

Closing Remarks (Day 2)

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We held “Northeast Asia International Conference for Economic Development (NICE) in Niigata” and “Japan-Russia Energy and Environment Dialogue in Niigata” in a hybrid format of real and online on 25 January and today (18 February). Despite the challenges of online delivery and simultaneous interpretation in multiple languages, I believe the conference and dialogue ended on a constructive and productive note.

Day 1 “Northeast Asia Regional Economic Cooperation—Now and in the Future”

Day 1 shed light on ways of promoting economic cooperation in Northeast Asia. Mr. TANAKA Hitoshi, Chairman of Institute for International Strategy, The Japan Research Institute, gave a special address entitled “State of Affairs in Northeast Asia—How Do We View the U.S.-China Conflict?” Mr. Tanaka’s address sent a message that it is important to avoid a ‘crash’ by keeping a good balance of the 4Cs (conflict, competition, coexistence and cooperation).

In the subsequent two sessions, “Strategic Approaches toward Southeast Asia of Northeast Asian Countries” and “Current Status and Prospects of Logistics in Northeast Asia—Utilization of Local Ports in Japan,” the panelists engaged in lively discussions. In the first session on strategic approaches toward Southeast Asia, the characteristics and challenges of China’s ‘Belt and Road,’ ROK’s ‘New Southern Policy,’ Japan’s policy of assigning importance on ASEAN, as well as Russian and Mongolian policies toward ASEAN were discussed.

In the second session on logistics and utilization of Japan’s local ports, the panelists conversed on what it would take to revitalize ocean transport services in Northeast Asia, particularly for local ports in Japan. The interesting discussions focused on the concept of expanding direct shipping routes beyond Northeast Asia towards southern China and Southeast Asia, the idea of moving cargo to Europe via Russia, and the significance of links between local ports in Japan and Busan Port in ROK.

Day 2 “Northeast Asia Regional Economic Cooperation—Looking toward the Future”

Today, as Day 2, speakers discussed ways and challenges of realizing carbon neutrality in Northeast Asia, that is to say, how and what should be done to achieve net zero for greenhouse gas emissions through both reductions and absorptions.

Special Address

Dr. KIKKAWA Takeo, Vice President of International University of Japan gave a special address entitled “Toward Carbon Neutrality—Status Quo and Challenges.” Dr. Kikkawa pointed out that, in order to achieve carbon neutrality, it is necessary to

expand zero-emission power sources in the electric power sector, to promote non-carbon heat utilization and energy conservation in the non-electric power sector, and to absorb and remove the CO₂ that is still generated. More specifically, as zero-emission power sources in the power sector, he underlined the importance of using renewable energy (wind, solar, etc.), nuclear power, and next-generation energy (such as hydrogen, ammonia, and fossil fuels with CCUS [CO₂ capture, utilization, and storage]). As sources of heat for the non-power sector, he also mentioned the need to promote electrification and the adoption of hydrogen, ammonia, synthetic methane, etc. He suggested that in 2050 when carbon neutrality is expected to be achieved, a realistic power source mix will be 50-60% renewable energy, 10% nuclear power, and 30-40% zero-emission thermal power (including 10% hydrogen and ammonia, and 20-30% others). In order to make renewable energy the main power source, it is essential to reduce its cost.

In this way, Dr. Kikkawa explained that focusing on renewable energy as the primary power source is vital, while thermal and nuclear power generation remains indispensable for the time being as a backup, and it is necessary to utilize thermal power in a way that does not emit CO₂. He also recognized the importance of technological innovation for decarbonization and increased energy efficiency as well as the necessity of decarbonization for not only large companies but also households and small- and medium-sized enterprises.

Japan-Russia Energy and Environment Dialogue “Toward a Carbon-Neutral Society—Think Globally and Act Locally”

In the session on Japan-Russia energy and environment, panelists held very interesting discussions on carbon neutrality initiatives from the perspectives of both Japan and Russia.

Mr. Alexander TOLPAROV, Deputy Director of Department of External Economic Relations and Energy Market Development, Ministry of Energy of the Russian Federation, explained that Russia, being a supplier of resources, most notably fossil fuels, intends to ensure its stable supply and, moreover, is initiating decarbonization with the goal of achieving carbon neutrality by 2060, and that the federal government offers support for local authorities’ initiatives on decarbonization.

Mr. AOYAMA Nobuaki, Chairman of Planning & Operation Committee, Japanese Business Alliance for Smart Energy Worldwide (JASE-W), introduced the current status of JASE-W’s activities with a particular focus on working with the governments of Japan and Russia to develop energy-saving businesses in Russia. In addition, Mr. Aoyama introduced the Asia Energy Transition Initiative (AETI) designed for Asian countries and referred to the potential of cooperation with Russia in this frame-

work. During Q&A, he stated that JASE-W is working on the international standardization of the ZEB (net Zero Energy Building) concept and that this concept could be effectively applied to Russia, especially in Sakhalin.

Mr. Evgeniy GETTS, Deputy Minister of Digital and Technological Developments of Sakhalin Region, explained the carbon neutrality initiatives in the region. This is the attempt to realize carbon neutrality without reducing the use of fossil-fuels by 2025, for which federal government support is expected to play an important role. He said that Sakhalin is developing hydrogen, is trying to expand the use of methane-hydrogen mixture in thermal power plants and in the industrial sector, and is also encouraging the utilization of hydrogen fuel cells in passenger railways. Mr. Getts made an interesting remark that while the discussion on carbon neutrality has been undertaken from technological, economic, and business perspectives so far, it is now necessary to take a more in-depth look at social, cultural, and personal life perspectives.

Mr. TANAKA Kento, Director of Business Establishment and Innovation Promotion Office, Department of Industry and Labor, Niigata Prefectural Government, reported on Niigata Prefecture's current initiatives, policies, and challenges toward carbon neutrality. He first emphasized that Niigata Prefecture contributes to energy supply as one of the leading natural gas and crude oil producing prefectures in Japan, and is also an important power supply center. To achieve carbon neutrality by 2050, the prefectural government has set a goal of reducing emissions in FY2030 by 46% relative to the FY13 level. In order to make transition to a decarbonized society, the prefecture is striving to develop renewable energy, of which offshore wind power has great potential, as well as next-generation energy (hydrogen and CCUS), he said. Mr. Tanaka also pointed out the importance of inter-regional cooperation.

To summarize, this session has shown that while Northeast Asian countries, especially Japan and Russia, still depend largely on fossil fuel as an important energy source, the two countries have implemented government and private sector initiatives to introduce renewable energy and next-generation energy, promote energy conservation, and absorb CO₂, thereby aiming to achieve

net zero emissions by 2025 for the Sakhalin region, 2050 for Japan, and 2060 for Russia as a whole. International cooperation, especially bilateral cooperation between Japan and Russia, and multilateral cooperation beyond Japan and Russia was highlighted as necessary. I felt that further deepening of the discussion on how Japan and Russia can contribute to carbon neutrality through various types of cooperation is indispensable.

General Overview

In addition to the above events, we also held the Future Leaders Program (FLP) presentations and award ceremony for university and graduate students. This time, "Blue Carbon Opens up the Future of Northeast Asia" by a team from Tohoku University and Tohoku Gakuin University won the Niigata Prefectural Governor's Award. I hope that the younger generation who participated in the FLP program today and in the past will act as leaders with enhanced interests in the Northeast Asian region in their future endeavors.

The Northeast Asian region promises great potential for economic development and economic cooperation, but many challenges such as the U.S.-China conflict and political issues between two neighbors in the region still remain. We believe that, in order to make efforts at tackling these challenges, it is important to continue to hold frank discussions through NICE and Japan-Russia Energy and Environmental Dialogue.

ERINA is one of the institutions currently subject to administrative and fiscal reform of Niigata Prefecture, and we are working toward organizational change. Given that Niigata Prefecture will continue to play its role as a hub in connecting Japan and other parts of Northeast Asia, ERINA hopes to keep collaborating broadly with other sponsoring prefectures and the private sector and fulfilling its function as a genuinely useful research institute for those within the region as well as for those outside who are interested in Northeast Asia.

I sincerely hope to see you again at NICE and Japan-Russia Energy and Environment Dialogue next year. I would like to express my gratitude not only to the speakers and panelists but also to the participants at this venue and online.