

Japan's Policy Development Assistance Projects in S&L Sector

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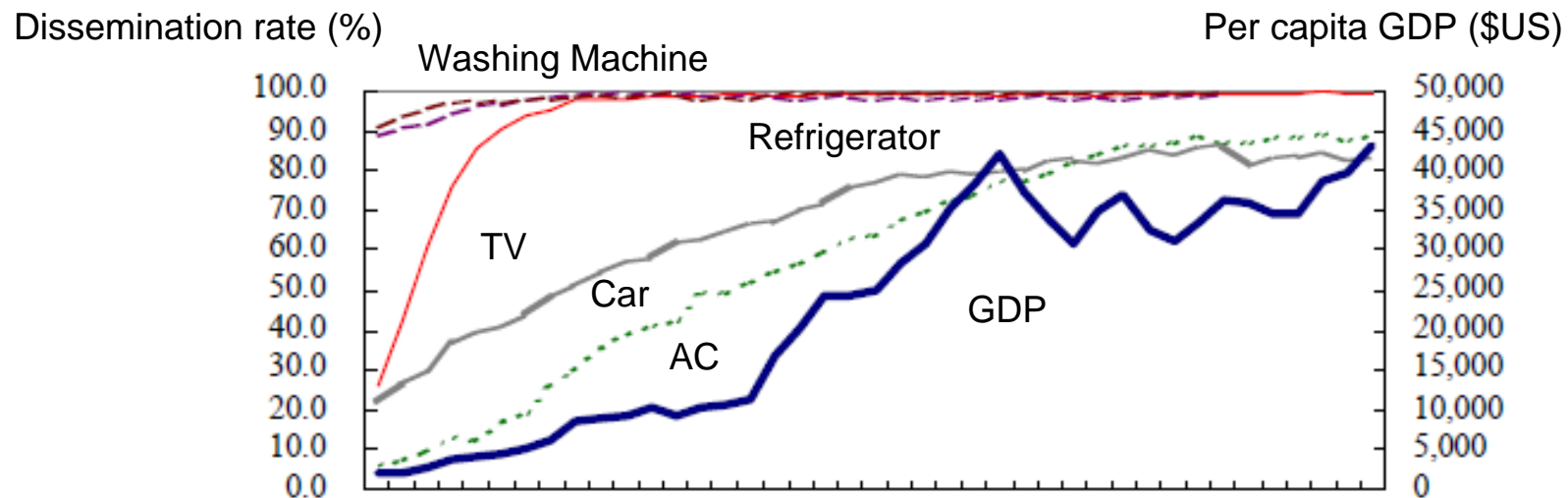
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Expansion of the middle class in Asia

□ The middle class in the emerging nations of Asia (households with disposable income of \$5,000 to less than \$35,000) expanded from 220 million people in 2000 to 940 million in 2010. It is projected to expand to 2 billion by 2020.*

Dissemination rate of consumer durables and per capita GDP in Japan (1970–2010)

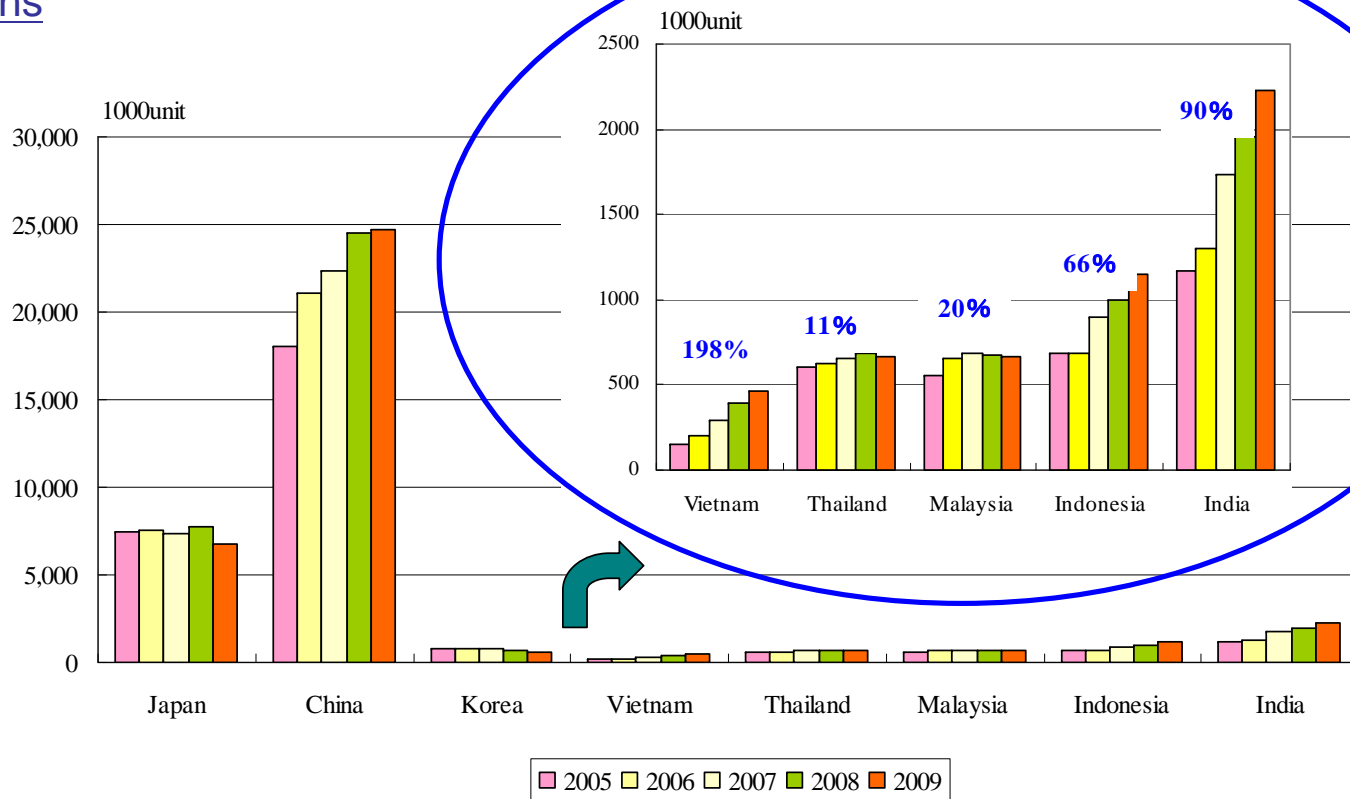


Source: Created from Koji Matsuoka (2012) "The Asian major appliance market and Japanese consumer electronics manufacturers' efforts"

The rapid increase in consumer electronics demand in Asia

Although consumer electronics demand in Asian nations decreased in 2009 after the "Lehman shock," it is trending upwards again. China has already grown into a large market, and demand is growing rapidly in India, Indonesia, and Vietnam.

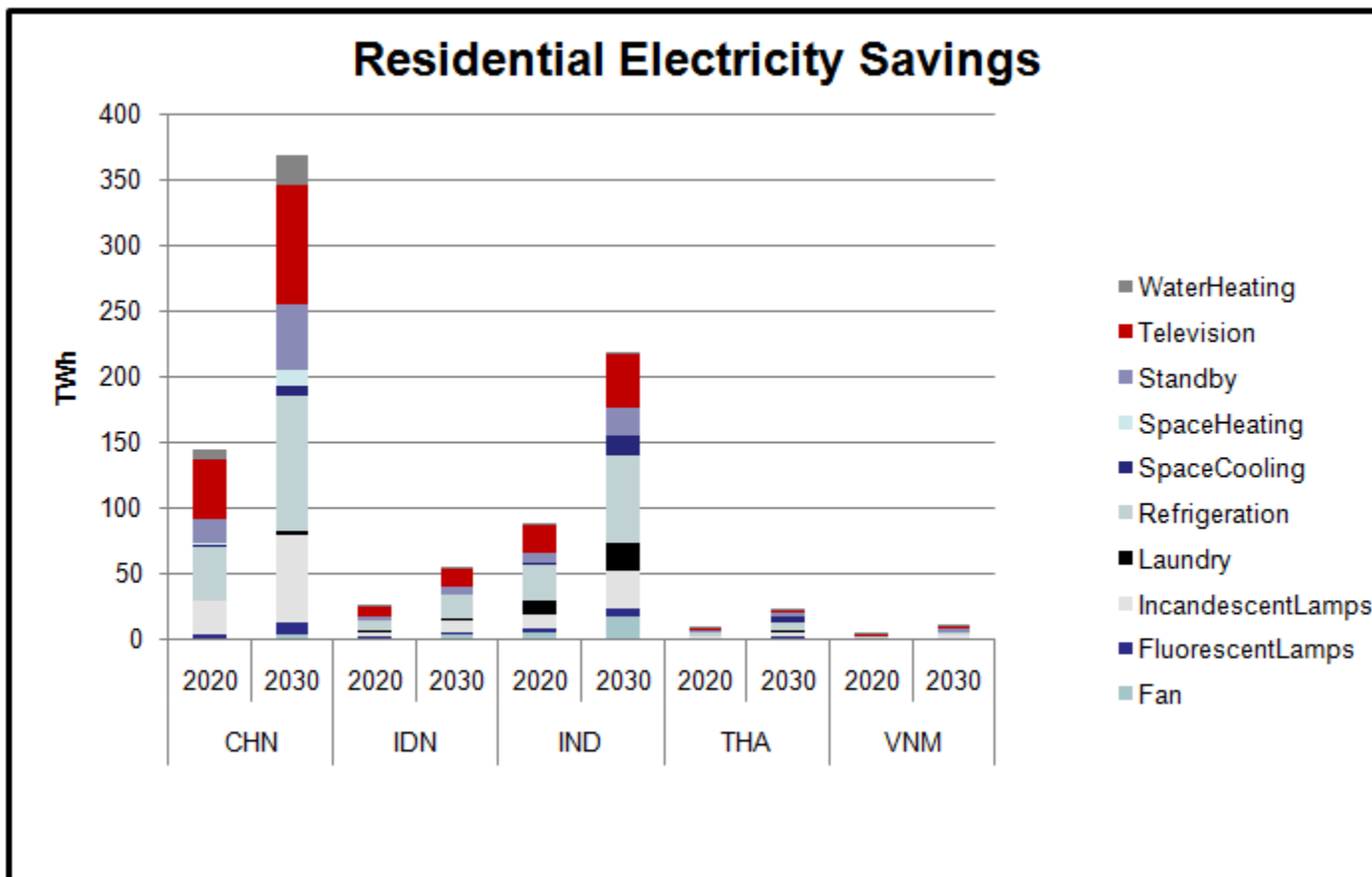
Expansion of demand for room air conditioners in Asian nations



Source: Created from Koji Matsuoka (2012) "The Asian major appliance market and Japanese consumer electronics manufacturers' efforts"

The energy conservation potential of replacement with energy conserving devices in Asia

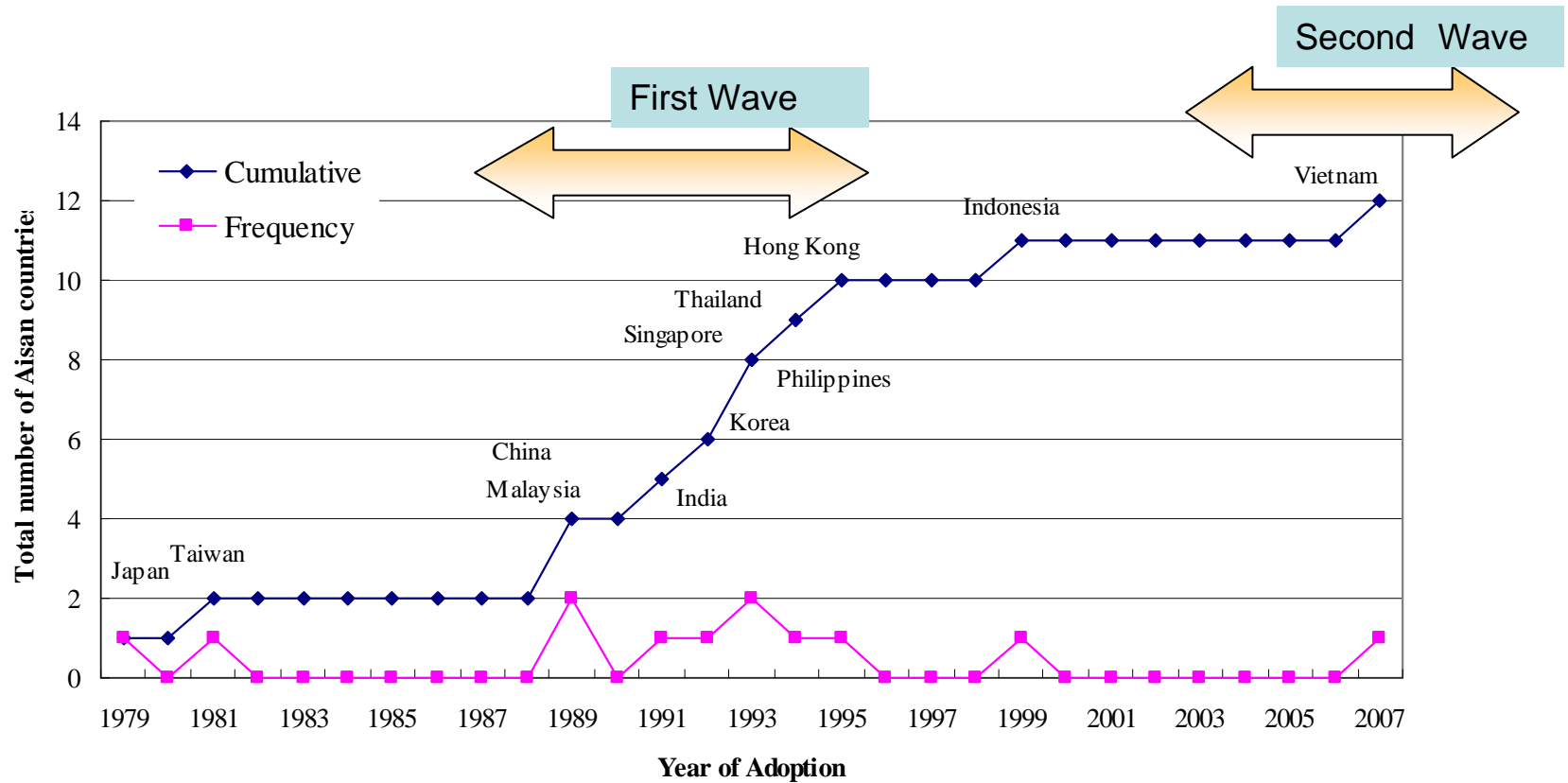
- Considering economic growth in Asia, replacement with energy conserving devices holds great potential for energy conservation.



Source: IEEJ/CLASP: FY 2006 project

The spread of energy efficiency standards and energy information labels in Asia

- Private-sector energy demand is increasing in both developed and developing countries
- Consumer electronics devices are international trade goods → international initiatives are effective (leakage problem)
- Over 60 countries around the world have adopted them.
- In Asia, Japan was a pioneer in their adoption. Since the end of the 1980s, voluntary or mandatory energy efficiency standards/energy labeling systems have spread in Asia.



Source: Seonghee Kim and Akihisa Mori, presentation at Society for Environmental Economics and Policy Studies 2012 Annual Meeting

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The significance of projects to support building S&L systems

Background and issues facing dissemination and improvement in Asia

Drivers

- Measures on energy security and climate change
- International cooperation (bilateral cooperation and cooperation through international institutions)

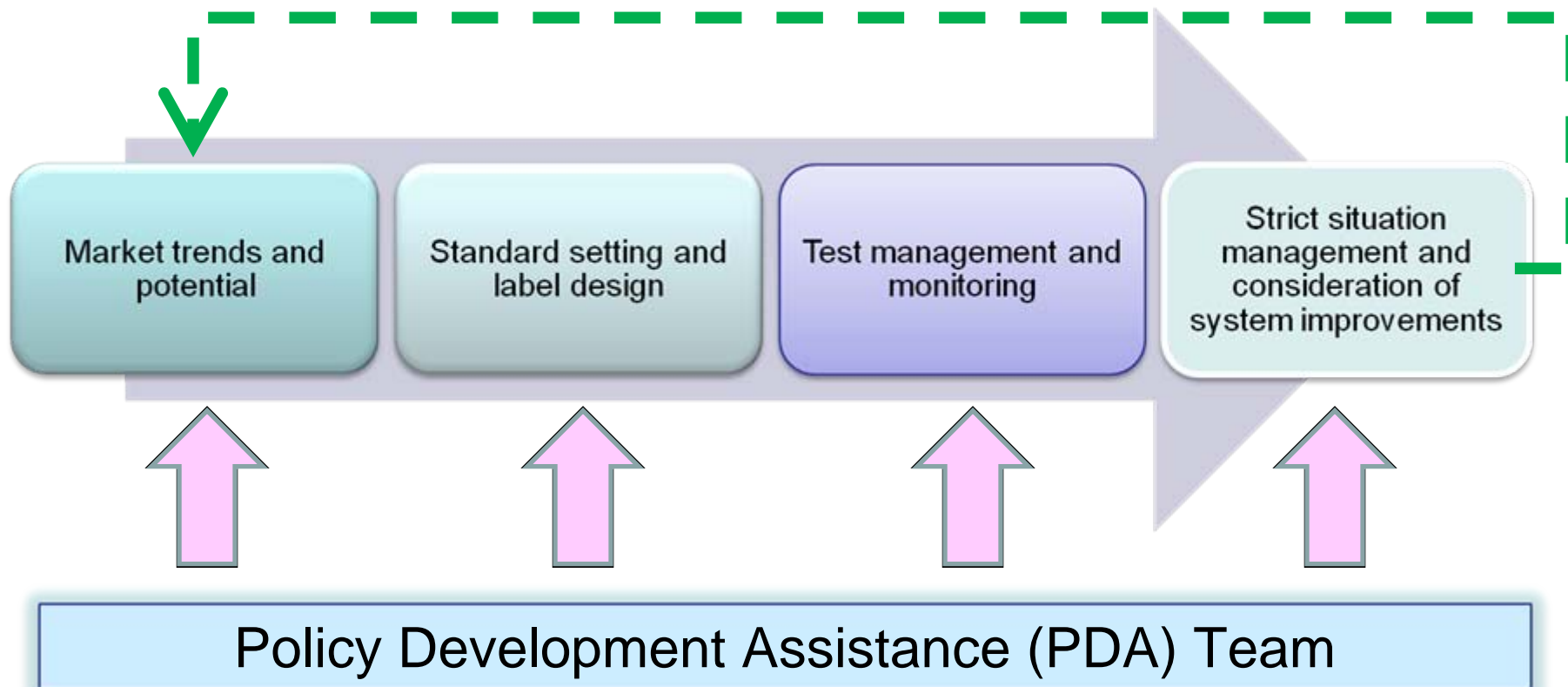
Impediments

- Low conservation incentives in countries with plentiful, cheap energy resources
 - Energy price jumps and energy subsidies pressure finances
- Insufficient domestic capacity (insufficient specialist personnel and funding)
- Resistance from manufacturers in domestic industry

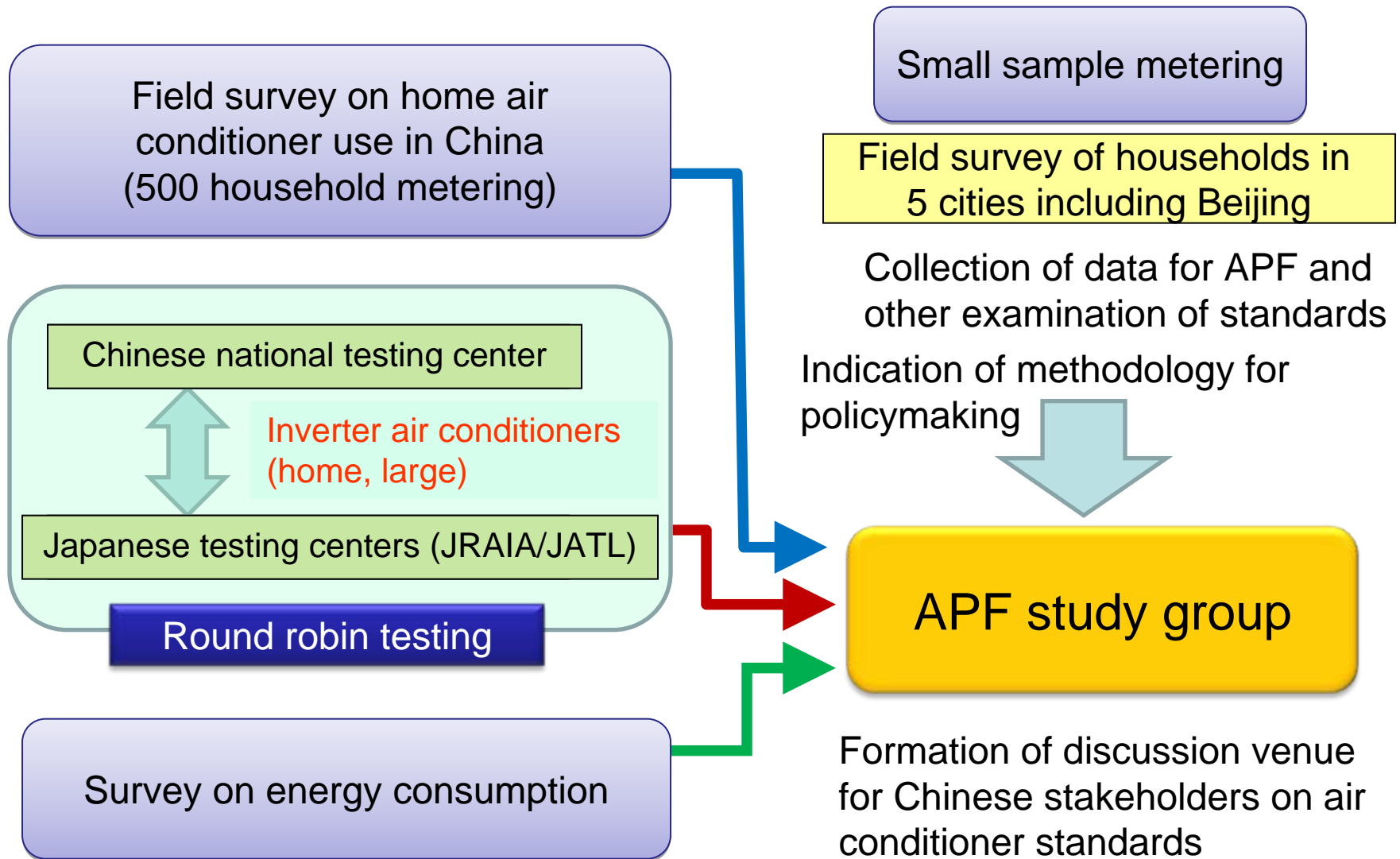
Japanese international cooperation has a large role to play in solving issues shared by Asian emerging nations.

Approach of projects supporting S&L policymaking

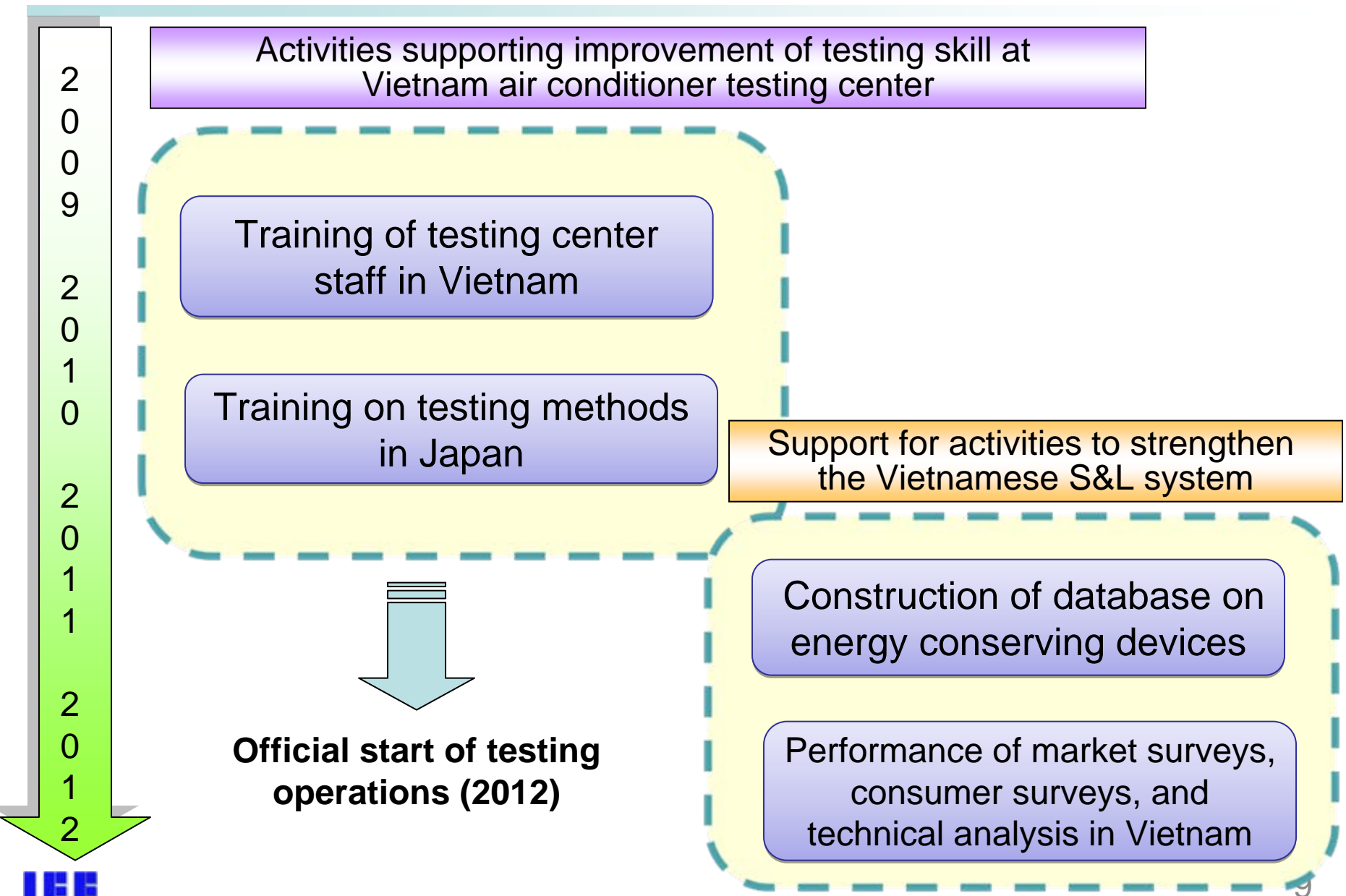
- Market trends, the policy consideration stage, and the state of policy implementation in each country will be examined. A Japanese specialist team will provide support for S&L policy development and improvement in accordance with those conditions.



Overview of FY 2009–2012 China project



Overview of FY 2009–2012 Vietnam project



Conclusion and future issues

- Common issues faced by countries
 - Shortages of specialist personnel and funds during system development and initial operation
 - Low public awareness of energy conservation
 - Issues faced individual countries
 - Industry resistance
 - Energy subsidies
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- Strengthening networks with host countries
 - Establishment of systems able to respond to partner country needs
 - Examination of possible expansion of subject devices and national government review
 - Especially, building and strengthening collaboration with experts and specialized agencies
 - Cooperation with various other types of projects (including multinational initiatives)

Asian
developing
countries

Japan

I am deeply grateful for your
understanding of and cooperation
with this project.

Thank you very much