

## **G-7 Summit and Energy Security**

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Leaders of the Group of Seven Western industrial countries met in the Belgian capital of Brussels on June 4-5 to discuss the international situation including Ukraine, the world economy, energy and environmental problems, and other key challenges in the world, issuing a declaration spelling out their discussions.

After Canada joined the other six countries to form the G-7 in 1976, the annual G-7 summit served as a key forum where leaders of the major industrial countries had face-to-face discussions on key problems in the world. Among the annual meetings, the 1979 Tokyo G-7 summit addressed the second oil crisis, attracting global attention. In 1998, Russia joined the seven to create the G-8. In response to the Ukraine problem, however, the G-7 countries other than Russia chose to hold a summit. The G-7 framework for discussing key world problems was thus restored, addressing the urgent challenge of discussing the new international problem involving the Ukraine situation. In this sense, the summit of major nations attracted global interest after a long interval.

Through the two days of discussions, the G-7 leaders at the latest summit shared a strong sense of crisis involving the Ukraine problem and clarified that they will enhance efforts to tackle the problem as the G-7 countries' top common priority. The leaders pointed to the importance of Ukraine's stability and unification and made their support clear for new Ukraine President Petro Poroshenko who was elected in the May 25 election. They also urged Russia to recognize the presidential election results and clearly indicated that they would toughen sanctions on individuals and groups that threaten Ukraine's peace, safety and stability. The G-7 thus jointly clarified their position of rejecting any attempt to change the status quo through the use of force. In this respect, the G-7 leaders reaffirmed the importance of maintaining the maritime order based on international law and gave a message that they "are deeply concerned by tensions in the East and South China Sea." They picked the Ukraine problem and the East and South China Sea issue as new key matters of their common concern regarding international security.

The G-7 countries took up a response of moving in step with each other to address these problems. But no one can predict whether this approach could help stabilize the international situation. After the G-7 summit, Russian President Vladimir Putin indicated his efforts to promote

dialogue with Western countries on such occasions as a ceremony for the 70th anniversary of the Allied Normandy invasion. But it is uncertain whether Putin will expand such efforts. China has strongly reacted to the G-7's message on the East and South China Sea problems. How will the G-7's relations with Russia and China change in the future? How will the world's security environment change? These questions are too significant to be brushed off.

Growing interests in security have naturally led interest to increase in energy security. The G-7 declaration took up energy as a major topic and stated, "The use of energy supplies as a means of political coercion or as a threat to security is unacceptable." The declaration indicated that energy security has become a central agenda item for the G-7 in the international situation following the Ukraine crisis. It cited the diversification of energy sources, the modernization and enhancement of energy infrastructure, the establishment of emergency response systems and others as important principles and noted that the following actions would be taken.

As described in the declaration, the G-7 will (1) complement the efforts of the European Commission to develop emergency energy plans for winter 2014-2015 at a regional level, (2) conduct assessments of their energy security resilience and enhance their joint efforts, and (3) ask the International Energy Agency, in close cooperation with the European Commission, to present by the end of 2014 options for individual and collective actions by the G-7 in the field of gas security. In the future, the G-7 countries and international organizations such as the IEA and the European Commission will have to consider, prepare for and implement these actions. The G-7 declaration also described the climate change problem as a key challenge and reaffirmed the G-7 nations' strong determination to adopt a new global agreement on the problem in 2015. Overall, however, I interpret the G-7 declaration as having positioned the enhancement of energy security (including low-carbon energy promotion) as the top priority in the G-7's energy policy.

Energy security enhancement efforts take some time and considerable costs or burdens to make any achievements. If all is left to market forces, easy options costing the least over a short term may be chosen, resulting in heavy dependence on certain energy sources, suppliers and supply routes, as indicated by history. In normal times, this result would cause no problem. If conditions change, however, the changed conditions may become a major risk factor. Energy security enhancement represents a fight to overcome the externality of energy use. The intensity of energy security enhancement depends on the strength and seriousness of risk awareness.

Indications by the G-7 declaration are that energy security enhancement measures based on high risk awareness are likely to be implemented. Energy security enhancement is important for not only the G-7 nations but also all other countries. But there is concern that if zero-sum or exclusionary policies are promoted, the international energy market may be politicized further, with the entire energy security environment deteriorating more and more. It is important for major players in different positions to promote their dialogue and explore their cooperation. The dialogue and

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cooperation should be positioned as a pillar of future energy security enhancement. The G-7 declaration positioned energy security as an important global challenge anew. We must closely watch how the positioning would be reflected in energy policy implementation in the world.

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