

## **ANRE Recommends Public Financing for Japanese Nuclear Exporters**

**On October 25, the Agency for Natural Resources and Energy (ANRE), held the fourth meeting of its Nuclear Power Subcommittee. One of the items discussed by ANRE representatives at the meeting was an explanation about materials dealing with the international activities of Japanese nuclear-equipment manufacturers. Two proposals were advocated to facilitate the those firms' exports overseas: (1) extending public loans to facilitate nuclear-equipment exports to other industrialized countries, and (2) working out various frameworks, including bilateral arrangements, with developing countries to facilitate similar exports.**

Premised on the overriding principles of nuclear nonproliferation and safety assurance, ANRE representatives to the meeting elaborated on the export of nuclear-power equipment by Japanese manufacturers overseas, stating that introducing nuclear power plants (NPPs) worldwide would be beneficial not just from the standpoint of energy supply and demand, but also as an effective way to deal with environmental problems. Furthermore, given that Japan's domestic construction of NPPs is expected to remain stagnant for the next couple of decades or more, ANRE also said that it would be advantageous for manufacturers in this country to build up their export markets in order to maintain their technological and human-resource capabilities.

As for the actual situation of the exports of nuclear-power equipment by Japanese manufacturers today, the core policy is to cooperate with the United States and other countries in the matters of licensing nuclear-power technology, supplying fuel, and entering into international agreements.

To support the exports of nuclear-power equipment manufacturers to developing countries, ANRE proposed that high officials of the government make clear statements of their willingness to back such efforts, similar in tone to the letter of support sent by Minister Nakagawa of the Ministry of Economy, Trade and Industry (METI) about exports to China. Besides extending those countries knowledge and know-how relating to nuclear energy, such as that relating to the nuclear nonproliferation framework and the organization of a system for damage compensation, ANRE says that work ought to begin on bilateral cooperative agreements and the like aiming at the transfer of materials and equipment.

In addition, ANRE advocated the commencement of discussions on actively providing governmental support in the form of finance to nuclear-power equipment exporters – while not impinging on the activities of private lenders – in addition to extending them trade insurance, given that the procurement of funds is likely to be only bottleneck in the export of such equipment to industrialized countries such as the United States, where new NPP projects are expected to materialize in an era of nuclear-power renaissance.

As for India, to which Japan halted all offers of nuclear-related cooperation ever since that country conducted nuclear tests in 1974, ANRE cited the reopening of American cooperation with India in that field, and pointed out India's plans to increase its nuclear generation capacity to 20GW by the year 2020. Nonetheless, given the absence of an international consensus on the propriety of providing India with nuclear-related materials, equipment and technology – and from the perspective of maintaining consistency with the nuclear nonproliferation framework – ANRE demonstrated a cautious stance by also stating the necessity for the nuclear supplier group (NSG) of countries to deliberate the question of how to deal with the problem of India in the future.

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