



Proposal for International Standards Strategy toward Global Market Creation

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Keidanren (Japan Business Federation)

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The formation of international standards, regulations, and other strategic rules is a powerful tool for creating markets on a global scale and improving industrial competitiveness.

In addition to Europe and the US, China's presence in the standardization arena is growing stronger.¹

Japan continues to win in technology and lose in business, and in the near future, even winning in technology may become difficult.

It is imperative that industry, academia, and government now work closely together by formulating and implementing an international standards strategy as part of rule formation under a clear vision.

Scope of this Proposal

De jure standards

Developed through international consultation at international standardization organizations² such as ISO, IEC, and ITU

Forum-based standards

Developed through discussion at forum organizations in which private companies, research institutes, and the like participate

Notes:

1. Europe tends toward policy guidance and standardization, the United States to de facto standards and forum-based standards, and China to state-led national standardization.
2. ISO: International Organization for Standardization; IEC: International Electrotechnical Commission; ITU: International Telecommunication Union.

01 Clearly Communicate and Promote Society 5.0 for SDGs

- A concept originating in Japan, in which a diverse range of people apply their knowledge to create a better society using data and state-of-the-art digital technology such as AI.
- Although it has gained some recognition in forums such as B7, international awareness of Society 5.0 for SDGs remains low.
- It is essential that we **clearly communicate and promote** Society 5.0 for SDGs so that the concept will be widely understood and shared by the international community as the **cornerstone of Japan's proposals for international standardization**.

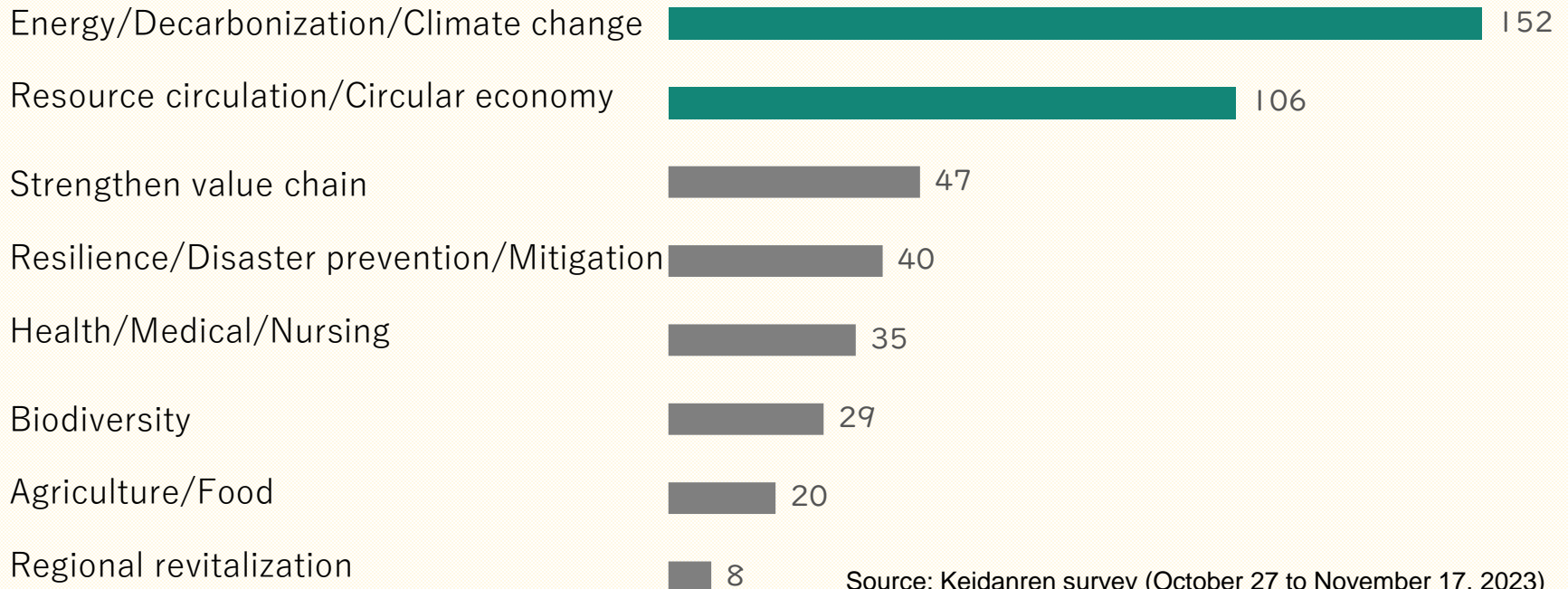


Society 5.0

02 Strategic Areas: Establish Promising Areas for Global Market Creation

- Establish strategic areas that can be expected to contribute to the realization of Society 5.0 for SDGs and where markets can be created on a global scale, with a basis in technologies and services that allow Japan to leverage its competitive advantages.

What social issues should Japan focus on in rulemaking, including international standardization?



Source: Keidanren survey (October 27 to November 17, 2023)

Examples of Strategic Areas



- ✓ Japan has strengths in technologies related to carbon neutrality¹ and circular economy.²
- ✓ It is important to capture new markets while avoiding the formulation of inappropriate standards/rules.
- ✓ Utilize frameworks such as the Asia Zero Emission Community (AZEC).



- ✓ Red (medicine and health): Harmonize regulations globally in regenerative medicine, etc. through standardization and establish quality standards for supporting industries.
- ✓ Green (food and agriculture): Standardize cultured meat safety, etc. with a view to food security.
- ✓ White (industry and energy): Establish feedstock standards to secure a stable feedstock supply.



- ✓ Promote standardization of Beyond 5G (6G), semiconductor manufacturing technology, and quantum technology as fundamental technologies supporting Society 5.0.



- ✓ Japan has globally advanced capabilities in weather data collection and analysis, flood and tsunami countermeasures, post-disaster rehabilitation, etc.
- ✓ Promote standardization for development as an industry and adoption in other countries.



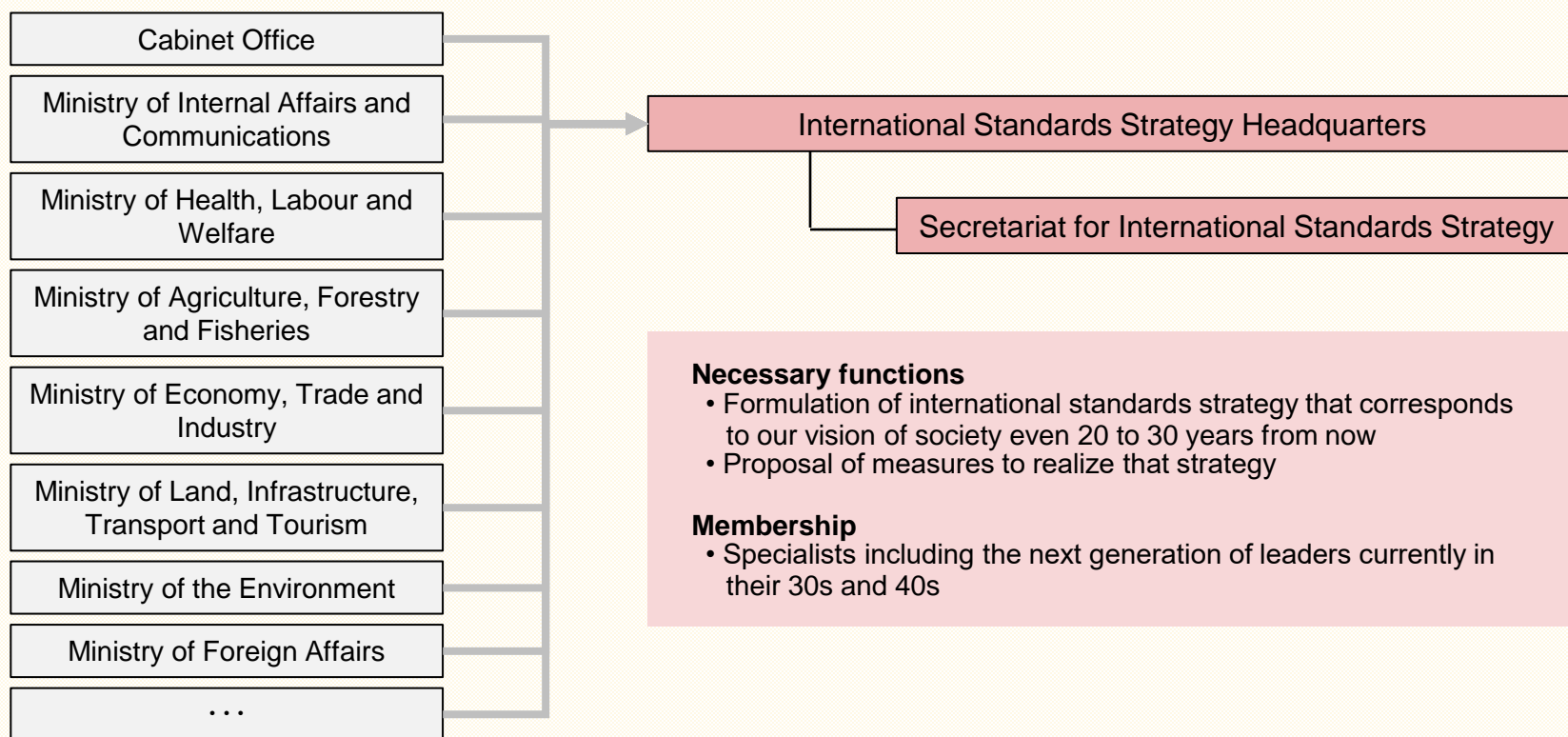
- ✓ This is an area where uniquely Japanese value such as attention to detail can be leveraged.
- ✓ Promote standardization to capture markets by meeting medical and nursing care service needs in other countries.

Notes:

1. Hydrogen, solid-state batteries, negative emissions technology, nuclear fusion technology, etc.
2. 3R technologies, chemical recycling of waste plastics, etc.

01 Establishing the International Standards Strategy Headquarters

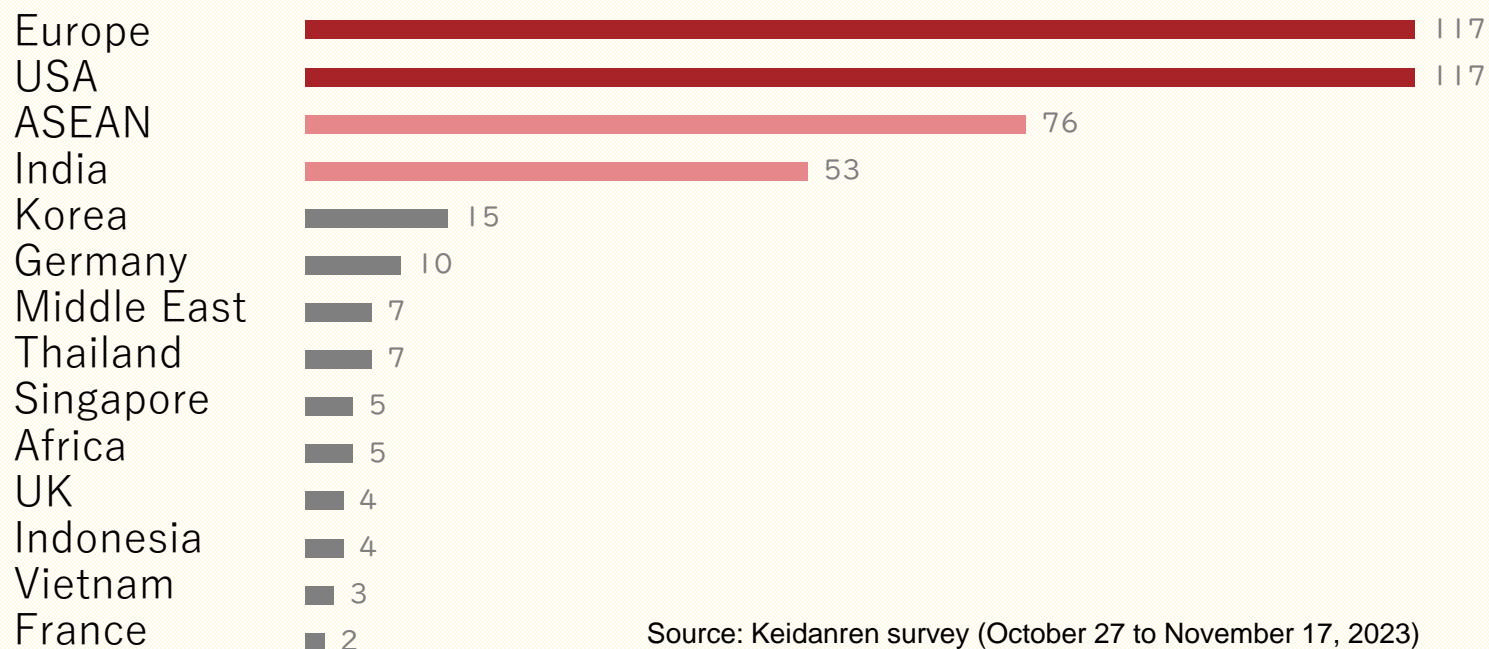
- Although the Intellectual Property Strategy Headquarters should act as a governmental control tower, at present the secretariat is inadequately staffed and funded, and there is no clear forum for cross-disciplinary, industry-academia-government discussion of international standardization strategies.
- A permanent body with a robust secretariat should be established to comprehensively coordinate the measures of different ministries and agencies and to formulate and promote Japan's international standards strategy from a broad perspective.



02 Forging Alliances

- Depending on the target market, build government-led strategic partnerships based on trust with Europe, the US, ASEAN, India, and other countries.
- Increase presence of Japanese companies overseas through the Japan Business Council in Europe (JBCE) and the Japan External Trade Organization (JETRO).
- Promote personnel exchange with overseas organizations to build medium- to long-term alliances.

What countries or regions should Japan collaborate with in rulemaking, including international standardization?



Source: Keidanren survey (October 27 to November 17, 2023)

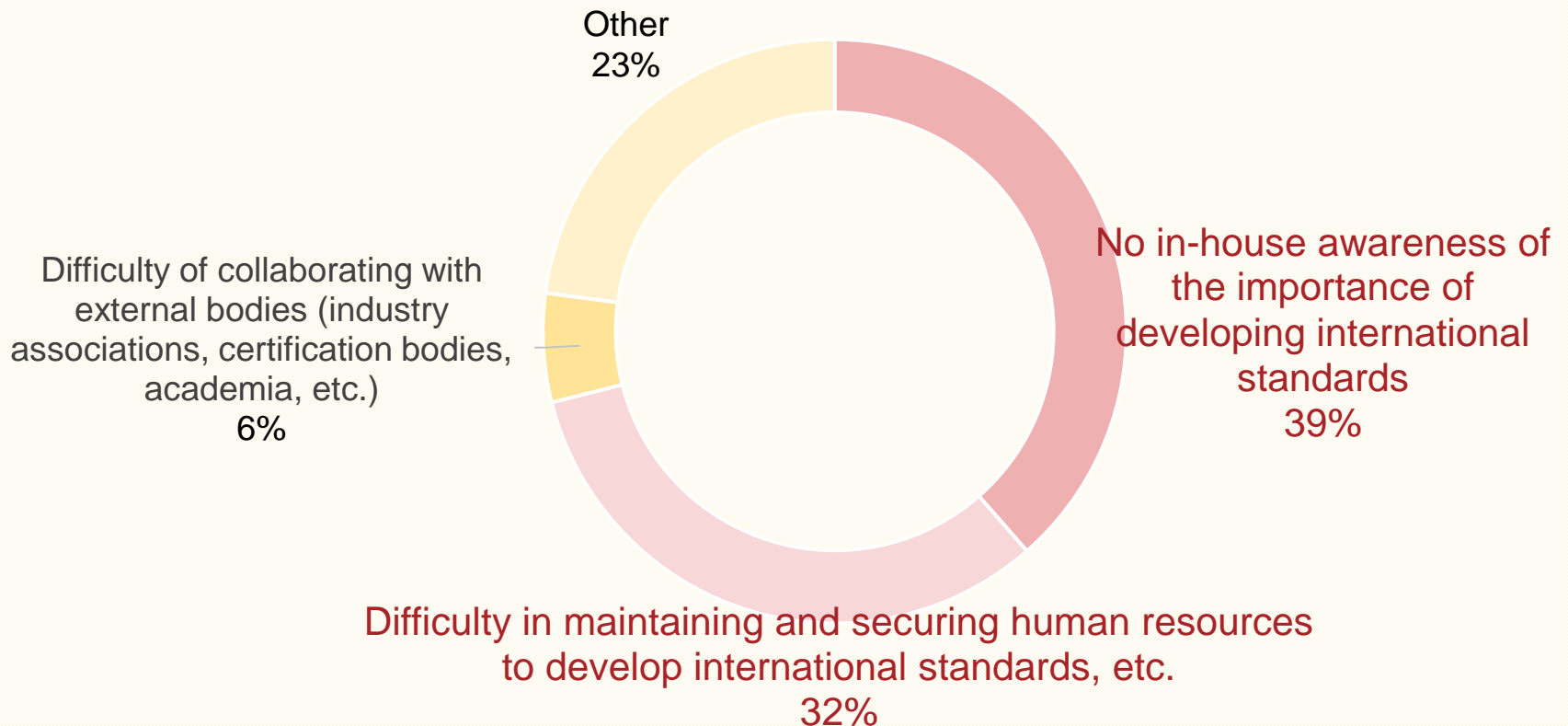
03 Building an Ecosystem

- It is essential to construct an ecosystem involving companies, industry associations, government, academia, standards development organizations, certification bodies, etc. (see next section for details).



- Common challenges: lack of awareness of international standards within companies and maintaining and securing human resources

Reasons for lack of development of international standards



01

Promoting Modification of Corporate Behavior

Issue

- ✓ Lack of awareness of the importance of international standards

Measures

Raise Management Awareness

- ✓ Managers must themselves cultivate a strong awareness of the importance of international standards and position standards at the center of their management strategy.
- ✓ Companies should initiate concrete actions such as appointing chief standardization officers (CSOs) and ensure that they function effectively.
- ✓ Corporate planning departments should coordinate with other departments to incorporate international standards strategies into company-wide strategies.

Allocate Human Resources

- ✓ Companies should increase staffing and use outside personnel as necessary, including assigning high performers.

Engage in International Standardization from the R&D Phase

- ✓ The Japanese government should provide more standardization support to companies participating in Green Innovation Fund projects, etc. (e.g., offering consultation opportunities with experts).
- ✓ Companies should work on international standardization from an early stage, as part of their own regular R&D activities.

Appeal to Investors

- ✓ Companies should express to investors their commitment to the creation of value through standardization, with reference to the “IP & Intangible Assets Governance Guidelines Ver. 2.0,” to attract investment.

02

Securing and Developing Human Resources

Issues

- ✓ Shortage and aging of standardization personnel
- ✓ Concerns that the supply of human resources capable of providing leadership will be depleted in the near future

Measures

Develop and Visually Present Career Roadmaps

- ✓ Companies and industry associations can develop and visually present career roadmaps to provide incentives to early-career staff.

Establish and Leverage a Pool of Specialists

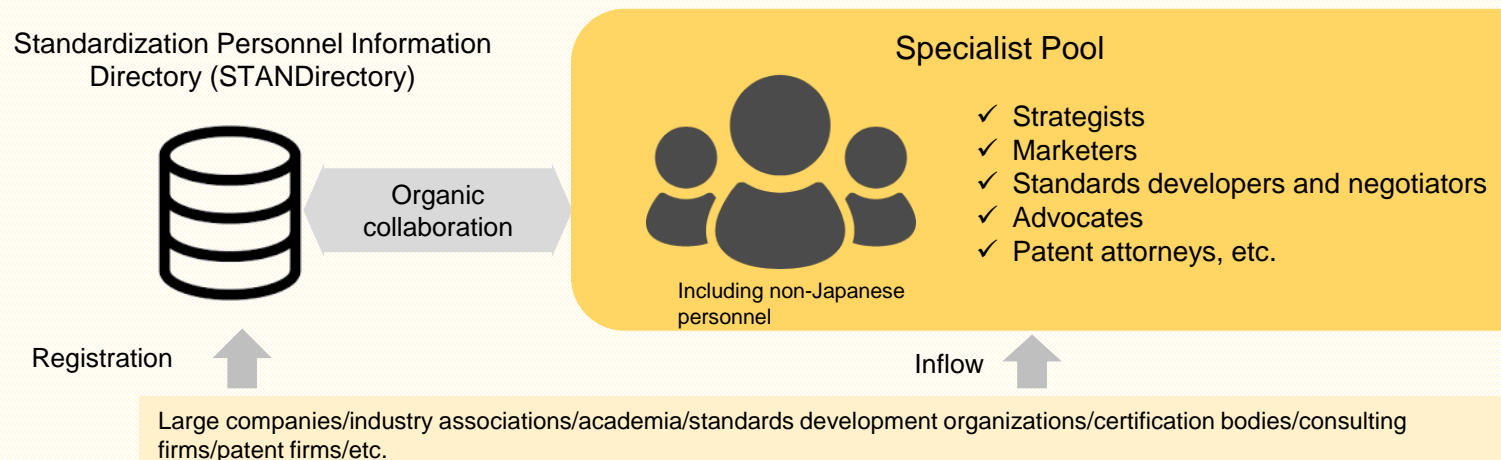
- ✓ Establish a pool of specialists through organic linkage with the Standardization Personnel Information Directory, which is under construction by the Japanese government, and encourage the use of outside personnel.
- ✓ Stimulate the market for standardization personnel and improve liquidity.

Leverage Patent Attorneys

- ✓ Further enhance the presence of patent attorneys in the area of standardization as experts in open and closed strategy.

Higher Education & Re-skilling

- ✓ Integrate international standards strategy into university and graduate school curricula.
- ✓ Enhance the training function of the Japanese Standards Association.



03 Promoting Cross-Industry Collaboration

Issues

- ✓ Existence of social issues that are difficult for one company or one industry to solve

Measures

- ✓ It is necessary to promote collaboration between multiple industries in the value chain and expand areas for cooperation, including international standards.
- ✓ It will also be effective to utilize industry-academia-government councils that are cross-disciplinary and cross-industry.

04 Ensuring Recognition of and Support for Academics

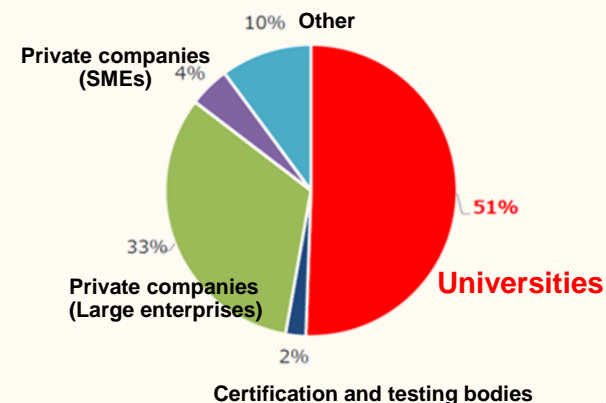
Issues

- ✓ Academics are key players, holding many important positions such as chairs of international standardization-related committees, but these efforts are not given sufficient recognition or funding.

Measures

- ✓ Performance evaluation: assess at same level as IP achievements.
- ✓ Funding: expand support by the Japanese Standards Association and academic societies.

Affiliations of the TC/SC chairs in ISO/IEC representing Japan (JISC members)



01 **Top Management Seminars**

- ✓ Hold high-level seminars aimed at management and the heads of corporate planning divisions

02 **Enhancement of Awareness-Raising Activities**

- ✓ Spread awareness through the *Monthly Keidanren* magazine and other media
- ✓ Cooperate in events hosted by government and other organizations

03 **Promotion of Cross-Industry Collaboration**

- ✓ Provide a forum for discussion of cross-industry international standardization activities

04 **Promotion of International Standards Strategies by Keidanren**

- ✓ Consider renaming to Intellectual Property and International Standards Strategy Committee and establishing a new International Standards Strategy Subcommittee
- ✓ Promote international standards strategies in the relevant committees

05 **Review**

- ✓ Review the items achieved after this proposal and the remaining issues, and recommend necessary measures (after one to two years)



Keidanren

Policy & Action