Japan’s Policies for Small and Medium Enterprises

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First Secretary
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Contents

1. Overview of Japan’s SMEs
2. Historical Development of Japan’s SME Policy
3. Implementation System of SME Policy in Japan
4. SME policy instruments
5. Sharing Japan’s Policy Experiences
1. Overview of Japan’ SMEs
1.1. Status and roles of SMEs

- Accounting for 99.7% of all enterprises, 70% of employees, and more than 50% of the amount of value-added (in the manufacturing industry) in Japan, “SMEs form the backbone of Japan’s economy”.

- Large enterprises (LEs) such as Toyota, Honda, and Sony originally began as small family businesses. The revitalization of SMEs promotes competition in the market and can be “the driving force in creating new industries and transforming the industrial structure”.

- The majority of products of LEs are made up of parts produced by SME subcontractors, and therefore, “the reliability of Japanese products is supported by the underlying strength of SMEs”.

- Local economies are underpinned by the activities of SMEs particularly those involved in the service industry, the retail industry, and the construction industry. SMEs play a major role in “revitalizing the local economy” and “increasing employment opportunities”.
1.2. Importance of SMEs in Japanese Economy

• SMEs comprise 99.7% of the 3.86 million enterprises in Japan, while the percentage is nearly 70% in terms of number of employees respectively.

Number of Enterprises (3.86 million)

- SMEs (3.85 million) - 99.7%
- LEs (8 thousand) - 0.3%

Number of Employees (42.73 million)

- SMEs - 28.27 million - 66%
- LEs - 14.46 million - 34%

Economic Census (MIC, 2009, 2012)
1.3. SMEs Supporting Japanese Industries

Most of them are SMEs.
1.4. SMEs supporting local economy and employment

- In prefectures outside of the three metropolitans, SMEs account for around 80% of the employment, which shows that SMEs contributes the creation of employment and stabilization of regional economy.
### 1.5. Definition of SMEs in Japan

<table>
<thead>
<tr>
<th>Industry</th>
<th>SMEs Capital</th>
<th>SMEs No. of employees</th>
<th>Micro Enterprises No. of employees</th>
<th>Definition under the Corporation Tax Act Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>Up to 300 million JPY</td>
<td>Up to 300</td>
<td>Up to 20</td>
<td>Up to 100 million JPY</td>
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<tr>
<td>Wholesale</td>
<td>Up to 100 million JPY</td>
<td>Up to 100</td>
<td>Up to 5</td>
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<tr>
<td>Services</td>
<td>Up to 50 million JPY</td>
<td>Up to 100</td>
<td>Up to 5</td>
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<tr>
<td>Retail</td>
<td>Up to 50 million JPY</td>
<td>Up to 50</td>
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2. Historical Development of Japan’s SME Policies
The basic philosophy of SME policies has been reexamined in line with the requirements of the times. Over the years, many policies have been developed and improved, including financial policies, business promotion policies and organizational policies.

- **Prevention of economic centralization, fostering of sound SMEs**
  - SME Agency established (1948)
  - Antimonopoly Act (1947)

- **Dual structure: Correction of disparities between LEs and SMEs**
  - SME Basic Act enacted (1963)

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**Postwar reconstruction period (1945-)**

**Rapid economic growth period (1955-)**

**Stable growth period (1970-)**

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**Transition period (1989-)**

**Present**

- Support for willing and competent SMEs
  - SME Basic Act revised (1999)

- Careful Supporting to SEs
  - SME Basic Act revised (2013)
### 2.2. Development of SME Policies and Instruments

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<tr>
<td><strong>Prevention of economic centralization, fostering of sound SMEs</strong></td>
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<td><strong>Support for willing and competent SMEs</strong></td>
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<tr>
<td>Establishment of SME Agency (1948)</td>
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<tr>
<td><strong>Financial policies</strong></td>
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<tr>
<td>Credit Guarantee Association Act (1953)</td>
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<tr>
<td><strong>Business promotion policies</strong></td>
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<td><strong>Organizational policies</strong></td>
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<tr>
<td>SME Cooperatives Association Act (1949)</td>
<td>Act on Societies of Commerce and Industry (1960)</td>
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<tr>
<td>Act on the Organization of SME Association (1957)</td>
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<tr>
<td><strong>Fair transactions</strong></td>
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</tbody>
</table>
3. Implementation System of SME Policy in Japan
3.1. Small and Medium Enterprises Agency (METI)

Minister of Economy, Trade and Industry (METI)

SME Agency (213)

Director-General (1)
Director-General for SME Policy (1)

SME Policy-Making Council

Regional Bureaus of Economy, Trade and Industry (400)

Minister's Secretariat
Economic and Industrial Policy Bureau
Trade Policy Bureau
Trade and Economic Cooperation Bureau
Industrial Science and Technology Policy and Environment Bureau
Manufacturing Industries Bureau
Commerce and Information Policy Bureau
Agency for Natural Resources and Energy
Japan Patent Office

Director-General's Secretariat (40)
Counselor's Office (12)
Administrative Affairs Office (22)
Public Relations and Business Counseling Office (6)

Business Environment Department (94)
Director-General (1)
Policy Planning Division (11)
Office for Business Stability (5)
Research Office (10)
International Affairs Office (6)
Finance Division (18)
Corporate Finance and Tax Affairs Division (13)
Fair Trade Division (32)

Business Support Department (75)
Director-General (1)
Business Support Division (23)
Office for Small Enterprises Policy (7)
New Business Promotion Division (16)
Start-up and Technology Division (15)
Retail and Wholesale Commerce Division (14)

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### 3.2. Organization structure of SME Agency

<table>
<thead>
<tr>
<th>Office/Division</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counselor’s Office:</td>
<td>General coordination of the SME Agency’s administration</td>
</tr>
<tr>
<td>Public Relations and Business Counseling Office:</td>
<td>Matters related to publicity</td>
</tr>
<tr>
<td>Policy Planning Division:</td>
<td>Formulation of basic policies for SMEs to grow and develop</td>
</tr>
<tr>
<td>Office for Business Stability:</td>
<td>Matters related to the stability of SME management</td>
</tr>
<tr>
<td>Research Office:</td>
<td>Collection, analysis and provision of comprehensive information on items required for SMEs to grow, develop and improve management</td>
</tr>
<tr>
<td>International Affairs Office:</td>
<td>Matters related to international cooperation</td>
</tr>
<tr>
<td>Finance Division:</td>
<td>Matters related to the provision of smooth financing to SMEs</td>
</tr>
<tr>
<td>Corporate Finance and Tax Affairs Division:</td>
<td>Adjustment of SME taxation, facilitation of management succession in SMEs</td>
</tr>
<tr>
<td>Fair Trade Division:</td>
<td>Rectify trade involving SMEs and secure business opportunities for SMEs</td>
</tr>
<tr>
<td>Business Support Division:</td>
<td>Improvement of SMEs’ managerial approach and other managerial issues</td>
</tr>
<tr>
<td>Office for Small Enterprises Policy:</td>
<td>Matters related to support for SEs</td>
</tr>
<tr>
<td>New Business Promotion Division:</td>
<td>Improvement of management through SMEs’ new business activities</td>
</tr>
<tr>
<td>Start-up and Technology Division:</td>
<td>Support for entrepreneurs and improvement of SME technologies</td>
</tr>
<tr>
<td>Retail and Wholesale Commerce Division:</td>
<td>Development of SMEs in retail, services and wholesale industries</td>
</tr>
</tbody>
</table>
3.3. Implementing Agencies (local/national-private/public)

- **Prefectures (47)**
  - Formulation of local SME policies

- **Chambers of Commerce & Industry (514)**
  - Business consultation
  - Holding seminars
  - Providing information
  - Sending specialists

- **Societies of Commerce & Industry (1,719)**

- **Organization for Small & Medium Enterprises and Regional Innovation, Japan (SMRJ)**
  - HQ (1), local branches (9)

- **SME Universities (9)**

- **METI Regional Bureaus (8)**

- **SME Agency**
  - Formulation of nationwide SME policies

- **Shoko Chukin Bank**
  - HQ (1), branches (100)

- **Japan Finance Corporation (JFC)**
  - HQ (1), branches (152)

- **Japan External Trade Organization (JETRO)**
  - HQ (1), Osaka HQ (1), Domestic Office (37), IDE (1)

- **Mutual cooperation**

- **SME Regional Support Centers**
  - Prefectures etc. (60) and districts (43), in total 103

- **SME Universities**
  - HRD & training programs

- **Support for overseas business**

- **Financing**

- **Credit Guarantee Corporations (51)**

- **Credit guarantee**

- **Small and Medium Enterprises (4.20 million)**
4. SME Policy Instruments
4. Overview

- 4.1 Financial support: loan and credit guarantee support
- 4.2. Financial & Management support: Management Improvement
- 4.3. Financial support: Tax relief and Accounting guideline
- 4.4. Financial & Management support: business revitalization or transfer
- 4.5. Management support: Support of business transaction & expansion
- 4.6. Management support: Support for technology development
- 4.7. Management support: Human resources support
- 4.8. Support of local commercial districts
- 4.9. Information dissemination
Securing financing for operations is a key business priority. Government-affiliated financial institutions provide about 10% of all loans to SMEs. Added to official credit guarantees, the ratio rises to 20%.

Specifically, public SME financing includes: 1. policy financing (finance for startups and overseas development), and 2. safety net financing (finance for enterprises whose business conditions are temporarily deteriorating or which are affected by natural disasters [earthquakes, typhoons, etc.]).
Credit Guarantee Corporations (51 offices across Japan) make credit guarantee contracts with financial institutions (lenders of loan to SMEs) in order to support SMEs, which generally have limited credibility and collateral, in access to financing.

In the event of default, Credit Guarantee Corporations subrogate payment.
In support of management improvement in small enterprises, which have particularly poor management resources and low productivity among SMEs, the Japan Finance Corporation provides unsecured low-interest financing without guarantors.

**4.2. Management Improvement Loan (MARUKEI)**

- **Societies of Commerce and Industry / Japan Chambers of Commerce and Industry (JCCI)**
  - 1. Advice on accounting and creating business plans
  - 2. Recommendation for financing
  - 3. Unsecured & low-interest financing without guarantors

**Japan Finance Corporation (JFC)**

- 1.95% (May 2013)
  - (Standard interest rate by NLFC − 0.3%)
  - Approx. 35,000 cases, with total lending at approx. 150 billion yen (2012)

**Small and Micro enterprises**
- No assets with collateral value
- Unstable management
- Managers lack the skills for accounting or developing business plans
4.2. Management Improvement Support Providers

**Background**

- Current challenges for SMEs is becoming more and more diversified and complicated: Decreasing domestic demands, fluctuation in foreign exchange, consequences of natural disaster, overseas transfer of business partners, increasing competition with emerging economies, etc.
- Comprehensive managerial support is increasing demanded.

**Certification of “Management Improvement Support Providers”**

- Certify financial institutions, accountants, lawyers, and other consultants, as well as conventional service providers such as chambers of commerce and industry and other industrial associations, as “Management Improvement Support Provider”
- SMEs who are implementing support programs supported by certified support service providers are encouraged by other policy support measures by such agencies like SMRJ, CGC and JFC.

**METI**

**Management Improvement Support Providers**

- Analysis of management situation
- Dispatching experts
- Support for business plans, etc.

**SMRJ**

Experts

**Credit Guarantee Corporation**

Lowering Guarantee fee

**Japan Finance Corporation**

Low interest loan program

**SMEs**

**Certification criteria**

1. Expertise
2. Experience
3. Implementation system
4.2. Shindan Consultants

- “Shindan” is a state-authorized system of enterprise diagnostics and advisory services targeted at SMEs to support the modernization and improvement of management and business plan.
- Japan’s Shindan System started in 1948. Certified consultants are aided by legislation, official recognition and assistance, and supporting organizations such as SME Universities and J-SMECA (consultants association).
- Shindan experts advise SMEs in both management and technology. They also explain new policies. Shindan results are strongly linked with commercial bank loans to SMEs.
- Japan has over 20,000 Shindan experts, many of whom are JICA experts working in developing countries. Shindan has been introduced to Thailand, Malaysia, Indonesia, Philippines and Vietnam.
4.3. Tax benefits for SMEs

- Corporate tax rates

<table>
<thead>
<tr>
<th>SMEs enjoy a reduced rate of corporate tax</th>
<th>Category</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Companies (LEs)</td>
<td>Category</td>
<td>Tax Rate</td>
</tr>
<tr>
<td>(whose capital is more than 100 million yen)</td>
<td>Large Companies (LEs)</td>
<td>25.5%</td>
</tr>
<tr>
<td>Annual income up to 8 mil</td>
<td>Small and Medium-sized Companies (SMEs)</td>
<td>15%</td>
</tr>
<tr>
<td>Annual income over 8 mil</td>
<td>(whose capital is up to 100 million yen)</td>
<td>19%</td>
</tr>
</tbody>
</table>

- Special tax relief measures are available for SMEs for capital investments, R&D, HRD, business succession, and etc.
- 30% special depreciation for acquisition costs or 7% tax deduction for capital investments
- 12% tax deduction of R&D costs
- tax moratorium on inheritance tax (80%) and donation tax (100%) on unlisted stocks for business succession.
Guideline for SME Accounting

“Basic Guideline for Accounting of Small and Medium-sized Entities (hereafter referred as Accounting Guideline for SMEs)” was established in 2012 by the SME Accounting Study Group*, as new accounting standards based on actual accounting practices of SMEs.

Basic concept of the Guideline for SME Accounting

- The guideline shall help SME owners/operators to know how their own financial conditions exactly are.
- The guideline shall serve to provide SME stakeholders (financial institutions, trade partners, shareholders, etc.) with accounting information.
- The guideline shall fully take into consideration the accounting practice followed by SMEs in their business, harmonize their accounting system with the existing tax system and then comply with the Corporate Accounting Rules.
- The guideline shall not impose excessive paperwork burden on SMEs.
- The guideline shall conform to the “fair and reasonable accounting practice” sought by the Companies Act.

<table>
<thead>
<tr>
<th>Company classification</th>
<th>Consolidated F/S</th>
<th>Unconsolidated F/S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed companies (about 3,600)</td>
<td>Under voluntarily adopted IFRS</td>
<td>Under J-GAAP (international convergence)</td>
</tr>
<tr>
<td>Other companies required to disclose under legislation (about 1,000)</td>
<td>Under J-GAAP (international convergence)</td>
<td></td>
</tr>
<tr>
<td>Other large companies (about 5,000)</td>
<td>Not required</td>
<td>Accounting Guideline for SMEs</td>
</tr>
<tr>
<td>Others (SMEs) (about 2.6 mil)</td>
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</table>
4.4. Support for Revitalization

Under the Industrial Revitalization Act, Business Support Councils for SME were established in each prefecture to support the revitalization of SMEs.

Support schemes

Consultation service (first response)

Advice aimed at resolving issues

- Identifying management problems or other specific issues via interviews or analysis of submitted data
- Provision of appropriate advice aimed at resolving the issue
- Introduction to a relevant support organization or support measures, if required

*If the cooperative judges that there is a need to formulate a rehabilitation plan and coordinate with financial institutions

Support for formulating a rehabilitation plan (secondary response)

Support for formulating a rehabilitation plan

- Formation of an individual support team, support for the formulation of a specific rehabilitation plan

Coordination with relevant organizations

- Coordination with relevant financial institutions

Follow-up

- Regular follow-up after the plan is drawn up, provision of any advice needed

Achievements (End of March 2014)

- Inquiries received from 31,721 companies
- Rehabilitation plans formulated by 7,248 companies

Achievements

Support schemes
4.4. Transfer of Business

- Support for business transfer enables employment and technologies to be maintained, thereby supporting new business development by SMEs and strengthening their business.

**Support organization certified under the Industrial Revitalization Act**

1. Business transfer consultation
2. IF necessary, establishment of a Business Transfer Support Center, which can provide a more expert response
3. Centers are staffed by experts in business transfers (experienced tax accountants, consultants, etc.)

**Duty of confidentiality**

**SMRJ (Head Offices nationwide)**

- Hubs for information exchange between certified support service providers
- Advice on transfer support methods
- Advice on support methods relating to tax, legal matters, etc.

**Private sector support personnel/organizations**

- Intermediary agent
- Certified public tax accountant
- Certified public accountant
- Lawyer
- Consultant
- Regional bank, Shinkin bank, guarantee corporation, SME management consultant, administrative scrivener, etc.

(*1) Business Transfer Advice Desks;
The staff of Business Transfer Advice Desks provide a free service, as a general rule, dealing with a variety of management issues affecting SMEs, such as issues arising from business transfers, and provide information and details of support organizations and support measures to help to resolve those issues.

(*2) Business Transfer Support Centers;
At Business Transfer Support Centers, experts in business transfers (such as certified public tax accountants with experience in the field and former employees of financial institutions) serve as intermediaries between companies wishing to conduct business transfers and provide support aimed at the conclusion of business transfer contracts. As of August 2013, Business Transfer Support Centers had been established in 8 locations nationwide (Hokkaido, Miyagi, Tokyo, Shizuoka, Aichi, Osaka, Ehime, and Fukuoka).
4.5. Correcting unfair business transactions

- In order to tighten unfair practices by parental entrepreneurs against their subcontractors, the SME Agency focuses on the law enforcement in collaboration with the Japan Fair Trade Commission.
- The Agency also promotes a proper relationship between parental entrepreneurs and subcontractors by formulating guidelines for proper transactions in each industry.

[SME Agency’s enforcement of the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors in fiscal 2011]

**Investigation based on the Act**
- Paper-based investigation: Approx. 250,000 companies
- Acceptance of declaration: 69 cases
- Inspection of premises: 1,319 companies

**Guidance to parent company based on the Act**
- Warning issued: 9,712 companies
- Orders to make Improvement: 1,194 companies
- Requested action to Japan Fair Trade Commission: 4 companies

Evocation in case of being strongly suspected of violating the Act: 1,194 companies

Consultation Centers for Subcontractors: 4,179 cases were consulted at 48 centers nationwide in fiscal 2009.
4.5. Support for overseas business expansion

- SMEs are supported overseas by government affiliated organizations. SMRJ and JETRO do specific supports. Supports at local area also have been enhanced.

### Specific support (JETRO/SMRJ)

- Provision of information on international markets
- Support for arranging business meetings
- Support for developing overseas strategy
- Support for displays at exhibitions

#### SME Overseas Business Support Platform

The Platforms are to be located on areas which are in demand from Japanese SMEs

- **Bangladesh**: Dhaka
- **Myanmar**: Yangon
- **Germany**: Dusseldorf
- **India**: Mumbai, Chennai
- **Thailand**: Bangkok
- **Cambodia**: Phnom Penh
- **Indonesia**: Jakarta/ Surabaya
- **Brazil**: San Paulo
- **USA**: San Francisco
- **Philippines**: Manila
- **Vietnam**: Hanoi, Ho Chi Minh
- **China**: Chungking/ Chengdu, Shanghai/ Jiangsu/ Zhejiang, Beijing/ Tianjin, Guangdong/ Fujian
- **Philippines**: Manila
- **Brazil**: San Paulo

### Concept of the Platform

- **Support Coordinator**: Strengthen the network of business support institutions
  - Local public supporting faculties (e.g. Embassy of Japan, JICA, HIDA)
  - Local civil supporting company (Banks, Consultants, Law/ Accounting Firms etc.)
  - Local related associations (Chambers, Local technical universities etc.)
4.5. Support for Venture Businesses

● Support for procuring the required financing is vital in order to encourage venture businesses to startup and develop new projects.

- **Subsidies for promoting business startups (startup subsidies)**
  Support is provided for business that will stimulate local demand, by soliciting business plans from women and young people who are starting a new company or branching out into new business areas, and providing them with a subsidy to cover part of the costs involved in implementing that plan.

- **New startup financing system**
  The JFC (national life project) screens the business plans of people starting a new business or those who have started a business but have not yet reached the end of their second tax return period, and offers unsecured loans without the need for a guarantor to those deemed appropriate.

- **Guarantees, etc. relating to startups**
  Credit guarantee corporations in each prefecture, etc. guarantee the money borrowed by those planning to start new businesses and by new business operators in order to carry out their business.

- **Fund investment project by the SMRJ**
  As well as investing in funds established by investment companies with the aim of providing investment and hands-on support for SME operators who founded their companies within the last five years or whose companies are in the initial stages of growth, the SMRJ provides financial and management-related support for operators of relatively new SMEs.

- **Japan Venture Awards (Organizer: SMRJ)**
  Awarded to highly entrepreneurial managers who serve as a model for those aspiring to starting a company. Held in conjunction with an event to increase interest in business startups.
Enhancement for technology development is vital in enabling SMEs and micro enterprises in the field of manufacturing (monodzukuri) to open up new demand.

In order to strengthen Japanese manufacturing’s international competitiveness and encourage the creation of new business, support continued to be provided for SME activities extending from R&D through to trial manufacture.

**Project to support the upgrading of strategic core technology**
Support is provided for initiatives conducted by joint research groups comprising SMEs and other entities ranging form R&D to trial manufacture directed toward upgrading specific core manufacturing technologies that underpin competitiveness in key areas of industry that drive the Japanese economy.

### <Specific core manufacturing technologies (11 fields)>

<table>
<thead>
<tr>
<th>Information processor</th>
<th>Precision machining</th>
<th>Manufacturing environment</th>
<th>Joining and mounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing process for material</td>
<td>Surface treatment</td>
<td>Machine control</td>
<td>Multifunctioned and new functioned material</td>
</tr>
<tr>
<td>Solid molding</td>
<td>biotechnology</td>
<td>Measuring</td>
<td></td>
</tr>
</tbody>
</table>

**Example of support**
Molding motor vehicle gear parts using only a forging process, where machining had previously been required to finish them after forging. Resulted in 100% of the material being used, reducing the cost of the process by 1/5.
The mission of TIRI is to promote the development of small and medium sized enterprises through industrial technology.

TIRI provides support for technical assistance, product development, research and development, industrial human resource development, technology management and so on through its advantage of experienced engineer staffs as well as testing machineries and research laboratory which are equipped and sponsored by Tokyo Metropolitan gov.

Similar institutions are established & operated by prefectural governments across the country.

* Graphic and photos are copied From the website of TIRI
4.7. Management capability support: SME University

- A total of 9 SME Universities, affiliated to the SMRJ, have been established in locations nationwide to support the development of SME personnel.
- Improving the level of knowledge among SME managers, changing their ways of thinking, and cultivating SME supporters is vital in securing the management base of SMEs.

- Nine universities nationwide. Number of participants: 16,000 annually; more than 560,000 people have attended courses since the universities opened in 1962
- Target participants: SME operators and SME supporters (staff at commercial and industrial associations, etc.)
- Main training: training for managers, management successors, and SME management consultants
- Taking into account convenience for participants, the courses do not only take the form of courses held at the SME universities themselves, but also include courses held in areas with training needs and online courses via the Internet.
While SME enterprises have a great need to secure human resources, students have a strong desire to work for large corporations, so the employment mismatch needs to be addressed.

### 4.7. Securing Human Resources

#### Project to support hiring of new graduates
This provides support for internships for new graduates and those who have not found employment within three years of graduating, in order to teach them the skills, techniques, and know-how required when working for SMEs.

- **Target:** New graduates, etc. (implemented for around 20,000 people)
- **Subsidy:** Up to ¥7,000 per day (internships last a few months, up to 6 months)

#### Project to help SMEs find new workers
This provides support for internships for women and others who previously quit their jobs due to child rearing, etc. and who now wish to find employment again, in order to provide them with opportunities to update their workplace skills.

- **Target:** Women and others who previously quit their jobs due to child rearing, etc. and who now wish to find employment again (implemented for around 5,000 people)
- **Subsidy:** Up to ¥7,000 per day (internships last between a few weeks and 6 months)

#### Project to support the acquisition and retention of personnel by SMEs in provincial areas of Japan
This provides support for the formation of partnerships between SME organizations and local universities, etc. in provincial areas of Japan, in order to implement consistent initiatives covering everything from developing face-to-face relationships between students and SMEs and micro enterprises to the hiring and retention of new graduates.
4.8. Revitalization of Shopping Districts

[Project to develop shopping districts]
- Support for the development of facilities and equipment by shopping district promotion associations, etc. in response to requests from local administrative bodies, etc.
  - Number of initiatives: approx. 2,000 (subsidy rate: 2/3)

[Project to revitalize shopping districts]
- Support for initiatives to draw more customers and events to stimulate consumption organized by local small and medium-sized retailers.
  - Number of initiatives: approx. 2,500 (subsidy rate: fixed sum)

Project to support regional small- and medium-scale commerce
- Support for initiatives by shopping districts aimed at revitalizing local community functions, such as the development of facilities tailored to the needs of local citizens and the consolidation of stores.
- Support for initiatives aimed at revitalizing shopping districts, such as projects to attract customers using local resources.

<Types of initiative supported>
- Development of childcare facilities tailored to local needs
- Consolidation of stores and redevelopment of districts in response to the surrounding environment, such as population decline
4.9. Portal site of Public Procurement Information

- Based on the Act on Ensuring the Receipt of Orders from the Government and Other Public Agencies by SMEs, efforts will be made to increase opportunities for SMEs to receive orders from the government and other public agencies.
- While ensuring compliance with the WTO Agreement on Government Procurement, public procurement information is provided via the portal site, and detailed explanations of the contract system is provided via consultation services.
## 5. Sharing Japan’s Policy Experiences

<table>
<thead>
<tr>
<th>Country</th>
<th>Period</th>
<th>Head/key players</th>
<th>Purpose and content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>1985-1987</td>
<td>Saburo Okita (former foreign minister)</td>
<td>Comprehensive study on agriculture and livestock farming, industry, transport and export promotion</td>
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<tr>
<td></td>
<td>1994-1996 (follow up)</td>
<td></td>
<td></td>
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<tr>
<td>Thailand</td>
<td>1999</td>
<td>Shiro Mizutani (former MITI official)</td>
<td>Study on the master plan for SME promotion policy</td>
</tr>
<tr>
<td>Vietnam</td>
<td>1995-2001</td>
<td>Shigeru Ishikawa (professor)</td>
<td>Large-scale joint study on macroeconomy, industry, agriculture, enterprise reform, crisis management, etc.</td>
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<tr>
<td>Vietnam</td>
<td>2003-current</td>
<td>Japanese embassy, JICA, JETRO, JBIC</td>
<td>Bilateral joint initiative to improve business environment and strengthen competitiveness through 2-year cycle of action plans</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2000</td>
<td>Shujiro Urata (professor)</td>
<td>Policy recommendation for SME promotion</td>
</tr>
<tr>
<td>Indonesia</td>
<td>2002-2004</td>
<td>Takashi Shirasati and Shinji Asanuma (professors)</td>
<td>Policy support for macroeconomic management, financial sector reform, SME promotion, private investment promotion, democratization, decentralization and human resource development</td>
</tr>
<tr>
<td>Laos</td>
<td>2000-2005</td>
<td>Yonosuke Hara (professor)</td>
<td>Study on macroeconomy, finance, state enterprise, FDI and poverty reduction, etc.</td>
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<tr>
<td>Myanmar</td>
<td>1999-2002</td>
<td>Konosuke Odaka (professor)</td>
<td>Study on agriculture, rural development, industry, trade, finance, ITC, etc.</td>
</tr>
<tr>
<td>Mongolia</td>
<td>1998-2001</td>
<td>Hiroshi Ueno and Hideo Hashimoto (World Bank economists and professors)</td>
<td>Study on the support for economic transition and development</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2008-2010</td>
<td>Japanese embassy, JICA, JETRO, businesses, GRIPS/VDF</td>
<td>Produce supporting industry development action plan for joint implementation</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>2009-</td>
<td>GRIPS Development Forum and JICA</td>
<td>Kaizen, basic metals &amp; engineering, productivity movement, policy procedure &amp; organization, export promotion, etc.</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2011-</td>
<td>Japanese embassy, JICA, JETRO, METI, GRIPS/VDF</td>
<td>Select and intensively promote a small number of industrial sectors; draft and implement detailed action plans</td>
</tr>
</tbody>
</table>
Thank you