



Press Release

189 companies make policy proposals to the Japanese government to accelerate discussions on carbon tax and emissions trading scheme

Tokyo, Japan, July 28, 2021 - Japan Climate Leaders' Partnership (JCLP), a coalition of 189 businesses with a sense of urgency on climate change, released a set of policy proposals on carbon tax and emissions trading scheme (ETS).

The background section of the proposals stresses the importance of achieving a significant emissions reduction by 2030 and outlines why explicit carbon pricing schemes are effective means to doing so:

- The 1.5°C target must be achieved in order to protect the social infrastructure essential to our lives and business activities. Meeting the 2030 GHG emissions reduction target is crucial for the achievement of the 1.5°C target.
- Swift, society-wide behavior change is thus required toward 2030. In addition, emissions reduction needs to be done efficiently to minimize the cost borne by society.
- An effective way to bring about society-wide behavior change and minimize the overall cost of emissions reduction is to introduce an explicit carbon price through a carbon tax mechanism and an emissions trading scheme (ETS).
- Carbon taxes and emissions trading schemes lead to economic growth when appropriately designed. Delay in introducing these schemes may threaten the global competitiveness of Japanese companies and reduce the attractiveness of Japan as an industrial location.

Against this background, JCLP makes the following proposals to the Japanese government:

- We call for specific discussions on the design and timeframe for a carbon tax and ETS. We request that ministries work together to present a framework for a carbon tax by the end of the year.
- Discussions on carbon pricing need to consider “just Transition”. How carbon pricing can be designed to reduce the burden on SMEs and low-income groups should actively be discussed.
- We call on the government to ensure the public has access to clear and comprehensive information on the purpose and benefits of carbon pricing.

Please see [the policy proposals](#) for more details.



Notes to editors:

About JCLP:

[Japan Climate Leaders' Partnership \(JCLP\)](#) is a coalition of businesses (189 companies as of July 2021) that aims to create a carbon neutral society, built on the idea that decarbonization is essential to economic development. The group's total sales are 144.8 trillion JPY (1.3 trillion USD) and electricity demand together amounts to approx. 60 TWh. It was set up in 2009 to encourage the business sector to develop a sound sense of urgency on climate action.

The members share a common goal and proactively communicate with policy makers, business peers and the civil society. JCLP remains unique in Japan in that a key focus is policy engagement around actions for decarbonisation, aimed at both local and central governments in the country. Since April 2017, JCLP has been the Climate Group's Regional Delivery Partner on RE100, EP100 and EV100 initiatives in Japan.

See the list of member companies here: <https://japan-clp.jp/en>

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