

CONSTRUCTION ISSUES AND RECOMMENDATIONS



HARMONISATION OF BUILDING MATERIAL STANDARDS & CONTRACTOR QUALIFICATIONS



Harmonisation of Building Material Standards & Contractor Qualifications

YEARLY STATUS REPORT: <u>No Progress</u>

- Reform of overly prescriptive regulations and rationalisation of unnecessarily complex procedures for obtaining mandatory approvals is needed so that innovative designs, technology, materials and methods, like those offered by European firms, can be more readily applied in Japan.
- □ Little progress has been made in aligning EU and Japanese standards and testing methods, so re-testing and re-certification are still required, raising the cost of imports and making them less competitive than domestic supplies.



Harmonisation of Building Material Standards & Contractor Qualifications

RECOMMENDATIONS

- □ Japan and the EU should work towards mutual recognition of JAS/JIS and EN standards for building materials and ensure that this is covered in negotiations towards a comprehensive FTA/EPA. CE marking of construction products should suffice as a guarantee of their high quality and safety when sold in Japan.
- □ The Japanese authorities should recognise relevant foreign experience as equivalent to domestic experience when granting a general construction licence (*kensetsugyo kyokasho*).





PROMOTION OF ENVIRONMENTALLY FRIENDLY CONSTRUCTION



Promotion of Environmentally Friendly Construction

YEARLY STATUS REPORT: Some Progress

- Improved building insulation is one of the simplest and most effective ways to reduce energy use and CO2 emissions.
- Improved insulation also reduces operating costs, thus increasing returns on investment. The energy efficiency of most Japanese buildings is far below international standards and best practices.
- □ Japan has introduced regulations requiring higher performance from new buildings, thus the natural next step is to improve the energy efficiency of the existing building stock.



Promotion of Environmentally Friendly Construction

YEARLY STATUS REPORT: Some Progress

- Long-term incentives geared to stimulating building renovations should be considered.
- Renovation opportunities range from simple component replacements (doubleglazed windows; high-efficiency air conditioners; better insulated walls, floors and ceilings; windows with lower thermal transmission values) to the application of new technologies for on-site energy recovery, water treatment, and other conservation measures.



Promotion of Environmentally Friendly Construction

RECOMMENDATIONS

- The Government of Japan should continue to strengthen regulations aimed at promoting energy efficiency in buildings as an easy way to set a more ambitious target for cutting carbon emissions (the current target is to cut greenhouse gas emissions by just 26% by 2030). The best available technologies and transparent methods for measuring performance should be applied.
- ❑ The Government of Japan should mandate much stricter insulation standards for buildings. Rating tools such as CASBEE (the Comprehensive Assessment System for Built Environment Efficiency) and schemes such as the Energy Efficiency Standard for Houses and the PAL/CEC (Perimeter Annual Load/Coefficient for Energy Consumption) assessment for larger office buildings are a step in the right direction.



TRANSPARENCY & ACCESSIBILITY OF INFORMATION & REGULATIONS



Transparency & Accessibility of Information & Regulations

YEARLY STATUS REPORT: <u>No Progress</u>

- Currently much of the interpretation of national construction-related legislation and guidelines is left to the discretion of local authorities, creating scope for unnecessary variation between authorities and uncertainty for potential suppliers.
- Moreover, the decisions of many local authorities may be questionable due to the lack of knowledge needed to interpret the legislation correctly.

RECOMMENDATION

□ The national authorities who regulate the construction market should take appropriate action to rationalise the current patchwork of local regulations and support local authorities by clarifying the legal framework.



IMMIGRATION REGULATION



Immigration Regulation

YEARLY STATUS REPORT: Some Progress

- Both the continuing reconstruction of the Tohoku region and anticipated demand from building projects for the Olympics will put further strain on the already tight construction labour market.
- Under the Japan Revitalization Strategy, foreign trainees are now allowed to stay an extra 2 years in Japan (bringing the total to 5 years) and women are being encouraged to enter the work force.

RECOMMENDATION

Japan should continue efforts to increase women's participation in the labour market and liberalise immigration policy so that construction companies can use overseas skilled labour on fixed-term contracts.

