

**Taking on the Challenge to Strengthen Regional and Urban International
Competitiveness
-Towards Japan in 2020 attracting Talent and Companies from Around the World-
(Summary Translation)**

1. Summary of Proposal

Today, we are in an era of global competition among cities and regions. Major cities around the world are competing in terms of their ability to attract labor, goods, capital, and information. There is also international competition to build and export solution models for social issues, such as the development of a declining birth rate and aging population or limitations of the environment and energy. Meanwhile, in strengthening industrial competitiveness, there is the competition between regions to form regional industry clusters of high added value.

In order to win in these rivalries, it is essential that the various domestic regions achieve economic growth and increase income by utilizing their respective characteristics and strengths. To realize such goals, we hereby propose that Japan make use of special zones giving regions more discretion and enhance mutual networking and further globalization of the main players of the regional economy, namely municipalities, companies, and research institutions.

2. Proposals

(1) Develop special zones giving regions wide discretion and try having multiple systems in the country

- In order to achieve economic growth taking advantage of the characteristics and strengths of the respective regions, the discretion of the regions should be

expanded so that the regions can take unique exceptional measures that are effective in developing industries that would become the pillars of the regional economy.

- This should first be realized at a high level through bold regulatory reform and tax benefits within the Comprehensive Special Zones for International Competitiveness, which aim to form industrial and functional clusters that will drive Japan's economic growth.

(2) Turn Tokyo into a global special zone and its urban regeneration, and enhance the function and expand the capacity of the metropolitan airport

- Promptly implement necessary regulatory reforms to provide an environment where it is easy for foreigners to work and live within the Special Zone for Asian Headquarters established to promote direct inward investment in order to make Tokyo a city open to the world by taking advantage of its urban agglomeration.
- Establish a Council for Regulatory Reform for Tokyo to implement regulatory reform not only by the national government but also by municipalities.
- Set up an advisory board to the governor of Tokyo that includes foreigners for promoting globalization in a broad area centered around the 23 wards of the metropolitan area.
- For urban regeneration, make effective use of land by easing regulations, such as those for the use of land or for floor area ratio in areas where international competitiveness is to be enhanced in order to promote the integration of various functions and having workplaces near homes.
- At Haneda Airport, increase the capacity by utilizing inland routes, consider building a fifth runway, and improve transfers at Narita Airport.

(3) Utilize PFI (Concession) for managing and operating infrastructures

- At infrastructure facilities where usage fees can be collected, utilize PFI concessions and promote the introduction of private capital and knowhow.

- Enable centralized operation of business from multiple municipalities since securing a certain business size is necessary to create a competitive business model for operating infrastructures.

(4) Strengthen industrial competitiveness of regions

- Utilize special zones for industry areas where growth can be expected and promote measures necessary to establish industry clusters of a certain size.
- In order to create industry clusters with high-added value, industry-academia collaboration with specific targets for the number of projects to be commercialized, and joint research with foreign research institutions and firms shall be promoted and close networks shall be developed.
- Enhance support, mainly of local financial institutions, for the internationalization of small- and medium-sized enterprises (SMEs) with technology or business models that can compete globally.

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