

Appeal for the Strengthening of Cooperation between Japan and Russia on Energy and the Environment

(The Niigata Appeal on Energy and the Environment)

Niigata City, 18 November 2008

On 17 and 18 November 2008, Niigata Prefecture, Niigata City and the Economic Research Institute for Northeast Asia (ERINA), receiving the cooperation of related organizations and groups in Japan and Russia, convened the "Japan-Russia Energy and Environment Dialogue in Niigata". From the Russian side, regional government organs, the Institute of Energy Strategy, various scientific research institutes of the Russian Academy of Sciences, Gazprom, and others participated in the conference. From the Japanese side, the Ministry of Foreign Affairs, the Ministry of Economy, Trade and Industry, Japan Oil, Gas and Metals National Corporation (JOGMEC), and various trading companies and manufacturers participated. The keynote addresses at the conference were delivered by Tsutomu Toichi, Senior Managing Director of the Institute of Energy Economics, Japan (IEEJ), Vladimir Saenko of the Institute of Energy Strategy, Russia, Nobukatsu Kanehara Deputy Director-General, European Affairs Bureau, the Ministry of Foreign Affairs of Japan, and Noriaki Kojima, Director, Russian Office, Trade Policy Bureau, the Ministry of Economy, Trade and Industry, Japan.

At the conference, taking place in this locale which historically has an accumulation of energy-related technology and also has a background of playing a major role in the promotion of exchange between Japan and Russia, experts from the two countries had a constructive and substantive exchange of opinions. From 2007 to 2008, the prices of energy resources underwent large fluctuations, and in this period in which the financial crisis originating in the United States has had a major influence on the global economy, that the parties concerned in government and the private sector, with their medium- and long-term time-frames, were able to undertake discussion was considered to have been a profitable opportunity generating momentum in the strengthening of cooperation in the energy sector bilaterally in the future, and what is more in the Northeast Asian region.

At the two-day conference, the initiatives listed below were expressed as ideas which are important toward the future strengthening of cooperation on energy and the environment between the two countries.

The Continuing Implementation of Similar Dialogue to that at this Conference by Government and Private-Sector Experts from the Two Countries

Amid an environment where the global economy and international relations are continually changing, in order to maintain and develop a mutually-beneficial cooperative relationship in the medium- and long-term, it is vital that the concerned parties in both countries have a mutual understanding regarding awareness of the current situation and the challenges. The dialogue, in the atmosphere of freedom at this conference, is something which will contribute greatly to the furthering of such mutual understanding.

In addition, the cooperation on energy and the environment between the two countries is not something which can be made completely independent of international and regional society, and the striving for an arena for dialogue where specialists interact from neighboring countries, such as China and the ROK, will also be productive.

The Furthering of Large-Scale Energy-Resource Development Projects

Although the furthering of large-scale energy projects, via the cooperation of the two countries, brings about the stability of energy supplies and regional development, and realizes benefits for both sides, the scale of the various risks accompanying the implementation of the projects will become a factor impeding the willingness to invest of Japanese private-sector firms. For the reduction of risks and promotion of investment, the creation of a body bringing together the government and private sectors is necessary, with the governments of both countries strengthening their support. To that end the furthering is important of support for the raising of funds for the projects, the enhancement of legal systems leading to the improvement of the investment environment, the improvement of civil infrastructure, the provision of information to private-sector firms, and the exchange of technology.

The Furthering of Technological Cooperation in the Energy-Conservation Sector

As one of the measures for tackling global environmental problems, the development and spread of energy-conservation technology is extremely important. Although both nations are engaged in the development of every kind of technology, mutual cooperation in this sector is not exactly brisk. It is hoped that the governments of the two countries will take the lead and provide a space for sharing technical information, and via private-sector firms actively participating in such an arena, a business-based joint development of technology and licensing of technology will be moved forward.

In addition, in cases where there are large-scale system changeovers upon the practical application of new technologies, such as in the configuration of the energy supply, the putting to practical use of the knowhow accumulated by regional society, which took the lead in its introduction, will be the key to the promotion of the spread of appropriate technology. From such

a viewpoint, it is necessary for government and private-sector firms to also participate actively in a process of reciprocal exchange and sharing of information in regional society.

The Development and Improvement of Systems Aimed at Reducing Carbon Dioxide (CO₂) Emissions

Interest has increased on initiatives leading to a reduction in CO₂ emissions, such as the shift in fuel toward natural gas which is underway in the Russian Far East. In order for various projects in this sector to advance smoothly, it is hoped that systems of cooperation between Japan and Russia are developed at an early date.

The Continuation of Efforts toward the Formation of a Northeast Asian Energy and Environment Community

The international energy market is ever-changing, and from the perspective of energy-security and global-warming measures, a permanent exchange of opinions between the supply and demand sides is required. To that end, efforts should be continued to form a Northeast Asian energy and environment community, as an arena for international dialogue.

The organizers of the dialogue here appeal that the governments, private-sector firms and people of all walks of life in both countries strive to actively promote these initiatives in the future.

[Translated by ERINA]