

**Statement by Kengo Sakurada, Chairman of Keizai Doyukai  
on Enactment of Law for Promotion of Economic Security**

1. Japan's House of Councillors has today enacted into law a bill that comprehensively bolsters the country's economic security. We welcome the move. Businesses, at first, were concerned about the implementation of the economic security measures impacting their activities. However, the deliberations during the Diet sessions addressed this issue, and allowed for addition of a nonbinding resolution to the bill, stating that the independence of business operators shall be respected while fair market competition among them not being unfairly interfered with. We appreciate the result.
2. For the enforcement of the law going forward, the fields of critical items and key infrastructure subject to the law will be designated by the relevant cabinet orders, with applicable business operators being designated by the relevant ministerial orders. The scope of the regulation and assistance under the law should be clearly defined in compliance with the key objectives hereof, and there should be no room for discretionary expansion of the law's coverage. Meanwhile, it is also necessary to flexibly review the designated fields of critical items and key infrastructure, based on the development of geopolitical conditions and technological progress. There are technologies often difficult to judge their features at the early phase of their development—i.e. single-use military-related or dual-use civilian/military-related. Nevertheless, R&D for application of state-of-the-art technologies, such as those related to quantum and genome, should not be restrained by ex ante regulations.
3. Looking ahead to further strengthen economic security, we need a system for information protection that covers "security clearance"<sup>1</sup> in order to enhance economic intelligence function and to promote international joint research with allies and like-minded partners. From the side of businesses, we will do our best to reform our risk management system such as by making supply chains more resilient.

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<sup>1</sup> Translator's note: a system for granting status to individuals with access to classified information