

Japan's Energy Problem as Seen from South Korea and France

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Between October 13 and 19, I had discussions with many energy experts through visits to Jakarta and Seoul and talks with French energy policy and industry experts. These discussions commonly indicated that foreign energy experts are greatly interested in Japan's energy policy reform.

The international community has offered sincere condolences to the victims of the tragic March 11 earthquake-tsunami disaster and warmly supported and praised Japanese people's orderliness, patience and serious reconstruction efforts. At the same time, major foreign countries are greatly interested in how Japan will solve its energy problem and reconstruct its economy and society in the face of unprecedented damage from the Great East Japan Earthquake and the Fukushima Daiichi nuclear power plant accident. While they are very keen to support Japan, they are also realistically and cool-headedly considering what lessons they should learn from serious problems facing Japan and how they should maximize positive effects (including an increase in Japan's energy resources demand) and minimize or avoid negative effects.

For example, South Korean energy experts indicated their great interest in directions, arguments and likely conclusions, procedures and schedules regarding Japan's basic energy plan reform. This means that they view the Japanese problem as their own important problem rather than somebody else's problem.

South Korea and Japan have traditionally had similar energy supply and demand structures. Their similarities are too numerous, including poor energy resources, low energy self-sufficiency rates and high dependence on oil and the Middle East, as well as the promotion of nuclear power generation, natural gas uses, oil reserves and resources diplomacy for independent energy resources development to overcome the above energy problems. Behind these similarities, they commonly have a sense of crisis regarding their energy security vulnerability. Therefore, South Korea has traditionally had great interest in Japan's energy policy developments.

The fact that a key point for Japan's energy policy reform is how nuclear power generation should be positioned is of great significance to South Korea. This is because basic energy plans in Japan and South Korea have so far given top priority to the expansion of the share for nuclear power generation as a domestic energy source and a zero-emission electricity source. In response to the Fukushima accident, various opinions and arguments have emerged in South Korea on concerns over

the safety of nuclear power generation. The problem that emerged in Japan has become South Korea's own problem as a matter of policy concern. In this sense, South Korea has naturally grown interested in what energy policy Japan would compile through thorough national discussions and in what energy portfolio Japan would pursue.

Another key point for South Korea may be how Japan's choices would influence the international energy market. Particularly, Japan's growing LNG thermal power generation to help make up for the suspension of nuclear reactors has prompted South Korea, the world's second largest LNG importer after Japan, to pay attention to how Japan's natural gas/LNG demand and its natural gas policy would change. At a time when South Korea is considering a plan for gas pipelines from Russia via North Korea, it is natural for South Korea to have great policy interest in the future course of the global gas market including the Northeast Asian market. In this context, South Korea has paid close attention to natural gas policy developments in Japan.

France is in a similar situation. Since the oil crises in the 1970s, France has adopted the promotion of nuclear energy as a top national policy priority and raised nuclear energy's share of its primary energy supply to a dominant level (38% as of 2010 according to BP statistics). France as well as the United States is a world-leading country that has positioned nuclear power as a priority. Even in France, however, the Fukushima accident has led to growing discussions on nuclear safety and nuclear energy's position in its overall energy portfolio. As presidential election campaigns intensify toward next year, how nuclear power generation will be treated in policy discussions will attract attention. The French Socialist Party has just elected Francois Hollande as its candidate against incumbent President Nicolas Sarkozy for the 2012 presidential election, toward which various arguments are expected to emerge about nuclear energy that now accounts for some 80% of electricity generation in France. But the two candidates may commonly view nuclear as an important energy source. Whoever is elected president, France is likely to maintain its basic policy of giving priority to nuclear energy in some way. As far as I remember, however, the nuclear power generation problem might have never been at issue in French presidential elections. It may be rare for the problem to become controversial in French major national elections. Therefore, for France (as well as South Korea), Japan's energy problem and policy reform discussions are not somebody else's problem. France has great interest in Japan's energy policy reform and is closely watching arguments for the reform. Another matter of concern to France may be that the nation with a leading nuclear industry should learn lessons from the Fukushima accident to further improve nuclear power generation safety and develop its nuclear business. Anyway, Japan's energy policy discussions may be significant for France.

Both France and South Korea give priority to nuclear energy and have advanced nuclear technologies. Japan's future course and policies are of great significance to the two countries in maintaining their stances toward nuclear energy and achieving energy security, environmental conservation and economic growth simultaneously. It may be important for us to recognize that Japan's policy discussions are now attracting global attention and are of great international significance.