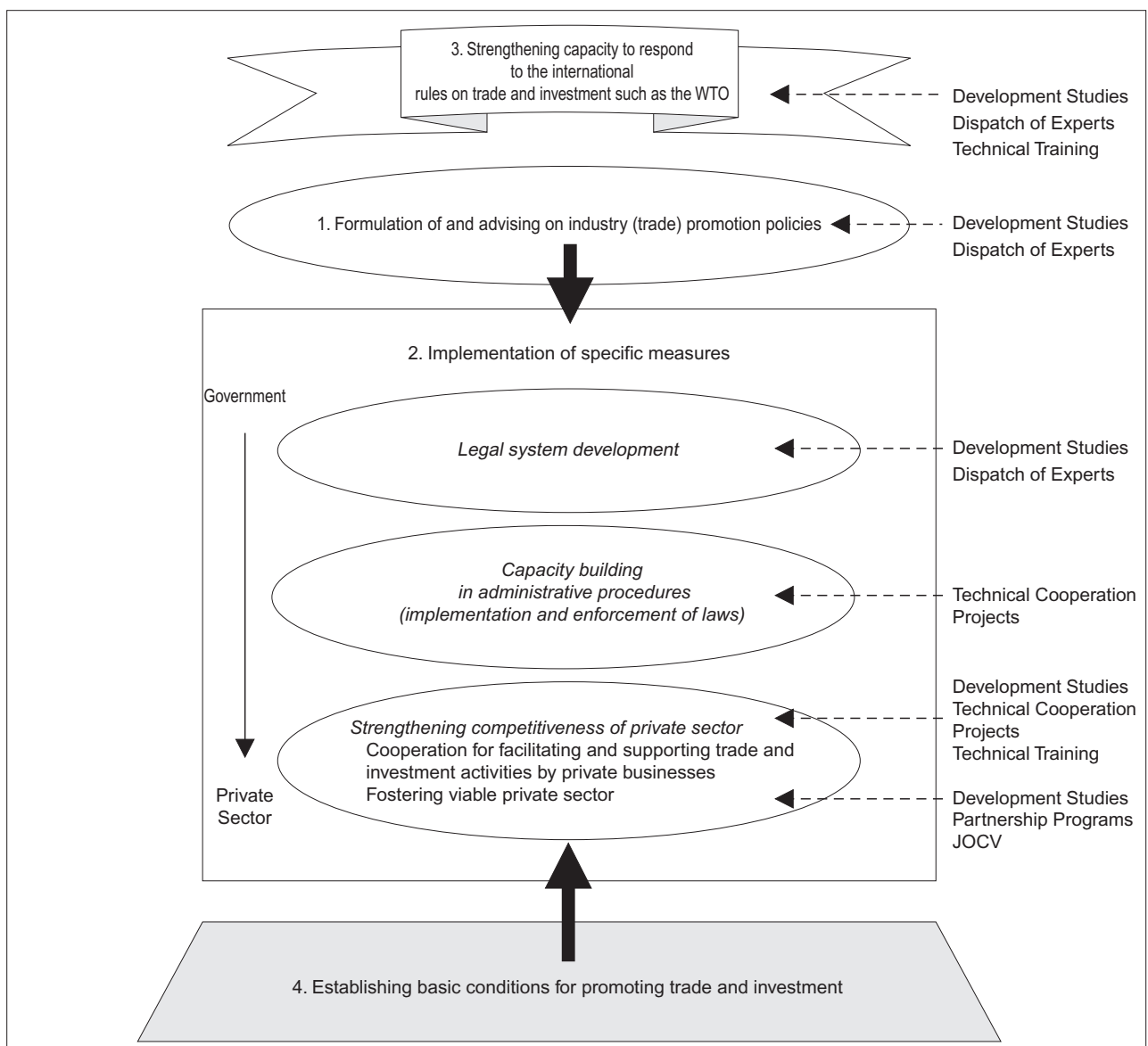


## Appendix 1 Major Activity Cases

The individual Development Objective Charts in Chapter 2 organize JICA's projects and major activities along with different cooperation schemes. In this appendix, we advance the analysis further by categorizing JICA's activities within the framework shown in Figure A1-1. For each category of activities, we present the characteristics and the state of projects in individual cooperation schemes. The Annex Table summarizes the major cases through listing the projects conducted under each category.

**Figure A1-1 Schematic of Cooperation Activities**



The figure systematically presents the major activities of JICA based on the same conceptual framework used for Development Objective Charts. The numbers for items in the figure correspond to the category numbers of project cases in the Annex Table at the end of this appendix.

## 1-1 Formulation of and Advising on Industry and Trade Promotion Policies (Development Studies, Dispatch of Groups of Experts, Technical Training, Dispatch of Individual Experts) — Cases 1-8

Formulation of and advising on industry and trade promotion policies:

- Cooperation in the form of policy recommendations
- Cooperation in the form of providing support and advice for policy formulation

Concerning the formulation of comprehensive policies on industry (trade) promotion and export promotion, there are two patterns of cooperation: **(1) cooperation in the form of policy recommendations; and (2) cooperation in the form of providing support and advice for policy formulation.**

**The first pattern of cooperation basically provides recommendations** on the direction of industry promotion the developing country should be taking, based on an understanding and analysis of the country’s international economic environment and its industrial competitiveness. JICA has been making policy recommendations in relation to trade and investment as a part of this scheme. Specific assistance projects under this form of cooperation can be categorized into the following two types: policy dialogue and recommendations from Japan.

### **Policy dialogue (Cases 4, 5)**

In this type of cooperation, policy recommendations are provided jointly through policy dialogues held between Japanese scholars and experts and high-ranking officials and scholars in the recipient country. So far, this type of assistance has been implemented in Vietnam, Laos, and Myanmar under the theme of “assistance for the transition to the market economy” or “assistance for the economic structural adjustment policy.” Based on the notion of neoclassical economics, the World Bank and others have been subscribing to the idea that the industrial development of developing countries is to be achieved through efficient distribution of resources through the market mechanism and that the role of the government must be found in establishing conditions to optimize the functions of such a market mechanism. In contrast to such ideas, JICA first studies the current development stage of the recipient country and then tries to assist the government in selecting and promoting specific industries so that the country can move to the next stage of development.

### **Recommendations from Japan (Cases 2, 7, 8)**

This type of cooperation is provided to countries that already have some understanding of how to promote their domestic industries. In such countries, JICA provides recommendations on specific industry promotion and export promotion policies on the basis of the prevailing international economic environment. There are numerous cases of this type of cooperation because many projects were implemented in ASEAN countries under the New AID Plan.

Promotion of specific industries and exports through active interventions by the government has been questioned by the World Bank and the International Monetary Fund (IMF) on efficiency grounds, and there is a strong tendency within those institutions against active government intervention. Close dialogues with these institutions must be established as early as project formulation. And because the approach taken by the World Bank, IMF, and other major donors has become the standard in international development assistance, it must be noted that any approach that deviates from this standard may not gain acceptance from the recipient countries and relevant agencies.

As the first step of assistance, this form of cooperation is very effective in countries – especially those with economies in transition or those in the Association of Southeast Asian Nations (ASEAN) in the aftermath of the currency crisis – that face the task of changing fundamental parts of their economies and societies, as well as in countries that have not been able to construct visions for statehood. However, this form of assistance requires a high level of expertise on the side of Japan, as it covers high level of difficulty and a wide range of issues. Obtaining resources for such activities is now an issue both in Japan and in the recipient countries that must obtain sufficient resources to build the domestic system necessary for implementing JICA's recommendations. In implementing projects, it must be noted that assistance, particularly policy dialogue assistance, would require staff with appropriate skills to be able to coordinate the various persons involved in the projects, such as scholars and consultants from Japan and scholars and government officials from the developing country. Moreover, one of the crucial factors in linking recommendations with concrete results is how to incorporate the measures that come out of the dialogue into concrete cooperation activities for trade and investment promotion (that is, specific projects) at an early stage.

**The second pattern of cooperation – in the form of providing support and advice for policy formulation** – improves recipient country capacity to formulate policy. In this kind of assistance, JICA dispatches a small number of experts to developing countries and countries with transitional economies and invites their administrative officers involved in policy formulation to training seminars in Japan, giving them an opportunity to learn about Japan's experiences in trade and investment promotion.

## 1-2 Implementation of Specific Measures

Legal system development
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### 1-2-1 Legal System Development (Development Studies, Technical Cooperation Projects) — Cases 9-13

Developing the legal system takes the form of assistance for developing domestic laws in a way that is consistent with WTO agreements established in 1995. Many developing countries have difficulty in developing domestic legal

systems consistent with such agreements or even in conducting a thorough examination of the consistency between their existing domestic laws and regulations and the WTO agreements.

As the WTO agreements have entered into force and the dispute settlement mechanism under the WTO has been strengthened, the developing countries now face the possibility that other countries may file cases against them within the dispute-settlement mechanism when their domestic laws and regulations are not consistent with the WTO agreements (or are suspected to be so) or when measures are not taken to “ensure the implementation of domestic laws.” Thus, there is an increasing need among developing countries for assistance in the area of developing their legal systems.

Formulation of a legal system is a highly sensitive topic. Therefore, with regard to the legal institutions in the area of trade and investment, there are only few cases of assistance targeted at their formulation.<sup>1</sup> However, JICA provides support for capacity building of administrative officers in the area of legal system development by dispatching experts and conducting development studies, through which suggestions and training opportunities are extended to local officers.

Capacity building for implementation and enforcement of laws in administrative procedures

### **1-2-2 Capacity Building for Implementation and Enforcement of Laws in Administrative Procedures (Customs, Quarantines, Patent) (Technical Cooperation Projects) — Cases 14-16**

Among countries in the process of establishing their legal systems, many now face the additional difficulty of implementing and enforcing the system. Factors that cause problems in this regard include a weak understanding on domestic laws and regulations, staff shortage and their lack of professional integrity, insufficient equipment for enforcing laws, and weak training and educational functions. The following areas seem to be the most problematic:

- Customs and customs valuation. Statutory tariff rates are not properly enforced, and transparency remains lacking in their enforcement.
- Quarantines of animals and plants. The shortage of examination staff and their lack of capacity delay examinations, and the lack of transparency in enforcing related regulations remains a problem as well.

<sup>1</sup> Beginning with its assistance to Viet Nam in 1996, JICA has been increasingly involved with assistance in the area of legal system development. Specifically, it provides assistance in three areas: (i) establishing legislative and judicial institutions (improvement of legislative and judicial procedures in terms of clarity and transparency, strengthening law enforcement capacity, etc.); (ii) participating in the legislature (support for drafting bills, suggestions to proposed laws, ensuring consistency among existing laws, etc.); and (iii) building law-related human resources (training for judges, prosecutors, attorneys, etc.). Currently, JICA is conducting assistance projects for legal system development in Cambodia and other countries. Also, concerning economic law, JICA has dispatched experts in the areas of customs and competition law who provide suggestions to law formulation in the recipient countries.

- Intellectual property rights. The shortage of examination staff and their lack of capacity delay examinations. Production and trafficking of pirated goods, imitated articles, and other illicit products continue. There is also a lack of effectiveness in exercising rights against breaches of intellectual property rights.

To address these issues, JICA has been conducting cooperation projects in the form of project-type technical cooperation that dispatch experts and provide technical training and equipment, mainly in ASEAN countries. As can be seen in Development Objective 2 in the Development Objectives Chart (pp. 40–42), there are many projects that have been implemented so far. The reason for such a large number of projects in this area is perhaps that this type of technical cooperation has fewer sensitive elements in terms of policies, compared to cooperation in the form of providing recommendations on a country's future direction or targeting its legal system. In addition, **this may be an area in which the experiences of the Japanese administrative system can be easily applied.**

**In recent years, use of information technology (IT) for improving the quality and efficiency of administrative procedures has emerged as a new approach of cooperation in this area.** Specific examples of this type of cooperation include the “Study of Improvement of the Customs System” in Indonesia (1997–1999), the “Study on enhancement of Intellectual Property Rights administration capacity through utilization of information technology” in Malaysia (2002–present), and the “Modernization of Industrial Property Administration” project in the Philippines (1999–2000).

**Administrative efficiency is now addressed not only within individual agencies but also on an inter-agency basis in terms of improving efficiency in inter-agency procedures.** This new development is worth paying attention to from the point of view of facilitating overall trade-related procedures. A concrete example of such an activity is the “Study on Measurement of the Time Required for the Release of Goods” delivered through a local consultant in the Philippines, which identified problems in trade-related procedures by measuring the time required throughout the process from port entry of a vessel, to customs, to finally unloading the freight.

Strengthening  
competitiveness of the  
private sector

### 1-2-3 Strengthening Competitiveness of the Private Sector

The cooperation in the area of strengthening private sector competitiveness aims at increasing export competitiveness and attracting foreign direct investment. There are two categories of cooperation by JICA in this respect:

Cooperation for facilitating and supporting trade and investment activities by the private sector

**(1) Cooperation for Facilitating and Supporting Trade and Investment Activities by the Private Businesses (Development Studies, Technical Cooperation Projects, Technical Training) — Cases 17-27**

This cooperation establishes an environment for facilitating and supporting trade and investment activities by private businesses. It is intended to deliver services efficiently and effectively and does not include comprehensive cooperation for the purpose of establishing institutions. This kind of cooperation can be divided into the following types.

- Trade-related financial institutions (trade finance, trade insurance, etc.) (Cases 18, 19, and 21)
- Establishing export processing zones (Cases 18 and 24)
- Services for collecting and providing information on overseas markets (Cases 20, 22, 23, and 27).
- Human resources development for trade-related practitioners (Cases 20, 22, 23, 27, and Box A 1-2)
- Measurement and standards, and tests and examinations (Cases 17, 25, and 26)

Cooperation with regard to trade-related financial institutions is mainly conducted in the form of technical training held in Japan. Staff members and managers of government and other related agencies in charge of trade insurance in individual countries are invited to receive technical training on the institutions and their implementation. To improve the investment climate and business environment, master plan formulation and feasibility studies are conducted with regard to establishing export processing zones under the scheme of development studies. For other areas, there are various examples of cooperation in a form of project-type technical cooperation, primarily in ASEAN countries. **Similar to capacity building in administrative procedures (customs, quarantines, patents) (in 1-2-2), this cooperation also aims at strengthening the system of implementation of existing legal institutions, which makes it less vulnerable to the sensitivity issue in terms of policies and therefore easier to conduct. Moreover, this is the area in which Japan could utilize its experience with export promotion policies. It is also very effective in the sense that it fosters and supports private businesses in the countries where there are growing private businesses.**

In addition to the large-scale projects in the form of project-type technical cooperation mentioned above, **there are some cases where advisory experts and senior overseas volunteers have been dispatched (Cases 20 and 27) in support of export promotion activities in developing countries.**

JICA has conducted the “Master Plan Study on Promotion of Mining

Industry” in Georgia (2000–2002) and the “Study on the Institutional Capacity Building for the Department of Energy under a restructured Philippine electric power industry” in the Philippines (2002–present). These projects have been implemented from a little different perspective than those mentioned previously, in the sense that these projects incorporate the preparation of information provided for investors as a tool to attract investment domestically and internationally. In terms of providing information on the trade and investment climate in developing countries, JETRO (Japan External Trade Organization) has been engaged in activities to promote and stimulate overseas development of Japanese corporations. As there may be overlaps between the two agencies at the level of actual activities under the goal of promoting trade and investment, both close partnership and coordination between these agencies are important.

Cooperation for fostering a viable private sector:

- Assisting public agencies that provide services to the private sector
- Directly supporting the private sector

**(2) Cooperation for Fostering a Viable Private Sector (Development Studies, Partnership Programs, Senior Overseas Volunteers) — Cases 28-33**

**This cooperation has the goal of fostering a viable private sector. There are two patterns for this cooperation: indirectly strengthening management resources of small and medium enterprises through assisting public agencies that provide services to the private sector (the primary beneficiaries are small and medium enterprises) (Cases 29, 31, and 32); and directly supporting the private sector (Cases 28, 30, and 33).**

JICA has so far conducted mainly the first type of cooperation in the form of project-type technical cooperation. Specifically, JICA implemented the “Project on Supporting Industries Development for Casting Technology” in Indonesia (1999–present) and the “SIC –Tool and Mold Technology Development Project” in the Kingdom of Thailand (1999–present). Recently, however, the World Bank and others have argued that the services provided by public agencies that receive donor assistance have problems in terms of sustainability as well as scope of service provision and that such services must be provided within the framework of a market economy. Although this differs from the traditional approach taken by JICA, it is still necessary to be engaged in cooperation with consideration of a discussion on approaches.

The second kind of cooperation in this area is providing direct assistance for development and production of products that are competitive. Although JICA does not directly assist specific firms like others agencies such as the Association for Overseas Technical Scholarship (AOTS) and the Japan Overseas Development Corporation (JODC) do, it dispatches experts and senior overseas volunteers and organizes technical training. Through such schemes, it provides instruction on management skills, product development, production and manufacturing directly to firm managers, technicians, sector workers (for example, farmers). However, because JICA could only have limited effect in

terms of enhancing export competitiveness of the private sector in the recipient countries, it must collaborate with other agencies as mentioned previously and consider ways of extending cooperation through maximizing the impact of cooperation from Japan in a consolidated manner. In addition to the micro-level cooperation as such, **it is also important to consider a appropriate and balanced approach, paying attention to macro-level issues such as structural problems and business environment faced by the private sector in recipient countries.**

Recent cases include pilot projects such as the “Study on Promotion Small and Medium Enterprise Clusters” in Indonesia or the “Artisan craft Development Plan for Rural Industrialization” project in Viet Nam that are conducted in model areas under the framework of development studies to examine the validity of master plans in those areas. In this way, private sector support is provided on a trial basis.

Building capacity to respond to the international rules of trade and investment such as those of the WTO

Enhancing understanding on the significance of trade and investment promotion:  
Effective if implemented at the beginning of cooperation projects. Targeting a wide range of groups including the private sector and the academia

Assistance for accession to the WTO and others:  
Necessary to consider the substance of cooperation based on the stage of accession preparation

### **1-3 Building Capacity to Respond to the International Rules of Trade and Investment, such as those of the WTO — Cases 34-40**

#### **(1) Enhancing Understanding on the Significance of Trade and Investment Liberalization (Development Studies, Dispatches of Experts, Technical Training)**

Enhancement in the significance of trade and investment liberalization is often addressed at the time of starting individual cooperation projects on trade and investment in the context of awareness-building among stakeholders and publicizing the projects. Also when enhancement is accomplished is done through long-term projects such as development studies, project kick-off seminars could be used as an opportunity for economists and other experts to offer convincing presentations based on empirical data of successful cases in which economic growth was achieved through trade and investment liberalization and other factors. Because trade and investment is the area where there is strong engagement of the private sector, it is beneficial to target not only the direct counterparts such as the government officials, but also a wider range of people in the private sector, academia, and other sectors. As long as time permits, training and seminars could desirably take up these types of topics at the outset, before starting the core materials.

#### **(2) Assistance for Accession to the WTO and Other International Regime (Dispatches of Experts, Technical Training)**

To countries in the process of applying for accession to the WTO or countries that are not yet members of the WTO, JICA provides advice and consultation on WTO accession by dispatching experts. It also presents the



Japanese systems and organizes field tours in Japan as a part of technical training. When conducting such assistance, it is important to provide timely cooperation based on a country's stage of accession negotiation and its level of understanding of the accession process.

First of all, the relevant government officials need to have an accurate understanding of the WTO system, the basic principles in the agreements overall, as well as the accession process. It is important for them to analyze the economic effects and impacts of trade liberalization along with the process of accession negotiation. Assistance on the analytical methodology could be effective. Corresponding to the progress made in the accession negotiation of the countries, knowledge transfer and advising through workshops and consultation sessions could be also effective assistance, if provided on the agreements of particular importance for the countries. If a certain level of consolidated aid resources is available, assistance could be effectively provided in the area of the domestic legal system and institutional reform needed at the time of WTO accession.

Strengthening the capacity to implement WTO and other international rules:  
Important to select project types which are the most appropriate for individual themes

### **(3) Strengthening the Capacity to Implement WTO and Other International Rules (Development Studies, Dispatches of Experts, Technical Training)**

JICA addresses the capacity building of the countries through its technical training that includes lectures on the main points in individual WTO agreements and related operations as well as discussion of actual dispute cases.

Because the WTO agreements cover a wide range of issues, a significant amount of knowledge and institutional development is required to completely understand and implement each individual agreement. Although it would limit the number of target beneficiaries, agreement-specific assistance that is based on the recipient country's needs and the level of development would have immediate effects. Also, depending on the agreement and the nature of targeted organizations for assistance, various forms of activities could be considered, including seminars and workshops, consultations with manager-level government officials, training using simulations, development of learning materials, and comparative studies with other countries' systems, such as legal systems. Therefore, when formulating projects, the most appropriate project type should be selected based on an examination of the past cooperation curriculum. It should be noted, however, that in some areas Japan lacks sufficient experience, in which case it is difficult to obtain enough aid resources. (Specifically, such areas include application of anti-dumping and safeguard measures and Agriculture Agreement-related issues.<sup>2</sup>)

<sup>2</sup> The safeguard measure is an emergency measure to protect domestic industries while temporarily suspending the obligations under WTO to avoid serious shocks to domestic industries that produce the same or directly competing products as growing imports.

Furthermore, responses to new areas such as investment and competition are expected in addition to the responses to the existing WTO agreements. It would be meaningful to introduce issues in these new areas and provide forums for exchanging views among several countries.

Establishing basic conditions for promoting trade and investment:

- Legal system development
- Provision of Economic Infrastructure
- Establishing business environment
- Human resources development

## **1-4 Establishing Basic Conditions for Promoting Trade and Investment — Cases 41-52**

JICA has rich project experience in formulating master plans and conducting feasibility studies in physical infrastructure, such as transportation networks (railways, ports, roads, and airports), telecommunication networks, and power systems. In addition to these projects for physical infrastructure, there are cooperation projects in developing metrological and standardization systems and an intellectual property rights system. In recent years, assistance has also been given to countries such as Viet Nam and Cambodia to develop legal systems (that is, establishing legislative and judicial institutions, legislative participation, and training for legal human resources).

**Annex Table: List of Relevant Projects in Trade and Investment Promotion (Representative Cases)**

No	Country	Project Name	Period	Type of Schemes	Mid-term Objective	Characteristics
<b>1-1 Formulation of and Advising on Industry and Trade Promotion Policies</b>						
1	Latin American countries, Asian countries, African and Middle Eastern countries	Trade and Investment Promotion Seminar	FY 2002	Group Training	2-1 3-1	Primarily targeted at middle management in charge of investment promotion in the government and para-state organizations, the project aimed to contribute to economic development and industry promotion in the participating countries through export promotion and investment inflows. The training provided opportunities to enhance the participants' comprehensive knowledge and information attainment on trade and investment issues and discussed and analyzed individual countries' investment promotion policies.
2	Indonesia	The Second Phase of the Follow-up Study on the Development of Supporting Industries in Indonesian Export Promotion	1999.7-2002.2	Development Study	1-1 2-1	Targeted at six industries (textile and textile products, food and beverage, wood products, electric and electronic parts, automobile parts, machine parts), the project studied the environment surrounding exporting firms and the conditions of the firms and presented recommendations on reconstructing export industry policies, export competitiveness enhancement, and action program.
3	Indonesia	Investment Promotion Policy	2001.4-2004.4 (planned)	Long-term Dispatch of Experts	3-1 3-2	To help promote investment, the project provided appropriate counseling services for potential investors in Japan and conducted policy advising toward the investment coordination agency in Indonesia based on requests and issues raised by the Japanese investors.
4	Myanmar	Japan-Myanmar Cooperation for Economic Structural Adjustment in Myanmar	2000.12-2003.3	Development Study	1-1 1-2 2-1 3-1	This project seeks to foster the environment for political reform toward democratization of the government by assisting the economic reform under the current administration of Myanmar through intellectual exchanges and human resources development. With a Japanese team led by Prof. Konosuke Odaka, Professor Emeritus of Hitotsubashi University, the project analyzes the areas of fiscal and monetary, trade and industry, information technology, and agriculture and rural development and provides policy recommendations in respective areas. For trade and industry, the team has worked along the four pillars (i.e., industry vision making, fostering private enterprises, export promotion, and attracting foreign capital).
5	Viet Nam	Study on the Economic Development Policy in terms of Transition toward Market Oriented Economy in the Viet Nam	(Phase 1) 1995.8-1996.6 (Phase 2) 1996.7-1998.3 (Phase 3) 1999.9-2001.3	Development Study	1-1 1-2 2-1 3-1	In Viet Nam, which is making its economic transition from a socialist system to a market economy, the project provided concrete and strategic recommendations on how to respond to various issues associated with economic transition and the economic development planning following the transition. Taking the form of joint research between Japan and Viet Nam and led by Prof. Shigeru Ishikawa, Professor Emeritus of Hitotsubashi University, the project analyzes agriculture and rural development, trade and industry policies, fiscal and monetary issues, small and medium enterprise development, macroeconomic management, response to Asian economic crisis, and then presents recommendations on respective areas. As for trade and industry policies, studies have been conducted for providing recommendations on industry promotion policies and the impact analysis of trade liberalization in light of formulating long-term development strategies.
6	Bolivia	Promocion de Comercializacion y Exportacion para productos artesanales (Commercialization and export promotion of artisanal products)	2003.3-2003.7	Short-term Dispatch of Experts	2-1 2-3	This project conducted studies on market demand and standards of imports for hand and manufactured crafts in Asia, Europe, and the United States and on the production of artisanal products in Bolivia. It has been formulating strategies for promoting Bolivian artisanal products in the international market.

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No	Country	Project Name	Period	Type of Schemes	Mid-term Objective	Characteristics
7	Paraguay	The Study on Economic Development of the Republic of Paraguay	1998.10-2000.7	Development Study	1-1 2-1 3-1	Because Paraguay faces a changing economic environment associated with regional market liberalization through Mercosur, this project was conducted to ensure Paraguay's economic independence and development. It analyzed individual industries' actual and potential competitiveness and presented measures to promote diversification of agriculture, industrialization, and economic development through export promotion.
8	Kenya	The Study of the Master Plan for Trade Promotion in the Republic of Kenya	1990.9-1991.9	Development Study	2-1	This project studied and analyzed the system, institutions, and industries related to trade promotion in Kenya, drafted a master plan for trade promotion based on the studies, and formulated various action plans.
<b>1-2 Implementation of Specific Measures</b>						
<b>1-2-1 Legal System Development</b>						
9	Multiple countries	Customs Administration	2002.8-2002.10	Group Training	1-2 2-1 3-1	By introducing Japan's customs system and technologies to the participants and by contrasting them with those in the participants' countries, this project aimed to contribute to the development of customs administration skills and simultaneously enhance mutual understanding and partnership among customs officials from different countries.
10	Malaysia	Competition (fair trade) Policy and Laws	2000.11-2000.12	Short-term Dispatch of Experts	1-1 2-1 3-1	This project formulated competition policy that responds to liberalization and deregulation in the Malaysian economy and drafted the competition law.
11	Indonesia	Industrial Property Rights Administration	2001.2 - 2003.2	Long-term Dispatch of Experts	1-1 2-1 3-1	The project provided instructions and advice on industrial property rights administration, including: (i) industrial property rights in general; (ii) private human resources development projects; (iii) systematic clerical work projects and patent information; and (iv) projects funded by the Japan Trust Fund under WIPO (World Intellectual Property Organization).
12	Indonesia	Deregulation and Competition Policy	2001.4-2003.3	Long-term Dispatch of Experts	1-1 2-1 3-1	Because competition policy is new policy undertaking for Indonesia, the project aimed to raise awareness in the government on the significance of business competition law in the context of economic reconstruction and advised on institutional development of the government to undertake rule making to enforce competition law.
13	Viet Nam	Customs Policy and Customs Administration	2001.7 - 2003.7	Long-term Dispatch of Experts	1-2 2-1 3-1	Assisted early introduction and smooth implementation of international standards on customs procedures (e.g., computerization assistance, technical cooperation in introducing international standards on customs procedures, advising on developing government ordinance and notification on customs law enforcement, etc.)
<b>1-2-2 Capacity Building for Administrative Procedures (= Capacity Building for Implementing and Enforcing Laws)</b>						
14	Indonesia	Improvement of Customs System in Indonesia	1997-1999	Development Study	2-1 3-1	For the purpose of improving speed and accuracy of customs operations and promoting trade, the project formulated guidelines on system design for establishing a Customs Intelligent Database System and on improvement of a customs clearance system. It also conducted necessary technical transfers for improving operations in this area.
15	Indonesia	Improvement of Customs Procedures on Special Fields (Intellectual Property Rights)	FY 2002	Short-term Dispatch of Experts	2-1 3-1	This project conducted necessary technology transfers for improving operations in the area of intellectual property rights, because Indonesia lacks sufficient tools and techniques for law enforcement of products violating intellectual property rights, a task that requires complicated legal measures.
16	Thailand	The Industrial Property Information Center	1995.7 - 2000.6	Technical Cooperation Project	2-1 3-1	To build recipient country capacity for utilizing an industrial property rights system, this project helps the recipient to build, manage, and maintain an industrial property rights system and conducts advanced technology research and information dissemination using such a system.

No	Country	Project Name	Period	Type of Schemes	Mid-term Objective	Characteristics
<b>1-2-3 Strengthening Competitiveness of the Private Sector</b>						
<b>(1) Cooperation to Facilitate and Support Trade and Investment Activities by Private Businesses</b>						
17	Multiple countries	Plant Quarantine (Thermal Treatment for the Disinfestation of Fruit Flies)	2002.5 - 2002.9	Group Training	2-1	To promote recipient countries' fresh fruit exports, this project provides the latest Japanese thermal treatment technology for disinfesting fruit flies and helping establish complete disinfestation data for parasitic fruit flies on fresh fruits.
18	Multiple countries	Training Program of Management of Trade and Investment Insurance	2002.5 - 2002.9	Group Training	2-1	Aimed at developing recipient country trade insurance systems, this project provides technical training on the trade insurance system and its implementation for officials of governmental offices and related agencies.
19	Asian countries	Administration of Security Export Controls	2002.11- 2002.12	Group Training	2-1	Implemented under the objective of contributing to the early introduction of export control systems in Asia. Presented to administrative officers in charge of screening operations for security export controls, relevant cases of legal system and procedures necessary for screening of exports, as well as the product items to be controlled, and promoting their understanding on the necessity of developing export control systems.
20	Indonesia	Export Promotion (Market Analysis & Development)	2001.8 - 2003.8	Senior Volunteer	2-2	While transferring skills and knowledge necessary for overseas market development to the relevant staff and exporters, the project provided instructions and conducted overseas market research, analysis, and development for the purpose of increasing competitiveness of Indonesian products in overseas market (particularly in Asia).
21	Indonesia	Management of Export Credit Agency	2002.3 - 2004.8 (planned)	Long-term Dispatch of Experts	2-1	Under the project, expert(s) were dispatched to advise on short-term trade financing as an emergency response to the situation in which financial intermediary mechanisms in Indonesia ceased to function after the Asian currency crisis (basically an area for private commercial banks). The functions of expert(s) include advising and support on mid- to long-term credits and guarantees (basically the operations of export banks).
22	Indonesia	Establishment and Capacity Building of Regional Export Training and Promotion Centers	2002.7 - 2006.6 (planned)	Technical Cooperation Project	1-1 2-2	The Regional Export Training and Promotion Centers in Indonesia were established in 1989 by Japanese grant aid. From 1989 to 1993, the cooperation project for Export Training Centers was implemented. Between 1997 and 2001, the Human Resources Development in Trade Sectors project was implemented for the centers under which training programs were organized for mid-sized Indonesian firms to gain necessary knowledge, experience, and know-how for trade activities. To enhance the ability to operate the centers, the current project conducted (i) training of course planners, (ii) information provision to instructors, and (iii) disseminating trade-related information to the outside of the centers. Since 2002, an activity has been under progress to expand the center program in five regional locations.
23	Malaysia	The Malaysia External Trade Development Corporation	1997.7- 1999.6	Technical Cooperation Project	1-1 2-2	This project was conducted for the objective of contributing to strengthening Malaysian export competitiveness by restructuring the Malaysian Export Trade Center, strengthening its functions and staff resources, and establishing a new organization with the following four departments: research and information services; exhibitions and business negotiations; publication and public relations; and export promotion.
24	Thailand	Development Project of Leamchabang Coastal Area	1984.1 - 1985.3	Development Study	2-1 3-1	This project conducted long-term master-plan formulation and a feasibility study as a short-term plan with regards to ports, industrial parks, residential buildings, service water systems, and other relevant facilities planned in the Leamchabang coastal area. Construction work began 1988 based on the master plan and the feasibility study was completed in 1991.

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No	Country	Project Name	Period	Type of Schemes	Mid-term Objective	Characteristics
25	Thailand	Project for Technical Strengthening of National Institute of Metrology (Thailand) Phase I	2002.10 - 2004.10 (planned)	Technical Cooperation Project	1-1 2-1 3-1	For strengthening export competitiveness of Thai industries, the project seeks to develop national standardization in Thailand and build technical capacity of technicians at National Institute of Metrology, with a view toward developing an internationally harmonized metrological system.
26	Sri Lanka	Quality Improvement of Textile and Clothing Products	1996.4 - 2001.3	Technical Cooperation Project	2-1 3-1	This project sought to promote the technical capacity of textile training and service centers and training centers to strengthen competitiveness of textile products, which are the largest Sri Lankan exports in terms of both price and quality.
27	Paraguay	Trade Business/Marketing	2002.4 - 2003.4	Dispatch of Senior Volunteer Group	2-2	The senior volunteer in charge of trade practices instructed and conducted management, theory, and research related to inventory, delivery, shipment, and insurance and conducted activities facilitating partnership between private firms and Pro Paraguay (host institution) for the purpose of promoting exports. The Senior Volunteer in charge of marketing provided instruction on information gathering necessary for export, market analysis, and customer development.
<b>(2) Fostering Viable Private Sector</b>						
28	Asian countries	Corporate Management for Asian Region	2001.6 - 2001.7	Group Training	2-3	This project aimed at contributing to the recipient countries' industry growth and economic development through introducing development factors behind the Japanese economy and Japanese corporate management to the corporate managers in these countries.
29	Indonesia	Project on Supporting Industries Development for Casting Technology in Indonesia	1999.4 - 2003.4	Technical Cooperation Project	2-3	With the objectives of strengthening the function of the Institute for Research and Development of Metal and Machinery Industries and promoting development of support industries in the area of casting technologies and others, the project seeks transfer of technology through on-the-job-training in the forms of making testers, providing instructions on circuits, and holding seminars. It also provides direct instruction to local small- and medium-scale casting firms.
30	Indonesia	Development of the Manufactured Foods	2001.10 - 2002.10	Dispatch of Senior Volunteer	2-3	Providing advising service on food safety system and food standards to Institute for R&D of AGRO-Based industry as a part of assistance to the institute in instructing local small- and medium-scale food industries to improve product quality to meet with export standards on such aspects as food safety standards and packaging standards.
31	Philippines	Upgrading Project for Plastic Molding Tool Technology	1997.9 - 2002.8	Technical Cooperation Project	2-3	Conducted a project to support the Metals Industry Research and Development Center from 1980 to 1986 ("Metal Casting Technology Center Project in the Republic of the Philippines"). A follow-up project was conducted from 1988 to 1989. The current project has been implemented for the purpose of facilitating the Center in providing training and technical assistance opportunities to the local plastic molding workers.
32	Thailand	The Productivity Development Project	1994.2 - 1999.2 (Follow-up) 1999.2 - 2001.2	Technical Cooperation Project	2-3	To train the instructors who promote the national productivity improvement initiative across the country, this project facilitated technological transfer to the Foundation of Thailand Productivity Institute (counterpart) in the three areas of (i) productivity consulting skills, (ii) human resources development and labor relations, and (iii) promotion and dissemination. Since 1999, a follow-up project has been implemented in the areas of productivity consulting skills and human resources development and labor relations.
33	Kenya	Development of Export Products	2000.11 - 2002.11	Long-term Dispatch of Experts	2-3	This project provided instructions and advise on development and improving the quality of export products, including highly value-added hand and manufactured crafts in addition to traditional agricultural products and light manufactured products.

No	Country	Project Name	Period	Type of Schemes	Mid-term Objective	Characteristics
<b>1-3 Building Capacity to Respond to the International Rules on Trade and Investment such as the WTO</b>						
<b>(1) Enhancing Understanding on the Significance of Trade and Investment Liberalization</b>						
<b>(2) Assistance for Accession to the WTO and Other International Regimes</b>						
34	Thailand, Indonesia, Malaysia, Philippines	The Capacity Building Program on the Implementation of the WTO Agreements	2001.7 - 2004.3	Development Study	1-1 1-2 2-1	The project seeks to improve implementing capacity of the WTO agreements among both the government and the private sector in these countries so that they can receive the full benefit of multilateral trade system. Specific areas include enhancement of understandings on individual agreements, developing national laws, developing information systems, and dispute settlement capability.
35	China	WTO Accession Support	FY 2001 - 2003	Country-focused Training	1-2	This project introduces the Japanese systems in the areas of agriculture, services (freelance, distribution, transportation, financial, etc.), and standards for the reference in formulating policies in China prior to the accession to the WTO. Tour(s) have been organized to bring participants to Japan for such purposes.
36	Kazakhstan	Accession of the Republic of Kazakhstan to the WTO	1999.8 - 1999.9	Short-term Dispatch of Experts	1-2	This project organized seminars on the basic principles of the WTO as well as on the service trade for Kazakhstan, which was in the process of accession negotiation. On several occasions, it organized discussions with and consultations for individual agencies separately on important areas such as financial and monetary area, telecommunication, and agriculture, based on the progress in the accession negotiation.
<b>(3) Strengthening Capacity to Implement the WTO and Other International Rules</b>						
37	Multiple countries	Operation of Understanding on Rules and Procedures Governing the DSU, WTO Agreement	FY 2001	Group Training	1-2 2-1	After providing the overview of obligations under the WTO agreements and of future negotiations, the training sought to enhance the capacity to utilize the dispute settlement procedure by reviewing the procedure, case analysis, and drafting the submissions on these cases.
38	APEC region	Administration of Trade Remedy Laws under WTO Agreement (Antidumping/Safeguard/Subsidies&Countervailing Measures); The Implementation of WTO Agreement on Technical Barrier to Trade(TBT)	FY 2002	Region-focused Training	1-2 2-1	The training conducted lectures on the main points and actual operations of WTO agreements (AD,SG,SCM) and facilitated discussion among the participants on the dispute settlement cases under the WTO. With regard to safeguard measures, the participants studied the relevant cases from their own countries and presented country reports summarizing their studies.
39	Anglophone African countries	Workshop on the Relationship between Trade and Investment, organized by the WTO, in cooperation with UNCTAD and with the support of JICA	2002.11 - 2002.11	Third Country Training	1-2	As preparation for the working group on investment at the WTO, the workshop introduced the main points of discuss at the WTO to the negotiators from these countries and provided opportunities to discuss on the positions of various countries.
40	African countries	WTO Capacity-Building Seminar for African Countries - Investment and Competition-	2003.02	Third Country Training	1-2	Covering areas of investment and competition and targeting those directly advising ministers in charge of WTO negotiation, the seminar reviewed the main points of discussion at the WTO and facilitated discussion on the issues that African countries are facing.
<b>1-4 Establishing Basic Conditions for Promoting Trade and Investment</b>						
<b>(1) Developing Legal System for Commercial Transactions</b>						
41	Viet Nam	The Japanese Cooperation to Support the Formulation of Key Government Policies on Legal System	1996 -2003	Long-term Dispatch of Experts, Technical Training (Technical Cooperation Project)	1-1	The activities under this project include establishing a policy dialogue with the minister of justice, in the areas such as civil and commercial laws, corporate law, ASEAN investment law, civil procedure (civil arbitration and civil enforcement), maritime law, antitrust law, stock exchange law, and intellectual property rights; holding workshops and seminars; and hosting technical training programs.

## Approaches for Systematic Planning of Development Projects / Trade and Investment Promotion

No	Country	Project Name	Period	Type of Schemes	Mid-term Objective	Characteristics
42	Cambodia	The Japanese Cooperation to Support the Formulation of Key Government Policies on the Judicial System in the Republic of Cambodia	1999-2003	Long-term Dispatch of Experts, Technical Training (Technical Cooperation Project)	1-1	The activities under this project include preparing draft codes for civil law and civil procedure, establishing a policy dialogue with the minister of justice, holding seminars and workshops, and hosting technical training programs in legal administration, prosecution-related work, the court system, bar associations, and other legal areas.
<b>(2) Provision of Economic Infrastructure</b>						
43	Philippines	Study on Development of Industrial Statistics in the Republic of the Philippines	2000.8 - 2002.3	Development Study	1-1 3-2	This project conducted a statistical study on industrial activities that contribute to economic and industrial policy planning and corporate management in the Philippines and developed indices based on the study.
44	Thailand	Feasibility Study on Power Distribution System Improvement and Expansion Plan in the Metropolitan Area in the Kingdom of Thailand	1994 - 1995	Development Study	1-1	Formulated power distribution system improvement and expansion plan in the Bangkok metropolitan area. Based on the feasibility study, a yen loan project has been started.
45	Viet Nam	Study on the Development of Industrial Standardization, Metrology, Testing and Quality Management in Viet Nam	1997.2 - 1998.2	Development Study	1-1	Formulated a master plan with the purpose of developing the overall system of industrial standardization, promoting standardization and quality management widely among Vietnamese industries, thereby establishing an internationally credible system in Viet Nam. The master plan included institutional reform of implementing agencies, recommendations on technological infrastructure development for metrology and testing, and others.
46	El Salvador	The Study for Port Reactivation in the Union Province of the Republic of El Salvador	1997-1998	Development Study	1-1	Conducted feasibility study for port reactivation in the Union Province, which has relatively deep water with stable tidal conditions. A Yen loan has been extended to build the first large container port in El Salvador.
<b>(3) Creation of Sound Business Environment for Domestic Industries</b>						
47	Indonesia	Promotion of SMEs	1999.12 - 2000.7	Short-term Dispatch of Experts	1-1	To contribute to Indonesia's economic recovery from the 1997 Asian currency crisis, the project dispatched Prof. Shujiro Urata of Waseda University, Faculty of Social Sciences, as a senior-level advisor to the minister for economic adjustment to provide policy recommendations on the issues of small and medium industry financing, human resources development, and support industry and export promotion.
48	Thailand	Promotion of SMEs	1999.1 - 1999.6	Short-term Dispatch of Experts	1-1	To help the Thai economy recover from the currency crisis, the project dispatched a former director-general of MITI as a policy advisor to the minister of finance and minister of industry. He provided recommendations on the master plan for promoting small- and medium-scale enterprises and their financing, as well as other issues.
49	Viet Nam	Study on the Promotion of the Small- and Medium-Scale Industrial Enterprises in the Socialist Republic of Viet Nam	1999.3 - 1999.12	Development Study	1-1	This project formulated a comprehensive master plan that targeted small- and medium-scale manufacturers in Viet Nam, which had no basic policy or institution to address small and medium enterprise development.



No	Country	Project Name	Period	Type of Schemes	Mid-term Objective	Characteristics
<b>(4) Human Resources Development</b>						
50	Indonesia	Higher Education Administration	2002.10 - 2004.10	Technical Cooperation Project	1-1	Under the objectives of improving management of higher education institutions in Indonesia, stimulating educational research, and achieving effective implementation of assistance projects and appropriate policy making, the project conducted such activities as studying on management improvement in higher education institutions and information and coordination with the related organizations in Japan.
51	Uzbekistan	Uzbekistan-Japan Center for Human Development	2001.8 -	Dispatch of Experts	1-1	For stimulating private business activities, this project provided educational opportunities on management practices and organized courses targeted at corporate managers and high-ranking government officials in charge of policy planning. It also conducted Japanese-language education.
52	Jordan	The Project for the Specialized Training Institute in Hashemite Kingdom of Jordan	1997.10 - 2002.9	Technical Cooperation Project	1-1 2-1	The project seeks to train high-quality skilled workers by improving the capacity of training instructors at the Specialized Training Institute. Specifically, the project assisted the institute to establish management system (operation system and training courses) and arrange for necessary facilities and equipments for the training, and conduct training course in a desirable manner.

**Box A 1-1 WTO Capacity Building Program for Implementing WTO Agreements**

This program was based on the APEC Strategic Plan, which was proposed under the initiative of the Government of Japan and approved at the APEC Ministerial Meeting held in November 2000. This is the first large-scale project JICA has conducted with respect to the WTO. Targeting four countries in the APEC region (Thailand, Indonesia, Malaysia, and the Philippines), the program has been conducted under the objective of building capacity of these countries in implementing the WTO agreements in terms of obligations and benefits. Specific activities include development of institutional systems through establishing a WTO-related information-sharing system at the agencies in charge of the WTO, knowledge transfer on major agreements through organizing seminars and workshops, and formulating recommendations with regard to the future capacity building.

**The Overview of WTO Capacity Building Cooperation Program**

Objective: To strengthen capacity to implement the WTO agreements and to participate in the multilateral trade liberalization, the following activities will be conducted: (1) Recommendations and skills transfer activities for policymakers and policy practitioners of the WTO agreements in deepening their knowledge necessary in implementing agreements; (2) Policy recommendations for agencies in the government regarding building capacity to implement the WTO agreements.

Target Agreement and Area	Thailand August 2001 – December 2002	Indonesia January 2002 – October 2003	Malaysia March 2002 – May 2003	Philippines November 2002 – March 2004
Strengthening Institutional Arrangement to Implementing WTO Agreements	Strengthening functions of the WTO focal-point agency and preliminary development of information-sharing system	Strengthening functions of the WTO focal-point agency and preliminary development of information-sharing system	-	Strengthening functions of the WTO focal-point agency and preliminary development of information-sharing system
Enhancement of Overall Knowledge of the WTO Agreements	- (partly addressed at the seminar on the project outcomes)	- (partly addressed at the kick-off seminar)	-	- (planned to be addressed partly at the kick-off seminar)
Agreement on Agriculture, Agreement on the Application of Sanitary and Phytosanitary Measures (SPS)	-	-	Analysis of the current state of implementation of Agriculture Agreement and SPS Agreement. Skill transfer and recommendations to promote understandings on these two agreements.	Analysis of the current state of implementation of Agriculture Agreement and SPS Agreement. Skill transfer and recommendations to promote understandings on these two agreements.
Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) Antidumping Code (AD) Agreement on Subsidies and Countervailing Measures (SCM) Agreement on Safeguards (SG)	Analysis of the current state of implementation of AD and SCM Agreements. Workshops and recommendations on AD and SCM Agreements for the government officials and the private sector.	Analysis of the current state of implementation of AD and SCM Agreements and DSU. Workshops and recommendations on AD and SCM Agreement for the government officials and the private sector for reviewing domestic laws and regulations in relation to the agreements and to enhance general understanding on the agreements.	Analysis of the current state of dispute settlement. Skill transfer (through workshops, mock court, and others) and recommendations to enhance understanding on DSU, and DSU learning and capacity building for negotiations.	Analysis of the current state of implementation of AD and SCM Agreements. Advising, instruction, and recommendations on implementation of AD and SCM Agreements.
General Agreement on Trade in Services (GATS)	Analysis of the current state of implementation of GATS. Study of the relevant domestic laws. Workshops and recommendations on enhancement of general knowledge on GATS as well as on individual issues and sector-specific issues in relation to GATS.	Analysis of the current state of implementation of GATS. Workshops and recommendations on enhancement of general knowledge on GATS as well as on individual issues and sector-specific issues.	-	Analysis of the current state of implementation of GATS. Workshops and recommendations on enhancement of general knowledge on GATS as well as on individual issues and sector-specific issues.
Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)	Studies on the state of implementation of TRIPS Agreement and on the relevant issues (e.g., domestic legal development). Formulation of training curriculum and development of training materials. Trainers' training. Recommendations.	Analysis of public awareness and on the implementation capacity. Development of training materials. Trainers' training. Recommendations.	Analysis of the current state of implementation of TRIPS Agreement. Skill transfer (e.g., seminars) and recommendations for enhancing understanding on the agreement and implementation capacity.	-
Agreement on Technical Barriers to Trade (TBT)	Analysis of the current state of implementation of TBT Agreement. Workshops and recommendations on enhancement of general knowledge on GATS as well as on individual issues in relation to TBT Agreement.	Analysis of the current state of implementation of TBT Agreement and study on the consistency of domestic laws and regulations with the agreement. Seminars, workshops, and recommendations on enhancement of general knowledge and understanding on the agreement (e.g., TBT notification, Good Regulatory Practice, etc.)	Analysis of the current state of implementation of TBT Agreement. Skill transfer (e.g., seminars) and recommendations for capacity building to implement the agreement and for participating in international standardization activities	Analysis of the current state of implementation of TBT Agreement. Advising, instruction, and recommendations on understanding obligations under the agreement and the appropriate organizational and institutional system for implementing notification obligations.

**Box A 1-2 Trade Training Centers**

Business support services to the domestic trade professionals are essential in promoting trade. Such services include knowledge enhancement in trade practices and marketing know-how, collection and accumulation of overseas investment information, and organizing product exhibits. JICA has conducted technical cooperation toward trade training centers in four countries: Philippines, Malaysia, Indonesia, and Egypt.

	Philippines	Malaysia	Indonesia	Egypt
Project Period	1987-1992	1994-1999	(Phase 1) 1988-1993 (Follow-up) 1994-1995 (Phase 2) 1997-2001 (Follow-up) 2001-2002 (Phase3) 2002-2006 (planned)	2002-2004 (planned)
Goals	The trade training center gains the capability to plan and organize training programs through which the center provides necessary knowledge, experiences, and know-how to local firms.	Through overseas market research, provision of investment information, organizing exhibitions and business negotiations, publication and public relations, and human resources development for trade practices, the trade development authority gains capacity to conduct export promotion-related projects in a proactive fashion.	The trade training center gains the capability to plan and organize training programs through which the center provides necessary knowledge, experiences, and know-how to local firms. The project, started in 2002, aims for regional expansion of achievements made by the past projects.	Activity plans and organizational staffing plan will be formulated for the trade training center.
Activities	Trade training (exporting basics, financing, importing, contracting, cost estimation, and transportation), Japanese language for business, human resources development in inspections and exhibitions of furniture, textile, and food.	Staff training in the above areas.	<ul style="list-style-type: none"> <li>• (Phase 1) Assistance in four areas of trade training, Japanese language, export inspection, exhibition training.</li> <li>• (Phase 2) Human resources development to build the capacity to plan and organize trade training programs such as training of course planners, information provision to instructors, and trade-related information provision to the outside of the center.</li> <li>• (Phase 3) At the model Regional Export Training and Promotion Center to be established at four regional locations, organize training program on trade practices, provide information on overseas markets, provide services related to product display, and technical instruction on trade promotion, targeted at small and medium enterprises.</li> </ul>	<ul style="list-style-type: none"> <li>• Study for estimating the need for trade training.</li> <li>• Trial seminars and training programs.</li> <li>• Analysis of the workload of the center and formulating draft plans of activities and organizational staffing based on the analysis.</li> </ul>
Inputs	Long-term dispatch of experts (leaders, project coordination, trade training, Japanese language for business, furniture inspection, apparel inspection, food inspection), acceptance of trainees, inspection equipments, computers	Long-term dispatch of experts (leaders, project coordination, study instruction, information provision instruction, library management on trade), acceptance of trainees, information system, printing equipment.	Long-term dispatch of experts (leaders, project coordination, international trade, trade promotion), acceptance of trainees, computer servers and terminals, audio-visual equipment, books, etc.	Long-term dispatch of experts (leaders, project coordination), acceptance of trainees, computers, audio-visual equipment, etc.
Related projects	Grant aid (building, major equipment for 2.4 billion yen)		Grant aid (building, major equipment for 2 billion yen)	
Others	As project outputs, 73 type of manuals have been developed			

## Appendix 2 Basic Check List

Check Item / Indicators	Note
<b>(Increased presence at the WTO negotiations)</b>	
Frequency in use of dispute settlement procedure (number of dispute settlement cases)	Cases as complainant, cases as respondent, cases as third group Source: METI, <i>Report on the WTO Consistency of Trade Policies by Major Trading Partners</i> Source: WTO web site ( <a href="http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm">http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm</a> )
<b>(Integrating liberal trade in the national policies)</b>	
Number of trade-restricting measures	Trade-related problems (e.g., domestic subsidies and export subsidies) which are raised at the Trade Policy Review of the WTO. Source: WTO, <i>Annual Report 2002</i>
Number of free trade agreements	Source :UNCTAD web site ( <a href="http://www.unctad.org/Templates/Page.asp?intlItemID=1914&amp;lang=1">http://www.unctad.org/Templates/Page.asp?intlItemID=1914&amp;lang=1</a> )
Number of AD and SG measures application cases	Source: WTO, <i>Annual Report 2002</i>
<b>(Progress in understanding the contents of the WTO agreements among the government officials and other stakeholders)</b>	
Number of TBT notification cases	Compulsory standards, etc. Source: JETRO web site ( <a href="http://www.jetro.go.jp/se/j/jousa/wto/">http://www.jetro.go.jp/se/j/jousa/wto/</a> ) Source: WTO web site ( <a href="http://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm">http://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm</a> )
Number of cases for anti-counterfeiting measures (e.g., number of damage cases filed by Japanese firms)	Source: Japan Patent Office web page ( <a href="http://www.jpo.go.jp/indexj.htm">http://www.jpo.go.jp/indexj.htm</a> ) Source: WIPO web site ( <a href="http://www.wipo.org/ipstats/en/">http://www.wipo.org/ipstats/en/</a> )
<b>(Trends in trade volumes and trade structure<sup>3</sup>)</b>	
Trade amount	Export and import amounts, trade balance, balance of payment Source: IMF, <i>International Financial Statistics Yearbook</i> Source: UNCTAD web site ( <a href="http://www.unctad.org/Templates/Page.asp?intlItemID=1914&amp;lang=1">http://www.unctad.org/Templates/Page.asp?intlItemID=1914&amp;lang=1</a> )
Trade amount (by country, by region, and by economic area)	Source: UNCTAD web site ( <a href="http://www.unctad.org/Templates/Page.asp?intlItemID=1584&amp;lang=1">http://www.unctad.org/Templates/Page.asp?intlItemID=1584&amp;lang=1</a> )
Trade structure (share of export destinations and share of import origins, by country and by product)	Source: UNCTAD web site( <a href="http://www.unctad.org/Templates/Page.asp?intlItemID=1584&amp;lang=1">http://www.unctad.org/Templates/Page.asp?intlItemID=1584&amp;lang=1</a> )
Trade-related indicators of Japan	Indicators to check the trade relations with Japan Source: Japanese Customs web site ( <a href="http://www.customs.go.jp/toukei/info/topmenu_j.htm">http://www.customs.go.jp/toukei/info/topmenu_j.htm</a> )

<sup>3</sup> In the column for notes, we have listed statistical sources to obtain detailed data on relevant issues. For the volume and the composition of trade, see Ministry of Public Management, Home Affairs, Posts and Communications, "Sekai no Tokei" (The World Statistics) <http://www.stat.go.jp/data/sekai/index.htm> and JETRO, "Kaigai Joho Fairu" (Overseas Information File, JETRO-file) <http://www.jetro.go.jp/jetro-file/>

Check Item / Indicators	Note
<b>(State of development in trade-related policies and institutions)</b>	
Membership in WTO and other agreements Trade control system <ul style="list-style-type: none"> <li>• Agencies in charge</li> <li>• Restrictions on import materials and import origins</li> <li>• Export- and import-related laws and management</li> </ul> Customs system <ul style="list-style-type: none"> <li>• Agencies in charge</li> <li>• Tariff system, product classification</li> <li>• Types of tariffs, duty standards</li> <li>• Related laws</li> </ul> Export and import procedures <ul style="list-style-type: none"> <li>• Permit application for exports and imports</li> </ul>	Data for 61 countries, including developed countries, are available from the web site of JETRO Source: JETRO web site "Overseas Information File" <sup>4</sup> ( <a href="http://www.jetro.go.jp/jetro-file/">http://www.jetro.go.jp/jetro-file/</a> )
<b>(Evaluation by Japanese firms on trade-related procedures)</b>	
Trade-related problems in each country and region	Source: Japan Machinery Center for Trade and Investment web site "Issues and Requests relating to Foreign Trade and Investment" ( <a href="http://www.jmcti.org/mondai/top.html">http://www.jmcti.org/mondai/top.html</a> ) * This report summarizes various issues related to trade and foreign direct investment that Japanese firms face in their operations overseas. Source: JETRO, <i>Ajia no Toshi Kankyo Hikaku (Investment Climate Comparison in Asian Countries)</i> * This horizontally compares the investment climates of Asian countries and regions according to the areas of investment and exchange systems and investment cost, state of development in industrial foundations, state of development in human resources and technology, state of development in information infrastructure, and state of development in distribution infrastructure.
<b>(Trends in investment amounts and cases)</b>	
Amount of direct investment inflows Trends	UNCTAD, <i>World Investment Report</i> ( <a href="http://www.unctad.org/Templates/Page.asp?intItemID=1397&amp;lang=1">http://www.unctad.org/Templates/Page.asp?intItemID=1397&amp;lang=1</a> )
Amount of direct investment inflows Direct investment inflows (by country and by industry) Direct investment outflows (by country and by industry)	Data for 61 countries, including developed countries, are available from the web site of JETRO. Source: JETRO web site "Overseas Information File" ( <a href="http://www.jetro.go.jp/jetro-file/">http://www.jetro.go.jp/jetro-file/</a> )
Number of cases of receiving foreign direct investment and its trend (including the number of withdrawal cases) Number of foreign firms operating in the country Number of foreign firms operating in the country (by home country) Number of deregulation cases Ratio of production by the foreign investors to GDP Number of employees hired by foreign investors and its growth rate	These are important items to understand the current conditions and environment. For developing countries, data are often underdeveloped and not easily available from the web sites. However, inquiries can be made to investment-related agencies and statistical offices of individual countries.

<sup>4</sup> There are items for which country data are not available. This web site contains individual countries' basic data (political system, economic condition, etc.) and statistics (GDP, inflation rate, unemployment rate, trade balance, exchange rate, and other basic economic indicators). The site also allows users to print out the information in a format such that users can compare information among several countries.

Check Item / Indicators	Note
<b>(State of development in investment-related policies and institutions)</b>	
<p>Presence of investment promotion agency</p> <p>Regulations on foreign capital</p> <ul style="list-style-type: none"> <li>• regulated industries and prohibited industries</li> <li>• capital ownership ratio</li> <li>• land property ownership allowability for foreign firms</li> <li>• restrictions related to capital stock</li> <li>• other regulations</li> </ul> <p>Regulations on foreign capital</p> <ul style="list-style-type: none"> <li>• promotion industries</li> <li>• various preferential measures</li> </ul> <p>Tax system</p> <ul style="list-style-type: none"> <li>• corporate tax</li> <li>• bilateral tax treaties</li> <li>• other tax system</li> </ul> <p>Foreign nationals employment regulations, residency permits, hiring of local residents</p> <ul style="list-style-type: none"> <li>• foreign nationals employment</li> <li>• residency permits</li> <li>• hiring requirement of local residents</li> </ul> <p>Local financing system</p> <p>Foreign exchange controls and foreign currency exchange system</p> <p>Institutions related to granting technical and industrial intellectual property rights</p> <p>Procedures for establishing companies by foreign businesses</p>	<p>Data for 61 countries, including developed countries, are available from the web site of JETRO.                      Source: JETRO web site "Overseas Information File"                      (<a href="http://www.jetro.go.jp/jetro-file/">http://www.jetro.go.jp/jetro-file/</a>)</p>
<b>(External evaluation on the investment climate of individual countries)</b>	
<p>Rating by international organizations and rating organizations</p>	<p>Evaluation and ranking results by several organizations are listed under the investment climate section in the World Bank, <i>World Development Indicators</i>.</p>

## Appendix 3 Trade and Investment Policies of Japan

### Contents and purpose of this chapter:

- Provide an overview of Japan's policies after the end of the World War II as the country sought trade and investment liberalization
- Japan's international assistance has been based on its policy experiences. These experiences would be useful references when we consider trade and investment promotion.

This appendix provides an overview of Japan's trade and investment policies after the end of World War II as the country gradually resumed its role in the international economic and social system through membership in General Agreement on Tariffs and Trade (GATT), the International Monetary Fund (IMF), and the Organization for Economic Cooperation and Development (OECD) and as the country increasingly faced trade and investment (foreign investment inflows) liberalization. Although some of the policy tools Japan used in the past are no longer permissible under current WTO rules, **its economic growth experience in which external trade played a large role would be a useful reference when we consider trade and investment promotion in the context of current developing countries. Also, Japan's international assistance has been based on its own policy experiences in this area.**<sup>5</sup>

The primary purpose of discussion here is to see how Japan, throughout its development process, has approached the same development issues considered in this issues-specific approach. Thus, we mainly look at the period when the country undertook trade and investment (foreign investment inflows) liberalization since post-war reconstruction and then introduce recent Japanese trade and investment policies at the end. We do not examine the period when the balance of payments turned positive in 1968 and the country started facing trade frictions with the United States in particular.

### 3-1 Trade and Investment Liberalization in Post-war Reconstruction Era (End of World War II –1960s)

#### 1945-1954:

- Developed and improved the environment and the system for exports toward a normal trade regime

#### (1) 1945 – 1954

**During this period when Japan transitioned from a managed trade regime under the control of the United States to a normal trade regime, Japan tried to consolidate and improve its export environment and regime, which were rapidly built after the war, for more enhanced trade-led development.**

<sup>5</sup> For example, then-Ministry of International Trade and Industry or MITI (current Ministry of Economy, Trade, and Industry or METI) initiated the establishment of Trade Training Center in 1967 for the purpose of growing international entrepreneurs in Japan. And since then, a number of activities have been undertaken. Based on this experience, JICA has implemented assistance projects in four countries, including Indonesia and Malaysia, to establish similar trade training centers that conduct training of trade professionals, provide market information, and be involved in other related activities. See Box A1-2 in p.79.

The period between 1945 and the end of 1946 was the time when Japan engaged in “trade for survival,” mainly with support of U.S. external assistance. In September 1945, the U.S. Initial Post-Surrender Policy for Japan was introduced, which stated that “control is to be maintained over all imports and exports of goods, foreign exchange and financial transactions.” In 1947, private trade resumed as the United States relaxed its control over Japanese imports and exports.

In October 1949, the General Headquarters (GHQ) made an announcement that the private businesses would resume their exporting activities in December 1949 and importing activities in January 1950. Responding to this announcement, **the Government of Japan adopted the Foreign Exchange and Foreign Trade Control Act, the Foreign Exchange Special Account Fund Law, and the Law Establishing Foreign Exchange Control Commission in December 1949.<sup>6</sup> Subsequently, the government established the Export Control Ordinance and Foreign Exchange Control and Import Control Ordinance, creating a legal system to launch private-based trade.**

In 1950, the outbreak of Korean War in June brought a special economic boom to Japan, which led to trade expansion and improvement in the trade balance. Japanese trade during this post-war reconstruction period was supported by foreign assistance and special economic booms while continuing to record trade deficits.

**1955-1967:**

- Period when Japan started undertaking trade liberalization and investment liberalization (direct investment inflows)

**(2) 1955 – 1967**

**In this period, Japan initiated the process of trade liberalization by joining GATT and then progressed with investment liberalization (direct investment inflows). During this time, Japan transitioned out of its earlier policies that severely restricted competition of foreign firms in both domestic products as well as imports.**

The Japanese trade balance with the United States was significantly in deficit at that time. This was the basic factor restricting Japanese economic growth due to lack of dollar-denominated reserve. For self-generating development to be achieved in Japan, Japan implemented a policy to intentionally promote exports, while controlling imports to the extent possible.

Japan became a member of GATT in 1955 and normalized its trade relations with Western Europe and other areas, achieving its return to the international community in the liberal world. However, countries that feared a flood of cheap products from Japan, such as the United Kingdom, France, India, and eleven other countries, refused to enter into the GATT relationship with

<sup>6</sup> Other trade-related laws established around this time include the Export and Import Transaction Law, the Export Inspection Law (1957), and the Exports Design Law (1959). The Export and Import Transaction Law was established in 1953 as complement to Foreign Exchange Law and aimed to prevent unfair export and import transactions and to establish the order in export and import transactions. It allowed agreements among associations and firms on price, quantity, quality, and others).



Japan, applying Article 35 of GATT. As a result, even though Japan was a member of GATT, the major countries providing MFN status were limited to the United States, West Germany, Italy, and the Scandinavian countries. Under GATT, Japan imposed quantity restrictions on its imports according to the Article 12 and had a low rate of liberalization at the time of accession.<sup>7</sup> However, during the GATT General Assembly in autumn 1959, other member countries strongly requested Japan to undertake further trade liberalization. Thus, in 1960, Japan announced the “Trade and Foreign Exchange Liberalization Program” that aimed at bringing the rate of liberalization to 90 percent. In 1961, it adopted the “Trade and Foreign Exchange Liberalization Promotion Program” to further liberalize.<sup>8</sup> In this way, Japan, in response to other countries’ demand for further liberalization, shifted to a GATT Article 11 country in 1963 and achieved the standard rate of liberalization of over 90 percent by August of the same year.<sup>9</sup> In 1964, the country also shifted to be an IMF Article 8 country and joined the OECD. As a part of its member obligations of OECD, Japan underwent capital liberalization (liberalization of direct investment inflows).

**The two basic directions of economic policies during this time were promoting exports and control imports to the extent possible and developing a modern manufacturing sector in Japan.**

In the following section, we present an overview of Japanese efforts in trade and investment liberalization along these two directions.

#### Trade liberalization:

- Conducted export promotion policies while protecting domestic industries through tariff measures

### 3-1-1 Trade Liberalization

We examine Japanese policies on trade liberalization from two perspectives: (1) tariff measures and (2) export promotion policies. Specifically, the characteristics of Japanese policies during this period can be found in the following points. **First, Japan undertook a policy to protect domestic industries from foreign competitions by using tariff measures (without undermining domestic competitions), and to open its market for foreign competition once the domestic industries became competitive enough. Second, Japan implemented active interventionist policies for trade promotion and committed itself to trade liberalization.**<sup>10</sup>

<sup>7</sup> GATT Article 12 countries are the countries allowed to restrict their imports under certain conditions in order to protect their external financing positions and balances of payment.

<sup>8</sup> The factors that motivated trade liberalization at this time were: (i) that the Japanese trade balance turned to surplus, which did not necessitate import controls for retaining foreign exchange; (ii) that the United States experienced outflows of dollar due to its balance of payment deterioration and started calling for trade liberalization toward other countries; and (iii) that Japan fell behind the Western European countries in abolishing their restrictions on imports from the dollar zone, which started with the resumption of dollar convertibility at the end of 1959.

<sup>9</sup> IMF Article 8 countries and GATT Article 11 countries are the members who liberalize the current account transactions including imports and do not impose import quantity restrictions and foreign exchange restrictions due to balance-of-payments reasons.

<sup>10</sup> Although the current WTO regime grants developing country members a grace period depending on their stage of development, it basically demands active market-opening measures within the limited time frame. Thus, it has become difficult to follow the Japanese example of protecting domestic industries and fostering export industries with active government intervention.

## **(1) Tariff Measures**

Prior to trade liberalization, Japan undertook a major tariff reform in 1961. However, the basic nature of this reform was rather protectionist. Those domestic industries that were on the growth path had long been under the protection of import restrictions. Specific examples of products that were liberalized in the 1960s include buses and trucks (1961), color television sets (1964), passenger automobiles (1965); products liberalized in the 1970s included electronic calculators and peripherals (1975).<sup>11</sup> Comparing the trade liberalization periods and the industry development periods for these products, we notice that trade liberalization started much later than industry development. For example, the government decision on the protection of automobile industry was specifically made in 1952, and MITI announced its “the Draft Outline for Promotion of a People’s Car.” For the machinery and electronics industry, the Machinery Industry Promotion Temporary Measures Law (1956) and the Electronic Industry Promotion Temporary Measures Law (1957) were introduced.

A publication from MITI titled “Tsusho Seisaku Gaikou-shi” (History of Japanese Trade Policy) describes the role of tariffs:

“There were three major elements in the tariff reform undertaken in 1961: (i) modification to the classification system used in the import tariff chart, (ii) overall modification to the tariff rates, and (iii) flexible application of the tariff system in response to trade liberalization. **The principal role of the tariff was given to the active fostering of growing industries in accordance with the objective of the industry structural policy. The protective tariffs were sought to be strengthened.**”<sup>12</sup>

## **(2) Export Promotion Policies**

While trying to control for the spending on the foreign currencies by restricting imports through tariff measures, the Government of Japan strengthened a wide range of policies related to export promotion, such as finance, taxation, insurance, market research, and public relations and advertisement, to solve the problem of the foreign exchange shortage.

### **1) National Movement for Export Promotion**

One of the policies in which MITI put its efforts during this period was the national movement for export promotion. In implementation of trade policies, rigorous commitment by the industries to enhance their exports was necessary as well as understanding on the significance of trade from different groups in the general public. This national movement was conducted for the

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<sup>11</sup> Komiya, Okuno, and Suzumura (1997) have detailed accounts of Japanese industrial policies during this period.

<sup>12</sup> Ministry of International Trade and Industry (1991). See especially excerpt from the section titled “The Third Hyper Growth Period (1).”

purpose of building awareness among the general public. Specifically, the Trade Promotion Headquarters was established in 1959, and the Japan Foreign Trade Charter was enacted in 1959. The Trade Promotion Headquarters produced and distributed trade promotion movies and brochures, organized trade fairs, and conducted other activities to raise public support for exporting.

## **2) Strengthening Export Enhancement Support Systems**

For the enhancement of exports, supports were provided to industries in the form of tax and financial measures. Export financing facilitation, tax preferences for exports, improvement of the export insurance system, and other measures were also sought for this purpose.<sup>13</sup>

## **3) Market Development**

With regard to market research and advertisement, the Japan External Trade Organization (JETRO) (established in 1951 as the Japan Trade Export Research Organization) systematically conducted trade promotion activities, such as overseas market research, international trade shows, overseas advertisement and public relations, trade intermediary arrangements, and industry design improvement.

## **4) Various Improvements in Trade Administration**

Along with the above export promotion policies, various improvements were made to the trade administration during this period to quickly respond to the developments in the international economy. Specific examples include simplification of export procedures and establishment of the Trade Promotion Bureau. Examinations of export products were conducted to maintain and improve the quality of products exported from Japan based on the perspective of strengthening non-price competitiveness. The government also helped improve product design through its design programs. The Institute for International Studies and Training was established to develop human resources to be equipped with knowledge and international competence and skills.<sup>14</sup>

<sup>13</sup> The matter of preferential export financing emerged out of the necessity of correcting the negative effect of general tight monetary measures on financing of exports to be promoted and actively promoting exports.

The typical short-term export financing tools are Export Trade Bills and Loans against Foreign Exchange Assets of the Bank of Japan. As balance of payments became consistently in surplus in the latter half of 1960s, the need for short-term export financing was lost. As for mid- to long-term export financing, there are loans from the Export and Import Bank of Japan and Overseas Economic Cooperation Fund.

As fiscal incentive provision toward exporters, there were such tools as the Tax Credits for Export Income (abolished when Japan signed the GATT's Declaration to Abolish Export Subsidies on Products Other than Primary Commodities), the Accelerated Depreciation Allowances for Business Trading Internationally (1964–1971), and the Reserve for Opening up Overseas Markets for Small and Medium Enterprises (1962–1971).

The export insurance system played a role of protecting exporters from export-related risks that could be covered by the government and the private firms and the private insurance policies.

<sup>14</sup> See Institute for International Studies and Training, official web site (<http://www.iist.or.jp>).

Investment liberalization (direct investment inflows): Conducted sequentially with extra caution

### 3-1-2 Investment (Inward Direct Investment) Liberalization

The liberalization of inward direct investment was first conducted very carefully and sequentially in Japan. After the first wave of liberalization in July 1967, progressive capital liberalization took place. MITI conducted impact analysis studies for 104 major industries. Based on the findings of the studies, the cabinet submitted a report to the committee on foreign capital entitled “On liberalization of outward direct investment” in June 1967. With regard to the liberalization on inward direct investment, the pace was very slow. It was only in 1973 that 100 percent liberalization was achieved in principle. Due to such controls, the inflows of inward direct investment to Japan were limited to a small amount compared with other developed countries. The following describes the concern characterizing the background of such controls.

“The post-war Japanese economy fell short of the level of the United States and Europe in terms of capital stock and the technical level, and had shortage in foreign currency reserves necessary for importing raw material and capital goods from abroad. **Bringing in foreign capital is considered to be wiping out all these restrictions when the country tries to achieve faster reconstruction and development. On the other hand, however, it was considered that the growth and development of domestic industries would be impeded if foreign enterprises, especially American enterprises, which were rich in management resources, expand their operations directly to the Japanese domestic market.** There was a particular concern on capital holding cooperation as well as mergers and acquisitions by foreign capitals in industry sectors with high spillover effects to related industries and in infant industry sectors on their growth paths. For such sectors, there was even a view which questioned the total independence of domestic firms in making decisions on the issues related to their management controls such as exchange ratios of merger.”<sup>15</sup>

## 3-2 Japanese Trade and Investment Policy Undertakings in Recent Years (2000–present)

Trade policy in recent years: Pursuing FTAs while putting multilateral trade system at the center

So far, Japanese trade policy has placed an emphasis on multilateral arrangements and put its efforts to the maintenance of the multilateral trade regime. During the 1990s, countries and regions in the world started experiencing an active tendency toward regionalism, as represented by the formation of many free trade areas (FTAs). As of the end of 2001, there are approximately 150 FTAs in effect around the world.<sup>16</sup> Even in Japan, the view

<sup>15</sup> Komiya, Okuno and Suzumura (1997)

<sup>16</sup> As the reasons for this rapid expansion of FTAs in the world, the factors such as capital inflows FTAs possibly stimulate or the perspective of strengthening security ties are often pointed out. However, the strongest reason is said to be the fact that bilateral and regional FTAs are more easily agreed than multilateral trade agreements at the WTO.

that a country should form FTAs was voiced more strongly than before after the WTO ministerial meeting in Seattle failed to launch the new round of WTO trade negotiations in December 1999. **In fact, Japanese trade policy has now evolved to the point of pursuing FTAs, even while putting multilateral trade regimes such as the WTO at its center.** Japan's first FTA was agreed between Singapore in January 2001. Currently, possible agreements are being considered with other Asian countries and Mexico.

The Whitepapers on International Trade of FY2001 and of FY2002 describe the use of FTAs as follows:

“In working to boost the Japanese economy, it is becoming increasingly important that Japan not only further promote policy coordination among states, as exemplified by the traditional coordination of macroeconomic policies, but also optimize the synergy between its domestic and external policy. To these ends, **Japan is already shifting its external economic policy toward the multi-layered utilization of regional, bilateral, and other fora, while retaining its traditional focus on multilateral frameworks.**”<sup>17</sup>

“As the tightening of economic ties in East Asia accelerates, it has become increasingly important that Japan pursues an integrated domestic and external policy to incorporate East Asian growth factors as a means of stimulating the domestic economy. Japan therefore needs to advance the necessary measures in a wide range of areas to strengthen economic ties with the East Asian region. The specific framework in promoting this external economic policy is a multi-layered one, centered around multilateral efforts in the WTO but also utilizing FTAs, EPAs (economic partnership agreements) and other regional and bilateral efforts as supplements. In order for Japan to enjoy the maximum benefit from free trade and link this to stimulation of the economy, it will be vital to take a strategic and flexible approach to utilization of this multilateral framework.”<sup>18</sup>

Investment policy in recent years:  
Active use of inward direct investment to stimulate the Japanese economy

With regard to inward direct investment, the volume is still limited in Japan, compared with that in the United States and Europe, although recently an increasing number of foreign-affiliated corporations are expanding their operations in Japan. The outstanding stock of inward direct investment in Japan is as low as 1.2 percent of its GDP, while other developed countries have over 20 percent of their GDP. One of the reasons for this low level of inward foreign direct investment is that the “Japanese corporate management style” has been successful and Japan has been self-sufficient in management resources. However, as a way to overcome the economic deficit in the 1990s, a perspective

<sup>17</sup> *White Paper on International Trade: FY 2001.* (<http://www.meti.go.jp/hakusho/>)

<sup>18</sup> *White Paper on International Trade: FY 2002.* (<http://www.meti.go.jp/hakusho/>)

has emerged that Japan needs to actively use inward direct investment. **The Council on Economic and Financial Policy and the Prime Minister's General Policy Speech indicate the use of inward direct investment as a measure to stimulate the Japanese economy.**<sup>19</sup>

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<sup>19</sup> “In addition to economic stimulation through employment creation and promotion of competitions, an increase in inward direct investment brings about spillover effects in cutting-edge technologies and management know-how. Removing impeding factors in a planned manner promotes inward direct investment and expands knowledge inflows.” (The Council on Economic and Financial Policy)

In his General Policy Speech to the 156<sup>th</sup> Session of the Diet on January 31, 2003, Prime Minister Junichiro Koizumi's stated: “Foreign direct investment in Japan will bring new technology and innovative management methods, and will also lead to greater employment opportunities. Rather than seeing foreign investment as a threat, we will take measures to present Japan as an attractive destination for foreign firms in the aim of doubling the cumulative amount of investment in five years”. See, Office of Prime Minister web site: ([http://www.kantei.go.jp/foreign/koizumispeech/2003/01/31sisei\\_e.html](http://www.kantei.go.jp/foreign/koizumispeech/2003/01/31sisei_e.html))

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Ministry of Foreign Affairs	
(Top)	<a href="http://www.mofa.go.jp/mofaj/index.html">http://www.mofa.go.jp/mofaj/index.html</a>
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Development Gateway	
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United Kingdom Department for International Development (DFID)	
(International Trade Department)	<a href="http://www.dfid.gov.uk/AboutDFID/files/itd/itd1.html">http://www.dfid.gov.uk/AboutDFID/files/itd/itd1.html</a>
European Union (EU) (Trade)	<a href="http://europa.eu.int/comm/trade/index_en.htm">http://europa.eu.int/comm/trade/index_en.htm</a>
Integrated Framework for Trade-Related Technical Assistance to LDCs (IF)	<a href="http://if.wto.org/">http://if.wto.org/</a>
IISD Network / Trade and Investment	<a href="http://iisd1.iisd.ca/trade/default.htm">http://iisd1.iisd.ca/trade/default.htm</a>
International Trade Centre(ITC)	<a href="http://www.intracen.org/">http://www.intracen.org/</a>
The Joint Technical Assistance Programme (JITAP)	<a href="http://www.jitap.org/">http://www.jitap.org/</a>
Multilateral Insurance Guarantee Agency (MIGA)	
(Top)	<a href="http://www.miga.org/">http://www.miga.org/</a>
(Investment promotion network: IPAnet)	<a href="http://www.ipanet.net/">http://www.ipanet.net/</a>
MIGA-IPA net (Links to investment-related agencies)	<a href="http://www.ipanet.net/ilink/drilldown.cfm?type=20&amp;family=364&amp;child=364">http://www.ipanet.net/ilink/drilldown.cfm?type=20&amp;family=364&amp;child=364</a>
Organisation for Economic Cooperation and Development (OECD)	
(Trade)	<a href="http://www.oecd.org/EN/home/0,,EN-home-24-nodirectorate-no-no--24,00.html">http://www.oecd.org/EN/home/0,,EN-home-24-nodirectorate-no-no--24,00.html</a>
(Financial/Investment)	<a href="http://www.oecd.org/EN/home/0,,EN-home-9-nodirectorate-no-no--9,00.html">http://www.oecd.org/EN/home/0,,EN-home-9-nodirectorate-no-no--9,00.html</a>
The Trade Knowledge Network	<a href="http://www.iisd.org/tkn/default.htm">http://www.iisd.org/tkn/default.htm</a>

Trade and Development Centre	<a href="http://www.itd.org/">http://www.itd.org/</a>
United Nations Commission on International Trade Law (UNCITRAL)	<a href="http://www.uncitral.org/">http://www.uncitral.org/</a>
United Nations Conference on Trade and Development(UNCTAD)	
(Top)	<a href="http://www.unctad.org/">http://www.unctad.org/</a>
(Division of Investment Technology & Enterprise Development: DITE)	<a href="http://www.unctad.org/en/subsites/dite/">http://www.unctad.org/en/subsites/dite/</a>
(Advisory Services in Investment and Training: ASIT)	<a href="http://www.unctad.org/asit/index2.html">http://www.unctad.org/asit/index2.html</a>
United Nations Industrial Development Organization(UNIDO)	
(Top)	<a href="http://www.unido.org/">http://www.unido.org/</a>
(Investment and Technology Promotion Center, Tokyo)	<a href="http://www.unido.or.jp/index.html">http://www.unido.or.jp/index.html</a>
United States Agency for International Development (USAID)	
(Top)	<a href="http://www.usaid.gov/">http://www.usaid.gov/</a>
(USAID-Trade Capacity Building Database)	<a href="http://www.usaid.gov/economic_growth/">http://www.usaid.gov/economic_growth/</a>
US Department of Commerce	<a href="http://www.commerce.gov/">http://www.commerce.gov/</a>
US Trade and Development Agency	<a href="http://www.tda.gov/">http://www.tda.gov/</a>
World Association of Investment Promotion Agencies	<a href="http://www.waipa.org/index.html">http://www.waipa.org/index.html</a>
World Customs Organization(WCO)	<a href="http://www.wcoomd.org/ie/index.html">http://www.wcoomd.org/ie/index.html</a>
World Bank	
(Trade)	<a href="http://www1.worldbank.org/wbiep/trade/">http://www1.worldbank.org/wbiep/trade/</a>
(Investment Climate)	<a href="http://www.worldbank.org/privatesector/ic/index.htm">http://www.worldbank.org/privatesector/ic/index.htm</a>
World Trade Organization (WTO)	
(Top)	<a href="http://www.wto.org/index.htm">http://www.wto.org/index.htm</a>
(Committee on Trade and Development)	<a href="http://www.wto.org/english/tratop_e/d3ctte_e.htm">http://www.wto.org/english/tratop_e/d3ctte_e.htm</a>

## (2) Statistics

Statistics for trends in Japanese trade	<a href="http://www.meti.go.jp/policy/trade_policy/trade_db/index.html">http://www.meti.go.jp/policy/trade_policy/trade_db/index.html</a> (METI)
Japanese trade statistics	<a href="http://www.jetro.go.jp/ec/j/trade/index.html">http://www.jetro.go.jp/ec/j/trade/index.html</a> (JETRO)
UNCTAD Trade & FDI statistics (categorized by developed and developing countries)	<a href="http://www.unctad.org/Templates/Page.asp?intItemID=1584&amp;lang=1">http://www.unctad.org/Templates/Page.asp?intItemID=1584&amp;lang=1</a>
WTO Trade statistics(categorized by regions)	<a href="http://www.wto.org/english/res_e/statis_e/statis_e.htm">http://www.wto.org/english/res_e/statis_e/statis_e.htm</a>

## (3) WTO-related

Ministry of Foreign Affairs (WTO special site)	<a href="http://www.mofa.go.jp/mofaj/gaiko/wto/index.html">http://www.mofa.go.jp/mofaj/gaiko/wto/index.html</a>
Ministry of Economy, Trade and Industry (WTO special site)	<a href="http://www.meti.go.jp/policy/trade_policy/wto/index.html">http://www.meti.go.jp/policy/trade_policy/wto/index.html</a>
Ministry of Agriculture, Forestry and Fisheries (Negotiations on agriculture)	<a href="http://www.maff.go.jp/wto/index.html">http://www.maff.go.jp/wto/index.html</a>
(WTO Doha Agenda)	<a href="http://www.wto.org/english/tratop_e/dda_e/dda_e.htm">http://www.wto.org/english/tratop_e/dda_e/dda_e.htm</a>

## (4) MDGs – Trade-related

MOFA	<a href="http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/seisaku_2/mdgs_gai.html">http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/seisaku_2/mdgs_gai.html</a>
OECD	<a href="http://www.oecd.org/EN/home/0,,EN-home-66-nodirectorate-no-no-no-15,00.html">http://www.oecd.org/EN/home/0,,EN-home-66-nodirectorate-no-no-no-15,00.html</a>
UNDP	<a href="http://www.undp.org/mdg/">http://www.undp.org/mdg/</a>
World Bank (MDGs)	<a href="http://www.developmentgoals.org/Partnership.htm">http://www.developmentgoals.org/Partnership.htm</a>



## Development Objectives Chart for Trade and Investment Promotion

Development Objectives		Mid-term Objectives	Sub-targets of Mid-term Objectives	Examples of Activities
1 Strengthening Responsive Capacity for Promoting Trade and Investment within the International Framework	1-1 Establishing Basic Conditions for Promoting Trade and Investment	Legal System Development for Commercial Transactions	Development of commercial laws and others (advising on codification of individual laws, creating an overview map of existing laws, training and education for the Bar)	Development of commercial laws and others (advising on codification of individual laws, creating an overview map of existing laws, training and education for the Bar) Assistance toward development plans of distribution infrastructure such as airports, ports, and roads Policy formulation for electricity sector, assistance toward formulating power sources development plans Policy and institutional development in relation to information technology (IT) Banking sector, capital market development Human resources development in financial sector Capacity and skills improvement for standardization Capacity and skills improvement for metrology and testing Assistance toward development of statistics Assistance toward establishing and developing intellectual property rights
		Provision of Economic Infrastructure	Assistance toward development plans of distribution infrastructure such as airports, ports, and roads Policy and institutional development in relation to information technology (IT) Banking sector, capital market development Human resources development in financial sector Capacity and skills improvement for standardization Capacity and skills improvement for metrology and testing Assistance toward development of statistics Assistance toward establishing and developing intellectual property rights	
2 Capacity Building for Trade Promotion	1-2 Strengthening Capacity to Respond to International Trade and Investment Rules of the WTO and Others	Creation of Sound Business Environment for Domestic Industries	Formulation of master plans for industry development Formulation of small and medium enterprise and supporting industry development policies Training of the fundamental skills (metallurgical skills, casting skills), basic research, R&D	Formulation of master plans for industry development Formulation of small and medium enterprise and supporting industry development policies Training of the fundamental skills (metallurgical skills, casting skills), basic research, R&D Human resources development in public sector (program to enhance understanding of significance of trade and investment liberalization, improving quality of education on international economy and trade, etc.) Business human resources development in private sector (Japan center, trade training center, etc.) Improvement of labor force quality (strengthening science and mathematics education, occupational training, and industry technology training, etc.) Enhancement of understanding on the WTO agreements in general, and on the significance of trade and investment liberalization Promotion of public-private dialogue Development of trade policies and domestic legal system consistent with the WTO, enhancement of understanding on new privileges and obligations (WTO accession assistance program) Enhancement of understanding on impacts to the domestic economy and industries by joining the WTO Enhancement of understanding on the accession procedure Institutional building and human resources development in relation to trade and investment promotion, responding to the developments at the WTO and others (training of negotiators and administrative officials) x Specific and concrete advising on accession negotiations Development of trade policies and domestic legal system consistent with international rules such as the WTO Assistance toward enforcement and implementation of consistent policies and institutions Enhancement of understanding on individual agreements x Strengthening of negotiation capacity for negotiations at the WTO and others x Specific and concrete advising on negotiations at WTO and others Studies on the state of implementation of the WTO agreements by individual countries Institutional building and human resources development in relation to trade and investment promotion, responding to the developments at the WTO and others (training of negotiators and administrative officials)
		Human Resources Development	Human resources development in public sector (program to enhance understanding of significance of trade and investment liberalization, improving quality of education on international economy and trade, etc.) Business human resources development in private sector (Japan center, trade training center, etc.) Improvement of labor force quality (strengthening science and mathematics education, occupational training, and industry technology training, etc.) Enhancement of understanding on the WTO agreements in general, and on the significance of trade and investment liberalization Promotion of public-private dialogue Development of trade policies and domestic legal system consistent with the WTO, enhancement of understanding on new privileges and obligations (WTO accession assistance program) Enhancement of understanding on impacts to the domestic economy and industries by joining the WTO Enhancement of understanding on the accession procedure Institutional building and human resources development in relation to trade and investment promotion, responding to the developments at the WTO and others (training of negotiators and administrative officials) x Specific and concrete advising on accession negotiations Development of trade policies and domestic legal system consistent with international rules such as the WTO Assistance toward enforcement and implementation of consistent policies and institutions Enhancement of understanding on individual agreements x Strengthening of negotiation capacity for negotiations at the WTO and others x Specific and concrete advising on negotiations at WTO and others Studies on the state of implementation of the WTO agreements by individual countries Institutional building and human resources development in relation to trade and investment promotion, responding to the developments at the WTO and others (training of negotiators and administrative officials)	
3 Capacity Building for Foreign Direct Investment Promotion	2-1 Establishing System for Formulating Trade-related Policies and Institutions and their Proper Implementation	Improving Capacity to Implement the WTO and Other International Rules	Development of trade policies and domestic legal system consistent with international rules such as the WTO Assistance toward enforcement and implementation of consistent policies and institutions Enhancement of understanding on individual agreements x Strengthening of negotiation capacity for negotiations at the WTO and others x Specific and concrete advising on negotiations at WTO and others Studies on the state of implementation of the WTO agreements by individual countries Institutional building and human resources development in relation to trade and investment promotion, responding to the developments at the WTO and others (training of negotiators and administrative officials)	Development of trade policies and domestic legal system consistent with international rules such as the WTO Assistance toward enforcement and implementation of consistent policies and institutions Enhancement of understanding on individual agreements x Strengthening of negotiation capacity for negotiations at the WTO and others x Specific and concrete advising on negotiations at WTO and others Studies on the state of implementation of the WTO agreements by individual countries Institutional building and human resources development in relation to trade and investment promotion, responding to the developments at the WTO and others (training of negotiators and administrative officials) Formulation of future visions of industry and trade structure (recommendations on industry and trade promotion policies) Advising on trade policy formulation x Strengthening capacity to formulate and implement trade policies Assistance toward implementation of the WTO agreements (improving necessary knowledge for legal development, institutional building for law-making) x Formulation and development of trade-related laws and regulations (basic law on imports and exports, basic laws on customs, and other import-related laws such as laws on quarantines, plant disease prevention, and medicines) Advising and capacity building for developing trade-related laws and regulations Capacity building for enforcing and implementing trade-related laws and regulations Trade-related institutional building Assistance toward formulating export promotion plans (selecting strategic export industries and products, setting targets for exports and selection of strategic export markets, formulation of specific support measures) Assistance toward formulating plans on export processing zones Establishment and development of trade-related financial system (trade insurance, export credits, etc.) Establishment of export (trade) promotion agencies
		Formulation and Implementation of Industrial and Trade Policies Based on Medium- to Long-term Perspectives	Formulation of future visions of industry and trade structure (recommendations on industry and trade promotion policies) Advising on trade policy formulation x Strengthening capacity to formulate and implement trade policies Assistance toward implementation of the WTO agreements (improving necessary knowledge for legal development, institutional building for law-making) x Formulation and development of trade-related laws and regulations (basic law on imports and exports, basic laws on customs, and other import-related laws such as laws on quarantines, plant disease prevention, and medicines) Advising and capacity building for developing trade-related laws and regulations Capacity building for enforcing and implementing trade-related laws and regulations Trade-related institutional building Assistance toward formulating export promotion plans (selecting strategic export industries and products, setting targets for exports and selection of strategic export markets, formulation of specific support measures) Assistance toward formulating plans on export processing zones Establishment and development of trade-related financial system (trade insurance, export credits, etc.) Establishment of export (trade) promotion agencies	
3 Capacity Building for Foreign Direct Investment Promotion	2-2 Strengthening Information Services to the Private Sector	Establishment of Trade-related Laws, Regulations, and Institutions	Formulation and development of trade-related laws and regulations (basic law on imports and exports, basic laws on customs, and other import-related laws such as laws on quarantines, plant disease prevention, and medicines) Advising and capacity building for developing trade-related laws and regulations Capacity building for enforcing and implementing trade-related laws and regulations Trade-related institutional building Assistance toward formulating export promotion plans (selecting strategic export industries and products, setting targets for exports and selection of strategic export markets, formulation of specific support measures) Assistance toward formulating plans on export processing zones Establishment and development of trade-related financial system (trade insurance, export credits, etc.) Establishment of export (trade) promotion agencies	Formulation and development of trade-related laws and regulations (basic law on imports and exports, basic laws on customs, and other import-related laws such as laws on quarantines, plant disease prevention, and medicines) Advising and capacity building for developing trade-related laws and regulations Capacity building for enforcing and implementing trade-related laws and regulations Trade-related institutional building Assistance toward formulating export promotion plans (selecting strategic export industries and products, setting targets for exports and selection of strategic export markets, formulation of specific support measures) Assistance toward formulating plans on export processing zones Establishment and development of trade-related financial system (trade insurance, export credits, etc.) Establishment of export (trade) promotion agencies
		Information Provision on Overseas Trade-related Procedures and Domestic Procedures and Preferential Measures	Information technology improvement in official procedures and operations related to trade (permissions and authorizations, customs clearance, ports, quarantines, port entry, and exit procedures, etc.) x Information technology improvement in private procedures and operations (procedures for transferring legal claims among shippers, carriers, banks, and others, shipping contracts, insurance contracts, etc.) Optimization of customs operation Establishment and strengthening of public technical support organizations (quality improvement) Capacity building in examinations and tests Capacity building in metrology and standards Capacity building in quarantines Capacity building in enforcing and implementing intellectual property right system Capacity building in implementing trade-related financial system (trade insurance, export credits, etc.)	
3 Capacity Building for Foreign Direct Investment Promotion	2-3 Fostering Viable Private Sector	Overseas Market Development	Overseas market information gathering and provision Organizing market seminars Organizing product exhibitions, conventions x Organizing trade fairs x Developing IT infrastructure	Overseas market information gathering and provision Organizing market seminars Organizing product exhibitions, conventions x Organizing trade fairs x Developing IT infrastructure Management and technical guidance toward public support agencies Management capacity building Product development and agro-processing technical training Strengthening of cluster functions Promotion of enterprise diagnostic services x Promotion of management skills services for small and medium enterprises on the private basis (business development services, BDS) Assistance toward investment policy formulation Policy advising on attracting foreign direct investment
		Fostering Viable Private Sector	Management and technical guidance toward public support agencies Management capacity building Product development and agro-processing technical training Strengthening of cluster functions Promotion of enterprise diagnostic services x Promotion of management skills services for small and medium enterprises on the private basis (business development services, BDS) Assistance toward investment policy formulation Policy advising on attracting foreign direct investment	
3 Capacity Building for Foreign Direct Investment Promotion	3-1 Developing System for Formulating Investment-related Policies and Institutions and their Appropriate Implementation	Investment Promotion Policy Development	Assistance toward investment policy formulation Policy advising on attracting foreign direct investment	Assistance toward investment policy formulation Policy advising on attracting foreign direct investment Development of laws, agreements, rules, etc. (investment law, competition law, investment protection agreement, foreign national employment rules, local employment rules Development and establishment of intellectual property rights Institutional and legal system development on export processing zones x Institutional development for exports and imports, simplification and efficiency improvement in procedures and operations such as permissions and authorization, customs clearance, ports, quarantines, port entry and exit procedures, etc. (one-stop service and use of IT) x Simplification and efficiency improvement in private procedures and operations (procedures for transferring legal claims among shippers, carriers, banks, and others, shipping contracts, insurance contracts, etc.) Technical enhancement for international standards (standards, conformity assessment) Policy advising toward tariff reduction (customs administration and policies)
		Establishing of Investment-related Laws and Institutions	Development of laws, agreements, rules, etc. (investment law, competition law, investment protection agreement, foreign national employment rules, local employment rules Development and establishment of intellectual property rights Institutional and legal system development on export processing zones x Institutional development for exports and imports, simplification and efficiency improvement in procedures and operations such as permissions and authorization, customs clearance, ports, quarantines, port entry and exit procedures, etc. (one-stop service and use of IT) x Simplification and efficiency improvement in private procedures and operations (procedures for transferring legal claims among shippers, carriers, banks, and others, shipping contracts, insurance contracts, etc.) Technical enhancement for international standards (standards, conformity assessment) Policy advising toward tariff reduction (customs administration and policies)	
3 Capacity Building for Foreign Direct Investment Promotion	3-2 Strengthening Information Services to the Private Sector	Facilitation for Sourcing Production Materials	Institutional development for exports and imports, simplification and efficiency improvement in procedures and operations such as permissions and authorization, customs clearance, ports, quarantines, port entry and exit procedures, etc. (one-stop service and use of IT) x Simplification and efficiency improvement in private procedures and operations (procedures for transferring legal claims among shippers, carriers, banks, and others, shipping contracts, insurance contracts, etc.) Technical enhancement for international standards (standards, conformity assessment) Policy advising toward tariff reduction (customs administration and policies)	Institutional development for exports and imports, simplification and efficiency improvement in procedures and operations such as permissions and authorization, customs clearance, ports, quarantines, port entry and exit procedures, etc. (one-stop service and use of IT) x Simplification and efficiency improvement in private procedures and operations (procedures for transferring legal claims among shippers, carriers, banks, and others, shipping contracts, insurance contracts, etc.) Technical enhancement for international standards (standards, conformity assessment) Policy advising toward tariff reduction (customs administration and policies)
		Development of Information and Services on Investment Climate	Functional empowerment of investment focal-points Establishment and management of Japan desk Introduction of foreign enterprise attraction policies Creating company database x Enterprise consulting services x Manufacturing and industry statistics development x Feasibility studies for potential investment projects	
3 Capacity Building for Foreign Direct Investment Promotion	3-2 Strengthening Information Services to the Private Sector	Promotion of Mutual Exchanges of Investment	Assistance toward regional economic zone policies (policy advising on implementation of agreed items) Organizing investment seminars, dispatching investment missions Creating company database	Assistance toward regional economic zone policies (policy advising on implementation of agreed items) Organizing investment seminars, dispatching investment missions Creating company database
		Development of Information and Services on Investment Climate	Functional empowerment of investment focal-points Establishment and management of Japan desk Introduction of foreign enterprise attraction policies Creating company database x Enterprise consulting services x Manufacturing and industry statistics development x Feasibility studies for potential investment projects	

Examples of Activities:  
 = JICA has considerable experience  
 = JICA has certain experience  
 = JICA has experience as a component of projects  
 x = JICA has little experience