



# Japan's Policies for Small and Medium Enterprises (SME)

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Cooperation: Small and Medium Enterprise Agency

Ministry of Economy, Trade and Industry

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# **1. Overview of Japan' SME**

# 1. Definition of SME in Japan

## SME Basic Act (enacted 1963)

### Image of SMEs

Socially vulnerable (stereotypical perception)

### Basic Principle

Rectifying disparities between companies in terms of productivity, etc.

## SME Basic Act (revised 1999)

### Image of SMEs

Basis of the Japanese economy, source of dynamism

### Basic Principle

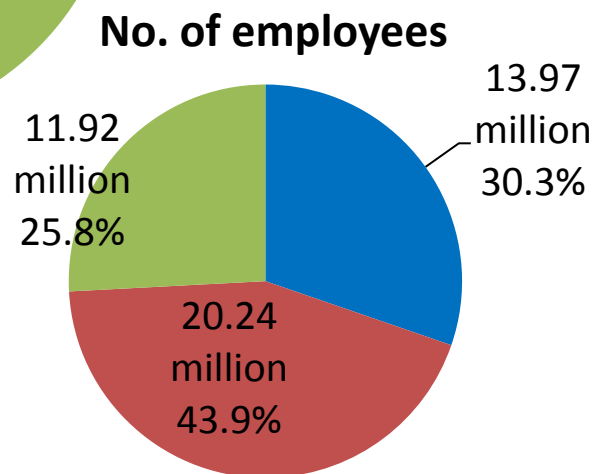
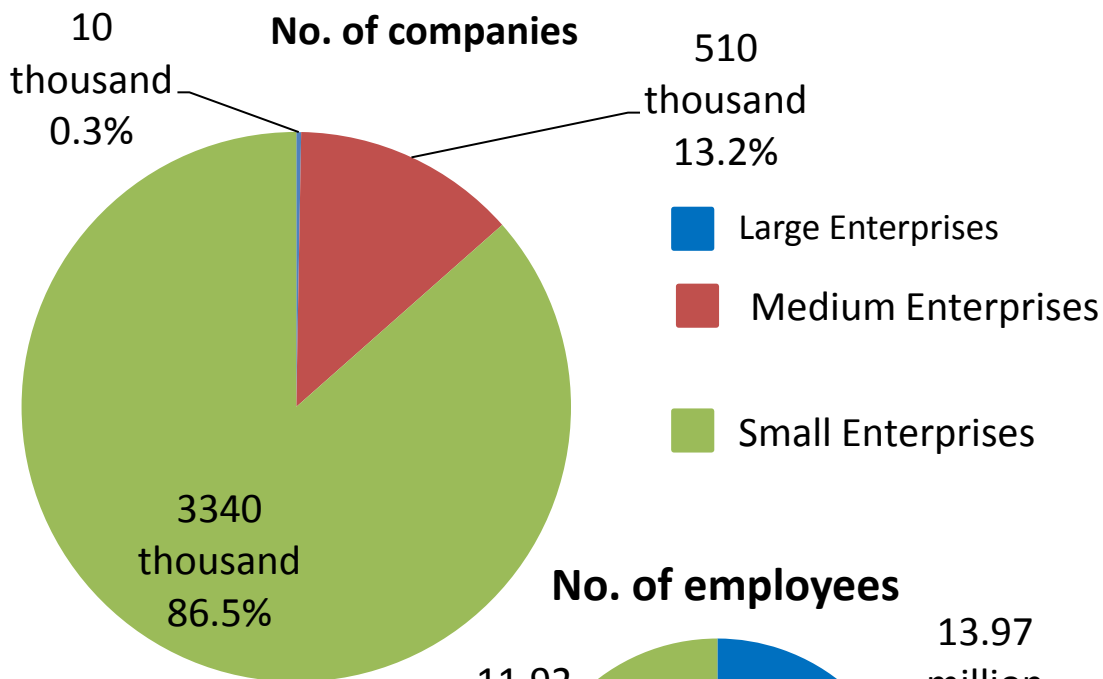
Diverse, dynamic growth and development by independent SMEs



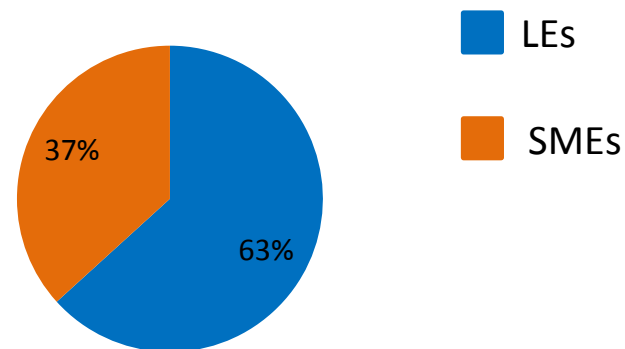
	<u>Definition in the SME Basic Act</u>			Definition in the Corporation Tax Act
	<b>SME operators</b>		of which, micro enterprises	
Industry Type	<b>Stated capital</b>	<b>Employees</b>	Employees	Stated capital
<b>Manufacturing</b>	<b>¥300 million or less</b>	<b>300 or fewer</b>	20 or fewer	¥100 million or less
Wholesale	¥100 million or less	100 or fewer	5 or fewer	
Service industry	¥50 million or less	100 or fewer	5 or fewer	
Retail	¥50 million or less	50 or fewer	5 or fewer	

# 1. Number of SMEs and employees in SMEs in Japan

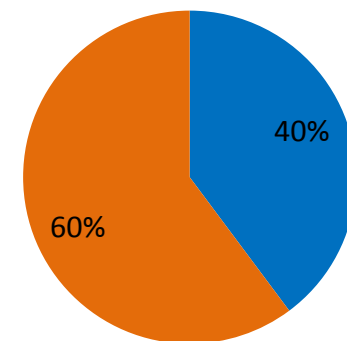
- SMEs account for 99.7% of all companies and 68% of all employees.
- In addition, SEs account for 87% of all companies and 26% of all employees.



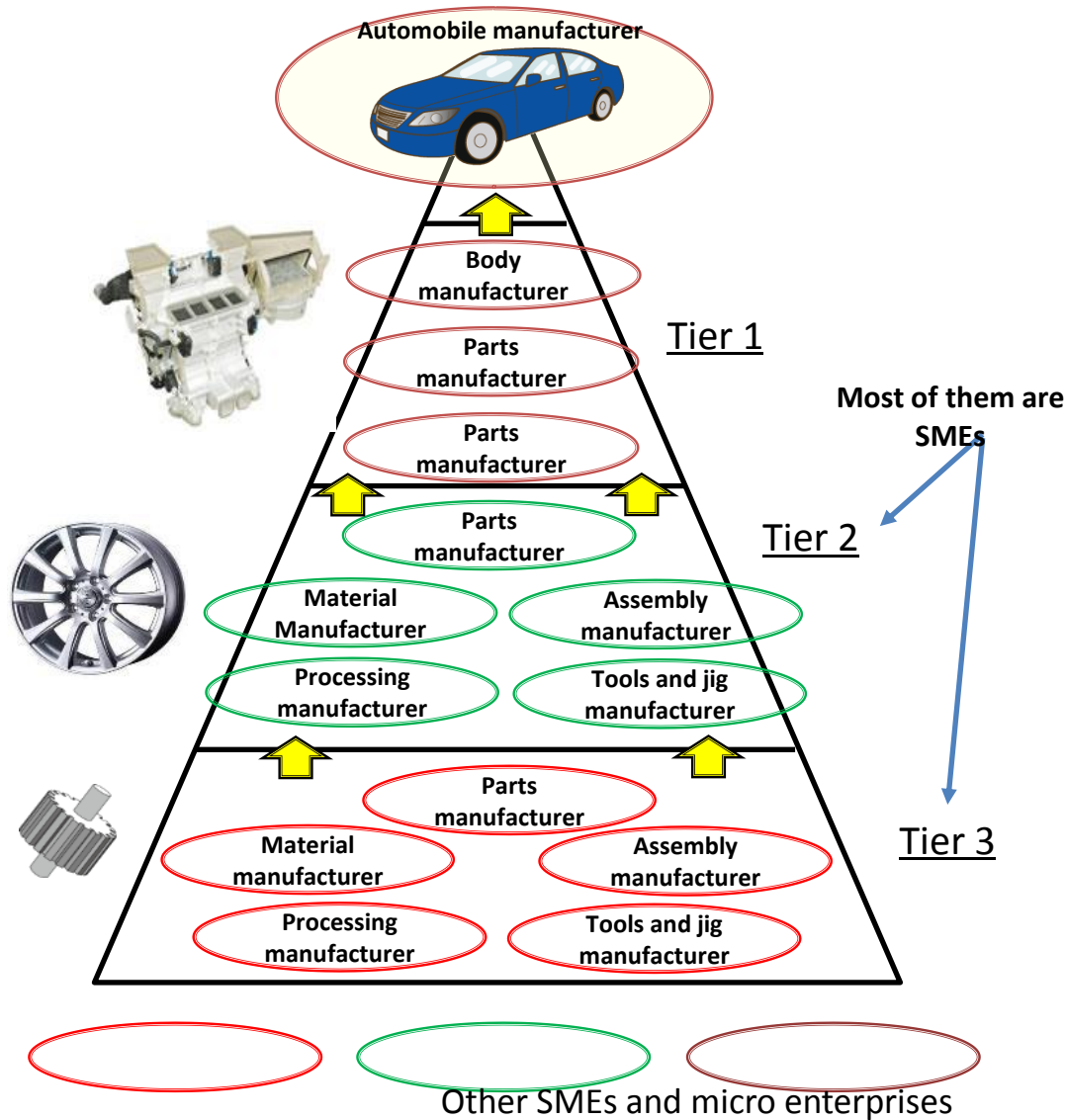
Value added (manufacturing industry)



Value added (Non-manufacturing industry)



# 1. Status and roles of SMEs: Roles as supporting industries



Local SMEs



Local retailers



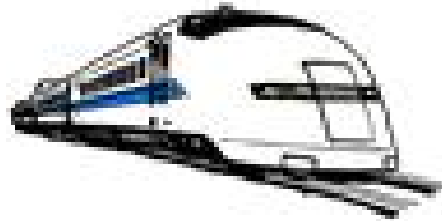
## **2. History of Japan's SME Policy**

## 2. History of Japan's SME policy: Three turning points

(1) SME Agency  
was established  
(1948)



(2) SME Basic Act was  
enacted  
(1963)

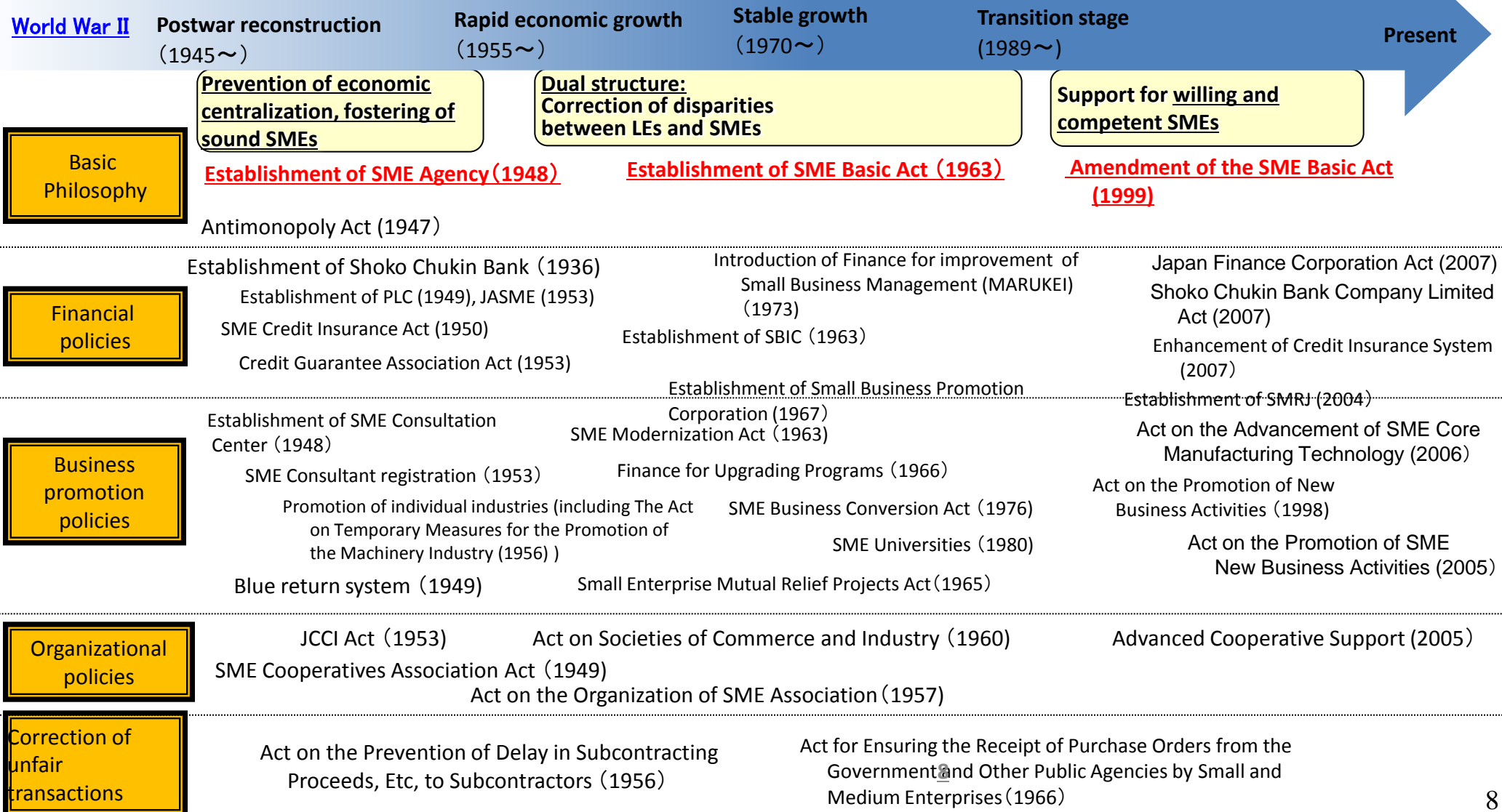


(3) SME Basic Act was  
fully revised  
(1999)



# 2. History of Japan's SME policy

The basic philosophy of SME policies has been reexamined in line with the requirements of the times. Over the years, many policies have been developed and improved, including financial policies, business promotion policies and organizational policies.



## 2. Three turning points of SME policy: ① SME Agency was established (1948)

### Background

- After World War II, economic situation in Japan was 10% of the middle of 1930s.
- Resources were delivered to steel and coal under the “**Priority Production System**” policy. (1946, just after World War II)
- Few materials and finance reached light industries, which were mostly composed of SMEs. **SME problem** came up to the surface.
- Cabinet decided “**Outline of SME measures**” in 1947, which proposed “**General Bureau of SME**”.



*SME Agency was established in 1948*



### Main policies and measures

#### [Business Promotion Policy]

- **SME diagnosis and guidance** for management efficiency and technology improvement (1948)

#### [Financial Policy]

- SME credit line at Restoring Financial Bank (1948), thereafter establishment of government finance institutions (1949-)

#### [Organizational Policy]

- “**SME Cooperatives Act**” (1949) in line with economic democracy and antimonopoly.

## 2. Three turning points of SME policy: ② SME Basic Act was enacted (1963)

### Background

- **The Dual Structure Issue** (Gap between LE and SME) : SMEs had not enjoyed the period of high economic growth since 1955.
  - ⌈ SMEs were too small, too many, repeating excessive competitions, and therefore, remained **low productive**. (Structural factors) ⌋
- **Shift to open economy** (Full member of IMF and OECD in 1964): LEs(including parent enterprises) required SMEs to rationalize.



***SME Basic Act was enacted in 1963.***

(1) *Status of SMEs: **The weak of society***

(2) *Basic philosophy : **Correction of the dual structure.***



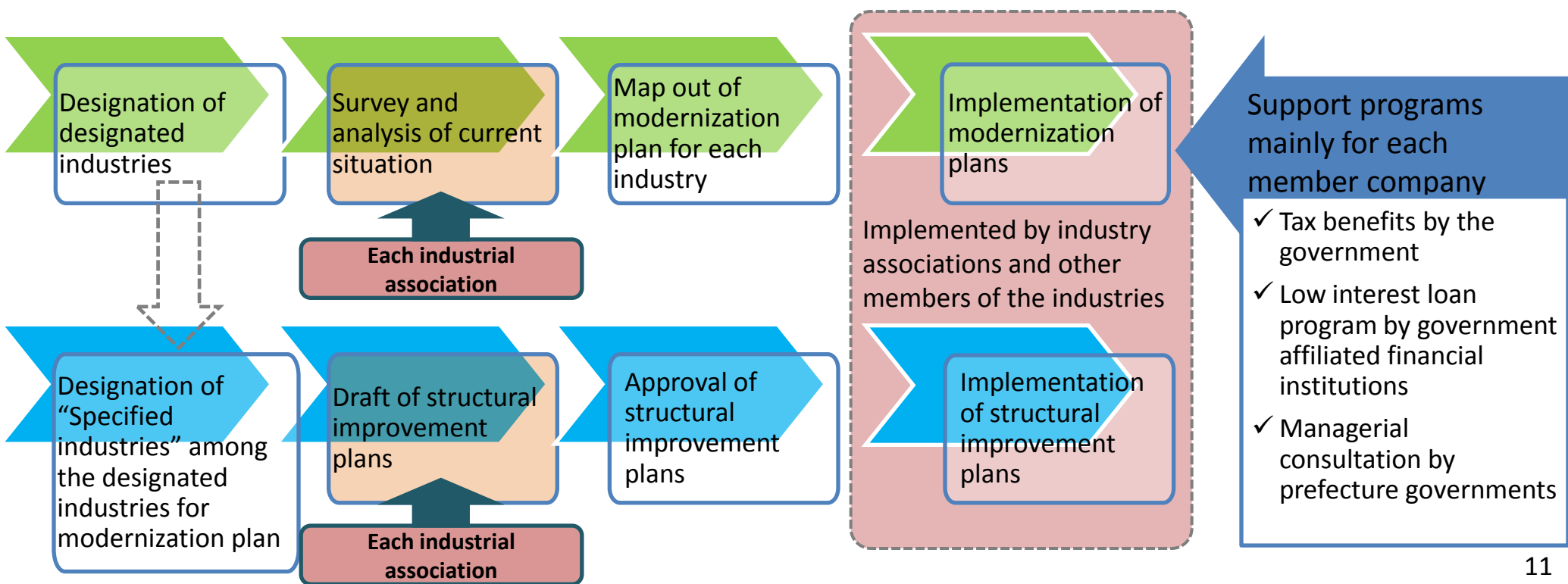
### Main policies and measures

- **“SME Modernization Act”** (1963): Designating specific industries necessary for modernization, formulating their modernization plans and promoting their machine modernizations based on the plans. [**“1963 regime”** by both the Basic Act & the Modernization Act]
- **“SME Guidance Act”** (1963): Systemizing SME diagnosis and guidance
- Prevention of excessive competitiveness so as to revise disadvantages relating to trading conditions of SMEs.

# 2. Main SME policy in Japan's high growth period①: SME Modernization Act (1963 - 1999)

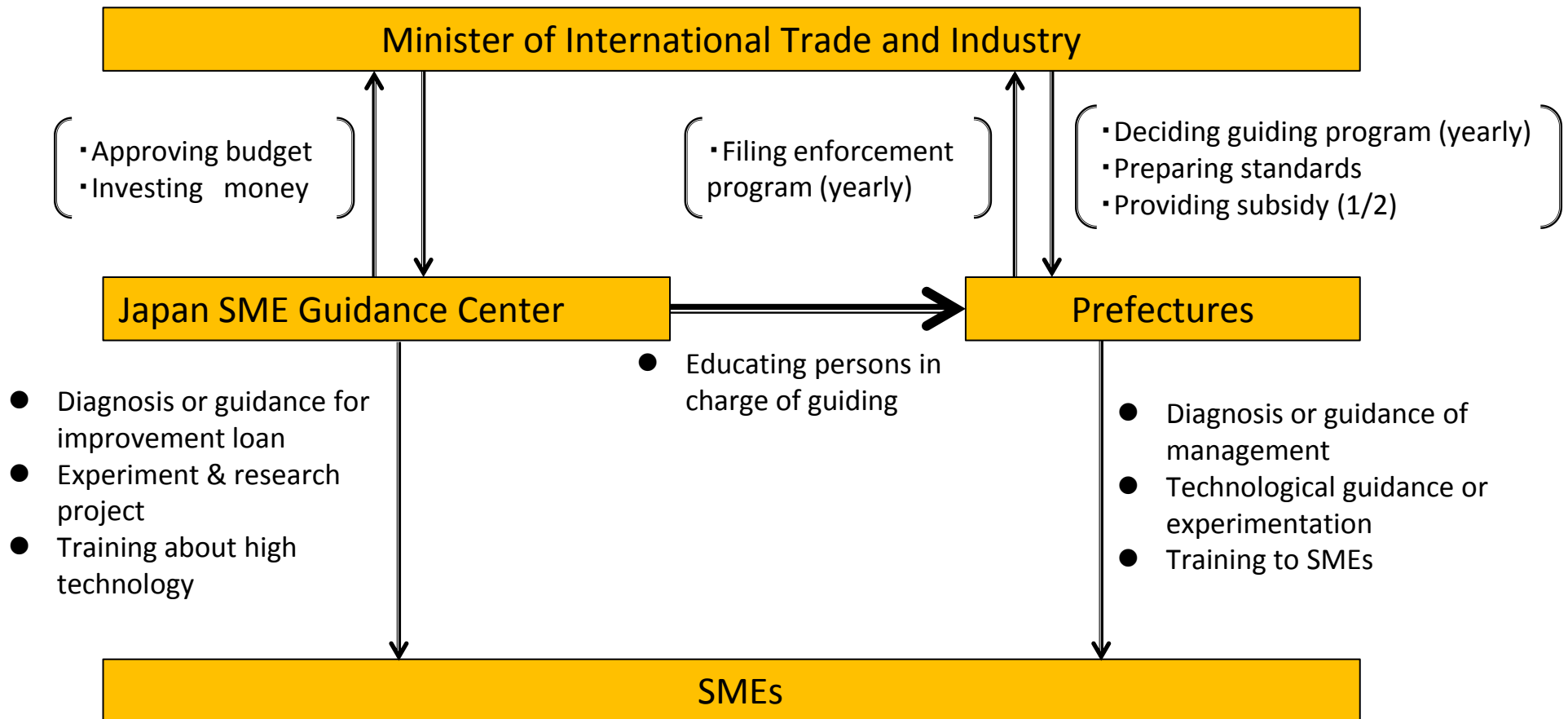
- ◆ The government designated certain industries necessary for improvement of industrial structure and enhancement of international competitiveness, and mapped out modernization plans for these industries.
- ◆ Among designated industries, the government picked specific industries that needed to be urgently reformed and that had industry-wide willingness to be reformed. These were designated as “specified industries.” For these specified industries, structural improvement plans were mapped out and implemented in line with the modernization plan and based on industry-wide consensus.

## Upgrading SMEs with “Industry Sectoral Approach”



## 2. Main SME policy in Japan's high growth period②: SME Guidance Act (1963 - 2000)

- ◆ SME Guidance Act was enacted in 1963 in order to rationalize management and improve technology. Diagnosis and guidance measures were systemized and legalized.
- ◆ State, prefectures and SME guidance center collaborate to implement.



## 2. Three turning points of SME policy: ③ SME Basic Act was thoroughly amended (1999)

### Background

- **Reversing the closing rate and the start-up rate:** With maturing of Japan's economy and overseas shift of production bases in the 1990s the overall number of SMEs had started to decline since 1989 (The premise that there were too many SMEs was not applied).
- **Fluctuation in the concept of industrial area:** Joint operations in the same industry decreased. SMEs which distinguished from others increased since the latter of the 1980s.

Flexibility, one of the SME's advantages, enables quick responses to market and product innovations.

### ***SME Basic Act was fully revised (1999)***

*(1) Status of SMEs: Foundation of Japanese economy / Source of dynamism*

*(2) Basic philosophy: Facilitation of diverse, dynamic growth and development by independent SMEs*

### Main policies and measures

Shift of policy target from "industries" and "associations" to "individual SMEs."

- **"Act on temporary Measures for the Promotion of Creative Business Activities of SMEs"** (1995): Targeting start ups of new SMEs as well as new business creation of existing SMEs.
- Abolition of "SME modernization Act" and legislation of **"SME Management Reform Act"** (1999): Facilitating of SMEs' innovation, and supporting creation of new products and new production systems

## 2. Three turning points of SME policy: Priority areas in current SME policy①

- Impact of economic structural change especially in local economy including the falling birth rate and the aging population , depopulation in local area in parallel with concentration in Metropolitan area
- Necessity for restructuring of SME policy programs in the light of support for micro enterprises, which will contribute to revitalization of damaged local economy condition, and will play an important roll in Japanese economy in the future
- Importance of revitalization of Japanese economy through encouraging challenges by SMEs and micro enterprises which will be a foundation of Japan's international competitiveness

- Falling birth rate and aging population
- Depopulation
- Excess concentration
- Problems of woman and youth employment
- Intensification of international competition

- Revitalization of each local area
- Realization of Japan's potential by utilizing strong points

- Restructuring of SME policy programs in the light of support for micro enterprises
  - Maintenance and improvement of employment and vitality in local arias
  - Development of potential of new business

- Encouragement of challenges by SMEs and enterprises which will be a foundation of Japan's strong points
  - Promotion of new business in manufacturing and service
  - Promotion of overseas business expansion

## 2. Three turning points of SME policy: Priority areas in current SME policy②

### Pillars of Policies for SMM Enterprises

1. Take all possible measures for SMMs in the Great East Japan Earthquake affected areas

2. Shed light on Micro Enterprises

- 87% of SMEs are micro enterprises.
- Actual feelings of economic recovery should be blanketed with nationwide 3.66 million micro enterprises.

3. Set out to rise business startup rate to 10% range

- Japan's business startup rate is 4.5%.(FY 2011)
- UK's is 11.2%.(FY 2011), US's is 9.3%.(FY 2010)

4. Set out to double the number of profit-making SMMs

Number of profit-making SMMs (capitals: less than 100M yen)

- FY1991 : 1.09 M (profit-making rate:50%, N=2.19M)
- FY2011 : 0.7 M (profit-making rate : 27%, N=2.54M)

5. Set out to realize another 10 thousand SMEs' overseas expansion

- Number of exporting SMEs (manufactures) : 5,920 (FY2010)

6. Take all possible measures to deal with consumption tax increase

### Methods of Policies

○Support for management

●Supporting bodies:

- SMRJ, Commerce and Industry Association, Chamber of Commerce and Industry, Federation of Small Business Associations etc.
- Experts, local finance institutions, local governments etc.

●Support for challenges of SMMs

- Regional resources
- Growth sectors
- Startups
- Oversea business expansion
- Business Succession and transfer of business

○Budgetary measures (Subsidies and expenses for commission)

- Support for commerce and service sectors
- New field, new business deployment
- Support for shopping districts

○Financial Support

- Policy finance
- Credit enhancement

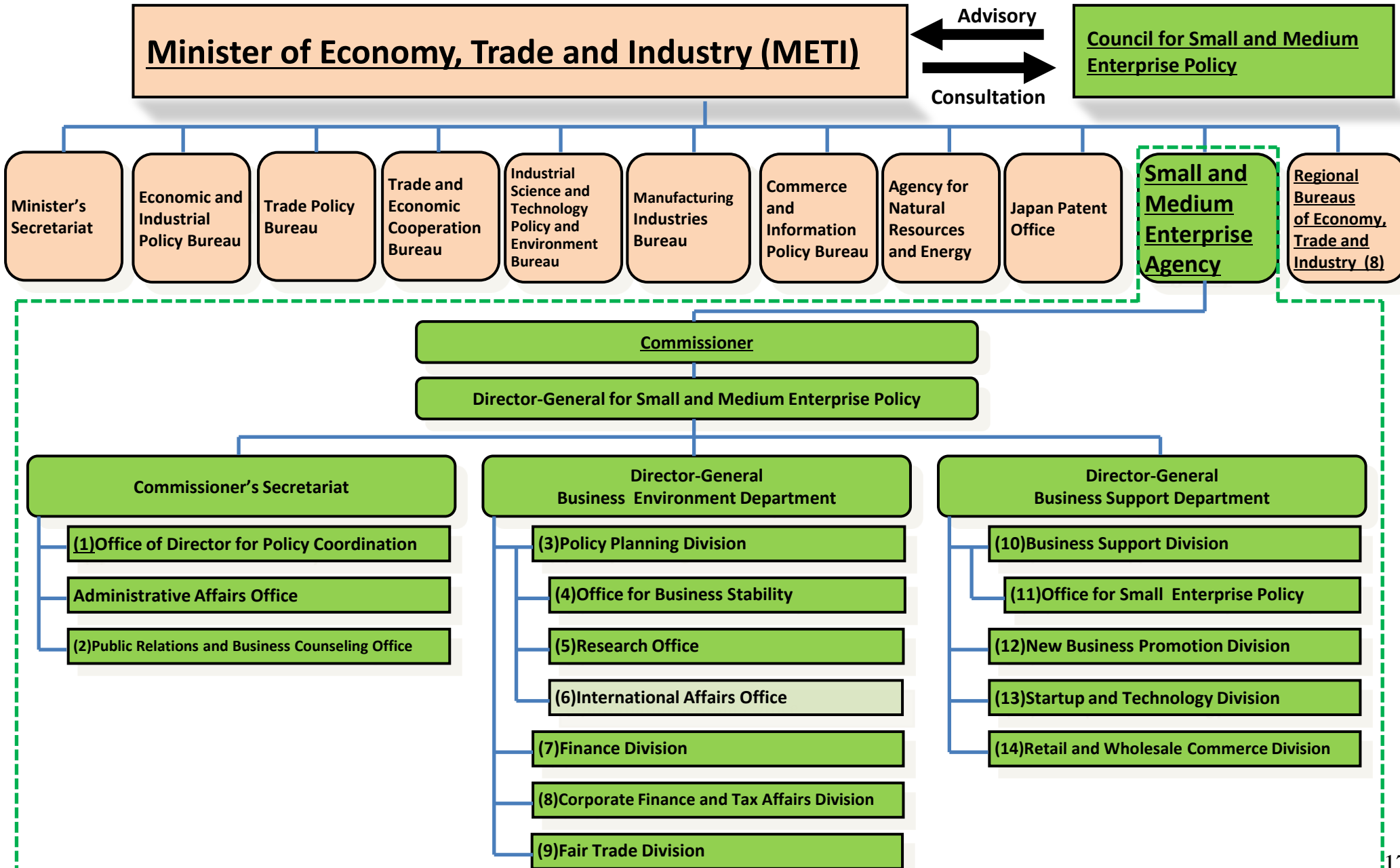
○Tax system

- Corporation tax
- Income tax
- Inheritance tax
- Local tax

○Issues concerning business conditions

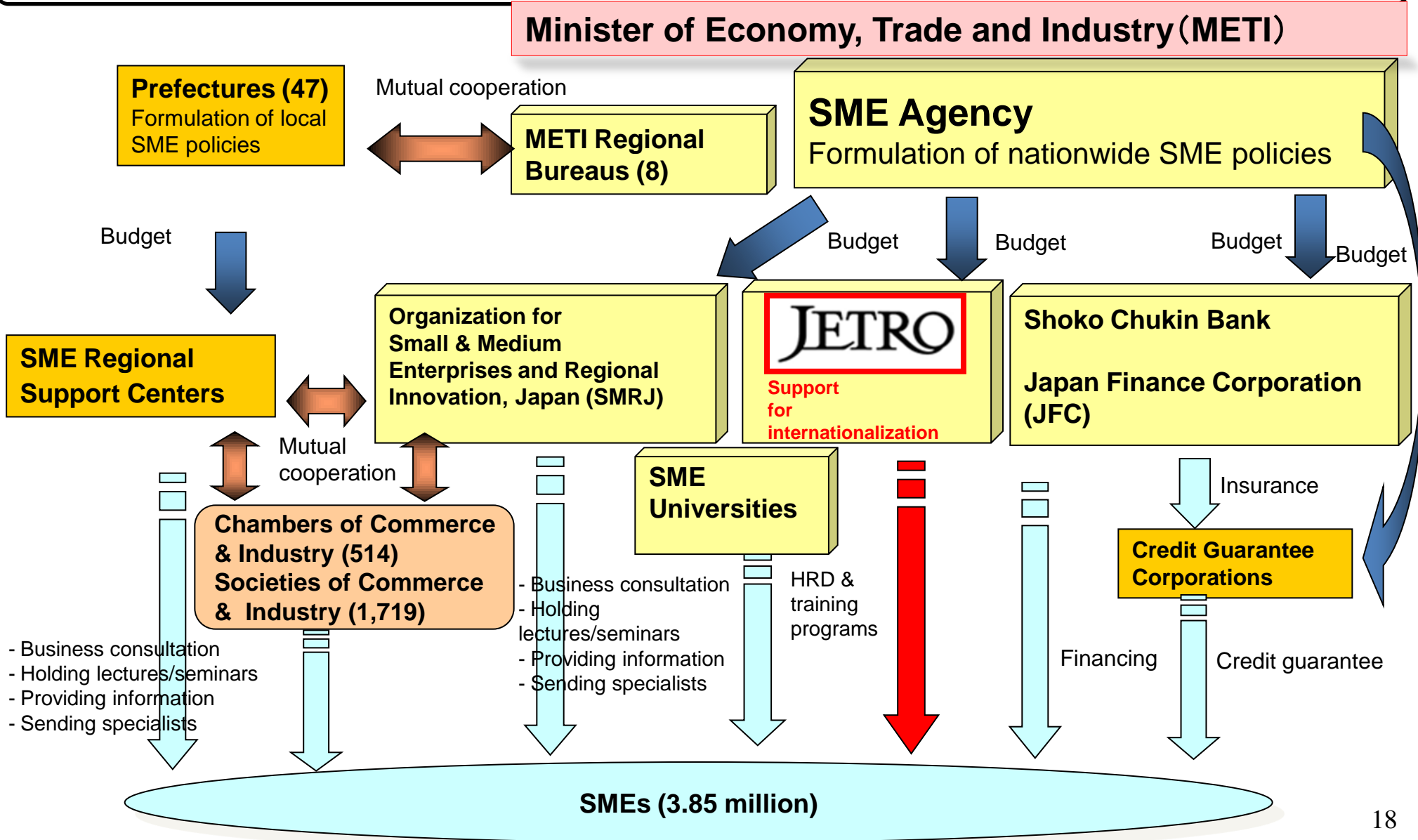
# **3. Implementation System of SME Policy in Japan**

### 3. Implementation system of SME policy: Organization of SME Agency



# Who supports the Japanese SMEs?

With the SME Agency positioned as the control tower, SME policies are implemented through the cooperation of various related organizations.



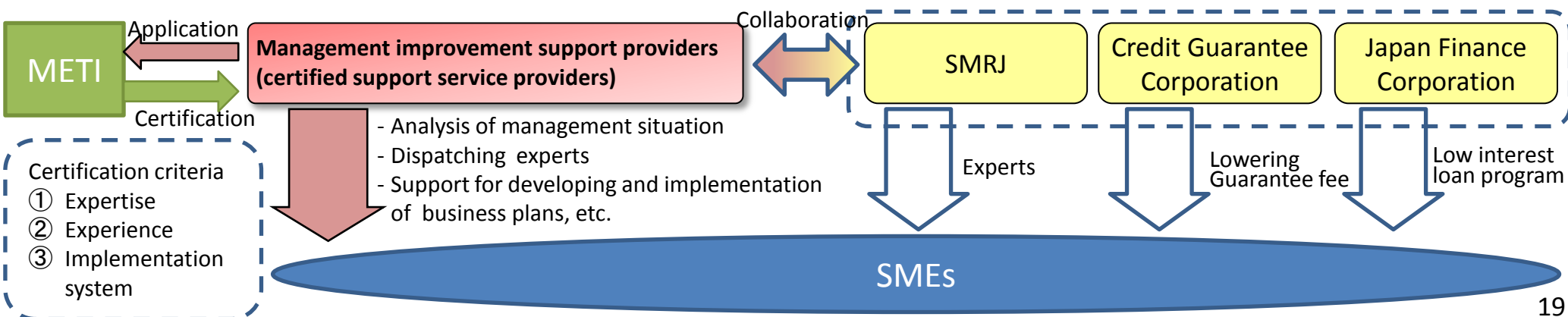
# 3. Management improvement support providers

## Background

- Current challenges for SMEs is becoming more and more diversified and complicated: Deceleration of domestic demands, fluctuation in foreign exchange, consequences of natural disaster, overseas transfer of business partners, increasing competition with emerging economies, etc.
- New types of services/supports and service providers are increasing: Comprehensive managerial support by main financing bank, etc.

## Certification of “Management Improvement Support Providers”

- Certify financial institutions, accountants, lawyers, and other consultants who have certain knowledge and experience, as well as conventional service providers including chambers of commerce and industry and other industrial associations, as “Management Improvement Support Provider (Certified Support Service Provider)”
- Provide SMEs who are implementing support programs supported by certified support service providers with policy support measures as follows.
  - ① Dispatching experts from SMRJ.
  - ② Lowering guarantee fee of Credit Guarantee Corporations
  - ③ Low interest loan program by Japan Finance Corporation

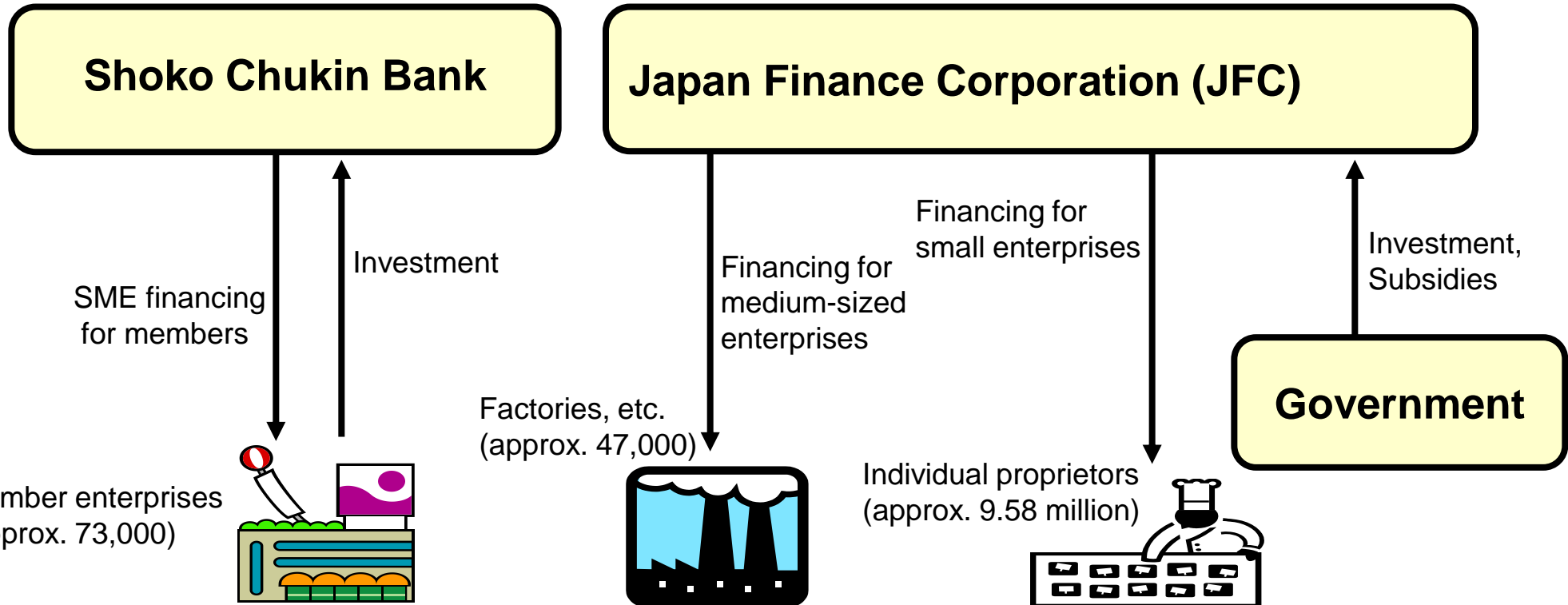


# **4. Current SME Policies**

# 4. Overview of Japan's public financial institutions:

## Public SMEs Financing (1) Loans

- For the 3.8 million SMEs in Japan, securing financing for operations is a key business priority.
- Government-affiliated financial institutions provide about 10% of all loans to SMEs. Added to official credit guarantees, the ratio rises to 20%.
- Specifically, public SME financing includes: ① policy financing (finance for startups and overseas development), and ② safety net financing (finance for enterprises whose business conditions are temporarily deteriorating or which are affected by natural disasters [earthquakes, typhoons, etc.]).

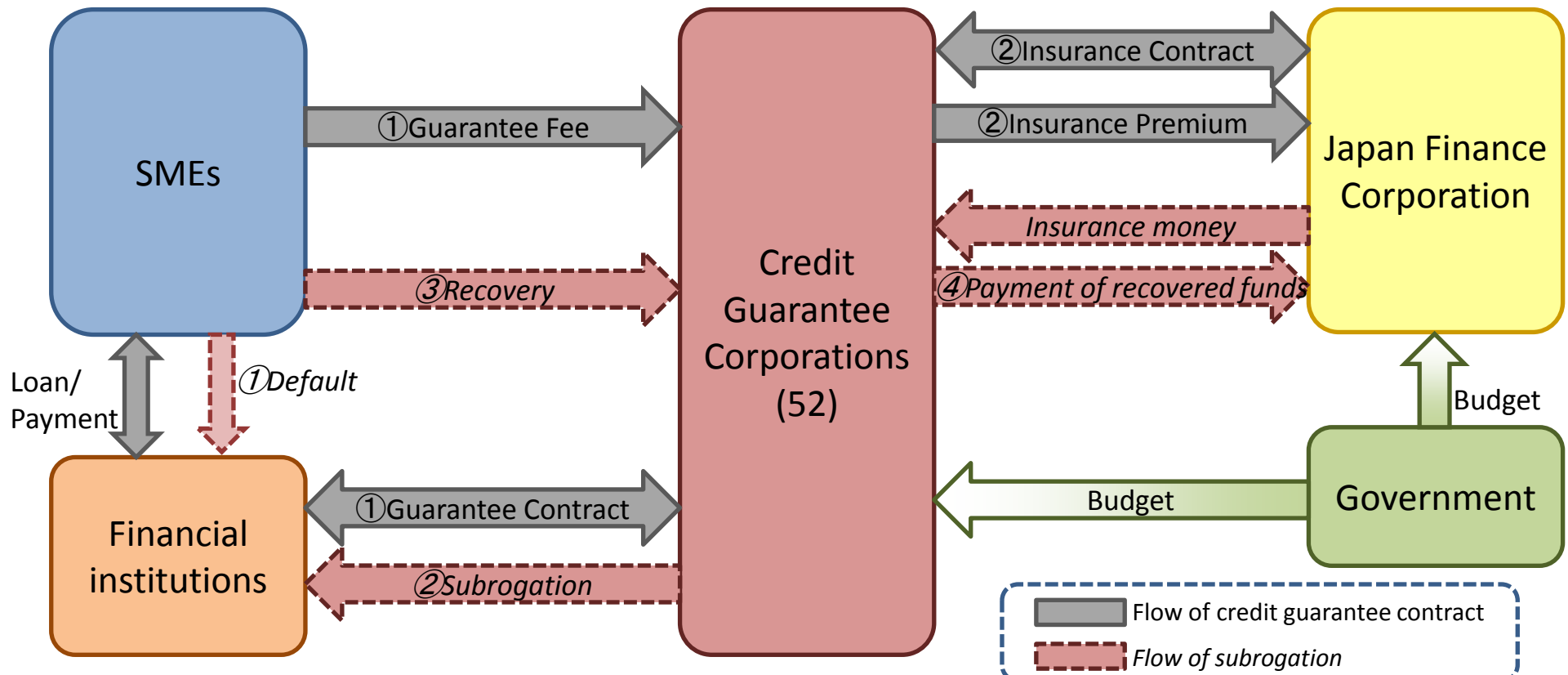


(Notes) These achievements as of the end of FY 2012.

# 4. Overview of Japan's public financial institutions:

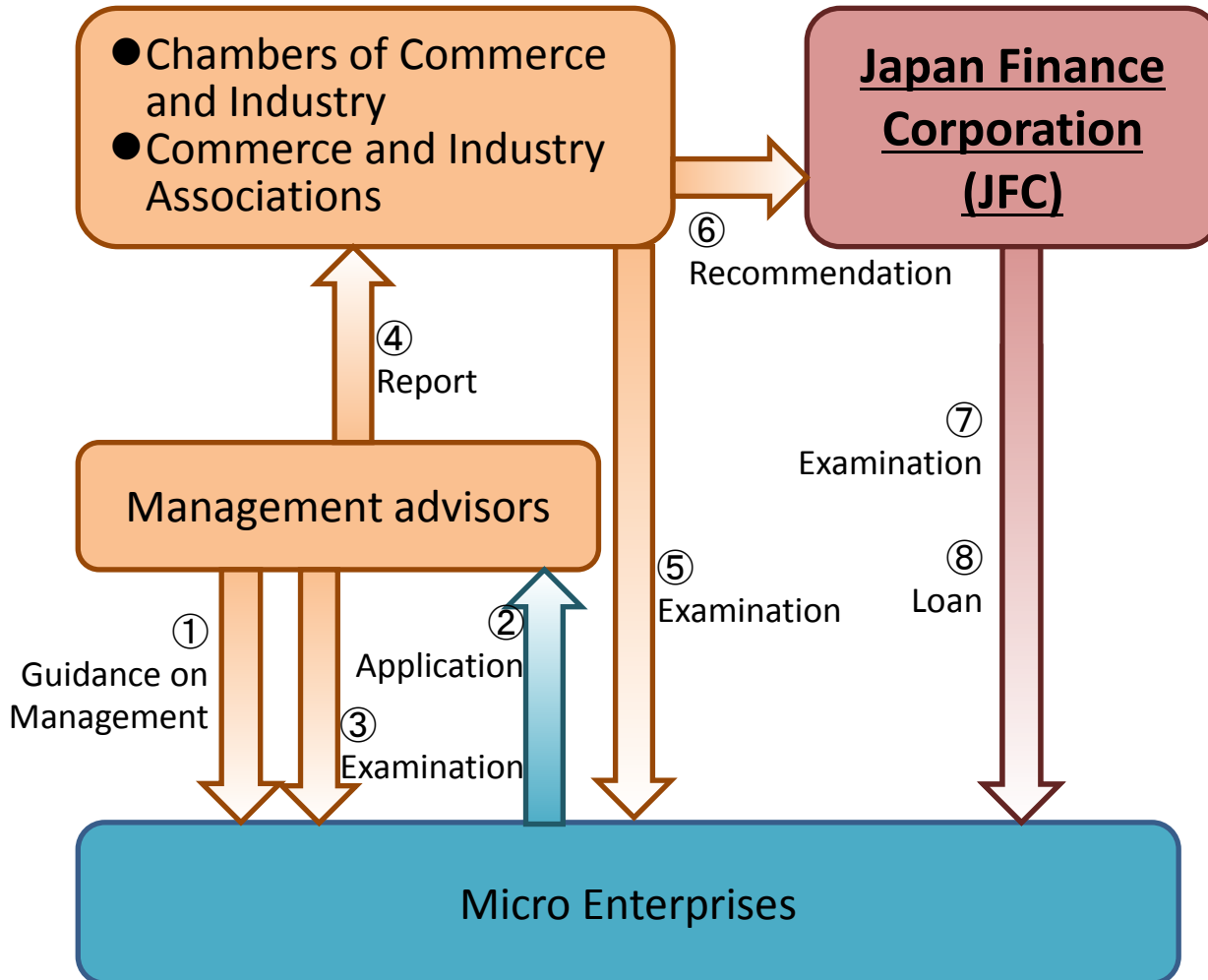
## Public SMEs Financing ② credit supplementation system

- Credit Guarantee Corporations (52 places across Japan) make credit guarantee contracts with financial institutions (lenders of loan to SMEs) in order to support SMEs, which generally have limited credibility and collateral, in access to financing. The credit supplementation system in Japan comprises of ①Credit guarantee and ②Credit insurance.
- In the event of default, Credit Guarantee Corporations subrogate payment of the loan under guarantee contract.



## 4. Management Improvement Loan (MARUKEI)

In support of management improvement in small enterprises, which have particularly poor management resources and low productivity among SMEs, the Japan Finance Corporation provides unsecured low-interest financing without guarantors.



### Conditions for the Marukei loan program

Maximum amount	15 million yen
Loan period	Operation fund: 7 years Equipment fund: 10 years
Interest rate	Standard interest rate of NLFC -0.3%
Guarantor	<b><u>Not required</u></b>
Collateral	<b><u>Not required</u></b>
Management Guidance	<b><u>No less than 6 months</u></b>

## 4. Tax benefits for SMEs

In the same way as the financial system, the tax system for SMEs is one of the most important measures for SMEs. Alleviating the tax burden by means of various preferential tax reduction and exemption measures supports efforts to stimulate the business activities of SMEs.

### ○ Tax benefits for SMEs

A lower corporation tax rate (called the “reduced tax rate”) than that for large corporations is applied to SMEs.

	Category	Tax rate
Large corporations (Stated capital of more than ¥100 million)	—————	<b>25.5%</b>
SMEs (Stated capital of ¥100 million or less)	Portion of annual revenue over ¥8 million	<b>25.5%</b>
	Portion of annual revenue up to ¥8 million	<b>15% *</b>

\*Reduced tax rate of "19%" is imposed on annual revenue (portion of up to ¥8 million) of SMEs and cooperative associations. The reduced tax rate is temporarily being further reduced from 19% to 15% until the end of March 2015.

- There are tax systems focused on SMEs relating to capital investment, experimental research costs, and business succession.
- Capital investment: special depreciation of 30% of the price paid or 7% tax credit
- Experimental research costs: tax credit equivalent to 12% of experimental research costs
- Business succession: postponed payment of inheritance tax (80%) and gift tax (100%) on unlisted shares, etc.

\*Capital investment: tax system to promote investment by SMEs, etc.

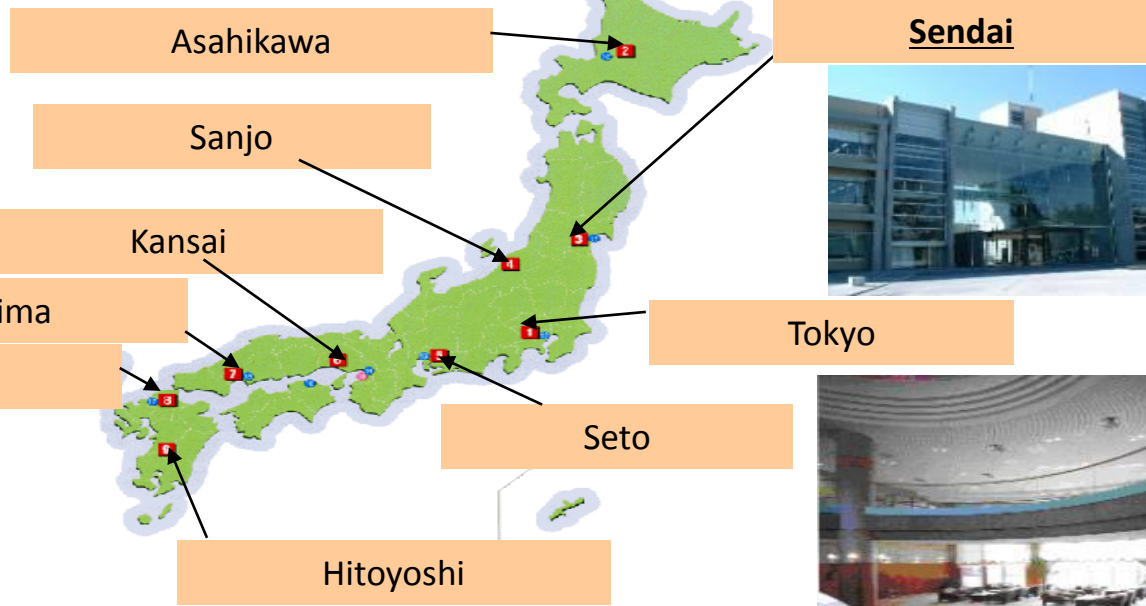
Experimental research costs: tax system focused on R&D, etc.

Business succession: system of postponed payment of inheritance tax and gift tax on unlisted shares, etc.

# 4. Management support: SME University

A total of 9 SME Universities, affiliated to the SMRJ, have been established in locations nationwide to support the development of SME personnel. Improving the level of knowledge among SME managers, changing their ways of thinking, and cultivating SME supporters is vital in securing the management base of SMEs.

- Nine universities nationwide. Number of participants: 16,000 annually; more than 560,000 people have attended courses since the universities opened in 1962
- Target participants: SME operators and SME supporters (staff at commercial and industrial associations who provide management guidance, etc.)
- Main training: The main training provided includes training for management successors, training for managers and courses to cultivate SME management consultants
- Taking into account convenience for participants, the courses do not only take the form of courses held at the SME universities themselves, but also include courses held in areas with training needs and online courses via the Internet.



# 4. Enhancement of technological capabilities

Enhancement for technology development is vital in enabling SMEs and micro enterprises in the field of manufacturing to open up new demand.

In order to strengthen Japanese manufacturing's international competitiveness and encourage the creation of new business, support continued to be provided for SME activities extending from R&D through to trial manufacture.

## ◆ Project to support the upgrading of strategic core technology

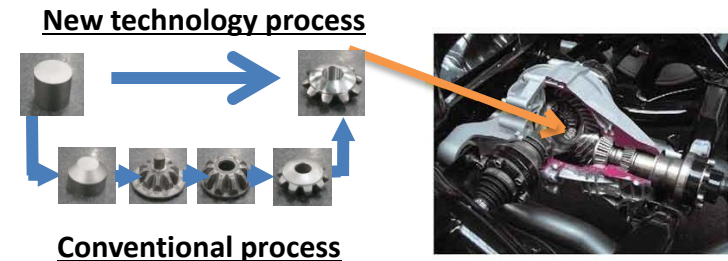
Support is provided for initiatives conducted by joint research groups comprising SMEs and other entities ranging from R&D to trial manufacture directed toward upgrading specific core manufacturing technologies that underpin competitiveness in key areas of industry that drive the Japanese economy.

### <Specific core manufacturing technologies (11 fields)>

Information processor	Precision machining	Manufacturing environment	Joining and mounting
Solid molding	Surface treatment	Machine control	Multifunctioned and new functioned material
Manufacturing process for material	biotechnology	measuring	

### (Example of support)

Molding motor vehicle gear parts using only a forging process, where machining had previously been required to finish them after forging. Resulted in 100% of the material being used, reducing the cost of the process by 1/5.



# 4. Support for overseas business expansion

- SMEs are supported overseas by government affiliated organizations. SMRJ and JETRO do specific supports. Supports at local area also have been enhanced.

## Specific support (JETRO/SMRJ)

Provision of information on international markets

Support for arranging business meetings

Support for developing overseas strategy

Support for displays at exhibitions

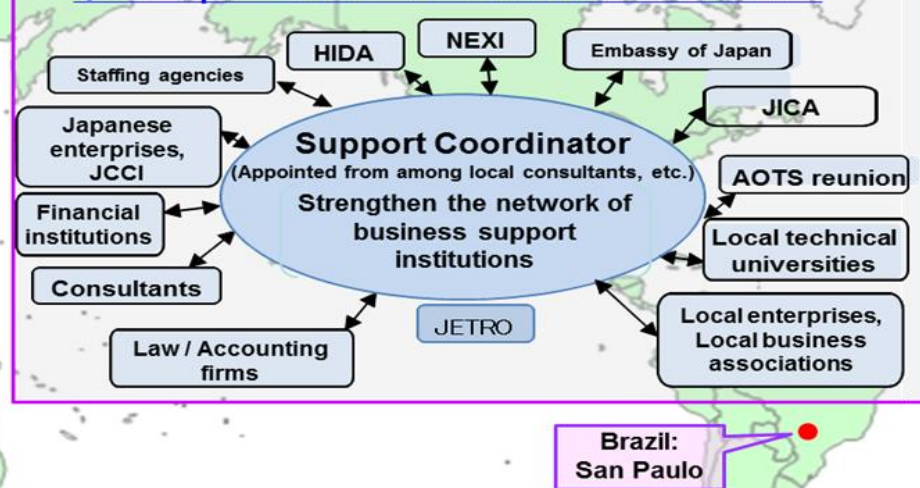


**SME Overseas Business Support Platforms are to be located on areas which are in demand from Japanese SMEs.**

### <Candidate sites of the platforms>



### ○Concept of the SME Overseas Business Platform



Brazil: San Paulo

# Roadmap Leading to the Realization of Overseas Development

The Japanese government supports small and medium-sized enterprises (SMEs) looking to enter overseas markets through such organizations as the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SME Support, JAPAN) and the Japan External Trade Organization (JETRO). Support provided ranges from formulation of business plans to export system creation and even support for on-site expansion. The government provides consistent comprehensive support, even for business restructuring and other issues occurring after foreign expansion.



## ■ Overseas Development Consultation

### ■ Seminars

(SME Support, JAPAN)

(JETRO)

(Designated Support Institutions)

- Financial Institutions
- Chamber of Commerce and Industry
- Commerce and Industry Associations, etc.

■ Information Gathering (Trade and Investment Information, etc.)  
(JETRO and SME Support, JAPAN)

- Advice from Overseas Business Specialists (JETRO and SME Support, JAPAN)
- Product Development via Overseas Specialists (SME Support, JAPAN)

■ Commercialization Feasibility Study (FS) Support (SME Support, JAPAN)  
Specialists examine commercialization plan feasibility via visits to domestic and overseas on-site locations, etc.

- Overseas Mission Dispatch (JETRO)
- Exhibitions at Overseas Trade Shows, Business Meetings with Overseas Proprietors and Buyers (JETRO and SME Support, JAPAN)

■ On-Site Advice via Public and Private Support Institution Cooperative Platforms (JETRO)

■ Financial Support (JFC)

# STEP 1

## Clarification of Overseas Development Objectives

In order for nationwide SMEs to clarify their overseas development objectives, the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN, the Japan External Trade Organization, and various other designated support institutions offer consultation and conduct seminars. Specifically, they offer initial-stage consultation regarding the merits and demerits of overseas development, hold seminars about the latest economic trends by country, region, and industry type, and offer practical trade lecture courses, etc.

### Organization for Small & Medium Enterprises and Regional Innovation, JAPAN

This organization is a comprehensive support institution for SMEs, offering business consultation and other support to domestic SMEs, including consultation and other support regarding overseas expansion. In addition to its Tokyo head office, the organization has nine regional head offices and one administrative office located across the nation.



### Japan External Trade Organization

In its initiatives geared toward global demand, this organization provides comprehensive support for the expansion of Japanese trade and investment through such services as provision of information and trade transaction mediation. This includes support for large enterprises engaged in infrastructure export and foreign-owned enterprises as well. As a part of its operations, JETRO also provides support to SMEs. In addition to its Tokyo headquarters, JETRO has 40 regional offices around the nation and an overseas network of 73 offices in 55 different countries.



### Designated Support Institutions

In recent years, business challenges faced by SMEs have become increasingly diverse and complex. In order to diversify and vitalize institutions providing support to SMEs, the Japanese government has designated as “institutions for the support of management innovation, etc.” various individuals, corporations, SME support organizations, and other institutions that possess a given level of experience with support for and expertise relating to tax, finance, and business finance matters. Through these designations, a system for providing highly specialized support to SMEs has been established. As of Oct. 3, 2014, 22,743 support institutions from around the nation have been designated.

Examples of designated support institutions:

Financial institutions such as banks and credit associations, commerce and industry associations, the Chamber of Commerce and Industry, lawyers, tax accountants, certified public accountants, private consulting firms, etc.

# STEP 2

## Preparations / Planning Within Japan, Developing Overseas Clients and Business Partners, Etc.

In order to develop clients and business partners through such services as information gathering, advice, and preliminary surveys within Japan, as well as missions dispatched overseas, JETRO and SME Support, JAPAN carry out the following support measures.

### Information Gathering Support

- 1) Provision of necessary information free of charge via a database on the JETRO website. The database contains business information on 60 countries and regions around the world. Example: Trends relating to advanced manufacturing technology initiatives in the EU and “Industrie 4.0” in Germany.
- 2) Reports on the SME Support, JAPAN website explaining business information pertaining to frequently asked questions, case studies of successful overseas development, and advice from specialists about points of concern when engaging in overseas development.

### Consultation, Advice, and Product Development Support from Overseas Specialists

- 1) Individual consultation regarding practical business-related questions that arise at various stages of SMEs’ consideration of overseas business. Consultations are provided free of charge by experienced advisors.
- 2) Individual advising regarding overseas development-related business challenges faced by SMEs, including investment, import/export, and business partnerships with overseas enterprises. Advice is provided free of charge by experienced overseas business specialists.
- 3) Inviting specialists with expertise in overseas markets from various regions to Japan. These specialists offer product development support through advice and other consultation regarding products geared towards overseas markets.

### Commercialization Feasibility Study (FS) Support

- 1) Experienced overseas business specialists facilitate domestic research and participate in overseas on-site research to examine the feasibility of SMEs’ overseas development plans, based on each company’s own products, technology, services, and expansion of overseas markets, etc.

\*SMEs are responsible for 1/3 of costs.

### Mission Dispatch Support, Support for Exhibitions at Overseas Trade Shows, Business Meetings with Overseas Buyers

- 1) JETRO dispatches mission groups to overseas markets and prospective investment targets for which independent information gathering by a single enterprise is difficult. Mission groups provide support for market development and overseas expansion via: on-site inspection of market and related parties, including commercial facilities, production sites, and industrial parks; exchange of ideas with local government and parties related to local Japanese-owned companies; and provision of programs for business matching, etc.

\*SMEs must pay fees, which vary by dispatch location, etc. Example: Inspection of Indonesian investment environment

- 2) JETRO provides aid to partially cover costs of SMEs’ exhibits at the “Japan Pavilion” overseas exhibition in which JETRO participates.  
Example: Maison & Objet (Paris)
- 3) SME Support, JAPAN invites leading buyers, prospective agencies, and experts from overseas and holds individual business meetings for the purpose of business matching with Japanese corporations aiming to develop overseas markets.

# STEP 3

## Expansion of Overseas Markets, Establishment of Local Bases

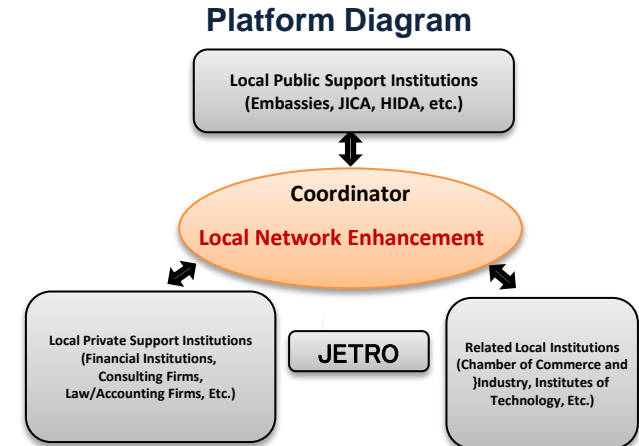
In order to support SMEs in solving problems they encounter in overseas development on-site at overseas locations, JETRO has set up SME Overseas Business Support Platform. Furthermore, the Japan Finance Corporation provides financial support for equipment funds and long-term working funds needed by SMEs to carry out overseas development.

### SME Overseas Business Support Platform

In addition to JETRO's overseas on-site trade and investment consultation, in order to enhance the support system for SMEs that have expanded into developing nations, JETRO has created a network of local public and private support institutions (embassies, JETRO, JICA, Japanese Chamber of Commerce and Industry, law firms, accounting firms, consultants, etc.), forming platforms for SME support.

By 2014, support platforms were established in 12 countries and 17 regions.

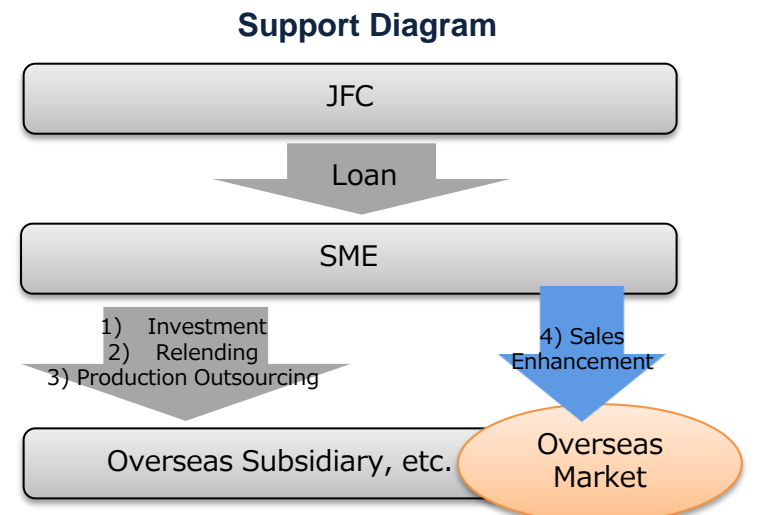
At these platforms, coordinators offer SMEs consultation via a "one-stop service window" and introduce a platform participant member "support menu" while also providing connections to platform participant members when necessary.



### Overseas Development Funds

The Japan Finance Corporation offers loans for equipment funds and long-term working funds (including funds for relending to overseas corporations) necessary for overseas development at long-term fixed interest rates.

- ◆ Loan Value: Small and Medium Enterprise (SME) Unit - 720 million JPY  
(Including 250 million JPY for working funds)  
Micro Business and Individual Unit - 72 million JPY  
(Including 48 million JPY for working funds)
- ◆ Loan Period: 15 Years or less (5 years or less for working funds)
- ◆ Loan Interest Rate: Standard interest rate / When certain conditions are met  
Special interest rate 2 (0.65% less than standard interest rate)



# **5. Activities of JETRO**

## Japan External Trade Organization (JETRO)

- Government-related organization to promote mutual trade and investment between Japan and the rest of the world
- Established in 1958
- Overseas offices: 74 (in 56 countries )\*
- Japan offices: JETRO Headquarters in Tokyo, JETRO Osaka, 40 regional offices, the Institute of Developing Economies (IDE-JETRO) \*
- Employees: 1,601 (904 in Japan and 697 overseas)\*\*

\*As of July 2014

\*\*As of April 2014



# JETRO in European countries

◆ 17 Offices in 16 Countries:

AUSTRIA (Vienna) ,BELGIUM (Brussels) ,CZECH (Praha) ,DENMARK (Copenhagen), FINLAND (Helsinki) ,FRANCE (Paris) ,GERMANY (Berlin and Düsseldorf) , HUNGARY(Budapest) , ITALY (Milano) ,NETHERLANDS (Amsterdam) ,POLAND (Warszawa) ,ROMANIA (Bucharest) , SPAIN (Madrid), SWEDEN (Stockholm) , SWITZERLAND(Geneva) ,UNITED KINGDOM (London)

◆ JETRO VIENNA is responsible for:

Austria,Slovakia,Slovenia,Croatia, Bulgaria,Serbia,Bosnia and Herzegovina, Montenegro, Macedonia, Kosovo, Albania

◆ JETRO VIENNA access:

Parkring 12a/8/1, 1010 Vienna, AUSTRIA TEL:+43-1-587-56-28

# JETRO JETRO's Domestic Offices



## Supporting the overseas businesses of Japanese companies

- Information providing / Consulting service, - Business matching, - Trade fairs / Exhibitions

## Promoting foreign direct investment into Japan

- One-stop service
- Temporary office space (IBSC)

## Facilitating economic growth in developing countries through trade promotion

## Development of overseas markets

### ◆ Participation in overseas trade fairs

Helps SMEs to participate in overseas trade fairs so that they will be able to develop overseas markets. Globally influential trade fairs, such as New York International Gift Fair, MAISON&OBJET, FOOD TAIPEI, and MTA Vietnam, to be carefully selected as opportunities for SMEs to showcase their products.



(At an overseas trade fair)

### ◆ Inviting buyers and holding domestic business meetings

Invites overseas key figures such as buyers and holds business meetings between them and Japanese SMEs in Japan. In the first half of the current fiscal year, such meetings took place, inviting personnel from global brand companies such as Armani and Prada, who were in charge of procurement.

### ◆ Dispatch of export promotion missions

Sends SME export missions to inspect local overseas markets, exchange opinions with people concerned, and give matching support. Helps SMEs with formulation of strategies and development of overseas markets through participation in the mission.



(Consultation meeting with a coordinator)

### ◆ Deployment of overseas coordinators

Deploys overseas coordinators well versed in local markets across regions with high SME export demand, such as those in Europe, the US, and Asia. Around 40 coordinators provide SMEs with counseling and other services.

### ◆ Implementation of show rooms

Implement show rooms and Internet sales, to sell traditional products made by Japanese SMEs on a trial basis and conduct monitoring.

### ◆ Support for individual corporations from experts

Gives hands-on support mainly to SMEs having excellent technologies and products but no export experience in a wide range of fields from formulation of strategies to development of overseas markets, so that they will be able to export their products. Fifteen experts to be retained for this purpose (JETRO Identification and New Market Development Program for Japan-made Products with Global Potential).



(“JFW in NY” fashion show)

### ◆ Participation in overseas trade fairs for publicity campaign

Runs Japan's booths at world leading trade fairs, such as Marche du Film in Cannes (France, films), and GDC (US, games), to disseminate Japanese brands.

### ◆ Holding publicity events overseas

Disseminates Japanese brands through the use of JETRO's broad networks by holding overseas fashion shows in collaboration, for example, with Japan Fashion Week Organization (JFW), and conducting PR activities targeted at local mass media.



(Invitation of overseas key figures)

### ◆ Invitation of key figures

Promote Japanese brands by inviting overseas key figures, such as journalists, having a strong influence on promotion of global trends, and making Japan's attractions widely known to them.

## Japanese brands promotion

## Website and events:

Distributing information on Japanese business environment

## Overseas offices:

Finding businesses interested in investing in Japan



## HQ and domestic offices:

Developing proposals (Providing customized information)

## Support in exhibitions:

Increasing business opportunities with Japanese companies

**Supporting business startups through IBSC** (Invest Japan Business Support Center)

## Domestic offices:

Providing a link to local governments and attract businesses

## Implementing incentives:

Asian Business Location Promotion Project Subsidy

◆ Invest-in-Japan website  
(<http://www.jetro.go.jp/en/invest/>)

◆ Seminars/symposia, brochures

◆ Finding companies interested in investing in Japan by visiting businesses and exhibitions

◆ Individual consultations with interested companies

◆ Providing information on markets and industries

◆ Providing information and introductions for governmental approvals and licenses

◆ Support for foreign businesses to participate in exhibitions held in Japan

◆ Providing temporary office space (six IBSCs / Tokyo, Yokohama, Nagoya, Osaka, Kobe, Fukuoka)

◆ Providing expert advice (taxes, accounting, human resources, social security, real estate, etc.)

◆ Providing information on regions throughout Japan (location sites, local incentives, etc.)

◆ Cooperation with local governors/mayors to promote their areas

◆ Support new investments of companies already operating in Japan

◆ Subsidy for regional HQs and R&D facilities

◆ Providing information to prospective global companies



Invest-in-Japan website



Seminars and symposia



Support for foreign businesses at exhibitions held in Japan



Temporary office

# JETRO's Activities on Plant and Infrastructure Business

➤ JETRO, as a public institution with an extensive overseas office network, is supporting the entry of Japanese companies in the overseas infrastructure and plant business by utilizing its close relationship with foreign governments and state-run enterprises.



## Allocating coordinators overseas

Coordinators specialized in infrastructure projects are assigned to JETRO offices in prioritized countries/regions.



## Inviting key figures from abroad

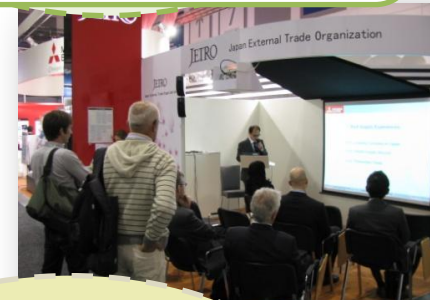
Supporting Japanese companies' overseas development by setting up business talks with key figures of foreign governments/organizations with the authority.

## Dispatching experts overseas

Sending Japanese experts to foreign governments/organizations likely to proceed with infrastructure projects, so that Japan is able to be involved with the projects from the initial stage.

## Conducting research

- Information gathering on overseas infrastructure projects utilizing JETRO overseas networks.
- Research on local infrastructure projects.



## Organizing delegations

Dispatching Japanese delegations aimed to facilitate 1) exchange of views with overseas governments/industries, and 2) information collection on the local infrastructure environment.



## Publicizing Japanese technology

Promoting Japanese infrastructure technology abroad through media content and publicizing them at overseas trade fairs/seminars.

JETRO helps developing countries achieve sustainable economic growth by working with them to strengthen export industries, improve business-related systems (laws, taxation, certification procedures, etc.) and nurture human resources. In line with Japan's Official Development Assistance (ODA) Charter, JETRO takes into account the diversity that exists among developing economies and tailors its assistance accordingly.

## One Example of our Support:

### **JETRO ZONE in FOOD EX JAPAN 2014**

**Date: March 4 (Tue.) – 7 (Fri.) , 2014**

**Venue : Makuhari Messe, JAPAN**



### ◆ Results of FOOD EX JAPAN 2013

- ☀ **53 companies from 24 countries** exhibited at JETRO Zone.
- ☀ **2,624 business negotiations**
- ☀ **1,062 contracts** (including prospective ones) worth **USD7,637,396**
- ☀ **Exhibitor satisfaction: 95.9%** of top two grades (on a 4-point scale)



Thank you for your attention!

◆ JETRO VIENNA

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