

The keynote speech by Mr. KAJIYAMA,
Minister of Economy, Trade and Industry of Japan
at ADIPEC 2020

- My name is Kajiyama Hiroshi, Minister of Economy, Trade and Industry of Japan.
- His Excellency Suhail Al Mazrouei, Minister of Energy and Infrastructure, His Excellency Dr. Sultan Al Jaber, CEO of Abu Dhabi National Oil Company and Minister of Industry and Advanced Technology, distinguished guests from different countries, it is my greatest honour to be invited to deliver this speech at ADIPEC.
- First of all, I would like to congratulate you on this year's ADIPEC. I would also like to express my sincere respect to His Excellency Suhail Al Mazrouei, His Excellency Dr. Sultan Al Jaber, and all those responsible for making this conference happen despite the difficult circumstances caused by COVID-19.
- ADIPEC is an extremely important exhibition and conference in the oil and gas sector, and Japanese companies have participated in it over the years. Every year since 2015, we have set up the Japan Pavilion, and this year, we are exhibiting

under the theme of “space.”

- The trend of decarbonisation is now gaining momentum on a global scale. Last month, Japan’s Prime Minister Suga pledged that Japan will aim to become carbon neutral by 2050. We must also tackle climate change in the use of fossil fuels.
- As the demand for energy continues to grow across the world, especially in Asia, Japan will support the clean use of fossil fuels in developing countries.
- In this regard, at the LNG Producer–Consumer Conference 2020 held last month, Japan announced that it will achieve “carbon–neutral” throughout its LNG value chain.
- Japan will also lead the world in carbon recycling: the reuse of CO₂ from fossil fuels. The concept of carbon recycling is the same as that of the Circular Carbon Economy (CCE) agreed upon at the G20 Energy Ministers’ Meeting held in September, chaired by Saudi Arabia. As carbon recycling initiatives between industry, academia, and government gather momentum in many countries, Japan will continue to pursue innovation in carbon recycling for the realisation of a virtuous cycle between the economy and the environment.

- Japan will also continue to lead concrete measures to achieve a hydrogen society, including the establishment of international supply chains that include oil-producing countries. Furthermore, Japan is newly focusing on fuel ammonia. Through discussions between the public and private sectors, we are aiming at a reduction in CO2 emissions by co-firing ammonia at coal-fired power plants.
- With these efforts, we will promote “responsible energy policies” to counter climate change, to ensure stable energy supply, and to achieve sustainable economic growth, not only in Japan but also in developing countries, especially in Asia.
- The slowdown in economic activities due to the global outbreak of COVID-19 led to the plunge of the WTI crude oil futures price to negative for the first time ever in April this year. Since then, the energy market has gradually regained some composure, thanks to the coordinated large-scale production cuts by OPEC Plus and expectations of a global economic recovery. However, the spread of COVID-19 has not been brought to an end, and continues to affect the energy market.
- This impact on the energy market has led to a decrease in upstream investment. According to the IEA, this year’s overall energy investment is expected to be 18 percent lower than the

previous year, with investment in oil and gas supply in particular falling by approximately 30 percent from the previous year.

- Meanwhile, energy demand is expected to increase, particularly in Asia, an area undergoing rapid economic growth. It is necessary for us to avoid a decrease in upstream investment, as this would lead to an energy supply crunch in the medium to long term.
- Here, I would like to emphasize the need for greater cooperation and coordination between oil-producing and consuming countries, including all of you here today, in order to maintain and strengthen market stability and supply chains, and to ensure stable investment in the future for strengthening global energy security.
- Last but not least, I hope that through the sessions at ADIPEC, distinguished participants from around the world will exchange opinions and ideas. While decarbonisation is still an issue, I also hope concrete discussions on the long-term stable supply of fossil fuels will be held, and their results will be widely disseminated.
- I look forward to meeting you all in person once COVID-19 is contained. Thank you very much.