

(As Delivered)

**Address by H.E. Mr. Naoto Kan, Prime Minister of Japan,  
at the Commemoration Ceremony of the 50<sup>th</sup> Anniversary of the OECD**

25 May 2011

Paris

Madam Chair, Secretary of State Clinton,  
Prime Minister Fillon,  
President Barroso,  
Secretary-General Gurría,  
Excellencies, Ladies and Gentlemen,

I would like to begin by expressing my heartfelt congratulations on this occasion of celebrating the OECD's 50<sup>th</sup> anniversary.

I am very pleased to be able to visit this organisation of such venerable traditions, as the first Prime Minister of Japan to do so.

Madam Chair,

Japan is one of the countries that has benefited most from the Marshall Plan, which led to the OECD, and it joined the OECD in 1964, three years after the establishment of the Organisation, as the first country in this group outside of Europe and North America. For Japan at that time, liberalisation in external economic relations consistent with the OECD's Codes of Liberalisation was a major challenge, or a major obstacle to overcome, but promoting this important issue opened the way for high levels of growth.

A half century after the establishment of the OECD, we are facing a variety of new challenges. These include a shift in the structure of international society, such as the rise of emerging economies; global issues like climate change; as well as the ageing of society.

I believe that it is in addressing these new challenges that the expertise the OECD has accumulated over half a century demonstrates its full strength.

I welcome that in recent years the OECD has reinforced its contribution to the G20. I hope that more non-Members, including emerging economies, will strengthen their relationship with the Organisation and that they will make the best use of the analyses, policy advice, good practices and standards of the OECD, recognising their usefulness. On the part of Japan, we will draw on our own experience and be happy to highlight the usefulness of the Organisation to these countries.

Madam Chair, Excellencies, Ladies and Gentlemen,

At the World Economic Forum held in Davos at the end of January, I spoke of the importance of inter-personal bonds, or “*Kizuna*” in Japanese. At that time, I had not imagined that I would come to appreciate the bonds (*kizuna*) so deeply just one month later.

As you all know, Japan was hit by an unprecedented earthquake on March 11th. We have received warm encouragement and strong support from so many countries, international organisations, non-governmental organisations and others. Moreover, President Sarkozy, Secretary Clinton, and Secretary-General Gurría visited Japan soon after the earthquake and issued strong messages. Even little children in various corners of the globe have donated to us out of their scarce spending money. On behalf of the Japanese people, I would like to express, from the bottom of my heart, our sincerest gratitude for all the support.

We, the Japanese people, will never forget the strong expression of the bonds (*kizuna*) and very warm solidarity extended by countless people all over the world at this most difficult time. In order to reciprocate the bonds (*kizuna*) extended to us, we will pursue a reconstruction open to international society, and we will continue our international contributions, as we have done, for the prosperity and development of the world.

Madam Chair, Excellencies, ladies and gentlemen, I state this with firm conviction that the rebirth of the Japanese economy has already been forcefully set in motion.

Economic activities in the affected regions have moved rapidly toward recovery, and more than 60 percent of the production bases, such as in the electronics industry, are already operating again and the remaining 30 percent or so are expected to recover by the summer. It is expected that the reconstruction demand will drive the economy towards recovery from the second half of this year. Tokyo and other regions central to the Japanese economy have been fully functioning. Almost all the sightseeing spots in Japan are safe to visit.

Madam Chair,

The accidents at the nuclear power plants following the Great East Japan Earthquake have caused great concerns for many countries. I would like to take this opportunity to once again express my apologies. We have received assistance through various forms of technology, information, and human resources from many nations. I would also like to take this opportunity to express my sincere gratitude once again.

The situation is steadily stabilising. We are mobilising all available resources in order to bring the situation under control at the earliest possible time.

I believe that it is a historic responsibility of Japan, as the country that has caused the accidents, to carefully analyse and examine them, learn many lessons on nuclear safety which are new to humankind, and share those lessons with the rest of the world and with future generations.

Madam Chair,

Japan will now review its basic energy plan from its basis and is set to address new challenges.

We must nurture the two new pillars of renewable energy and energy-efficiency, in addition to the two pillars to date of nuclear power and fossil fuels. For this purpose, Japan will take on four challenges, mobilising all of the nation's resources.

The first challenge is the safety of nuclear energy. Drawing on the lessons from the nuclear accidents, we will achieve the highest standard of nuclear safety. To this end, we have established the Nuclear Incident Investigation and Verification Committee. We must examine not only the technical aspects, but comprehensively review such aspects as human resources, organisations, institutions, as well as the safety culture.

The second is the environmental challenge of fossil fuels. Promoting the thorough efficient use of fossil fuels and minimising the emission of carbon dioxide (CO<sub>2</sub>) to the limit by drawing on the most advanced technologies is a challenge with great significance for us.

The third challenge concerns the practical use of renewable energy. We will mobilise all our resources to break the barrier to practical use due to such aspects as technology and costs, and we will elevate renewable energy to one of society's core energy sources. We will engage in drastic technological innovation in order to increase the share of renewable energy in total electric power supply to at least go beyond 20 percent by the earliest possible in the 2020s. As a first step for this purpose, we aim to lower the cost of solar power generation to one third of its current level by 2020 and to one sixth by 2030. Moreover, we aim to equip solar panels on all the roofs of 10 million houses capable of doing so.

The fourth challenge is on the potential of energy efficiency. We are the world's front runner in terms of industrial energy efficiency. The next test is to achieve energy efficiency without compromising the comfort of life in households and communities. We must engage in a societal innovation in the sense that it creates a new culture of energy consumption.

This transformation will become a very important theme, because regardless of what energy policy we will adopt, we must ask ourselves the question whether it is appropriate for society to increase energy

consumption without any limits.

In Japan there is an old dictum, “Learn to be contented”. What this dictum teaches us is not to endlessly increase our own desire, but to learn where an appropriate level is.

As the whole of humankind is facing global environmental challenges and various conflicts arise due to energy issues today, I wonder if this is indeed the question that we, who live on this earth, are now confronted with.

Madam Chair,

Looking back at the past 50 years and thinking ahead to the next 50, and considering the expected role of the OECD in this horizon, I believe it is important for the Organisation to strengthen its role in providing economic analyses and policy advice so that it can continue to be a body counted upon as the largest “action-oriented” think tank in the world.

Secretary-General Gurría visited Japan just one month after the earthquake and provided concrete proposals to help Japan’s reconstruction. This is indeed an example of the type of OECD action we can count on.

The earthquake of March 11th destroyed many villages and towns. However, it could not destroy the heart of the Japanese people. The people in Japan are now united at heart behind the reconstruction. I shall turn this energy of the Japanese people into the power to transform the country and the power to achieve the rebirth of Japan.

In tackling these tasks to achieve the “Rebirth of Japan” and to address new global challenges, Japan is committed to continuing to work together with the OECD.

Thank you.