

# **Proposal to the Government from the Industrial Sector Prior to the Start of COP17**

(Joint Proposal)

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Petroleum Association of Japan  
Japan Cement Association  
The Federation of Electric Power Companies of Japan  
Japan Electronics and Information  
Technology Industries Association  
Japan Chemical Industry Association  
The Japan Gas Association  
Japan Automobile Manufacturers Association  
Japan Paper Association  
The Japan Iron and Steel Federation

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## **Introduction**

Japan's industrial sector is currently in an extremely difficult situation from the standpoint of maintaining an equal footing in relation to other countries. One challenge is the historic strength of the yen that began in 2010. Japanese companies must also deal with a CO2 emission reduction target that is extremely high by international standards along with other challenges.

Furthermore, the Great East Japan Earthquake has created increasing uncertainty about the stability of Japan's supply of electricity, which is vital to economic activity. The result is a consistently unstable environment for people's lives and industrial activity.

In this environment, the industrial sector of Japan is submitting a joint proposal concerning the following two points prior to the November 28 start of the COP17 Climate Conference (The 17th Conference of the Parties to the United Nations Framework Convention on Climate Change).

### **Proposal 1:**

#### **Japan should not consent to extending the Kyoto Protocol.**

Countries that are obligated to reduce CO2 emissions by the Kyoto Protocol account for only 26% of the world's total CO2 emissions (2009 data, same hereafter). This is an extremely unfair and ineffective framework that does not include major sources of CO2 like the United States (18%) and China (24%). Even more growth in CO2 emissions is expected in emerging countries with rapid economic growth like China and India. As a result, the Kyoto Protocol will become even less effective as a means of fighting climate change.

In the unlikely event that the Kyoto Protocol framework is extended:

- (1) Japan's industrial sector will be unable to achieve an equal footing in global markets for many years. This will have an enormous impact on Japan's economy and jobs.
- (2) Consequently, manufacturing output will grow faster in countries with energy efficiency comparatively lower than in Japan, resulting in an increase in global CO2 emissions.
- (3) Above all, there has been a loss in international momentum toward the rapid establishment of "a fair and effective international framework with the participation of all major CO2 emitting countries," which is the goal of the Japanese government.

Japan's industrial sector strongly supports the clearly stated position of the Japanese government at last year's COP16: "We will not accept an extension of the Kyoto Protocol."

We will resolutely adhere to this position at COP17, too. Furthermore, we ask that COP17 participants reject any situation to even temporarily continue the emission reduction obligations of the Kyoto Protocol irrespective of the format of an extension.

### **Proposal 2: Japan's medium-term target must be reexamined.**

Japan's medium-term target for fighting climate change is a 25% reduction vs. 1990 emissions by 2020 based on certain pre-conditions Japan's industrial sector has been stating for some time that this target must be reexamined. The target should be studied from the standpoints of prospects for reaching the target, the suitability of the burden imposed on the Japanese public, and international fairness. There should also be scientific and objective studies along with a public debate based on these studies.

Japan has gone back to square one to review it's the Basic Energy Plan following the Great East Japan Earthquake. Energy-related greenhouse gas emissions account for approximately 90% of Japan's total emissions of these gases. That means measures to fight climate change and measures involving energy must be examined together. A reexamination of the medium-term goal is essential, too.

As a result, we believe that the Japanese government should use climate change negotiations to make a sincere effort to explain quickly to the world why Japan is starting to reexamine the target and to obtain the world's understanding.

### **Stance of the industrial sector concerning medium and long-term measures to fight climate change**

Japan's industrial sector has made constant and extensive efforts to improve energy conservation. We are dedicated to continuing to make the greatest possible use of the most advanced technologies in order to make further advances in Japan's energy efficiency, which is already the highest in the world. In addition, we will supply outstanding products and services. Through these activities, we are firmly committed to making a significant contribution to reducing CO2 emissions.

Furthermore, we are committed to actively address the issue of reducing greenhouse gas emissions on a global scale. We will do this by transferring energy conservation technologies to other countries, based on the premise of properly

protecting intellectual property, and encouraging the widespread use of these technologies. Specifically, Japan's industrial sector will participate in many bilateral offset mechanisms promoted by the Japanese government to provide assistance to developing countries. We hope to see the establishment of a framework that results in even more effective international contributions that utilize these technologies. In addition, we hope that this system results in accurate international assessments of these contributions to lowering greenhouse gas emissions.

We ask the Japanese government to be a leader in fighting climate change on a global scale by utilizing the technologies of the country's industrial sector. We also ask the government to enact policies that can "protect the environment while supporting economic growth" so that Japan can continue to progress as a country with many highly advanced technologies.