

## METI announces its "Action 100" plan for growth

Resource type: [Legal update](#): [archive](#)

Status: **Published on 01-Oct-2010**

Jurisdiction: [Japan](#)

This article is part of the PLC Global Finance September 2010 e-mail update for Japan.

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### Speedread

On 1 September 2010, the Japanese Ministry of Economy, Trade and Industry (METI) announced its action plan, entitled "*Shin seicho senryaku: Jitsugen action 100*" (New growth strategies: A 100 point action plan). This article highlights key points of the action plan.

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On 1 September 2010, the Japanese Ministry of Economy, Trade and Industry (METI) announced its action plan, entitled "*Shin seicho senryaku: Jitsugen action 100*" (New growth strategies: A 100 point action plan). The action plan is publicly available on the METI website in Japanese, and the government has also set up a new growth strategies implementation committee to oversee implementation of this plan. Some of the specific points included in the plan that are relevant to international businesses operating in Japan include:

With the goal of strengthening the competitiveness of companies operating in Japan and encouraging more foreign companies to set up businesses in Japan, the government intends to reduce the effective corporate tax rate and promote investment in research and development and cutting-edge technology to levels seen in other major countries. The government aims to reduce the corporate tax by 5% in 2011. [Action 1]

The government hopes to stimulate a broader range of sources of risk capital by, among other things, strengthening the corporate bond market and the financial intermediation function of funds. It hopes to do this by implementing tax changes in relation to the recognition of profits on financial products and stimulating the corporate bond market by creating a market for professional investors, as is done elsewhere in Asia. [Action 12]

Item 11 of the action plan proposes to amend various laws relating to corporate governance, competition policy and corporate funding, with a view to promoting restructuring and reorganisation of Japanese companies. This action plan item also calls for 100 billion yen in assistance in relation to long-term funding for corporate reorganisation, and a further 20 billion yen through "The Innovation Network Corporation of Japan". [Action 11]

Positioning "green innovation" as the driving force for growth. To this end, the government intends to implement a broad policy package including design of new systems, regulatory reforms, green tax reforms, and profitability assessments, in an effort to spread the latest environmental technologies, products and services developed in Japan to the rest of the world. In this way, the government hopes to make Japan the foremost global environment and energy power. One of the many items included in the action plan on this topic include plans for a drastic overhaul of the current tax system towards greater focus on promoting energy saving,

low-carbon footprint facilities and other investments that improve the structure of energy supply and demand. [Actions 16-49]

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## Resource information

**Resource ID:** 1-503-4363

**Published:** 01-Oct-2010

**Products:** PLC Cross-border, PLC Global Finance, PLC US Law Department

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Cross-border: finance (<http://83.231.223.99/topic7-200-1612>)

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