



May 15, 2023

## **Summary of Remarks by JGA Chair HONJO Takehiro**

### **1. G7 Sapporo Ministers' Meeting on Climate, Energy and Environment**

Prior to the G7 Ministers' Meeting on Climate, Energy and Environment in Sapporo, the Japan Gas Association, jointly with The Scheduled Airlines Association of JAPAN, compiled a proposal for the social implementation of e-methane and other carbon-recycling fuels, and submitted it to Minister Nishimura Akihiro of the Environment and Parliamentary Vice-Minister Satomi Ryuji of Economy, Trade and Industry.

The proposal requested the need to "foster correct recognition of carbon recycled fuels" and "accelerate the development of international rules for the handling of CO<sub>2</sub> generated during combustion.

In the Communiqué of Ministerial Meetings, a paragraph on "carbon management" was added, including a description of e-methane, the importance of establishing international CO<sub>2</sub> counting rules, and the fact that carbon recycled fuels can contribute to CO<sub>2</sub> reductions while effectively utilizing existing infrastructure.

The phase-out of fossil fuels without CO<sub>2</sub> emission reduction measures and the importance of cost support for decarbonized fuels were also stated into the Communiqué.

A new paragraph on "Natural Gas and LNG" has been added, and the concept of future investment in natural gas has been clearly stated as

"appropriate to help resolve the shortfall in supply to the market." We find this encouraging.

We recognize that the content of the Communiqué is a significant step forward toward the social implementation of e-methane, as we believe that the proposals made by the gas industry to date have been well received by other countries.

We would like to express our gratitude to all those involved for their efforts in compiling the Communiqué amidst the various opinions from each country.

## **2. EU Trends in Carbon Recycled Fuels**

In the EU gas market, specific rules for carbon recycled fuels are being developed to achieve decarbonization, and the concept of zero CO<sub>2</sub> emissions during combustion has been adopted.

The automotive industry is also recognizing the environmental benefits of carbon recycled fuels, as sales of internal combustion engine vehicles that use synthetic fuels will be allowed after 2035.

We expect that the environmental evaluation of carbon recycled fuels will be enhanced in Japan in the future.