

Policy Package for Promoting Foreign Direct Investment into Japan to Make Japan a Global Hub [Outline]

May 20, 2016

Leveraging the TPP as a driver, the government will promote foreign direct investment (FDI) into Japan to make Japan a global hub for trade and investment.

1. Measures to attract investment by publicizing Japan's strengths including its R&D capacity.

• TPP is thus anticipated to promote globalization of Japanese mid-tier enterprises and SMEs, allowing their distinguished technological expertise to become widely known throughout the world, and also raise interest in Japan among foreign companies. Leveraging these opportunities, the government will promote FDI in Japan through such measures as strongly encouraging partnerships between foreign companies and Japanese SMEs.

(1) Communication and information dissemination

- JETRO will host **around 50 seminars on FDI** by the end of fiscal 2016.

(2) Supporting partnerships between foreign companies and SMEs

- As part of the **Promotion Scheme for Global Alliances**, under which JETRO supports partnerships between foreign companies and Japanese SMEs, **collaborations between JETRO and regional financial institutions will be promoted**.
- The scope of **foreign companies** entitled to use **J-GoodTech**, a website that introduces distinguished technologies from Japanese SMEs and matches them up with large companies, will be expanded to **include foreign companies supported by JETRO**.

(3) Promotion of investment in Japan, including regional areas

- By utilizing **regional vitalization grants**, support will be extended to local governments to entice FDI.
- **JETRO will encourage establishment** of R&D bases and regional headquarters by foreign companies. (15 or more large-scale projects per year)

2. Measures to resolve issues hindering the foreign companies' entrances into Japan

• The government will strive to resolve issues pointed out by foreign companies such as the complexity of regulations and administrative procedures, difficulty in securing globally competitive human resources, and language barriers.

(1) Improvements in regulations and administrative procedures

- Conclusions will be drawn within one year at the Council for Promotion of Foreign Direct Investment in Japan with regard to **simplification of regulations and administrative procedures pertaining to foreign companies**. **Matters on which conclusions can be reached early on will be addressed ahead of others by deciding on concrete measures by the end of this year and promptly implementing them.**
- **An additional 500 laws and regulations at minimum will be translated into foreign languages** by fiscal 2020.
- The **Tokyo One-Stop Business Establishment Center** will expand its services to include **acceptance of applications** in addition to its current consultation service.

(2) Attracting and fostering globally competitive human resources

- Accept highly-skilled foreign professionals
- Employment support for international students
- English language education for Japanese nationals

- The **residence period requirement** for highly-skilled foreign professionals **to apply for permanent residence permission** will be **significantly shortened** from the current five years. (One of the world's most quickly obtainable "Japanese-version green card" system for highly-skilled foreign professionals)
- **Residence status applications will be accepted online starting fiscal 2018.**
- Acceptance of **foreign housekeeping support workers** will be promoted in the National Strategic Special Zones. (In addition to Kanagawa Prefecture and Osaka-City, Tokyo and other areas will also implement the projects in response to demand.)
- **The proportion of international students employed in Japan after graduation will be raised** from approximately 30% **to 50%** by fiscal 2020.
- International students who have completed courses on Japanese corporate culture, business Japanese, and internship programs will be given preferential treatment by **simplifying and expediting the procedures for them for change in residence status**.
- A total of **20,000 or more external human resources** including assistant language teachers (ALTs) will be deployed at **all elementary schools** by fiscal 2019.

(3) Improvement of the living environment for foreign nationals – Education; healthcare; services offered in foreign languages

- **Japanese language support** will be made available by 2020 to **all elementary and junior high schoolchildren** who require it. (Currently available to approximately 80%)
- **The number of schools that introduce the Japanese as a Second Language (JSL) curriculum will be increased.** Numerical targets will be set.
- The number of **medical institutions** that are equipped with **the capabilities to accept foreign patients** will be increased to **around 40** in Japan by the end of fiscal 2016.
- Information on foreign languages services offered by medical institutions, banks, mobile phone operators, and electricity/gas suppliers will be posted on JETRO's website in an integrated manner.