

# Basic Act on the Promotion of Core Manufacturing Technology

(Act No. 2 of March 19, 1999)

By way of supporting the development of the manufacturing industry, which is Japan's fundamental industry, core manufacturing technology has contributed to the development of all areas of the national economy such as expansion of production, promotion of trade, creation of new industries, and increase in employment, and has contributed to improving the lives of the citizenry. In addition, workers engaged in operations pertaining to core manufacturing technology have played a significant role in maintaining and improving the level of the technology in their capacity as supporters of such core manufacturing technology. We believe that the economic and social role of such core manufacturing technology and workers who engage in operations pertaining thereto will continue to be an important element in the foundation of the existence of the State in the future. Recently, however, due to changes in the employment structure, changes in competitive conditions resulting from factors like the progress of industrialization overseas, and other diverse and structural changes in the economy, the share of the manufacturing industry in Japan's gross domestic product has fallen, and concerns about a decline in the industry have grown, and the smooth succession of core manufacturing technology is becoming difficult. In order to deal with such a situation and to maintain the sound development of Japan's national economy through the development of the manufacturing industry, which is a fundamental to the State, that the active promotion of core manufacturing technology is indispensable, while a social tendency to respect abilities related to core manufacturing technology is enhanced. We hereby establish this Act so as to drive forward measures for the promotion of core manufacturing technology in a comprehensive and systematic manner.

## Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is to ensure the maintenance and improvement of the level of core manufacturing technology by providing for matters that serve as the basis of measures relating to the promotion of core manufacturing technology and by driving forward measures on the promotion of core manufacturing technology in a comprehensive and organized manner, in order to appropriately deal with the diverse and structural changes of the economy in

recent years, in view of the important role to be played by core manufacturing technology in the national economy, thereby contributing to the sound development of the national economy.

(Definitions)

- Article 2 (1) The term "core manufacturing technology" as used in this Act means such technology pertaining to the design, manufacture or repair of industrial products that is specified by Cabinet Order as versatile technology that supports the development of the manufacturing industry.
- (2) The term "core manufacturing industry" as used in this Act means the type of business that mainly utilizes core manufacturing technology and that is specified by Cabinet Order as a type of business that engages in business activities closely related to the design, manufacture or repair of industrial products, such as the manufacturing industry or machine repair industry, software industry, design industry, or machine design industry, (referred to as the "manufacturing industry, etc." in paragraph (1) of the following Article) and the term "manufacturing business operator" as used in this Act means a person who carries out the business of the core manufacturing industry.
- (3) The term "manufacturing worker" as used in this Act means a worker who is employed by a manufacturing business operator and who engages in operations pertaining to core manufacturing technology.

(Basic Principles)

- Article 3 (1) The promotion of core manufacturing technology must be actively implemented while establishing a social sentiment to respect abilities related to core manufacturing technology, considering that core manufacturing technology is an significant element that increases the value of products or services supplied in the business of the manufacturing industry, etc. and that such core manufacturing technology is supported by manufacturing workers.
- (2) In promoting core manufacturing technology, the securing of manufacturing workers and the improvement of their abilities must be ensured, in view of the shortage of manufacturing workers well-versed in the skills and related knowledge necessary for business pertaining to core manufacturing technology (referred to as "skilled manufacturing workers" in Article 13), who are the main supporters of core manufacturing technology.
- (3) In promoting core manufacturing technology, the strengthening of the business foundation of manufacturing business operators who are small and medium sized enterprise operators (referred to as "small and medium sized business operators" in Article 15) and the correction of any disadvantageous trade terms must be ensured, considering that most of the manufacturing business operators are small and medium sized enterprise operators.

(4) Measures on the promotion of core manufacturing technology are to be taken with the aim of encouraging the voluntary efforts of manufacturing business operators, manufacturing workers and organizations related thereto.

(Responsibilities of the State)

Article 4 The State is responsible for formulating and implementing comprehensive measures on the promotion of core manufacturing technology.

(Responsibilities of Local Public Entities)

Article 5 A local public entity is responsible for formulating and implementing measures similar to the measures taken by the State and unique measures that reflect its local characteristics, with regard to the promotion of core manufacturing technology.

(Responsibilities of Manufacturing Business Operators)

Article 6 A manufacturing business operator must, when carrying out business, endeavor to maintain and improve the level of core manufacturing technology through the voluntary implementation of research and development concerning core manufacturing technology as well as the appropriate evaluation of abilities related to core manufacturing technology, maintenance and improvement of the working environment, or any other improvements in the working conditions of manufacturing workers.

(Legislative Measures)

Article 7 The government must take any legislative, fiscal or financial measures or any other measures that are necessary to implement measures on the promotion of core manufacturing technology.

(Annual Report)

Article 8 The government must submit to the Diet a written report on the measures it has taken with regard to the promotion of core manufacturing technology, every year.

## **Chapter II Basic Plan on Core Manufacturing Technology**

Article 9 (1) The government must formulate a basic plan on the promotion of core manufacturing technology (hereinafter referred to as the "basic plan on core manufacturing technology" in this Article) in order to drive forward measures on the promotion of core manufacturing technology in a comprehensive and organized manner.

(2) The basic plan on core manufacturing technology provides for the following

matters:

- (i) basic policy on the promotion of core manufacturing technology
  - (ii) matters concerning research and development of core manufacturing technology
  - (iii) matters concerning the securing of manufacturing workers and the improvement of their abilities
  - (iv) matters concerning the development of the core manufacturing industry
  - (v) matters concerning the promotion of learning pertaining to core manufacturing technology
  - (vi) any other matter that is necessary with regard to the promotion of core manufacturing technology
- (3) The government must, when it has formulated the basic plan on core manufacturing technology, report the Diet to that effect and publicize its outline without delay.
- (4) The government must, if necessary, review the basic plan on core manufacturing technology taking into consideration such matters as the economic and social circumstances concerning core manufacturing technology and the effects of the measures considered by the government with regard to the promotion of core manufacturing technology, and when the government finds it necessary, it must modify the basic plan on core manufacturing technology.
- (5) The provisions of paragraph (3) apply mutatis mutandis to the modification of the basic plan on core manufacturing technology.

### **Chapter III Basic Measures**

(Research and Development of Core Manufacturing Technology)

Article 10 In order to improve the level of core manufacturing technology, the State is to take any necessary measures such as the implementation of research and development concerning core manufacturing technology and dissemination of the results thereof, guidance on technology, training for engineers, and guidance and provision of information on patent rights and other industrial property rights.

(Coordination between Manufacturing Business Operators and Universities)

Article 11 In order to contribute to the promotion of research and development concerning core manufacturing technology and the use of the results thereof and to the development of human resources pertaining to such research and development, the State is to take the necessary measures so that organic coordination will be made between manufacturing business operators and universities, colleges of technology and inter-university research institutes

(hereinafter referred to as "universities, etc."). In this case, the State must give constant consideration to the characteristics of academic research at universities, etc.

(Securing of Manufacturing Workers)

Article 12 In order to promote the securing of workers and the improvement of their abilities, the State is to take the necessary measures on the following matters with regard to manufacturing workers:

- (i) ensuring stability of employment such as preventing unemployment
- (ii) ensuring development and improvement of vocational abilities by such means as enhancing vocational training and vocational ability tests
- (iii) ensuring promotion of welfare such as appropriately evaluating abilities related to core manufacturing technology and maintaining and improving the working environment

(Use of Skilled Manufacturing Workers)

Article 13 In order to ensure the effective use of the skills and knowledge of skilled manufacturing workers (including those who have been skilled manufacturing workers in the past; hereinafter the same applies in this Article) and to have core manufacturing technology succeeded, the State is to take the necessary measures such as commissioning skilled manufacturing workers to provide technical guidance services.

(Promotion of Industrial Agglomeration)

Article 14 (1) In order to ensure the increased efficiency and sophistication of, and any other improvements in, business activities in the core manufacturing industry, the State is to take necessary measures for promoting a new agglomeration of manufacturing business operators and strengthening the functions of the existing agglomeration, such as the establishment of such facilities as industrial parks and the promotion of exchange and coordination among manufacturing business operators in an area that is regarded as a single domain in light of natural, economic and social conditions.

(2) In order to ensure the facilitation of new start-ups and other developments in the core manufacturing industry, the State is to take the necessary measures for enhancing the support functions pertaining to new start-ups and other developments, such as providing facilities, human resources, information and other resources, and efficiently supplying funds to manufacturing business operators.

(Development of Small and Medium Sized Enterprises)

Article 15 (1) In order to ensure the strengthening of the business foundation of

small and medium sized business operators, the State is to take any necessary measures for upgrading of capital equipment, installation of new facilities, and the streamlining of production management.

(2) In order to correct disadvantages concerning trade terms with regard to small and medium sized business operators, the State is to take the necessary measures to make their subcontracting transactions fair and reasonable.

(Promotion of Learning)

Article 16 In order to increase the interest and understanding of the youth and other citizens in core manufacturing technology through the use of all kinds of opportunities and in order to promote the establishment of a social sentiment to respect abilities related to core manufacturing technology, the State is to take the necessary measures for the promotion of learning about core manufacturing technology in school education and social education including increasing education in technology in elementary schools, lower secondary schools and other schools, raising awareness about the importance of core manufacturing technology, and disseminating knowledge on core manufacturing technology.

(International Cooperation)

Article 17 In order to actively fulfill Japan's role in the international community, the State is to take the necessary measures for the promotion of international technical cooperation such as technical cooperation in developing areas concerning core manufacturing technology.

(Incorporation of Opinions)

Article 18 In order to contribute to the appropriate formulation and implementation of measures on the promotion of core manufacturing technology, the State is to take necessary measures such as the establishment of a system for reflecting the opinions of such persons as those concerned with core manufacturing technology, in the measures taken by the State.

### **Supplementary Provisions**

This Act comes into effect as from the day specified by Cabinet Order within a period not exceeding three months from the date of promulgation.