

Japan needs National Cooperation and Unity to overcome the current emergency situation after Great Eastern Japan Earthquake

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At around 2:46 p.m. on March 11, an immense earthquake with a magnitude of 9.0 occurred in waters off northeastern Japan, unleashing very high tsunami waves that hit the Pacific coast of northeastern and eastern Japan. The human, economic and psychological losses from the giant earthquake and tsunami are unprecedented.

First, I would like to express my sorrow and offer my heartfelt condolences for the great number of people killed by the earthquake and tsunami. I also would like to express my sympathy to the vast number of disaster survivors and wish for quick stabilization of the situation and swift progress in restoration and reconstruction.

The damage from the great earthquake disaster is exerting huge impacts on all aspects of Japan including the economy and society. Particularly, an unimaginable level of damage has occurred in the energy sectors. Although it is still difficult to comprehend the whole picture of damage in the absence of information on details of disaster-afflicted regions, we see unprecedented serious energy supply problems in Japan, including the Fukushima Daiichi Nuclear Power Station accidents as the most critical problem, power source losses from the suspension of many nuclear and thermal power plants, the related planned power outages, oil refinery damage and petroleum product supply interruptions, and a gas supply stoppage.

The serious problems can be seen from various viewpoints. These problems will be considered from various angles and specific measures will be taken to address them. The immediate top priority is support and restoration for earthquake survivors plagued with great difficulties. In consideration of the present emergency situation, I focus here on the following four priorities that the whole of Japan should tackle in the immediate future.

The first is thorough electricity and energy conservation. All citizens must make contributions to supporting surviving victims of the unprecedented disaster while sharing pains. In this sense, electricity and energy conservation is the most important means. Regarding energy consumption, all citizens can and should cooperate in refraining from stocking or buying up such fuels as gasoline and kerosene. Each citizen's calm behaviors and actions based on full considerations to the surviving victims and devastated areas, as well as priority supply to these areas, will play a significant role in stabilizing Japan's energy market.

The second priority is early restoration of the energy supply capacity and infrastructure. Most important in this respect is the stabilization of the situation for the nuclear power station which was struck by a series of accidents. In addition, maximum efforts must be made to restore supply capacity, ensure alternative capacity and secure smooth distribution in all energy industries including electricity, oil and gas. Each industry has already been striving to make such efforts. We must take note that these industries have already been making such efforts and contributing to securing supply capacity, although such effects differ widely from industry to industry.

For example, partial restoration of oil refinery capacity, additional supply through the relaxation of oil stockpiling obligations to private oil companies, the potential expansion of petroleum products imports, and enhanced efforts to improve distribution are now expected to gradually normalize petroleum products supply, as detailed in the "Impact of the Great Eastern Japan Earthquake on Oil Supply and Demand" (posted on the IEEJ website on March 17), although a decline in oil refinery capacity and distribution network interruptions have been serious problems since the earthquake. In addition, the resumption of idled thermal power plants, utilization of private power generation systems, and electric power interchange will be implemented. Importantly, serious efforts to stabilize gas supply are being made, including gas service restoration efforts in disaster-afflicted areas and preparations for additional LNG procurement. But there are short and long-term measures to secure and restore energy supply capacity. Even after all of the short-term measures are taken, the overall energy supply/demand situation may remain tough for the time being. Therefore, electricity and energy conservation and calm behaviors, cited for the first priority, are important.

The third priority is appropriate and timely distribution and sharing of information that is important for stabilizing the situation and realizing consumers' calm behaviors. In a bid to prevent panicky actions in the market and to stabilize the energy market, the government, relevant industries and experts should try to collect and

disseminate objective facts regarding Japan's energy market. These parties may be required to sufficiently and appropriately cooperate with media organizations in sending information appropriately to stabilize citizens' livelihood.

The final priority is international cooperation/collaboration in tackling problems, which is as important as the above maximum domestic efforts. The unprecedented disaster has attracted global attention. The entire world is moving to support Japan and help disaster victims. If the Japanese people gather their power and take full advantage of cooperation and support from the international community to achieve early reconstruction, it may lead to the stabilization of not only Japan but also the international society and economy.

The damage from the latest disaster is too huge to estimate easily at present. Nevertheless, I believe that Japan can overcome the present difficulties and achieve its reconstruction through full national cooperation and unity.

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