

Special Account for Energy Measures (Account for Supply and Demand of Energy)

<https://www.enecho.meti.go.jp/>

1. Summary of operations implemented using FILP funds

Based on Article 85-2-1 of the Act on Special Accounts (Act No. 23 of 2007), the special account undertakes the installation and management (including the repair and renewal) of national oil stockpiling facilities.

2. Amount of lending under FY2020 FILP

(Unit: billion yen)

FY2020 FILP	Estimated outstanding amount of FILP lending at the end of FY2019
9.5	132.3

3. Estimated policy cost analysis of the project

(1) Policy cost (Unit: billion yen)

Category	FY2019	FY2020	Fluctuation
1. Government expenditure (subsidies, etc.)	-	-	-
2. Government revenue (payments to the government, etc.)*1	-	-	-
3. Opportunity cost of capital investments, etc.	-	-	-
Total (1+2+3=policy cost(A))	-	-	-
Analysis period (years)	16 years	16 years	-

(2) Breakdown of policy cost by the time of the provision of funds (Unit: billion yen)

Category	FY2019	FY2020	Fluctuation
(A) Policy cost (previously cited)	-	-	-
1) Opportunity cost of capital investments, etc. provided before the beginning of the analysis period	-	-	-
2) Policy cost expected to be newly accrued during the analysis period	-	-	-
Government expenditure (subsidies, etc.)	-	-	-
Government revenue (payments to the government, etc.)*1	-	-	-
Opportunity cost of surplus, etc.	-	-	-
Opportunity cost of capital investments, etc.	-	-	-

(4) Sensitivity analysis (cases where assumptions change)

(Unit: billion yen)

(A) Policy cost (previously cited)	Case before the negative interest rate policy*2	Fluctuation	1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*1	3. Opportunity cost of capital investments, etc.
			-	-	-
-	-	-	-	-	-

(3) Year-to-Year comparison analysis

(Computing any fluctuation from previous year)

(Unit: billion yen)

Policy cost		FY2019	FY2020	Simple fluctuation
		Simple comparison (before adjustment)	-	-
Past year comparison (after adjustment)	1) Adjusting initial years (Analysis results after adjusting initial year to that for FY2020 analysis)	-	-	Real fluctuation (2-1)
	2) Adjusting assumed interest rates (Analysis results of re-estimation using assumed interest rate for FY2019)	-	-	-

No policy cost accrues for FY2019 and FY2020. This is because subsidies, etc. or payments to the Government, etc. would not accrue in the future regarding the special account.

(Note) Components in each column may not add up to the total because of rounding.

*1 Government revenue (payments to the government, etc.) is booked as a negative amount. Example: -10 b. yen for 10 b. yen in payments to government, etc.

*2 Assumed interest rates (discount factor and future interest rate) are based on the market yield on Japanese government bonds on January 28, 2016, before the introduction of the negative interest rate policy.

4. Outline of estimation and project prospect employed in the analysis

[Project prospect]

- 1) Fiscal loan principal redemption and interest payment amounts are based on existing loans and the FY2020 Plan amount, etc.
- 2) Operation expenses are based on a future prospect.

(Unit: billion yen)

FY	Result				Estimated	Planned	Assumptions for calculation
	2015	2016	2017	2018	2019	2020	2021-2035
Project expenses	7.2	4.6	8.1	8.0	10.3	9.5	12.0

5. Reasons for granting of subsidies, mechanism and underlying laws

All petroleum and coal tax revenues are put into the General Account and then a necessary amount out of the revenues is transferred to the Special Account for Energy Measures(Account for Supply and Demand of Energy). The special account uses such tax revenues for repaying principal and paying interest on fiscal loans it receives to implement the construction and enhancement of national oil and petroleum gas stockpiling bases (capital expenditure).

6. Special remarks

None

(Reference) Outcome and social and economic benefits of operations

1) Financing

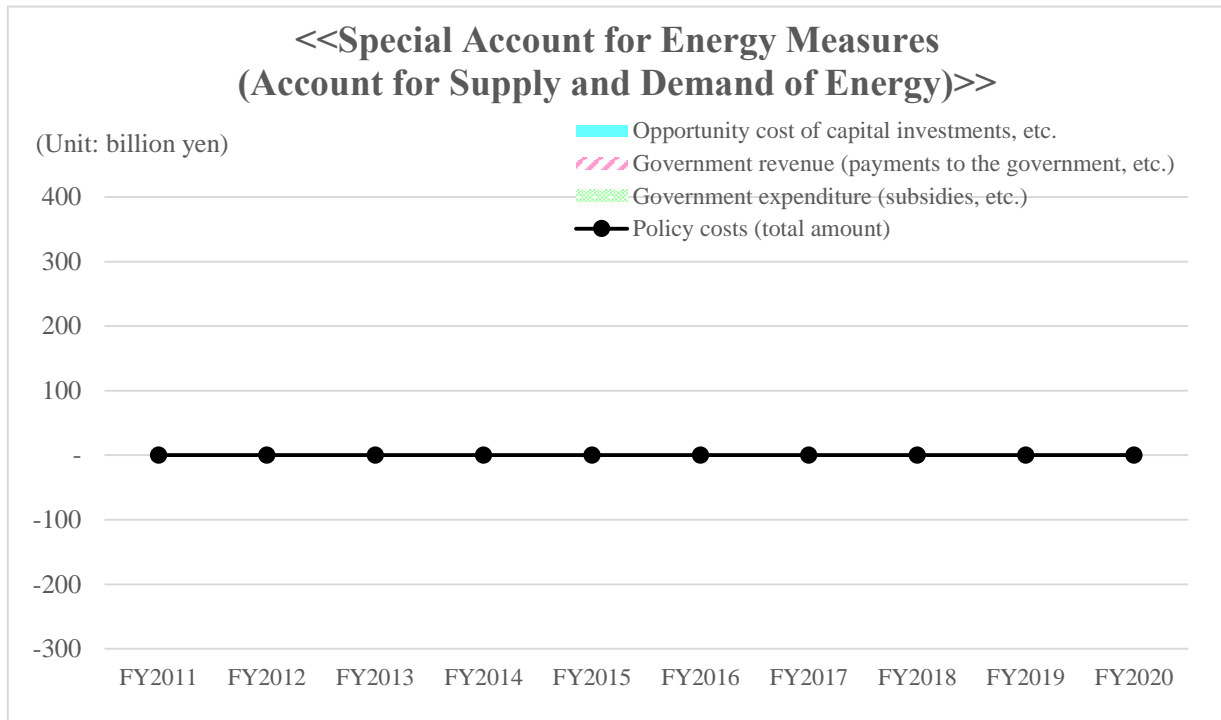
- FY2017 fiscal loans: 8.1 billion yen
- FY2018 fiscal loans: 8.0 billion yen
- FY2019 fiscal loans: 10.3 billion yen

2) Main policy purposes and social/economic benefits

Based on the Oil Stockpiling Act (Act No. 96 of 1975), the special account secures oil and petroleum gas stockpiling and takes measures for appropriate supply of stockpiled oil and petroleum gas to ensure stable supply of oil and petroleum gas in the event of oil and petroleum gas supply shortages for Japan or such shortages for specific Japanese regions through disasters, contributing to the stability of national life and the smooth management of the national economy.

Overview of policy cost analysis results

[Changes in policy costs]



Note: Policy costs for each fiscal year differ in assumptions including interest rates applied to estimates.

(Unit: billion yen)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Policy costs (total amount)	-	-	-	-	-	-	-	-	-	-
Government expenditure (subsidies, etc.)	-	-	-	-	-	-	-	-	-	-
Government revenue (payments to the government, etc.)	-	-	-	-	-	-	-	-	-	-
Opportunity cost of capital investments, etc.	-	-	-	-	-	-	-	-	-	-

【Explanation of policy cost trends】

• As the special account uses petroleum and coal tax revenues for repaying principal and paying interest on fiscal loans throughout the analysis period, this account does not receive any subsidies, etc. from the General Account, and no policy cost accrues at the account.

【FILP agency's self-assessment of policy cost analysis results (FY2020)】

None