

Key Points of the Program for Promoting Japan as an Asian Industrial Center and Direct Investment into Japan

November 29, 2011

Conference on Promoting Japan as an Asian Industrial Center and Direct Investment into Japan

[Basic Philosophy]

- As stated in the New Growth Strategy (June 2010 Cabinet decision) and the Interim Report on Strategies to Revitalize Japan (August 2011 Cabinet decision), we will formulate a Program for Promoting Japan as an Asian Industrial Center and Direct Investment into Japan, which summarizes the policy measures concerning the creation of an attractive, world-class business and living environment to **boost the competitiveness of Japan as a business location by leveraging its business location environment and to promote direct investment into Japan, foremost by building Japan into an industrial center in Asia.**
- **We aim to draw in the growth potential of Asia and elsewhere to contribute to the vitalization of Japan's economy** by making Japan's business location environment more attractive and **accelerating the flow of people, goods, and money.** **We are setting the three targets below, which emphasize the "quality" of investments,** to achieve by 2020 in order to have direct investment into Japan greatly contribute to the country's economy growth.
- **To achieve these goals, we are promoting the five central initiatives below,** which include strengthening the competitiveness of Japan as a business location by creating and expanding investment incentives, tirelessly reviewing regulations that have become inhibitory factors to direct investment in Japan, and conducting active public relations in Japan and overseas.

[Three Targets] [Cabinet Decision in the New Growth Strategy (June 2010)]

1) Increase the Number of High Value-Added Centers

We will increase the number of high value-added centers (Asia region integrated centers and research and development centers) by 30 each year. (There were approximately 500 high value-added centers in Japan as of the end of FY2009.)

2) Double the Number of Employees of Foreign Businesses (from 750,000 to 2,000,000)

We will increase the number of employees of foreign businesses (those with foreign investment ratios of one-third or more) to 2,000,000 by 2020. (There were approximately 750,000 as of the end of FY2006 and 860,000 as of the end of FY2009.)

3) Double Direct Investment into Japan

We will establish appropriate indicators and give shape to them based on the global economic environment and the growth of Japan's economy. (We will consider how to give shape to this after the New Year.)

[Five Central Initiatives]

1) Boost Profitability to Promote **Investment**

We will boost the competitiveness of Japan as a business location, create a world-class investment environment, and actively attract businesses by strengthening incentive measures of all kinds, including cutting the corporate tax on approved businesses by establishing the Law for Promoting Japan as an Asian Industrial Center, utilizing Asian industrial center business location subsidies, and expanding existing subsidies for locating businesses in Japan.

2) Utilize a Special Zone System to Attract **Investment**

We will use a comprehensive special zone system (international strategic comprehensive special zones, local vitalization comprehensive special zones) and the “Environmental Future City” concept and recovery special zone system to coordinate organically with local governments to create jobs in those areas.

3) Create an **Investment** Environment and Create a Structure for **Investment** Support

We will make the flow of people and goods more efficient and expedient in order to increase the flow of people, goods, and money, such as by promoting Visit Japan (including MICE), accelerating the acceptance of high-level foreign human resources by implementing a “point system,” cultivating globally oriented human resources to support international economic activity, creating state-of-the-art research and education centers that will attract businesses and people from around the world, promoting open skies, promoting international container/bulk strategic ports, and promoting high-level economic cooperation. We will also tirelessly review regulations that have become inhibitory factors to direct investment in Japan.

In addition, we will strengthen business attraction functions by further enhancing JETRO’s one-stop service (administrative procedure support service) and in other ways raise the transparency of related administrative procedures and the convenience of accessing information, as well as promoting efforts to put administrative procedures into English.

4) Make the Living Environment at **Investment** Sites More Comfortable

Create comfortable living environments regarding the indispensable functions such as education and medical care, including promoting flexible handling of permissions for establishing all types of international schools, establishing a framework for promoting the smooth admission of foreign patients by cultivating medical language personnel, and enhancing the convenience for foreign residents by introducing a new foreign residence management system.

5) Enrich the Dissemination of Information Welcoming **Investment**

We will clearly indicate Japan’s position as a country that welcomes direct investment into the country, and we will use overseas missions and other means to dispel harmful rumors, create a strong impression of safety and security, and conduct public relations showing the attractiveness of Japan as an environment in which to locate a business. In addition, we strive for an “open recovery” from the Great East Japan Earthquake to promote support for the recovery and to promote tourism, such as by accepting recovery support missions from China and South Korea, and implementing other cooperation efforts with China and South Korea.