



**Monthly Japanese Industry and Policy News**  
**January (Jan. 6-Jan. 26) 2023**

- This news was compiled by "[Weekly Japanese Industry and Policy News](#)".

**Legislation and Policy News**

**METI signs Memorandum of Cooperation with U.S. on human rights in supply chains**

On January 6, 2023 (U.S.), Minister of Economy, Trade and Industry Nishimura and U.S. Trade Representative Tai signed a Memorandum of Cooperation (MOC) for the establishment of the Japan-U.S. Task Force on Promoting Human Rights and International Labor Standards in Supply Chains. This task force provides guidance, reports, best practices, lessons learned, laws, policies, enforcement practices, etc., with the aim of promoting companies' respect for human rights in supply chains and the protection of internationally recognized labor rights. The members of the task force will include the Ministry of Economy, Trade and Industry and the Ministry of Foreign Affairs on the Japanese side, and the US Trade Representative, Department of Commerce, Department of Health and Human Services, Department of National Security, Department of Labor, Department of State, and the United States Agency for International Development on the US side.

METI website:

<https://www.meti.go.jp/press/2022/01/20230107003/20230107003-1.pdf>

**METI and U.S. government release joint statement on energy security and clean energy transition**

On January 9, 2023, Minister of Economy, Trade and Industry Nishimura held a meeting with U.S. Secretary of Energy Granholm to discuss the strengthening of clean energy cooperation and nuclear cooperation in light of the circumstances surrounding global energy security and both sides issued a joint statement. The points of the joint statement are 1) support for upstream investment in the United States to strengthen energy security, 2) development and construction of next-generation innovative reactors, maximum utilization of existing reactors, building a robust supply chain for nuclear fuel including uranium fuel and nuclear parts 3) strengthening policies on clean hydrogen and



ammonia and continuing cooperation between Japanese and U.S. companies  
4) Confirming and promoting the progress of the Japan-U.S. Clean Energy and Energy Security Initiative (CEESI), etc.

METI website:

<https://www.meti.go.jp/press/2022/01/20230111003/20230111003-3.pdf>

### **Japan and the United States conclude framework agreement on space cooperation**

On January 14, Japan time, Prime Minister Fumio Kishida visited the headquarters of the National Aeronautics and Space Administration (NASA). In the presence of Prime Minister Kishida, Foreign Minister Yoshimasa Hayashi and the Antony Blinken, Secretary of State of the United States of America signed the Japan-U.S. Framework Agreement on Space Cooperation. The agreement sets out the basics for Japan and the United States to cooperate in space for peaceful purposes. The signing ceremony was attended by NASA Administrator Bill Nelson, Astronauts Akihiko Hoshide and Astronauts Anne McClain.

MOFA website:

[https://www.mofa.go.jp/fp/mssp/page1e\\_000559.html](https://www.mofa.go.jp/fp/mssp/page1e_000559.html)

### **EU and Japan sign Administrative Arrangement for promotion of mutual sharing and utilization of satellite data**

On January 17 (Japan time January 18), the Ministry of Economy, Trade and Industry (METI) announced that at the 5th Japan-EU Space Policy Dialogue held in Brussels, Belgium, METI and the European Commission's Directorate General for Defense Industry and Space agreed on the "Interaction of Satellite Data and signed an Administrative Arrangement for the Promotion of Sharing and Utilization. The content of the agreement is 1) Enables mutual use of satellite data between the satellite data platform "Tellus" and "Copernicus" operated by the European Commission 2) Promote shared use of satellite data in areas such as marine and coastal monitoring, climate change countermeasures, water resource management, and disaster risk reduction. The EU's "Copernicus" is an earth observation program that makes available observation data obtained from several EU satellites, ground-based weather



stations and ships. On the other hand, In 2019, Japan released a platform called Tellus, which can mainly analyze data from multiple Japanese satellites. As a general rule, both can be used free of charge, but an application is required to use them, and the procedures are complicated. In order to realize the cooperation stipulated in this agreement, the two sides will proceed with discussions toward the signing of the "Technical Operating Arrangements".

MOFA website:

[https://www.mofa.go.jp/fp/mssp/page22e\\_001022.html](https://www.mofa.go.jp/fp/mssp/page22e_001022.html)

METI website (in Japanese):

<https://www.meti.go.jp/press/2022/01/20230118003/20230118003.html>

### **Former Japan-EU Business Roundtable Co-Chair Sakuyama visits Prime Minister Kishida and presents a proposal**

On January 17, Mr. Masaki Sakuyama, former Co-Chair of the Japan-EU Business Roundtable (Former Senior Advisor, Mitsubishi Electric Corporation) and Mr. Nikolaus Boltze, Deputy Co-Chair of the EU Side (Member of the European Business Council in Japan) visited to Prime Minister Fumio Kishida, and handed over a proposal to the Japanese government and the European Commission, which was adopted at the Japan-EU Business Roundtable annual meeting in November last year. Mr. Sakuyama and Mr. Boltze explained the contents of the main discussions on digital and green at last year's Business Roundtable annual meeting and an overview of the proposals. Prime Minister Kishida expressed his appreciation for the strong support and recommendations of the Business Roundtable, which contributes to the strengthening of Japan-EU economic relations. The Japan-EU Business Roundtable = BRT was established in 1999, as a framework for dialogue between the business communities of Japan and the EU. Annual meetings are held alternately in Japan and the EU. The annual meeting in 2022 was held in Tokyo on November 15, 2022.

MOFA website (in Japanese):

[https://www.mofa.go.jp/mofaj/ecm/ie/page6\\_000657\\_00001.html](https://www.mofa.go.jp/mofaj/ecm/ie/page6_000657_00001.html)



**Minister of Internal Affairs and Communications signs Memorandum of Cooperation with Director General of National Telecommunications and Information Agency of the U.S.**

On January 17, Minister for Internal Affairs and Communications Matsumoto held talks with Deputy Secretary of Commerce Graves of the U.S. and Secretary General Davidson of the National Telecommunications and Information Agency of the U.S. and signed the Memorandum of Cooperation on open and resilient telecommunications networks. The memorandum of understanding between Japan and U.S. confirms the common commitment of both countries to the resilience and security of telecommunications networks, in particular 1) exchanging information on Open RAN testing-related activities 2) cooperation in activities to raise awareness and disseminate information about Open RAN 3) promoting cooperation in multilateral forums related to 5G including Open RAN and beyond 5G/6G.

Ministry of Internal Affairs and Communications website (in Japanese):

[https://www.soumu.go.jp/menu\\_news/s-news/01tsushin08\\_02000146.html](https://www.soumu.go.jp/menu_news/s-news/01tsushin08_02000146.html)

**Electric kickboard, no license required from July 1, can be ridden on "sidewalks" at speeds of 6 km/h or less**

In Japan, the number of traffic accidents caused by electric kickboard is increasing and it has become a social problem. But the National Police Agency decided that it would be allowed to ride an electric kickboard without a driver's license. It will start on July 1. The National Police Agency announced on January 19 and it has started collecting public comments. The revised Road Traffic Law, which comes into force on July 1, will allow anyone over the age of 16 to ride an electric kickboard that is about the same size as a bicycle and has a maximum speed of 20 kilometers or less, even without a driver's license. As a general rule, electric kickboards can only be driven on roads. While driving, it is necessary to "light up" the green lamp installed on the board. On the other hand, if the speed is 6 km / h or less, it's possible to ride on the "sidewalk". In this case, however, the green light must be set to "blink". Wearing a helmet while driving is an obligation, and violations such as using a mobile phone or driving under the influence of alcohol are subject to fines.



National Police Agency website (in Japanese):

<https://www.npa.go.jp/news/release/2023/20230117001.html>

### **Trade ministers' coalition meeting on climate change was held**

On January 19, the EU, Ecuador, Kenya, and New Zealand hosted the Trade Ministers' Coalition Meeting on Climate Change and from Japan Minister of Economy, Trade and Industry Nishimura attended. At the meeting, a joint statement was issued by 27 participating countries and regions on priority items for contributing to climate change countermeasures from the trade side.

In the joint statement, 1) International cooperation and concerted actions to promote trade policies that contribute to climate action in the WTO and other organizations, 2) Identification of initiatives for the multilateral trading system to contribute to global responses to climate change 3) Promote trade and investment in goods, services and technologies that contribute to climate change mitigation and adaptation, 4) Identify trade strategies that support the most vulnerable developing countries and LDCs, 5) Building relationships with climate and financial actors and stakeholders to promote concrete climate action, were confirmed.

METI website:

[https://www.tradeministersonclimate.org/files/ugd/214b22\\_2deaddadf2fa43908539a4a6623451d8.pdf](https://www.tradeministersonclimate.org/files/ugd/214b22_2deaddadf2fa43908539a4a6623451d8.pdf)

### **The government aims to enact the GX promotion bill in the current Diet session**

The government of Japan has decided to submit a bill to the current Diet session to implement a series of GX-related policies, aiming for carbon neutrality in 2050. This bill was discussed by the GX Implementation Council (members: the cabinet office, METI, MOE, MOFA, and MOF) chaired by the Prime Minister and it was opened for public comment from December last year. The new law includes (1) formulation and implementation of the "GX Promotion Strategy" (2) issuance of "GX Economic Transition Bonds" (3) introduction of a carbon charge (4) establishment of the "GX promotion organization" responsible for this (5) progress evaluation and review. Realization of GX will require more than JP¥ 150 trillion in public and private investment over the next 10 years. And as an invitation method to promote the private investment , a total of



JP¥ 20 trillion “GX Economic Transition Bond (provisional name)” will be issued. For 10 years from 2023, it will be issued the amount within the amount approved by the Diet every fiscal year.

Cabinet secretariate website:

[https://www.cas.go.jp/jp/seisaku/gx\\_jikkou\\_kaiqi/dai5/siryou1.pdf](https://www.cas.go.jp/jp/seisaku/gx_jikkou_kaiqi/dai5/siryou1.pdf)

## Survey and Business Data

### **Domestic new car sales in 2022 sluggish to the level of 50 years ago 4.2 million units, down 5.6% from the previous year**

The Japan Automobile Dealers Association and the Light Motor Vehicle Association announced on January 5 that the number of new vehicles sold in 2022 (total of registered vehicles and light vehicles) was 4,201,321 units (down 5.6% from the previous year) decreasing for four consecutive years. It fell below the year 2011, Great East Japan Earthquake (4,210,220 units), and the market scale returned to the level of about 50 years ago. The number of registered vehicles was 2,563,184 (down 8.3% year-on-year). It fell below 3 million units for the third consecutive year and fell to the second lowest level since statistics began in 1968. Light-vehicles were 1,638,137 units (down 0.9% year-on-year), the second lowest level after 2011. In addition to the shortage of semiconductors, the supply chain (supply network) continued to be confused due to the COVID crisis, and the production adjustment of finished cars was prolonged.

Japan Automobile Dealers Association website (in Japanese):

<http://www.jada.or.jp/data/month/m-r-hanbai/m-r-type/>

Federation of National Light Motor Vehicle Association website (in Japanese):

<https://www.zenkeijikyo.or.jp/statistics/4soku>

### **Corporate Goods Price Index rises 10.2% in December 2010, record high for the year**

The corporate goods price index for December 2022 (preliminary figure, 2020 average = 100) announced by the Bank of Japan on January 16 was 119.5, up 10.2% from the same month of the previous year. The index hit a record high for the ninth straight month. It was the 22nd consecutive month that the index





exceeded the previous year's level. The movement to pass on the soaring energy prices has been prolonged, and the situation where electricity and city gas continue to push up the overall prices. The annual increase in 2022 was 9.7%, the highest since 1981. Of the 515 items announced, 454 increased, accounting for 88% of the total, and the trend continues at a high level. Indexes of steel (20.9%), food and beverages (7.7%), and agricultural, forestry and fishery products (6.9%) rose significantly.

Bank of Japan website:

[https://www.boj.or.jp/en/statistics/pi/cgpi\\_release/cgpi2212.pdf](https://www.boj.or.jp/en/statistics/pi/cgpi_release/cgpi2212.pdf)

### **2022 trade deficit hits record high of JP¥ 19.9 trillion impacted by higher resource prices and weaker JP¥**

According to the trade statistics (preliminary report, customs clearance basis) released by the Ministry of Finance on January 19, the annual trade balance in 2022 was in the red at JP¥ 19.9713 trillion. The amount of the deficit exceeded the deficit of 2014 (JP¥ 16 trillion) after the Great East Japan Earthquake in 1979, from which comparisons can be made, and reached a new record high. Imports increased significantly due to the historically weak of JP¥ and high resource prices. The import value increased by 39.2% from the previous year to JP¥ 118.1573 trillion, surpassing the JP¥100 trillion mark for the first time and the highest ever. In addition to the rise in resource prices against the backdrop of Russia's invasion to Ukraine, etc., the historic depreciation of the JP¥ to the 1 dollar = JP¥ 150 level at one point affected. Exports also increased by 18.2% year-on-year to JP¥ 98.186 trillion, a record high, but the growth in imports exceeded that. By item, the import value of crude oil increased by 91.5% from the previous year, coal increased by 178.1%, and liquefied natural gas increased by 97.5%. In terms of export value, automobiles increased by 21.4%, and steel increased by 24.2%. By country/region, imports from China increased by 21.8%, and the trade balance deficit was JP¥ 5,827.1 billion, the first increase in three years. It had a surplus of JP¥ 6.5356 trillion with the United States, a deficit of JP¥ 2.161 trillion with the European Union (EU), and a surplus of JP¥ 2.7799 trillion with Asia as a whole.

MOF website:

[https://www.customs.go.jp/toukei/shinbun/trade-st\\_e/2022/2022\\_114e.pdf](https://www.customs.go.jp/toukei/shinbun/trade-st_e/2022/2022_114e.pdf)



**Foreign visitors to Japan in 2022 was 3,831,900, the first increase in three years, but level of 10% to 2019**

The number of foreign visitors to Japan in 2022 (estimate) announced by the Japan National Tourism Organization on January 18 was 3,831,900. Due to the drastic relaxation of border measures, the number of people has increased 15.5 times from the record low of 2021 (245,862), the first increase in three years since 2019 before the COVID crisis. However, compared to the peak in 2019 (31.88 million), it remained at a level of about 10%. Looking at the number of visitors to Japan in 2022 by country/region, South Korea was the largest with 1,012,700, followed by Taiwan with 331,100, the United States with 323,500, Vietnam with 284,100, and Hong Kong with 269,300. On the other hand, China, which accounted for 30% of the total number of visitors to Japan before the pandemic, was only 189,000.

Japan Tourism Agency website (in Japanese):

[https://www.jnto.go.jp/jpn/statistics/data\\_info\\_listing/pdf/20230118\\_monthly.pdf](https://www.jnto.go.jp/jpn/statistics/data_info_listing/pdf/20230118_monthly.pdf)

**Company & Organization News**

**Sumitomo Forestry to construct a 7-story wooden office building in the United States**

Sumitomo Forestry announced on December 26 that it will construct a wooden seven-story ESG-friendly office near Dallas, Texas, USA. Iino Shipping Co., Ltd. and Kumagai Gumi Co., Ltd. will participate in this project. This office building is a 7-story wooden structure with a rental area of 22,548m<sup>2</sup>, and is characterized by design that takes into account environmental performance such as the carbon fixing effect of wood. About 3,800 tons of carbon is fixed by wood used for building materials, etc. The building method is mass timber construction. This method is a relatively large-mass engineered wood made by combining multiple woods which significantly reduces CO<sub>2</sub> emissions compared to general reinforced concrete (RC) construction. A trial calculation using software that visualizes CO<sub>2</sub> emissions "One Click LCA" shows that the amount of CO<sub>2</sub> emissions during construction can be reduced by about 2,600 tons in compared to RC construction.





Sumitomo Forestry website:

[https://sfc.jp/english/news/pdf/20221226\\_01.pdf](https://sfc.jp/english/news/pdf/20221226_01.pdf)

### **Sony-Honda launches sedan EV "AFEELA" in spring 2026**

The Sony Group announced on January 4 that the brand name of the electric vehicle (EV) that will start accepting orders in 2025 through a joint venture with Honda will be "AFEELA." The announcement was made at a press conference ahead of CES, the world's largest technology trade fair, which opens on January 5. Sony Group established "Sony-Honda Mobility" as a fifty-fifty joint venture with Honda. The company will start accepting orders for EVs in the first half of 2025, and plans to start deliveries in North America in the spring of 2026 and in Japan in the second half of the same year. The company will partner with Qualcomm in the US for the development of the first EV, and will collaborate with Epic Games, a major US game company, for entertainment such as games that can be enjoyed in the car.

YouTube CES® 2023 Press Conference Sony Official:

<https://www.youtube.com/watch?v=UVMcjxW68Bc>

### **JFE Steel acquires blue credits for seaweed bed development project using steel slag products**

JFE Steel announced on January 10 that it has acquired "J Blue Credit" certification for its seaweed bed development project using iron and steel slag products in the sea area of Iwakuni City, Yamaguchi Prefecture. The certified absorption amount is 79.6t-CO<sub>2</sub> (as the amount of CO<sub>2</sub> absorbed and fixed from 2018 to 2022). In this project, from 2013 to 2018, in Iwakuni City, Yamaguchi Prefecture, approximately 3.6 hectares of rocky seagrass beds were created using recycled steel slag products. On the shore side of the created seaweed bed, the distribution of the seaweed bed expanded and the amount of CO<sub>2</sub> absorbed increased due to the improvement of the seaweed growth environment conditions associated with the suppression of the flow field. In addition, it was confirmed that the formation of seaweed beds attracts useful fish. In recent years, research of "blue carbon" has been progressing which is absorbed and fixed by living organisms in the ocean.



JFE website (in Japanese):

<https://www.jfe-steel.co.jp/release/2023/01/230110.html>

### **Kuraray begins call for school bags donation to Afghanistan**

Kuraray announced on January 10 that it has begun accepting applications for randoseru (Japanese style school bag) needed for this year's donation activities. This is an international social contribution activity sponsored by Kuraray, which produces the man-made leather CLARINO®, which accounts for approximately 70% of the market share for school bags. It receives used school bags from people in Japan and give them to children in Afghanistan every year along with school supplies such as notebooks and pencils. School bags submitted in 2022 were distributed to children in Achin District, Nangarhar Province from October to November 2022 with the cooperation of the Afghan Medical Union, which has a clinic and office in Jalalabad (the capital of Nangarhar Province). This campaign, which started in 2004, has so far delivered approximately 150,000 school bags to children in Afghanistan.

Kuraray website (in Japanese):

<https://www.kuraray.co.jp/news/2023/230110>

### **Shimizu Corporation develops "Decarbonized" Soil Improvement Method**

Shimizu Corporation announced on January 13 that it had developed an improved "Decarbonized" soil improvement method, jointly with Toyo Stabi. The method is mixed molten slag and biochar into the ground to be improved in the ground improvement work, creating a decarbonized ground that would reduce CO2 emissions resulting from construction to virtually zero. This method improves the properties of cohesive soil by mixing molten slag, which is made by cooling and solidifying incinerated ash, etc., which has been melted at high temperatures, and reduces the amount of cement-based solidification materials that emit a large amount of CO2 during manufacturing. At the same time, by offsetting the amount of CO2 emissions associated with the production of the solidifying material with the amount of CO2 absorbed and fixed by the biochar, it is possible to achieve carbon neutral construction. Furthermore, by increasing the amount of biochar used, it is expected that the total amount of CO2 emissions reduction and CO2 fixed amount will exceed the amount of CO2 emissions, it means the construction under the "carbon negative" environment.



SHIMIZU CORPORATION website (in Japanese):

<https://www.shimz.co.jp/company/about/news-release/2023/2022061.html>

### **GE and IHI sign MoU to develop gas turbines that can operate on 100% ammonia**

IHI announced on January 18 that it has signed a memorandum of understanding with GE Gas Power U.S. to develop ammonia combustion technology for large heavy-duty gas turbines in order to achieve zero greenhouse gas emissions in the power generation field. IHI and GE have signed a memorandum of understanding on the joint implementation of market and demand surveys aimed at commercializing carbon-free ammonia-fueled gas turbines in 2021. Based on these memorandums, the two companies will proceed with formulating a technology development roadmap for large ammonia gas turbines, and will develop 100% ammonia combustion (single combustion) technology that is superior in safety, competitiveness and environmental friendliness for GE's 6F.03, 7F and 9F by 2030.

IHI website:

[https://www.ihl.co.jp/en/all\\_news/2022/resources\\_energy\\_environment/1198148\\_3488.html](https://www.ihl.co.jp/en/all_news/2022/resources_energy_environment/1198148_3488.html)

### **Kawasaki Heavy Industries and Total Energies of France succeeded in sea test of Autonomous Underwater Vehicle (AUV)**

Kawasaki Heavy Industries, Ltd. announced on January 12 that it has successfully conducted a sea test for anti-corrosion potential measurement in a close inspection of a submarine pipeline using an autonomous underwater vehicle (AUV) in collaboration with Total Energies of France. Focusing on the increasing demand for maintenance of subsea pipelines in the oil and gas field, the company launched the world's first AUV "SPICE" (Subsea Precise Inspector with Close Eyes) using a robot arm for subsea pipeline inspection. On the other hand, Total Energies made a proposal to build an integrated system with its anti-corrosion potential measurement technology called "LTCP (Light Touch Cathodic Protection)", and both started a joint research project in October 2020. The result this time demonstrated that SPICE can be used to automate and speed up pipeline proximity inspections, which are conventionally performed by



ROVs (Remotely Operated Vehicles), including anticorrosion potential measurements.

Kawasaki Heavy Industries website:

[https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20230112\\_2933](https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20230112_2933)

### **Four Companies announced joint feasibility study of large-scale and wide-area CCS value chain project using ship transportation**

ITOCHU Corporation, Mitsubishi Heavy Industries, INPEX and Taisei Corporation announced January 26 that they signed a memorandum of understanding of a joint study to examine the feasibility of a large-scale wide-area CCS value chain business using ship transportation for carbon-emitting businesses in Japan. In the future, the four companies will jointly make separation/ collection/ shipment/ shipping /storage separate CO2 emitted from industries such as materials industries, which are assumed to be difficult to achieve decarbonization through electrification and hydrogenation alone ("Hard-to-Abate industries"). In addition, they also plan to select candidate sites for CO2 storage in Japan. CO2 underground storage technology "CCS" which has been put into practical use overseas, and in Japan there is an example of experimental storage in Tomakomai City, Hokkaido. However, in oil-producing countries, it is easy to find a suitable site because CO2 can be put into the stratum after extracting the oil, but in Japan, where oil fields are scarce, it is necessary to start by searching for a suitable site.

MITSUBISHI HEAVY INDUSTRIES website:

<https://www.mhi.com/news/23012602.html>

### **Mitsubishi Heavy Industries successfully launches H2A rocket equipped with information gathering satellite**

Mitsubishi Heavy Industries announced on January 26 that it had successfully launched the 46th domestically produced rocket "H2A". The rocket equipped with the information gathering satellite radar No. 7 of the Cabinet Satellite Information Center ascended to a predetermined orbit, and the separation of the satellite from the rocket was confirmed. H2A boasts the world's highest level of launch success rate and "on-time rate" that can be launched on time. With this success, the success rate was 97.8% and the on-time rate was 82.6%.



However, in October 2022, the launch of the solid-fuel rocket "Epsilon" failed. Attention was focused on the results of the launch in order to maintain the high reliability of Japanese rocket technology. H2A, which launched the first unit in 2001, plans to end with the 50th unit in the future. The Japan Aerospace Exploration Agency (JAXA) will launch its next-generation satellite "H3" for the first time on February 12. The H3 will be able to carry heavier satellites than the H2A. The launch price will also be cut in half. Until now, it took about two years from receiving an order for a satellite to launch, but this will be shortened to about one year.

MITSUBISHI HEAVY INDUSTRIES website (in Japanese):

<https://www.mhi.com/jp/news/23012604.html>