

European business group makes pitch for robust deregulation

Kyodo News

The European Business Community in Japan called Thursday for an improved investment climate through drastic deregulation to achieve Prime Minister Junichiro Koizumi's pledge to double foreign direct investment by 2008.

In releasing a report on Japan's business environment for 2003, EBC Vice Chairman Duco Delgorge said Japan risks falling considerably be-

hind its Asian neighbors if it fails to take decisive action.

Delgorge told government officials and business leaders that Koizumi's reform efforts, such as the creation of special "deregulation" zones, "have done little to address many of the outstanding issues foreign firms face doing business in Japan."

The report calls on Japan to allow private companies to own and operate hospitals any- where in the country, the

government launched mea- sures this year that will allow joint stock firms to own and operate medical facilities in special zones.

"Such facilities will only be allowed to provide medical services for a limited range of procedures," it says. "The EBC feels that allowing stock companies to own medical fa- cilities will lead to an in- crease in management effi- ciency and help the Japanese government control medical

expenditures." The report, the fourth of its kind, details current situa- tions, problems and recom- mendations for outstanding issues in 29 sectors, including legal services, tax, insurance, airlines, food and environ- mental technology.

It calls for nullifying a re- cent telecommunications ministry decision to allow Nippon Telegraph and Tele- phone Corp. to raise connec- tion fees by an average of 5

percent.

"In many cases, such as the recent decision to increase telecom interconnection rates and the decision to levy the corporate enterprise tax on criteria other than profits, it could be said that the (Japan investment climate) situation has in fact worsened," said Delgorge, general manager of Puratos Japan K.K.

Japan's interconnection fees are much higher than in other developed countries.