



EUROPEAN BUSINESS COUNCIL IN JAPAN
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

RAILWAYS

ISSUES AND RECOMMENDATIONS

The background image is a photograph of a railway track at night. The tracks are in the foreground, receding into the distance. Above the tracks, there is a complex system of overhead power lines and support structures. In the background, a building with some lights is visible against the dark sky.

INTRODUCTION OF OPEN INTEGRATED RAILWAY SYSTEMS

Introduction of Open Integrated Railway Systems

YEARLY STATUS REPORT: Limited Progress

- ❑ Product development in Japan is dominated by operators who appoint manufacturers to develop new products according to pre-set specifications within a closed and vertically integrated system, instead of allowing manufacturers the freedom to find the most appropriate solution.
- ❑ This makes the Japanese market unique in comparison to other markets, where “buying off the shelf” is far more common.



Introduction of Open Integrated Railway Systems

RECOMMENDATIONS

- ❑ The Government of Japan should promote and encourage open integrated railway systems, as a way to boost competition in the domestic market and export prospects for Japanese manufacturers.
- ❑ The Japanese Government, research institutes, railway operators and industry should continue their dialogue on this theme.



The background of the slide features a low-angle shot of a metal road signpost against a bright blue sky with wispy white clouds. Two wooden road signs are attached to the post. The sign in the upper left is partially visible and shows the letters 'R' and 'A'. The sign in the lower right is more prominent and shows the letters 'A' and 'D'.

CONFORMITY ASSESSMENT AND MUTUAL RECOGNITION OF TESTING AND CERTIFICATION

Conformity Assessment and Mutual Recognition of Testing and Certification

YEARLY STATUS REPORT: Slight Progress

- ☐ Japan is an active participant in various international standardisation bodies, but there is very little movement towards applying common standards across its domestic railway market.
- ☐ Moreover, Japan lacks a common conformity assessment scheme for this industry.
- ☐ The EBC believes that it will be mutually beneficial for Japanese operators to work together with the EBC Railways Committee to define common requirements.
- ☐ This issue has been discussed in the negotiations towards an EPA and the EBC is looking forward to improvement in this area.



Conformity Assessment and Mutual Recognition of Testing and Certification

RECOMMENDATIONS

- ☐ Japan should establish a working group with the participation of the Japan Railway (JR) companies and other major Japanese operators to identify minimum common requirements acceptable to all operators.
- ☐ The Japanese authorities should take a more active role in setting up a conformity assessment scheme.





OPERATIONAL SAFETY CLAUSE (OSC) & PUBLIC PROCUREMENT

Operational Safety Clause (OSC) & Public Procurement

YEARLY STATUS REPORT: Progress

- ☐ Japan and the EU are both signatories to the WTO's Plurilateral Agreement on Government Procurement (GPA).
- ☐ Despite this, Japan exempts railway procurement from the provisions of the GPA.
- ☐ The EBC understands that the EU-Japan EPA will open up railway related procurement to EU manufacturers no more than one year after the agreement enters into force.
- ☐ The EBC welcomes this and is also pleased that more cities will open up their procurement market to EU suppliers.

Operational Safety Clause (OSC) & Public Procurement

RECOMMENDATIONS

- ☐ Japan should swiftly remove the OSC as agreed in the EU-Japan EPA.
- ☐ The Government of Japan should ensure that when planning new railway projects (such as LRT systems), local governments abide by or use the GPA as guidance to set up a proper public procurement scheme, and do not apply the OSC.



TENDERS

The image is a composite. The top half features a bright blue sky with several white, fluffy clouds. The bottom half shows a perspective view of a railway track with gravel ballast and steel rails, receding into the distance. The track is flanked by dry, yellowish-brown grass. In the far background, a range of mountains is visible under a sky with scattered clouds.

Tenders

YEARLY STATUS REPORT: Slight Progress

- ❑ Japan has never had a system of tendering for railway-related projects. The EBC, however, would like to commend JR East for recently issuing calls for tenders for rolling stock.
- ❑ The EBC believes there is a clear business case for tendering and so urges that Japanese operators start to use tendering procedures as the main method for procurement of railway-related products and services.



Tenders

YEARLY STATUS REPORT: Slight Progress

- ☐ We also hope the voluntary code on publishing procurement plans, issued by the three major JR companies, will result in more transparency and better access to technical specifications, as well as information on how to meet and exceed any set requirements.
- ☐ The strict adherence of the three JR companies to their voluntary codes of conduct remains a critical issue for EU suppliers and the Government needs to ensure full compliance with these codes.



Tenders

RECOMMENDATION

- ❑ The Government of Japan should encourage other operators to follow the example of JR East and promote the use of tendering, as this will improve competition in the Japanese market, benefiting both operators and passengers.

