



# ASIA EXPLAINED

TO ANALYZE, TO DEBATE, TO UNDERSTAND

## AE MicroMacro - Japan

*Piotr A. Głogowski*  
*October 16, 2019*

### The EU - Japan BRI alternative

**What happened?** [On September 27 Japan and the EU inked an infrastructure cooperation pact](#), which is the second meaningful agreement within the last year. [On July 17 2018 UE has signed the biggest trade deal \(in terms of a market size\) with Japan \(EJPEA\)](#). [Various commentators](#) has recognized the increased bilateral activity as a challenge for the Chinese Belt and Road Initiative (BRI).

**The brief description.** The EU pledged the amount of 60bln EUR to support further investments. Even though the latest pact between EU and Japan is at the beginning of development and no ongoing project has been established one of the EU diplomats has highlighted, that the collaboration could “[include the EU financing Japanese firms looking to use drones to map roads in need of repair in Africa, and the Japanese funding European renewable companies contemplating investments in southeast Asia.](#)” Especially the verb *contemplating* should be recognized as an invitation for European companies related to the renewable energy sources (RES) to look at the southeast Asia markets. There are numerous opportunities. According to the several [reports](#) published by [The ASEAN Centre for Energy](#) future demand for RES (even basing on the most conservative predictions) will grow significantly (type of RES depends on a country).

Focusing mainly on solar market it must be mentioned that [Asia-Pacific region has 55% global market share \(2017\)](#). Forecasts provide clear picture – Asia-Pacific region is assumed to possess 60% of global solar installations until 2022 ([this includes 112GW in South Asia only](#)). If the EU-Japan infrastructure cooperation pact is effective in making it will mean that all European companies involved in RES (not only business related to the solar energy but



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also biomass, hydropower, wind, or heat) will gain an additional opportunity to reach a new ground in Asia with the Japanese support.

### **Why it matters for Poland?**

Even though in recent years [the political atmosphere in Poland has become less friendly for RES](#) installations, there are a lot of companies ([more than 250](#)) that manufacture complete products or components for windmills, devices for hydropower installations, biomass installations, solar collectors, PV modules, heat pumps and (mainly) devices for biogas plants. Not to mention the whole production chain including domestic suppliers of materials, semi-finished products and components for RES manufacturers.

It also must be noticed, that EU-Japan infrastructure cooperation pact is the second agreement and it could be treated as an additional opportunity within the framework created by the previously mentioned EUJEPa. The question is if Polish domestic manufacturers will look at the newest opportunities and if Polish government would like to support their efforts.