

**“Eight Proposals Aimed at Overcoming Global Warming”**

**KEIZAI DOYUKAI (Japan Association of Corporate Executives)**

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**1) Work together with the participation of all related parties**

- There is no wonder drug that will cure global warming. In order to solve this problem, all related parties including those in industry, government, as well as the public must work together and promote steady efforts to achieve tangible results.
- Before undertaking new policies, it is more important to accomplish “What needs to be done.” In addition, it is proposed, through the concrete implementation of “What can be accomplished now.” to make emission reduction potential visible.
- Furthermore, it is necessary to establish a national strategy for energy and the environment based on a long-term outlook, and thereby to chart a path toward a comprehensive solution to the issue of global warming.

- According to our estimates, the total reduction potential of CO<sub>2</sub> emissions for proposals 1 through 5 (described below) will come to approximately 126 million tons per year in 2010, roughly equivalent to the increase of CO<sub>2</sub> emissions from 1990 to 2002 in Japan.
- This is just an example, however we contend that the reduction potential for Japan as a whole will be enormous. We strongly propose to make great efforts and take practical actions to promote CO<sub>2</sub> emission reduction.

**< Five proposals and related points extracted from discussions with representatives of 19 member companies of KEIZAI DOYUKAI >**

**Proposal 1: Extract the latent potential of CO<sub>2</sub> emissions reduction in existing equipment and machinery.**

- The degree of reduction potential of CO<sub>2</sub> emissions in existing equipment and machinery in Japan is enormous. Such potential lay in production facilities of industries, office buildings with a total floor space of 1.3 billion square meters, a total of 47 million homes, a wide array of consumer durables such as household appliances, and some 70 million automobiles. Efforts should be made to realize the reduction potential of CO<sub>2</sub> emissions by replacing equipment with higher energy saving equipment, by replacing automobiles with more energy efficient vehicles, as well as by making full use of IT technology, etc.
- The reduction potential of CO<sub>2</sub> emissions is estimated to be approximately 75 million tons per year in 2010.

**Proposal 2: Pay attention to the possibilities for modal shifts.**

- A comprehensive transport system must be established which encompasses not only the distribution of goods but also the movement of persons and traffic flows.
- The reduction potential of CO<sub>2</sub> emissions is estimated to be approximately 600,000 tons per year in 2010.

### **Proposal 3: Strive to change the way of thinking.**

- It is important to engage people and attempt to change the overall way of thinking in order to come up with new methods and ideas to reduce CO<sub>2</sub> emissions. This is shown in the example of delivery service of baggage by cart not using car in the center area of city.
- The reduction potential of CO<sub>2</sub> emissions is estimated to be approximately 30,000 tons per year in 2010.

### **Proposal 4: Strengthen education and communication aimed at reforming the consciousness of the public.**

- In order to change the consciousness of consumers, efforts at education and communication should be strengthened by conveying CO<sub>2</sub> emissions information in a “visual” medium to create a more comprehensible message to the public.
- Though the effect of each individual may be small, a large-scale reduction is possible if a majority of Japan’s 40 million households take similar actions.
- The reduction potential of CO<sub>2</sub> emissions is estimated to be approximately 31 million tons per year in 2010.

### **Proposal 5: Establish a long term national energy strategy.**

- In order to diversify energy sources including nuclear energy, renewable energy, etc. with the aim of making the conversion from fossil fuels, a long-term strategic vision including government policies as well as the development of innovative technologies will be essential.
- The reduction potential of CO<sub>2</sub> emissions is estimated to be approximately tons per year in 2010.

## **2) Endeavors on a Global Scale**

- Global warming is an issue that affects the entire world. In addition to working to achieve the targets of the Kyoto Protocol by 2012, Japan must cooperate and contribute internationally based on a longer term and global based perspective.
- We should actively work to implement the Kyoto mechanisms through the application of market principles as well as by promoting measures to stem global warming on a global scale in a more efficient and effective manner thus ensuring that the targets of the Kyoto Protocol are met.
- Furthermore, it is necessary to propose a new framework in which all nations, including the largest emitters of greenhouse gases, participate in the second commitment period (post- Kyoto) from 2013 onward.

### **< Three proposals and related points >**

#### **Proposal 6: We should contribute to the world with the transfer of the successful reduction methods.**

- The achievement of our efforts should not to remain isolated in Japan. We must make an international contribution through the expansion of similar initiatives overseas; particularly through the transfer of Japan’s advanced technology and expertise.

#### **Proposal 7: The Kyoto mechanisms should be actively implemented .**

- The Kyoto mechanisms, particularly CDM, should be promoted actively to contribute to actual reductions by partner countries as well as for their ability to be implemented effectively at lower costs than domestic countermeasures.

**Proposal 8: A framework under which all nations can participate; toward a Post- Kyoto era .**

- Japan should show leadership by proposing a framework for a true solution to global warming issues that would include major emitters of greenhouse gases, such as the United States, China, and India rather than setting the achievement of the Kyoto Protocol targets as the final goal .

**3). Government should take the initiatives**

- The government should position global warming as a national issue and work together among separate government ministries and agencies to enable them to solve the problem under a single unified vision.
- It is requested that the government make its best efforts to actively reduce CO<sub>2</sub> emissions and take the initiative to promote such achievement as a model for both the private and the public sectors.
- Upon review of the program target of countermeasures for global warming, it is strongly recommended that the government develop and carry out its national policy to clearly demonstrate the emissions reduction potentials with quantitative justifications as we have shown in our proposals to develop effective measures

**< Key points >**

- In order to make our eight proposals effective, it is strongly requested that the government take the initiative and deal with the global warming issue
- New policies that will impose new burdens should not be simply be added without the full implementation of plans to ensure the further development of existing efforts and adequate verification of their cost effectiveness.

Appendix

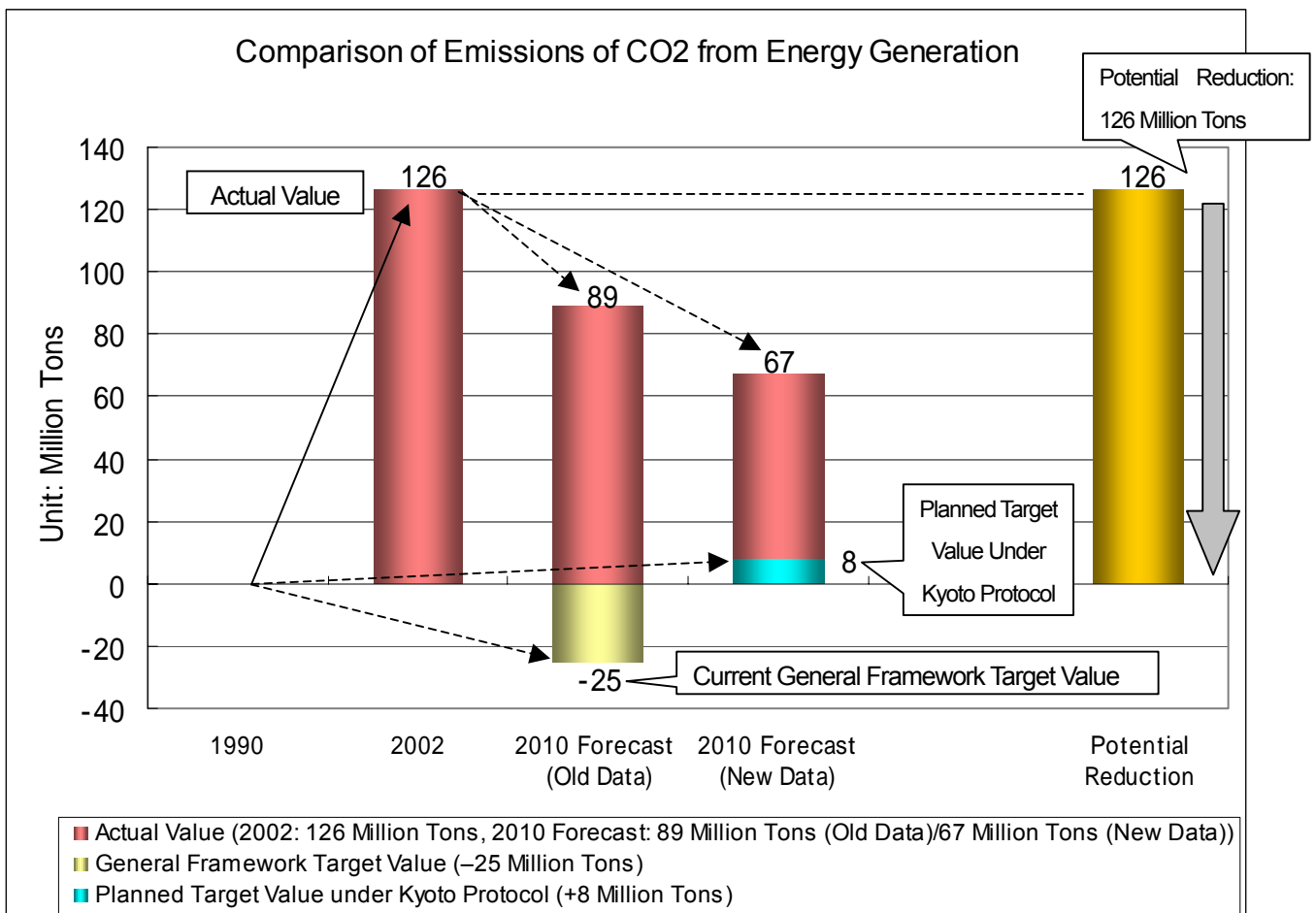
Total Reduction Potential of Proposal Examples and Target Values of General Framework for Promoting Measures to Reduce Global Warming

Emissions of Greenhouse Gases in Japan

	Base Year (1990)	2002 Performance		Current General Framework Target (Old Data)		Planned Target under Kyoto Protocol (New Data)		2010 Forecast (Current Measures Case: Old Data)		2010 Forecast (Current Measures Case: New Data)	
	Million Tons CO2	Million Tons CO2	Ration to Total Emissions in Base Year	Million Tons CO2	Ration to Total Emissions in Base Year	Million Tons CO2	Ration to Total Emissions in Base Year	Million Tons CO2	Ration to Total Emissions in Base Year	Million Tons CO2	Ration to Total Emissions in Base Year
CO2 from Energy Generation	1,048	1,174 (+126)	10.2%	1,024 (-25)*	-2.0%	1,056 (+8)	0.6%	1,137 (+89)	7.1%	1,115 (+67)	5.4%
CO2 from Sources Other Than Energy Generation, 3 Gases Including CFC substitutes, etc.	189	156 (-32)*	-2.7%	207 (+19)*	1.5%	174 (-14)*	-1.1%	195 (+6)	0.5%	197 (+8)	0.6%
		-	-	Carbon sinks (-48)	-3.9%	(-48)	-3.9%	(-38)	-3.1%	(-32)	-2.6%
		-	-	Kyoto mechanisms (-20)	-1.6%	(-20)	-1.6%	-	-	-	-
Total of Emissions	1,237	1,331 (+94)	7.6%	1,163 (-74)	-6.0%	1,163 (-74)	-6.0%	1,294 (+57)	4.6%	1,279 (+42)	3.4%

\* Figures in table do not match exactly due to rounding of fractions. Figures do not incorporate effects of Kyoto mechanisms.

Note: Our proposals focus on the “CO<sub>2</sub> from energy generation” portion of total emissions.



Note: “Old data” refers to figures calculated at the time proposals were announced (December 2004).

“New data” refers to figures calculated at the time of adoption of planned target values under the Kyoto Protocol (March 2005).