

Subcommittee Discusses International Expansion of Japan's Nuclear Industry

On November 18, the fifth meeting was held of the Nuclear Power Subcommittee, part of the Advisory Committee for Natural Resources and Energy, which falls under the Agency for Natural Resources and Energy (ANRE) of the Ministry of Economy, Trade and Industry (METI). The items discussed included the international expansion of Japan's domestic nuclear industry, and electricity market deregulation and nuclear power.

Many supportive opinions were raised concerning the international expansion of Japan's nuclear industry, such as "The national government must back up the efforts of the industry in order to diffuse nuclear power broadly around the world."

Meanwhile, regarding the issue of the deregulation of the electricity market and nuclear power, the opinions were more mixed. Some people thought that the future of nuclear power ought to be considered premised upon further market deregulation, while others believed that "nuclear power ought to be removed from the world of competition."

As regards the international expansion of the domestic nuclear industry, the basic policy of ANRE is to meet the individual circumstances of each partner country with fine-tuned policy responses, while cooperating with other countries such as the United States for the time being (see the October 25 article entitled "ANRE Recommends Public Financing for Japanese Nuclear Exporters").

In addition, ANRE set forth the following proposals for measures to be taken:

- (1) Having a high-level government official make a clear demonstration of support for nuclear exports.
- (2) Reinforcing dialogues with partner countries.
- (3) Cooperating in the cultivation of human resources.
- (4) Participating actively in review investigations by international organizations.
- (5) Applying public funds to exports to advanced countries.
- (6) Supporting the organization of systems in countries receiving exports.
- (7) Developing the framework for bilateral cooperation agreements.
- (8) Integrating into the clean development mechanisms (CDM) and joint implementation (JI) for nuclear power.
- (9) Flexibly applying procedures for export management and export credit.
- (10) Establishing a venue for coordinating efforts by the public and private sectors.
- (11) Expanding cooperative relationships with partner countries on the academic conference and university level.

Looking at specific response policies by export region, it was felt that the Japanese government ought to publicly express its desire to assist nuclear exports to China, which is progressing with a plan to introduce large-scale nuclear power, as well having public financial institutions engage in positive support for exporters there. In addition, cooperation would be extended to China to foster human resources.

Vis-à-vis the United States, which is expected to construct new nuclear power plants after the passing of a new comprehensive energy bill, public financial support to exporters ought to be considered, given the strong possibility that financing those exports will be a bottleneck.

Meanwhile, regarding exports to India, which aims to expand its current nuclear power

capacity of 7,300MW to 20GW by the year 2020, an international consensus seems to be lacking whether or not that country ought to be extended nuclear-power materials, equipment and technology, even though it is believed “not desirable for India to continue relying on fossil fuels.” In addition, the fact that India is constructing mainly heavy water reactors and is aiming for the thorium cycle “necessitates a close examination whether any field exists in which Japan can cooperate.”

As for countries that are thinking of introducing nuclear power for the first time – specifically Indonesia and Vietnam – ANRE suggested that support be given in the organization of a safety regulation scheme and nuclear non-proliferation framework, as well as active cooperation in the cultivation of human resources, and the creation of a venue for public-private dialogue. In addition, it suggested the consideration and debate be made about the way that Japan could cooperate with Vietnam concerning the implementation of feasibility studies (FS).

Individual members then raised various comments. One person said that the government ought to strive to integrate nuclear power into CDM/JI. Another mentioned that it was necessary to develop a framework of coordination in a speedy fashion, on account of the weak coordination in the country between the public and private sectors. One member urged the early signing of bilateral agreements so as to create a foundation in which the transfer of nuclear power technology could take place. Someone else said that since France was promoting its EPRs in the United States, Japan should also be promoting its ABWRs and APWRs there at such venues as summit meetings.

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