

THE ENERGY STRATEGY OF JAPAN IN THE CONTEXT OF CENTRAL ASIAN STATES

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Abstract : This article analyzes Japan's relations with Central Asian states regarding energy resources. Due to its limited domestic oil and natural gas reserves, Japan's interests in economic, cultural, security, and political aspects are equally significant. Most researchers focus on Japan's desire for energy cooperation, which the Japanese have highly appreciated. The Japanese government and countries of Central Asia have welcomed the alternative to Russia and the Middle East in ensuring Japan's energy security, as they have rich oil and gas reserves. Japan also wants to build and develop renewable energy sources in collaboration with these countries.

Key words: energy strategy, Silk Road Diplomacy, national energy strategy, gas reserves

Introduction. Japan has very limited domestic oil and natural gas reserves, and it is one of the leading countries in importing energy resources. In particular, in 2021, it ranked fifth in the world in terms of energy consumption. Although consumption is expected to grow by 2.3% in 2021, primary energy consumption has been declining over the past decade. While renewables (10%) and nuclear (3%) accounted for the smallest share of Japan's primary energy consumption in 2021, these were the only energy sources to see an increase in their overall share since 2015. In 2022, Japan regained its status as the largest LNG importer despite a 3% decrease in imports from 2021 due to insufficient domestic resources. Japan, which ranked fifth in oil consumption, covered more than 97% of its energy demand through imports in 2022.. In 2022, Japan is expected to overtake China as the world's largest importer of liquefied natural gas. Despite a 3% decrease in imports from 2021, Japan's position as a major importer is still expected to remain strong. [1].

The energy policy of Japan is primarily focused on three key aspects: ensuring energy security, promoting environmental protection, and optimizing economic efficiency. In his presentation, Ken Koyama, a representative from the Institute of Energy Economics, provided a concise definition of "energy security," describing it as the guarantee of a stable and affordable supply of energy resources, which is essential for the sustainable growth of the national economy and the well-being of its citizens [2].

The Ministry of Economy, Trade and Industry (METI) is responsible for developing Japan's energy policy. Within METI, the Natural Resources and Energy Agency plays a crucial role in ensuring the rational development of mineral resources, stable energy supply, efficient energy use, and regulation of electricity and other energy sectors.

According to data including reserves in Kazakhstan, Turkmenistan, and Uzbekistan, Japan has 5.6 billion tons of oil reserves, accounting for 34% of discovered reserves in CIS countries and 3.5% of world reserves. In terms of gas reserves, Japan has 7.75 trillion cubic meters, representing 3.2% of CIS reserves and 4.3% of world reserves [3].

In August 1997, T. Aso, the head of the Japan's Economic Planning Department, paid a visit to Central Asian countries, laying the groundwork for extensive economic collaboration between Japan and Kazakhstan, Uzbekistan, and Kyrgyzstan. The primary focus of the discussions was on the critical issue of attracting Japanese investments to these economies, particularly in the energy sector. To implement the economic aspect of this new strategy, a delegation from the Keizai Doyukai, a prominent Japanese business association, traveled to these same countries in

September 1997. During this visit, the delegation members gained insights into the economic landscapes of these republics, delving into the challenges of transitioning to market-oriented economies. Most importantly, they established a foundation for future collaborative endeavors.. Drawing on the resource potential of Kazakhstan and Turkmenistan, and considering Uzbekistan as a crucial transit route for these resources, Japan places a particular emphasis on these countries and commits substantial funds to their development.

One of the initial steps towards implementing the concept of "Silk Road diplomacy" was the arrival of a delegation from Keidanren, the Federation of Economic Organizations, in Kazakhstan and Uzbekistan. The primary objective of these discussions was to explore prospects for deepening cooperation in the development of oil and gas reserves.

In August 1998, following the change in leadership in Japan with the ascension of Prime Minister Katsuya Obuchi, his administration continued to pursue the path of fostering active collaboration with Central Asian nations.. In January 1999, a groundbreaking document related to the countries in the region was adopted – the "Programme of Action on the Diplomacy of the Silk Road". This programme underscored the imperative of developing and enhancing infrastructure in the region, with a particular focus on providing specialized assistance to the republics to foster the development of their natural resources.

The programme aimed at fostering comprehensive trade and economic collaboration, bolstering political ties, and supporting the countries along the Silk Road in their transition towards market economies. The concept of "Eurasian Diplomacy", which delineated relations with the nations along the Silk Road, garnered support from the statesmen of Central Asian republics.

A crucial aspect of these Eurasian initiatives involved the implementation of collaboration in the realm of transportation and communication, laying the groundwork for the revival of the Silk Road projects.. Among the various aspects of infrastructure development, the enhancement of railway connectivity stands out as a critical element, as it offers a more cost-effective solution for long-haul transportation compared to roadways. It is essential to note that the delivery of multi-tonnage equipment and pipelines required for the implementation of oil and gas projects, as well as the construction of major pipelines, can only be accomplished through railway transportation to Central Asia.

The advancement and modernization of both intra-regional and interregional road networks were recognized as indispensable prerequisites for the continued economic growth of the entire region. To establish a state-of-the-art transit hub along the Silk Road route in Central Asia, particular emphasis was placed on the enhancement of air transportation within the region and the modernization of its airports [4].

The following data indicate Japan's keen interest in fostering and deepening ties with Central Asian nations in the realm of energy:

In May 2006, Japan's Ministry of Economy, Trade, and Industry unveiled a novel national energy strategy, underscoring the necessity for Japan to expand its engagements with energy-rich countries. This initiative was predicated on the establishment of robust transnational corporations dedicated to the extraction, refinement, and transportation of raw materials. Currently, the combined share of domestic oil production and transportation by Japanese companies stands at approximately 15%; by the year 2030, this figure is projected to rise to 40%.

In their statements, officials from Japan emphasize the importance of expanding cooperation with Central Asian nations in the realm of energy. On August 28–31, 2006, Prime Minister Junichiro Koizumi visited Kazakhstan and Uzbekistan for the first time. During a meeting with President Nursultan Nazarbayev of Kazakhstan, Koizumi expressed Japan's intention to enhance

cooperation with Kazakhstan in the field of nuclear energy, particularly in the development of uranium reserves.

At the conclusion of the meeting, the governments of Japan and Kazakhstan signed a memorandum aimed at fostering cooperation in the utilization of atomic energy. Subsequently, legal instruments outlining the fundamental approaches and mechanisms for ensuring national energy security were drafted and adopted.. These include, first and foremost, the «Energy Policy Basic Law», enacted on June 14th, 2002; the «Energy Base Plan», adopted on October 7th, 2003, and regularly updated; and, in April of 2004, it is possible to enumerate documents such as «Strategies and Approaches of Japanese Energy Diplomacy», which were adopted by the Ministry of Foreign Affairs of Japan. The document entitled "Strategies and Methods of Japanese Energy Diplomacy", adopted in 2004, outlines several important directions for implementing the country's energy policy.

First and foremost, the priority direction is to implement and strengthen rapid anti-crisis measures in case of emergency situations in the energy sector. According to this document, the country needs to have sufficient energy reserves to ensure the stability of energy supply during potential crises.

Furthermore, the document emphasizes the importance of supporting and strengthening relations with countries in the Middle East and other oil-producing regions, as well as those located along important transportation routes for fuel and energy resources.

Additionally, Japan aims to diversify its fuel and energy sources. To this end, official Tokyo is beginning to strengthen cooperation with countries in Asia, Africa, Latin America, and the Russian Federation.

Japan has traditionally pursued its energy policy towards Central Asian countries based on the principle of "resource diplomacy". However, after the collapse of the Soviet Union, the institutionalization of economic cooperation through the CIS and SCO led Japan to become a "third party" for the countries that joined these organizations. This has complicated Tokyo's economic relations with Kazakhstan, Uzbekistan, and Kyrgyzstan, while expanding its economic system. Today, new outlines of cooperation in the energy sector are emerging, involving not only the exchange of energy resources but also the development of transport infrastructure and interest in renewable sources. According to Japan's principles of cooperation with energy-rich nations, the focus is on supplying energy and transport equipment from Japan and investing in various energy projects by Japanese companies.. In general, Japan's involvement in Caspian energy projects has decreased compared to the United States and Europe, due to its past involvement in the Middle East and Indonesia. Central Asia has become an alternative to Russia and the Middle East for ensuring Japan's energy security, which is highly appreciated by Japan and is also seen as a positive development by the countries of Central Asia, which are rich in oil and gas.

Although the region is rich in these resources, the Japanese government has not addressed issues related to the penetration of the energy sector in the region, as well as technical and political barriers to transporting oil and gas to Japan. However, Central Asian leaders have been supportive of the idea of a pipeline to Japan, as they seek alternative routes for exporting their oil and gas and want to avoid being dominated by any single player.. In addition, the more foreign companies participate in the bidding process for oil and gas fields, the greater their chances of securing higher prices and contracts.

At present, there are three routes connecting Japan to Central Asia, namely the Trans-Siberian railway, the overland route via China, and the route through the Turkmenistan–Iran Chabahar port. Since the year 2000, freight has been transported to Japan via Iran, given that shipping via

the Trans-Siberian or Chinese routes entails significant financial investment. Additionally, petroleum and natural gas products from Kazakhstan, Uzbekistan, and Turkmenistan must be transported via pipelines. The development of these pipelines is therefore essential.

In this context, Gosuke Horiguchi, second secretary at the Japanese Embassy in the Kyrgyz Republic, emphasized that utilizing the Siberian route provides a convenient means to employ pipeline transportation.

Tokyo remained unperturbed by the escalating activities of China, India, and the Republic of Korea in their pursuit of energy sources in Central Asia. In the year 2002, a "Silk Road Energy Mission" was dispatched to the region's countries, including Uzbekistan, Kazakhstan, Turkmenistan, and Azerbaijan, under the leadership of S. Sugiura, who was entrusted with the task of exploring the potential for enhanced collaboration in the realm of energy resources [6].

Japan's interests in economic and cultural matters are no less significant than its interests in security and politics. Many researchers focus on Japan's desire for energy cooperation. Boryana Miteva, a scientist, considers cooperation in the energy field from a broader economic perspective. She explains that Japan's main priority is the use and trade of raw materials due to their lack of resources [7].

In conclusion, to fully realize the immense potential of economic relations between Japan and Central Asia, it is essential to foster stable political development, promote economic growth, enhance the standard of living for the population, bolster solvency levels, and foster regional integration. Collaboration between Central Asian nations with their neighboring countries and the global community is crucial. Several conditions must be met, including cooperation and security, making these aspects of collaboration a top priority in Japan's regional policy. Despite concerns about increased security cooperation within the framework of the Shanghai Cooperation Organization (SCO), particularly the prominent involvement of Russian and Chinese enterprises in the energy sector of Central Asia, these factors can serve as catalysts for Japan's renewed engagement in the region.

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