METI
Ministry of Economy, Trade and Industry

G7 discussions on Natural Gas
&
Asia Energy Transition Initiative

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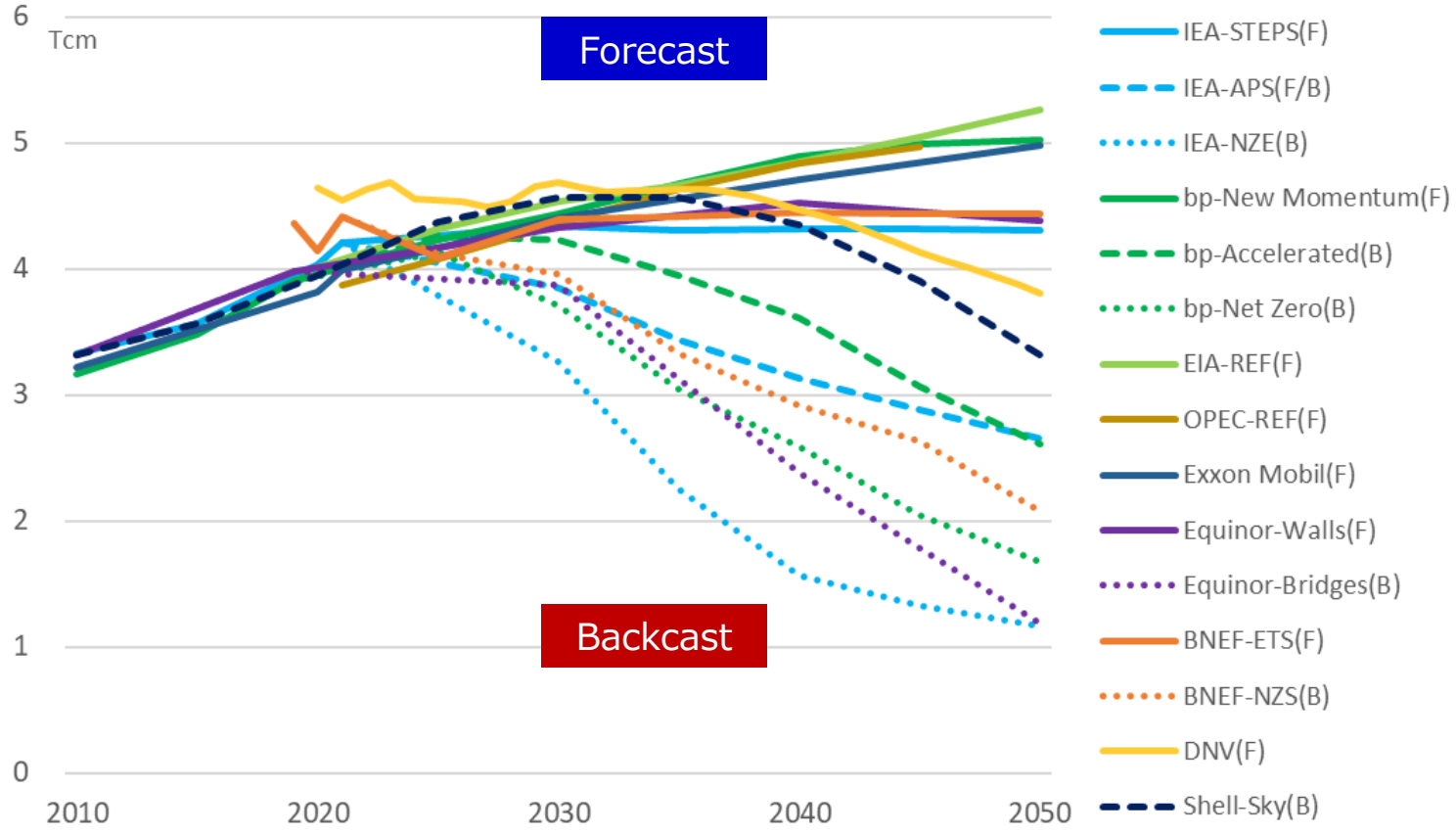
Comparison of demand forecasts (Natural Gas)

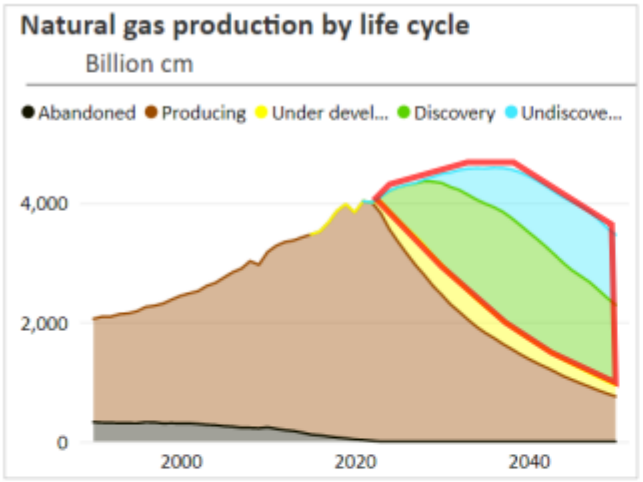
- The solid lines are based on "**Forecast approach**". Most of them expect demand to increase from the current level.
- The dot lines are based on "**Backcast approach**". All of them expect sharp demand decrease but even among net-zero scenarios, demand outlook in 2050 has a wide range.

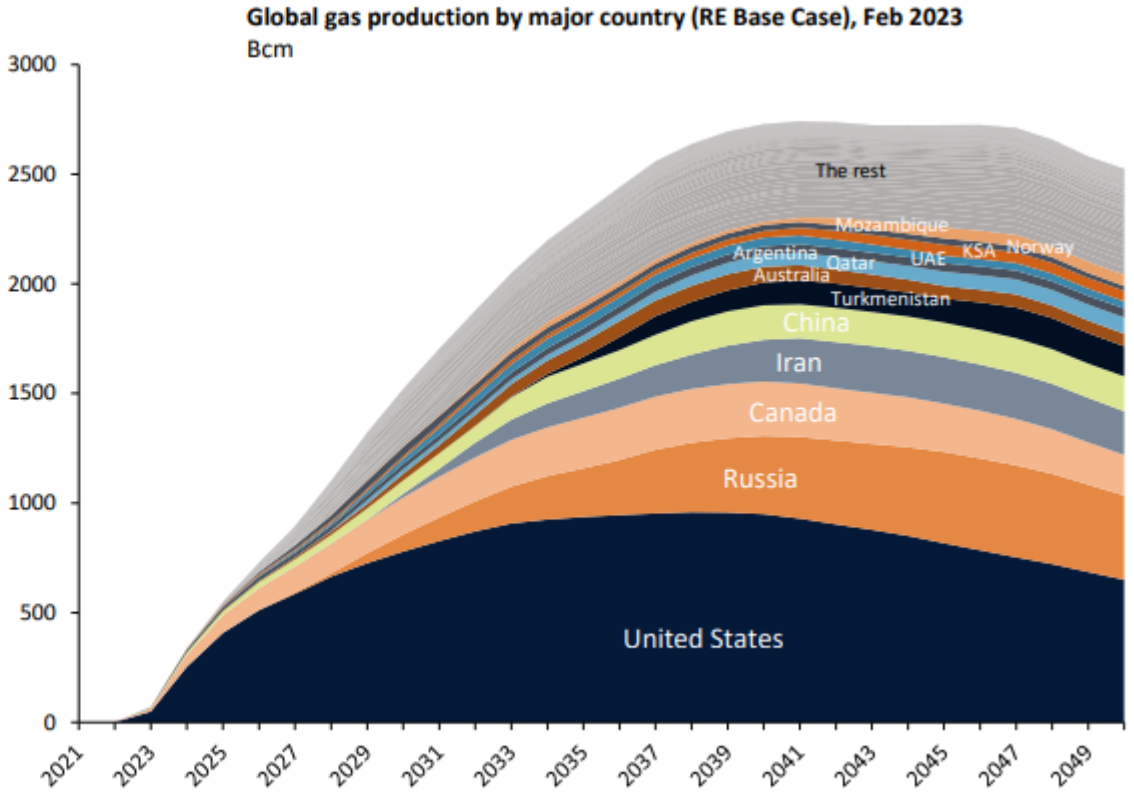


※(F) is forecast type, (B) is backcast type; IEA-APS is a mixture of both; unit conversion to Tcm is by IEEJ.

Natural gas supply-demand gap（Rystad Energy）

- The U.S. has the largest natural gas potential, and **Russia has the second largest potential**.





Source: Rystad Energy GasMarketCube (Rystad Energy Base Case), Feb 2023

G7 Hiroshima Summit Leader's Communique (26. Natural Gas and LNG)

- It is necessary to accelerate the phase out of our dependency on Russian energy, including through energy savings and gas demand reduction, in a manner consistent with our Paris commitments, and address **the global impact of Russia's war on energy supplies, gas prices and inflation, and people's lives**, recognizing the primary need to accelerate the clean energy transition.
- In this context, we stress the important role that increased deliveries of LNG can play, and acknowledge that **investment in the sector can be appropriate in response to the current crisis** and **to address potential gas market shortfalls provoked by the crisis**.
- In the exceptional circumstance of accelerating the phase out of our dependency on Russian energy, publicly supported investment in the gas sector can be appropriate as a temporary response, subject to clearly defined national circumstances, if implemented in a manner consistent with our climate objectives without creating lock-in effects, for example by ensuring that projects are integrated into national strategies for the development of low-carbon and renewable hydrogen.

(Ref.) 2022 G7 Elmau Summit Leader's Communique

- In addition, recognising the importance of national security and geostrategic interests we commit to end new direct public support for the international unabated fossil fuel energy sector by the end of 2022, except in limited circumstances clearly defined by each country consistent with a 1.5°C warming limit and the goals of the Paris Agreement.
- In this context and with a view to accelerating the phase out of our dependency on Russian energy, we stress the important role increased deliveries of LNG can play, and acknowledge that investment in this sector is necessary in response to the current crisis.
- In these exceptional circumstances, publicly supported investment in the gas sector can be appropriate as a temporary response, subject to clearly defined national circumstances, and if implemented in a manner consistent with our climate objectives and without creating lock-in effects, for example by ensuring that projects are integrated into national strategies for the development of low-carbon and renewable hydrogen.

Asia Energy Transition Initiative (AETI)

- "Asia Energy Transition Initiative (AETI)" supports the realisation of **various and pragmatic energy transitions in Asia** through **5 pillars of activities**.
- It supports wide range of countries in Asia, including **Southeast Asia, South Asia, Central Asia, and Middle East.**

1. **Support for country-level energy transition roadmaps**

2. **Promotion of Asia Transition Finance**

3. **US$10 billion financial support for various projects**
   - (e.g.) Renewable Energy, Energy Efficiency, LNG, CCUS etc.

4. **Technology development and deployment, utilizing the achievement of "Green Innovation Fund"**
   - (e.g.) Offshore wind, Fuel-ammonia, Hydrogen etc.

5. **Human resource development, knowledge sharing and rule-making on decarbonization technologies**
   - Capacity building of decarbonization technologies for 1,000 people in Asian countries
   - Hold workshops and seminars related to energy transition
   - Asia CCUS network