

Chair's Comments on the Finalization of the Program for Promoting Japan as an Asian
Business Center and Direct Investment into Japan

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1. As the chair, I convened today (December 16, 2011) a meeting of the Conference, which comprises the parliamentary secretaries of the ministries and agencies concerned, and finalized the Program for Promoting Japan as an Asian Business Center and Direct Investment into Japan.
2. There are two major benefits of promoting foreign direct investment (FDI) to Japan. First, stable FDI over the long term will result in the inflow of expertise in business management as well as technologies and human resources that may not be possible with securities investments. This in turn will help revitalize the Japanese economy. Second, it can finance a current account deficit that some fear Japan will slip into in the not-so-distant future. In this sense, FDI will become more important over the mid to long term.
3. In order to attract FDI to Japan, it is essential to boost the competitiveness of Japan as a business location and create an investment environment that is attractive to foreign investors. These two objectives can be achieved by policy measures that are on a par with global standards, such as offering incentives, including subsidies and preferential tax treatment, as well as easing restrictions in comprehensive special zones. It is important for Japan to succeed in the global competition for attracting FDI through these measures.
4. We intend to build on Japan's strengths and focus on sites with high levels of intelligent integration, such as research and development centers, so as to revitalize Japan as an Asia business center.

Steady efforts need to be made over the mid to long term; some policy objectives take time to achieve, including the development of globally-oriented human resources and the creation of a more hospitable environment for people from other countries.

5. We cannot afford to regret a decade or two later what we did not do today. The whole government, including the ministries and agencies concerned, intend to forge ahead with the Program as part of the Basic Strategy for Revitalizing Japan.