
Concept of National Strategic Economic Growth Areas

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(National Strategic Economic Growth Areas)
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Objective

Elevate the **Japanese economy from stagnation to revival** by stimulating private investment as a centerpiece of the “third arrow” of Japan Revitalization Strategy.

Strategy

Use “National Strategic Economic Growth Areas” as a gateway for innovation and check

1 Invite proposals from far and wide in the field

2 Implement innovation in Growth Areas on a pilot basis

3 Evaluate results using numerical indicator, and analyze data

4 Introduce a new set of regulations (or removal) based on the analysis

Establish a robust system for nation-wide “innovation implementation” under the Prime Minister's leadership

New Oversight System

- **Build a new oversight system to review and re-build regulatory systems:**
 - Remove currently unnecessary regulations for the current situation
 - Modify too excessive regulations to meet current needs
- **The system will be based on cycles of build, review, modify and scrap**

Desired results

Go global

Enhance international competitiveness

- Exercise the potential power to the maximum by taking advantage of Japan's strengths and attractions.

Tap into global resources

Attract capital and human resources

- Form Asia's business hub
- Provide opportunities for business startup and exchange of people and ideas

Carry out

Improve productivity through innovation

Promote diversity and independence

Make rules based on regional diversity

Japanese government creates the world's most business-friendly environment and private sector takes advantage of it to promote business

1 Invite proposals from far and wide in the field

Projects will be developed based on proposals from applicants with excellent ideas and capabilities as well as a sense of responsibility.

Invite bold proposals with a powerful impact on economic growth

- Invite a wide range of proposals targeting either urban or rural areas.
- Applicants should submit self-evaluation as well.

(Contributions to the KPIs set under the Japan Revitalization Strategy, evaluation of effects of innovation, implementation period and numerical targets)

Economic Growth Areas as broadly defined (including strategic economic growth sector)

- Not only regions but also business sectors may be designated as growth areas .

2 Implement proposal in special zones on a pilot basis

The first batch of several growth areas will be designated under the leadership of the central government.

Evaluate the validity of proposals and designate special zones through rigorous selection

- Feasibility will be examined, including by experts.
- Contents of proposals will be disclosed. →Public comments, including objections, will be invited.
- Consultations will be held with relevant ministries and agencies, and objections raised to innovation will be disclosed. →Public comments will be invited.

3 Evaluate results and analyze data

Evaluate results based on numerical targets

- Growth Areas achieving results will be maintained.
⇔ Growth Areas not achieving results will be abolished.

4 Introduce a new set of regulations (or removal) based on the analysis

Analyze successful cases and introduce a set of regulations (or remove)

Framework

National Strategic Growth Areas Working Group

Comprised of private experts

Growth Areas Advisory Council

Chaired by the Prime Minister and comprised of relevant ministers and private experts

Promotion headquarters for individual Growth Areas

Comprised of the minister in charge and other relevant ministers, prefectural governors and municipal mayors and representatives of private business operators

2013 schedule

Early
Aug.
↵
Sep.

- Invite ideas from the private sector, local governments and abroad
- Receive proposals → Disclose proposals unless non-disclosure is desired
- Receive comments (support and opposition)
- Select proposals for hearings
- Hold hearings
- Negotiate with the ministries and agencies related to regulatory reforms

Early Oct.

- Narrow down candidates for projects
Formulate a package of several unprecedented innovative proposals under the central government's leadership

Mid-
October

- Select the first batch of Growth Areas from among the selected projects.

The central and local governments and the private sector will share objectives and do their utmost so that they can work as one to achieve results by utilizing Growth Areas .

Make decisions promptly
according to progress

Challenge		KPIs (Key Performance Indicators)		
		Item	Current status	Target
Point I	Population decline, diminishing number of children, aging population	<ul style="list-style-type: none"> ○Low employment rate for women aged from 25-44 ○Low rate of continued employment for women after giving birth to the first child 	<ul style="list-style-type: none"> ○68% (2012) ○38% (2010) 	<ul style="list-style-type: none"> ○73% (2020) ○55% (2020)
Point II	The Japanese economy's failure to harness the vitality of the global economy	<ul style="list-style-type: none"> ○World Bank "Ease of Doing Business" low ranking ○Global Power City Index low rankings ○Small Number of foreign visitors to Japan 	<ul style="list-style-type: none"> ○Japan: 15th among developed countries ○Tokyo: 4th ○8.6 million (2010) 	<ul style="list-style-type: none"> ○3rd or higher (by 2020) ○3rd or higher (by 2020) ○More than 30 million (2030)
Point III	Stagnant corporate activities	<ul style="list-style-type: none"> ○Low capital expenditures ○Low business startup/closure rates ○Low ratio of public and private R&D investment to GDP ○Low balance of outstanding foreign direct investment in Japan 	<ul style="list-style-type: none"> ○¥63 trillion (2012) ○4.5% (average between 2004-2009) ○3.7% (as of the end of 2011) ○¥17.8 trillion (as of the end of 2012) 	<ul style="list-style-type: none"> ○Recovery to the pre-Lehman collapse level (approx. ¥70 trillion annually) (within three years) ○Raise to 10% range (startup date exceeding closure rate; on par with U.S. and U.K.) ○4% (within five years) ○Doubling to ¥35 trillion (2020)
Point IV	Medical care	<ul style="list-style-type: none"> ○Low assessment lag for pharmaceuticals and medical devices ○Low Japanese share in overseas medical technology and services markets 	<ul style="list-style-type: none"> ○One month for pharmaceuticals, two months for medical devices (2011) ○¥450 billion (2010) 	<ul style="list-style-type: none"> ○Reduce to zero (2020) ○¥5 trillion (2030)
Point V	Agriculture	<ul style="list-style-type: none"> ○Low export of agricultural, fishery and forestry products and foods ○Low ratio of farmland utilized by skilled entities, etc. ○High rice production cost for skilled entities, etc. 	<ul style="list-style-type: none"> ○¥400 billion (2012) ○50% ○- 	<ul style="list-style-type: none"> ○¥1 trillion (2020) ○80% of all farmland (within 10 years) ○Reduce by 40% compared with the current national average (reflecting efforts made in the industrial sector in terms of materials and distribution costs) (within 10 years)
Point VI	Energy	<ul style="list-style-type: none"> ○Global share in the (geothermal) turbine market ○Offshore floating wind power generation ○Methane hydrate as fuel etc. 	<ul style="list-style-type: none"> ○- ○- ○- 	<ul style="list-style-type: none"> ○70% ○World's first commercialization including distribution (by around 2018) ○Development of technology for commercialization (by around FY2018)
Point VII	ICT	<ul style="list-style-type: none"> ○Promoting private-sector access to public data 	<ul style="list-style-type: none"> ○- 	<ul style="list-style-type: none"> ○Achieve world's highest level of public data disclosure (more than 10,000 datasets by the end of FY2015).
Point VIII	Rapidly aging infrastructure	<ul style="list-style-type: none"> ○Critical infrastructure/aging infrastructure in Japan 	<ul style="list-style-type: none"> ○- 	<ul style="list-style-type: none"> ○Ensure that infrastructures are fully inspected, maintained and repaired through advanced, efficient systems using sensors and robots (2030)
Point IX	Human resources, employment, education	<ul style="list-style-type: none"> ○Small number of entries in top 100 of world university rankings ○Low employment rate for people aged 20-64 ○Low employment rate for women aged 25-44 	<ul style="list-style-type: none"> ○2 universities (University of Tokyo and Kyoto University) ○75% (2012) ○68% (2012) 	<ul style="list-style-type: none"> ○10 or more universities (within 10 years) ○80% (2020) ○73% (2020)