

Publication	Kyodo News
Date	December 2 nd , 2003
Title	<i>EBC head advises European firms to boost investment in Japan.</i>

The chairman of the European Business Community in Japan (EBC) on Tuesday recommended that European business leaders boost investment and economic exchanges with Japan, citing the country's skilled workforce, strong research and development (R&D) capabilities and budding economic recovery.

Richard Collasse, who heads the EBC, which represents 3,000 European companies operating in Japan, introduced a pledge by Japanese Prime Minister Junichiro Koizumi to double foreign direct investment in Japan in the next five years, saying there will be a plenty of opportunities for Europeans to launch businesses in the world's second-largest economy.

“Japan has never given up investing in R&D even at the time of economic crises” following the burst of the asset-inflated bubble in the early 1990s, Collasse said at a financial conference in Luxembourg. “One can imagine that the ground is there for fertilization in various areas, such as nanotechnologies, life science and aerospace.”

Collasse, president of Chanel K.K. in Tokyo, also cited Japan's high education level, dedicated staff and rich infrastructure as strong incentives for European companies to enter the Japanese market.

Other panelists, Luxembourg Economic Minister Henri Grethen, Haruo Shimada, special adviser to Japan's Cabinet Office, and Pierre Gramagna, director general of the Luxembourg Chamber of Commerce and the country's former ambassador to Japan, also called for greater economic ties between Japan and Europe, especially when the European Union expands into a 25-nation bloc next May.

Shimada, also an economics professor of Tokyo's Keio University, said Japan's economy is showing some signs of recovery and that structural reform drives undertaken by the Koizumi administration will create new demand through the development of consumer-oriented industries.

He said there is growing demand in Japan in service sectors such as tourism, health, childcare, elderly care, housing and the used home market.

But Collasse stressed that Japan must do more to deregulate its traditionally protected sectors such as medicine, construction and agriculture.