



PRESS RELEASE
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New Leadership – Renewed Reform: The EBC Report on the Japanese Business Environment 2006

December 4, 2006 – The European Business Council in Japan (EBC) has issued its latest Report on the Japanese Business Environment, urging the Japanese Government to meet the challenge of “New Leadership – Renewed Reform”.

The Report, which is being presented to key Government Ministers, applauds former Prime Minister Koizumi for building political understanding within Japan for the need to reform; for revitalising the financial services industry by tackling the problem of bad debts and non-performing bank loans; and for stimulating restructuring in the construction industry. However, it argues that the changes achieved during the Koizumi Administration fall far short of what is necessary for Japan to maintain its place in the global economy long-term. Many changes served, at best, to patch over immediate problems, with some even inadvertently creating new obstacles for business. More ambitious programmes were left incomplete, frustrated by slow decision-making, inadequate coordination between Ministries and mounting bureaucracy. The EBC Report highlights the damage this has caused to Japan’s ability to attract new investment and calls on Prime Minister Abe to lead a new drive to address the underlying challenges facing the economy and make Japan more attractive for business investment.

EBC Chairman, Richard Collasse, stresses that *“Prime Minister Koizumi achieved much in setting Japan back on the path to economic growth but, frankly, in the end it was not enough to prevent FDI flows into Japan slumping last year to their lowest level since 1996. Prime Minister Abe has promised to continue the reform agenda. We are appealing to him to galvanise his Government to go beyond the sticking-plaster approach that so often characterised changes in the past and to put in place instead a strategy for establishing a far more attractive, vibrant and sustainable economy.”*

The EBC Report consists of 31 chapters written by expert committees, covering a wide range of sectors and business areas. Each chapter contains an assessment of the progress that was made during the period of the Koizumi Government 2001-2006 and recommendations addressed to the new Administration under Prime Minister Abe. Its contents have been extensively shared with the Delegation of the European Commission to Japan as a key input to the EU-Japan Regulatory Reform Dialogue.

About the EBC:

The European Business Council (EBC) is the trade policy arm of the 17 European national chambers of commerce and business associations in Japan. Established in 1972, the EBC works to improve the trade and investment environment for European companies in Japan. The EBC currently represents more than 3,000 local European companies and individuals who are members of their national chambers of commerce. 350 of these companies participate directly in the EBC’s 29 sector-based committees.

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