

Japan's Oil Policies

June, 2017

**Petroleum Refining and Reserve Division
Agency for National Resources and Energy**

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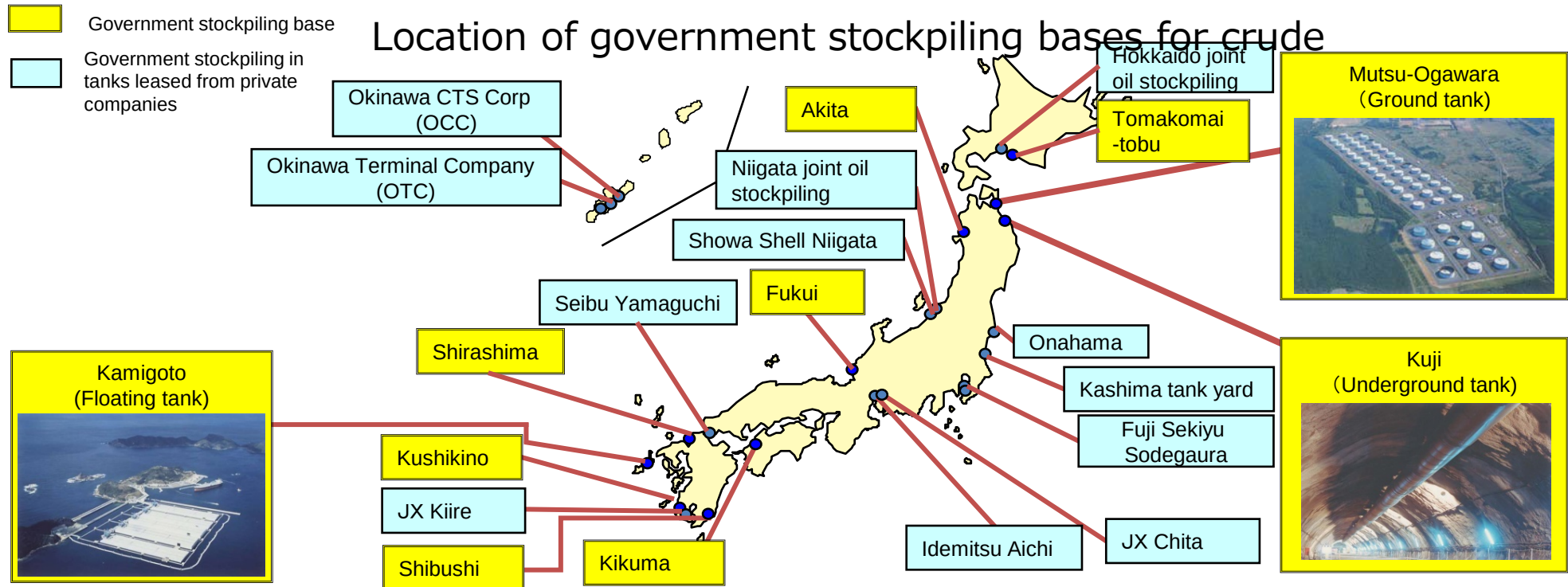
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1. Japan's Emergency Oil Supply Policy

Current oil stocks

- Japan's oil stocks are composed of the following stocks.
 - Government stocks : 108 days
 - Private stocks : 74days
 - Joint oil stocks with oil producing countries* : 4daysTotal : 186days [as of JUN 2017]

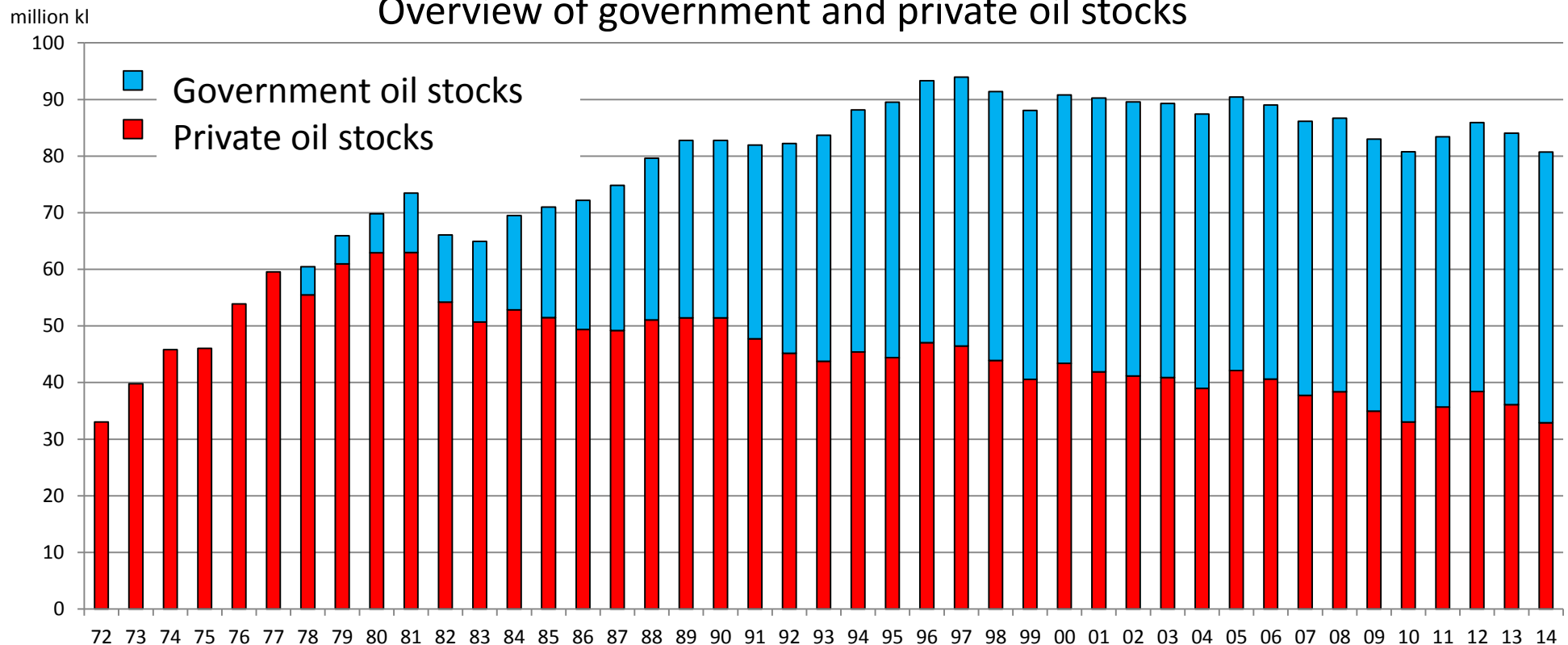
Maintaining Joint oil stocks with oil producing countries has been carried out with Saudi Arabia and UAE since 2009.



History of oil stocks

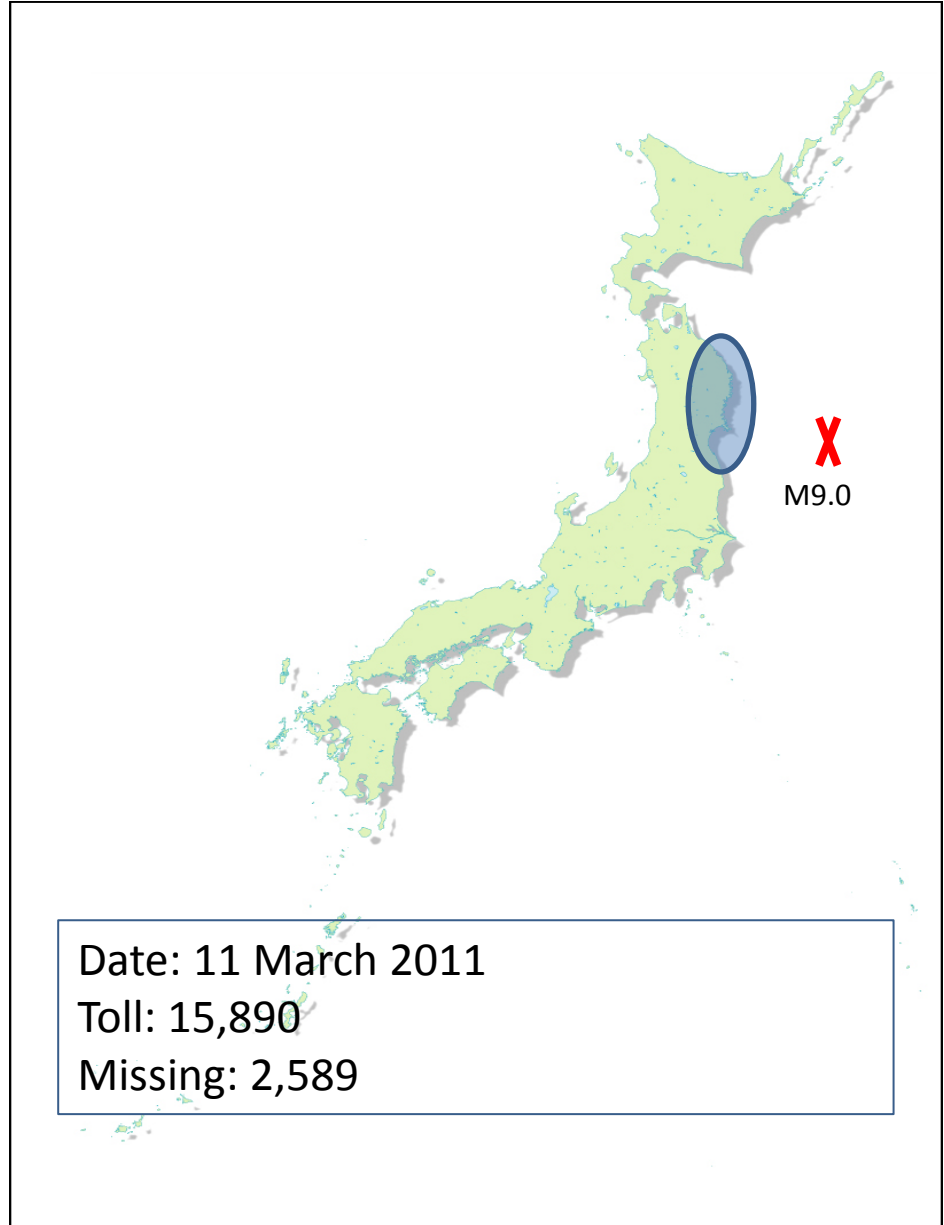
- Japan launched private stockpiling first in 1972, then enacted the Oil Stockpiling Law in 1975.
- Government stockpiling was started in 1978.
- The government obliges private companies to maintain oil stocks equivalent to more than 70 days.

Overview of government and private oil stocks



2. Measures taken after the Great East Japan Earthquake

The Great East Japan Earthquake



The Great East Japan Earthquake

- Refineries, Oil Depots, Tank-Trucks and Tankers were hit by the Earthquake and Tsunami.
- People waiting in front of blacked-out gas stations to buy heating oil. Residents evacuating by cars from the vicinity of Fukushima nuclear power plants.
Shortage of oil stock hit people's lives in the affected areas.



Revising the law

Revised Oil Stockpiling Law

- In addition to oil supply disruption from overseas, the Law was revised to respond to oil supply disruption caused by domestic disasters.

Requirement for releasing stocked oil

Before

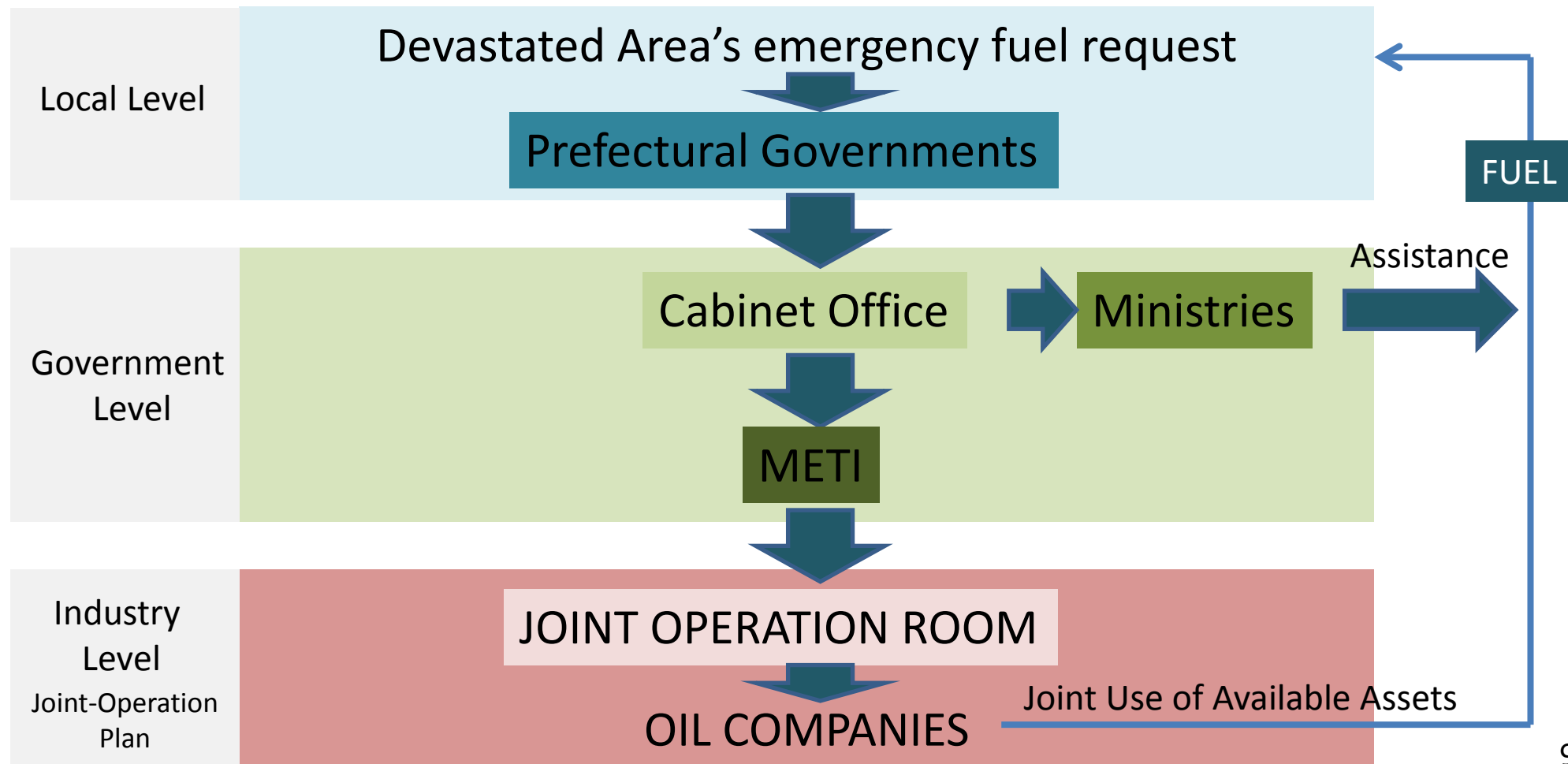


After



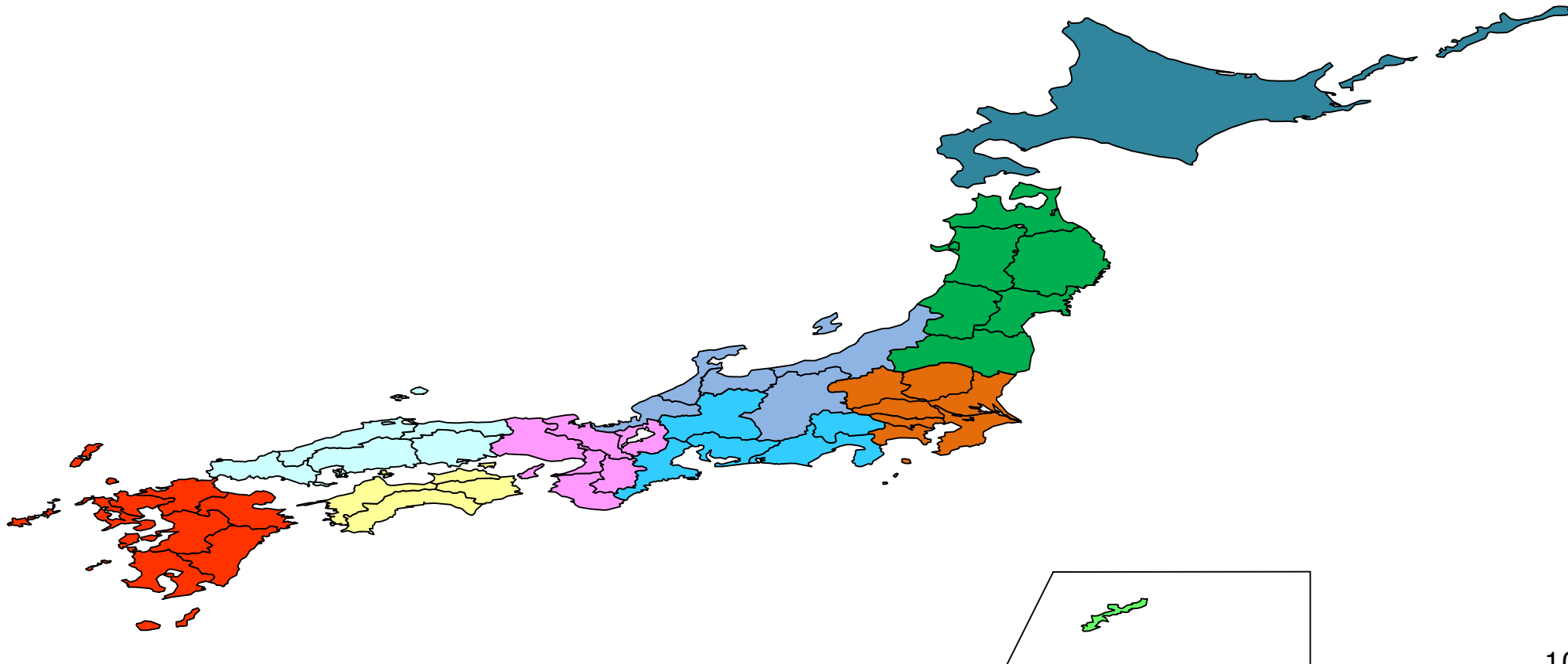
Joint-Operation Plan of Oil Supply

- The Government obligated oil companies to set Joint-Operation Plan of Oil Supply in Disasters which enables them to jointly respond to an emergency.
- The Government designed contingency scheme in combination with the Joint-Operation Plan.



Government product reserve

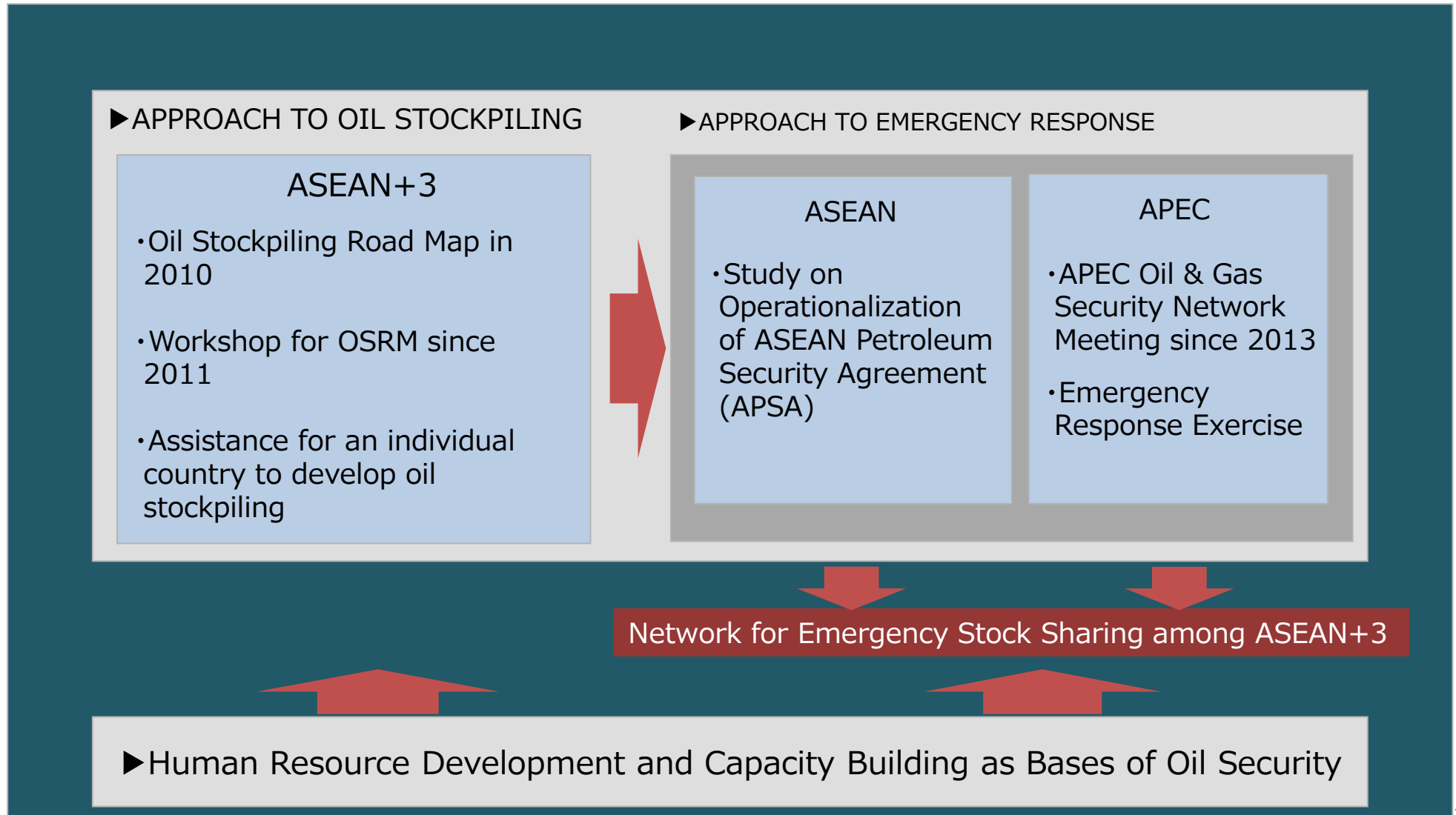
- The government divided the whole country into 10 regions and has started to store oil products.
- Mainly gasoline, kerosene, diesel, fuel oil
- The government attained a 4 day-equivalent of Japan's domestic demand in June 2014.



3. Japan's oil stockpiling outreach policy

Cooperation Concept on Oil Security in Asia

- METI has been working on oil security in Asia by supporting countries in the region through various frameworks and at various levels.



Oil Security Capacity Building Program

- METI and JOGMEC, Japan Oil, Gas and Metals National Corporation, held capacity building program for ASEAN in 2015 and 2016.

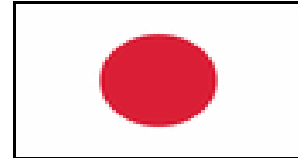


■ Date & Venue: June & November 2015, August 2016, Tokyo

■ Organizer: METI & JOGMEC

■ Participants: Director-General and Director level in charge of energy security and oil stockpiling from ASEAN countries

■ Contents: Japan's oil stockpiling policy, emergency response and site visit



Bilateral support for policy-making

- METI has implemented bilateral supports for ASEAN countries.

Cambodia

In 2015 - 2016, METI and JOGMEC reported available data and policy options to the Cambodian Government for making the oil stockpiling master plan.



Myanmar

METI carried out various energy policy programs in Myanmar in September 2014 through February 2015 and supported the government in making its national energy plan.

