

Opening Remarks by Ambassador KAWAMURA Yasuhisa at 'EXPERT BRIEFING: FUELLING THE INDO-PACIFIC - HOW HYDROGEN POWER COULD HELP SAFEGUARD ENERGY SECURITY IN THE REGION' sponsored by the Embassy of Japan and hosted by MacDonald Laurier Institute on February 24, 2022

## 0. Introduction

- Dr. YAMASHITA Yukari, Board Member, Director, The Institute of Energy Economics, Japan

- Mr. Frank Des Rosiers, Assistant Deputy Minister for Natural Resources Canada

- I would like to express my appreciation to the MacDonald Laurier Institute for hosting this very important and timely webinar today. I also would like to thank all panelists, especially Dr. Yamashita who is participating in this webinar from Japan.

## 1 Japan-Canada FOIP cooperation

- Today nobody would deny that the Indo-Pacific region has become the growth and strategic center of the world. Statistics shows that the Indo-Pacific region is home to 60% of the world's population, producing 60% of global GDP, contributing two thirds of current global growth. At the same time, the region is home of challenges to the rules-based order and maritime security that without proactive engagement will have the potential to derail regional and in the end, global stability and prosperity as well.

- Against this background, Japan has been working together with partner countries to realize a free and open Indo-Pacific; FOIP. FOIP is a vision to formulate a strategy to engage in the region based on supporting resilience, prosperity, and stability, grounded in the promotion of an inclusive rules-based order. Many countries and regions have already formulated their own strategies or visions. In his Mandate Letter to Foreign Minister Malanie Joly in December last year, Prime Minister Trudeau instructed the Foreign Minister to develop and launch a comprehensive Indo-Pacific Strategy for Canada.

- Japan and Canada have been working for the realization of a free and open Indo-Pacific since April 2019 when our Prime Ministers shared their views on strengthening the strategic partnership between Japan and Canada under the vision of a free and open Indo-Pacific. In May 2021, our Foreign Ministers announced the six operative areas of cooperation for that purpose. Energy Security as well as Environment and Climate Change are two key areas of such cooperation. On February 8<sup>th</sup>, in their first summit meeting, this time over the phone, Prime Minister Kishida and Prime Minister Trudeau also agreed to advance further in these six areas of cooperation including cooperation in energy and climate change.

## 2 Japan-Canada Energy/Climate Change cooperation

- The discussion about Japan-Canada energy security cooperation has become active especially since the Great East Earthquake in Japan in March 2011. Various cooperation agreements were signed between Japan and Canada in the area of Liquefied Natural Gas both in the government and in the industries. Then, in 2018, joint venture partners including a Japanese company made a final investment decision in the LNG Canada project. LNG Canada is expected to start its LNG exports to the Asian market in the late 2020s. The project will contribute to energy security in Asia including Japan if it is implemented as scheduled. The project will also further enhance the strategic partnership between Japan and Canada.

- As many of you see in media today, heightened tension in Ukraine has brought about the issue of the LNG supply to European nations. Japan has made the decision to divert its surplus LNG to Europe if necessary to demonstrate its solidarity with the G7 and like-minded partners. This case shows the strategic importance of LNG in geopolitics. Canada is our important partner for stable LNG supply with various comparative advantages including rich reserves, high production technology and the shortest and safest sea-lane for transport through the North Pacific.

- Concerning Environment and Climate Change cooperation towards our shared goal of achieving net-zero emissions by 2050, Japan and Canada made new commitments at the Leaders' Summit on Climate in April 2021. More

precisely, Canada committed for 40-45 percent reductions below 2005 levels by 2030 for its greenhouse gas emissions. On the other hand, Japan announced its aim to reduce its greenhouse gas emissions by 46 percent in fiscal year 2030 from its fiscal year 2013 levels, and furthermore, to continue major efforts in its challenge to meet the ambitious goal of cutting its emissions by 50 percent. At the COP26 in November 2021, Prime Minister Kishida further announced that Japan would lead the way in the clean energy transition, with a particular focus on Asia by leading various initiatives including the development of major projects worth 100 million USD to transform fossil-fuel-fired thermal power into zero-emission thermal power such as ammonia and hydrogen. Japan and Canada are now discussing our cooperation towards our shared goal of net-zero by 2050.

- In order to achieve net-zero, the world including Japan and Canada are paying a lot of attention to Hydrogen energy. Japan was the first country to adopt the national hydrogen policy by issuing its Basic Hydrogen Strategy in 2017. Japan also issued its Green Growth Strategy in December 2021. With these strategies, Japan has been working to increase the amount of hydrogen and reduce its supply cost in the country for example by establishing an international supply chain for hydrogen energy. In parallel, in its Hydrogen Strategy issued in December 2020, Canada aims to become the third largest producer of hydrogen and have an established and competitive export market with Japan and other Asian countries as potential export destinations. . Hydrogen energy surely has huge potential to be tapped on for Japan-Canada cooperation.

- Actually, such cooperation has already started. 2021 was the year in which Japan-Canada Hydrogen cooperation took major steps forward. In October 2021, Japan Oil, Gas and Metals National Corporation (JOGMEC) signed an agreement with the Province of Alberta to promote further cooperation in carbon capture and storage (CCS), hydrogen and fuel ammonia production, aiming to contribute to the supply of clean energy to Japan. Two Japanese companies also made certain progress in their projects aiming to produce fuel ammonia and hydrogen with carbon capture and storage (CCS) in Canada for the Asian market including Japan. If these projects are to be implemented as scheduled, made-in-Canada hydrogen will be exported to Japan in the late

2020s. This will further enhance the Japan-Canada Strategic partnership in the Indo-Pacific region.

### 3 Conclusion

- Today, energy experts and business representatives from Japan and Canada will discuss their energy and climate change policies as well as Japan-Canada energy cooperation including hydrogen energy.

- Japan-Canada cooperation in energy, environment and climate change is a cooperation to contribute to energy security and de-carbonization in Asia and the Indo-Pacific region. It will also strengthen Japan-Canada strategic partnership to proceed with a free and open Indo-Pacific. In a world in which geo-politics and geo-economy evolves significantly as well as quickly, it is also necessary for like-minded countries including Japan and Canada to cooperate for energy security in the world.

- I hope today's discussion will give a lot of hints for Japan-Canada cooperation in energy security as well as environment and climate change in the Indo-Pacific region. Thank you.