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Japan and Middle East:
Deepening Cooperation Beyond
Energy Security

Amane KOBAYASHI

Introduction

The year 2023 marked a pivotal juncture in contemplating the past, present, and future of Japan-Middle East relations. This is because, 50 years ago, in 1973, the first oil crisis (or oil shock) significantly shook Japan's political and economic foundations, shaping its diplomatic relations with the Middle East up to the present day.

Japan relies on imports to satisfy most of its oil needs, with approximately 90% of those imports coming from the Middle East. 50 years on from the oil crisis, the dependence on Middle Eastern oil has increased and is now over 95%. At that same time, against the backdrop of diminishing engagement from the United States, the Middle East is witnessing an expansion of Chinese and Russian presence, and global energy and trade relationships with the Middle East are undergoing substantial transformations. Viewed from the broader perspective of energy security and the maintenance of international order, Japanese diplomacy in the Middle East is under considerable pressure for reform.

In this article, after contextualizing the significance of the Middle East in the context of energy security and Japan's diplomatic relations, I analyze the strengthening of Japan's Middle East policy under the Abe administration, along with new developments in light of decarbonization and the shifting regional order of the Middle East. In this

paper, North African countries are also positioned and discussed as part of the Middle East.

Japan's diplomatic relations with the Middle East: Historical background and energy security

Between 1957 and 1958, a private Japanese company, Arabian Oil (formerly the Japan Petroleum Trading Company established in 1956), secured rights to extract oil from Saudi Arabia and Kuwait, marking the commencement of its independent oil development endeavors. Since then, oil produced in the Middle East has fueled Japan's rapid economic expansion and has continually been at the heart of Japan-Middle East relations. Moreover, since the 1973 oil crisis, Japan's substantial reliance on Middle Eastern oil imports, coupled with the region's political and security volatility, has shaped its diplomatic approach to the Middle East. To safeguard Japan's peace and prosperity, the longstanding policy of the Japanese government has emphasized fostering peace and stability in the Middle East and the maintenance of amicable relations with Middle Eastern countries.

Simultaneously, on the security front, Japan has encountered difficulties in balancing its engagements in the Middle East with its commitments to the Japan-US Alliance. This challenge is particularly pronounced in light of

the 1991 Gulf War and the ensuing US-led War on Terror initiated after the terrorist attacks on September 11, 2001. Furthermore, it is important to note the pivotal role of Japan's Self-Defense Forces (SDF), which operate under stringent constitutional constraints. The SDF has leveraged its engagements aimed at Middle Eastern stabilization—including post-Gulf War minesweeping in the Persian Gulf, assignments in Iraq, and refueling missions in the Indian Ocean under two Special Measures Acts—as an opportunity to enhance their operational scope and refine the supporting legal frameworks. Beyond these engagements, the SDF has been intensively deployed in the Middle East, focusing on ceasefire monitoring between Israel and Syria in the Golan Heights as part of the United Nations Disengagement Observer Force (UNDOF) and in the Sinai Peninsula with the Multinational Force and Observers (MFO). They have also tackled piracy off the coast of Somalia and the Gulf of Aden and conducted intelligence-gathering in the Gulf of Oman and the northern Arabian Sea.

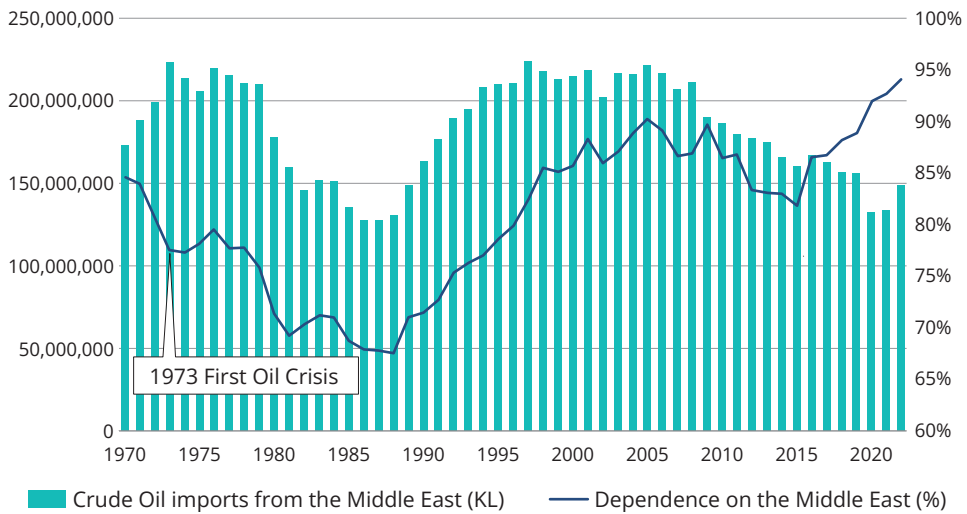
After the Great East Japan Earthquake in 2011, Japan suspended the operations of most of its nuclear power plants, causing its energy self-sufficiency rate, formerly at about 20%, to plunge to around 10%. Japan is highly dependent on imports for most of its energy resources, such as crude oil, natural gas, and coal, and while there has been progress in increasing power generation from renewable energy sources,

partially restarting nuclear power plants, and implementing energy conservation measures, securing a stable supply of energy remains a substantial challenge. Although oil constitutes about 40% of Japan's total primary energy consumption, around 99% of its crude oil is imported, predominantly from the Middle East. After the first oil crisis, Japan endeavored to diversify the sources of its oil imports, reducing its dependence on the Middle East to around 68% by FY 1987. However, with the development of Asian countries, nations like China and Indonesia have lost their excess oil export capacity, resulting in the resurgence of Japan's oil dependence on the Middle East, which has fluctuated around 90% in recent years.

Given this background, the political and security destabilization in the Middle East consistently poses substantial risks to Japan's energy security and the safety of its citizens. During the Gulf War, the Iraqi government detained 213 Japanese nationals residing in Kuwait and Iraq to use as "human shields." More recently, a terror incident in southern Algeria in 2013 resulted in the loss of 10 Japanese lives. Additionally, the June 2019 attack on a tanker owned by a Japanese shipping company navigating near the Strait of Hormuz underscored the direct threat that instability in the Middle East poses for Japan's interests.

On the other hand, drastically reducing the dependence on the Middle East for crude oil and natural gas imports over

Figure: Trends in Japan's dependence on crude oil imports from the Middle East



Source: Prepared by the author from Agency for Natural Resources and Energy.

the short term is no easy task. Firstly, with about half of the world's proven crude oil reserves, the Middle East has substantial export capacity, allowing for the bulk purchase and shipment of crude oil, which is economically advantageous for importing countries. Its crude oil production costs are also the lowest in the world. Conversely, oil production volumes and development costs in non-Middle Eastern countries tend to be unstable, making it difficult to secure stable amounts of oil over the medium to long term. Also, among major oil-producing nations, the Middle East is relatively close to Japan and Asian countries, keeping transportation costs low. Moreover, since many refineries in Japan are designed and operated on the assumption of refining crude oil from the Middle East, making significant changes to the source of crude oil imports in

the short term is not easy, either from a technical or economic perspective. Unlike countries such as China, where the government can exert control over companies, it is also difficult for the Japanese government to intervene with private oil companies to reduce dependence on the Middle East.

Japan's oil imports have decreased by about 1.5 million barrels per day from their peak in the mid-1990s, and oil demand is expected to decline due to population decline and the development of energy-saving technologies. However, even if oil import and consumption volumes decrease, it remains improbable that dependence on the Middle East will fall rapidly in the short term due to the factors mentioned above. The Japanese government predicts that oil demand will fall by over 7.5%

between 2021 and 2027. However, even if the entire reduction amount were dedicated to lowering Middle Eastern oil imports, dependence on the Middle East is unlikely to fall below 70%.

Strengthening Japan's engagement with the Middle East under the Abe administration

Unlike its recent predecessors, the second Abe administration (December 2012 to September 2020) actively engaged in the Middle East. After the Koizumi administration (April 2001 to September 2006), which experienced the terrorist attacks on September 11, the US invasion of Afghanistan, and the Iraq War, Abe was the first Japanese Prime Minister to visit the Middle East, making one visit during his first administration and nine visits over the course of his second administration and beyond.

This active engagement stemmed not only from the critical importance of stability in the Middle East for Japan's energy security but also from an increase in incidents in which Japanese citizens and interests became targets of terrorist attacks and military conflicts due to destabilization in the region. Additionally, in its advocacy of "proactive contribution to peace," the Abe administration prioritized engagement in stabilizing the Middle East from the perspective of contributing to the international order's stability.

Japan's first-ever "National Security Strategy," formulated in December 2013, stated the following:

Stability in the Middle East is an issue that is inseparably linked to the stable supply of energy, and therefore Japan's very survival and prosperity. Given that the Gulf states are the largest source of crude oil for Japan, in order to ensure the stability of the Middle East, Japan will engage in constructing multi-layered cooperative relations with these countries, encompassing wide-ranging economic cooperation beyond resources and energy, as well as politics and security. In this context, Japan will play a proactive role in the resolution of major issues affecting the stability of the Middle East, including the issue of democratization in Arab countries that stems from the "Arab Spring," the situation in Syria, Iran's nuclear issue, the Middle East peace process and peacebuilding in Afghanistan.

Further, with the internal conflicts and regime collapse in Middle Eastern and African countries sparked by the Arab Spring of 2011 and the subsequent rampant spread of international terrorist organizations like Al-Qaeda and the "Islamic State (IS)," terrorist attacks on Japanese citizens and interests became an increasingly serious threat.

In January 2013, shortly after the inauguration of the second Abe administration, an Al-Qaeda-affiliated armed group attacked a natural gas plant in south-eastern Algeria, leading to the death of 10 Japanese citizens. Moreover, in 2015, Japanese citizens were captured and killed by “IS” terrorists in Syria. The same year, several other Japanese citizens were killed and wounded when an IS-affiliated group attacked a museum in Tunisia. Against the backdrop of these incidents, the Japanese government has strengthened its intelligence gathering and consolidation system on the Middle Eastern situation and international

terrorism, establishing a Counter Terrorism Unit (CTU) in December 2015. At the G7 Ise-Shima Summit leaders’ meeting in May 2016, Japan, as the chair country, consolidated the “G7 Action Plan on Counterterrorism and Violent Extremism.”

The inauguration of the Trump administration in the United States in 2017 marked a diminished engagement with the Middle East, juxtaposed against deepening conflicts within the region itself. In this context, Japan endeavored to assume the role of a “mediator” in the Middle East region. In June 2019, Prime

Prime Ministerial visits to the Middle East (post-2006)

First Abe Administration	April–May 2007	Saudi Arabia, UAE, Kuwait, Qatar, Egypt
Second to Fourth Abe Administrations	April–May 2013	Saudi Arabia, UAE, Turkey
	August 2013	Bahrain, Kuwait, Qatar, Djibouti
	October 2013	Turkey
	January 2014	Oman
	January 2015	Egypt, Jordan, Israel, Palestine
	November 2015	Turkey
	April–May 2018	UAE, Jordan, Israel, Palestine
	June 2019	Iran
	January 2020	Saudi Arabia, UAE, Oman
Kishida Administration	April–May 2023	Egypt (also Ghana, Kenya, Mozambique, Singapore)
	July 2023	Saudi Arabia, UAE, Qatar

Source: Prepared by the author based on materials from the Ministry of Foreign Affairs.

Minister Abe made a diplomatic visit to Iran, the first by a sitting Prime Minister in almost 41 years. That December, Iranian President Hassan Rouhani reciprocated with a visit to Japan. These visits were emblematic of Japan's proactive efforts aimed at easing tensions between the United States and Iran. Moreover, seeking to ensure the safety of its vessels, the Japanese Cabinet authorized the deployment of SDF with the purpose of intelligence gathering in the northern Arabian Sea and around the Gulf of Aden. However, the US military's assassination of Iranian commander Qasem Soleimani on January 3, 2020 prompted the rapid escalation of tensions between the US and Iran, effectively nullifying the momentum for Japanese mediation. Despite these exacerbated tensions, Prime Minister Abe persisted in his diplomatic endeavors, visiting Saudi Arabia, the UAE, and Oman starting January 11 to work towards regional tension reduction.

As the United States has scaled back its engagement in the Middle East, leading to a more fluid political and security environment in the region, Japan has sought to intensify its engagement with the Middle East. This endeavor is driven by Japan's aspirations to ensure energy security and the safety of sea lanes with the goal of alleviating and stabilizing regional tensions. Historically, Japan's relations with Middle Eastern countries have predominantly centered on economic and cultural aspects, and its leverage in diplomatic and security

aspects is rather limited. To overcome this challenge, the Abe administration can be argued to have endeavored to augment Japan's presence by strengthening diplomatic relations at the highest levels, deploying SDF, and enhancing economic cooperation with various countries in the region.

Japanese engagement in light of Middle Eastern regional order changes and “decarbonization” initiatives

Since 2020, there has been marked progress in dialogues and confidential negotiations aimed at easing tensions among Middle Eastern nations. The Qatar diplomatic crisis of June 2017—characterized by the severing of ties with surrounding countries—was resolved in January 2021. Subsequently, in March 2023, Saudi Arabia and Iran took pivotal steps to normalize their diplomatic relations after a seven-year hiatus. Moreover, beginning in August 2020, Israel initiated a series of diplomatic reconciliations, normalizing its relations with the Gulf Arab states, Morocco, and Sudan. In light of these geopolitical recalibrations, the risks to Japan's energy security from unforeseen shifts in the Middle Eastern milieu have considerably diminished compared to the preceding years.

However, the Russian invasion of Ukraine in February 2022 has had a profound impact on Japan's energy security.

Historically, Japan had imported just under 4% of its crude oil from Russia. However, with the Japanese government's decision to impose sanctions on the import of Russian crude oil and petroleum products exceeding the established price ceiling, Japanese companies have refrained from procuring Russian oil, thereby increasing the reliance on crude oil produced in the Middle East. In June 2023, the Middle East accounted for 97.3% of Japan's crude oil imports, sourced primarily from Saudi Arabia (41.5%), UAE (37.4%), Kuwait (10.1%) and Qatar (4.9%).

Japan's energy policy has traditionally focused on diversification initiatives to extend oil procurement beyond the Middle East and broaden energy sources beyond oil while focusing on energy conservation. Procuring crude oil and natural gas from Russia was also a move in line with policies of multilateralization and diversification. However, the cessation of oil imports from Russia has, ironically, resulted in near-complete dependence on the Middle East.

The 2023 edition of Japan's Diplomatic Bluebook frames the Middle East as a region holding approximately 50% of the world's oil reserves and about 40% of natural gas reserves, emphasizing its significance as a global energy supplier. Moreover, against the backdrop of high population growth, the Bluebook highlights the region's significant potential as a market due to economic diversification and decarbonization efforts underway,

primarily in the Gulf states. At the same time, the Bluebook notes that the region is fraught with multiple destabilizing factors and challenges, including historical conflicts, tensions between Iran and its neighbors, political turmoil in the wake of the Arab Spring, and the growing risks associated with the spread of violent extremism. Moreover, with a view toward maintaining and strengthening a free and open international order anchored in the rule of law, Japan is described as actively pursuing diplomatic efforts to mitigate tensions and build stability in the Middle East. These initiatives involve various frameworks, such as the Japan-Arab Political Dialogue, that are structured to ensure adequate consideration of the awareness of problems and the needs of individual countries.

However, Japan's current Middle East diplomacy is not aimed solely at securing oil and natural gas but also at exploring the potential for broader cooperation. In July 2023, Prime Minister Kishida's visit to the Gulf Arab states marked the first visit to Saudi Arabia and the UAE by a Japanese Prime Minister in three and a half years and to Qatar in a decade. During this visit, in addition to stabilizing energy procurement, proposals were raised concerning collaborations aimed at the practical application of decarbonization technology and the production of hydrogen and ammonia with a view to establishing the Middle East as a future global supply for clean energy and critical minerals. Furthermore, Prime

Minister Kishida's visit coincided with the exchange of more than 50 memorandums between the governments and companies of each nation and Japanese companies.

Prime Minister Kishida emphasized the evolution of Japan-Middle East relations into a "new global partnership, moving beyond the conventional energy relationship of oil-consuming and oil-producing countries." Anchoring this strengthened relationship in economic and technological collaboration for decarbonization is a meaningful diplomatic strategy, reflecting Japan's strengths and the prevailing international situation. It can also aid in securing a stable supply of oil and natural gas during the transition to decarbonization. Prime Minister Kishida's tour of the Gulf states can be regarded as sowing the seeds for expanding Japan's political and economic footprint in the Middle East.

On the other hand, the October 7, 2023 attack on Israel by Hamas and subsequent large-scale military operation on the Gaza Strip by the Israel Defense Forces have increased the risk of serious destabilization in the Middle East region. It will also force the US, which has been trying to reduce its engagement in the Middle East, to change its policy. As there have already been incidents of attacks on and capture of Japanese vessels in the Red Sea, the Japanese government needs to maintain continuous engagement to protect Japan's interests and ease regional tensions.

Conclusion: The Middle East as part of the Indo-Pacific region?

Given the multifaceted instability risks the Middle East continues to harbor alongside its potential for economic development, the nexus between endeavors aimed at political stability and economic growth within the region is crucial. Building a more expansive cooperative relationship between Japan and the Middle East so that Japan can contribute to political stability and economic development in the region has the potential to reduce conflict risks in the short term. In the medium to long term, such an approach can be expected to facilitate energy security not only for Japan but also for the broader Asian region and accelerate global decarbonization efforts.

In this context, the concept and strategy of a "Free and Open Indo-Pacific (FOIP)" can serve as a cornerstone in Japan's Middle Eastern diplomacy, functioning as a geo-strategy that combines economic, diplomatic, and security elements and as a mechanism for multilateral cooperation. Put differently, from the standpoint of "ensuring the security of sea lanes and energy in the Indo-Pacific," there is an opportunity here for Japan and other countries outside the region to engage cooperatively in the Middle East.

On the other hand, there is not yet any consensus among the Quad countries (Japan, the US, Australia, and India),

which are at the forefront of the FOIP concept/strategy, about whether the “Indo-Pacific region” should be envisioned as including the Middle East and Africa. Notably, the US and Australia have scarcely mentioned the Middle East in their respective Indo-Pacific strategies. While India has traditionally maintained deep ties with the nations of the Persian Gulf and Eastern Africa, this relationship is primarily bilateral and does not figure prominently within the regional “Indo-Pacific” context.

In 2017, Foreign Minister Taro Kono emphasized that the Middle East is positioned at the center of Japan’s Indo-Pacific strategy and that maintaining peace and stability in the Middle East was important for ensuring a free and open maritime order. The 2023 Diplomatic Bluebook likewise articulates that, given its strategically advantageous geopolitical location with access to the Gulf of Aden and the Indian Ocean, Oman plays a pivotal role in bringing the FOIP concept to fruition. Nonetheless, there has yet to be any indication of a clear strategy for including engagement with the Middle East under the FOIP concept.

In this connection, China’s Belt and Road Initiative (BRI) has a much clearer lead in terms of strategy and substance, explicitly incorporating the Middle East and Africa into its overarching geo-strategy and offering concrete project proposals. The Middle East is posited as a critically significant region within this initiative, serving as the nexus of the “Belt” and

“Road,” with its sea lanes bridging the Mediterranean and the Indian Ocean. China’s enhanced political, economic, and security engagement in the Middle East is further exemplified by President Xi Jinping’s attendance at the China-Arab States Summit and his mediation in the reconciliation between Saudi Arabia and Iran. However, in the energy sector, China’s reliance on the Middle East for crude oil imports was below 50% (as of 2021), markedly lower than Japan’s. A contributing factor here is the predominance of state-owned entities amongst China’s major energy firms, which allows the government to regulate the companies to preclude an over-reliance on imports from specific nations or regions.

The increasing political and military presence of Russia and China in the Middle East and Africa, in conjunction with the reduced engagement of the United States, has substantial implications for Japan’s economic activities and security interests in these regions. Japan increasingly needs to deepen, broaden, and diversify its engagements with the Middle East. This is true not merely from the vantage point of energy security but also regarding safeguarding sea lanes, upholding a liberal international order, and formulating a holistic geo-strategy for the wider Indo-Pacific region.

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Amane KOBAYASHI



Amane Kobayashi, Ph.D. is Senior Researcher at the Institute of Energy Economics, Japan (IEEJ). His expertise includes politics and security of the Middle East and North Africa focusing on Libya, international security, and energy geopolitics.

From 2021 to 2023, he worked as Deputy Head of Mission at Japan's Embassy in Libya, where he oversaw political and economic affairs as well as cooperation with international organizations. He has previously served the Japan Institute of International Affairs (JIIA), the Center for Strategic and International Studies (CSIS), the US, and Keio University, Japan. He also worked for the post-conflict development of Libya with the Japan International Cooperation Agency (JICA) from 2013 to 2014. He teaches/taught international relations and security, contemporary politics in the Middle East, and energy policies at several universities in Japan.

He received his Ph.D. and M.A. in Media and Governance, and B.A. in Policy Management at Keio University, Japan. He was Research Fellow at the University of Nairobi, Kenya.

