

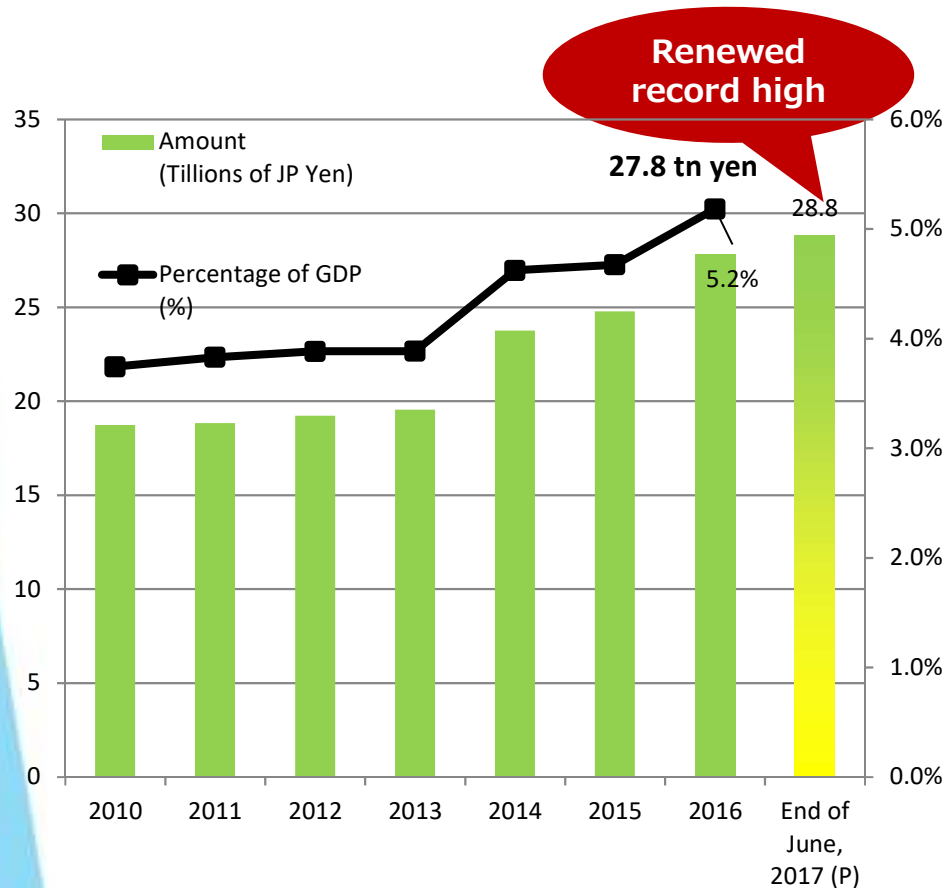
Japanese promotion to attract foreign direct investment

Business opportunities for Thai companies

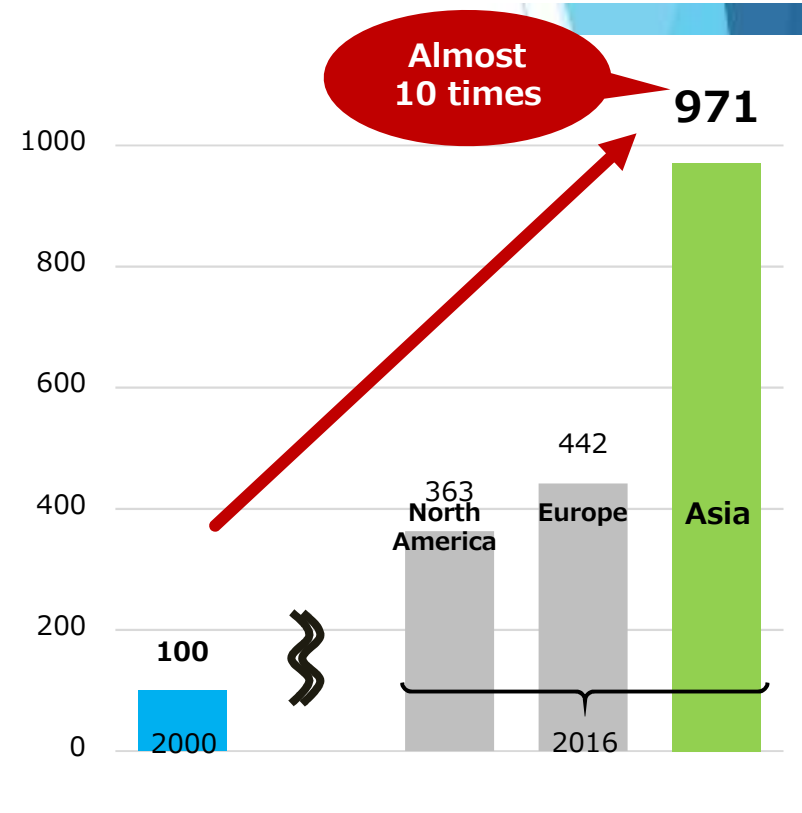
February 2018

Japanese Government is committed to expand inward FDI to 35 trillion yen by 2020.

Inward FDI stock and its portion in the nominal GDP



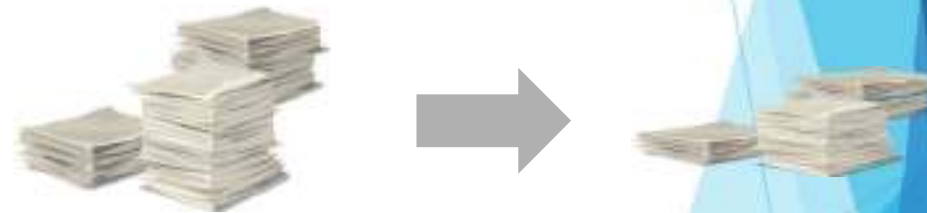
Growth of inward FDI stock by region (growth ratio when the stock as of year 2000 is 100)



Japan's ranking in "Doing Business 2018" is 34th out of 190 countries.

2017		2018	
1	New Zealand	1	New Zealand
2	Singapore	2	Denmark
3	Denmark	3	Singapore
4	Hong Kong	4	Korea, Rep
5	Korea, Rep	5	Hong Kong
6	Norway	6	United States
23	Malaysia	23	Iceland
24	Poland	24	Malaysia
25	Portugal	25	Mauritius
26	United Arab Emirates	26	Thailand
27	Czech Republic	27	Poland
28	Netherlands	28	Spain
29	France	29	Portugal
30	Slovenia	30	Czech Republic
31	Switzerland	31	France
32	Spain	32	Netherlands
33	Slovak Republic	33	Switzerland
34	Japan	34	Japan

Cut administrative cost by **20%**
(Working hours of business entities)



by 2020

Source: World Bank Doing Business 2017 and 2018

Tourism



- **Relaxing of visa requirements**
- **The scope of tax exempt items for foreign visitors was expanded to all consumer goods (from Oct.2014).**

Life science



- **Speeding up a review process of advanced health care (revised Pharmaceutical Affairs Act)**
 - ✓ Elimination of drug lags and device lags
- **"Fast Track Designation System" (Trial operation started in April 2015)**
 - ✓ Prioritized approval review for innovative medical products/equipment (early commercialization)

Energy



Full liberalization of the energy retail market (April 2016)

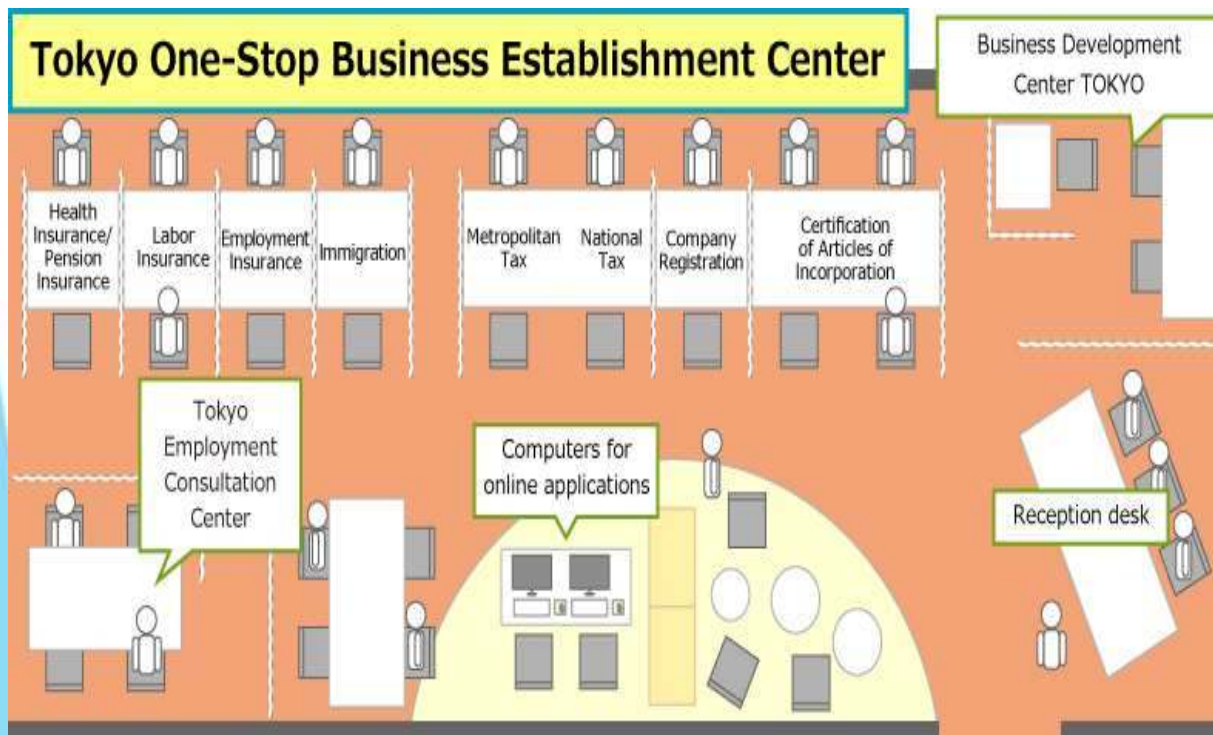
- ✓ Foreign companies can now enter the market (schedule: legal separation of power transmission/distribution (Apr. 2020), removing restrictions on power retail price (after Apr. 2020))

Tokyo One-Stop Business Establishment Center

The first center in Japan that supports Establishment of business by foreign and venture companies, launched in JETRO HQ in 2015



Experts assist with administrative procedures required for startup



- Certification of Articles of Incorporation
- Company Registration
- National Tax / Metropolitan Tax
- Immigration
- Employment Insurance
- Labor Insurance
- Health Insurance / Pension Insurance

JETRO “Japanese Green Card” for Highly Skilled Foreign Professionals



Drastically shortening the required period of residence for application of highly skilled foreign professionals for permanent residence status from 5 years or 10 years

“Japanese Green Card” system for Highly Skilled Foreign Professionals

Before revision

Required period of residence for application for permanent residence

70 points or more



From April 2017

Required period of residence for application for permanent residence

70 points or more



80 points or more



Example of point calculation



In case of Engineer (33 years old)

34 years old or younger	10 points
Annual salary 6 million yen	20 points
Master's degree	20 points
Job experience of three years	5 points
Patented invention	15 points
Graduated from a top-tier university	10 points
Total	80 points

Source: Ministry of Justice, Points-based Preferential Immigration Treatment for Highly Skilled Foreign Professionals

The biggest challenge for foreign-affiliated companies to do business in Japan was “difficulty in securing human resources”.

Top five obstacles – Comparison of the 2013, 2015 and 2016 Surveys

Rank	2013 Survey	2015 Survey	%	2016 Survey	%
1	High business costs	Complicated administrative procedures	46.3%	Difficulty in finding human resources	48.2%
2	Particularities of Japanese market	Difficulty in finding human resources	44.9%	Difficulty in communicating in non-Japanese languages (in business)	42.3%
3	Difficulty in communicating in non-Japanese languages	Difficulty in communicating in non-Japanese languages	44.2%	High business costs	38.2%
4	Complicated administrative procedures	Particularities of Japanese market	35.4%	Complicated administrative procedures	37.5%
5	Difficulty in finding human resources	High business costs	34.2%	Particularities of Japanese market	37.0%

1. Tourism Industry

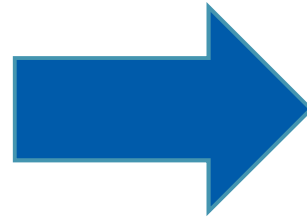
Continuous increase in foreign tourists and Thai tourists





2.R&D and Innovative Industry

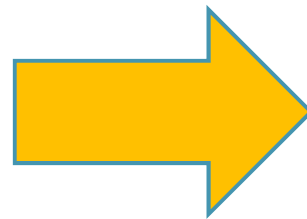
Where is the most attractive Asian country to invest in R&D bases?



ranked 1st
Japan

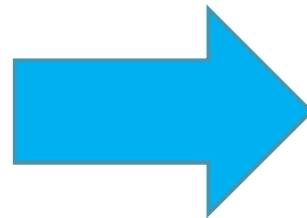
Number of international patent applications per 1 million population
Ranked 1st

What is the appealing of developing a business in Japan?



22.5% **high quality of research and development**

What functions of Japan base will be expanded in the future?



28.3% **research and development**

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source : METI Report on survey of foreign companies' interest in Asia and Europe in Japan, JETRO Invest Japan Report



3. Thai competitiveness in the world (Food, Renewable energy)

ปรึกษา JETRO เป็นอันดับแรก!

JETRO
Japan External Trade Organization

INVEST JAPAN