

Special
Report

Inaugural Address as Chairman of the Next Generation Electronic Commerce Promotion Council of Japan



Jiro Kokuryo, Chairman,
Next Generation Electronic Commerce Promotion Council
of Japan (ECOM)

Twelve years have passed since the establishment of ECOM, during which time the number of Internet users has grown to 87.54 million people (according to the Trend Survey on the Use of Telecommunications for 2006 conducted by the Ministry of Internal Affairs and Communications) and everyone is becoming involved in electronic commerce (EC).

According to a survey by the Ministry of Economy, Trade and Industry, the value of business-to-business transactions among Japanese companies over the Internet (BtoB EC) exceeded 100 trillion yen in 2004, and the value of transactions through conventional lease lines has also increased, reaching 148 trillion yen in 2006. The scale of electronic commerce in Japan is unprecedented anywhere in the world, exceeding even the United States, which boasts a total transaction value of 95 trillion yen. Consequently, electronic commerce is now an essential element of Japan's industrial infrastructure.

The value of business-to-consumer transactions in Japan (BtoC EC), on the other hand, was 4.4 trillion yen in 2006, and Japan still has considerable room for growth compared with the transaction value of 19.3 trillion yen achieved in the United States. Compared with the dramatic growth recorded over the last few years, however, the year-on-year growth rate has been weak, with growth of approximately 27% in BtoC EC and less than 4% in BtoB EC.

If we are to encourage Japan to maintain its position of having the highest volume of EC in the world and to continue to serve as the driving force in the computerization of the Japanese economic society, ECOM cannot afford to stand still. Doing so would result in a loss of value. I feel there is an increasing need for EC that can deliver new value in a safe and secure EC environment, including in the business-to-consumer environment.

With this in mind, I would like to dedicate myself to promoting the further evolution of existing electronic commerce and creating a social infrastructure for the information economy in which safety will be compatible with creativity. To realize such a society, I would like to implement new activities with a focus on the following.

1. Strengthening of industrial competitiveness

To promote inter-company collaboration, strengthen EC ties among users beyond corporate and national boundaries, and enhance the competitiveness of Japanese companies, I would like to improve manageability and reliability by exploiting technologies such as EDI and RFID and realizing visualization. I hope that the pursuit of this will result in greater efficiency, safety, and differentiation, which are all factors in industrial competitiveness.

2. Securing of security and safety

In order to encourage EC that ensures the traceability of detailed information such as consumer data in chemical material management, waste materials, recycling, and food safety, I would like to construct a reliable EC environment in which consumers can participate with a sense of safety and security.

3 Creation of new value

With a view to providing new services to consumers, I would like to establish networks that allow for both safety and creativity in which information gathering and sharing among companies and users can be realized based on mutual understanding.

In promoting the above-mentioned activities, I would like to set new future goals, by fusing individual results that have been achieved over the past twelve years, and to summarize guides and guidelines for areas in which companies are unable to conduct business independently due to the high level of uncertainty that they may face by integrating the efforts of user companies and vendor companies. I would like to actively promote initiatives to eliminate such uncertainty and expand the results in a cross-sectional manner across the board.

I look forward to hearing your views on this.

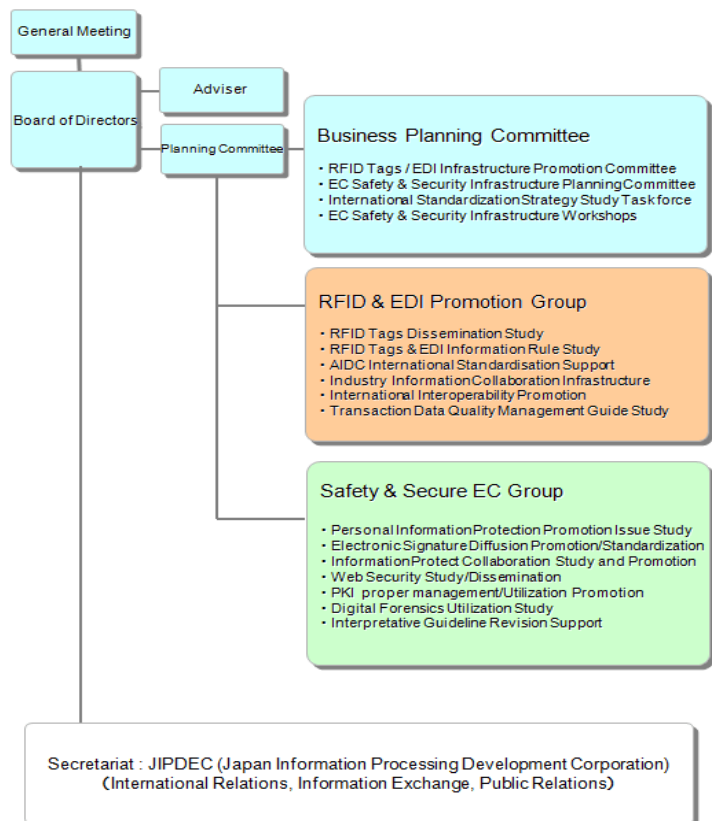
Toward ECOM Activities from FY 2008 Onwards
 — Outline for the New Organization —

With Professor Jiro Kokuryo of Keio University taking over as Chairman for the new organization from 2008, new measures have been adopted based on industry-university collaboration, and a new organizational system has been established to actively submit proposals to the government. The Business Planning Committee and other similar organizations have been newly established under the Planning Committee (figure on the right) to implement such activities.

1. Business Planning Committee

Four bodies have been established under the Planning Committee to be responsible for examining and evaluating challenges related to all activities by the RFID & EDI Promotion Group and the Safety & Secure EC Group: (1) the RFID Tags / EDI Infrastructure Promotion Committee, (2) the EC Safety & Security Infrastructure Planning Committee, (3) the International Standardization Strategy Study Task Force, and (4) the EC Safety & Security Infrastructure Workshops.

Organization Chart 2008



New organizational system for the Next Generation Electronic Commerce Promotion Council of Japan

2. RFID & EDI Promotion Group

In response to social issues such as product safety and environmental problems and to create new business models and corporate value, the RFID & EDI Promotion Group aims to establish and disseminate systems, institutions, technologies, and standards so as to realize information collaboration beyond corporate and industrial boundaries through EC based on AIDC and EDI. The group is in charge of the following activities: (1) examination of RFID-tag dissemination measures, (2) examination of information sharing rules for RFID tags and electronic commerce, (3) support for AIDC international standardization, (4) development of common infrastructures for inter-industry information collaboration, (5) promotion of international interoperability, and (6) examination of transaction data quality management guides.

3. Safety & Secure EC Group

To realize safe and secure BtoB and BtoC EC, the Safety & Secure EC Group aims to establish and promote frameworks including laws and guidelines concerning the handling of personal and corporate information, operation and management systems to implement the frameworks, and measures including infrastructures and technologies to realize the systems. The group is in charge of the following activities: (1) examination of problems related to the protection of personal information, (2) dissemination, promotion, and standardization of electronic signatures, (3) formulation of inter-company collaboration guides on the protection of information and promotion of use, (4) conducting of surveys on problems related to Web security and dissemination of the results, (5) promotion of correct operation and use of PKI, (6) examination of measures for the use of data forensics, and (7) support for the examination of interpretative guideline revisions.

Activity results are summarized as measures for solving problems, guidelines, international standardization proposals, recommendations to the government, and the like.

4. International Collaboration

Surveys are conducted to determine the effectiveness of overseas EC promotion, and activities are implemented that contribute to the strengthening of collaborations with Korea and ASEAN countries (Japan-Korea EC Promotion Council, etc.).

5. Information Exchange, Information Dissemination, and PR

Information exchange meetings are held at which information and opinions are frankly exchanged between members, with governmental institutions, and with other such organizations. In addition, information is sent using the ECOM website as an EC portal site and ECOM seminars and ECOM progress report meetings are held so as to ensure the results of ECOM activities and EC information are disseminated widely to members and the general public alike and to conduct PR activities. ECOM News and ECOM Journals are also published.

Outline of ECOM Activities for FY2008

Below is an outline of ECOM activities for FY2008 to be conducted by the RFID & EDI Promotion Group and the Safety & Secure EC Group, whose activity plans for FY2008 were submitted to and approved at the fifth meeting of the Board of Directors for FY2007 (held on March 18, 2008). Members are not recruited for activities marked with asterisks due to the nature of the activity.

RFID & EDI Promotion Group

1-1. RFID Tags Dissemination Study (RFID Tags Promotion WG)

The aim is to strengthen industrial competitiveness, ensure safety and security, and share best practices for creating new value and information concerning return on investment by promoting the dissemination of RFID tags and collaboration with respect to the sharing of on inter-company and inter-industry information.

1-2. RFID Tags & EDI Information Rule Study (Information Sharing Rule WG)

The aim is to examine information sharing rules concerning the handling of information on product safety that are only vaguely defined, try to build consensus mainly among ECOM member companies, and make proposals as guidelines.

1-3. AIDC International Standardization Support

The aim is to reflect opinions from user companies (mainly ECOM member companies) toward the international standardization of AIDC including RFID tags.

* AIDC (Automatic Identification and Data Capture technology)

1-4. Industry Information Collaboration Infrastructure (Common Infrastructure WG)

The aim is to examine a framework for the social infrastructure of the information economy, including business interface EDI and EDI, for small and medium enterprises (an inter-company information sharing model and a product information sharing model), through which information can be shared beyond corporate, industrial, and national boundaries and to verify problems by developing information system infrastructures and formulating solution policies.

1-5. International Interoperability Promotion (International Interoperability Promotion WG)

The aim is to promote international electronic commerce throughout Asia and to propose international standards originating in Asia by harmonizing data items and securing interconnectivity of Web services including ebXML in collaboration with Asian countries.

1-6. Transaction Data Quality Management Guide Study (Transaction Data Quality Management WG)

The aim is to examine a system under which data of managed quality are exchanged in electronic commerce beyond organizational and industrial boundaries and to disseminate the exchange of highly reliable data with value-added information, based on which one can determine who did what and when.

Safety & Secure EC Group

2-1. Personal Information Protection Promotion Issue Study (Personal Information Protection WG)

The aim is to increase the level of the whole industry by examining challenges related to the promotion of personal information protection and raising awareness of them. These challenges include promotion of encryption, formulation of global privacy policies, and institutional examination with a view to implementing legal revisions.

2-2. Electronic Signature Diffusion Promotion/Standardization (Electronic Signature Diffusion WG)

The aim is to examine international standardization for a long-term signature format and electronic recording methods. Another aim is to conduct a new survey on overseas trends in requirements for the standardization of public key certificate profiles and to examine the feasibility of introducing it in Japan.

2-3. Information Protect Collaboration Study and Promotion (Information Security WG)

The aim is to increase the level of the whole industry by conducting a survey on information protection items in commissioned business, examining indispensable items and improvement items, and formulating guides to facilitate inter-company collaboration in information protection.

2-4. Web Security Study/Dissemination (Information Security WG)

The aim is to raise awareness of how to construct safe and secure websites by compiling information on cases of misuse arising from the vulnerability of Web applications, categorizing the types of damage

caused by such misuse, highlighting points to remember when constructing websites, and summarizing points to keep in mind.

2-5. PKI Proper Management/Utilization Promotion (Information Security WG)

The aim is to obtain correct PKI knowledge and to conduct investigative analyses on cases of PKI misuse, organize specific, easy-to-understand application methods and utilization methods in actual use, and use such methods for correct PKI operation and utilization.

2-6. Data Forensics Utilization Study (Information Security WG)

The aim is to conduct a survey on how to preserve, investigate, and analyze wrongful-act traces and evidence data obtained from management logs based on scientific methods, summarize specific application methods in actual use, and raise awareness of data to be conserved and analysis methods.

2-7. Interpretative Guideline Revision Support*

The aim is to conduct investigative research on the overall legal problems concerning electronic commerce and to provide support for interpretative guidelines.

* For further details, please visit the ECOM website (<http://www.ecom.jp/aboutus/h20plan.pdf>).