

Japan's GX Strategy –Opportunities and Challenges–

In Feb 2023, Japan adopted the Basic Guideline for Realizing Green Transformation (GX) aiming at simultaneous achievement of energy security, economic growth and environmental protection. It expects the 20 trillion GX bond will trigger 150 trillion JPY public/private investment by 2030. However, there are many challenges to overcome including highly ambitious energy efficiency improvement goals, not necessarily favorable geographical conditions for renewable energy, slow pace of restarting nuclear power and high energy cost compared with other Asia Pacific countries. While Japan's 46% goal in 2030 and CN goal in 2050 is in the context of a global endeavor to achieve the 1.5 degrees goal, the gap between COP narrative and global political, economic and energy situation is expanding.