

The Japan External Trade Organization (JETRO)

To host the first ever large-scale Invest Japan seminar in Kuala Lumpur

- JETRO to have more sector- focused seminar to facilitate direct investment in Japan.

-JETRO is ready to assist Malaysian companies with One Stop Service as they enter Japan.

Kuala Lumpur, March 15th, 2016: The Japan External Trade Organization (JETRO), a government-related organization that promotes mutual trade and investment between Malaysia and Japan hosted the 'Japan-Malaysia Invest Symposium' in Kuala Lumpur today.

At the end of 2014, stock-based foreign direct investment, or FDI, from Malaysia to Japan was less than five percent of that from Japan to Malaysia. However, JETRO is expecting this situation to change. Since 2007, capital outflow from Malaysia began surpassing capital inflow into Malaysia. And upon enactment of the TPP, Japan will become the second closest market next to ASEAN to share common trade rules with Malaysia.

In the light of this situation change, JETRO though it was a good time to hold a big symposium in order to introduce Japan's changing investment climate and JETRO's Invest Japan promotion activity to as many as Malaysian companies. And this symposium was also intended to promote additional FDIs from Japan to Malaysia based on close relationship between Malaysia Government and JETRO for almost 60 years.

Nearly 70% of Japanese companies which entered Malaysia in 2013 and 2014 have taken advantage of JETRO's service. Over the next two years, JETRO is going to support a minimum of 4,000 Japanese companies in expanding overseas. Much of that effort will be toward ASEAN countries including of course Malaysia.

Addressing the event, **Mr. Hiroyuki Ishige, Chairman & CEO, JETRO Tokyo, Japan** said, *"To promote investment into Japan, JETRO will provide assistance to interested Malaysian companies. We are also planning to have more sector-focused seminar in Malaysia to support potential direct investment to Japan."* He further added *"JETRO will do intense effort as "One Stop Service" with staff in Tokyo HQ for Malaysian companies which are looking for new opportunities aiming at Halal and other tourism related business for 2020 Olympic Game."*

With the effectiveness of Abenomics, GDP of 517 Trillion Yen in 2012 has increased to 529 Trillion Yen in 2015 and operating profits for companies have surged from 126 Trillion Yen to 152 Trillion Yen in the same period. Other than that, economic

indicators such as employment and business confidence have improved. Japanese companies are showing positive impact of Abenomics.

To sustain this virtuous cycle, the government has been implementing various restructurings. Corporate tax rate of 39.54% in fiscal year 2011 (the highest in the world) has already reduced to 32.11% in fiscal year 2015. It is expected to reduce to the 20% level within this year. In addition to that, the “regional monopoly of electricity production and distribution” which has continued for 60 years has been broken, and the electricity market will be free in April. Further, the Pharmaceutical Affairs Act has been amended and the approval procedure substantially simplified.

A business-friendly environment and a sustained upkeep of its infrastructure have helped Japan become more attractive investment destination. Malaysian companies are time to enter in Japanese market. Prime Minister Abe has committed to making Japan “the most business-friendly country in the world”. The markets for electricity production and distribution have been opened. Regulations and approval procedures for medicine and medical equipment have been substantially streamlined.

The Japanese government has arranged visa waivers for visitors from Malaysia since 2013. Since then, the number of visitors from Malaysia has doubled to 300 thousand. In the symposium, three Malaysian companies (tourism sector, food sector) have launched their business in Japan, has shared their experiences in Japan.

JETRO has supported over 14,000 projects from across the world in the past 13 years. About 1,400 foreign companies including 11 Malaysian companies have started their business in Japan.

About JETRO:

JETRO, or the Japan External Trade Organization, is a government-related organization that works to promote mutual trade and investment between Japan and the world. Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential. More information: <https://www.jetro.go.jp/en/>

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