

SUMMARY

Our latest survey highlights how ACCJ member companies are significantly impacted by the entry ban the Japanese government imposed on foreign nationals. According to the survey, 91% report that the entry ban has placed a burden on their business. Many members report that key personnel from their companies will not be returning to Japan, projects cannot be completed, and new projects and investments have stalled or been diverted elsewhere. While many members recognize that actions are necessary to curb the spread of the coronavirus, restricting entry into Japan only for foreigners has reinforced perceptions of discrimination and makes Japan less favorable for conducting business.

KEY FINDINGS

- Most respondents indicated disappointment with the ban and commented that the entry ban has reinforced the negative perception that Japan does not provide a level playing-field for business and discriminates against foreign workers. Specifically, respondents mention that this negative perception:
 - Will prevent Japan from being a central financial hub in Asia;
 - Will pose great difficulty in attracting foreign talent; and
 - Has negatively impacted the goodwill that Japan was working diligently to foster.
- Nearly 40% of survey respondents report that they expect a loss of revenue as a direct result of the entry ban; and 29% report that on-going projects are impacted. Others say important positions cannot be filled, key personnel have decided not to return to Japan, and the productivity of those in Japan has been impacted.
- A majority of companies (64%) say that the entry ban will affect future investment decisions.
- The entry ban imposed on foreigners has burdened business and operations in Japan as well as companies' ability to provide goods and services to Japanese clients. Specifically,
 - The lack of face-to-face interactions makes Japanese clients less trusting or willing to conduct business;
 - Companies cannot meet the expectations of Japanese clients without filling key positions; and
 - Quality of outputs has suffered.

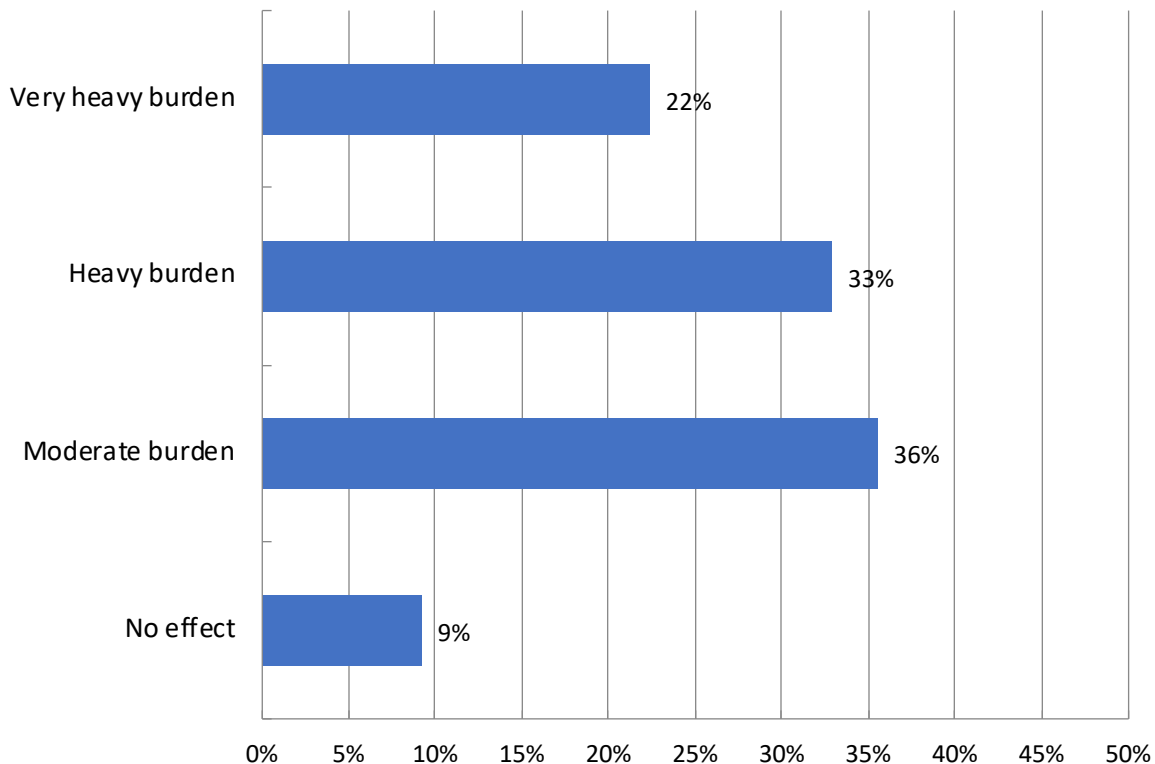
Impact of Entry Ban Imposed on Foreigners to Business in Japan

The 7th pulse survey of ACCJ member companies

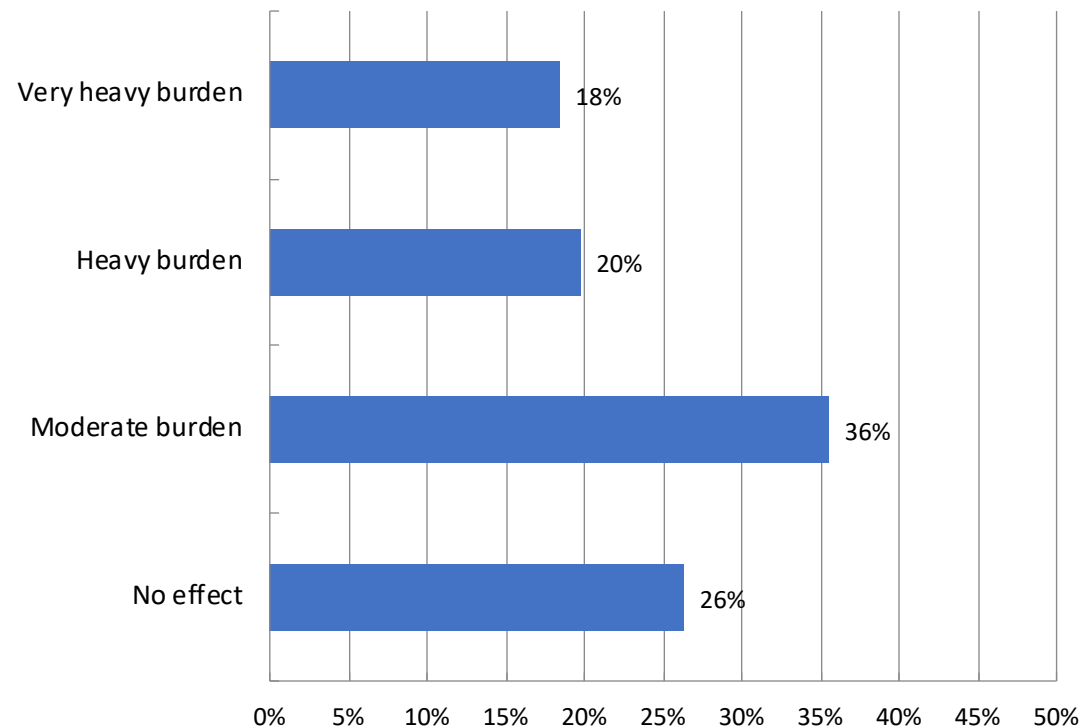
This survey was completed via email by Representative Members of commercial member companies between August 18 – August 21, 2020.

Impact of Entry Ban on Business and/or Operations

To what extent does the entry ban imposed on foreigners entering Japan burden your business and/or operations?

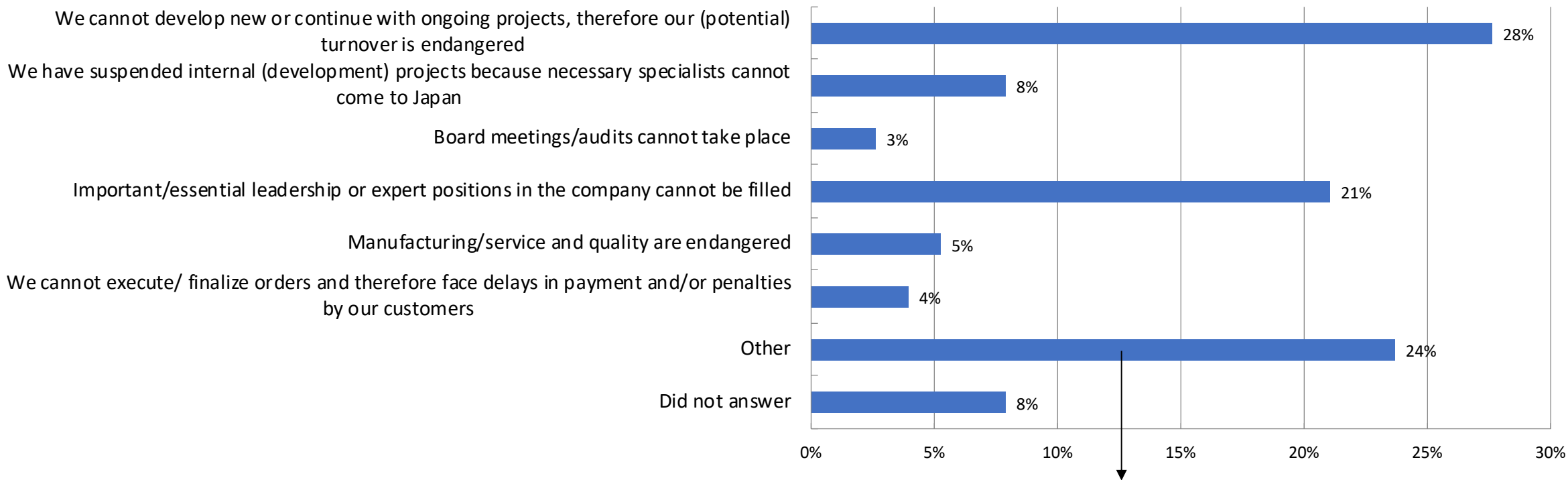


Foreign companies maintain some of their regional HQ functions in Japan. To what extent do the entry bans imposed on Asian countries burden your business?



Areas of Company Impacted by Entry Ban

Which areas of your company are specifically affected by the entry ban?



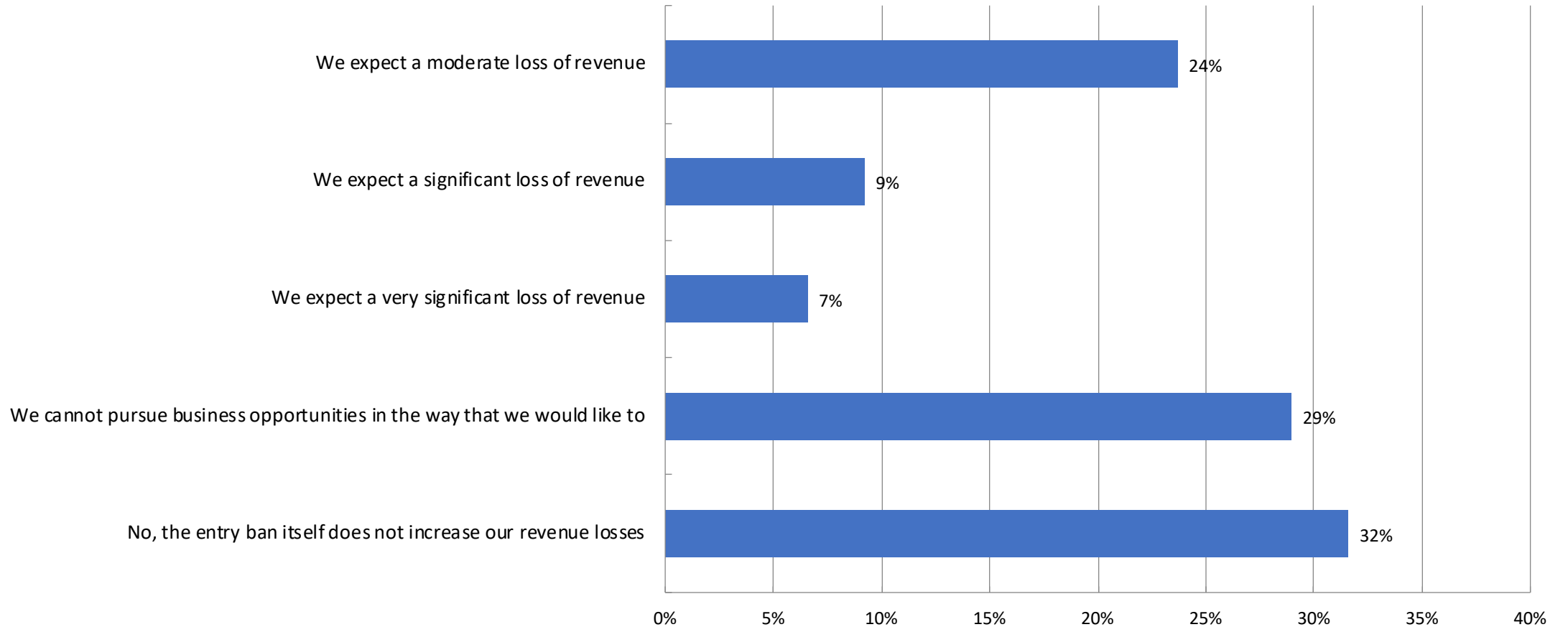
Other areas of impact mentioned:

- Visits with CEOs or leaders have ceased
- Key employees have decided not to return to Japan
- Productivity is impacted



Loss of Revenue

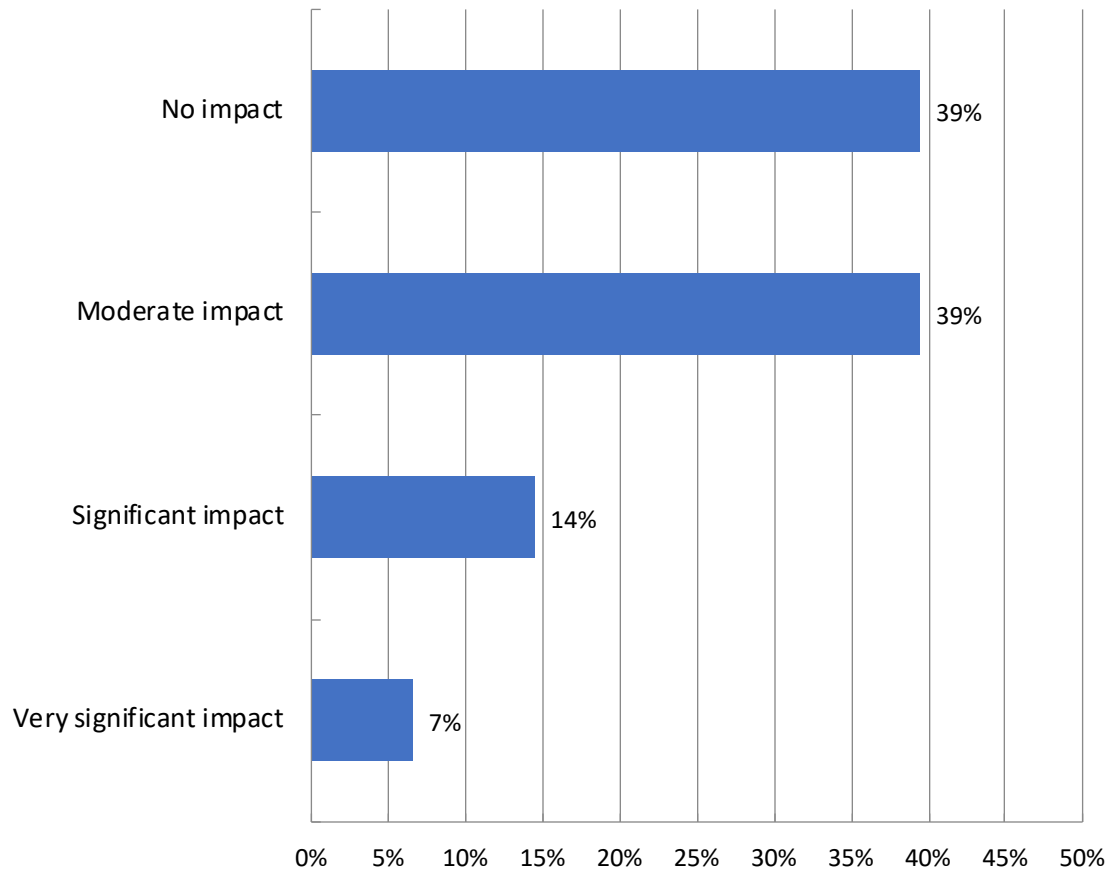
Do you anticipate an increased loss of revenue *solely due to the entry ban* for foreigners into Japan?





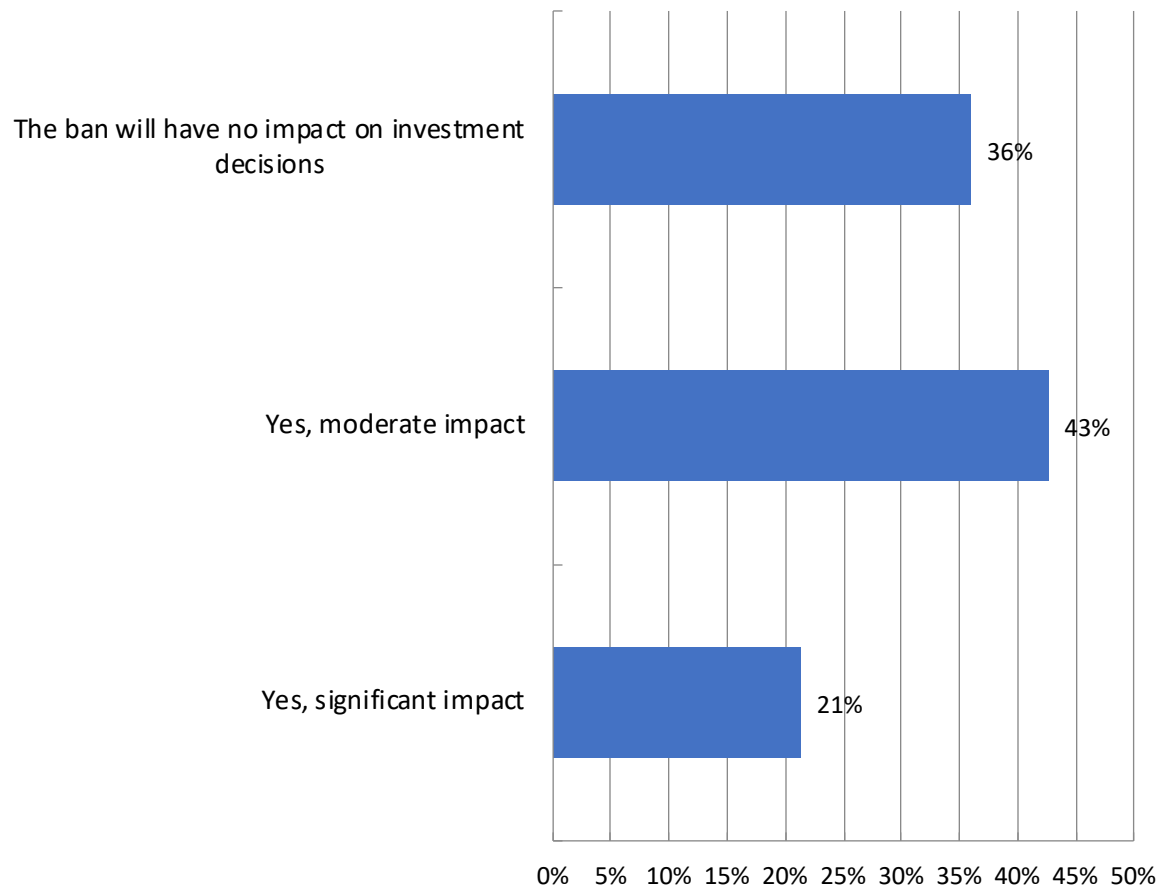
Impact to providing goods/services to Japanese clients

How is the ban impacting your ability to provide goods/services to Japanese clients?



- If you answered that there would be an impact, please describe:**
- Lack of face-to-face interactions makes clients less trusting and willing to conduct business
 - Cannot fill key positions needed to service clients adequately and with high quality expected by Japanese clients
 - Foreign-based employees cannot travel to Japan to serve clients
 - Quality of service delivery has decreased, and clients are unhappy

Will the re-entry ban affect future investment decisions by your company?



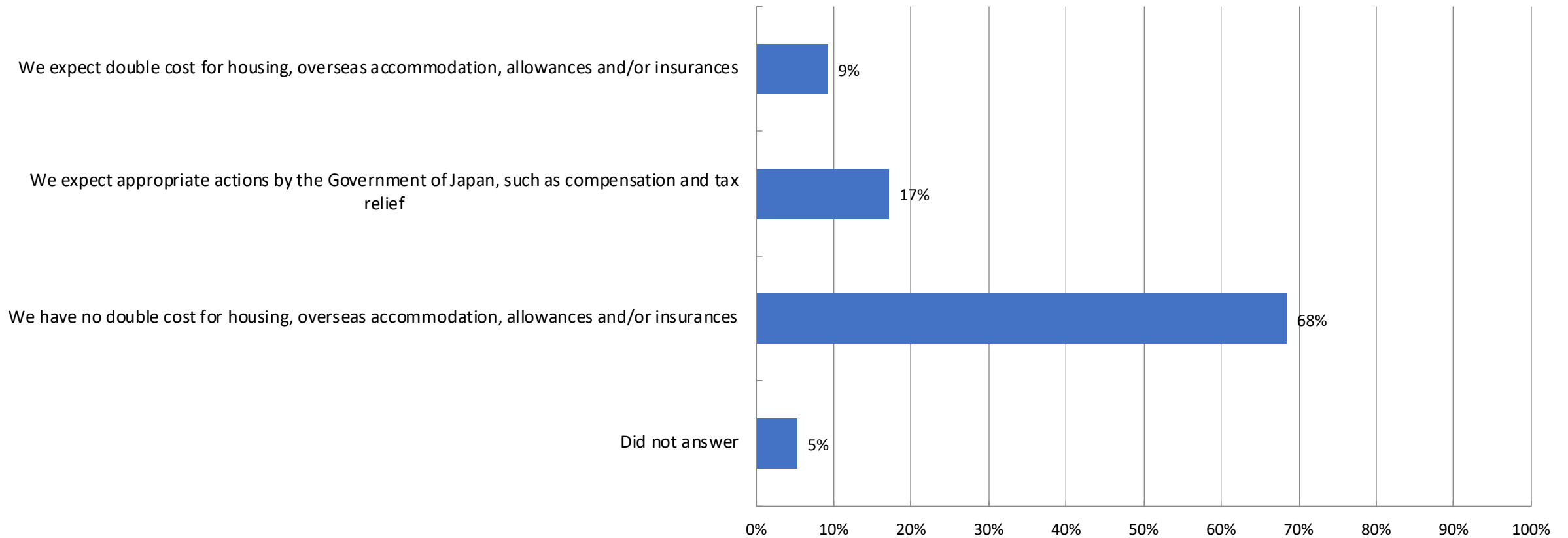
If yes, please describe how this ban may impact future investment

- Loss of trust that Japan is reliable business environment, or commitment to attract foreign investment
- Increased risk of doing business in Japan will impact decision-making
- Less revenue coming in, so less investment possible
- Reconsider doing business here
- Reluctance or inability to place foreign staff in Japan
- Reducing operations in Japan



Relief measures

Due to the current situation, employees may be forced to maintain two households in parallel. Companies continue to pay housing, health and other social insurance contributions for their staff (banned from returning to Japan). **How do you think about relief measures, such as compensation, tax relief, etc. for affected employees and for your company?**



How does the entry ban impact your perception of Japan as a place to do business?

In this open-ended question, respondents indicated disappointment with the ban and commented that the entry ban has reinforced the negative perception that Japan does not provide a level playing-field for business and discriminates against foreign workers. Specifically, respondents mention that this negative perception:

- Will prevent Japan from being a central financial hub in Asia;
- Will have great difficulty attracting foreign talent; and
- Has ruined the goodwill that Japan was working diligently to foster.

“The entry ban is very damaging to my perceptions and many overseas people considering relocation to Japan. It looks like Japan hates foreigners and discriminates based on nationality.”

“Very negative impact. This ban is making long term foreign residents want to leave permanently and is limited the number of new foreigners who will consider living in Japan in the future.”

“I now view Japan as a terrible place to do business and intend to minimize my operations in Japan and steadily shift any functions outside of Japan.”

“It is disappointing more than anything - at the least Japan could treat foreign residents the same way as they treat nationals, as do most other countries.”



Company Sector

Please identify your company sector

