

Basic Standpoint on Climate Change Negotiations at the G8 Hokkaido Toyako Summit

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Nippon Keidanren

Preventing climate change is a critical issue bearing on the foundation of human existence and will be a key item on the agenda at the G8 Hokkaido Toyako Summit, which Japan will host this July, and at the G8 Business Summit, which Nippon Keidanren will host in April.

There are high expectations that Japan will play a leadership role in the establishment of the post-2012 international framework with an eye on both the interests of the globe and those of Japan from a medium- to long-term perspective.

Now that discussions have started in earnest, Nippon Keidanren would like to take this opportunity to state its views on this issue.

1. In June 2007, the Japanese government adopted the following three principles for the post-2012 international framework: (1) the participation of all major emitters, (2) a flexible and diverse framework allowing for the national circumstances of each country, and (3) compatibility between environmental preservation and economic growth. At the Annual Meeting of the World Economic Forum in Davos held in January this year, Japanese Prime Minister Yasuo Fukuda proposed the following: (1) the establishment of a framework in which all major emitters participate, (2) the setting of fair and equitable national emissions targets based on energy efficiency by sector and the technology to be in use in subsequent years, (3) the review of the base year of the Kyoto Protocol from the standpoint of equity, (4) international environment cooperation through the improvement of energy efficiency by transferring technologies and the establishment of a financial mechanism, and (5) the promotion of innovative technology development.

Nippon Keidanren fully supports these Japanese government policies and is actively cooperating with government efforts to put them into practice.

Because climate change is a global-scale problem, it is vital that all major emitters, including the United States, China, and India, participate. As chair of the G8 Summit, Japan should place the highest priority on gaining the understanding on this point from the United States and other nations.

2. To ensure fairness in the targets and to gain the participation of as many countries as possible in the international framework, it is important that the national reduction targets be the compilation of the reduction potential in individual sectors based on actual energy efficiency. Improving energy conservation and energy efficiency will not only lead to the reduction of CO₂ emissions, but will also result in gains in areas of concern to all countries, such as the extension of resource life and the enhancement of energy security, as well as in the lowering of energy costs which is currently a pressing issue. The development and spread of technology are key to preventing climate change through both the reduction and absorption of CO₂.

Nippon Keidanren intends to issue a detailed statement on the above sectoral compilation approach at a later date.

3. The core items on the agenda for the G8 Hokkaido Toyako Summit are, as described above, envisioning the post-2012 international framework—including the participation of the United States and other major emitters and the method for calculating national targets to enable these countries' participation—as well as designing measures to promote the development and spread of technology. It is crucial that we first build a consensus on these issues. Discussions of other issues, such as emissions trading systems, which simply constitute means or mechanisms for achieving targets, should not be put ahead of this.

Means and mechanisms for achieving national emissions targets include the following: (1) voluntary action plans, (2) various emissions trading systems, (3) tax and financial incentives as well as other emissions reduction policies, and (4) forest absorption measures. In line with its national policy to ensure flexibility and diversity, Japan, as chair of the G8 Summit, should not limit itself to specific measures but should look into a wide range of measures.

4. Japan's discussions regarding the post-2012 framework will be led by the newly established Council on the Global Warming Issue, and this government council is expected to promote discussions about effective climate change measures from a comprehensive perspective. At the G8 Business Summit this April, Nippon Keidanren plans to announce its views on the post-2012 international framework, focusing on improving energy conservation and energy efficiency and developing innovative technology, as the common voice of the participating economic organizations from G8 countries.
