



EU-Japan Business Round Table

Press Release

Tokyo, Monday 31 October 2011

The EU-Japan Business Round Table (BRT), a forum of around 50 European and Japanese business leaders, co-chaired by Messrs. Jean-Yves Le Gall (Chairman & CEO of Arianespace) and Hiromasa Yonekura (Chairman of Sumitomo Chemical Co., Ltd.), issued today a **joint statement on Energy Policy**.

The statement is attached.

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Background

The EU-Japan Business Round Table (BRT) was created in 1999 to foster communications between Japanese and European industries. Its members are senior executives from around 50 leading European and Japanese companies. Its main objective is to submit recommendations to the Japanese and European Authorities in order to develop trade and investment between the EU and Japan, and to encourage industrial cooperation on issues of common interest, such as innovation, climate change, or industrial standards.

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JOINT STATEMENT ON ENERGY POLICY

31 October, 2011

Energy is the lifeline of business, a key component for ensuring economic competitiveness, and a major element of any environmental and climate policy. Therefore, the EU-Japan Business Round Table has set up a dedicated Working Party to foster a convergence of Japanese and European business expectations in this domain and to recommend actions and cooperation to EU and Japanese authorities.

In recent years, the security of supply has driven the energy policy agenda. This is due to rapidly increasing world-wide energy needs and carbon management in the context of climate change. Renewable energy, nuclear energy, and energy efficiency were expected to strongly contribute to satisfying the energy needs and carbon management. However, the accident at the Fukushima nuclear power plant in March has led to a re-evaluation of the safety of nuclear power generation technology all over the world; Japan and some countries in Europe have also been re-assessing their energy policies.

The EU-Japan Business Round Table supports the re-assessment of national and regional energy policies in those countries that decide to do so to take into account lessons learned from recent events and public sentiment. The goal should be an integrated energy policy supporting the prospects of sustainable economic development in the coming decades. The way to do it shall be such that it strengthens the understanding of the energy policy by all stakeholders.

- The EU-Japan Business Round Table calls for such re-assessments to be conducted in a transparent manner and to allow all stakeholders to participate.
- The EU-Japan Business Round Table calls for all debates to reflect the facts and well-founded figures, science, and reasonable economic analysis and to take into account public expectations and opinions.

Access to reliable and affordable energy remains an enabling factor for the competitiveness of business and national economies, and the environment remains a key concern.

- Industry is more than ever a crucial pillar of a strong and resilient economy. The security of supply and the cost of energy, which often represents a significant part of the value chain of a product's manufacturing, are paramount for ensuring competitiveness in world markets and employment at home.

- In addition, the development of value-added services and high technology requires the use of sophisticated information technologies, which rely on a very reliable and high-quality supply of electricity.
- The trend of increased use of electricity will maintain its momentum and will lead to increased benefits and a better environment for citizens, especially in urban areas. The security of supply and the affordability will therefore be even more important tomorrow than they are today in everyday life.

The energy mix of each country or region must make it possible to meet these economic expectations while also satisfying environmental and carbon emission concerns. However, the energy infrastructure (including the electricity network), the regulatory environment, market incentives, and research and development targets need to be consistent with countries' goals.

The EU-Japan Business Round Table calls for devising an energy policy strategy that properly addresses short-term realities and supports a mid- to long-term vision. In the short term, it may be difficult to significantly alter the current energy mix: each component of the present energy mix, including coal, gas, and nuclear must therefore become even more reliable, clean, and safe. Improvements such as better fossil-fuel efficiency and carbon capture and storage (CCS) technology must be pursued. The topic of nuclear safety must also be addressed.

The safety of nuclear energy has always been a matter of public concern, and even more since nuclear energy today is a significant part of the energy mix in Japan and several European countries and the EU as a whole. It provides benefits in terms of economics because the production cost is much less dependent on fuel cost than in the case of fossil-fuel generation. Other benefits are its availability of supply, security of supply (diversified uranium deposits), and high energy density. Nevertheless, it does present challenges, especially in terms of safety and public opinion. Even though the industry is working hard to continuously increase the level of safety, the Fukushima accident highlighted again that safety is never granted.

- The EU-Japan Business Round Table strongly supports any move to strengthen the independence of safety authorities and of their human and technical capabilities.
- The EU-Japan Business Round Table supports international cooperation to the remediation effort of the Fukushima accident.
- The EU-Japan Business Round Table supports comprehensive assessment of the safety of existing nuclear power plants and calls for such assessments to be performed without undue impact on the operation of nuclear power plants.
- The EU-Japan Business Round Table calls for the results of the comprehensive assessments, and the action plans that may be derived, to be made with the

utmost transparency, reflecting the facts and legitimate assumptions and being associated with a clear roadmap.

- The EU-Japan Business Round Table strongly supports international cooperation towards establishing a common ground for safety requirements and the sharing of best practices.

In the mid-term, a target for a different energy mix, including lower carbon-content energies, could be set and a concrete and realistic roadmap must be defined to reach the target. While it is difficult to immediately shift to the extensive use of renewable energies, they must play a more and more important role in the energy mix and be complemented by energy conservation and energy efficiency.

- The EU-Japan Business Round Table calls for increasing the renewable energy share in the energy mix with ambitious, albeit realistic, targets.
- The EU-Japan Business Round Table calls for such targets to take into account their level of technological and industrial development and the possibility to deploy such technologies in an economically sound and efficient manner.
- The EU-Japan Business Round Table calls for action to improve energy conservation and energy efficiency.
- The EU-Japan Business Round Table calls for the design and implementation of fair regulations and market mechanisms to support the technological development of renewable energies and related infrastructure, to support their adoption, and to provide incentives for improving energy conservation and efficiency.
- The EU-Japan Business Round Table calls for international cooperation towards establishing standards, funding development projects, and implementing pilot projects by sharing best practices and promoting the use of feedback from experience gained.
- The EU-Japan Business Round Table calls for recognizing that nuclear energy and renewable energy can complement each other.

The EU-Japan Business Round Table recognizes that there is no “one size fits all” energy policy, but believes that the drivers and expectations above should be taken into consideration when designing any energy policy. The members of the EU-Japan Business Round Table are committed to being responsible stakeholders and contributing, through business solutions and innovations, to achieving the goals in each national energy policy.