



Great East Japan Earthquake and Trade Policy in Japan

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June 24, 2011

Ministry of Economy, Trade and Industry

Government of Japan

Great Support of the International Community

Japan deeply appreciates the assistance offered from people all over the world.

- 159 countries and regions
- 43 international organizations
- [Rescue teams]
From 27 countries, regions and international organizations

(As of June 3rd)



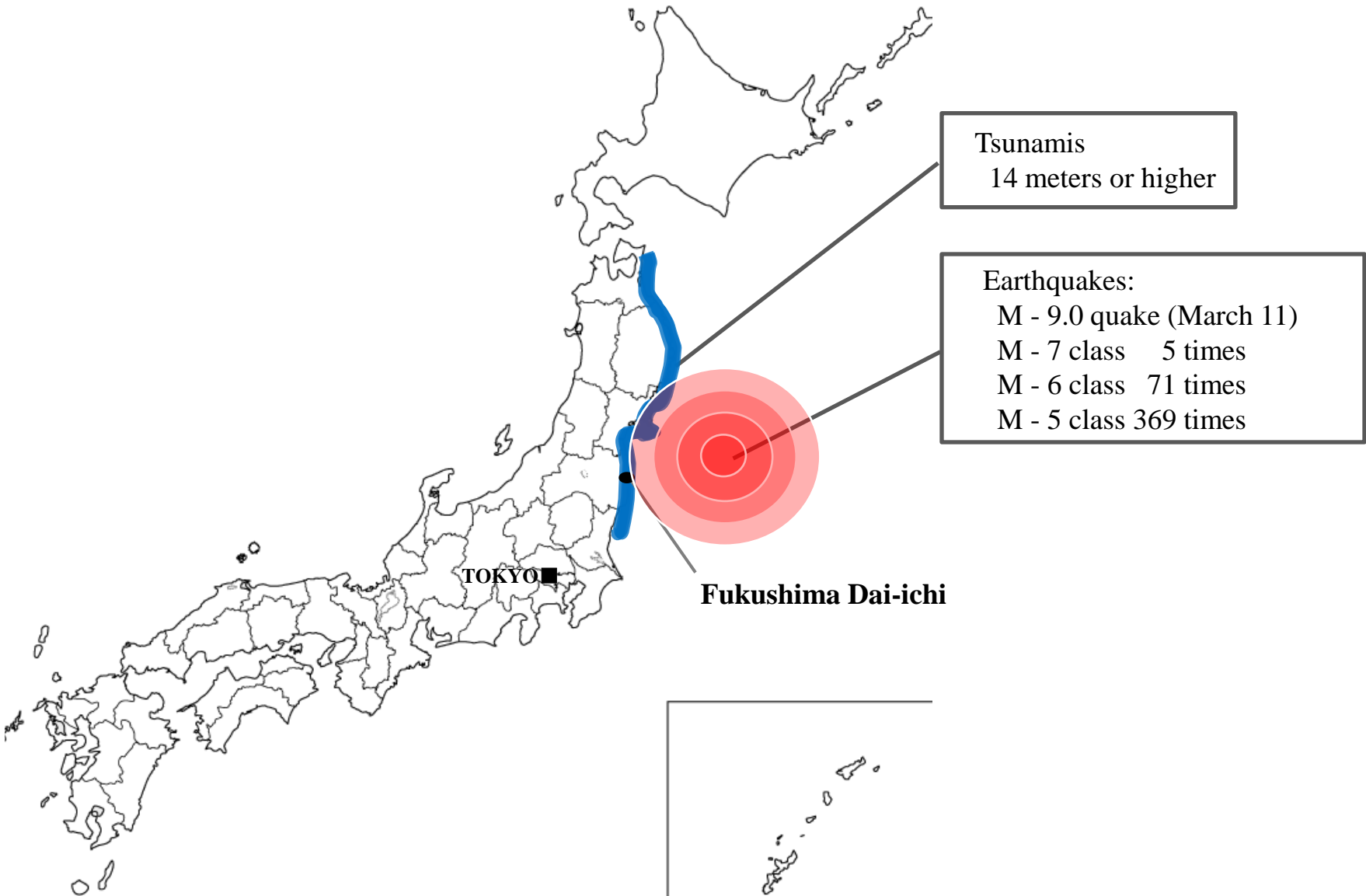
US Navy/US Pacific Command
(Operation Tomodachi)



Ministry of Defense

Japan Faces an Unprecedented Challenge

(Enormous Earthquake, Tsunamis and Nuclear Accident)



Damage



KYODO NEWS



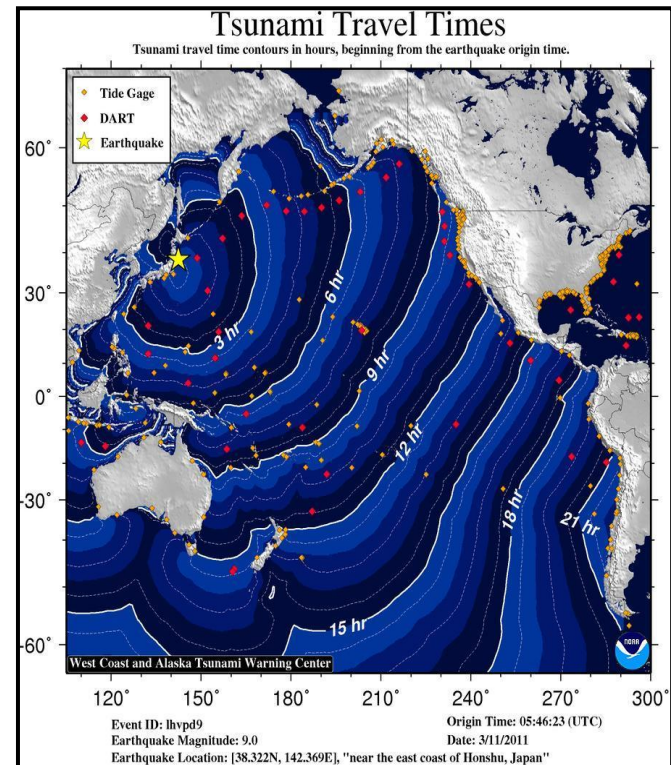
KYODO NEWS

Casualties : over 29,000

- | | |
|-----------|-------------|
| ▪ Dead | over 15,000 |
| ▪ Missing | over 8,000 |
| ▪ Injured | over 5,000 |

Evacuees : over 99,000

(As of June 3rd)



Rescue Efforts and Foreign Assistance



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Ministry of Defense



Ministry of Defense



Ministry of Defense

Nuclear Power Stations

Nuclear Reactors near Epicenter of the Earthquake

4 Nuclear Power Stations with 14 Units

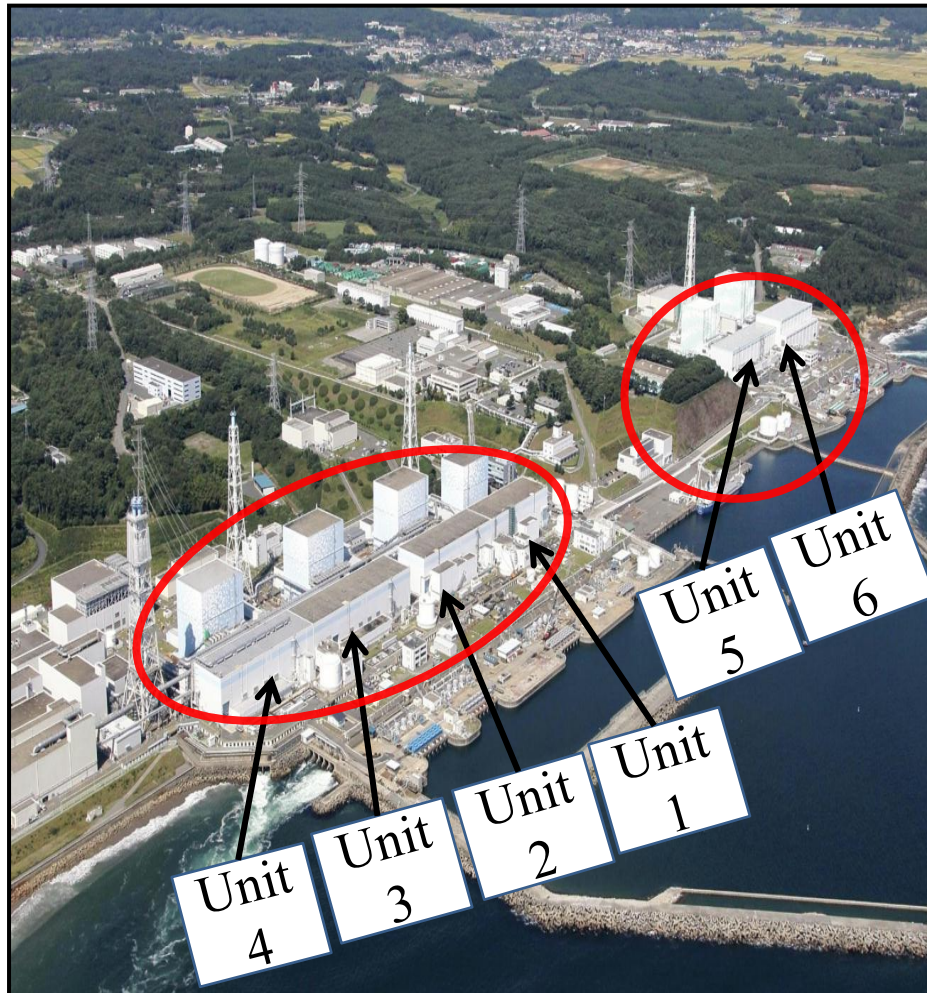


		automatic shut down	cold shut down
Onagawa			
Unit 1	524 MW, 1984-	✓	✓
Unit 2	825 MW, 1995-	✓	✓
Unit 3	825 MW, 2002-	✓	✓
Fukushima Dai-ichi			
Unit 1	460 MW, 1971-	✓	
Unit 2	784 MW, 1974-	✓	
Unit 3	784 MW, 1976-	✓	
Unit 4	784 MW, 1978-	Periodical inspection	✓
Unit 5	784 MW, 1978-		✓
Unit 6	1,100 MW, 1979-		✓
Fukushima Dai-ni			
Unit 1	1,100 MW, 1982-	✓	✓
Unit 2	1,100 MW, 1984-	✓	✓
Unit 3	1,100 MW, 1985-	✓	✓
Unit 4	1,100 MW, 1987-	✓	✓
Tokai Dai-ni			
Unit 1	1,100 MW, 1978-	✓	✓

Nuclear Power Stations

Fukushima Dai-ichi Nuclear Power Station

Before the Earthquake and Tsunamis



TEPCO

After the Earthquake and Tsunamis



Air Photo Service Inc (Myoko, Niigata Japan)

Nuclear Power Stations

Fukushima Dai-ichi Nuclear Power Station

Cause of the Damage

Grid Line

① Loss of off-site power due to the earthquake

Reactor Building

About 40M

About 20M

Turbine Building

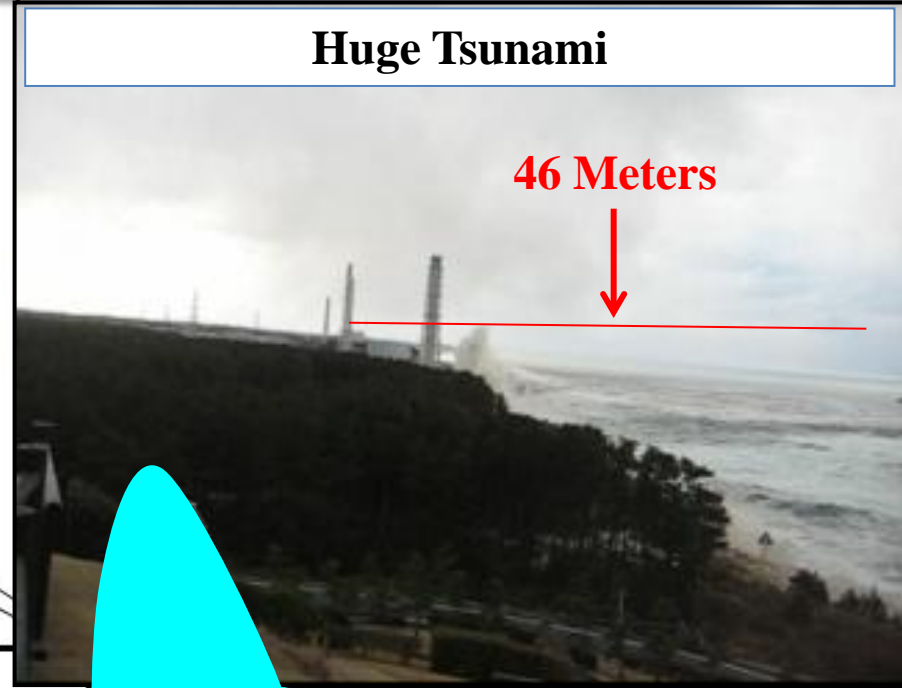
Diesel Generator

② Diesel generator inoperable due to the tsunami

All motor operated pumps including ECCS became inoperable

Huge Tsunami

46 Meters



GE Hitachi Nuclear Energy

Tsunami (estimated 14m)

Elevation: about 10m

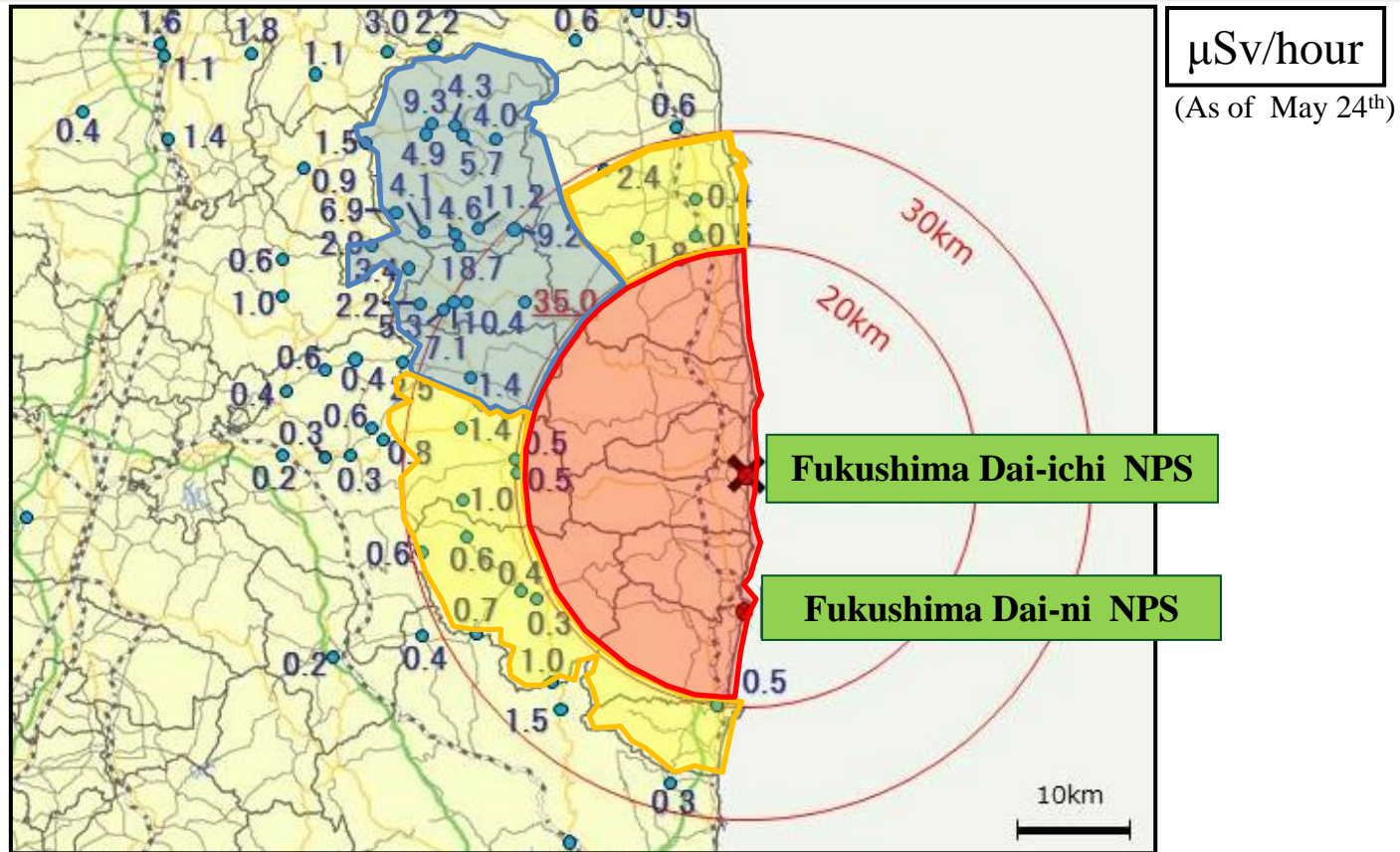
Breakwater 5.4 ~5.7m

Seawater level

Seawater Pump

Nuclear Power Stations

Fukushima Dai-ichi Nuclear Power Station



20 km radius of the plant

→ Restricted Area █

Area where accumulated annual dose may reach 20 mSv

→ Deliberate Evacuation Area █

Other areas between approx. 20 and 30km radius of the plant

→ Evacuation-Prepared Area █

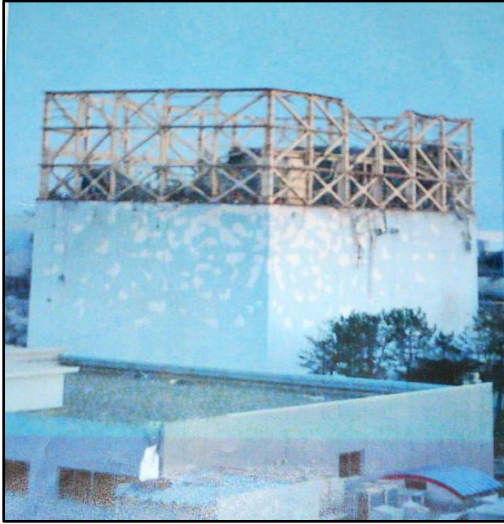
Four Key Challenges

An aerial photograph of a nuclear power plant site, likely Fukushima Daiichi, showing extensive damage to the reactor buildings and surrounding infrastructure. Two tall, white cranes are visible, and the site is surrounded by water and some greenery.

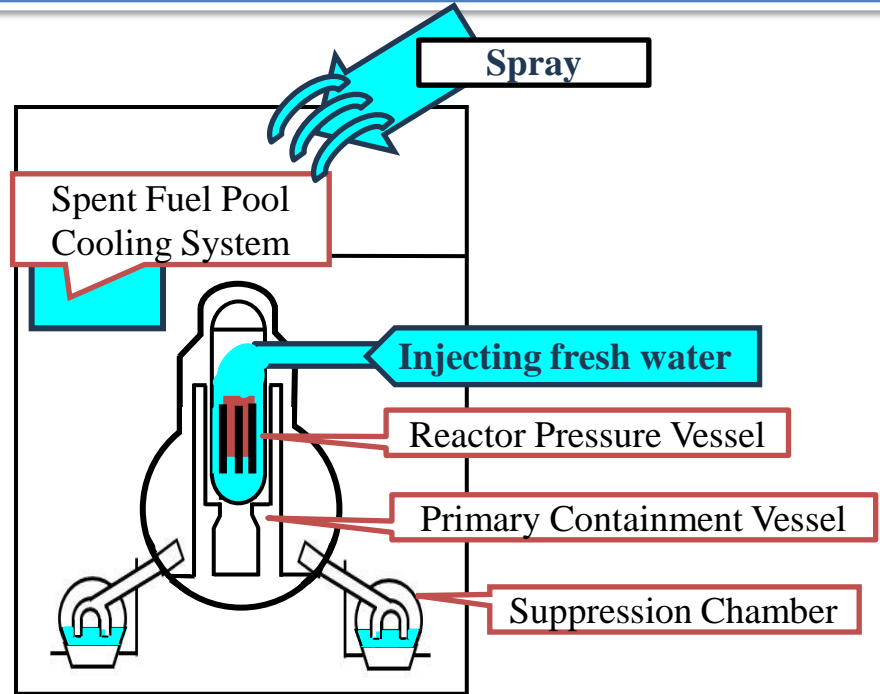
- 1. Cool Down the Reactors**
- 2. Contain the Spread of Radioactive Substances
(sea, soil and atmosphere)**
- 3. Rigorous and Intensive Monitoring**
- 4. Ensure the Safety of Food, Products, and
On-site Workers**

Cool Down the Reactors

Unit1



TEPCO



Unit2



Ministry of Defense

Unit3



Air Photo Service Inc (Myoko, Niigata Japan)

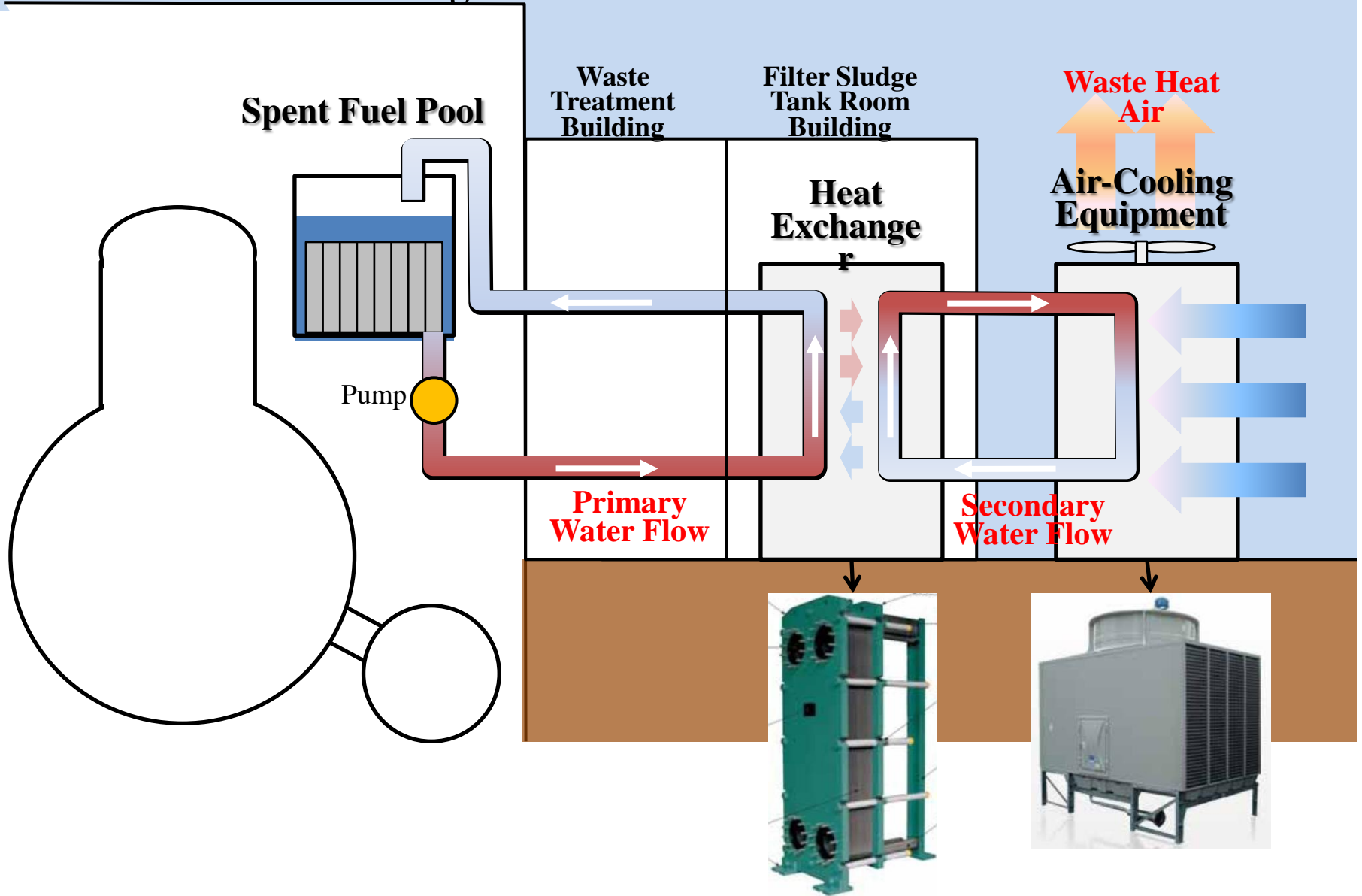
Unit4



Air Photo Service Inc (Myoko, Niigata Japan)

Cool Down the Spent Fuel Pools

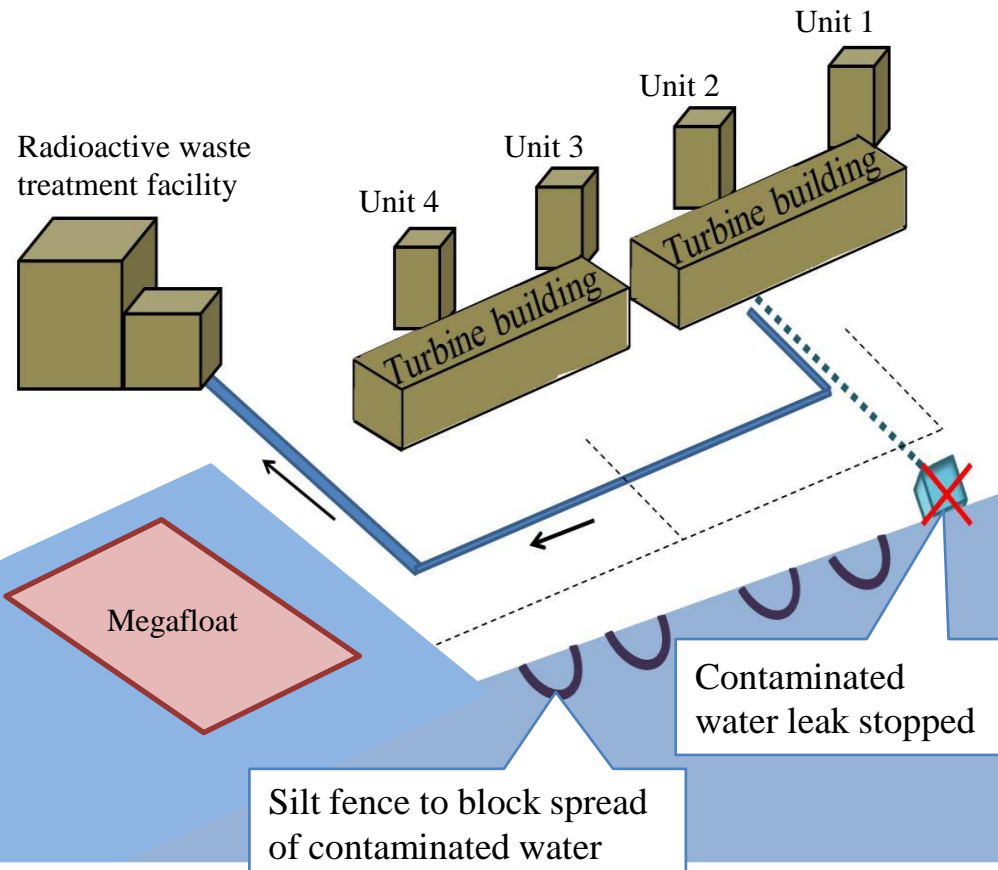
Unit 2 Reactor Building



Contain the Spread of Radioactive Substances

(sea, soil and atmosphere)

The Japanese Government and TEPCO are making the utmost efforts to prevent the dispersion of radioactive substances to the atmosphere, soil and water.



Spraying synthetic materials



TEPCO

TEPCO's Roadmap towards Restoration from the Accident

Mar.11

Apr.17

May.17 (Revision on the plan)

Around 3 months

Around 6~9 months

Step 1

Step 2

Target

Radiation dose
in steady decline

Controlling release of
radioactive materials
(significant reduction of dose level)

Reactors

Stable cooling

- Cooling by minimum injection rate
- Reuse of accumulated water
- Nitrogen gas injection
- Securing heat exchange function

Cold shutdown

- Establishment of circulation system of cooling water
- PCV flooding
- Securing heat exchange function

**Spent Fuel
Pools**

Stable cooling

- Improvement in injection operation
- Circulation cooling system

More stable cooling

- Remote-controlled injection operation
- Consideration/Installation of heat exchange function

**Contaminated
Water**

Secure storage place

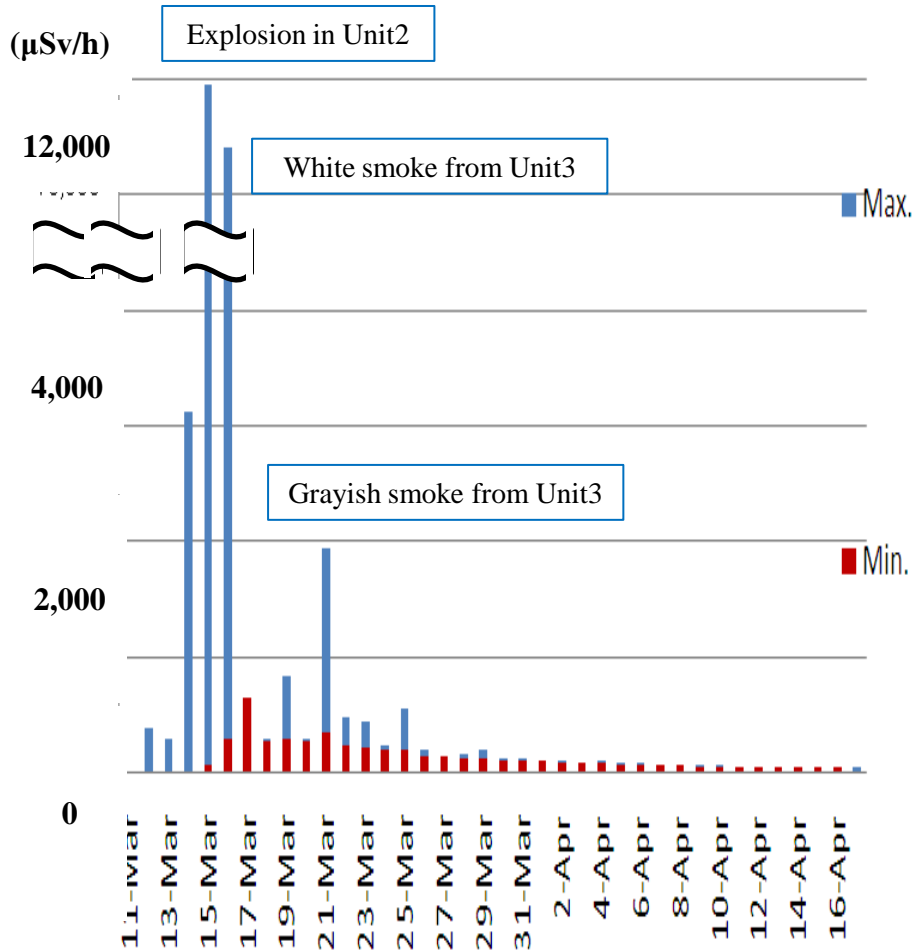
- Installation of storage/processing facilities
- Installation of storage facilities/decontamination processing

**Reduction of total amount
of contaminated water**

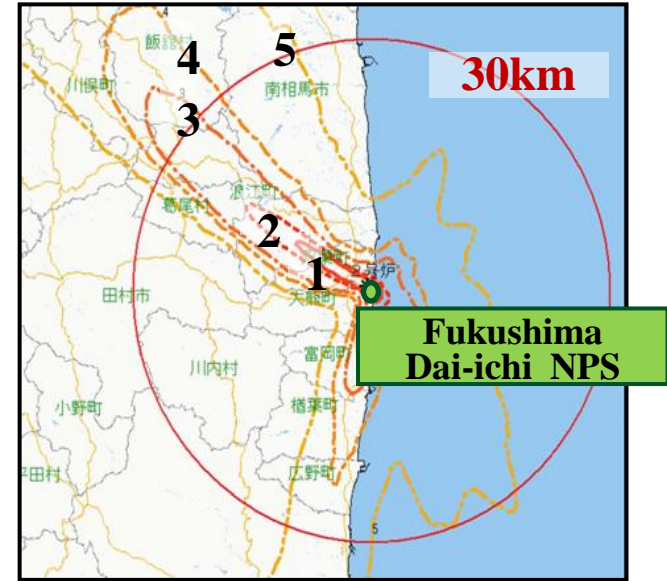
- Expansion of storage/processing facilities
- Decontamination/Desalt processing
- Mitigation of contamination in the ocean

Rigorous and Intensive Monitoring

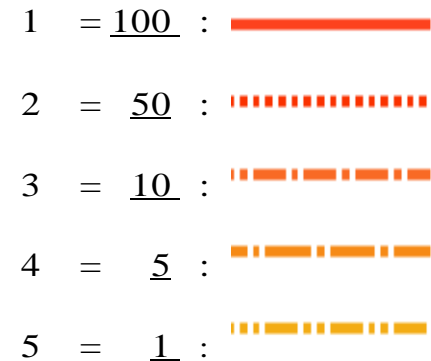
Environmental Radioactivity Level at the Fukushima Dai-ichi NPS



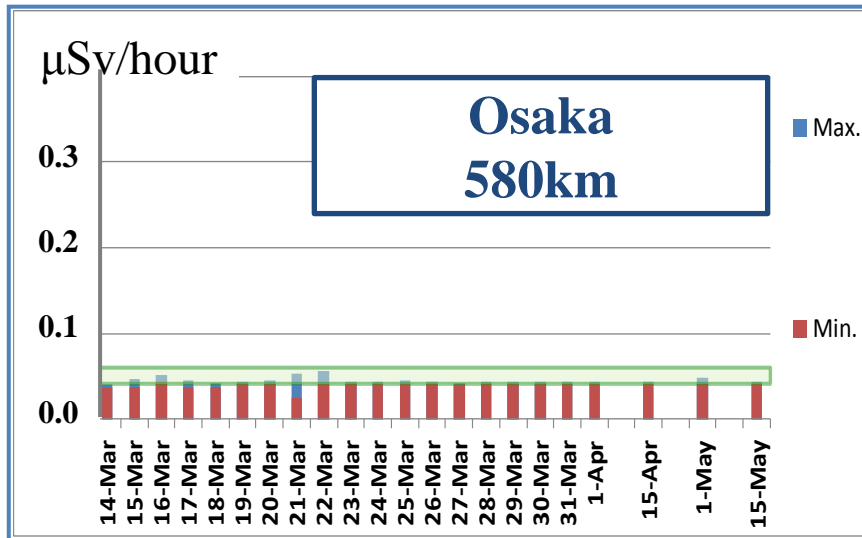
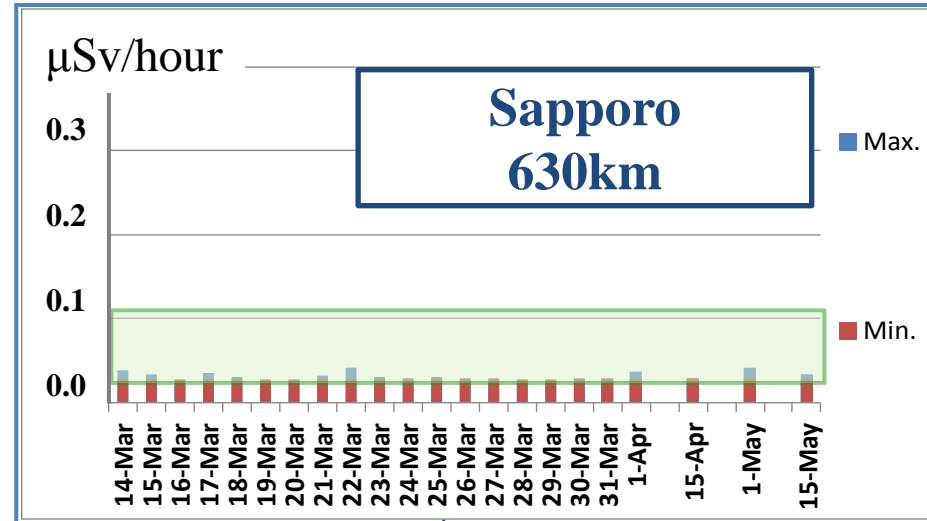
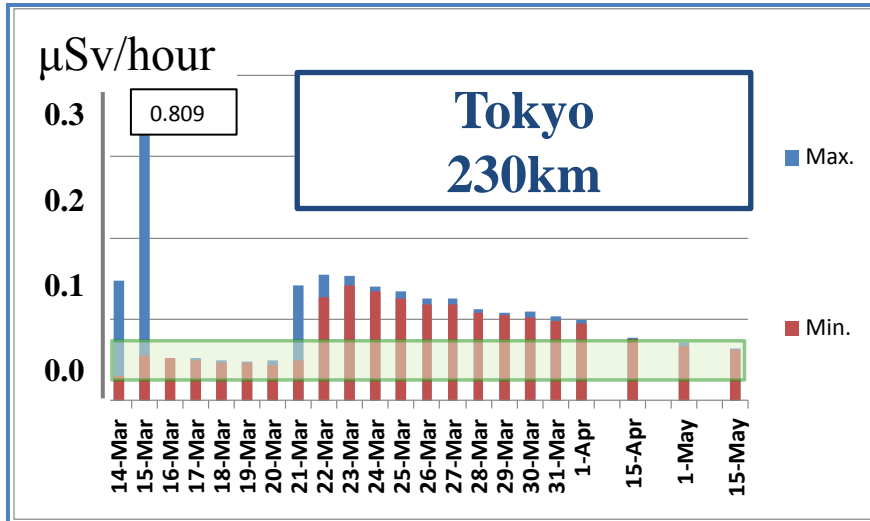
(March 13th - April 24th)



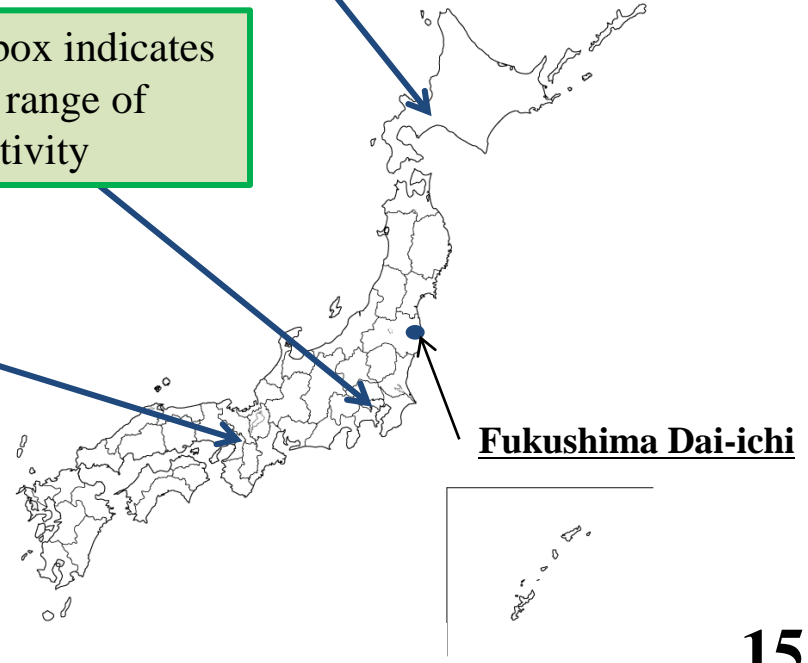
Contour of effective dose (mSv)



Atmospheric Readings in Tokyo, Osaka and Sapporo



Green box indicates normal range of radioactivity



Ensure the Safety ~Farm Produce~

Japan inspects radioactivity in food every day, and restricts distribution of food that fails to meet provisional regulation values taking into consideration the spread of contamination.



June 2

**Fukushima
Dai-ichi NPS**

Kanagawa

Ensure the Safety ~Industrial Products~

Japanese manufacturing industries spare no effort to ensure the safety of their products. Inspection institutions and industry associations provide testing service of the radiation levels of export products.

Example of Inspection Institutions

- NKKK (Nippon Kaiji Kentei Kyokai)
(International Inspection & Surveying Organization)
- SK (Shin Nihon Kentei Kyokai)
- ANCC (All Nippon Checkers Corporation)

etc.

Reference : JETRO Homepage

http://www.jetro.go.jp/world/shinsai/20110318_11.html



JAMA (Japan Automobile Manufacturers Association) has been conducting radiation testing of vehicles since March.25.

Reference : JAMA Homepage:

<http://www.jama-english.jp/release/comment/2011/110418.html>



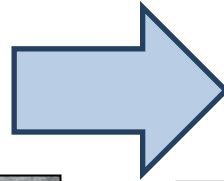
Reconstruction and Recovery

(infrastructure)

Infrastructure such as roads, railroads, seaports, airports and utilities such as electric power, gas and water have been rapidly and steadily recovering their function.

1 month later

March 13



April 13



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Sendai airport

Sendai airport

Reconstruction and Recovery (infrastructure)

Railroad

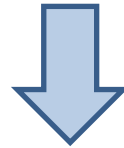


1 week later



Sendai Station

Port



1 month later



Sendai-Shiogama Port

Road



3 weeks later



Miyagi prefectural road, Route 240

Monthly Economic Report

~ Upgrading for the first time after the Quake ~

	May, 2011	June, 2011
Assesment of the Current State of the Japanese Economy	<ul style="list-style-type: none"> - Weakness recently, due to the influence of the Great East Japan Earthquake. - Difficult situation such as a high unemployment rate. 	<ul style="list-style-type: none"> - Upward movements. - Difficulties continue to prevail, due to the Great East Japan Earthquake.
Industrial Production and Exports	<ul style="list-style-type: none"> - Declined recently due to the earthquake disaster. 	<ul style="list-style-type: none"> - Some upward movements.

The real GDP growth rate for the 1st quarter is ▲0.9% (annualized :▲3.5%).
(Upgraded by 0.2% from the 1st estimates announced a month ago)

Economic Outlook before and after the Quake

~ Downward Pressure on GDP in 2011 and Upward in 2012 ~

		FY2011	FY2012
Bank of Japan	Apr, 2011	+1.6%	+2.0%
	Jan, 2011	+0.6%	+2.9%

by ▲1.0%
by +0.9%

		CY2011	CY2012
OECD	May, 2011	+1.7%	+1.3%
	Nov, 2010	▲0.9%	+2.2%
IMF	Jun, 2011	+1.6%	+1.8%
	Jan, 2011	▲0.7%	+2.9%

by ▲2.6%
by +0.9%

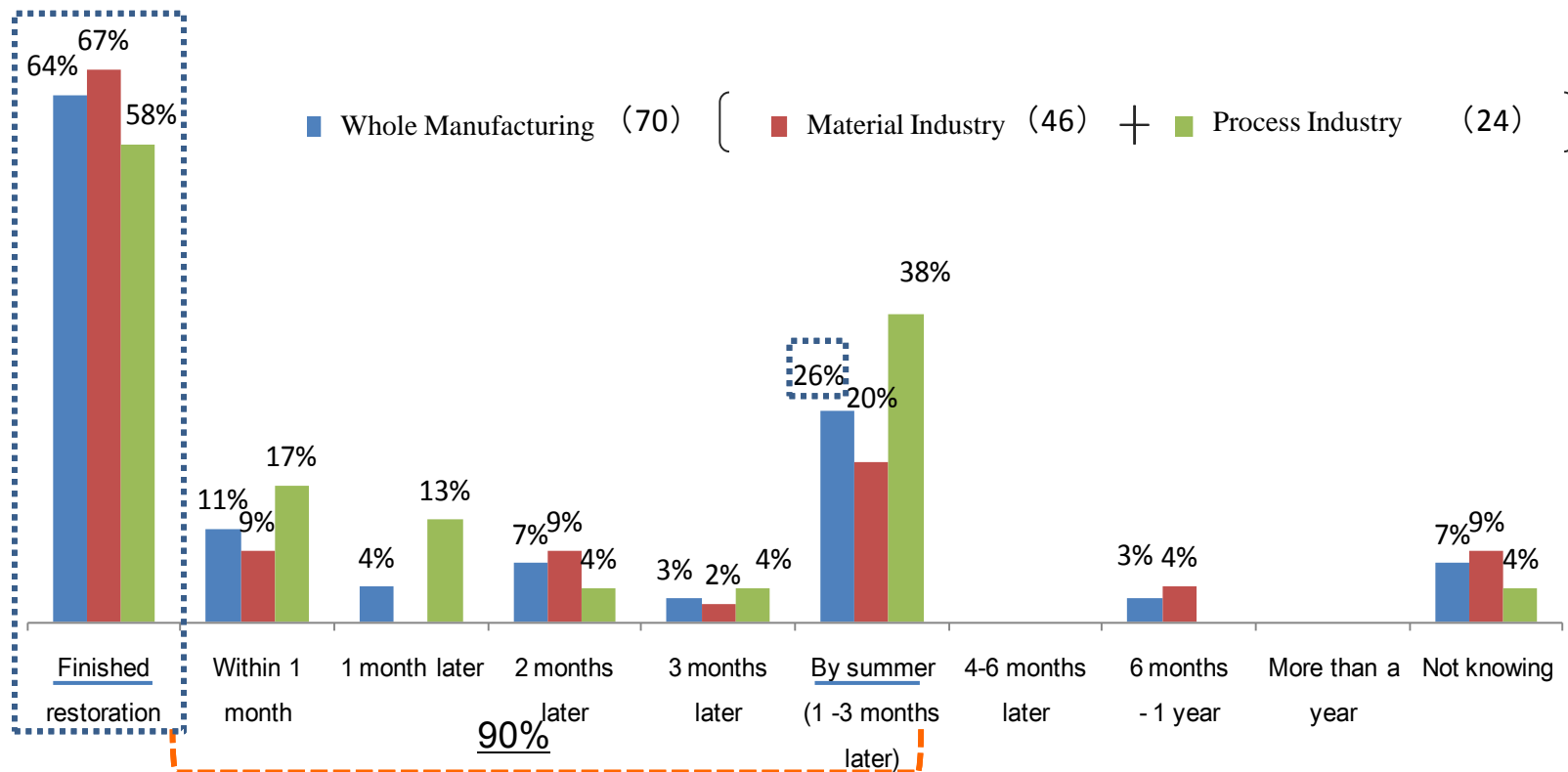
by ▲2.3%
by +1.1%

Present Status and Prospects for Restoration of Production Bases in the Affected Areas

More than 60% of affected production bases had already been restored by mid-April.

Additional 30% are expected to be restored by this summer.

After conducting the survey in April, the speed of restoration has been accelerating more than expected.



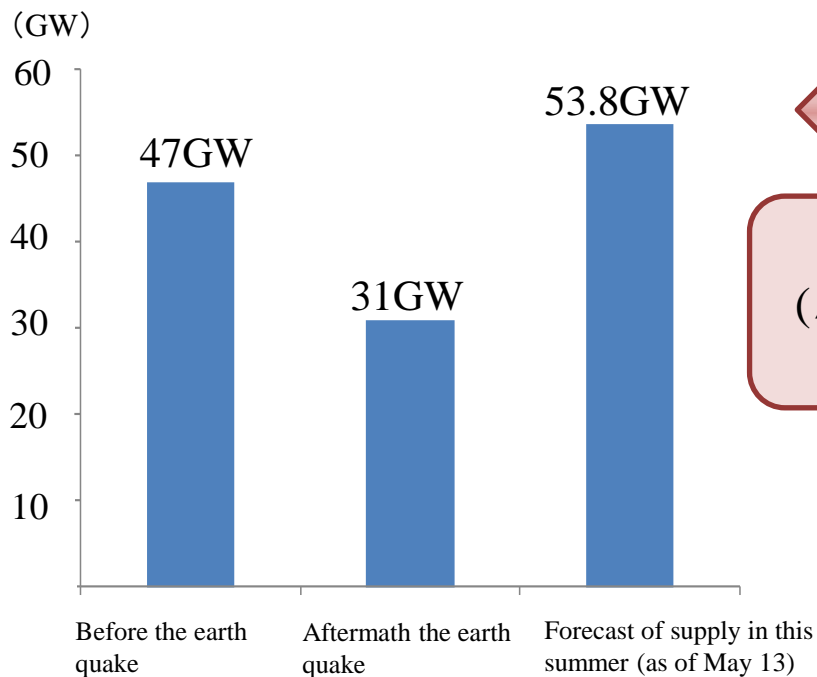
※ Affected areas: Aomori, Iwate, Miyagi, Fukushima, Ibaraki, Tochigi, Chiba

Electricity Supply and Demand in TEPCO Area

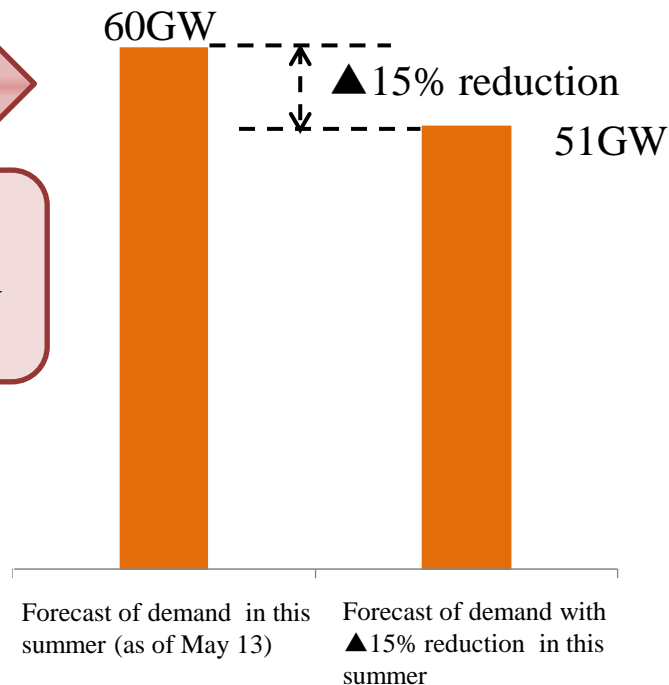
TEPCO has increased its electricity supply capacity up to 53.8 GW, and its supply capacity enhancement is further expected.

The government of Japan set the target to reduce electricity demand by 15%, expected to be achieved without affecting industry's production capacity much.

Electricity Supply Capacity



Electricity Peak Demand



6.2GW GAP
(▲10.3% demand reduction)

【Source】 Ministry of Economy, Trade and Industry

Energy Policy -Four Pillars of Power Generation-

~ Strategic Energy Plan of Japan~

- 1. The Safety of Nuclear Energy**
- 2. The Environmental Challenge of Fossil Fuels**

New Pillars

- 3. The Practical Use of Renewable Energy**
- 4. The Potential of Energy Efficiency**

Steps in Policy Measures for Reconstruction



1st. Supplementary Budget(May.2)

Rescue Efforts	0.5 tril.yen
Disposal of Debris	0.4 tril.yen
Public Transportation etc	1.2 tril.yen
School Buiding etc	0.4 tril.yen
Lending Facilities	0.6 tril.yen
Fiscal transfers to LGUs	0.1 tril.yen
Others	0.8 tril.yen
Total	4.0 tril.yen

The Basic Law for Reconstruction

Passed by the Diet.
(June.20)

The Reconstruction Design Council

Plans to submit a holistic recovery plan by the end of June.

2nd. Supplementary Budget

To be submitted to the Diet by this summer.

3rd. Supplementary Budget

**Great East Japan Earthquake
(Mar.11)**

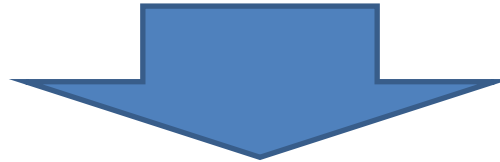


Basic Policy on FTA/EPAs

Basic Policy on Comprehensive Economic Partnerships

(Nov 9, 2010 Cabinet Decision)

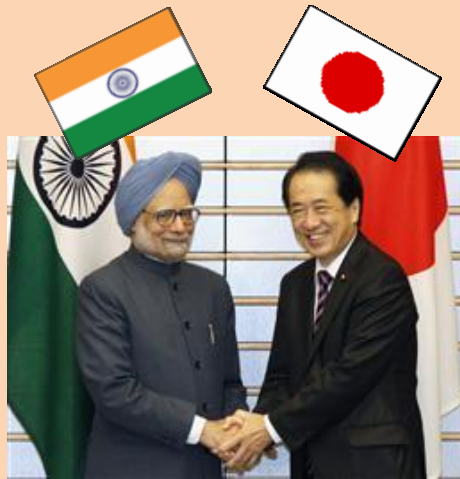
- Resolved to "open up the country" and "pioneer a new future".
- Promote high-level economic partnerships with major trading powers.
- Press ahead with fundamental domestic reforms.
(agriculture, movement of natural persons, regulatory reform)



The Guideline on Policy Promotion (May 17, 2011 Cabinet Decision)

The Minister-level Meeting on FTAAP/EPA will consider the basic policy for strengthening “kizuna” (the bonds of friendship) with other countries, such as promoting high-level economic partnerships based on “Basic Policy on Comprehensive Economic Partnership” and establishing economic security, taking into consideration factors such as the sentiments of the farmers and fishermen who have suffered enormous damage by the earthquake and the nuclear incident, the progresses in the international negotiations, and concerns of de-industrialization.

Recent Developments on FTA/EPAs



Japan-India

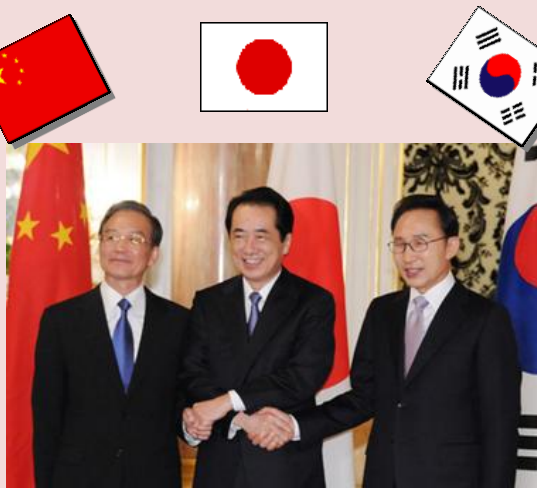
Signed the EPA.

(Feb, 2011)
Plan to enter into force by August.



Japan-Peru

Signed the EPA.
(May, 2011)



Japan-China-Korea

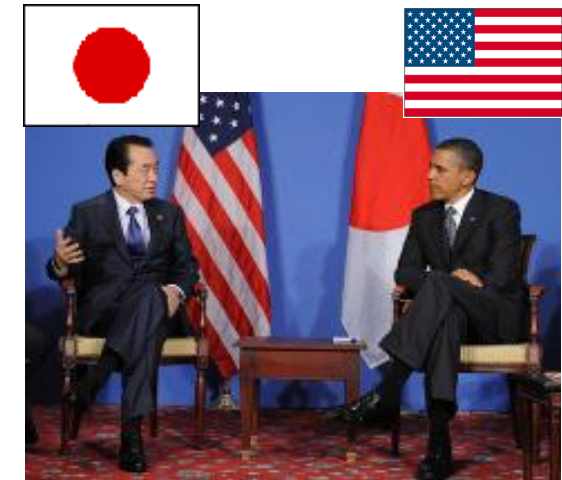
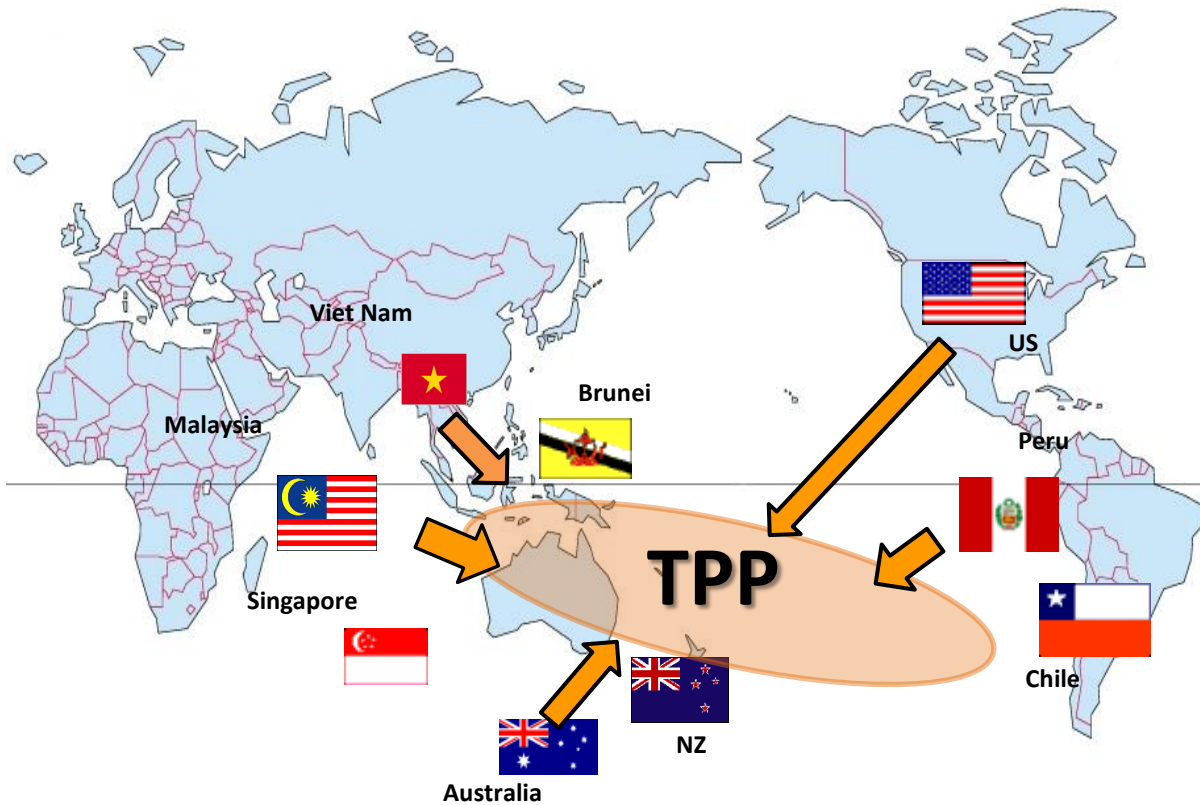
Agreed to conclude the Joint Study within this year.
(May, 2011)



Japan-EU

Agreed to start discussions for defining the scope and level of ambition.
(May, 2011)

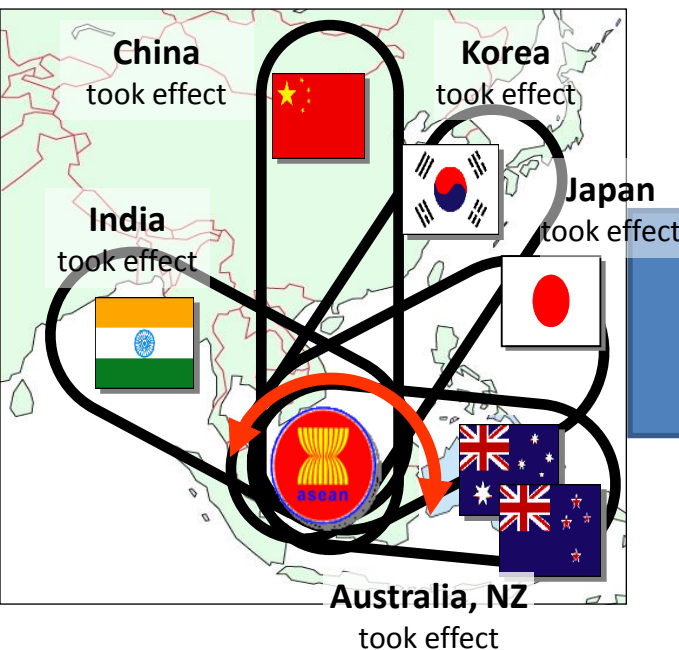
TPP



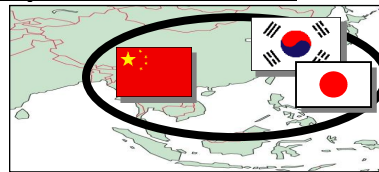
Remarks at the Press Conference by Prime Minister Naoto Kan at Deauville, France(May 26, 2011)

...in our effort to liberalize this trade liberalization there is this issue of TPP, and our original intention was to make a decision on the negotiations – our stance on the negotiation for a TPP in June. And that has been our policy that there has been a delay in the schedule because of the disaster . But I would like to make the policy in the near future - not so late in the near future.

Completion of ASEAN+1's

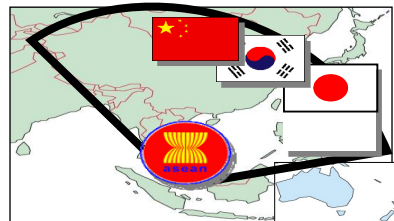


Japan, Korea, China



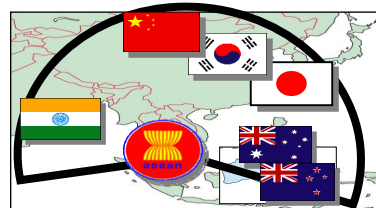
- May. '10 ~ Mar. '11: The 1st ~ 4th Joint Study among government officials, business and academic were held.
- May. '11: Agreed to conclude the Joint Study by the end of this year.

ASEAN+3 (EAFTA)



- Oct. '09: The leaders agreed to commence discussion.
- Apr. '10: Commenced the discussion.

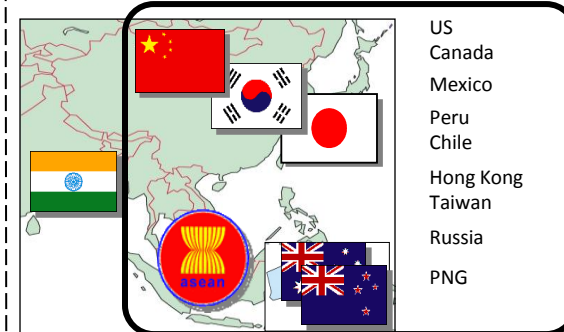
ASEAN+6 (CEPEA)



- Oct. '09: The leaders agreed to commence discussion.
- Apr. '10: Commenced the discussion.

Wider Regional Integration

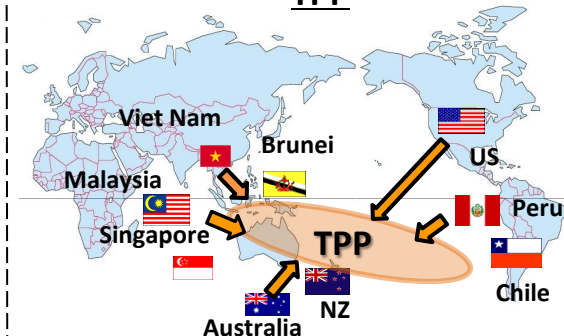
APEC (FTAAP)



Among the ASEAN 10 countries, Myanmar, Cambodia, Laos are not APEC members

- Nov. '10: The APEC Leaders instructed APEC to take concrete steps toward realization of an FTAAP.

TPP



- Mar. '10 ~ Jun. '11: The 1st ~ 7th rounds of negotiations were held.

Speedy Dissemination of Accurate Information

- Japan is committed to the speedy dissemination of accurate information.
- All necessary information can be found at the following websites.

Japan's Countermeasures

- 1. <http://www.kantei.go.jp/foreign/incident/index.html>
- 2. <http://www.meti.go.jp/english/index.html>
- 3. <http://www.nisa.meti.go.jp/english/>

Measurement of Radioactivity Level

- 1. http://www.mext.go.jp/english/radioactivity_level/detail/1303962.htm
- 2. <http://www.nisa.meti.go.jp/english/>
- 3. http://www.worldvillage.org/fia/kinkyu_english.php
- 4. <http://www.tepco.co.jp/en/press/corp-com/release/index-e.html>
- 5. <http://www.nsc.go.jp/NSCenglish/geje/index.htm>

Drinking Water Safety

- 1. <http://www.mhlw.go.jp/english/topics/2011eq/index.html>
- 2. <http://www.waterworks.metro.tokyo.jp/press/shinsai22/press110324-02-1e.pdf>

Food Safety

- 1. <http://www.maff.go.jp/e/index.html>
- 2. <http://www.mhlw.go.jp/english/topics/2011eq/index.html>

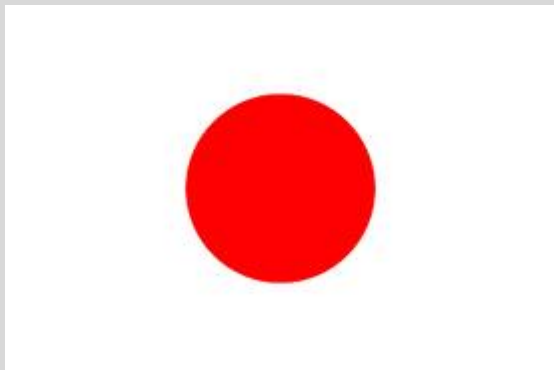
Ports and Airports Safety

- 1. http://www.mlit.go.jp/page/kanbo01_hy_001428.html
- 2. http://www.mlit.go.jp/koku/flyjapan_en/index.html
- 3. http://www.mlit.go.jp/page/kanbo01_hy_001411.html

Tourism

- 1. <http://www.mlit.go.jp/kankocho/en/index.html>

The people of Japan
deeply appreciate
the sympathy
and assistance
pouring in
from people
all over the world.



<http://www.meti.go.jp/english/earthquake/nuclear/japan-challenges/index.html>