

# **Invest in Japan: New Chances for Your Business**

**Feb 10, 2014**

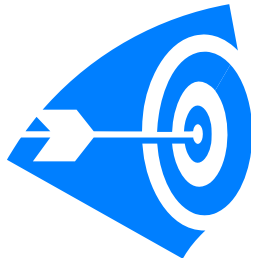
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**Ministry of Economy, Trade and Industry**<sub>1</sub>

# 1. The Three Arrows of Abenomics



# Three Arrows of Abenomics



**The First Arrow:  
Bold Monetary Policy**



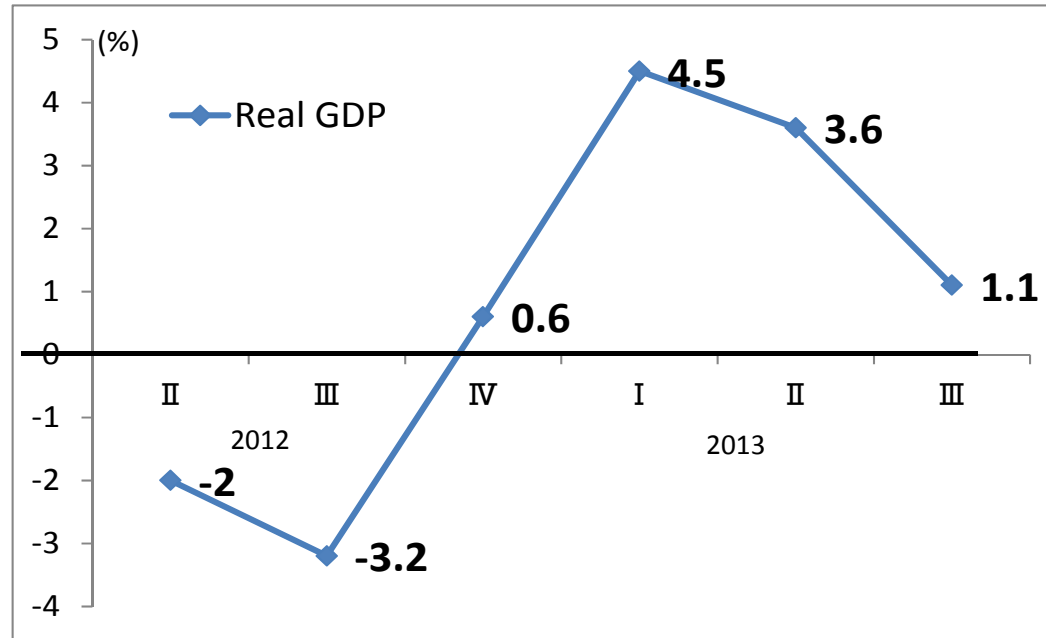
**The Second Arrow:  
Flexible Fiscal Policy**



**The Third Arrow:  
Growth Strategy to Encourage Private  
Investment**

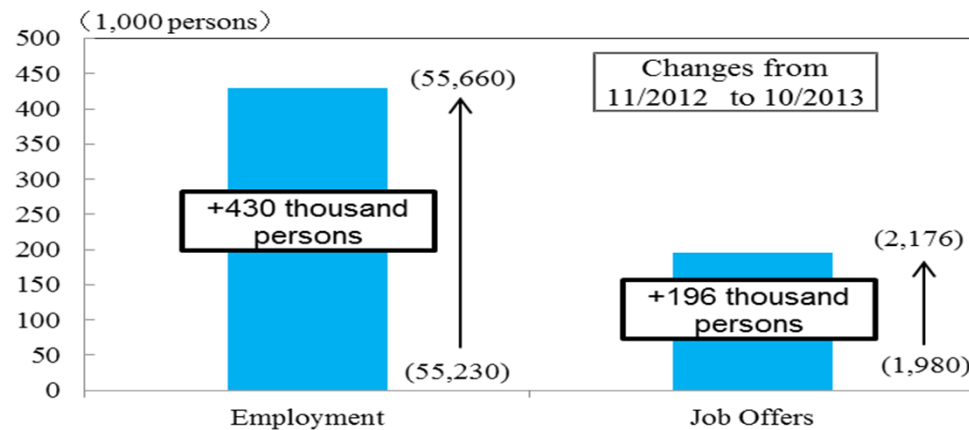
# Economic Upturn

## Real GDP Growth Rate



(Source) : Cabinet Office, Government of Japan

## Employment Situation



# Fundamental Elements of the Third Arrow

## Regulatory Reform

- Sector: healthcare, agriculture, electricity, etc.
- Area: “National Strategic Special Zones” offering experimental sites for regulatory reform in various sectors.

## Cross-sectoral Regulation/System Reform

- Employment market reform
- Enhancement of corporate governance
- Tax reform  
(incentives for capital investment and review of corporate tax)
- Regulatory reform for front-runner enterprises  
“Industrial Competitiveness Enhancement Act”

## Promote economic partnerships such as TPP

## Support the advancement of women in the workforce

# 2. Japan's Strengths



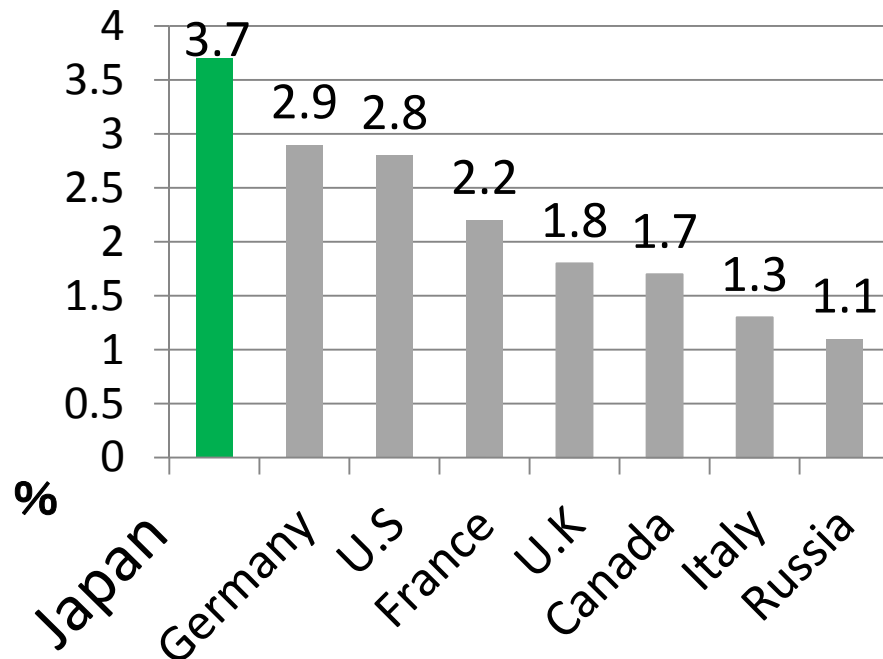
# Attractive Investment Environment (1)

## Large and Sophisticated Market

- GDP: US\$5.96 trillion(World's Third Largest Market)
- Sophisticated consumers

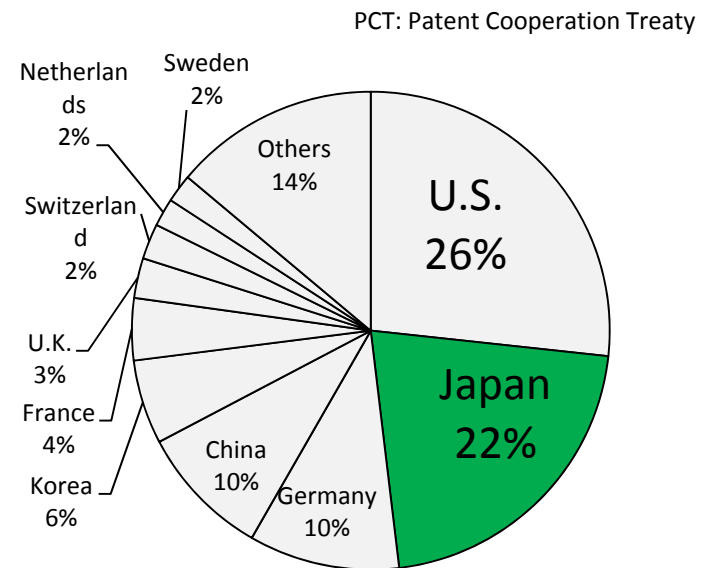
## Optimized for Innovation

Gross domestic expenditure on R&D



Source: OECD(2013), MIC Statistics Bureau (JAPAN,2013)

Share of PCT filings by country of origin



Source: WIPO Statistic Database (October 2013)

# Attractive Investment Environment (2)

## Well-developed Infrastructure

### Transportation and Infrastructure Ranking

Rank	City	Score
1	Singapore	114
2	Seoul	109
2	Toronto	109
<b>4</b>	<b>Tokyo</b>	<b>107</b>
5	Hong Kong	103
5	Stockholm	103
7	New York	101
8	London	99
8	Madrid	99
8	Paris	99

Source: PwC 「Cities of Opportunity 2012」



# Safe and Comfortable Living Environment

## Safety and Security

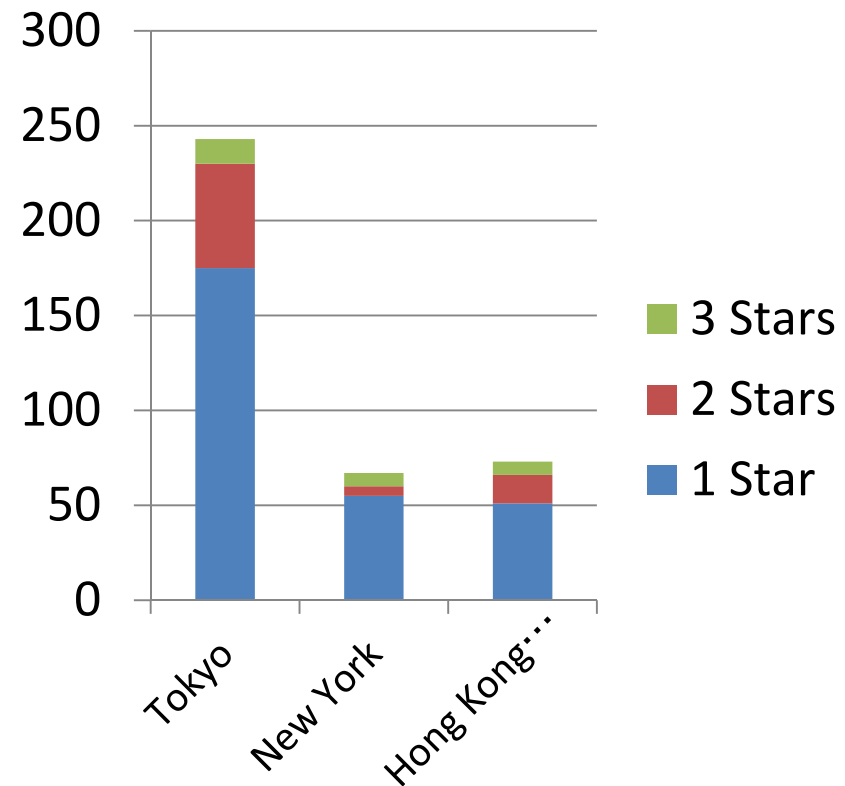
Global Peace Index Ranking

Rank	Country	Score
1	Iceland	1.162
2	Denmark	1.207
3	New Zealand	1.237
4	Austria	1.250
5	Switzerland	1.272
6	Japan	1.293
7	Finland	1.297
8	Canada	1.306
9	Sweden	1.319
10	Belgium	1.339

Source: Institute for Economics and Peace, "2013 Global Peace Index"

## Foods

Number of Michelin-starred Restaurants



Source: Michelin guide website

# 3. Government Incentives for Global Companies



# Government Incentives (1)

For R&D facilities and Regional Headquarters

## Subsidy Program

- Eligible costs : Survey Design Costs, Facility Costs, Equipment Costs, Facility Rental Fees
- Subsidy rates: Up to 1/2 for SMEs, up to 1/3 for non-SMEs (Max 500 mil yen per case(≒US\$ 5 mil ))

### Selected companies of the Subsidy Program

FY2012

No	Company name	Global HQ
1	Faurecia Japan K.K.	France
2	GE Japan Limited	USA
3	Johnson & Johnson K.K.	USA
4	Tenneco Japan Ltd.	USA

FY2013

No	Company name	Global HQ
1	BASF Japan, Ltd.	Germany
2	Comverge Japan K.K.	USA
3	Nippon Busch K.K.	Germany
4	Siemens Japan K.K.	Germany

# Government Incentives (2)

For R&D facilities and Regional Headquarters

## Preferential Treatment by the Act (\*)

- Corporate tax breaks  
(from approximately 36% to 29% )
- Acceleration of visa issuing procedures  
(ordinarily 1 month → around 10 days)
- Acceleration of patent examinations  
(ordinarily: around 16 months  
→ around 2 months)

(\*) *Act for Promotion of Japan as an Asian Business Center*

# JETRO's Support

## Invest Japan Hotline

- Receive questions on administrative procedures and requests for regulatory reforms.
- Arrange meetings with officials of regulatory agencies if needed.
- Relay requests for regulatory reforms to the Japanese government.

## Industrial Specialists

- Provide customized business plans for potential global companies from this April.

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