

2nd Asia Green Growth Partnership Ministerial Meeting (AGGPM)
Welcome Keynote Speech from H.E. Mr. NISHIMURA Yasutoshi,
Minister of Economy, Trade and Industry of Japan

2022,9,26

Honorable Ministers and Representatives of the international organizations, thank you for participating in the 2nd Asia Green Growth Partnership Ministerial Meeting. I am Nishimura Yasutoshi, Minister of Economy, Trade and Industry of Japan.

I would like to thank all ministers and heads of international organizations who are participating in this conference, as well as the representatives of other countries.

This meeting is part of the "Tokyo GX Week," a series of international energy and environment-related conferences. The "Tokyo GX Week" aims to enhance collaboration among participating countries to achieve GX (Green Transformation). GX is to accomplish decarbonization and economic development, by shifting from modern economy, society, and industrial structure dependent on fossil fuels since the Industrial Revolution, to an economy, society, and industrial structure based on clean energy.

At last year's meeting we shared our view of the importance of working and contributing toward carbon neutrality as soon as possible. We must continue to take action toward that goal.

However, the global energy situation has changed dramatically since the Ukraine crisis in February. Many countries are now facing soaring energy prices, and stable energy supplies are threatened. Therefore, while setting a major goal of achieving carbon neutrality, it is necessary to simultaneously achieve the three tasks of energy security, economic growth, and climate change countermeasures for the sustainable development of the world.

Furthermore, in achieving carbon neutrality in the engine of global economic growth, Asia, we must pay close attention to the different circumstances in each country, such as geographical conditions and stage of development.

Under the "Asian Energy Transition Initiative" (AETI), Japan has been supporting efforts to accelerate diverse and realistic energy transitions, considering the unique circumstances of Asia and utilizing all available measures and technologies.

We have signed memorandums of understanding with Indonesia, Thailand, Singapore, and Petronas in Malaysia to strengthen our collaboration to accelerate energy transitions. We are also launching partnerships and strengthening cooperation with many countries in Asia and the Middle East, including India, Vietnam, the Philippines, Brunei, UAE, and Saudi Arabia.

We are also discussing with ASEAN governments regarding the development of a roadmap toward carbon neutrality, in collaboration with the Economic Research Centre for East Asia and ASEAN, and the Institute of Energy Economics, Japan.

In addition, we are promoting various initiatives, such as holding public-private forums and business forums on technologies, and human resource development training that contribute to energy transition. In terms of human resource development for decarbonization technologies, we have held more than 15 training programs targeting Asia and the Middle East since last year's meeting, in cooperation with relevant organizations such as AOTS (Association for Overseas Trade and Industry Human Resources Development), JICA (Japan International Cooperation Agency), and JCCP (Japan Cooperation Agency for Oil, Gas, and Sustainable Energy). We will continue to contribute through such training programs tailored to the needs of each country.

Currently, the international finance industry is rapidly withdrawing investments from fossil fuel projects. However, Asia is highly dependent on fossil fuels amid growing energy demand and its potential for renewable energy is not necessarily high as it is in Europe. Based on these conditions rapid investment withdrawal alone may increase social and economic costs in Asia, such as job losses and economic burdens.

To avoid such a situation, Japan recognizes the importance of mobilizing funds for transition technologies, including hydrogen, ammonia, and CCUS technologies, to decarbonize thermal power generation.

Since last year, private financial institutions from Asia, Europe, and the United States that share similar concerns have been gathering to discuss the development of transition finance guidelines for a steady energy transition in Asia and to make policy recommendations to other countries. Today, the final products of these discussions will be presented at the private-sector roundtable to be held later today.

The Transition Finance Guidelines for Financial Institutions and the list of technologies that will contribute to the transition will greatly help obtaining the necessary funds to enable countries to steadily work toward achieving carbon neutrality as soon as possible. We welcome the completion of the guideline and technology list and respect the efforts of all parties involved.

Innovation in the private sector and cross-border collaboration for the introduction of new technologies is as important for realistic energy transitions in Asia as finance is.

Japan's clean technologies to reduce CO₂ emissions, such as the use of ammonia and hydrogen for thermal power generation, the construction of supply chains using hydrogen ships, and the practical application of CCUS, are attracting expectations and attention from European countries.

In these areas, Japanese companies have made various efforts in Asia, the Middle East, and other countries.

Feasibility studies and demonstration projects for ammonia co-firing are underway in Indonesia and Malaysia. Also, we are deepening cooperation with Thailand for the commercialization of CCS. In addition, in cooperation with Australia, Singapore, Brunei, Saudi Arabia, and the UAE, we are working on several initiatives to produce decarbonized fuels such as hydrogen and ammonia, and to develop supply networks of decarbonized fuels.

Japan will continue to promote such efforts and encourage the creation of a large supply chain of hydrogen and ammonia between suppliers of new energy sources such as hydrogen and ammonia and Asian countries that are engaged in energy transition.

Today, METI and PETRONAS Malaysia signed a MOC for collaboration toward carbon neutrality. The MOU signing ceremony will be held later in the private sector round table. At the ceremony more MOUs will be signed, including new MOUs to promote decarbonization initiatives such as hydrogen/ammonia co-firing and the introduction of CCS, as well as MOUs on collaboration for energy transition by government agencies such as JBIC and NEXI. I am encouraged by the number of MOUs that are scheduled to be signed. The Japanese government will continue to provide maximum support for these efforts.

Finally, I would like to talk about the future development of AETI. In order to further advance AETI's efforts, Japan will provide roadmap development support for the Southeast Asia, human resource support, and provide financial support for various projects. We hope to expand this initiative to more countries in Asia.

In addition, due to the invasion of Ukraine and other factors, the situation surrounding energy is changing drastically. It is necessary for us to cooperate with each other worldwide to ensure energy security. Together with you, we will work toward cooperation in energy security and the establishment of supply chains for hydrogen and ammonia between the Middle East and Asia.

Today, we would like to hear your opinions on the following topics. First, measures and challenges to achieve economic growth, carbon neutrality, and energy security at the same time. Second, the importance of transition finance. And last not the least the status of efforts toward carbon neutrality in your respective countries.

Thank you very much.