Keynote address for the 48th Japan Atomic Industrial Forum (JAIF) Annual Conference by JAIF Chairman Takashi Imai

(Greetings)

Welcome to the 48th JAIF Annual Conference. As the Chairman of the Japan Atomic Industrial Forum or JAIF, let me say a few words at the outset of the Conference.

(Introduction)

More than four years have passed since the accident at the Fukushima Daiichi Nuclear Power Station triggered by the Great East Japan Earthquake. Let me extend my deepest sympathy to some 120,000 people who are still to live in evacuation, away from their home towns. My sympathy also goes to many others who are suffering from adverse developments that arose from the accident, including unfounded rumors about their produce.

(NPS shutdown and domestic economy)

Since the shutdown of all nuclear power stations about two years ago, Japan has had to rely on the alternative thermal power generation, by procuring a large amount of fuel from overseas.

This has caused the outflow of national wealth of some 4 trillion yen (about US$3.3 Billion) each year, and generated an increase in CO2 emissions by over 100 million tons.

The ensuing price hike in electricity and concerns about power shortages have driven business offshore, applying pressure on Japanese economy.

Due to high electricity charges, small and medium enterprises cannot return to Japan even if they want to, in order to take advantage of low yen price and others, once they have moved overseas. The hollowing-out of domestic industries has not yet been solved.

In order to implement growth strategies and pave the way for economic regeneration, it is crucial to urgently bring the nuclear plants back into operation and reduce the nation's reliance on thermal power generation.

(Risks of abandoning nuclear power generation)

The experience of Oil Crisis has driven Japan to diversify its energy sources in an energy mix policy.

The current status of all nuclear plants in full outage and reliance on thermal plants as much as 90% of gross power output constitutes not only a cost-increasing factor but also a major risk for energy security.

In Europe, upon Russia's decision to suspend its supply of natural gas to Ukraine, other European countries could not receive Russian natural gas via Ukraine.

This has further increased the sense of crisis about securing energy.

On our side, if we consider the fact that about 80% of oil that Japan imports comes

via the Strait of Hormuz, we have to have a greater sense of crisis about the nation's too much reliance on such a vulnerable fossil fuel.

When a variety of increasing risks caused by "No nuclear energy" are considered, including instability in energy supply and increase of costs, it is evident that the soonest resumption of operation of nuclear plants is essential once their safety is assured.

(Departure from the Zero Nuclear status)

In my New Year's message to the JAIF members I told that this year will be the year of departure from the Zero Nuclear status.

All nuclear power plants are currently out of line in our nation, which is the third largest producer of nuclear power in the world. Many countries are keenly observing the future course of our nuclear energy program.

Electric utilities are making concerted efforts to implement safety measures. We hope the regulatory authority will act swiftly and efficiently in carrying out its safety review.

(Restoration of public trust)

The nuclear industry has engaged in a range of activities for restoring public trust that had been lost. Yet, we are far from achieving the aim, with majority of Japanese population still voicing their opposition to the resumption of nuclear power operations.

Public apathy toward the Zero Nuclear status seems to be penetrating, as the nation has survived two summers, without nuclear energy, when power demand peaks. The increase of electricity charges does not appear to have caused much strain on general households.

Public understanding toward nuclear energy use has been undermined by other factors, too. Amidst the continued increase of contaminated water at the Fukushima Daiichi Nuclear Power Station, radioactive materials were released into the oceans, and the relevant information disclosure was delayed. Failure to determine the disposal site for high-level radioactive waste also hinders public understanding.

These issues being highlighted, public fear against radiation seems to have penetrated and even been intensified.

To alleviate public concerns, nuclear licensees must boost their business transparency and work on further enhancement of nuclear safety.

While striving to establish nuclear safety to restore public trust, the industry must also advocate the significance and necessity of nuclear power in terms of 'risks for zero nuclear energy.' By doing so, public understanding based on sensible interest in nuclear power could be acquired among the people of Japan.

(Nuclear energy use of a certain scale)

In response to the accident at the Fukushima Daiichi Nuclear Power Station, relevant laws in Japan have been amended and a new system has been adopted, in which new provisions restrict nuclear plant operation basically to 40 years in principle.

The liberalization of the electricity market is making it increasingly difficult to build a new nuclear power station, which would take an extended period of time to recover the investment. At this rate, the scale of nuclear power generation in this country will continue to contract.

Japan is in the process of debating the future outlook of its energy demand and supply. It is also facing an urgent need to present its CO2 mitigation target in preparation for COP21.

The rest of the world is observing how Japan will respond to the expectations of international community while ensuring to implement responsible measures for securing its energy.

Energy conservation and introduction of renewable energies play a very important part in formulating the future energy mix. Yet, we must carefully examine a realistic level of capacity of their introduction in line with our practical potential.

Furthermore, the risk of zero nuclear power should be considered from a big-picture perspective, e.g. such move's impact on national economy and the nation's international roles. The government should then clearly declare nuclear energy use of a certain scale as a large-scale base-load power source with excellent economic efficiency.

(International contributions and Japan's accountability)

When we turn our eyes to the rest of the world, the use of nuclear energy is on the rise.

Even since the accident at the Fukushima Daiichi Nuclear Power Station, some 80 nuclear power plants are being built, mainly in Asia, and about 100 others are currently planned.

Japan has technologies accumulated through continuous development of nuclear power plants. Japan also has experiences obtained from the accident at the Fukushima Daiichi Nuclear Power Station for higher safety.

Tapping into such insight and human resources, Japan must maintain and improve its nuclear technology to provide Japanese expertise in advanced safety and contribute to the introduction of nuclear power around the world in response to other countries' high expectations.

Last month, the government decided to close five existing nuclear plants. To accommodate decommissioning work, which is set to increase in coming years, it is important to maintain the level of technologies and secure human resources. Other big challenges that await us include nuclear non-proliferation, human resources development and disposal of nuclear waste.

These are universal challenges that need to be tackled through collaboration with international organizations such as IAEA and international community at large. As a nation with advanced nuclear technology, Japan has the responsibility of playing a leading role in these challenges.

(Purport of the JAIF Annual Conference)

Based on the given situations in and outside Japan, we have chosen ‘Why Nuclear?’ as the theme of this year’s JAIF Annual Conference.

The Conference has invited prominent guests from various sectors at home and abroad to reflect back on the starting point of nuclear energy and re-examine its role and necessity for Japan and the rest of the world.

Under the theme of ‘Views from the World’, Session I features experts from Britain, France, Russia, China, India and Brazil who will speak about their respective countries’ conditions and energy policies incorporating CO2 mitigation. Let us learn from overseas experiences and reflect the information to the future of Japan’s nuclear energy policy, while exploring the roles that nuclear energy will play in the world.

Session II has chosen a theme ‘Is Japan Doing It Right?’ in which the risks will be examined on Japan’s future if the nation should abandon nuclear power generation, scale back its nuclear energy program or delay the resumption of nuclear plant operation.

We hope to see debate on the positioning of nuclear energy from the perspectives of global environment, economy, technology, human resources as well as energy security. The Session is also expected to cover discussions on how we should gain trust from the people of this nation.

Continued from last year, Session III is themed on the restoration of Fukushima. Future leaders from young generation are invited to discuss ‘A Picture of Fukushima Tomorrow’.

They will present forward-oriented initiatives toward reconstruction and explore, together with the audience, the future involvement of the industrial sector as well as those of us who live in large urban cities and continue to consume a massive amount of electricity.

(Conclusion)

Before concluding my speech, I wish to take this opportunity to sincerely thank all the speakers from Japan and abroad, who have set aside time from their busy schedule to be part of this Conference.

Thank you very much.

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