



Press Release

報道資料

For Immediate Release

ACCJ Stresses Urgency of Concrete Growth Strategy Measures

February 4, 2013 – The American Chamber of Commerce in Japan (ACCJ) announced today its support for the emphasis on economic growth of the new Abe Administration. Japan's government has indicated that one of its core focuses will be on how to return the Japanese economy to a growth trajectory. The ACCJ fully supports this overarching goal, but stresses the urgency of carrying out concrete growth strategy measures to that end.

ACCJ President Laurence W. Bates recently laid out his vision for the Chamber for 2013, which focuses on three pillars of growth: 1) the personal and professional growth of its members through the Chamber's leadership and networking opportunities, 2) growth of the ACCJ itself in terms of membership, and 3) helping spur growth in the Japanese economy by offering prudent and targeted policy recommendations developed through the collective expertise of the Chamber as well as outside experts.

The ACCJ has adopted the four-character phrase *yoji-jukugo* 共就成長 (*kyouju-seichou*), translated as "Achieving Growth Together" to encapsulate the endeavors of the Chamber in this year.

Consistent with the Chamber's third pillar of growth, the ACCJ has concluded that in the two years since it published its prescient white paper, "*Charting a New Course for Growth - Recommendations for Japan's Leaders*," the growth strategy themes it stressed in that well-read report have become even more urgent and valid than they were at the time of its release, and therefore is again urging the Government of Japan to focus on those themes.

This major policy piece was prepared by the ACCJ Growth Strategy Task Force, which is comprised of nearly 70 ACCJ members, and was supported by 16 financial sponsors.

Bates said, "We proposed many concrete policies in our White Paper that are also in the public policy platform of the LDP and Prime Minister Abe. Like our White Paper, the LDP's policy platform stresses the need for Japan to enhance the "metabolism" of

its economy by making better use of its technology, and making the country more attractive for investment through a variety of reforms - including greater utilization of information technology, keeping more women in the work force, a more flexible labor market, lower corporate tax rates and other tax reforms, Economic Partnership Agreements and Free Trade Agreements, regulatory reform based on global-standards, requiring independent directors on listed company boards, and other measures."

"We completely agree with the LDP that Japan's economy has great potential. However, in order to achieve that potential, we believe concrete measures need to be implemented to address the structural weaknesses in the economy as Japan's population declines. We hope that the Government of Japan truly recognizes the urgency of market expectations for swift concrete policies. If it does, it will be able to achieve its goal of sustained economic growth."

"On this point, we are somewhat concerned because the very robust recommendations by private sector members of the Industrial Competitiveness Council, as contained in their "*Dai Ikkai Sangyou Kyousoiryoku Kaigi ni oite Araidasete Kadai*" (available here*) – many of which were the same as our own white paper recommendations and are consistent with parts of the LDP's stated platform – appear to have been diluted in the government's subsequent memorandum [*Dai Ikkai Sangyou Kyousoiryoku Kaigi no Giron wo Fumaeta Toumen no Seisaku Taiou ni tsuite*] dated January 25, 2013 (available here**)."

* <http://www.kantei.go.jp/jp/singi/keizaisaisei/dai3/siryou02.pdf>

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Based on independent economic analysis conducted by Professor Kyoji Fukao of Hitotsubashi University and Professor Hyeog Ug Kwon of Nihon University, the ACCJ Growth Strategy White Paper identifies the current drivers of growth and job creation in the economy, and in fact reveals that Japan may *already* be reinventing itself with the contributions of newcomers to its economy. According to the Professors' research:

- As manufacturing moved offshore, Japan lost millions of jobs. Manufacturing now accounts for only 20% of GDP, while services account for fully 80% of Japan's economy.
- While Japan was facing the "lost 2 decades," foreign-held companies in Japan had the highest average productivity and very high job creation rates. Based on firm-level data, they increased their employment by approximately 60% during the period of 1996-2006.
- Similarly, younger Japanese companies have recently had higher job creation rates and higher survival rates than older ones during the same period. Companies

established after 1996 had created about 1.2 million new net jobs as of 2006.

- Foreign companies and newly established firms were the only two groups that consistently increased employment on a net basis between 1996-2006.

The ACCJ offers practical recommendations based on the empirical research, and includes specific policy recommendations in the following 9 areas:

1. Key Strategic Themes and Recommendations
2. Harnessing Entrepreneurship
3. Expanding Foreign Direct Investment
4. Mobile Education
5. Tax Policies for Investment and Innovation
6. Maximizing the Benefits of the Internet Economy
7. Legal System Access and Transparency
8. Enhancing Labor Mobility
9. Immigration Policy

"There is no time to waste in implementing a more compelling and effective national growth strategy for Japan," said Nicholas Benes, Chair of the ACCJ Growth Strategy Task Force. "The ACCJ is committed to making Japan's future a bright one. We can only succeed in our long-term goals if this country's economy recovers and thrives again. We believe that the ACCJ Growth Strategy White Paper offers clear and concrete recommendations for the policies that can enable that to happen. And we also believe that Japan has great untapped potential."

The ACCJ Growth Strategy Task Force White Paper is available for download at:
<http://www.accj.or.jp/images/downloads/public/en/ACCJ_CHARTING_A_NEW_COURSE_FOR_GROWTH.pdf>

Summary of Fukao-Kwon Report is available for download at (Japanese only):
< http://www.accj.or.jp/ja/about/committees/committee-materials/doc_view/86-the-key-drivers-of-future-growth-in-japan>

The Eberhart-Gucwa Report is available for download at:
<http://www.accj.or.jp/ja/about/committees/committee-materials/doc_view/85-entrepreneurship-in-japan-a-data-report>

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About ACCJ

The American Chamber of Commerce in Japan (ACCJ) was established in 1948 by representatives of 40 American companies and has grown into one of the most influential business organizations in Japan. Consisting mainly of executives from American companies, the ACCJ has members representing over 1,000 companies with offices in Tokyo, Nagoya, and Osaka. Working closely with

the governments of the United States and Japan and other business organizations, the ACCJ promotes trade and investment flows between the United States and Japan, promoting the interests of U.S. companies and members, and improving the environment for international business in Japan. Over 60 committees representing various industries play a central role in making ACCJ policy recommendations by issuing Viewpoints, Public Comments and White Papers and holding over 500 events and seminars annually on public policy and economic trends. The ACCJ also undertakes charitable efforts and supports its members' CSR activities.

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