

To obtain better trading conditions to expand the pie  
as a growth strategy of Japan

## **Basic Hub Development Act**

### **Economic Hub Vision**

**(Draft)**

**Parliamentary League for the Japan's Growth Strategy**

**(for the Economic Hub Development in Japan)**

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## **Basic Hub Development Act (Draft)**

### **Part 1: General Rules**

The concept, purpose, aims and emphases of the legislation  
The roles of the national and local governments

### **Part 2: Basic Policies**

Policy items to be implemented as important pillars.

### **Part 3: Basic Hub Development Plan**

The Hub Development Strategic Headquarters (transferred from the Parliamentary League for the Promotion of Hub Development in Japan) shall prepare the basic plan (Basic Hub Development Plan). Policies and concrete measures shall be shown in the plan, and shall set up concrete goals and the target time for achievement of the policy.

### **Part 4: Hub Development Strategic Headquarters (transferred from the Parliamentary League for the Promotion of hub Development in Japan)**

The headquarters shall be placed within the Cabinet.  
The head of the Headquarters shall be the Prime Minister.

### **Part 5: Development and maintenance of compatibility with relevant laws and institutions**

The government shall develop laws and institutions generally, promptly and in an organized manner which will include the revision of the existing regulations in relation to hub development and the implementation of relevant treaties and international commitments on hub development. (This will include the revision and repeal of the existing laws.)

The development of laws and institutions in the previous clause shall be implemented in such a way as to help promote the national interests of Japan in the international community, and to expand domestic demand accompanying the hub development (expanded business chance in the private sector).

### **Byelaw**

Date of enforcement  
Review on the relevant existing organizations

## **Part 1: General Rules**

### **(Purpose)**

Article 1: Considering that the process of globalization is rapidly taking place as shown by the impacts of environmental and financial problems spreading in an instant to the whole world, and that the importance of the promotion of hub development is being heightened, this Act shall provide the basic concepts for promoting hub development in Japan, and basic requirements to realize the concepts, on the base of the principle of the Constitution of Japan, and in special consideration for the action and roles of Japan in the international community after the global financial crisis in 2008. It shall articulate the responsibilities of the national government and other authorities, provide for the preparation of the Basic Plan for Hub Development, as well as promote the measures for hub development in a general and organized manner by establishing the Hub Development Strategic Headquarters. Thus, the Act shall aim to help enhance people's living standards and socio-economic development and to contribute to the stabilization and growth of the world economy.

### **(Obtaining Favorable Trading Conditions)**

Article 2: The greatest goal of hub development shall be to ensure favorable trading conditions for Japan by handling not only passengers and energy resources, but also transit resources such as materials (containers and cargos, MATERIALS), investments, intellectual resources, and service industry resources. Its activities shall comply with the provisions of WTO and other international agreements and commitments as well as the principle of the Constitution of Japan.

### **(Enhancement of People's Living Standards)**

Article 3: Hub development shall aim to lower logistic and distribution cost and living cost by obtaining better trading conditions, in order to help stabilize and enhance people's living standards and expand domestic consumption.

### **(Strengthening of the International Competitiveness of Industries)**

Article 4: By guaranteeing free movement of economic activities including investment, hub development shall enhance the technological strength and international competitiveness of Japan, create new industries, thus, shall help promote industrial development, expand domestic demand, and create employment opportunities in Japan.

### **(Stabilization and Growth of the World Economy)**

Article 5: Considering the ongoing process of globalization, hub development shall be implemented according to the international standards and to establish international standards as the second economic power in the world, thus to contribute to the stabilization and growth of the world economy.

### **(International Cooperation, etc.)**

Article 6: By positively promoting diplomacy and cooperation with the governments in other countries within the frameworks of WTO, APEC, ASEAN regional agreements, hub development shall be implemented for Japan to perform its responsibility and to help increase its national interests in the international community.

**(Environmental Consideration)**

Article 7: Hub development shall promote the achievement of its aims of new energy development and environmental business creation by mobilizing and utilizing intellectual resources and investments. For the sake of environmental consideration, it shall make effective use and improve the efficient management of the existing social stocks.

**(Responsibility of the National Government)**

Article 8: In accordance to the basic concepts of hub development as provided from Articles 2 to 7 (“Basic Concepts”), the government of Japan shall be responsible for formulating the general policy for the development of hubs and put it into practice including the revisions of the relevant existing laws and regulations.

**(Initiative of Local Governments in Hub Development)**

Article 9: Local governments shall be responsible for taking initiative in the development hubs in their localities, based on the basic concepts, in order to strengthening local economies, creating and expanding employment opportunities, and stabilizing people’s living. They shall make efforts to strengthen local industries, and stabilize and enhance people’s living, taking into consideration the division of responsibilities with the national policies.

**(Strengthening International Partnership)**

Article 10: Considering that effective promotion of hub development can be made possible when the governments and private sector corporations in advanced regions with core hub functions in Asia work in partnership to cooperate with Japan, the Japanese government shall devise necessary policies to strengthen partnership among these organizations.

**(Taking Legislative Measures)**

Article 11: The government shall take legislative, financial, taxation, monetary system and other measures necessary to implement policies for hub development.

**(Coordination of Government Organization, etc.)**

Article 12: In order to take measures to promote hub development, the government shall attempt to reorganize the government organization and improve governmental administration.

## **Part 2: Basic Policies**

### **(Creation of a New Market and Employment Opportunities by Hub Development Targeted at Increasing Domestic Demand)**

Article 13: The government shall consider hub development as a means to revolutionarily activate the Japanese economy after the global economic recession in 2008, and formulate and implement as soon as possible comprehensive measures to create a 100-trillion market and 3 million new employment opportunities in five years to come.

### **(Promotion and Expansion of Direct Investments in Japan)**

2) The government shall take necessary measures to enhance the present ratio of direct investments to Japan at 2.5 percent to 10 percent of GDP which is the minimum ratio among other developed countries.

### **(Strengthening Hub Business)**

Article 14: To achieve the goals to lower logistic and living costs, to obtain energy resources and resource materials, and to ensure favorable trading conditions including diplomacy, the government shall make strategic investments on and manage effectively hub infrastructure such as ports, airports, and communications. The government shall also take necessary measures to attract people, materials, services, investments, intellectual resources, and energy resources to Japan and to develop industries in the hinterlands of hubs.

2) In order to expedite hub development, the national and local governments shall implement Article 34 and other measures with strategic aims for ports and harbors to increase the volume of handling transit containers by 10 million TEUs, and the ratio of trans ship from 3.8 percent of today to 40 percent in the five years to come.

3) In order to develop airports into hubs, the national and local governments shall implement Article 34 and other measures to achieve concrete results such as increasing transit rates corresponding to the strategic framework for ports and harbors.

4) As a strategic measure to strengthen ports & harbors, and airports as hubs, the national and local governments shall divide policy making and regulating functions from management functions (stevedoring services and facility management), and also take necessary measures to enhance their management efficiency to the international standard level of advanced countries which already developed hub ports and airports.

### **(Business Hub Development for Leading Industries of the World)**

Article 15: Along with the hub infrastructure development, and taking advantage of Japan's industrial strengths, the government shall take necessary measures to make Japan as the first-class world hub for quality-oriented business in the leading industries of Japan such as 1) medical and biological services, 2) environmental business, 3) new energy development, 4) tourism, 5) education, 6) financial service center, 7) contents industries, and others.

**(Strengthening Hub Service Businesses)**

Article 16: Considering the importance of various service businesses to support hub development in Japan, the government shall take necessary measures to promote private sector businesses (including business support services and living support services, lawyers and patent lawyers conforming to the international standards, accountant's office, translators and interpreters, and human resource development and dispatching).

**(Preferential Measures toward New Industry Creation by Attracting Private Investments from Japan and Overseas)**

Article 17: The national and local governments shall review the existing relevant restrictions and take various preferential measures to expand domestic demand and to create employment opportunities by attracting private investments from Japan and overseas to start new industries and businesses (1) manufacturing, retailing and services, investments and joint development of medium-size corporations, and 2) attracting entrepreneurs from overseas including medium and small scale companies, and supporting Japanese entrepreneurs) as well as to develop businesses (financial service center, casino complexes, etc.) in the hinterland of the hubs.

**(Ensuring Participation Opportunities for All Kinds of Businesses and Industries)**

Article 18: In implementing the measures provided from Article 14 and Article 17, the government shall provide both Japanese and overseas investors and operators with opportunities to participate without limitation in the creation of new industries, and incentives for their growth (see attached for target industries) in order to expand domestic demand and employment opportunities without delay.

**(Reviewing the Existing Restrictions and Provision of Preferential Measures along with Hub Development)**

Article 19: The government shall relax the existing various rules and regulations that will prevent hub development and provide system security to promote hub development.

- Relaxing or repealing the regulation of foreign investors in stevedoring, maritime transport, airport and airline services, broadcasting and telecommunication services.
- Reviewing the regulations imposed on logistics/distribution measures such as harbor and maritime transport, port and harbor improvement, storehouses, railways, cargo and truck transport, etc.
- Abolishing practices such as the prior consultation system in stevedoring at ports and harbors
- Relaxing and abolishing the regulations to be in accord with international standards provided by the International Maritime Organization and other international organizations, (in particular, regulations under the jurisdiction of the Maritime Bureau and procedures for entry and departure.)
- Reviewing the Customs Law, the Quarantine Law, the Public Water Body Reclamation Law, the City Planning Act, the Building Standards Act, and Relaxing land use restrictions
- Simplifying procedures of the Foreign Exchange Law
- Simplifying and speeding up immigration inspection for people with special technologies and skills

The government shall also take necessary steps to provide preferential measures for hub development including the taxation system.

2) Local governments, as the main players of hub development, shall relax or abolish the existing regulations in stevedoring at harbors, maritime transport, airport and airline services, broadcasting and telecommunication services which prevent the development of hubs in Japan, and shall take necessary measures to provide preferential measures including taxation system.

3) The government shall take necessary measures to promote hub development through adopting international standards, ensuring technical interface such as standards and languages in the port and harbor information system, and promoting efficiency in application procedures including customs clearance.

**(Development of Security Incentives for Overseas Investors, entrepreneurs, and Workers)**

Article 20: The government shall take necessary measures to provide investors, entrepreneurs, employees and their families who are supposed to migrate into Japan along with hub development with security incentives on human rights, entry to and departure from Japan, residence, education, employment, insurance, social services, security guard, etc.

The government also shall admit the entry in governmental documents in English, admit the establishment of schools by foreign educational corporations, relax the requirements to examine and obtain qualifications of foreign medical doctors and pharmacists, cooks, and nursing care workers.

2) The government shall take necessary measures to provide system security in the fields of 1) application of international standards to all kinds of standards and authorization, 2) customs procedures, 3) relaxing regulations, 4) human resource development, 5) technological security, 6) free access to information, 7) free access to the market and financial procurement, and 8) dispute arbitration.

**(Examination of Special Preferential Zones for Overseas Investors, entrepreneurs, and Workers)**

Article 21: The government shall examine the designation of special preferential zones in core cities in Japan (hub cities, or enterprise zones) as pilot zones to implement the measures set forth in Article 20.

**(Promotion of International Cooperation)**

Article 22: The government shall perform its due roles in the international community in the liberalization of the mobility of passengers, materials, investments, services and intellectual resources. At the same time, the government shall promote international partnership, technical and other cooperation to promote hub development in Japan in order to increase national interests in the international community, and shall take necessary measures to gain deeper understanding among other countries on hub development in Japan.

**(Environmental Conservation)**

Article 23: The government shall take necessary measures to promote the development of hubs considering harmony with the environment.

2) The government shall, in parallel with hub development, ensure international partnerships in order to conserve the environment.

**(Ensuring Human Resources)**

Article 24: While maintaining close cooperation with the governments and private sector corporations in other countries which have already developed hubs, and also with other interested international organizations in its efforts to promote hub development, the government shall take necessary measures to ensure and train human resources to be involved in hub development, and to enhance their qualities.

**(Promotion of Education and Learning, etc.)**

Article 25: In order to arouse public interest and deepen understanding on hub development in Japan, the government shall take necessary measures in promoting educational and learning opportunities as well as conducting information activities.

**(Information Management on Hub Development)**

Article 26: Considering the special feature of hub development, the government shall take adequate information management measures.

**Part 3: Basic Hub Development Plan**

Article 27: The Hub Development Strategic Headquarters shall prepare the basic plan (Basic Hub Development Plan) in order to promote general and well-planned promotion of hub development.

- 2) The Basic Hub Development Plan shall provide for the following:
- i) Basic policies to promote hub development,
  - ii) General and well-planned policies for the government to implement,
  - iii) Necessary things, other than those provided under paragraphs i) and ii) which are required of the government to implement its policies for promoting hub development in a general and organized manner.
- 3) The policies contained in the Basic Hub Development Plan shall, in principle, set forth concrete goals and target times for achievement.
- 4) With an aim to formulate feasible plans from a global perspective, when the Hub Development Strategic Headquarters prepares the Basic Hub Development Plan according to clause 1) of this article, it shall prepare the document also in English and publish it to the foreign governments and private sector corporations which are ahead of Japan in hub development so that their advice could be reflected on the final plan.
- 5) When the said plan under clause 1) of this article is finally formulated, the Hub Development Strategic Headquarters shall publish the plan without delay, through the Internet and other appropriate media.



- 6) The Hub Development Strategic Headquarters shall investigate according to the provision in clause 3) of this article on the progress of the activities to achieve the goals, and shall publish the results through the Internet and other appropriate media.
- 7) Considering the progress of efforts for hub development, and the effects of policies taken by the government for hub development, the Basic Hub Development Strategic Headquarters shall review the Basic Hub Development Plan from time to time, and as it deems it necessary, shall make modifications to the plan. In this case, the provision of clause 4) shall be applied.
- 8) In order to ensure the necessary funds to facilitate the smooth implementation of the Basic Hub Development Plan, the government shall include its expenses, within the range allowed, in the national budget, and take other necessary measures.

#### **Part 4: Hub Development Strategic Headquarters**

##### **(Establishment)**

Article 28: In order to promote general and well-planned implementation of policies to promote hub development, the Hub Development Strategic Headquarters (Headquarters) shall be placed within the Cabinet.

##### **(Responsibilities)**

Article 29: The Headquarters shall be responsible

- i) to prepare the Basic Hub Development Plan, and to promote its implementation, and
- ii) to research and examine for important plans to implement measures to promote hub development, and to promote and coordinate the implementation of these measures.

##### **(Organizational Structure)**

Article 30: The Headquarters shall be composed of the chairperson, vice-chairpersons and members.

##### **(Chairperson)**

Article 31: The head of the Headquarters shall be the chairperson of the Headquarters, and the Prime Minister shall act as the chairperson.

2) The Chairperson shall supervise the work of the Headquarters and direct staff members of different sections.

##### **(Vice-chairpersons)**

Article 32: There shall be vice-chairpersons.

The Cabinet Secretary and the Minister in charge of hub development (a minister of state appointed by the prime minister to assist the prime minister in affairs relating to hub development) shall act as vice-chairpersons.

2) Vice-chairpersons shall assist the chairperson with performing his responsibilities.

**(Members of the Hub Development Strategic Headquarters)**

Article 33: There shall be members of the Headquarters.

2) All the ministers of state other than the minister who has been appointed as the vice-chairperson shall be the members of the headquarters.

**(Establishment of the Bilateral Supreme Policy Making Organization between Japanese government and a foreign government, and Holding Regular Meetings of the Organizations including Overseas Private Sector Corporations.)**

Article 34: The Headquarters shall establish the supreme policy making organization to consider strategic measures to ensure the development of hubs in Japan. The organization shall be a bilateral organization consisting of the Japanese government and a foreign government which is already playing a hub function in Asia.

2) The Headquarters shall organize regular strategic meetings with the participation of the governments and private sector corporations in advanced regions with core hub functions, and shall reflect the discussion to the promotion of hub development in Japan.

**(Submission of Information Materials and Other Kinds of Cooperation)**

Article 35: The Headquarters, when it deems it necessary, can request relevant government offices, local governments, and the heads of independent administrative corporations and special corporations with semi-governmental status, for the submission of information materials, disclosure of opinions and explanations, and other cooperation.

The independent administrative corporations referred in this article are the corporations designated in Article 2, paragraph 1 of the General Rules on Independent Administrative Corporations (Law No. 130, 1999), and special corporations are corporations which were established directly based on a law, or those which were incorporated by a special authority in accordance with a special law, to which the provision of Article 4, Clause 15 of the Ministry of Internal Affairs and Communications Establishment Act (Law No. 91, 1999) applies.

**(Administrative Matters)**

Article 36: The Cabinet Secretariat shall deal with administrative matters for the Headquarters, and the Assistant Deputy Chief Cabinet Secretary shall supervise the office work.

**(Minister in charge)**

Article 37: The minister in charge of matters relating to the Headquarters as provided in the Cabinet Law (1947 Law No. 5) shall be the Prime Minister.

**(Mandate to Ordinances)**

Article 38: Necessary matters other than which are provided in this Act shall be determined as ordinances.

**Part 5: Development and maintenance of compatibility with relevant laws and institutions**

Article 39: The national and local governments shall develop laws and institutions generally, promptly and in an organized manner which will include the revision of the existing regulations in relation to hub development and the implementation of relevant treaties and international commitments on hub development. (This will include the revision and repeal of the existing laws.)

2) The national and local governments shall improve practices in all relevant fields that prevent ports and airports from turning into hubs, and shall also review the existing systems and institutions.

3) The efforts in clause 1) shall be made to help increase Japan's national interests in the international community and to expand domestic consumption (expanding business chance) along with hub development.

**(Legislation on Casinos under the Basic Hub Development Act)**

Article 40: Considering that countries and regions which are advanced in hub development have legislated casinos as the target for investments from outside, the government shall consider casinos as targets for excellent overseas investments, and legislate on casinos as a subordinate act of the Basic Hub Development Act. Such legislation shall be based on the provisions in Articles 16, 17, 18, 29, and 34 of the Basic Hub Development Act. Upon obtaining public understanding, the Headquarters shall take action to legislate for casinos.

## Byelaws

### **(Date of Enforcement)**

Article 1: This law shall be enforced on the day designated by an ordinance, which shall be within three months from the day of promulgation.

### **(Adjustment of the Laws and Institutions to Entrust the Administrative Work of the Headquarters to the Cabinet Office)**

Article 2: The government shall adjust the existing laws and institutions with the target of a year after the enforcement of this Act and take other necessary measures to entrust all the administrative office work to the Cabinet Office.

### **(Review on Semi-governmental Corporations and Independent Administrative Institutions)**

Article 3: The government, with a target of a year after the enforcement of this Act, shall review the purposes, functions, terms of reference, organizational structures of extra-governmental organizations with semi-government status such as special corporations and independent administrative institutions engaged in the management of ports and harbors and airports in Japan.

### **(Review on the Administrative Structure in order to Promote Policy Implementation for Hub Development in a Comprehensive and Integrated Manner)**

Article 4: The government shall take necessary action to promote policy implementation for hub development in a comprehensive and integrated manner.

2) The government shall review its detached office, the Port & Harbor and Airport Department of the Regional Development Bureau, in order to make strategic and high priority investments to ports & harbors and airports to be upgraded as hubs, and to ensure their efficient management.

### **(Review on Special Accounts for Ports & Harbors, and Airports)**

Article 5: The government shall review its special accounts for Ports & Harbors and Airports.

<Signatories to this Act upon promulgation> (Constitution Article 74)

Minister of Land, Infrastructure and Transport,  
Minister of Economy, Trade and Industry,  
Minister of Finance,  
Minister of Internal Affairs and Communications,  
Minister of Foreign Affairs, Minister of the Environment,  
and Prime Minister