

Achieving Growth through Green Innovation

—Proposals for Japan's New Growth Strategy and Other Initiatives in the Environmental Sector—
(Outline)

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1. Fundamental Perspectives on Promoting the New Growth Strategy in the Environmental Sector

Balance between environment and economy

- Overcome domestic and international resource and environmental restrictions
- Make Japanese industry more internationally competitive, and create employment

Life-cycle perspective

Implement comprehensive policies from a life-cycle perspective that includes the usage phase of products and services

Use of technology

- Short- to mid-term (to 2020): Focus on existing best available technologies (BAT), maximising spread of best available products and services
- Long-term (to 2050): Focus on development and widespread introduction of innovative technologies

Securing stable resource and energy supplies

Introduce energy policies that balance security, environmental conservation, and economic needs and effectively use resources by creating a recycling-oriented society

Government needs to boost the vitality of enterprises developing and popularising new technologies

2. Policies Promoting Widespread Use of BAT

(1) Spurring initial demand

- Stimulate initial demand through tax breaks, subsidies, eco-point schemes, and other measures
- Expand green purchasing by national and local governments

(2) Enhanced environmental education

- National and local governments to thoroughly educate consumers about environmental issues
- Provide life-cycle data, including product usage phase

(3) Promoting Regulatory reform and implementing environmental model projects

(4) International contribution and efforts to develop overseas markets

- Liberalisation of trade in environmental goods and services**
Liberalise trade in environmental goods and services as part of WTO Doha Round
- Investigation of new incentives for overseas GHG reductions**
Create mechanisms for counting reductions achieved by overseas GHG reduction projects as a contribution by Japanese companies
- Strategic public-private collaboration**
 - Strategically use ODA to promote widespread use of Japan's advanced technology
 - Further enhance support functions for Japanese embassies and other diplomatic missions to gather and disseminate information
 - Back private business with top-level government sales pitches
- Proper protection of intellectual property rights**

3. Strategic Initiatives to Encourage Green Innovation

Draw up vision and roadmap to be shared by industry, academia, and government

Government draws up mid- to long-term vision and roadmap for the low-carbon, recycling-oriented society Japan wishes to achieve, which should be shared by industry, academia, and government

(1) Creating the seeds of innovation

- Secure government spending on R&D of around 1% of GDP
- Industry, academia, and government to discuss and identify R&D portfolio needed to resolve issues to achieve above vision
- Strategic investment of public funds
- Actively attract overseas researchers to Japanese research facilities
- Pursue international joint research projects

(2) Fostering innovation

- Build green technology platforms for industry, academia, and government to develop common strategies for basic research, technologies, international standardisation, etc.
- Policy-level support for research projects generated by these platforms
- Introduce permanent and extensive tax breaks for R&D and support high-risk research

(3) Introducing and commercialising innovation

- Government to take the lead in national projects and model trials**
- Policy-level support for corporate investment**
 - Enhance tax breaks for investment in reform of energy demand-supply structure (energy reform tax incentives)
 - Establish tax breaks for investment in green IT
 - Expand Industrial Revitalization Act
 - Pass bill encouraging investment in low-carbon technologies as quickly as possible
- Strategically promote international standardisation**
 - Identify key fields, train experts, etc.
- Secure resources (rare metals, etc.)**