

Opening Remarks by Mr. Tatsuo Sato, Deputy Director-General,
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1. Opening

Good morning, ladies and gentlemen. Thank you very much for coming out of your busy schedule to attend the Energy Charter Treaty Forum. I would like to extend a warm welcome to all of you. It is a great pleasure to greet you on behalf of the organizer, the Ministry of Foreign Affairs of Japan.

I would like to express our sincere appreciation to H.E. Urban Rusnák, the Secretary General of the Energy Charter Secretariat, and the other staff members of the Secretariat, for their generous and warm cooperation for preparing this Forum.

I also sincerely welcome and extend my gratitude to all the chairs and panelists from arbitration organization and the legal professionals from Japan and the world as well as representatives from the business, and the researchers.

2. Japan's Resource Diplomacy

The Ministry of Foreign Affairs has pursued the active economic diplomacy for the revitalization of Japan's economy ever since Prime Minister Shinzo Abe took office in 2012. Energy and other resources are essential to Japan's economy. Therefore, the Ministry has been working vigorously to ensure the stable supply of energy and other resources at affordable prices as an integral part of its economic diplomacy.

As an extension of such efforts, we hold this Forum today with a view to strengthening our energy security. We focus on the Energy Charter Treaty (ECT), which is an important multilateral legal framework for trade, transit and investment in the energy sector.

It is an urgent agenda for Japan to secure stable supply of energy at affordable prices as well as to introduce renewable energy to the greatest possible extent, especially after the Great East Japan Earthquake.

Therefore, the Ministry has advanced strategic resources diplomacy, seeking to diversify supply sources through strengthening comprehensive and mutually-beneficial relations with major resource-rich countries utilizing various diplomatic tools in a strategic manner such as diplomatic schedule and ODA.

3. Value of the Energy Charter Treaty

Along with the necessity to improve investment environment in resource-rich countries, the establishment of international legal framework for investment protection and arbitration would be essential in order to develop and produce energy in such countries, promote its transport and trade and accelerate the introduction of renewable energy. The Energy Charter Treaty comprises the essential components of such international legal framework.

We believe that the ECT contributes to increase world energy supply and enhance energy security since it helps improve trade and investment environment toward long-term and stable resource development.

The bottom line is that Japan has a belief in the potential of the ECT which is the first multilateral treaty that deals with both trade and investment and has a mandatory international arbitration mechanism. Therefore, Japan has supported the management and activities of the Energy Charter Secretariat since its establishment in a consistent way.

4. Usefulness of the Energy Charter Treaty

With regard to investment protection in the field of energy including renewables, the Energy Charter Treaty provides us with an investment arbitration mechanism between the state and investors, which is similar to bilateral investment treaties.

In fact, the number of arbitration under the ECT has been increasing. There have been 568 arbitration cases up to now, 58 cases of which are filed based on the ECT.

The mechanism of investment protection and arbitration under the ECT would be a useful tool for both companies expanding their businesses abroad and resource-rich countries.

5. Expectation to the Forum

Last but not least, I hope that participants have a fruitful discussion to share their diverse experiences and expertise. It would be grateful if this Forum could help deepen your understanding on the significance and value of the ECT.

We will have a reception after this forum. It is our pleasure if you would utilize this occasion to form a new network of connections.

Let me conclude my remarks by referring to our resolve to continue our efforts for the protection and promotion of energy investment in close cooperation with the Energy Charter Secretariat and other relevant international organizations.