes, let me highlight we should focus not only on expanding the trade of pipeline gas but that of liquefied natural gas (LNG). Japan is actively contributing to development of the international LNG market with more transparency, flexibility and liquidity, and we believe that the increased use of the price indices and flexibility of contracts including abolishment of destination restriction should be achieved.

In the “Tokyo Declaration on the Energy Charter” adopted at the 27th Meeting of the Energy Charter Conference held in Tokyo with the Chair of Japan last year, we decided to enhance and support the energy resource development and the efforts including modernizing the investment protection framework to improve stability and transparency of investment climate in the energy sector. Japan will support and contribute to these modernizations.

Mr. Chair person,

Given the changes in the global energy landscape, the Ministry of Foreign Affairs of Japan announced a new Japan's energy and resource diplomacy last July, namely "Energy and Resource Diplomacy of Japan - global vision for a shared future".

This vision is based on our belief that our contribution to providing solutions for global challenges will lead to Japan's own energy security, while ensuring a stable supply of energy and resources is of paramount importance for Japan.

Specifically, our vision includes the following five points: firstly, promoting free trade and investment in energy and resources and realizing sophisticated markets; secondly, accelerating efforts toward energy access for all; thirdly, reducing environmental costs and improving energy efficiency; fourthly, promoting development and deployment of new energy and renewable energy; and finally, strengthening international preparedness for emergencies in oil and gas supplies and global energy governance.

It is my firm belief that, by making our utmost efforts to achieve this vision "win-win" relationship with resource-rich countries will be strengthened, eventually leading to a stable supply of energy and resources to Japan. At the same time Japan can demonstrate leadership in strengthening energy security in the world.

Energy and resources are major traded commodities, and the Energy Charter Treaty (ECT), a multilateral investment protection treaty in the field of energy, is gaining more importance as it plays a key role in their free trade and investment promotion.

Investment protection and improvement of business environment through the ECT is in line with Japan's vision for energy diplomacy, and Japan will continue to support and assist activities of the ECT.

Thank you for your attention.