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*Spotlight Speakers with Hitoshi Nishizawa, Executive  
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1. How do you see Japan's energy markets evolving in 2023?

We have seen drastic changes in Global energy scene in the last few years - the period of extremely low demand and price just after the outbreak of COVID-19, then suddenly the period of supply short and extremely high price; acceleration of move towards Net Zero. Then Russian invasion to Ukraine one year ago. Global energy is undergoing fundamental structural change.

In 2022, everybody concerned about serious global gas shortage, and a fierce competition to secure gas occurred. Gas prices have risen to unaffordable levels.

Efforts to reduce demand and secure LNG in advance, as well as factors such as a very warm winter and low demand in China, have resulted in not having the disastrous shortage that had been feared this winter, and spot prices have now relatively calmed down.

That said, the extremely tight global supply situation is unlikely to change for the time being, with gas supplies from Russia likely to remain missing, while new additions to supply capacity are very limited over the next few years.

Under these circumstances, two important requirements remain: (1) ensuring a stable supply of energy and energy security, and (2) even under these circumstances, making a steady progress in the energy transition to achieve Zero Emissions, as I mentioned last year.

2. Where do you see the biggest need for investment to deliver energy security?

There are two challenges in thinking about energy security for LNG: increased volatility and shortage of physical supply. Each requires corresponding investment.

Above all, I believe that investment in upstream and midstream (liquefaction plants) is of paramount importance in order to cope with physical supply shortages.

Since global LNG demand is expected to continue to grow even after the new projects currently under development are launched, it is necessary that enough FIDs are made to accommodate the demand growth.

However, with the trend toward decarbonization, there is a headwind for LNG investment, and there is a great concern that there will not be enough upstream investment.

Securing sufficient investment in the upstream is a gigantic task, and it requires close coordination and risk sharing among every stakeholders, including the governments and the financial sector.

3. What are you most looking forward to from attending this year's Japan Energy Summit & Exhibition?

The importance of decarbonization and diversity was a major theme at the last Japan Energy Summit.

However, in order to realize these goals, in addition to the perspectives of Europe and the U.S., the perspectives of Asia (those of developing countries) are also important. Though the title of the panel is "In Japan," but for me, in holding this summit in Japan, it is important to include the perspectives of "Japan in Asia" and "for Asia, including developing countries."

Recently, LNG prices have soared due to increased demand for LNG in Europe. LNG has become unaffordable for Asian countries, forcing the region to rely on higher carbon energy sources. To achieve decarbonization in a global manner, it is essential to make LNG, as Transition Energy, affordable for Asian buyers.

Management of the challenges of decarbonization and energy security can be helped if the diverse stakeholders involved in LNG recognize the challenges in Asia and cooperate to solve them.

I hope that such discussions will be held at the Japan Energy Summit, in which diverse stakeholders participate.