

New Study Finds Japan's \$1Tr GX (Green Transformation) Climate Plan Highly Misaligned with IPCC Climate Science Pathways to 1.5°C

Japan's heavy emitters appear to be unduly influencing the GX Policy

A new study by InfluenceMap ([see report here](#)) has found that the Japanese government's flagship \$1 Tr Green Transformation (GX) Policy is misaligned with the guidance by the global scientific authority on climate change, the United Nations' Intergovernmental Panel on Climate Change (IPCC). The study shows that strategic influence by Japan's heavy industry sectors, led by steel, electric utilities, and automotive industry associations, dominated corporate engagement on the policy.

The research tests for alignment with "Science-Based Policy" (SBP) using benchmarks derived from IPCC's guidance on limiting global temperature rise to the 1.5°C target. Elements of the GX policy that relate to carbon pricing and fossil fuel policy appear particularly misaligned from these benchmarks.

The delayed and uncertain pricing system and the GX Policy's reliance on coal, LNG, and hydrogen/ammonia co-fired power generation contradicts IPCC 1.5°C recommended pathways and poses risks to long-term global emissions goals. Additionally, the GX Policy supports the continued sale of hybrid and plug-in hybrid vehicles, counter to the IPCC's guidance that electric vehicles powered by low-emissions electricity must have a dominant role.

Key findings of the research:

- The majority of engagement by Japanese industry (81% of about 900 pieces of public evidence of corporate engagement with GX policy by 30 Japanese companies and 50 industry associations between January 2022 and June 2023 that InfluenceMap collected) originates from a small minority of nine industry associations and eight companies.
- These include industry associations representing electric power, steel, fossil fuel production, and automotive production. Other sectors (such as finance, retail, construction, consumer goods, healthcare) making up 70% of Japan's economy and employment have been largely silent on strategic details of Japan's GX Policy.
- While the GX Basic Policy clearly states emission reduction targets for 2030 and 2050, it does not explicitly mention how the GX Policy will contribute to those targets or how the GX Policy is consistent with limiting warming to 1.5°C.
- Growth-oriented carbon pricing, which combines a carbon surcharge and emissions trading, has a late introduction timeline and the price level is unclear. According to the IPCC, a carbon price of approximately US\$170-290 per t-CO₂ (about 25,000-43,000 yen) is required in 2030, but it appears unlikely that growth-oriented carbon pricing will achieve this price level.

The study found that the most active policy engagement in driving the GX Policy was demonstrated by the Japan Business Federation (known as Keidanren). It accounted for 15% of the nearly 900 corporate engagement data points on GX Policy researched. Its opposition to a meaningful carbon tax and strong advocacy for the role of ammonia in extended thermal coal use are particular areas of misalignment with the SBP. The current Chairman of Keidanren, Masakazu Tokura, from Sumitomo Chemical, has stated that the proposals made by Keidanren were almost fully adopted in the current GX Basic Policy.

Addressing the findings of the report, **Toru Morotomi, Professor, Graduate School of Economics, Kyoto University and Member of the Central Environmental Council of the Ministry of the Environment, among other government committees**, said:

"It is significant that this report clarified that (a) GX does not conform to science-based policies, and (b) Keidanren is a major influencer of GX, and GX reflects the interests of some energy-intensive companies rather than the consensus of the Japan Business Federation (Keidanren)'s member companies. While the GX Promotion Act appears to advance climate change policy, in fact it seeks to protect the interests of energy-intensive industries. This is precisely why carbon pricing has fallen short and coal-fired power generation has been prolonged in Japan. We must recognize the problems with the GX Promotion Act, overcome them, and move forward."

Commenting on the findings of the report, **Monica Nagashima, InfluenceMap's Japan Country Manager**, said:

"Given that the dominant corporate message in Japan has focused on slowing implementation of science-based climate policy in Japan and prolonging fossil fuel use, it is unsurprising that the current version of the GX Policy has delayed the introduction of binding carbon pricing policy and supports gas and coal based thermal power generation."

"InfluenceMap's analysis indicates that corporate advocacy around the GX Plan originates from a small part of the corporate sector representing heavy industry. These views on climate policy do not appear to be reflective of the overwhelming majority of corporate Japan."

[Report and graphics at this landing page](#)

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About InfluenceMap

InfluenceMap is a London-based think tank with offices in New York, Seoul and Tokyo. We provide data-driven analysis to investors, corporations, and the media on issues related to energy and climate change. Our metrics for measuring corporate influence over climate policy are in use by investors globally, including the Climate Action 100+ investor engagement process.