

QATAR UNIVERSITY

COLLEGE OF ARTS AND SCIENCES

AN ANALYSIS OF THE BILATERAL RELATIONS BETWEEN QATAR AND JAPAN :

CASE STUDIES ON ENERGY, CULTURE AND DIPLOMACY

BY

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## ABSTRACT

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Title: An Analysis of the bilateral relations between Qatar and Japan : Case studies on Energy, Culture and Diplomacy

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Energy is considered as an important pillar in the establishment of international relations where it plays a heavy role in shaping the relations. In the light of this, an analysis of the Qatar-Japan relations will be studied through the case study of energy security along with the culture and diplomacy spectrum. The research aims to assess the bilateral relationship in terms of the projects and the Liquefied Natural Gas (LNG) trade and the further development in the energy sector. This will take into consideration the growing interdependence in the projects in different sectors: infrastructure, trade and cultural projects. Also, the direct involvement of the Qatari and Japanese societies in the relationship. The LNG trade along with view on the joint ventures and other types of contracts would be adopted to elaborate over the energy cooperation. The energy plays a significant role in the relationship and classifying it as an economically driven. Further more, the bilateral relationship is classified as complex interdependence approach' that was supported by the theory of soft power.

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## Chapter 1: Introduction

Qatar represents the largest exporter of liquefied natural gas (LNG), holding about 31% of the global market share (EIA, 2015). This makes Qatar an energy supply target for countries of poor energy resources such as East Asia countries. Liquefied natural gas plays a significant role on the domestic and international domains where cooperation is driven mostly by energy security purposes for industrialization and development. In that regard, Qatar and Japan relations can be taken as an example of the bilateral relation where liquefied natural gas (LNG) trade was the absolute pillar in such relations. Japan's domestic energy resources do not fulfill the nation's primary energy use or needs by 90% (EIA, 2017). Moreover, Japan is the third largest oil consumer behind United States and China, and the largest importer of liquefied natural gas (LNG) (EIA, 2017).

Qatar depends on the LNG trade to support its economy. According to Qatar National Bank (QNB), the hydrocarbon sector accounted for 49% of the Qatari's government revenues in 2014 (EIA, 2015). In recent years, Qatar and Japan's bilateral relations have been significant to both countries. The historical milestones between Qatar and Japan started since the development of formal diplomatic relations in 1972; while the first sales purchase agreement between Qatar and Japan for LNG was signed in 1992 (Al-Khulaifi, 2009). Moreover, the Qatari reputation was backed with 10 years of safe LNG deliveries to Japan since 1997 (Al-Khulaifi, 2009).

The success of Qatar as a trustworthy exporter has accelerated the relationship over the years, which includes different areas of interest between the two nations. Japan also provided the technologies, project finance and infrastructure development that was needed in natural gas projects. This also expanded to handling different projects in the future such as Hamad International Airport and the FIFA World Cup 2022. Many Japanese companies were encouraged

to directly deal with Qatari projects, as it started with Ras Laffan projects (Kyodo, 2002). For instance, in 2002, the previous Energy Minister, Abdullah bin Hamad al-Attiyah, met with Japanese Economy, Trade and Industry Minister Takeo Hiranuma and urged him to encourage Japanese companies to take role in gas-to-liquid (GTL) projects which utilizes the natural gas from the Northfield in the Gulf (Kyodo, 2002). These companies continue to operate in Qatar in joint ventures or through agreement of Exploration and Production sharing Agreement (EPSA) and Development and Production Sharing Agreements (DPSA) which provides the know-how experience and minimize the possible risks of operation. In terms of natural gas development, Qatar tends to focus on large-scale projects linked to LNG exports for upstream and downstream with the investment of international oil companies (IOCs) since these companies have the adequate technologies and expertise to run megaprojects within the country.

Thus, the relationship was supported by strategic investments from Japanese firms into Qatar LNG supply projects. Understanding the unique relations between Qatar and Japan will be aided by having an in-depth analysis of how the relations and cooperation have been developed. The research aims to focus on more progressive fields of cooperation, which include Energy Security, Culture and Diplomacy between Qatar and Japan. It will conceptualize the relationship through the international relations theoretical framework to understand the compatibility of the theories with each of the case studies. The purpose of the research is to analyze the relationship between Qatar and Japan in the following sectors: Energy Security, Culture and Diplomacy from a theoretical perspective. The research will view Japanese and Qatari relations from the international relations framework, as the strong emergence of the relations in recent years in different fields such as Energy, Culture and Diplomacy can be understood based on the theories that will be introduced in the next chapter. The research will elaborate over the timeline of agreements and

collaborations that were established with first shipment of LNG to Japan.

## **Literature Review**

### ***GCC - East Asia relations:***

Qatar, Saudi Arabia, Bahrain, Kuwait, United Arab Emirates and Oman comprise the members of the Gulf Cooperation Council countries (GCC countries). On the other hand, the Pacific Asia region is made of countries such as China, South Korea, and Japan. According to Davidson (2010), about 19% of the world's oil production in the year 1996 came from the GCC countries, which amounted to almost seventy million barrel of oil per day. In 1997, the proven oil reserves of the GCC countries accounted for 55% of total world proven oil reserves and 17% of total world proven natural gas reserves (IAEA, 1998). The GCC countries imported about 60% of goods from various industrial countries, especially from Japan and United States of America.

In the same context of Qatar-Japan relations, there is a similar but broader context that tackles GCC-East Asia relations. The type of relationship between Gulf and East Asian countries is based on energy, construction, trade and labor forces. Davidson elaborates on the evolution of the relationship between Gulf monarchies and Asian countries, in particular with Japan. In the 1950s, Japan was in desperate need for fueling its rapid post-war industrialization programme (Davidson, 2010). Therefore, the relationship started with Saudi Arabia in 1953 when Japan sent an economic delegation to Saudi Arabia, which was followed by the start of formal diplomatic relations between the two countries in 1954 (Davidson, 2010). Saudi-Japan relations further developed when a concession was granted to Japan's oil company to explore and extract oil from Saudi Arabia, which was followed by official visits of Senior Saudi Arabian Officials to Japan. The type of relations between Saudi and Japan started with diplomatic ties that brought the two countries into a economic relationship through granting the Japanese firms to hold oil concessions in Saudi Arabia that secured and ensured the sustainability of cooperation.

The non-hydrocarbon trade relations flourished between Dubai and Japan in textiles, which then expanded to involve electrical goods (Davidson, 2010). In contrast to other GCC countries, the trade relations between Oman and Japan seemed to increase between the year 1975 to 1995 whereby exports, mainly of mineral such as iron and copper to Japan, grew by 90 % (Körner & Masetti, 2014). Moreover, Körner & Masetti (2014) argue that the trade relationship between GCC countries as a whole and Japan is stronger than the existing relationships between individual GCC countries and Japan.

However, Davidson might have different view in this comparison as each country represents a strategic partnership and a flourished history between members of the GCC and Japan. A good example of the influence of Japan and their interest in the Gulf was through the Arabian Oil Company, in which Japan owned 80% and Saudi Arabia and Kuwait owned 20% (Davidson, 2010). Similarly, in 1972 Japanese Oil Development Company (JODCO) exploited the UAE offshore oil (Davidson, 2010).

Moreover, Davidson emphasized that China has less pace of development in terms of bilateral relationships with Gulf countries until 2010, where the relationship with Gulf countries were deepened. At the time China was witnessing economic and political reforms that downgraded the Marxist ideologies in China's foreign relations, Oman was the first to establish diplomatic ties with China, followed by UAE and Saudi Arabia (Davidson, 2010). In non-hydrocarbon trade, China intended to increase the trade by opening the negotiations of Free Trade agreement (FTA) with all six Gulf countries. Furthermore, there was the establishment of the China-Arab Cooperation Forum between the Chinese Ministry of Commerce and the Arab League. This highlights the interest of the Chinese government in non-hydrocarbon relations with the Gulf. There is a lack of advancement regarding FTA with the Gulf between Japan, China and South Korea.

At that time, South Korea was busy building its foundations before starting active foreign relations policies. According to Janardhan (2014), a host of cultural, diplomatic, economic and other crucial pragmatic linkages seem to bring into reality the long predicted unification of Asia. The marriage of convenience between monarchies of the Gulf and Pacific Asia is based on hydrocarbon exports, and imports, and this relationship leads to long-term mutual commitments. Monarchies of the Gulf import electrical goods,

textiles, cars, building materials, machinery and other products which are associated with construction booms and the region's oil from Japan, South Korea, and China. Over the years, the GCC countries have been trying their best to diversify their exports to the Pacific Asian allies so that they can reduce their dependency on oil as the main export components.

Over the years, construction and labor companies from Pacific Asia countries have won a number of contracts from GCC countries. Some companies from China, Japan, and South Korea have been a supply of skilled laborers and machines to the Gulf countries that help in exploring and mining the oil. In return, the Pacific Asia countries are now able to acquire hydrocarbon materials at a lower price as compared to other trade partners of the GCC countries. These contracts help in solidifying the economic interdependence between the two regions, thus ensuring their constant flow of investments in either direction. The authors, Alshamsi & Kandil, argue that the strength of the GCC countries to extract the best bargains on any political, economic or security problem entirely lies in these countries by putting forth their cause as a block instead of individually. The foreign, economic and security policies of the countries from either region are certainly meant to serve their individual needs and interests, they are shaped to accommodate and consult with the other fellow countries (Alshamsi & Kandil, 2001). This argument supports the conclusions drawn by Körner & Masetti, that the trade in dealing with Bloc rather country-to-country is stronger. However, individual countries from the two regions share a common desire for stability, peace, and security in the area and always value sovereignty, territorial integrity, and independence from all the concerned countries (Calabrese, 2001). The best way of solving the problems in the Gulf region is through both the GCC and Asian countries evolving, and creating better and new ideas of collective security which surpasses the past restrictive paradigms.

The hydrocarbon and non-hydrocarbon trades enhanced the flow of investment between the two players, which includes sovereign wealth investments. These investments are mostly related to the oil and gas industry. However, there are investments and joint ventures being established in the non-hydrocarbon industry. Japan invests heavily in Saudi Arabia, and it's the largest foreign investor distributed among sixteen industrial projects and eight service sector projects (Davidson, 2010). This illustrates that the

process of investment and joint ventures could be derived economically; however it's used as political influence between the two countries. Regarding Chinese investment in the Gulf, it has reached \$5 billion and the Gulf investments in China approximately reached \$700 million (Davidson, 2010).

Concerning security relations with Asian countries, Gulf countries still rely on Western powers to maintain their security. The relationship with Pacific Asia has not yet moved toward security at constant base, which is under the umbrella of the West. However, the current situation is witnessing a closeness between the two regions that could result in more developed relations, and potentially agreements that support the security that the Gulf countries would require. Moreover, Japan and Korea hold a neutral stance when it comes to conflicts within the Gulf states, while China is at the opposite end of the spectrum. China has a long history that starts with supporting rebels in the rebellion in Oman's Dhofar province in the 1960s and 1970s (Calabrese 1990, 867; Ghafour 2009, 89).

According to Calabrese (2001), we should not ignore the United States' significant influence and its impact on the Gulf-Asia relations. It is through their continued military presence in the GCC countries that there exists a peaceful environment in which countries from both regions have been able to ensure trading activities take place with minimum interruptions. It is through the cooperation of the Gulf-Asia countries and massive flow of investment and trade between the two regions that a magnetic layer of activity has been created within the global economy.

In conclusion, Davidson argued that: "Given their relatively long history of economic relations it is not surprising that the Gulf's closest political links to Pacific Asia are still with Japan." (Davidson, 2010). Japan had stronger economic relations, and at a faster pace than China or South Korea. This was highlighted in the official visits between the Gulf States and Japanese officials.

Moreover, Davidson mentions, "Japan is presently providing in excess of \$30 million in low-interest loans to Kuwait and nearly \$1 billion of technical cooperation aid." (Davidson, 2010). For Qatar, there have been eleven visits from the Japanese side, and remarkably, thirty-six Qatari visits to Japan on both the ministerial level and Emiri level. These levels have been taken after Qatar started exporting natural gas to Japan.

Moreover, Davidson mentions, “Japan has provided Qatar with about \$25 million in disaster relief and about \$100 million in technical cooperation aid.” (Davidson, 2010).

As Davidson argues, there have been economic relations with Asia Pacific states, however security arrangements were not developed significantly due to reliance on Western allies. This was attached to the fear that any changes in the status quo would be followed by a threat to largest hydrocarbon reserves in the world. That is why the kind of relationship would expand and diversify in economic, culture and diplomacy collaborations between Gulf states and Asian Pacific countries.

### ***Oil Security Japan and Gulf States:***

Valerie Yorke’s journal article: *Oil, the Middle East and Japan's Search for Security* discusses Japan’s search for energy security in the Middle East. Moreover, from 1980 and later, Japan’s energy policies moved toward diversification efforts of resources away from Middle Eastern oil (Yorke, 1981). The availability of a cheap oil supply made Japan dependent upon and vulnerable to Middle Eastern oil. The oil imports increased aggressively from the 1960s to 1978 from 37 percent to 76 percent (Yorke, 1981). Moreover, over 70 percent of Japan’s total oil imports originated from the Arabian Gulf, while other key importers, such as European and the United States, imported 60 percent and 29 percent respectively (Yorke, 1981). Japan acted strategically by increasing their control of oil by dealing directly with oil producers in the Gulf. Those in Japan aimed to enhance and develop the bilateral relations between the Gulf States. The development of Japan– Gulf relations was driven by the need of a controlled oil supply, either through a direct deal or from a government-to-government foundation (Yorke, 1981). The bilateral relations between GCC and Japan was not easily obtained, as Yorke stated for two reasons:

“Japanese perceptions regarding the economic needs of the oil-rich states have not necessarily coincided with those of the host countries, and Japanese companies have been

criticized for failing to promote the nationals of host countries and their businessmen for being aloof and culturally distant from the Arabs.” (Yorke, 1981).

However, the researcher disagrees with this quote, as the Japanese enterprises have reached good results with promoting national’s capabilities. Japan's interest in the Middle East could be divided into two areas: economic and political. Economically, Japan wanted to secure the flow of current oil sources and find new oil reserves in the Arabian Gulf. While politically, Japan wanted to ensure and stabilize the political disruption happening in the Arabian Gulf and the Middle East. The 1979-1980 oil crisis led Japan to adopt two conflicting policy tactics toward the Middle East: Bilateralism and Multilateralism. The Japanese bilateralism approach increased tension in the relationship between Japan and its Western allies who competed for oil and trade (Yorke, 1981). Thus, it was difficult to find convenient policies to guarantee the access to oil and stability of the region with the West. After the Iranian revolution, Japan intensified its bilateral relations with the Arabs. Japan has overwhelmingly depended on the United States in different ways: strategic, economic and political (Yorke, 1981). Therefore, Japan had to find common ground and strike a balance of relations between two conflicting players or interests during that period. As a result, Japan reached a peaceful bilateral relationship with Gulf states without jeopardizing its relations with western allies during times of conflict. Yet Japan wanted to have an independent relationship with Gulf states so that during times of turmoil, it would use the economic interdependency to resolve conflicts without using or relying on coercive measures, characteristic of the US approach to the Gulf. This is what Miyagi (2013) would argue; a non-coercive approach in such relations has deeper roots than the coercive military approach toward the Gulf. According to the literature reviewed, Japan’s approach to Gulf countries was far from the western approach. Japan recognized that the liberal approach was more efficient and was much needed for the stability of the nation, and relations between Japan and Gulf states. Moreover, Japan’s constitution prohibits the use of force to resolve international conflicts and disputes.

Yorke and Miyagi have the same point of view in their work, that Japan tended to secure and prioritize the energy security in their relationship with Gulf over the classic realism approach. The researchers agree that

the relationship is security driven, rather than politically. In other words, the flow of energy sources and the economic situation could be viewed as a security risk that threatens the power and the economy of Japan. The interest of Japan in the Middle East is not commercially or economically driven as has been argued by Miyagi, but is focused more on energy security of resources. Therefore, Japan's security is not all about defending its territory and its sovereignty, but also securing the flow of energy resources from the Middle East to Japan that would influence heavily Japan's economy and its energy security policies. According to Miyagi, "definition of security downgraded coercive military approaches and sought to deal with threats as symptoms of deeper root causes that are best addressed by non-coercive measures and through the generation of shared interests through economic interdependence." (Miyagi, 2013). This was demonstrated when Japan pursued international institutions and laws over offensive military capabilities. The approach of Japan in the Middle East is different from the American approach. The United States used military power to secure the oil and gas resources, while Japan sought to establish economic interdependence in regional conflicts to avoid threatening its energy security.

Yukiko Miyagi studies Japan's security from a theoretical framework based on international relations theories such as realism theory. However, the case of the security issue in Japan does not necessarily mean military solutions and power conservation. It's more toward a multidimensional approach of "comprehensive security" (Miyagi, 2013). The theory of comprehensive security was proposed by Japan where it combines the traditional thought of security (focused on defense against external military act), and the secure of flows of energy resources that the country depends on . This means the issue of energy security cannot be treated or dealt with separately from the overall understanding of Japan's security.

Yorke and Miyagi dealt with Japanese relations with Gulf using historical information of how the relationship was established and witnessed the a number of progressive and regressive situations. Especially with the Arab oil crisis in 1973 and the influences of the Western powers in the situation. However, both authors agree that Japan had to act strategically and diplomatically to secure a safe flow of energy resources regardless of any current situation that would have threatened the relationship, such as Iran-Iraq war.

Walid Sharif's book, *The Arab Gulf States and Japan: Prospects of Co-operation*, explores the prospects for economic cooperation between the two key players, which are Japan on the one hand and the Arab Gulf states on the other hand. He examines the relationship of consuming and producing energy, mainly oil and gas, in one of his chapters. The producing Arab Gulf countries have a different understanding of supply security where it is the unlimited supply of oil to meet demand requirements, while consuming countries such as Japan, one of the largest consumers of the Middle Eastern oil after World War II, have a different perspective of supply security; it misunderstood the conservative policy of oil exporting countries where they assumed that the prices of oil could blend and undergo price maintenance. (Sharif, 2010).

Moreover, Abdulaziz Al-Sowayegh and Walid Sharif in their chapter, *The Security Of Oil Supplies: Prevalent Views Among Oil Consumers And Producers*, argue that there are three methods followed by oil consuming countries for insurance of supply reliability. The first common method includes bilateral relations with oil exporting countries, an example being Japan's bilateral relations with Arab Gulf countries. This method has more of a political dimension than economic; consuming countries use their oil stocks as an influence or lobbying the oil market especially against OPEC. The third method is major oil consuming countries were joining and founding the International Energy Agency (IEA) for the purpose of improving oil supply security vis-à-vis the OPEC members (Sharif, 2010). The IEA introduced the oil allocation emergency system in case of shortfalls.

Al-Sowayegh and Sharif examined the issue of Japan and Gulf relations differently than Yorke and Miyagie, which relied on the theoretical framework and the concept of comprehensive security. Regardless, all the authors dealt with the same subject which is energy security. Al-Sowayegh and Sharif emphasized energy security through consumer-producer dialogue. However, almost all of the authors agree that economic means is one of the diplomatic tools of international relations which is justified by the national interests of the country.

## ***International Cooperation, Petrochemical Industries and Joint Ventures in Energy Sector and Development***

Adnan Y. Almeer (2010) provided an in-depth understanding of relations between Kuwait and Japan regarding oil demand and supply. For instance, The Arabian Oil Company was a joint venture between Kuwait and Japan, operating in a Neutral Zone (Sharif, 2010). The Neutral Zone is a shared zone between Saudi Arabia and Kuwait, and the oil produced from the Kuwaiti side was exported to Japan. The oil concessions started in 1957 with Saudi Arabia followed by an agreement with Kuwait in 1958 (Sharif, 2010). The terms of agreements were agreed for both countries; however, there was a specific term of concessions that there will be no oil sale to Arabs' enemies by the Japanese, which was respected by the Japanese government. This agreement took place before Kuwait declared Independence. After the independence of this country, the relations have strengthened, and Kuwait have been granted many contracts by the Japanese in the development, construction and technology fields (Sharif, 2010).

Another dimension of an economic cooperation that would facilitate more direct deals of oil, Japan has encouraged Japanese companies to be part of joint-ventures. For example, Mitsubishi was offered by the Japanese government one-half of equity obligation on Jubail, Saudi Arabia for petrochemical complex (Yorke, 1981). This was a move toward future deals and energy security in the Gulf and Middle East region. However, this decision was commercially risky to the Japanese government, especially after the Iran-Iraq war broke out and cost Japan millions of dollars because of Iran-Japan Petrochemical Company project, Mitsui Bandar Khomeini. Mitsui Bandar Khomeini is a \$4.5 billion Iranian petrochemical complex, which was nearly complete when the war broke out, and the profitability of the project was lost as reconstruction would have cost even more (Reuters, 1988)

Adnan Y. Almeer also provided an overview of the Japanese companies that were associated with petrochemical projects in Arab oil-producing countries. They are Chiyoda, Hitachi, Mitsubishi, Mitsui and

Toyo (Sharif, 2010). As mentioned by Almeer: “Among these companies Chiyoda had the lion’s share, as it has participated in the establishment of nine major projects, six of which are in Saudi Arabia, two in Iraq, and one project in the United Arab Emirates. The total value of the contracts concluded by Chiyoda for the above projects is in excess of \$5 billion dollars.” (Sharif, 2010). Similarly, there were a number of contracts by Hitachi in Kuwait, Tunisia, Algeria and Egypt. This demonstrates that Japan had strong ties with different Arab countries that was driven by different reasons. This have helped promote the Japanese government as a neutral government that neglects the differences between countries and focuses of economic gain and international trade. Historically, the relationship between Qatar and Japan was not significant compared to other Gulf countries such as Kuwait and Saudi Arabia, considering that Saudi Arabia has the lion’s share of petroleum energy. Therefore, the relationship between Gulf countries and Asian Pacific countries would always start with Saudi Arabia.

In Dargin’s journal article, *Qatar’s Natural Gas: The Foreign-Policy Driver*, focuses on the history of Qatar’s oil and natural gas development at a time when the Arabian Peninsula was recognized as a war zone. What makes this paper interesting is the fact that it highlights the foreign relations during the development of LNG production in North Field. Particularly, the lack of financial and technical expertise by Qatar General Petroleum Company (now Qatar Petroleum) drove Qatar to grant equity stakes to some of international oil companies such as Royal Dutch Shell (Dargin, 2007). However, due to Japanese interests in LNG production and imports it granted North Field development to the Qatar Liquefied Natural Gas Company (Qatargas). The dependence and requirements of Japan on LNG was not met at this time because the region was undergoing the Iraq-Iran war. As a result, the development of North Field for LNG export faced stumbling blocks in the 1980s (Dargin, 2007), and it was only in the 1990s, with foreign financing, that Qatar was able to set its target of LNG exports.

Krane and Wright emphasize Qatar’s investment in the energy sector and in particular, and gas liquefaction and export infrastructure through a joint venture agreement between Qatar Petroleum, BP and the Japanese trading companies, Marubeni and Mitsui. As was mentioned earlier, Wright and Krane emphasize the

involvement of Japan on Qatar's LNG development and construction through the first LNG venture, Qatargas. "Japan's participation was also crucial to the success of the first LNG venture, named Qatargas. Japanese entities contracted to buy nearly all the plant's LNG, while also financing the U.S. \$5 billion downstream portion of the project and the construction of the required tanker ships." (Krane & Wright, 2014)

This is solid evidence of the development of relations and increasing interest in Qatar as a strategic partner to Japan. Moreover, it highlights the historical approach of Japan toward the Gulf states, which is associated with economic relations and energy security. However, the literature lacks depth of information regarding Japanese companies involved in Qatar projects since the start of the relationship. Moreover, Japan presents a strategic partner to Qatar from the energy perspective, but the culture and educational perspective was not emphasized in the literature.

### ***Fukushima Nuclear Accident and Shift in Energy Policies***

Masatsugu Hayashi and Larry Hughes' policy paper aimed to provide a transformative account of Japan's energy policy before and after the Fukushima accident. The nuclear power constituted of 31% of installed capacity in Japan before the accident, and the Japanese government aimed at increasing the dependency on nuclear energy to 53% after revising the Strategic Energy Plan of Japan (Hayashi and Hughes, 2013). In other words, there was a plan of constructing 14 new nuclear reactors before the accident (Hayashi and Hughes, 2013).

Historically, oil was the main source for electricity in the 1970s (Hayashi and Hughes, 2013). However, the government moved toward diversification after the oil crisis in 1973. The diversification of sources included an increased share in nuclear power; LNG-fired power, coal, oil and hydroelectricity which constituted 30.8%, 27.2%, 23.8%, 8.3%, 8.7% respectively (Hayashi and Hughes, 2013). Before the accident, there were 17 nuclear power plants along with 54 reactors. After the accident, LNG played a significant role in

substituting the absence of nuclear power. Akira Miyamoto, Chikako Ishiguro, and Mitsuhiro Nakamura support Hayashi and Hughes in that LNG trade was impacted by Japanese energy policies after the Fukushima incident. However, their argument of impact does not specify in the context of the Asian market, but also on the European market.

Respectively, the Japanese government imported petroleum, natural gas and coal with percentages 99.6%, 96.3% and 100%. The LNG imports were imported from various countries: Qatar, Oman, Malaysia, Australia, Russia and Brunei. However, Qatar's supply increased significantly from 2010 to 2011 by 42% of LNG imports (Hayashi and Hughes, 2013).

### ***Culture and Diplomacy Cooperation:***

Miyagi's book, *The Diplomatic Relations of Japan with the Middle East*, had varying levels of engagement and depended upon the classification of oil and nonoil Arab countries. Relatively speaking, Japan was more proactive toward oil producing Arab countries than toward nonoil producing Arab countries. This shows that the diplomatic relations were influenced by the Japanese oil interests in the Middle East.

As stated by Miyagi, the economic instrument influenced Japan's diplomacy in the world, and in particular, toward the Gulf States. Japan's Official Development Assistance (ODA) was used during the 1973 Arab oil crisis to ensure the flow of oil. It was also used to stabilize and mute conflicts during, and after, the Cold War period (Miyagi, 2013). After the Cold War Japan once became the largest donor in aid volume, surpassing the United States (Ohno, 2014). The ODA's policy was to continue the aid for nation-building after wars and conflicts. However, Miyagi comments regarding to strategic ODA, saying,

“bilateral assistance has the advantage of strengthening ties with and potentially gaining some leverage over recipient states, multilateral economic assistance through international organizations can be efficacious in winning prestige and asserting a role in international leadership” (Miyagi, 2013, 44)

ODA has used “resource ODA” which is provided in the form of a loan or technical assistance for oil

producing countries in the Middle East to ensure the security of Japan's oil supply. According to Ministry of Foreign Affairs in Japan: "Japan gave a total of \$11,474 million in ODA in 1993, by far the largest among the donor countries of the world. The number of recipient countries and regions of Japan's official development assistance in 1993 topped 150" (Ministry of Foreign Affairs of Japan, 2015).

The ODA also encouraged balanced economic development among oil and nonoil Arab states that would certainly lead to regional stability. The Japanese diplomacy model was different from that of Western countries which focused on military capabilities rather than socio-economic development. The ODA to Gulf oil states such as Qatar, Kuwait, and the United Arab Emirates was aided through private businesses that enrolled under the jurisdiction of the Ministry of Economy, Trade and Industry (METI) as a means of constructing economic ties between Gulf States. While detailed information regarding the pace of interference of these private business was not found, it's obvious that the private businesses in Qatar-Japan relations was used to deepen energy relations, especially in LNG Businesses.

Al-Ebraheem emphasized that Japanese diplomatic relations with Arab Gulf states were significant in the 1970s; there was a joint increase in interest between the two regions. The increase manifested in different sectors including friendship and research centers that study the Middle East in general, and the Gulf in particular. There were many research centers that were established to manifest and develop this interest such as the Economic Research Institute for the Middle East, the Middle East Research Association and the Japan Cooperation Center for the Middle East (Sharif, 2010). However, most of these efforts was mainly between Saudi Arabia and Japan: "Saudi Arabian imports from Japan amounted to about \$ US6.6 billion, which made Saudi Arabia Japan's second largest single export market after the United States." (Sharif, 2010). Through the literature and history of economic relations and trade between GCC and Japan, Saudi Arabia took the lion's share.

The active diplomacy of Japan was witnessed during the Iran-Iraq war, where Japan wanted to end the hostilities and protect its interests (Miyagi, 2013). Japan feared that there would be a compromise on Japanese oil firms in Iran, which altered the government's diplomatic relations. Nonpartisan diplomacy

during the period of the Iran and Iraq war where Japan did not compromise its relations between the two states challenged Japan's trusted ally, the United States. However, Japan leaned more toward energy security and protecting its interests of energy - neutrality was the core of Japanese-Middle Eastern relations. Yet there are rare events in the history where Japan's administration tilted toward one side. As an example, Japan's position during the first phase of engagement in 1970s tilted toward the pro-Arab side (Miyagi, 2013). Japan aligned with the Arab demands in the Arab-Israeli conflict to ensure the steady supply of oil to Japan. Japan made an effort and granted the Palestinian Liberation Organization (PLO), the representatives of Palestinians in the territories, a liaison office in Tokyo in 1977 (Miyagi, 2013). Nevertheless, Japan's contact with the PLO was viewed in an "informal" way in order to avoid criticism from the US and Israel, and the PLO's chairman visit to Tokyo, Yasser Arafat had an unofficial status. However, Japan's position in 1970s was different from the 1980s where it shifted to be more neutral, rather than a pro-Arab and pro-Palestinian position. Japan in 1970s was neutral but in quiet pace, however in 1980s, it was openly expressing its neutrality. This was due to the fact that Japan's policy makers wanted to take an international stance in Arab-Israeli peace process which would only happen if Japan took neutral position between the two parties. This kind of neutrality in Japan's foreign policy was also seen between Japan and Iran, when Japan refused to break ties with Iran after 1979 Islamic revolution and US hostage crisis. Additionally, Japan did not break links with Iran and Iraq after the Iran-Iraq war between 1980-1988; in fact, Japan maintained economic relations and political contacts. However, Japan was increasingly pro-US in its position during the US-led military operations in the Middle East in the Gulf War of 1990-91, Afghanistan war 2001, and Iraq war 2003 (Miyagi, 2013). Japan did not take a "third party diplomacy" in these cases, and it did not try to de-escalate these conflicts.

Japan's foreign policy in oil countries was more proactive to protect Japanese interest in oil and Japanese firms. This was illustrated when Japan tried to mediate and resolve the Iranian conflict in 1983 until the ceasefire was agreed to in August 1988 (Miyagi, 2013). Japan also sought to end Iranian isolation and proposed that United Nations (UN) General Assembly to listen to Iranian side.

On the other hand, Japan's diplomacy was limited when it comes to non-oil countries where it only become

proactive where there is US backing or to be part of a multilateral effort. As Miyagi stated:

“Japan moved away from its earlier role as a non-partisan interlocutor seeking an exchange of views and promoting adversaries’ communication and confidence-building, towards a more politically-laden often one-way manner of communication, in which demands (of the US) were delivered without any attempt to take on board the points made by the counterparts, notably those of Iraq” (Miyagi, 2013, 40).

The cultural cooperation between Japan and GCC was considered as tool to ensure the sustainability of such relations. The elements of culture in arts, exhibitions and cultural weeks were a presence in the GCC. Qatar developed and made progress in the cultural domain and relationship between Qatar and Japan. Japanese heritage in terms of food, events of Japanese animation and arts, along with Japanese outfits are gaining more attention and interest from Qatari society recently (Tomoko Watanabe, personal communication, January 29, 2017).

The development of cultural cooperation between Qatar and Japanese education opened courses in Qatar University for Japanese language and history. As an example, Qatar University received the largest amount of donation from Japanese company, Marubeni. The Marubeni donation was \$6 million over the period of 5 years, which has resulted with establishment of two faculty positions; a teaching position for Japanese language class; student internship program to Marubeni’s Tokyo headquarters; and a Qatar-Japan student cultural exchange program. (Marubeni, 2014). Moreover, an Encyclopedia Of Japan was established in Arabic and was distributed to elementary and junior high schools in Qatar.

These efforts highlight the importance of such unique relations between the two countries. It involves not only the state-to-state relationship, but also non-state actor to non-state actor relationship between Qatar and Japan.

The Embassy of Japan and the Japanese Teachers’ Association in Qatar (JALTAQ) organized “The 8th Annual Japanese Speech Contest,” where 25 Japanese learners presented their language skills in front of an audience.

Hamad Bin Khalifa University (HBKU) also had its share in the knowledge sharing of the Japanese culture into Qatari's society. It hosted "Japanese Tea Ceremony," in collaboration with Virginia Commonwealth University in Qatar (VCUQ) where there was live demonstration of tea ceremony hosted by Japanese tea master (Embassy of Japan in the State of Qatar, 2016). These events occurred in 2016, when comparing to previous years, there was a steady development in education and cultural sectors. The Qatari audience is becoming much more interested in the Japanese culture, especially after the Qatar Museums' initiatives. There are various of efforts that are being shared and made to many schools and universities in Qatar and vice versa. However, it seems that there is a lack of internal collaboration within the state of Qatar with regard to spreading Japanese culture in Qatar.

### **Purpose of the Study**

The purpose of the research is to assess the bilateral relationship between Qatar and Japan in these case studies: energy security, culture and diplomacy from theoretical perspective. Moreover, to provide a comparative analysis of applications of each of the main areas of interest of the case studies. This would provide a clearer picture of the depth and the interdependence of these case studies and the level of involvement. Energy is the main element that have a significant effect on the bilateral international relations. The study will examine the key projects, the internal cooperation, and the joint ventures or other agreements between Qatar and Japan that helps in understanding the bilateral relationship in Energy. The culture and diplomacy will be elaborated on over the initiatives that was carried out by many organizations and institutions that would provide along with Energy projects a better understanding of the emergence of complex interdependence relationship.

## **Research Question**

There is a lack of resources and analytical studies on the significance of Qatar-Japan relations in these sectors: energy, trade and investment, culture and security. It is therefore difficult to examine the bilateral relations between Qatar and Japan due to the absence of these resources. Also, the literature review available was only targeted to a certain period or incident, such as the Gulf War or Iran-Iraq war. It was difficult to find literature or research that examines the relations in-depth from an analysis perspective. There were studies that have tackled Japan and Gulf relations generally, or Japan and Middle East relations, but only in certain areas. Also, the researcher had difficulty collecting information from different resources regarding different projects that were conducted by Japanese firms or initiatives in Qatar as there was a lack of an integrated database that provides this kind of data.

The research looks at the extent of LNG trade and the spillover effect on Culture and Diplomacy from theoretical perspective. The studies that have been conducted in this field generally focus on the Gulf states and Asian countries relations including China, and South Korea, along with Japan. Comparison between the case studies that will be examined in the next chapters will facilitate an understanding of the depth of relations and provide guidance and expectations to where the energy and cultural projects would drive the relations in the future. The theoretical framework used in this research will provide an expected outcome with less uncertainty.

As a result the research attempts to answer How can the international relations between Qatar and Japan be conceptualized in terms of the key areas of cooperation: Energy Security, Culture and Diplomacy?

## **Research Design**

The research will approach the study from a pragmatic worldview. It will provide space and flexibility to use whatever techniques or methods to approach the study and meet the needs and purposes of the researcher. It fits the researcher's topic because a pragmatic approach would arise from actions and consequences rather than antecedent conditions (Creswell, 2013). Through the pragmatic approach, the research will use pluralistic approaches to drive to knowledge regarding the problem. The best approach toward this research is through a Qualitative research design. The qualitative approach would be through taking each of the elements of research, which is in this case: energy and culture as a case study. The research methods would be individual interviews, data analysis method, and validation methods such as triangulation. The data collection would be based on semi-structured and unstructured questions; primary resources: interviews that could be face-to-face or telephone interviews; and secondary resources: books, reports, and journals. The selection of participants would be through snowball sampling. The researcher knows professionals who work in Qatar Petroleum and other joint venture companies that would direct the researcher to the professionals of main interest in this research.

The research parameters will be on the main themes which include: energy security through joint ventures and infrastructure, along with cultural and diplomacy relations between Qatar and Japan from international relations perspective. The timeframe of the research starts after the Fukushima incident in March 2011. The relationship between Qatar and Japan has its historical background, however, the Tsunami incident that lashed Japan's primary source of energy helped to strengthen ties between Qatar and Japan on hydrocarbon and non-hydrocarbon trades.

The sample interviewees included expert and professionals with knowledge in the subject of Qatar

and Japan relations, from academic, government and diplomatic fields. The participants were chosen based on their relevance of their knowledge and expertise of the topic. The interviews were half an hour to 45 minutes long. The interviews were conducted face-to-face, by telephone and by Email for the participant from the other end of the world. All the interviews that were done on one-to-one were recorded by audio recorder. There was difficulty in allocating time with busy professionals and the holiday time was about. That is why some interviews were delayed. Some of the interviews were not adding value or new information to the topic, while some added value to my research especially with Embassy of Japan in the State of Qatar that was very supportive. For a sample list of questions prepared for the interview, please see the Appendix.

The people who were chosen for interview, were chosen based on their workplace, expertise in this relevant research topic and knowledge.

Table 1: List of Interviewees

| <b>Name</b>              | <b>Profession</b>                            | <b>Organization</b>                      | <b>Date of interview</b>        |
|--------------------------|--|--|---------------------------------|
| <b>1</b> Koji Horinuki   | Research Fellow                              | The institute of Energy Economics, Japan | 23 <sup>rd</sup> November, 2016 |
| <b>2</b> Junichi Iwazaki | First Secretary, Commercial attache          | Embassy of Japan in the State of Qatar   | 29 <sup>th</sup> January, 2017  |
| <b>3</b> Tomoko Watanabe | Head of Cultural section and General Affairs | Embassy of Japan in the State of Qatar   | 29 <sup>th</sup> January, 2017  |
| <b>4</b> Anonymous       | NA   | Qatar Petroleum                          | 1 <sup>st</sup> February, 2017  |
| <b>5</b> Anonymous       | NA   | Qatar Petroleum                          | 29 <sup>th</sup> February, 2017 |

## **Structure of Research**

The structure of the thesis is divided into six chapters where the first two chapters are introduction and literature review, and then the theoretical, conceptual framework of international relations that will be used as a reference when studying the relations in Energy and Culture. The third chapter elaborates over Energy Security, and it has a division of international cooperation and Japanese investment in the context of Qatar-Japan relations. The fourth chapter deals with Cultural and Diplomacy cooperation, which is a soft power tool that is used to ensure the sustainability of relationships and influence over long-term. The fifth chapter is a comparative analysis of the evolution of Qatar-Japan relations followed by the final section, which is the conclusion and main statements.

## Chapter 2: Theoretical framework

To understand the evolution of international relations between Qatar and Japan in energy and culture, it's crucial to recognize the compatibility of international relations theories that help explain their interactions. Creswell explained that conceptual frameworks provide a broad explanation for the behavior and attitudes (Creswell, 2009). This provides an overall lens for the study and enables the researcher to understand the intricacy of the relationship. This chapter highlights the international relations theories that will be examined and tested on each of the cases areas, energy and diplomacy, to understand the nature of the relationship between Qatar and Japan. It will enable the researcher to understand the prospects for such relations. Realist, liberal and complex interdependence perspectives are the main, competing theoretical frameworks used to analyze the GCC states relations at different level of analysis with other countries.

### ***Realist and liberal perspective:***

The realist approach focuses on power as an essential tool. The main argument of realist theory is that relative distribution of power is necessary to avoid wars and conflicts (Nau, 2014). The researchers find it more important from the realist perspective to study the state actors rather than non-state actors. The power of states doesn't reflect the level of influence of one state over another, but through material capabilities. On the other hand, the realism perspective was further developed into neorealism or structural realism. Kenneth Waltz, who founded neorealism, identified capabilities of the theory in the distribution of power, "size of population and territory, resource endowment, economic capability, military strength, political stability, and competence." (Waltz,

1979). From the realist worldview, the balance of power is a strategy that provides an equilibrium of outcomes between one state to another. As part of the balance of power, states tend to form an alliance for greater power as this would increase stability and survival of the states (Nau, 2014). Mearsheimer (1994) makes four assumptions for realism which is often regarded as offensive realist: survival is the principle goal; states are rational actors; all states possess the military capacity; and the state with most economic power and (probably) military capacity are the decisive states. Neorealism concentrates on the outcomes that come from the alliances between states or participation in international institutions. For example, Japan gains from the partnership with Qatar regarding energy supply. Qatar has massive infrastructural projects currently underway, in addition to preparing to host the World Cup in 2022, where Japanese companies are taking a huge part in this project.

The economic capability of the state is an essential pillar, especially when understanding the Gulf countries from a theoretical international relations approach. There has been competing analysis of the penetration of realist theories in the GCC countries by many scholars. However, there has been a tendency that realist perspective was driven by two main factors: state's power interest or through the role of oil geopolitics (Wright, 2011). However, according to Nau (2014), it is too difficult to measure power and influence according to outcomes.

Singer suggested that realist perspective could be viewed efficiently from the national level of analysis that would explain the state's behavior (Wright, 2011). While other scholars, such as Steven David, argue that the two levels of analysis, systematic and domestic, explain the realist perspectives of the state's actions (Wright, 2011). Mentioning realist perspective is always a combined with a comparison of the wave of neoclassical realist approach. The new classical realist perspective borrows heavily from constructivism in international relations (Legrenzi, 2011).

Moreover, Legrenzi considered the neorealism as the most influential approach in international relation theories, especially when discussing the Arabian Gulf states and their regional integration. The theory of neorealism, developed by Kenneth Waltz, “put structure into the forefront, meaning that structural constraints are the primary drivers of the actors and not their priorities” (Orbán, 2008). The main assumption in this theory is that states behave similarly in the international system as their main motivation is survival. In contrary to classical realism, neorealism neglects the assumption that the states actions and decisions are influenced by selfish human nature or the motivations of their leaders. Additionally, it neglects the internal policy as well as the structure of a country’s government, instead arguing that states act rationally in the international system (Powell, 1994).

Liberals tend to have different views than Realists. Their main focus is on global society and international institutions (Nau, 2014). Andrew Moravcsik has developed three main assumptions regarding the liberal perspective in international relations: individual and private groups are the fundamental actors, states represent some dominant subset of domestic society, and the state’s behavior is socially driven. The main argument of liberals is that the stronger the social and economic connection between countries, the lesser the chance to have a war. The cooperation between states is the essence of the liberal school of thought. Reciprocity is a key concept in understanding the liberal perspective. It’s the practice and process of exchange with mutual benefits to either actors or players (Nau, 2014). As Nau (2014) stated: “States have increased chances to reciprocate if they interact frequently”. Therefore, the liberal focus on international relations is based on interdependence rather than independence, which is what would a realist perspective argues. The connections happen under a variety of contexts, from tourism and trade to

transportation, which may make one state dependent on the other state and vice-versa. There are two forces of interdependence or interactive international relations that were introduced by Nau (2014), which are technological change and modernization. First, technological change is related to building a human society through the application of communication, sciences and engineering. Whereas, modernization relates to the transformation of society to highly specialized and interdependent individuals after being self-contained (Nau, 2014). The liberal perspective places power in non-state actors. The role of nongovernmental organizations (NGOs), Private multinational corporations (MNCs), and intergovernmental organizations (IGOs) are crucial and important in balancing the power to facilitate the transnational relations. The term spillover effect or path dependence that is carried out by these kinds of institutions leads to more interactions with a variety of scopes between state and another.

According to Legrenzi, the neoliberal institutionalists are the significant challenge to the neorealist belief.

***Complex interdependence:***

However, the ideological and cultural spectrum seemed to be deeply rooted between the two countries through non-state actor initiatives. This could be viewed as a complex interdependence as was mentioned by Keohane and Nye (2012) in their book, *Power and Interdependence*.

Complex interdependence was founded after two world wars, and combines between liberalism and realism approaches. As was defined by the founders of complex interdependence:

“refers to a situation in some countries in which multiple channels of contact connect societies; there is no hierarchy of issues; and military force is not used by governments towards one another (Keohane & Nye, 1987).”

The multiple channels of communication between societies include communication of interstate, trans-governmental and transnational relations. Where interstate relations are the normal connections between nations, trans-governmental relations are a horizontal networks facilitated by government officials to enforce policies informally. Trans-governmental relations, as defined by Keohane and Nye (1974), are a “set of direct interactions among sub-units of different governments that are not controlled or carefully guided by the policies of the cabinets or chief executives of those governments. Thus we take the policies of top leaders as our benchmarks of official government policy.” (Keohane & Nye 1974, 43)

Finally, transnational relations refer to organizations such as nongovernmental organizations (NGOs) and multinational corporations (MNCs) that play a significant role in cross-border interactions.

Complex interdependence has three key features. First, there is no stable hierarchy when it comes to state policy, it is subjected to trade-offs. Secondly, the expansion of policy instruments is driven by the variety of contact between the societies that alter the foreign relations of the government. Finally, the military force in complex interdependence is mostly irrelevant (Keohane & Nye, 2012). Complex interdependence overcomes the traditional thought of foreign policy that focuses on the military force, instead with more emphasis on economic ties and cooperation.

In this regard, Qatar-Japan relations are best defined by the theory of complex interdependence. This is due to the fact the Qatar and Japan focus more on economic relations as the key driver for cooperation rather than military capability. Historically, the economic ties between Qatar and Japan are progressive where both countries benefit from one another. Japan is interested in LNG trade, and industrialization while Qatar is interested in education, technologies, and the cultural

aspect. The complexity of the relationship between Qatar and Japan is due to the fact there are multi-communications of actors driven by mutual benefits. The level of projects in energy, culture and the diplomatic relationship will be examined in this research. The theory of institutionalism which relies on microeconomic concepts can be used to explain the yielded cooperation between Qatar and Japan in different sectors. As Keohane (1984) argued, co-operation is driven by a rational and self-interested strategy for countries to pursue under certain conditions. The theory of institutionalism should overcome the uncertainties that produce doubt in cooperation, as would the realist approach be expected to through setting a decision-making procedure that is driven by a set of norms, practices, and rules. The theory tends to enhance the good reputation between Qatar and Japan over the long term. Institutionalism results in reciprocity and reputation which effectively bolsters the obligations between Qatar and Japan. The bilateral relations in this research represent a long-term strategic relation, and the existing institutions help to gain more efficiency and institutionalism before understanding the state's behavior.

***Soft power:***

The theory of soft power will be used in this research to explain the influence of the behavior of different actors, especially at the level of education and culture in the relationship between Qatar and Japan. Soft power refers to the ability to achieve the desired goals through attraction and not by hard power (Nye, 2005). The influence of soft power in international relations is significant as it enables the state to change its behavior toward another state. The concept of soft power is more oriented toward the liberal approach than the realist approach. Nye recognizes the growing dependence on transnational interdependence and that transnational corporations have massive

economic resources, making their role increasingly important, and that different issues yield to increase in their importance which would result in illustrating the concept of complex interdependence. This concept would be applied in the case studies, energy security, culture and diplomacy chapters, where complex interdependence, institutionalism, liberalism and soft power will build a conceptual understanding of the bilateral relations of these case studies.

In a research design, the variables are introduced that are characteristics which can be measured, tested and observed through the research design. Variables could vary from people, to behavior or organizations that are examined in a research. The researcher argues that the independent variables that influences the outcomes are energy trade with special reference to LNG trade, while the dependent variables are the Japanese firms operation in Qatar, construction business in different non-hydrocarbon fields, and finally, nongovernmental organizations (NGOs) in education, culture and diplomacy fields.

## Chapter 3: Energy security and projects funding in the context of Qatar Japan relations

This chapter will cover a broad range of energy areas between Qatar and Japan, including energy security and energy supply through project financing, construction and infrastructure development of energy-related projects and companies. Some of the international theories that were discussed in previous chapters will be used to analyze the relationship in each of the areas. The boom in Qatar's economy after increasing the gas production has pushed the country to develop an economic diversification that is backed by the government funding and initiatives (Gray, 2013). Due to the large production of oil and gas business, the country was forced to implement economic liberalization that increases the power and role of the market and other socioeconomic policy changes (Gray, 2013). This forced Qatar to pursue a balanced foreign policy that serves long-lasting economic and security strategies. This has resulted in a direct connection between foreign policy and economic policies that were mainly driven by the oil and gas sectors.

According to Christopher Davidson, in his book *The Persian Gulf and Pacific Asia*, the supply and demand of oil and gas undoubtedly remains the central pillar of the relationship between the Gulf monarchies and the Pacific Asian economies (Davidson, 2010). Hydrocarbons have been the primary driver of the relations between the two blocs: Gulf and Pacific Asian countries. What makes Pacific Asian countries as consumers of hydrocarbon industry more than their consumer rivals, Western countries, is that they enter into a mutually dependent relationship with the suppliers of hydrocarbons in the Gulf by including more mutual areas that guarantee the sustainability and the flourishing of the relationship between each Gulf country with a particular

country. This is illustrated with Qatar-Japan relationship where the hydrocarbon is the essence of the relationship, yet there are trade, services, culture, and construction areas included in such relations. According to the Organization of Petroleum Exporting Countries (OPEC) Japan's oil demand will have declined by 2030. However, the bulk of the oil Japanese imports is sourced from the Gulf monarchies (Davidson, 2010). There were efforts to diversify the sources from Africa and other countries, however the Gulf countries have always shown to be a reliable partner to Pacific Asian countries. In the next section, the researcher aims to explore Qatar-Japan relations from the energy security spectrum. The section provides a brief overview on energy security according to what has been reached from research perspective. Energy security can be understood differently according to the country, and whether it is an exporting or importing country.

#### **Qatar- Japan Energy security in international relations:**

The concept of security in the modern world has been considered proportional to the economic consideration of a country (Baylis, 2005). However, the conceptualization of the term security has been traditionally linked to the use of strength through military force (Baylis, 2005). Moreover, security has been largely viewed from the realist international theory perspective. Dario Batesiala defines security as

“the security objective associated with the absence of threats to the central values, it is the lack of fear when the values are axes of attack. These values are represented in the survival of the state, national independence, territorial integrity, economic prosperity, cultural identity, and fundamental freedoms.” (Husseini, 2009).

Buzan categorized the concept of security into five classifications: military security that involves military arms interaction; political security which refers to organizational structure of government

and nations; economic security which relates to the well-being and power of a country through financial resources and market specialization; social security which is associated with reproduction of culture, traditions, language and identity; and finally, environmental security, which is to maintain a pleasant atmosphere through humanitarian activities (Buzan, 1991). Energy security is a cornerstone of economic security. It is related to the economic and social progress of a country. The energy security concept was challenged during the 1973 energy crisis, which showed the vulnerability of economy. The energy crisis resulted in an international organization with international coordination and cooperation: International Energy Agency (IEA) advocated for to avoid another energy crisis (Colgan, 2009). Moreover, energy security is viewed differently from country to country according to IEA. For example, this is the continuous access to energy market for sales of energy for the energy-exporting country (Colgan, 2009). For Energy-importing countries, this is the ongoing assurance of supply of energy to maintain the economic and social development (Colgan, 2009)

Energy security has four main pillars: Availability, Accessibility, Affordability and Acceptability. According to The Asia Pacific Energy Research Centre these four components that were mentioned previously can compromise the energy security of a country (APEREC, 2007). In the case of Japan's Fukushima incident, their energy security was undermined by availability, accessibility and the acceptability pillars of energy security. Japan has altered their energy policies after the Fukushima incident, shifting toward increasing the imports from their LNG partners such as Qatar. The accessibility of energy security pillar has been the primary objective that has secured Japan, and prevented an energy crisis after the nuclear incident. Qatar provided the energy sources that Japan needed to ensure the country operates with minimal effect on progress and operations

of Japan. The realist perspective would argue that Qatar was looking after its own self-interest after Japan's crisis (Charles W, 2006). Cooperation from realist school is difficult from state to state level, while in Qatar-Japan relations, cooperation and mutual understanding was the essence of the relationships. Realism would utilize cooperation ideology only in energy security through bilateral international relations. Joseph Nye and Robert Gilpin, introduced a new approach, which is associated with economic power in protecting national and energy security. Joseph Nye would approach it from a soft power perspective where economy, culture, and ideas are utilized to reach the desired outcome and maintain the power of the state (Dannreuther, 2012). In the case of Qatar-Japan relations, energy was linked to economic advantages and progress rather than power, which is what a realist leader would pursue. In Qatar-Japan relations, energy have been the driver of such strong friendship which is associated with LNG trade. The next chapter of the research explores the depth of relations in terms of LNG trade and numbers.

### **Qatar-Japan relations: LNG driver:**

Qatar-Japan energy relations mainly started with LNG, with the inauguration of QG1 LNG plant in 1997. However, the first Sales and Purchase Agreement (SPA) was signed in 1992, and was followed by building 1st vessel Al-Zubarah in Chiba, Japan in 1996 (Al-Khulaifi, 2010). According to Qatar Gas, the first LNG delivery was to Chubu Electric at Kawagoe (Al-Khulaifi, 2010). Furthermore, in 2002, Qatar Gas delivered a total quantity of 10 million tons to Kawagoe Terminal for Chubu Electric (Qatar Gas, 2000). LNG supply goes to Japanese energy firms through various of terminals in QFlex or QMax vessel tankers which were developed by Qatargas in South Korea. The cargo capacity ranging between 210,000 m<sup>3</sup> to 217,000 m<sup>3</sup> for Q-Flex, while

the Q-Max can carry between 263,000 m<sup>3</sup> to 266,000 m<sup>3</sup> of LNG (Qatargas, 2014). Qatargas LNG fleet is constructed of 13-Qmax and 19 Q-flex while Rasgas 1 Q-max and 12 Q-flex (Al-Khulaifi, 2010). In addition to the newly designed fleet, Qatargas and Rasgas own 12 and 14 conventional ships (Al-Khulaifi, 2010). This illustrates the flexibility and reliability of Qatar as a trusted and capable LNG supplier.

Highlighting the LNG demand and supply for Japan, before the Fukushima nuclear crisis, Japan's LNG demand accounted for 32% (Al-Khulaifi, 2010). Japan imported 87.3 million tons of gas in 2012, or the equivalent to 6 trillion yen (\$61.3 billion) according to Bloomberg data (Hui Hong, 2013).

The table below shows the countries that have exported to Japan after the Fukushima incident. The first eight countries are blinded by a long-term contract with Japan while the following 10 states LNG are on spot/short-term contract basis. It can be clearly seen that the largest additional supply was from Qatar accounting for 8.30 MT in FY2011 in addition to the long-term contract quantity of 6 MT (Morikawa, 2012).

Table 2 *Quantity of Japan's LNG long-term contracts and actual imports FY2011. (Morikawa, 2012)*

| #  | Exporter          | Long-term<br>Contract (MT) | Actual Imports<br>(MT) | Difference |
|----|-------------------|----------------------------|------------------------|------------|
| 1  | Malaysia          | 15.41                      | 15.13                  | -0.28      |
| 2  | Australia         | 13.26                      | 13.59                  | 0.33       |
| 3  | Brunei            | 6.01                       | 6.18                   | 0.17       |
| 4  | Qatar             | 6.00                       | 14.30                  | 8.30       |
| 5  | Indonesia         | 5.83                       | 7.91                   | 2.08       |
| 6  | Russia            | 4.94                       | 7.77                   | 2.83       |
| 7  | UAE               | 4.30                       | 5.64                   | 1.34       |
| 8  | Oman              | 3.03                       | 4.23                   | 1.20       |
| 9  | USA               |                            | 0.24                   |            |
| 10 | Trinidad Tobago   |                            | 0.26                   |            |
| 11 | Peru              |                            | 0.75                   |            |
| 12 | Algeria           |                            | 0.11                   |            |
| 13 | Egypt             |                            | 0.85                   |            |
| 14 | Nigeria           |                            | 3.34                   |            |
| 15 | Equatorial Guinea |                            | 2.12                   |            |
| 16 | Norway            |                            | 0.34                   |            |
| 17 | Yemen             |                            | 0.36                   |            |
| 18 | Belgium           |                            | 0.06                   |            |
|    | Total             | 58.78                      | 83.18                  |            |

After the Fukushima crisis, Japan had to use the Upward Quantity Tolerance option. This option requires increasing the import between electricity suppliers and exporters by 5% to 10% based on the procurement spot market and the long-term contract. At the same time, before the crisis, Qatar expanded its production capacity from 30 million tons to 77 million tons 2008-2010 (Masatsugu Hayashi, & Larry Hughes, 2013). 20 million tons is shipped to the US. However, there was a decline in exporting to the US due to the rise of unconventional gas in the US (Masatsugu Hayashi, & Larry Hughes, 2013). This allowed Qatar to export to Japan by an increase of 55.4% year over year. From the Japanese side, prior to the Fukushima incident, Japan imported LNG by a quantity of 69.2 million tonnes which is considered one-third of the global LNG supply. However, in the time following the Fukushima incident, Japan's annual LNG imports rose to about 81.8 million tonnes which is an increase of 17.9% (Masatsugu Hayashi, & Larry Hughes, 2013). Qatar had the resources available which positively affected the relationship with Japan. According to resources from the Japanese Embassy in Qatar, Qatar was one of the first countries that rushed into helping Japan at the beginning of the crisis. The allocation of LNG was not an issue since the world geopolitics at that time were relying less on Qatari LNG; for example, the United States is investing heavily in shale gas.

In exploring the long, medium and short term contracts that were signed until the end of 2014, the table below specify the seller, buyer, amount by million tonnes per year, and the duration of contract. Qatargas are associated with Japanese companies unlike Rasgas 1,2 and 3 which tends to be more diversified in terms of the buyers.

Table 3

*The long- and medium- Term LNG contracts between Qatar and Japan (TOGY, 2015):*

| # | Seller                    | Buyer                                      | Contract quantity | Duration of contract |
|---|---------------------------|--|-------------------|----------------------|
| 1 | Qatargas 1                | Chubu Electric Power company               | 4                 | 1997-2021            |
|   |                           | Tohoku Electric Power company              | 2                 | 1998-2021            |
|   |                           | Tokyo Gas Company                          |                   |                      |
|   |                           | Osaka Gas company                          |                   |                      |
|   |                           | Kansai Electric Power Company              |                   |                      |
|   |                           | Tokyo Electric Power Company               |                   |                      |
|   |                           | Toho Gas Company                           |                   |                      |
|   |                           | Chugoku Electric Power Company             |                   |                      |
|   |                           | Tokyo Electric Power Company               | 1                 | 2012-2021            |
| 2 | Qatargas 2 ( train 1 & 2) | Is not associated with Japanese companies. |                   |                      |
| 3 | Qatargas 3                | Chubu Electric Power Company               | 1                 | 2013-2028            |
|   |                           | Kensai Electric Power Company              | 0.5               | 2013-2027            |
| 4 | Qatargas 4                | Marubeni                                   | 1                 | 2011-2031            |

### **Qatar-Japan International cooperation and joint ventures:**

The investing policies of the Japanese government are quite open toward Qatar. This includes big Japanese firms and Japanese financial institutions providing loans to Qatar for “general business purposes” projects (Atlantic Council, 2016).

The Japanese companies have invested in various energy sectors in Qatar as shareholders. Qatar Gas has built strong relations with Japanese buyers and largest costumers. It started in 1997 with the first LNG delivered to Chubu Electric at Kawagoe’s terminal (Qatar Gas, 2000). This was followed by building stronger relations with a variety of Japanese companies such as: Tohoku Electric Power Co., Inc., The Tokyo Electric Power Co., Inc., The Kansai Electric Power Co.,Inc., The Chugoku Electric Power Co.,Inc., Tokyo Gas Co. Ltd., Osaka Gas Co., Ltd. and Toho Gas Co. Ltd. (Qatar Gas , 2000)

While many examples exist, two are particularly illustrative. In 2005, Cosmo Oil Co. produced 10,000 barrel per day of crude oil under a production-sharing agreement EPSA or DPSA (Sojitz Corporation, 2006). Moreover, Idemitsu Kosan Co. and Cosmo Oil Co. constructed a condensate refinery in Ras Laffan City in 2008. These joint-ventures are divided between Oil sector, Gas sector, and independent water and power plant (IWPP). For instance, Mitsui and Marubeni represent minor shareholders in Qatargas regarding the upstream sector, while Itochu and LNG Japan are the minor shareholders of Rasgas. For IWPP, Chubu Electric Power Co. is considered also as a minor shareholder of 1.3 GW power plant in Ras Laffan. This project was scheduled for commissioning in 2008. Also, Marubeni owns 40% of a 2,000MW power project in Mesaieed Industrial City, that was expected to be commissioned in 2010 (Marubeni Corporation, 2006). This

is a joint venture agreement with Qatar Petroleum (QP) that owns 20% and Qatar Electricity & Water Company (QEW) which owns 40% of the project (Marubeni Corporation, 2006). This is one of the largest power plants in the world costing 2.3 billion dollars (Marubeni Corporation, 2006). The project was followed under the BOOT method, which means it will be built, owned, operated and then transferred to the facility (Marubeni Corporation, 2006). It would be constructed by Marubeni, owned and operated for 25 years, and then it would be transferred to either Kahrmaa or Qatar Electricity & Water Company. (Marubeni Corporation, 2006).

In 2012, Qatar Gas under His Excellency Dr. Mohammed Bin Saleh Al-Sada, the previous Minister of Oil and Industry of Qatar and previous Managing Director of Qatar Petroleum, signed long term LNG Sales and Purchase Agreement (SPA) with Kansai Electric Power Company Incorporated (KEPCO) of Japan (Qatar Gas, 2012). KEPCO is considered as the second-largest electricity company in Japan. The relationship between KEPCO and Qatargas dates back to 1997 where multi-party agreements were signed. However, this is the first long-term bilateral agreement that was signed between Qatar Gas 3 and KEPCO. The deal terms were that Qatar would deliver 0.5 million tons per annum (MTA) of LNG starting from 2013, and continuously for 15 years (Qatar Gas, 2012). Moreover, Dr. Mohammed Bin Saleh Al-Sada, Minister of Energy and Industry and Chairman of the Board of Qatargas signed another long-term Liquefied Natural Gas (LNG) Sales and Purchase Agreement (SPA) between Qatar Gas 3 and Chubu Electric Power Company Incorporated (Chubu Electric) of Japan (Qatar Gas, 2012). Qatar Gas 3 would deliver one million tons per annum (MTA) of LNG for 15 years starting in 2013 (Qatar Gas, 2012). Chubu Electric is considered as a unique and loyal customer to Qatargas since it was the first Japanese company that signed SPA in 1992 (Qatar Gas, 2012). This is why there are several agreements that were signed

with Chubu Electric, either multi-party agreement as the one that was signed in 1994 or as a tripartite agreement that was signed in 2011 for LNG supply with Chubu Electric Power Company and Shizuoka Gas Company (Qatar Gas, 2012). In 2012, Qatar signed three long-term contracts bilaterally with the three strongest Japanese companies, which highlights the importance of Japan to Qatar and vice-versa, and the continuous partnership of Qatar to support energy security in Japan.

Similarly, in the same year, Qatar Gas 1 signed a long-term contract with Tokyo Electric Power Company (TEPCO) to deliver 1.0 million tons per annum (MTA) of LNG in the long term through Qatar Gas 1 (Qatar Gas, 2012). With this new agreement and the existing previous agreements, Qatar Gas supplies TEPCO approximately 2 million tons of LNG (Qatar Gas, 2012). It is also important to mention that TEPCO received LNG in 1997 from the start up Qatar Gas 1 project (Qatar Gas, 2012). Consequently, Qatar Gas 1 is a joint venture of four different companies: Qatar Petroleum (QP), US' ExxonMobil, French Total and Japan's trading companies, Mitsui and Marubeni.

The table below illustrates the Qatar Liquefaction Plants with Japanese Companies from 1999 in a long-term buyers basis.

Table 4: *The joint venture between Japanese companies and Qatar Gas (TOGY, 2015)*

| Site                            | # of trains | Capacity (MTY) | Owners  | Long-term buyers  | Startup year |
|---------------------------------|-------------|----------------|---|---|--------------|
| <b>Qatargas (train 1&amp;2)</b> | 2           | 6.4            | Qatar Petroleum (65%), Exxon Mobil (10%)<br>Total (10%), Marubeni (7.5%), Mitsui & Co. (7.5%)   | Chubu Electric Power Company, Chugoku Electric Power Company,<br>Kansai Electric Power company, Osaka Gas company, Toho Gas company, Tohoku Electric Power company, Tokyo Gas Company,<br>Tokyo Electric Power Company, Gas Natural Fenosa, PTT | 1999         |
| <b>Qatargas 1 (train 3)</b>     | 1           | 3.1            | Qatar Petroleum (65%), Exxon Mobil (10%)<br>Total (10%), Marubeni (7.5%)<br>Mitsui & Co. (7.5%) | Tokyo Gas Company   | 1999         |
| <b>Qatargas 2 (train 1)</b>     | 1           | 7.8            | Qatar Petroleum (70%)<br>Exxon Mobil (30%)  | Exxon Mobil, Chubu Electric Power Company   | 2009         |
| <b>Qatargas 2 (train 2)</b>     | 1           | 7.8            | Qatar Petroleum (65%), Exxon Mobil (18.3%), Total (16.7%)                                       | Exxon Mobil, Total, China National Offshore Oil Corporation   | 2009         |
| <b>Qatargas 3 (train 1)</b>     | 1           | 7.8            | Qatar Petroleum (68.5%), ConocoPhillips (30%), Mitsui & Co. (1.5%)                              | ConocoPhillips<br>Shell, Centrica   | 2010         |
| <b>Qatargas 4 (train 1)</b>     | 4           | 7.8            | Qatar Petroleum (70%), Shell (30%)  | Shell, Petrochina, Marubeni   | 2011         |
| <b>Rasgas 1 (train 1&amp;2)</b> | 2           | 6.6            | Qatar Petroleum (63%), ExxonMobil (25%)<br>KOGAS (5%), Itochu (4%),LNG Japan (3%)               | KOGAS, Eni  | 1999-2000    |

While the Table 5 demonstrated the Qatar-Japan types of agreements and the number of Japanese companies involvement in the LNG supply from 2012.

Table 5: *Qatar-Japan international agreements on LNG supply from 2012-2016 (Qatargas, 2012)*

| # | Japanese Company  | Type of Agreement and Year  | Partners                                |
|---|---|---|---|
| 1 | JERA: Chubu Electric Power Co. Inc. and TEPCO Fuel & Power, Inc.  | Deliver a total of nearly seven million tonnes per annum of LNG under long-term supply contract. (Qatargas, 2016)   | Qatargas                                |
| 2 | Tokyo Electric Power Company (TEPCO)                              | one million tonnes of LNG per year on a long-term basis. (Kennedy, 2012)  | Qatargas Operating Company              |
| 3 | Chubu Electric Power Company, Inc. and Shizuoka Gas Company, Ltd. | Years 2016 to 2021.<br>Approximately 200,000 tons per annum (Total quantity of LNG to be delivered is approximately 1,200,000 tons.) (Chubu Electric Power Company, 2011)           | Qatar Liquefied Gas Company, Ltd.       |
| 4 | Chubu Electric Power Company, Inc.                                | From 2013 for a 15-year period.<br>2013 to 2017: approximately 1,000,000 tons per annum<br>2018 to 2028: approximately 700,000 tons per annum ((Chubu Electric Power Company, 2012) | Qatar Liquefied Gas Company Limited (3) |

Table 6 illustrates the number of Japanese receiving terminals and buyers of the LNG supply from Qatar Gas 1. The information mentioned in the Table highlights the strong cooperation between

Japanese companies and Qatar Gas company which is owned by Qatar |Petroleum. There are 14 receiving Japanese terminals with variety of Buyers.

Table 6: *Japan receiving Terminals and Buyers to Qatar Gas 1* (Qatar Gas, 2014)

| #  | Terminal          | Buyer  |
|----|-------------------|--|
| 1  | Kawagoe           | Chubu Electric Power Co. Inc.                          |
| 2  | Yokkaichi         | Chubu Electric Power Co. Inc.                          |
| 3  | Chita             | Chubu Electric Power Co. Inc., Toho Gas Co., Ltd.      |
| 4  | Niigata           | Tohoku Electric Power Co., Inc.                        |
| 5  | Futtsu            | The Tokyo Electric Power Co., Inc.                     |
| 6  | Higashi-Ohgishima | The Tokyo Electric Power Co., Inc.                     |
| 7  | Sakai             | The Kansai Electric Power Co., Inc.                    |
| 8  | Himeji            | The Kansai Electric Power Co., Inc. Osaka Gas Co. Ltd. |
| 9  | Yanai             | The Chugoku Electric Power Co., Inc.                   |
| 10 | Mizushima         | The Chugoku Electric Power Co., Inc.                   |
| 11 | Sodegaura         | Tokyo Gas Co., Ltd.                                    |
| 12 | Ohgishima         | Tokyo Gas Co., Ltd.                                    |
| 13 | Negishi           | Tokyo Gas Co., Ltd.                                    |
| 14 | Senboku           | Osaka Gas Co. Ltd.                                     |

### **Qatar-Japan projects funding and investments:**

On the LNG export project development side, an increasing number of Japanese companies are taking an equity stake in LNG projects. There are 46 Japanese companies operating in Qatar and playing a pivotal role in the field of development and infrastructure. Some of Qatar's big projects were granted to Japanese Companies, such as Chiyoda which is responsible for Qatargas and Rasgas expansion project, while Pearl GTL project was awarded to Toyo along with Chiyoda (Embassy of Japan in the State of Qatar, 2016).

Mitsui and Marubeni were responsible solely on Ras Laffan-C IWPP and Mesaieed An IPP respectively (Embassy of Japan in the State of Qatar, 2016).

Other projects in the infrastructure and development field would be Hamad International Airport that was granted to two companies: Taisei, which was responsible for the main terminal building; and Takenaka, which was in charge of the Emiri terminal building (Embassy of Japan in the State of Qatar, 2016). Similarly, Msheireb project was granted to Obayashi Corporation while the Dome Metro was awarded to four Japanese companies: Mitsubishi Heavy Industries and Mitsubishi Corporation, Hitachi, Kinkisharyo, and Fujita according to Embassy of Japan in Qatar (2016).

According to the Embassy of Japan in Qatar there are forty-six Japanese companies operating in Qatar and playing a pivotal role in the industrial and infrastructure development of the energy sector including LNG industry, in addition to Japanese companies operating in the construction and financing fields.

### **Japan Bank for International Cooperation (JBIC):**

JBIC has played a vital role in the Middle East and recently signed a business-partnership agreement with state-owned company, Qatar Petroleum (QP). The agreement insures the JBIC will continue to support Qatar in energy related projects through financing and extending loans (JBIC, 2006). This would yield stronger cooperation for Japanese companies that would be involved in mega-size energy projects in Qatar. The table below summarizes the JBIC's project financing in Qatar through Japanese companies:

Table 7: *The Japan Bank for International Cooperation projects financing in Qatar*

| Project Name   |  | Companies involved   | Year | Project financing amounts   | Contracts                | Project type   |
|--|--|--|------|---|--------------------------|----------------|
| <b>Power Generation Project</b>  |  | Mesaieed Power Company Ltd (Marubeni Corp., Qatar                                  | 2007 | US\$836 million   | loan agreement           | Infrastructure |
|  |  | Petroleum, and Qatar Electricity & Water Company Q.S.C)                            |      |   |                          |                |
| <b>Equity investment funds</b>   |  | Qatar Petroleum  | 2008 | -   | MOU                      | Environmental  |
| <b>Power and Desalination Project: natural gas-fired combined thermal power plant and a water desalination plant</b> |  | Ras Girtas Power Company (RGPC): Mitsui & Co.,                                     | 2016 | US\$1,500 million   | loan agreement           | Infrastructure |
|  |  | Ltd., Shikoku Electric Power Co., Inc. and Chubu                                   |      | Co-Financed with: Bank of Tokyo-Mitsubishi  |                          |                |
|  |  | Electric Power Co., Inc. established jointly with Suez                             |      | UFJ, Sumitomo Mitsui Banking Corporation  |                          |                |
|  |  | Tractebel S.A., Qatar Petroleum and Qatar Electricity & Water Company (JBIC, 2016) |      | and Islamic financial institutions  |                          |                |
| <b>Natural Gas-Fired Power Generation and Desalination Project in Qatar</b>  |  | Umm Al Houll Power (UHP) of Qatar <sup>1</sup> .                                   | 2016 | USD1,269 million. The loan is co-financed with several companies <sup>2</sup> .         | loan agreement           | Infrastructure |
| <b>Samurai Bonds</b>   |  | Qatar Petroleum  | 2012 | -   | set of agreements        | foreign bonds  |
| <b>Barzan Gas Project</b>  |  | Barzan Gas Company Limited   | 2011 | 600 million U.S. dollars. The loan is co-financed with several companies <sup>3</sup> . | buyer's credit agreement | Infrastructure |

<sup>1</sup> Umm Al Houll Power (UHP) of Qatar: Mitsubishi Corporation (MC) and Tokyo Electric Power Company, Incorporated (TEPCO), Qatar Petroleum, Qatar Electricity & Water Company, and Qatar Foundation for Education, Science and Community Development.

<sup>2</sup> The Co- financed companies are: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, the Norinchukin Bank, Qatar National Bank, and KfW IPEX-Bank, with a total amount of USD2,538 million.

<sup>3</sup> Co-financed with Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank and the Tokyo branch of The Hongkong and Shanghai Banking Corporation Limited, with Nippon Export and Import Insurance (NEXI).

Barzan Gas Project, Qatar:

Barzan Gas Project is a \$10.4bn project developed by Joint Venture Agreement (JVA) and Development and Fiscal Agreement (DFA) between Qatar Petroleum and ExxonMobil and Rasgas, which is the project manager (Rasgas, 2014). The project includes onshore and offshore development that has six trains and was scheduled to commission the first train on 2014. The first phase production would be 1.7 billion cubic feet a day (bcf/d) of pure natural gas with completion of all phases, the total gas output of Rasgas to 11bcf/d (Rasgas, 2014).

The onshore facilities include a gas processing unit, a sulphur recovery unit, and natural gas liquids (NGL) recovery unit for the production of methane, ethane, propane, butane and condensate. For the offshore facilities: three offshore wellhead platforms, subsea pipelines extending up to 300km, and subsea cables extending 100km (Rasgas, 2014). The engineering, procurement and construction (EPC) contract for developments onshore has been awarded to Japan Gas Company (JGC) through the JBIC.

JBIC was involved in the project financing and signed buyer's credit agreement totaling up to 600 million USD (JBIC, 2011). The agreement was co-financed with Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, The Hong Kong and Shanghai Banking Corporation Limited, with Nippon Export and Import Insurance (NEXI) providing Buyer's Credit Insurance of 600 million U.S. dollars (JBIC, 2011). The total financing amounted to 1.2 billion U.S. dollars.

JBIC continues to support the export of Japanese plants and equipment. Also, JBIC ensures the contribution to support Qatar's stable economic development. This will lead to the strengthening

the multi-layered relations with Qatar, which is an important supplier to Japan.

***Dolphin Gas Project, Ras Laffan, Qatar:***

Similarly, Dolphin Gas project was awarded to JGC Middle East FZE, a wholly owned subsidiary of JGC Corporation of Japan. Additionally, Mitsui was awarded the contract for procurement for export pipeline in 2003 (JGC Corporation, 2008). The Dolphin Gas project is a strategic energy initiative in the area since 2007. The Company produces, processes, and supplies quantities of natural gas from Qatar to the United Arab Emirates (UAE) via sub-sea export pipeline (JGC Corporation, 2008). Production reached the maximum of 2 billion standard cubic feet of gas per day (scf/day) in February 2008 (JGC Corporation, 2008). The scope of project with JGC involvement is EPC, which stands for Engineering, Procurement, and Construction contracting arrangement.

***Pearl Gas-to-Liquids Project, Ras Laffan, Qatar:***

Qatar Shell GTL awarded JGC Corporation the feasibility study, the front-end engineering and design phase through to construction for Pearl GTL project. The project is the largest gas-to-liquid project in the world. The estimated investment is between 18-19 billion dollars. Natural gas is used as feedstock for the production of liquid fuel alternatives: lubricating oil, diesel, gasoline and kerosene normally refined from crude oil (JGC Corporation, 2012). JGC was responsible for engineering and construction, along with management of the project. The scope is classified as EPCM which stands for Engineering, Procurement, and Construction Management. Table 8

illustrated the number of shared projects between Qatar and Japan in State of Qatar. It has a variety of different types of projects from energy and LNG infrastructure to development and infrastructure of metros and airports.

Table 8: *Qatar-Japan shared projects and infrastructure.* (Philip Weems, & Nina Howell, 2014)

| <b>Project</b>   | <b>Japanese company</b>   |
|--|---|
| <b>1</b> Msheireb Downtown Doha Project  | Obayashi Corporation  |
| <b>2</b> Dome Metro  | Mitsubishi Heavy Industries, Mitsubishi Corporation, Hitachi, Kinkisharyo, Fujita                   |
| <b>3</b> Mesaeide A IPP, Ras Laffan (Q) 1: T1 & T2 (7.5%) T3 (7.5%)                                      | Marubeni  |
| <b>4</b> Ras Laffan-C IWPP: Ras Laffan (Q) 1: T1 & T2 (7.5%) T3 (7.5%), Ras Laffan (Q) 3: Train 1 (1.5%) | Mitsui  |
| <b>5</b> Hamad International Airport   | Taisei (Main terminal building), Takenaka (Emiry terminal building)                                 |
| <b>6</b> Pearl GTL   | JGC, Chiyoda, Toyo  |
| <b>7</b> Qatargas, Rasgas expansion:   | Chiyoda   |
| <b>8</b> Qatar Ras Laffan (R) 1: T1 & T2 (4%)  | Itochu  |
| <b>9</b> Qatar Ras Laffan (R) 1: T1 & T2 (3%)  | LNG Japan   |
| <b>10</b> LNG combined-cycle (composite thermal) power-plant facility                                    | Chubu electric power Company, Qatar Electricity & Water Company (QEWC) and International Power (IP) |

## **Conclusion:**

Qatar and Japan share strong bilateral relations in different areas of interest to both countries. From the Qatari point of view, it's more about energy, infrastructure, and knowledge sharing. While from the Japanese perspective, it's more about energy security, stability and long-term economic gain for the country. Both countries rely heavily on one another. However, the Japan policy tends to diversification of resources to avoid being negatively dependent on one country's resources.

Over the time, Japan-Qatar relations have grown vigorously and significantly, especially in LNG field. If the Japanese company isn't the buyer of the LNG, it could be related to the matter in a different way through the infrastructure and development of the gas fields pipelines, etc. This is due to the fact that the Japanese companies were the founders of the LNG plants. This have developed a trustful relationship with Qatar that encouraged for more cooperation in different projects. Especially over time, Qatar has secured a stable supply to Japan in both difficult and prosperous times, and that was an acceleration of the expansion of the relations between the two countries.

## Chapter 4: Cultural Diplomacy in the context of Qatar and Japan relations

### **Introduction:**

Diplomacy is viewed as a tool to sustain a relationship on an international level. In Qatar and Japan relations, energy security has been the top priority for the relationship. However, sustaining such relations and deepening it can only be done through the mutual exchange of knowledge and experience in sports, arts, culture, education and development studies. The incident that occurred in March 2011, which rushed the State of Qatar to allocate natural gas and provide generous donations through Qatar Friendship Fund to uplift the Japanese from their crisis, had a deeper motive with \$100 million donation as aid relief (Japan Times, 2016). It was an opportunity for Qatar to show their commitment and support through the hard times faced by Japan. This was mainly driven by the energy security relations because Japan is considered as a major buyer of Qatar's LNG. At the same time, Qatar aims to shift to a knowledge-based economy, which can only be done through improving education, intellectuals, and economy. In that case, Japan could be seen as a good example of a country that is independent and advanced regarding technology and knowledge. Therefore, bridging the culture gap and diplomacy over different levels, state-to-state, organization-to-organizations, and individually, would yield to strategic, long-lasting and cooperative relationship between the two nations. Most of the events and initiatives in Qatar for the purpose of mutual exchange are initiated from the office of strategic cultural relations of H.E. Sheikha Al Mayasa bint Hamad Al Thani, along with the office of the Foreign Minister in Qatar, Office of the Ministry of Culture, Arts and Heritage. An example of such collaboration was Qatar Japan 2012: Year of Culture book, which was sponsored by Qatar Petroleum, Qatargas, and Qatar Airways. This book was initiated due to the celebration of the 40th anniversary of Qatar and Japan

relations in 2012. The book highlights important events, exhibitions, seminars, festivals, student exchanges, arts, and the Qatar Friendship Fund. These events illustrate the deep relations between Qatar and Japan, especially in the fields of Culture and the Arts. The motive behind this is to build a concrete dialogue bridge between the two nations that would yield economic prosperity, a knowledge-based economy, and strong sustainable bilateral relations.

Qatar Friendship Fund established their first donations after the Tsunami disaster that struck Japan in March 2011. Below, the researcher will highlight the main projects that were developed under the Qatar Friendship Fund in Japan.

#### **Qatar Friendship Fund (QFF):**

The fund was created to support and strengthen the bilateral relations between Qatar and Japan. It was established in the aftermath of the earthquake disaster and floods that hit northern Japan in 2011 (MOFA, 2014). It contributes heavily to increasing the bond between the two countries as was stressed by the Qatari Ambassador to Japan and chairperson of Qatar Friendship Fund (QFF), HE Yousef Mohammed Bilal. It is a humanitarian mission, along with a smart strategic decision that was made by Emiri donation of US\$100 million to support the victims of the disaster.

The idea of the Qatar Friendship Fund is to support and provide immediate help to victims of the catastrophe through several projects, such as the implementation of rehabilitation and reconstruction projects (MOFA, 2014). This kind of aid and cooperation is crucial since the relationship between Qatar and Japan was based on Energy, as Japan is a major importer of Qatari LNG. The fund prioritizes three main areas that required attention, including: children's education,

fisheries and health care in the three affected territories of Fukushima, Miyagi, and Iwate. Since the beginning of the QFF, many projects have been initiated and in various areas. However, perhaps most importantly in the educational and agricultural projects there are ten projects. Each project since the establishment of QFF will be elaborated upon:

***The Elem Project:***

The project is based on an experience-based educational program with the collaboration of Junior Achievement. The project revolves around sending students to live life lessons, and gain the knowledge and experience that is needed to be an intellectual and problem solver in the future. Many visits took place after this project was initiated. It was viewed as a way to gain knowledge and be familiarized with different cultures. On 22 November 2015 through the organization of Qatar- Japan Friendship Fund of the Ministry of Foreign Affairs in cooperation with the Supreme Education Council (SEC), Qatari students paid a visit to Japan (QNA, 2015). This aided the students in becoming familiar with development projects taking place in Japan with the help of Qatari government.

***Qatar Science Campus:***

This project is about the renovation of Graduate School of Engineering at Tohoku University, which stresses the importance of the future generations of engineers to the country and to strengthen the relations between Qatar and Japan (MOFA, 2014). This is a strategic vision toward shifting Qatar to become a knowledge-based economy through the sharing of knowledge with expertise from Japan. The project allows elementary, junior high, and high school students the chance of conducting advanced scientific research in science and manufacturing technology

(Tohoku University, 2015). The project costs around US\$1.9mn, which was funded by QFF and its partners (Gulf Times, 2015).

***Qatar Sports Park in Shirakawa city:***

This is to provide new sporting facilities in Shirakawa City as an initiative lead by H.H. the Emir Sheikh Tamim bin Hamad al-Thani.

“The US\$5.8mn Qatar Sports Park has been financed by Qatar Friendship Fund. The project will benefit about 150,000 people of all ages, including aspiring athletes and students.” (Gulf Times, 2015).

The idea of this sports park is to deepen the friendship and partnership between Qatar and Japan. Moreover, another motive is the insurance of the well-being and the maintenance of good health that would encourage Japanese to be a competitive team in the activities of the World Cup 2022. The project complex includes a sports center, gymnasium, and stadium (Gulf Times, 2015). The private sports facility is named “Al Annabi Plaza,” which reflects back to the national flag color of Qatar.

***Intilaq: Tohoku Innovators Hub:***

The project aims to foster entrepreneurship and intrapreneurship. The signing ceremony was on 5th July 2013 at the Qatar Embassy in Japan. This center would attract young innovators to fuel their economy with inventions using best practices and resources locally and globally. It will help locals to create fruitful and efficient businesses. The responsibility of INTILAQ is to offer direction and instruction of young entrepreneurs that would result in continued economic

prosperity to the country (MOFA, 2014).

***(Al-Furdha): Fish storage facility in Karakuwa-cho, Kesenuma***

This project was completed in March 2014. The project includes the construction of a fish storage facility that would yield benefits to the local fishermen who were affected by the Tsunami in Kesenuma city (MOFA, 2014). Moreover, the facility will be used as an education platform for children and as a venue for events (Gulf Times, 2014). In the event of the inauguration of the fishing facility, Ambassador Bilal gave a speech mentioning the importance of Qatari and Japan relations during these hard times:

“the Qatar Friendship Fund is contributing to a brighter future for Tohoku, with timely, efficient and sustainable help. It is my hope that this facility will become a beacon of sustainability for all connected to the fishing industry - from fishermen” (Gulf Times, 2014).

***Eco Food:***

The project that is funded by QFF aims to provide workshops for growing vegetables for residents that have temporary accommodation. This is coupled with the continuous support to encourage the residents to sell the products produced. The project provides wooden planters and solar power generation tools to help the residents in their production of vegetables (MOFA, 2014).

***Maskar:***

The project is 7,760 square meter multifunctional fish processing facility that was inaugurated in October 2012 with working capacity of 7,500 people (MOFA, 2014). Maskar includes facilities

for sorting, refrigeration, and storage. This project created more than 1,000 jobs for the residents, and it was awarded by Japan Institute of Design Promotion in 2013 for the Good Design Award (MOFA, 2014). On the 9th of March 2016, Japanese Onagawa and Heisei media company organized an event to screen the film: 'Sanma and Qatar' which highlights the project Maskar. The event was held in recognition of Qatari efforts toward aiding the affected areas and areas with damage. The film was about the people's attempt to recover from the outcomes of the Tsunami with the help and support of State of Qatar. Samna fish is the primary catch of Onagawa city and due to the unfortunate events, the city's fishery infrastructure was 85% destroyed, affecting the main source of the product of the city. As a result, reviving the fishing industry is a priority to Japanese and Qataris since 60% of the Japanese residents work in the fishery business in Onagawa (Qatar News Agency, 2016). This has created job opportunities, the rebuilding of the industry, and further sustaining the relationship between Qatar and Japan over the long term.

### ***Building a Healthy Community:***

The project was launched as a partnership with Aid and Relief Japan (AAR-J) for Tohoku city. The project provides indoor and outdoor playground equipment for children with disabilities in different locations that were affected by the disaster. The project successfully reached out to 200,000 children in these areas (MOFA, 2014).

### ***Revitalizing the Fishery Industry***

This was launched by the Association of Kamaishi Hikari Foods Company to help to regenerate the fishery industry in Kamaishi city (MOFA, 2014). The project aims to develop a nationwide

network of sales by installing advanced freezing technology for seafood products.

***Yukinko: Fun in the Snow Camp:***

This was the first project done by QFF. The project reached out to families from Fukushima, Miyagi, and Iwate Prefectures with the aim to “lighten” the situation for more than 1,400 children who experienced the disaster closely and were restricted from playing outdoors (MOFA, 2014).

***Moriumius-Lusail' centre:***

The project aims to renovate a 92 year old Japanese school to be a learning center for children. The school was named after an important city in Qatar called Lusail. The school was built in 1923, and the renovation of it by Qatar had a deeper meaning as it's symbolic for rebuilding and regeneration. This is especially case since Lusail City in Qatar will be the center of World Cup 2022. QFF will provide 500 million yen to renovate the school. It's expected that more than 4000 children will benefit from the center in the first year (The Peninsula Qatar, 2015). Over the long-term, the center will be open to children from all over Japan and the rest of the world. The project is with the partnership of Sweet Treat 311 which would provide sweets and food for center and areas affected by catastrophic events in March 2011. During the event of the signing ceremony, Qatar's Ambassador to Japan, Youssef Bilal said:

“This project will seek to build on your experiences here in Ogatsu. I hope that through this partnership, the local community can increase its interactions with not only Japan but also the world. Our new agreement with sweet treat 311 is born out of our shared desire to build a brighter future, but while four years have passed since the earthquake happened, we must also ensure that

we do not forget the tragedy. Our efforts must reflect your legacy.” (The Peninsula Qatar, 2015). This reflects back on the Qatari commitment to the Japanese, which involves continuous support to young generations of Japan. The center will focus on areas such as fisheries, manufacturing, agriculture, information technology, and forestry. (The Peninsula Qatar, 2015).

### **The Japan Times: Qatar National Day:**

On 18 December 2015, the Japan Times dedicated a full page for celebration of Qatar National Day where Japanese companies such as Chiyoda Corporation, Chubu Electric Power Co., Idemitsu Kosan Co., LNG Japan, Marubeni, Mitsui & Co., Mitsubishi Corporation, and Taisei Corporation congratulated His Highness Shaikh Tamim bin Hamad Al-Thani on National day (The Japan Times, 2015). Also, Qatar Friendship Fund Ambassador Yousef Mohammed Bilal wrote an article: “Working to achieve peace and security” while the Chairman of Japan-Qatar Friendship Fund, Toshio Mita wrote another article: “Encouraging further promotion and strengthening of bonds between Qatar and Japan.” (The Japan Times, 2015). Toshio Mita’s article highlights the deep ties between Qatar and Japan even though both countries are located in different regions. He highlights key areas of cooperation between Qatar and Japan: politics, the economy, business, science, medicine, and education. This was a special year for Japan and Qatar due to the Emir’s visit to Japan for the first time since ascension in June 2013 (The Japan Times, 2015). In 2015, the diplomatic developments in the relations were significant. For example, significant events included: Japan-Qatar summit meeting with His Highness Sheikh Tamim at the Permanent Mission of the state of Qatar to the UN, Foreign Minister Fumio Kishida visits to Iran and Qatar for discussion on closer cooperative relationship in different fields (The Japan Times, 2015). The

outcome of the foreign minister's visits was to have a second security dialogue that encourages the exchange of security policies and mutual information. The spokesperson of the Foreign Minister, Koichi Mizushima emphasized the importance of Qatar as strategic partner to Japan: "For Japan, Qatar is one of the most important countries for our energy security, and critical for the stability of the Japanese economy, and we appreciate this good relationship with Qatar. Qatar is also a stable country, and therefore, one who can play a very active diplomatic role in these issues in this region, and so it is precious for us to exchange views on regional issues" (The Japan Times, 2015).

These events set 2015 apart in the history of Japan-Qatar relations, achieving a new level of diplomatic ties.

### **Discussion:**

The Qatari Ambassador mentioned an important point: "bilateral relations to become a multi-faceted and comprehensive partnership covering all areas" (MOFA, 2014). This highlights the spillover effect of bilateral ties, which guarantees the sustainability of bilateral relations. However, this relationship is viewed as a multi-layered level of relations that covers areas from a different theoretical perspective such as liberalism, realism, and identity based on cooperative purposes. As time goes by, the type of friendship between Qatar and Japan is becoming more deep and complex. This type of friendship is unique and cannot be compared to any other relationship that Qatar has with other countries. In terms of the joint activities that are carried out in Japan or Qatar, it has a wider theoretical approach. Referring to the concept of complex interdependence perspective, which leans more toward liberal thought than realist, this can be applied directly when referring to

educational and cultural activities that were carried out at the state level or non-state levels. This is especially the case since the type of the relations between the two countries does not focus at all on military capabilities since this pillar was always associated with Western powers. The complex interdependence could be understood as transnational connections between state and society, where the economic ties overcome the power of military capacity and balance of power theory. As has been argued by the founders of this theory, Keohane and Nye (2012), the increase in the use of economy as policy tool over military would increase the level of cooperation between states. Multiple channels of connections are the essence of the concept of complex interdependence. The political and ideological concepts are influenced by such connections in complex interdependence. When the societies are interacting together positively this reflects on state behavior toward the country. However, in the Qatar-Japan case study, the Qatari state has slightly pushed the Japanese culture and knowledge into the Qatari society through Japanese language courses in Qatar University, Japan week in Qatar, Japanese artists showcasing their work in Qatar Museums and Japanese Animes that were broadcasted on TV and presented in Qatar Museums. The researcher gained insight into this through an interview with Embassy of Japan in the State of Qatar; specifically, with Ms. Tomoko Watanabe, First Secretary and Head of Cultural Section and General Affairs in the Embassy. Her view was that Qatar pushed the society to become more curious about the Japanese culture, and this initial curiosity then developed with interest driven from the society itself. She gave the example of having cultural week in Qatar, driving mobiles that are manufactured in Japan and etc. The car industry, education, and cultural projects aim to diversify the relationship beyond energy according to Ms. Watanabe. The term CSR, which stands for Corporate Social Responsibility, is followed and advocated by Japanese residing in Qatar, especially the ones working in Energy sector which aims to create a society-to-society relationship

beyond the business of economy and energy according to Mr. Iwazaki, the Commercial attaché.

Referring to the main pillar of complex interdependence, where the state is not the only actor in the relationship, soft power matters in complex interdependence. The Qatar-Japan relationship is viewed as a transnational relationship. The transnational relations can be understood by the involvement of non-state actors along with state which includes business owners and organizations. This can be applied to activities and projects that are carried out by non-state actors in Qatar and Japan, such as educational projects, including the Qatar science school, Intilaq and Elem projects, that were carried out by QFF. The schools and universities become involved in these activities away from state level involvement. The same can be applied in health care, technologies and environmental projects in Qatar and Japan such as Mitsui involvement in environmental issues in Qatar.

The relationship could be summarized toward a comprehensive partnership of prosperity with an upgrade in levels of cooperation in culture, education, sports, science, and technology fields. Among the eight projects that were highlighted in the book, “Qatar Japan 2012: Year of Culture,” three projects revolved around Education, three revolved around fisheries projects, one around healthcare, and four projects revolved around community development (Narayanan, 2015). This illustrates the direction of QFF in Japan, which focused on developing the community and youth generations to understand the kind of friendship between Japan and Qatar. This demonstrates the sustainability of Japanese growth. After the March 2011 crisis, community development projects by QFF were much needed and almost essential to overcome the outcomes of such disaster. This shows the strategic goal and commitment of QFF toward Japan during harsh times. This also reflects the efficiency and commitment of QFF to have implement a situation of real life-change in Japan, as it relates to the economic prosperity of State of Qatar to have such good relation and

strong friendship with Japan during good and hard times. As cultural diplomacy helps to build trust the two nations will have a better opportunity for policies from economic, security and political perspectives. It also demonstrates the values and the identity that the country stands for during hard times and disaster occurrences.

## Chapter 5: Theoretical analysis of Qatar Japan relations in Energy, Culture and Diplomacy

The research aims to conceptualize the relationship between Qatar and Japan in specific areas of interest: energy, culture, and diplomacy. The attempt to answer the research questions was made through a mix of qualitative questions, coupled with secondary and primary data that investigated relations between Qatar and Japan, especially after the Fukushima incident of 2011. This was helpful to understand the level and the depth of cooperation between the two countries on different projects that are considered under the umbrella of transnational relations. Although there was difficulty in finding complete comprehensive data for all the formal agreements between the two countries or from society to society, the Embassy of Japan provided the researcher with formal cooperation map that shows the level of involvement with percentages of the Japanese companies in the LNG trade and infrastructure in Qatar. However, regarding the EPSA and DPSA agreement, it is difficult to find complete information regarding this type of cooperation. Moreover, the type of Agreements EPSA or DPSA are becoming less existence since the Qatari Operators are becoming more experiences and equipped with technology and knowledge, thus making it in stronger position. Nevertheless, the data gathered in the previous chapters would add value in understanding the pattern of Qatar-Japan relations from the theory of complex interdependence. Since energy is the main driver of Qatar-Japan bilateral relations, it can be said that relations are addressed economically. It can't be ignored that the military and security arrangement does not add any value to the relationship due to the history of Gulf and Western powers where the security arrangement was heavily depended on. Given that historical background, the Qatar-Japan relationship would not develop further to include military and security arrangements. According

to Ms. Watanabe from the Embassy of Japan, the relationship between Qatar and Japan could not be compared with Qatar relations with Western allies since it is stronger because those are based on military and security arrangements, while Qatar-Japan relation is based only on strong friendship and would not develop other than this strong friendship (Tomoko Watanabe, personal communication, January 29, 2017).

Through the interviews that were conducted, all agreed that the essence of Qatar-Japan relations is purely energy driven; otherwise, the relations would have developed further than that by now as is the case with other relations with western countries. Energy is no doubt a priority in Qatar-Japan relations.

Focusing on the Qatar-Japan LNG trade, which was mostly associated with Qatargas, the table below provides a summary of the previous chapters. It specifically focuses on the shareholders percentages, number of ships, trains capacity and main markets. Even if the Qatargas venture did not have a shared percentage for Japanese companies, they are still involved in the infrastructure and development projects related to LNG (Qatargas, 2014). The Table below illustrates the Qatargas shareholding and the train capacity of the ships. This illustrates the depth of involvement of well-known and established Japanese companies in the business of liquefied natural gas trade.

Table 9: *The Qatargas shareholding of Japanese Companies and targeted market for LNG (Qatargas, 2012)*

| <b>QG ventures</b>           | <b>Shareholders</b>   | <b>Number of ships<br/>(m3)</b>  | <b>Train capacity<br/>(mtpa)</b>            | <b>Main<br/>markets</b>   |
|------------------------------|---|--|---|---|
| <b>Qatargas 1<br/>(2005)</b> | Qatar Petroleum 65%,<br>ExxonMobil 10%, Total 10%,<br>Mitsui 7.5%, Marubeni 7.5%                                    | 11 ships of about<br>135,000   | 3 trains each with<br>a capacity of 3.2     | Japan and<br>Spain  |
| <b>Qatargas 2<br/>(2009)</b> | Train 4: Qatar Petroleum 70%,<br>ExxonMobil 30%<br>Train 5: Qatar Petroleum 65%,<br>ExxonMobil 18.3%<br>Total 16.7% | 14 ships ranging<br>from 210,000-<br>266,000                               | 2 trains each with<br>a capacity of 7.8     | United<br>Kingdom,<br>Europe and<br>Asia                            |
| <b>Qatargas 3<br/>(2010)</b> | Qatar Petroleum 68.5%<br>ConocoPhillips 30%<br>Mitsui & Co. Ltd 1.5%  | ten ships each with a<br>capacity of<br>approximately<br>210,000 - 266,000 | One train with a<br>capacity of 7.8         | United States,<br>Asia and<br>Europe                                |
| <b>Qatargas 4<br/>(2011)</b> | Qatar Petroleum 70%<br>Royal Dutch Shell 30%  | Eight ships of<br>between 210,000 -<br>266,000                             | One train with a<br>capacity of 7.8         | United States,<br>Asia and<br>Europe                                |
|                              | <b>Shareholders</b>   | <b>Feedstock sources:</b>  | <b>Refining<br/>capacity</b>                | <b>Production</b>   |
| <b>Laffan<br/>Refinery</b>   | Qatar Petroleum 51%<br>ExxonMobil 10%, Total 10%<br>Idemitsu 10%, Cosmo 10%,<br>Mitsui 4.5%, Marubeni 4.5%          | Qatargas<br>Rasgas   | 146,000 bspd of<br>condensate feed<br>stock | Hydrotreated<br>Naphtha<br>Hydrotreated<br>kerojet<br>Gasoil<br>LPG |

As noted in the above table, Qatar is most entwined with Japan through joint ventures and investments in its various gas projects.

### **Complex interdependence:**

To help understand the transnational relations between Qatar and Japan, Chapter 3 provided an overview of the broad scope of the energy projects, LNG trade, infrastructure, project financing and level of these projects. Chapter 4, on the other hand, explored the cultural relations from state to state that was later exposed into society-to-society relations.

International trade as the foundation for the relations between two countries with a rapid increase in globalization and technological advances forms a complex interdependence relationship according to Keohane and Nye (2012). These forces have moved the world closer, and transnational relations cannot be avoided. As mentioned earlier, complex interdependence combines both realist thought as exposed by Hans Morgenthau, and stability from international trade as Richard Cooper would emphasize. This would overall contribute to the stability and the wellbeing of the state. Therefore, the state's policies can be used to understand the international actions. It is important to note that the growing trade and investment would not compromise the traditional security arrangements with Western powers.

The theory of complex interdependence as mentioned in Chapter 2 has three main pillars, which are multiplicity of channels, the absence of the hierarchy of issues, and the minimal significance of military force.

### ***Multiplicity of channels:***

Individuals and organizations that interact together on transnational borders shape the international relations from state to state. About Qatar-Japan relations, there are multiple connections between the two countries interacting in investments, trade, culture, education and

commercial sectors. This pillar in complex interdependence challenges the realist's main point of the state being the only player that shapes the international relationship with another state. As a result, the relationship extends beyond the inter-state level. Referring to the tables in the previous chapters along with educational and development projects, this has confirmed that the relationship extended to include many parties in the society and the government. However, state efforts cannot be neglected or underestimated in developing this relation with Japan. This has been positively agreed on by one of the interviewees who confirmed that the bilateral relations is always based on a state-to-state level, however it also moved toward society-to-society level of communication. According to my anonymous source who is working in Qatar Petroleum that Japan showed a positive feedback early in April meetings that take place in Japan with Qatar Embassy and Operators and service providers such as Rasgas and Qatargas along with mother company, Qatar Petroleum (Anonymous, personal communication, February 1<sup>st</sup>, 2017). From the Japan side, they are very happy with quality of Qatari products in terms of LNG trade and they focus more on the clean products that is produced by Qatar. According to the same anonymous source, the Japanese society reflects conservativeness and closeness toward other cultures, however after witnessing the benefits of the relations with Qatar from supply-demand wise, this encouraged them to be more open toward knowledge and cultural sharing from Japan to Qatar and vice-versa. This shows when Japanese companies based in Japan offer courses for Qatari professionals. As an example, future leaders from Qatar Leadership Center visited Japan where Itochu Corporation coordinated the trip and supervised the lectures and workshops for Qatari leaders.

***Lack of hierarchy of issues:***

This feature describes the relationship based on issues without any prioritization regarding the kind of issues. Through this research, it was found that Qatar and Japan have similar mutual interest in all issues. The strong friendship is not characterized as primarily militarily or political, but more focused toward the issues in educational, social, economic and cultural areas. These areas of prioritization come after the relationship was established based on energy trade and energy security, which is no doubt the essence of the relation between Qatar and Japan.

During the interviews that were conducted with intellectuals and diplomats in the Japanese Embassy in Qatar, all of them emphasized that the relationship is economically based on LNG trade and this yielded to the strong, stable relationship between the two countries. This have lead the mother company, Qatar Petroleum to establish company called ‘Ocean LNG Limited’ where the purpose of the company is to market the future of international Qatari LNG supply portfolio outside the State of Qatar (Anonymous, personal communication, February 1<sup>st</sup> , 2017). This is basically to manage the future LNG supply portfolio outside Qatar and help Qatar to build a global reputuion and a leader country in LNG trade. Especially after Qatar represented itself as reliable and excelled in cooperation and transparency as LNG sypplier.with its partners .

Referring to the previous chapter of Cultural and Diplomatic relations, many projects and initiatives have been persued by Japanese and Qatari companies or institutes in many areas of interest: education, cultural and social fields.

### ***Reduction of military force:***

This feature emphasizes the minimal significance of military force in the international relations in conflict issues from the theory of complex interdependence. This can be noticed through the economic relationship between Qatar and Asian countries, specifically with Japan. The expansion of relations between Qatar and Japan over the years was based on economic and commercial cooperation rather than military cooperation. Through the interviews that were carried out, the military cooperation between Qatar and Japan is not envisioned to move beyond its current inception. The relationship is economically motivated, and this can be seen through the shared areas of interests between Qatar and Japan. Historically, military cooperation has always been associated with US and European countries, but not with Asian countries. All the interviews that were conducted agreed that the relationship is economically driven and would not witness military cooperation in the future.

### **Soft Power:**

Soft power can be defined as : ‘the national resources that can lead to a country’s ability to affect others through the co-optive means of framing the agenda, persuading, and eliciting positive attraction in order to obtain preferred outcomes (Trunkos, 2013, 13). In other words, when examining the theoretical concept of soft power, it would be understood that military force has no room in this concept. It is the country’s economy and culture that influences and impacts the relationship positively.

This can be seen through the example of the Marubeni corporation involvement with Qatar University, where Memorandum of Understanding (MOU) was signed with the largest donation

ever received to Qatar University of \$6 million USD in different educational projects. One of these projects in Qatar University includes Japanese language courses offered for Qatar University students.

One of the pillars of soft power concept is the idea of sister cities where connections are made between two countries through educational visits, municipal exchanges, and cultural exchanges. The concept of sister city is traditionally associated with diplomatic, educational and cultural purposes. For example, students exchange took place in order to familiarize the Japan's city culture and vice versa. The example of Japanese animation exhibition and contest in Museum of Islamic Arts and Qatar University can be taken as an example of soft power that was used through cultural spectrum to influence the Qatari audiences and motivate their interests in the Japanese culture. Also, the program of student exchange between Qatar and Japan emphasizes a diversification process when tourists and students realize the importance of Japan to Qatar and vice-versa. This would yield to an increase of tourism visits and Qatari students studying in Japanese universities in the fields of technology and engineering.

The previous chapters 3 and 4 witnessed that soft power assured that transnational cooperation would have enormous economic benefits to both countries and this is implemented through a different hierarchy of issues : educational, cultural, infrastructure, tourism and trade.

Qatar-Japan relations took off based on energy trade. However, the relationship expanded to include cultural, educational and social areas of interest that can classify the relationship through the lens of complex interdependence. In other words, some mutual issues of interest shape the relationship and drive the two nations closer. Moreover, the relationship is concluded as primarily economically driven, and not militarily driven.

## Chapter 6: Conclusion

The previous chapters of this research started with reviewing the literature review for the Asian-Gulf relations and then focusing on the Japan-Gulf and Japan-Qatar relations. The focus on Qatar-Japan ties in this research study among other types of relations was justified by the energy trade and the strong economic relations that tied the two countries together. The research provides a depth look at the energy projects, LNG trade, construction and project financing along with other social projects related to education and culture. The research was covered areas where it was difficult to be covered initially in the Qatar-Japan relations due to lack of appropriate resources that studies the relations from theoretical and practical perspectives. Additionally, empirical data that examines the different elements of Qatar-Japan relations is hard to find in the literature resources.

In the light of this, the research asked the question of what can explain the Qatar-Japan relations in energy, culture, and diplomacy through the theoretical framework. The theoretical concepts that were used were complex interdependence and soft power. The complex interdependence explains very well the relationship and its expansion in different social and cultural related areas. As an example, Japanese language courses in Qatar University, Japanese exhibition in Museum of Islamic Arts and the student's exchange between Qatar and Japan emphasized that there are no hierarchy or priority of issues between the two countries. This was combined with multiple ways of communication that are the main pillars of complex interdependence. The researcher came to conclusion that the energy relations between Qatar and Japan acted as spillover effect to different areas and that the natural gas plays a significant role in the affairs however, the strategic partnership with Japan is sustained through the soft power, which is a presence in various non-

hydrocarbon areas. Moreover, the relationship can be classified as complex interdependence. It could be said that Qatar-Japan relations are primarily economic relations however there are indications that both countries want to put the relationship into a broader picture. The relationship expanded further than a typical energy producer and energy consumer relationship.

One of the important key findings in this research is the level of involvement of Japanese companies in Qatar's projects and development plan that is targeted toward Qatar Vision 2030. This could be seen in roads infrastructure, railways, development of the hydrocarbon fields, trade, cars industry and the list goes on. It was expected to find the level of the rooted relationship between Qatar and Japan through strategic partnership and strong friendship. Also, the results of the interviews emphasized the key points that were already illustrated on in this research which are: the Qatar-Japan relationship is only strong friendship, the relationship is economically driven, the relationship is unlikely to develop in the security and military cooperation, the LNG trade is the strongest link of cooperation and soft power is maintained in this relationship to sustain it.

### **Limitation:**

The literature review for the theoretical concepts is widely allocated everywhere but the application of this work on the case study of Qatar-Japan relations is minimal. This has given the researcher a hard time finding data and relevant information regarding the studied topic. Whatever was found was generally mentioning Qatar or Japan in their researches. The literature available was more focusing on the Gulf countries without giving any specifics or interest to one country. This might be due to the fact that the relationship between Qatar and Japan is relatively new and

unique. In addition, it was difficult to find comprehensive information regarding the Joint Ventures, EPSA and DPSA agreements for Japanese companies operating in Qatar on the secondary data. Additionally, the investments made by Qatar could be viewed as confidential information where financial figures are not exposed to the public.

### **Suggestions for Future research:**

A comparative study between China-Qatar, South Korea-Qatar and Japan-Qatar relations from theoretical perspectives would yield to a broader understanding of the relationships especially when comparing the pace of development of relations in different case studies: Energy, Culture, Education and Labor. Moreover, the study could develop further to include other case studies than Energy and Culture such as Education, investments and trade, cutting-edge technologies, and sports. Especially, with the rise of Japanese companies working on the projects related to World Cup 2022 that will take place in Qatar.

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## Appendix

### **Energy Security:**

1. In your opinion, how can you describe Qatar-Japan relations in terms of energy?
2. What are the key forces of such a relation?
3. Do you believe that energy is acting as spillover effect to other sectors?
4. Do you think that international cooperation and joint ventures agreement is used as a tool to sustain the relationship between the two countries?
5. Do you think that the level of engagement with Japan is state-to-state or society to society or both?
6. Do you think that the relations would progress further to include security, trade and technology and other sectors?
7. Do you think the relations between Qatar-Japan are similar to other relations such as Turkey-Qatar or South Korea-Qatar?
8. Why culture and energy are more developed than any other sector?
9. What kind of new projects that supports such relation in Energy and Culture?
10. Do you think the relationship with Japan and Qatar would progress further? In which areas?

11. What can you tell me about the Japanese companies operating in Qatar in different sectors?

**Culture and Diplomacy:**

1. In your opinion, why do you think Qatar is investing in cultural relations between Qatar and Japan?
2. Do you think Qatar or Japan are using the culture sector and knowledge sharing as a soft power tool to sustaining the relations for long-term?