Statement by Mr. Hiroyuki Hosoda Minister of State for Science and Technology Policy Delegate of the Government of Japan At the Forty-seventh General Conference of the International Atomic Energy Agency

Mr. President,

The Government of Japan is very much honored that you have been elected as President of the 47th General Conference of the International Atomic Energy Agency. I strongly believe that your extensive experience and outstanding abilities in steering the proceedings of various international conferences will contribute to the success of this General Conference.

Mr. President, Mr. Director General, Distinguished Delegates, Ladies and Gentlemen, First, I wish to address the issue of compliance. This issue has surfaced since the last General Conference in relation to the application of IAEA safeguards.

The nuclear issue of North Korea has heightened international tension since last October. Japan has long been extending financial and technical support to the light-water reactor project through the framework of KEDO to help North Korea address its energy needs. In this respect it is regrettable that North Korea remains in non-compliance with its safeguards agreement with the Agency and proceeds with nuclear weapons development. This is a very serious issue for the peace and stability not only of the region but of the international community as a whole.

As an immediate neighbor of North Korea, Japan will not accept, under any circumstances, the development, acquisition, possession, testing or transfer of nuclear weapons by North Korea. We once again strongly urge North Korea to immediately abandon any nuclear weapons and nuclear weapons programs in a complete, verifiable and irreversible manner. Japan believes in the verification of the North Korean nuclear issue, Japan will continue to support the Agency's efforts.

The six-party talks recently held in Beijing were an important starting point of a meaningful process towards a peaceful solution of this issue. I believe it is essential to continue this process.

The issue of the implementation of the NPT safeguards agreement in Iran has become increasingly serious.

International society including Japan is deeply concerned about the Iranian nuclear issue. We urge Iran to cooperate fully with the Agency in order to solve the problems, and to promptly and unconditionally sign, conclude and fully implement the Additional Protocol in order to remove the international community's concerns about its nuclear program. We expect Iran to take the international community's concerns seriously and to take all necessary actions by the end of October, as requested by the Board resolution on September 12.

Mr. President,

The NPT regime has been a key element in world peace and stability and is of common interest to all. In the light of the current situation, I would like to reaffirm my country's unshakable commitment to the NPT regime.

Japan will fulfill its obligations under its safeguards agreement with the IAEA and its Additional Protocol, to attain full transparency in its nuclear activities, including plutonium utilization.

The Atomic Energy Basic Law of Japan strictly limits the use of nuclear energy to peaceful purposes. Japan is the only country to have suffered nuclear devastation, and the current Koizumi Cabinet of the Japanese Government, like the previous Cabinets, firmly adheres to the long-standing policy of the "Three Non-nuclear Principles". These principles state that we shall not possess or produce nuclear weapons, nor permit the introduction of such weapons into Japan. This policy will not change, and Japan will never possess nuclear weapons. Nuclear energy is a stable energy source that can help prevent global warming. As a nation with insufficient energy sources, Japan continues to attach a high priority to nuclear energy. A nuclear fuel cycle would enhance the advantages of nuclear energy. Japan aims to establish such a fuel cycle with enhanced public understanding while ensuring safety and nonproliferation.

The falsification of self-inspection records by a Japanese nuclear power plant operator was made public in August last year. This has seriously damaged public confidence in nuclear safety. In response, the Japanese Government has drastically revised its nuclear safety regulations. The purpose was to improve the effectiveness of its regulatory system and quality assurance on the part of the operators, thereby enhancing the nuclear safety culture. Japan is making efforts to restore public confidence through dialogue and to restart the plants that were shut down for inspections.

Thermonuclear fusion is a promising future source of practically unlimited energy. Since the issue of future energy sources is of common concern to mankind, it is important to conduct the related research and development through international cooperation. The International Thermonuclear Experimental Reactor project, commonly known as the ITER project, is a major step towards the goal of achieving thermonuclear fusion. We are very pleased with the enhanced international collaboration with an increased number of participating countries on this project. Japan proposes Rokkasho of Aomori Prefecture as a candidate site for ITER. We are determined to continue contributing actively to promoting the ITER project.

In view of recent problems related to the NPT regime, the IAEA safeguards system must be strengthened. To this end, we must promote universalization of the Additional Protocol. Currently, 74 states have signed the Additional Protocol, but only 35 of them have brought it into force. These figures are far from satisfactory. Japan would like to request the representatives of states that have not yet done so to sign and conclude the Additional Protocol.

In cooperation with the IAEA, Japan hosted the <u>International</u> <u>Conference on Wider Adherence to Strengthened IAEA</u> <u>Safeguards</u> in Tokyo last December. This Tokyo Conference, which aimed to consolidate the outcomes of the preceding regional seminars, was very successful, with 82 participants from 36 countries throughout the world. They reaffirmed the importance of the Additional Protocol, and the Chairman's Summary of the Conference put forth a series of actions for wider adherence to the Additional Protocol. In keeping with the outcomes of this Conference, we will continue to make efforts towards the universalization of the Additional Protocol, building on our extensive experience in its implementation.

Since the terrorist attacks of September 11th two years ago, nuclear security has become an important issue for the international community. The IAEA also plays a vital role in this area. Specifically, participants at the International Conference on Security of Radioactive Sources held in Vienna in March this year, agreed on the importance of the security of radioactive sources in our fight against nuclear terrorism. At the Evian Summit held this year in France, the G8 leaders reached agreement on a Statement and an Action Plan for securing radioactive sources. Japan, as a member of the G8, continues to take appropriate measures in this area,

and also expects the international community to work on improving management of radioactive sources and to support the IAEA's role in this issue. We support the revised "Code of Conduct on the Safety and Security of Radioactive Sources", which was approved at the latest Board of Governors Meeting. We also call upon Member States to support this Code of Conduct and to incorporate it into their legislation, to improve security for their radioactive sources.

Smooth and safe transport of nuclear material is essential for the peaceful use of nuclear energy. Nuclear material transport has always been carried out in conformity with the strictest safety standards established by international organizations such as the International Maritime Organization and the IAEA, and based on the principles of freedom of navigation as recognized under relevant international laws. In July this year, the Agency organized the <u>Conference on the</u> <u>Safety of Transport of Radioactive Material</u> with more than 500 participants from some 80 countries. This Conference has contributed to further enhancing safe nuclear material transport, and in view of its importance, Japan is now considering the acceptance of a TranSAS mission.

The international community must enhance the effectiveness of the nuclear non-proliferation regime. Political appeal is not enough to achieve this. The Agency needs adequate financial resources. Acknowledging the importance of the Agency's safeguards activities, Japan supported, as a very exceptional case, the Agency's regular budget increase for the years 2004 and 2005. However, I must point out that efficiency is also important. When the regular budget for 2004 and 2005 was agreed on at the special meeting of the Board of Governors in July, it was also agreed that we call upon the Secretariat to review the cost effectiveness of IAEA safeguards. Japan also requests the early application of integrated safeguards to those countries that meet the criteria and calls for visible efforts by the Secretariat and tangible results in enhancing the efficiency of safeguards. We hope that the Secretariat will also examine other areas of the Agency's activities.

Mr. President,

The peaceful, appropriate use of nuclear energy will greatly contribute to the welfare of mankind and to social and economic development worldwide. It will also minimize the burden on the environment. Therefore, I believe that the nuclear energy option is of vital importance for mankind.

Under the circumstances in which challenges to the NPT regime and IAEA safeguards have surfaced, the IAEA's activities to strengthen and promote the peaceful use of nuclear energy and non-proliferation are all the more important and noteworthy now.

Japan, therefore, pledges its support to the IAEA so that it can fulfill its noble mission under the leadership of Director General Mohamed ElBaradei.

Thank you very much.