

April 24, 2025

Dear President of the Commission Ursula Von der Leyen,  
Dear Executive Vice-President Teresa Ribera,  
Dear Commissioner Dan Jørgensen,  
Dear Commissioner Wopke Hoekstra,  
Dear Commissioner Maroš Šefčovič.

We write on behalf of the undersigned 27 organisations from 9 countries across Asia with a warning for European policymakers: avoid the ‘Japanese Model’ of LNG investment, or face disastrous economic and climate consequences.

The European Commission’s recently-published Affordable Energy Action Plan<sup>1</sup> proposes a range of actions to mitigate the current energy affordability crisis. The spirit behind the Affordable Energy Action Plan is laudable. Urgent action is needed to mitigate fossil fuel-driven unaffordable energy bills and to end reliance on gas from hostile or unstable states.

However, the plan includes proposals to sign more LNG long-term contracts and to follow Japan’s “longstanding policy of supporting investments in export infrastructure in countries producing liquefied natural gas (LNG),”<sup>2</sup> including in the United States.<sup>3</sup> This will expose the EU to increased dependence on imports from unstable regimes, and will not lower energy prices. Instead, policymakers can best address energy security and affordability by doubling down on the EU’s ambition on energy efficiency and 100% renewable energy, rather than adopt the expensive and risky ‘Japanese model.’

As a coalition of frontline communities and allies impacted by Japanese financed gas and LNG projects, we have witnessed the harmful impacts of this model firsthand, and energy market analysts have clearly outlined that Europe would be similarly affected.

**The ‘Japanese model’ is undermining Asia’s energy security.** Japan has pushed governments around the region to expand reliance on fossil gas without this delivering energy security. One example is Bangladesh, where overreliance on expensive fossil fuels has increased debt levels.<sup>4</sup> Due to gas imports being unaffordable, Bangladesh is currently suffering from severe power outages with power plants idling. At the same time, increasing subsidies have made the power sector unsustainable.

**Adopting the ‘Japanese model’ will do nothing for Europe’s energy security and independence.** President Donald Trump recently announced sweeping tariffs<sup>5</sup> on many countries, including in Europe before demanding<sup>6</sup> the EU purchase USD 350 billion in U.S.

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<sup>1</sup> [https://energy.ec.europa.eu/strategy/affordable-energy\\_en](https://energy.ec.europa.eu/strategy/affordable-energy_en)

<sup>2</sup> [https://energy.ec.europa.eu/strategy/affordable-energy\\_en](https://energy.ec.europa.eu/strategy/affordable-energy_en)

<sup>3</sup> [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_25\\_626](https://ec.europa.eu/commission/presscorner/detail/en/speech_25_626)

<sup>4</sup> <https://asia.nikkei.com/Opinion/Japanese-financing-keeps-South-and-Southeast-Asia-hooked-on-fossil-fuels>

<sup>5</sup> [https://www.politico.eu/article/donald-trump-europe-trade-tariffs-imports-liberation-day/?utm\\_source=email&utm\\_medium=alert&utm\\_campaign=Trump%20hits%20Europe%20with%2020%20percent%20tariffs](https://www.politico.eu/article/donald-trump-europe-trade-tariffs-imports-liberation-day/?utm_source=email&utm_medium=alert&utm_campaign=Trump%20hits%20Europe%20with%2020%20percent%20tariffs)

<sup>6</sup> <https://www.politico.eu/article/donald-trump-says-eu-must-buy-350b-of-us-energy-to-get-tariff-relief/>

energy. That's almost three times the size of the global LNG market<sup>7</sup> and despite the EU signalling willingness to bow to Trump's pressure and invest in LNG imports. The Trump administration has since announced a pause<sup>8</sup> on tariffs but this continues to create instability and turbulence globally. This clearly shows the U.S. is not a reliable trade partner. There are better alternatives. EU gas demand is already in decline, with a 19% drop in LNG imports in 2024 and a 20% reduction in overall gas consumption between 2021 and 2024.<sup>9</sup> The EU can bring this down further with increased renewable energy ambition, saving billions for the bloc, increasing energy security, and removing the need to embark on a risky, expensive, and experimental 'Japanese-model' strategy. Accelerating a just energy transition towards renewables could save the EU billions in gas imports, further reduce gas demand, and ensure Europe's long-term energy security and affordability, and independence.<sup>10</sup>

### **Onselling of gas in Asia is facing increasing challenges contributing to stranded assets.**

Japanese financed fossil fuel projects have caused massive social and economic harm, sparking fierce opposition and resulting in project cancellations and delays. Several proposed LNG import terminals and gas plants in Bangladesh<sup>11</sup> and the Philippines<sup>12</sup> have been cancelled, posing significant risks for Japanese institutions and the Japanese economy as a whole that are relying on onselling of over-contracted LNG and are instead having to sell this gas at a loss.<sup>13</sup> EU demand is on a downward trajectory, which means the EU would likely end up in a similar situation. Financing LNG and gas infrastructure poses severe risks for frontline communities, for our worsening climate crisis, and also for financiers.

### **The 'Japanese model' makes energy bills more volatile and at times more expensive.**

Analysis by the Institute for Energy Economics & Financial Analysis (IEEFA) is clear - the 'Japanese model' will not make LNG cheap or even stabilize prices.<sup>14</sup> Japan's LNG import bill increased to over USD 64 billion in 2022 following Russia's unprovoked invasion of Ukraine, leading to a record trade deficit. A similar dynamic in Europe would inevitably have serious repercussions on people's energy bills, while using public money to invest in LNG infrastructure would only prop up profits for a multi-billion dollar fossil fuel industry. With up to 1 in 4 households<sup>15</sup> in the EU currently unable to adequately heat, cool, or light their homes, the EU needs real measures to address energy poverty and affordability, such as banning disconnections and promoting access to local heat networks, renewable energy communities, and energy sharing to protect households from falling into debt.<sup>16</sup> Gas investments are not the answer.

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<sup>7</sup>[https://straitstimes.com/report/lng-market#:~:text=The%20global%20LNG%20market%20size,period%20\(2025%E2%80%932033\).](https://straitstimes.com/report/lng-market#:~:text=The%20global%20LNG%20market%20size,period%20(2025%E2%80%932033).)

<sup>8</sup>[https://www.politico.com/news/2025/04/09/trump-pauses-tariffs-00281494?utm\\_source=email&utm\\_medium=alert&utm\\_campaign=Trump%20pauses%20tariffs](https://www.politico.com/news/2025/04/09/trump-pauses-tariffs-00281494?utm_source=email&utm_medium=alert&utm_campaign=Trump%20pauses%20tariffs)

<sup>9</sup><https://ieefa.org/european-lng-tracker>

<sup>10</sup><https://www.e3g.org/news/clean-energy-has-already-made-the-eu-more-secure-and-more-can-be-done/>

<sup>11</sup><https://www.tbsnews.net/bangladesh/energy/summits-2nd-lng-terminal-deal-cancelled-good-1049301>

<sup>12</sup><https://www.protectvip.org/post/a-brown-lng-terminal-cancellation-a-win-for-verde-island-passage>

<sup>13</sup><https://www.argusmedia.com/en/news-and-insights/latest-market-news/2674024-lng-stocks-at-japan-s-power-utilities-rise>

<sup>14</sup><https://ieefa.org/resources/japanese-model-lng-investment-not-suitable-europe>

<sup>15</sup><https://righttoenergy.org/about-energy-poverty/>

<sup>16</sup><https://righttoenergy.org/our-reaction-to-the-eus-action-plan-for-affordable-energy/>

**The ‘Japanese model’ is blocking a just energy transition.** The Japan International Cooperation Agency (JICA) has created energy plans for countries like Bangladesh and Indonesia that would prolong reliance on fossil fuels.<sup>17</sup> These plans overestimate power sector demand and have been drafted without consulting those most impacted by the climate crisis and infrastructure development. The JICA-financed Matarbari coal power plant in Bangladesh has harmed communities and destroyed livelihoods while the price of electricity from the project is more expensive<sup>18</sup> than solar energy.

**Adopting the ‘Japanese model’ would conflict with European climate goals** by locking in long-term fossil fuel infrastructure. It breaches EU commitments at the G7 on ending public finance for international fossil fuel projects<sup>19</sup> and undermines the progress made by the Clean Energy Transition Partnership<sup>20</sup> initiative that has cut international fossil fuel finance by two-thirds, with a number of EU countries adopting gold standard policies restricting their international public finance for fossil fuels, including for LNG.<sup>21</sup> It also contradicts the EU’s COP28 commitment to “transition away from fossil fuels”.<sup>22</sup> In addition, contrary to industry claims, the evidence shows that increased LNG usage will lead to a net-increase in emissions, not lower them.<sup>23</sup> In the current geopolitical climate, it is more important than ever for the EU to maintain its role as climate leader and take bold and necessary climate action that will benefit households and the EU economy.

**The ‘Japanese model’ poured billions of dollars into fossil gas expansion and has left a legacy of harm around the world.**<sup>24</sup> Frontline communities across Asia, Africa, Australia, and the United States, particularly in the Gulf South, have suffered from serious impacts to their health, livelihoods, and ecosystems. Japan’s export credit agency, Japan Bank for International Cooperation (JBIC), is pursuing multiple high-risk projects, including the Philippines’ first LNG import terminal, Freeport (which exploded<sup>25</sup> in 2022), Cameron LNG terminal expansions in the US Gulf South<sup>26</sup>, and the Scarborough and Barossa Gas Projects in Australia. JBIC has also provided loans to Mozambique LNG, a controversial project<sup>27</sup> which has been a major driver of the Islamist insurgency that has raged since 2017 in northern Mozambique. The EU and its Export Credit Agencies (ECAs) should avoid following Japan in using taxpayer’s money to fund harmful, reputation-damaging, and uneconomic<sup>28</sup> LNG projects.

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<sup>17</sup> <https://oilchange.org/wp-content/uploads/2023/04/gx-briefing-April-6-final-draft.pdf>

<sup>18</sup> <https://www.matarbari.org/#:~:text=Matarbari%20and%20%20could,JICA%20Official%20Development%20Assistance%20oan.>

<sup>19</sup> <https://www.theguardian.com/environment/2022/may/30/g7-countries-to-stop-funding-fossil-fuel-development-overseas>

<sup>20</sup> <https://cleanenergytransitionpartnership.org/>

<sup>21</sup> <https://www.iisd.org/publications/report/countries-underdelivering-fossil-clean-energy-finance-pledge>

<sup>22</sup> <https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era>

<sup>23</sup> <https://oilchange.org/news/planned-eu-investments-in-lng-risk-increased-dependency-on-us-at-worst-possible-time/>

<sup>24</sup> [https://foejapan.org/wpcms/wp-content/uploads/2024/10/FoEJapan\\_Faces-of-Impact\\_2024.pdf](https://foejapan.org/wpcms/wp-content/uploads/2024/10/FoEJapan_Faces-of-Impact_2024.pdf)

<sup>25</sup> [https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2023-02/PHMSA-FERC-USCG%20Feb%2011%202023%20Freeport%20Information%20Session%20Presentation%20%28002%29\\_0.pdf](https://www.phmsa.dot.gov/sites/phmsa.dot.gov/files/2023-02/PHMSA-FERC-USCG%20Feb%2011%202023%20Freeport%20Information%20Session%20Presentation%20%28002%29_0.pdf)

<sup>26</sup> <https://www.japantimes.co.jp/environment/2024/08/11/japan-us-lng-projects/>

<sup>27</sup> <https://www.politico.eu/article/totalenergies-mozambique-patrick-pouyanne-atrocities-afungi-palma-cabo-delgado-al-shabab-isis/>

<sup>28</sup> <https://carbontracker.org/reports/stranded-exports/>











The only way for the EU to reach energy independence and security is to rapidly wind down and ultimately end its reliance on fossil fuel imports, from anywhere. It can and must do so. The EU can save billions, build a resilient economy, and ensure Europe's long-term energy security and independence by accelerating a just transition towards renewables.<sup>29</sup>

We are requesting a meeting to discuss this matter in further detail to help inform your decision-making.

Best wishes,

<b>BANGLADESH</b>		
		
	<b>Forum on Ecology and Development (FED)</b>	
<b>INDIA</b>		
		
<b>INDONESIA</b>		
		

<sup>29</sup> <https://www.e3g.org/news/clean-energy-has-already-made-the-eu-more-secure-and-more-can-be-done/>

		
<b>JAPAN</b>		
		
		
<b>MALAYSIA</b>		
		
<b>MONGOLIA</b>		
		
<b>PAKISTAN</b>		
	<b>Society for Women Rights &amp; Development ( SWoRD)</b>	

PHILIPPINES		
		
SOUTH KOREA		
		
REGIONAL		
		