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CAN JAPAN LAUNCH ITSELF INTO BECOMING A LEADER IN GLOBAL SPACE BUSINESS  
WITH ITS NEW SPACE LEGISLATION?

**Abstract**

On November 2016, the Japanese Diet passed the Space Activities Act and the Satellite Remote-Sensing Act in an effort to modernize its domestic space legislation and encourage its small but growing private sector to become global leaders in burgeoning new types of space business. This paper will examine whether it is feasible for these new laws to propel Japanese businesses enough for them to catch up with the current market leaders such as SpaceX in the United States. The paper will have three parts. First, the paper will survey the current status of Japan's private space industry and compare it with its global competitors. Second, the paper will analyze the impact of Japan's new space legislation and provide a comparative analysis of how they measure up to other space-faring nations' space laws. The paper will find that various aspects of Japan's new space laws may have the effect of attracting significant foreign space business to flow in and be conducted in Japan. For example, the Space Activities Act creates a legal framework that only holds Japanese parties that are directly involved with the launching of space objects liable for compensatory damages. Given the high-risk nature of the space industry, this could attract foreign firms to link its business with Japan and use Japanese launch sites to shift liability. While this poses various risks to Japan, it seems that this is something that the Japanese Diet decided to shoulder in an effort to bolster its private space industry. While these legal developments are noteworthy, the third part of the paper provides a reality check by examining how these new space laws by themselves cannot stimulate Japanese space business enough for them to catch up with current global market leaders. Upon examining how Japan's private space ventures are currently financed, this paper will find that a sustainable financing structure does not exist to allow new startup ventures to thrive and fully take advantage of the valuable technological resources that Japan possesses. The paper will conclude that space law and policy need to be accompanied by an appropriate level of capital infusion and financial stimuli for the private space sector to truly thrive. Drawing from legal and financial experts, this paper will offer some practical suggestions that may assist Japanese financing schemes to evolve so that the goals of Japan's new space legislation will come to fruition.