



press release

For immediate release

ACCJ Applauds Japan Investment Council's Leadership in Promoting Foreign Direct Investment (FDI)

April 16, 2004 (Tokyo)—The American Chamber of Commerce in Japan (ACCJ) today applauded recent efforts by Prime Minister Koizumi and the Japan Investment Council (JIC) to promote FDI. The JIC is following up on its 2003 policy plan—the outgrowth of a JIC Expert Committee report—by encouraging various ministries to pursue concrete, detailed FDI measures, including new proposals, as soon as they are developed.

To support these measures and the policymaking they require, the JIC has been absorbing a wide range of views on FDI, including those of the ACCJ and the European Business Community in Japan (EBC). The ACCJ and the EBC have provided the JIC and the ministries with several ideas on which steps would have the most beneficial effect in the short term, and urged that they be taken expeditiously. These recommendations include proposals about revisions to laws in specific areas. The ACCJ looks forward to continuing the dialogue and cooperating with both the JIC and the individual ministries on these and other issues.

"I think it is very beneficial that we have been able to exchange candid views and opinions through such dialogues," ACCJ President Debbie Howard said. "In particular, I have high expectations that serious consideration will be given to FDI related tax measures, such as our recent Specific Policy Recommendation on tax deferral for simple share exchanges (*tanjun na kabushikikoukan*). Amending the Japanese tax law to enable foreign companies to do simple share exchanges with tax deferral would not only resolve the present inequality of treatment between domestic acquirers and foreign investors, but could also trigger the adoption of other effective policies that are needed to substantially increase FDI."

The ACCJ has maintained a high level of activity on the FDI issue since establishing its FDI Task Force last April, part of an effort to help Japan's government achieve its goal of doubling FDI within five years. Last October the ACCJ released a report entitled "Foreign Direct Investment and the Japanese Economy" (the Fukao Report) and a general policy document, "From Goals to Reality: FDI Policy in Japan." Compiled by Japan's most authoritative experts on FDI, Professor Kyoji Fukao of Hitotsubashi University and Tomofumi Amano of Toyo University, the Fukao Report uses objective analysis to illuminate the facts concerning FDI in Japan, including the benefits FDI brings and attendant policy implications. During 2004, the ACCJ has issued several specific policy recommendations on areas affecting FDI, including corporate governance and transparency, medical devices, education, pharmaceuticals, cash mergers, and stock swaps.

President Howard was quick to recognize PM Koizumi's leadership on the issue and government contributions. "It has been a year since we started our FDI initiative, and I feel confident that the quality of discussion is increasing," she stated. "I believe that the intensified efforts by the ACCJ, JIC, Cabinet Office, relevant ministries such as METI, JETRO and so forth are a direct outgrowth of Prime Minister Koizumi's foresight and long-term planning in publicly setting a goal to double Japan's cumulative stock of FDI over five years. The prime minister understands how important FDI is to increasing Japan's global competitiveness, and why we must increase the public's understanding of the strong benefits that FDI brings to Japan's economy."

About the ACCJ

Established in 1948, the American Chamber of Commerce in Japan (ACCJ) has grown into Japan's most influential organization representing the interests of international businesses in Japan, with close to 3,200 individual members representing more than 40 countries and 1,400 companies. The ACCJ promotes commerce between the United States and Japan, supports measures to benefit and protect the interests of U.S. companies, and presents a variety of programs that keep Chamber members abreast of current business practices and trends. For more information, visit: <http://www.accj.or.jp>.

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