



# Energy Demand in Japan

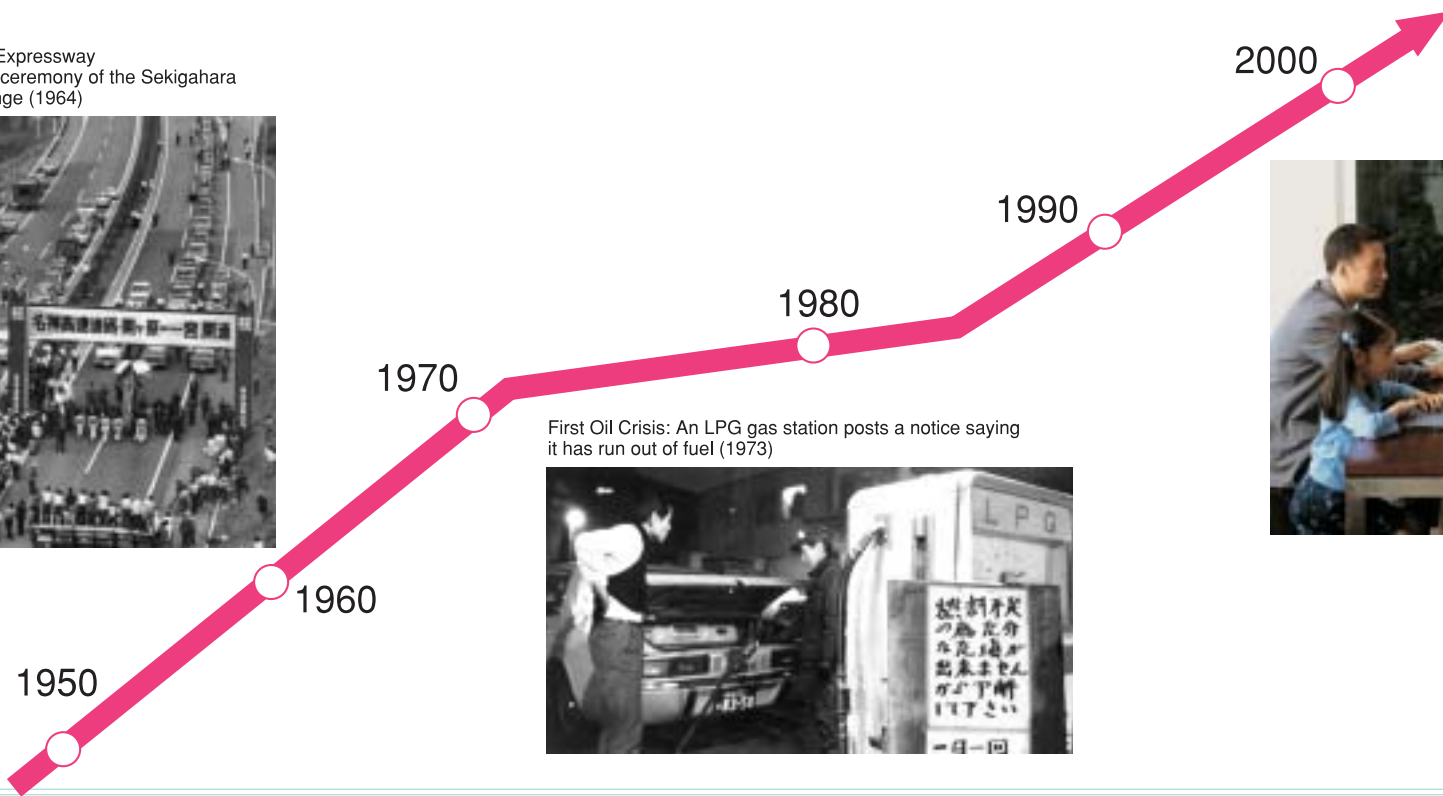
The two oil crises of the 1970s were turning points which saw Japan achieve considerable success in energy conservation. However, the continued pursuit of comfort and convenience by the Japanese in recent years has increased energy consumption.

## The Simultaneous Achievement of Economic Growth and Energy Conservation

After World War II, Japan set about reconstructing its economy. During the almost two decades of high economic growth between the 1950s and the 1970s, the nation's energy consumption

steadily increased (Figure 1). The two oil crises<sup>(1)</sup> of the 1970s were severe shocks to the Japanese economy, and brought the period of high economic growth to an end. The nation's industries thereafter implemented serious energy conservation measures, such as finding ways to use energy more effectively. These efforts were an enormous success, reducing energy intensity (energy consumption per unit of production output). Development of energy-conserving appliances advanced simultaneously, and they progressively found their way into Japanese homes. The result was the continuation of economic growth without an accompanying increase in energy demand.

Meishin Expressway  
Opening ceremony of the Sekigahara Interchange (1964)



First Oil Crisis: An LPG gas station posts a notice saying it has run out of fuel (1973)



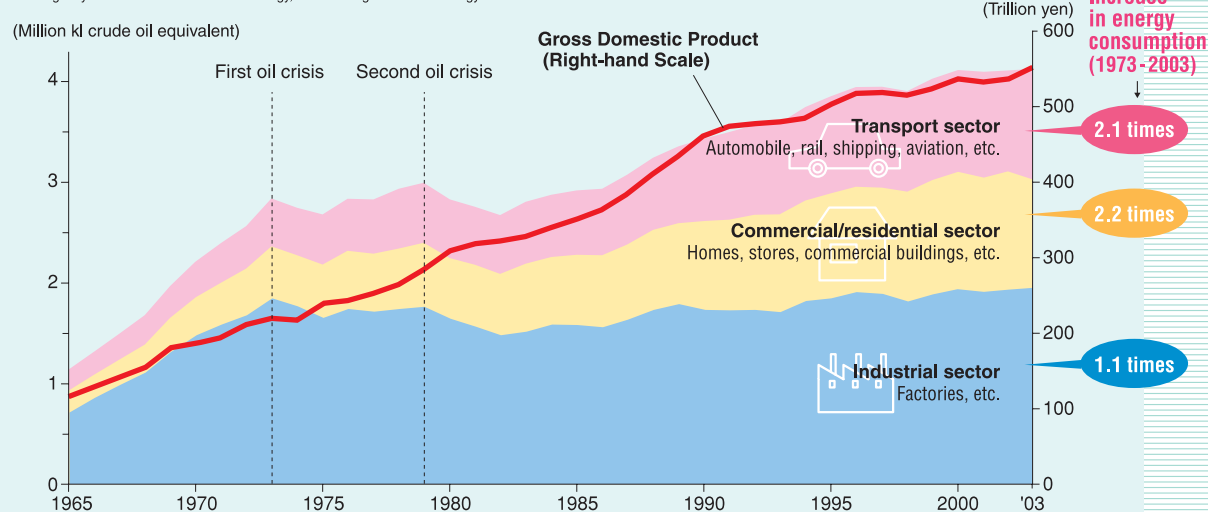
## Energy Consumption Begins to Rise Again

In the latter half of the 1980s, against a background of falling oil prices, lifestyle changes and an increased concern for comfort and convenience among Japanese citizens, the demand for energy began once again to increase. More widespread use of progressively larger and more sophisticated electrical appliances has spurred significant increases in the demand for energy in the commercial / residential sector. Energy demand has also increased in the transport sector, with a higher rate of vehicle ownership and a decline in actual fuel economy (due in part to an increased number of new vehicles with large displacement engines) (Figure 2).

## Energy consumption in Japan has increased in the commercial/residential and transport sectors

Figure 1: Trends in energy consumption and GDP in Japan

Sources: Compiled from Cabinet Office, "Annual National Accounts Bulletin"; Institute of Energy Economics, Japan, "Handbook of Energy and Economic Statistics" and Agency for Natural Resources and Energy, "Concerning Confirmed Energy Demand in Fiscal 2003"

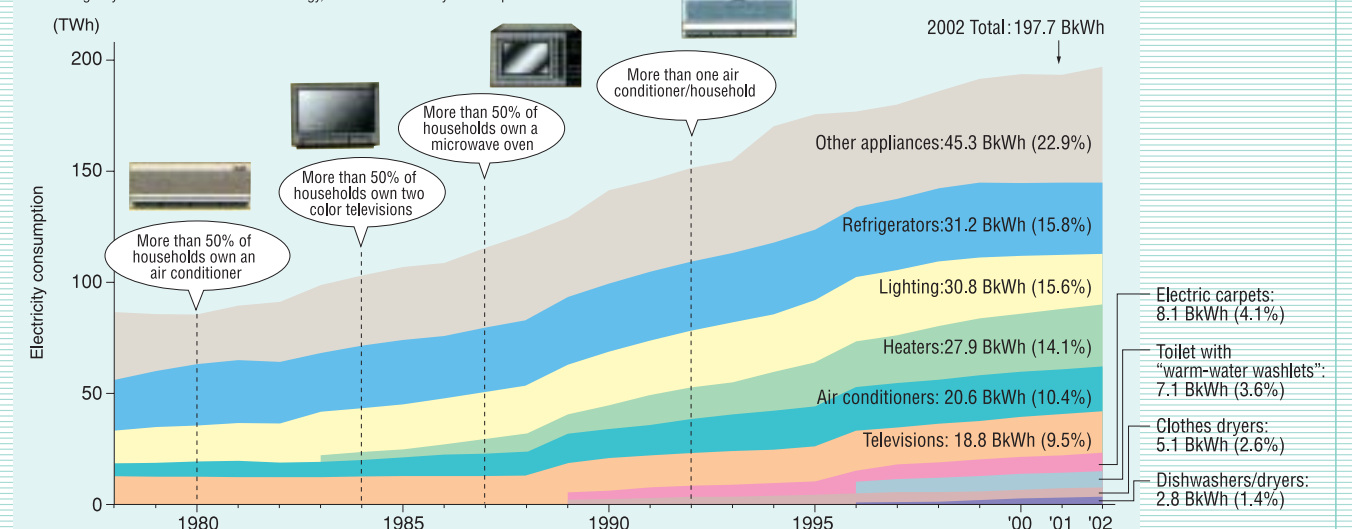


Note: Crude oil equivalent is a figure generated by converting units of different sources (coal, natural gas, etc.) to the amount of crude oil that would produce the same amount of energy.

## The demand for more comfortable lifestyles is increasing household electricity consumption

Figure 2: Trends in home electricity consumption by appliance

Source: Agency for Natural Resources and Energy, "Outline of Electricity Consumption"



Note: Electricity consumption is calculated on the basis of the metered rate (A/B) by nine EPCOs.