

**Opening Remarks by Mr. Kentaro Sonoura, State Secretary for Foreign Affairs
Ministerial Session, the 27th Meeting of the Energy Charter Conference
26 November, 2016**

Excellencies,
Distinguished Guests,
Ladies and Gentlemen,

Introduction

On behalf of the 2016 Chair of the Energy Charter Conference, Mr. Fumio Kishida, the Minister for Foreign Affairs of Japan, representing the entire Ministry of Foreign Affairs and the Japanese people, I would like to express my heartfelt welcome to all participants of the Ministerial Meeting of the Energy Charter Conference. I would also like to express sincere appreciation to Dr. Rusnak, Secretary General of the Energy Charter Secretariat, and the staff of the Secretariat for their dedication to bring about this Ministerial Meeting.

This year marks the 25th anniversary of the Energy Charter Process's beginning in 1991. We are honored to be the Chair of today's Conference here in Tokyo in such a remarkable year, with attendance of numerous ministers including last year's Chair, Georgia, and next year's Chair, Turkmenistan.

**Re-election of SG Rusnak and the appointment of Ms. Nakata, Assistant
Secretary General designated**

I would like to take this opportunity to congratulate Dr. Rusnak on his re-election by consensus this June.

I also would like to congratulate Dr. Masami Nakata, Professor of Kumamoto University, on her appointment as the new Assistant Secretary General in January of next year. Professor Nakata has great expertise in researching solar

cells and deep knowledge not only on energy, but also institutional management through her professional experience including her time with UNESCO's regional office in Jakarta. We hope that Professor Nakata will be an asset for the Energy Charter Secretariat, supporting the Secretary General and demonstrating her outstanding capabilities.

Changing situations in energy

Compared to 25 years ago, a major shift in the global energy landscape can be seen. As for supply, the “shale revolution” has changed traditional energy importing countries into exporting countries. As for demand, the share of developed countries in energy demand has declined and emerging countries, such as China and India, are taking a lead in energy demand growth. This “double-shifting” in supply and demand has created such significant structural changes in the energy market that we are now in the midst of historical transformation.

Energy issues have a close link to climate change issues, and energy transition for cleaner energy, such as renewable energy, has been accelerated. Ensuring well-balanced, varied energy resources, while addressing climate change is the center of energy security. In addition, the most optimized use of energy resources including renewable energy is very important, particularly according to each country’s needs.

Challenges the international community faces regarding energy

Last year, we made two important political decisions in the area of international energy: First, the establishment of energy access as one of the goals in the United Nation’s 2030 Agenda for Sustainable Development. Second, the adoption of the Paris Agreement at COP21.

More than 1.1 billion people in the world face energy access issues and nearly

half of them are concentrated in the Asia-Pacific and Sub-Saharan Africa region. In this regard, the adoption of the Energy Access Action Plan at the G20 Energy Ministerial Meeting both this year and last is a great achievement.

The Paris Agreement entered into force on November 4, and utilization of clean energy technologies is an effective measure. In August of this year, Japan hosted the Sixth Tokyo International Conference on African Development (TICAD VI) in Kenya and announced the implementation plan for promotion of clean energy technologies including geothermal power generation in Africa.

Importance of energy investment

Further investment in the energy sector is necessary to improve energy access and promote clean energy technologies with a view to realizing a low-carbon society. Currently, there is stagnant growth in energy sector investment, particularly upstream, resulting from recent stagnation in oil prices. Encouragement of continuous investment is essential, not only to strengthen energy security but also to achieve sustainable development of the world economy.

The existing energy infrastructure gap is a bottleneck in many developing countries and regions. In order to bridge the gap and to achieve sustainable development, “quality infrastructure”, such as resiliency, job creation, capacity building, and social and environmental consideration is necessary. Japan believes that “quality infrastructure investment” is a useful guideline to fully realize energy security, climate change strategy and economic growth.

Benefits of Energy Charter Treaty and its implication in Asia

An investment climate in which companies can receive legitimate profits through their investments is necessary for activation of energy investment. The

Energy Charter Treaty functions as a multilateral legal framework and it has realized “rule of law”. More concretely, it is playing a prominent role in promoting energy sector investment, improving stable supply and access, and encouraging the use of clean energy by legally securing stability and transparency of the investment climate between contracting parties. Such a role will become even more relevant as time passes.

Although Europe has been at the center of the Energy Charter Process, Japan is hosting the Ministerial Meeting for the first time in East Asia, as demand is shifting to Asia, and three countries and three international organizations newly signed the International Energy Charter. We are certain that through such developments, the Energy Charter Treaty will receive increased recognition as a legal framework contributing to global energy security, sustainable development and climate change strategy, through the universalization and further geographic expansion of the Energy Charter Process in Asia.

Conclusion

Today’s theme is “Relevance of the International Energy Charter to Global Challenges”. Based on the points mentioned and through our active discussion today, I close my opening remarks by hoping this Conference be a great opportunity to show our solidarity, gather our knowledge and pave our way to a successful future.

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