



## press release

*For immediate release*

### **ACCJ Releases Specific FDI Policy Recommendation on Education**

**March 17, 2004 (Tokyo)**—Following the October 2003 release of the Fukao Report (Foreign Direct Investment and the Japanese Economy) and the policy piece "From Goals to Reality: FDI Policy in Japan," the American Chamber of Commerce in Japan (ACCJ) has released a specific policy recommendation paper on education (to view the full text, please see <http://www.accj.or.jp/content/advocacy/FDI/SPP>). This is the fourth in a series of policy recommendations on foreign direct investment (FDI) the ACCJ will be offering over the next few months.

The ACCJ believes that foreign universities in Japan can make an important contribution, both directly and indirectly, to increased investment, economic growth, and job creation. However, the significant barriers to operating branch campuses in Japan, with regard to visas, tax treatment and students' status, have prevented foreign universities from playing a positive role in the Japanese economy. Given the inhospitable regulatory environment, the likelihood of sustained success for a foreign university here is extremely small, making the return on investment low or negative. Foreign universities are therefore extremely unlikely to invest in Japan.

To remedy this and increase FDI into Japan, the ACCJ recommends that the Japanese government recognize branch campuses of foreign universities accredited in their home countries and provide these branch campuses with the same benefits of official recognition a Japanese university enjoys (but with no right to receive public financial support). Furthermore, these branch campuses should not be subject to the curricular and operational requirements of the Ministry of Education, Science, Sports, and Culture (MEXT).

#### **ACCJ FDI Task Force**

In 2003 the ACCJ focused on foreign direct investment into Japan in response to Prime Minister Koizumi's January speech to the Diet, in which he announced the government's goal of doubling FDI in five years. A task force engaged the services of Japan's most authoritative experts on FDI, Professor Kyoji Fukao of Hitotsubashi University and Tomofumi Amano of Toyo University, to conduct objective analysis and write a report illuminating the facts concerning FDI in Japan, including the kinds of benefits that it brings and suggesting policy implications. This report was issued in Japanese on October 29, 2003, under the title "Foreign Direct Investment and the Japanese Economy." In addition, the task force prepared a companion policy document, "From Goals to Reality: FDI Policy in Japan." This report builds on the facts and empirical analysis presented by Professors Fukao and Amano to dispel a number of myths and fears about FDI in Japan and offers a number of ACCJ policy recommendations for achieving the government's goal of doubling FDI into Japan by 2008. To learn more about the ACCJ FDI Task Force, please visit <http://www.accj.or.jp/content/advocacy/FDI>.

**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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