

PRESS RELEASE



Japan's SMEs Reaches Out to Asia and ASEAN

Fukuoka, February 14, 2013 -Economic Research Institute for ASEAN and East Asia (ERIA) organized the one-day forum, ERIA Fukuoka Forum "Economic Integration in East Asia: Opportunities and Challenges for Japanese SME" jointly with Fukuoka Prefecture to strengthen economic cooperation and investment between Fukuoka, Japan and Asia.

The ASEAN economic integration provides an excellent opportunity and direct access for the Japanese small and medium size enterprises (SMEs) to tap in the huge emerging market.

Mr. Hiroshi Ogawa, Governor of Fukuoka Prefecture, said in his opening remarks today at the conference, "Economic Integration in East Asia: Opportunities and Challenges for Japanese SME," that the Japanese SMEs from Kyushu are keen to move to Asia given its increased interactions between Fukuoka and the rest of region in all areas.



Mr. Ogawa also added that Fukuoka has developed Green Asia International Strategy Comprehensive Zone which will contribute to solving Asia's environmental problems.

In her keynote speech, Mrs. Vasana Mututanont, Deputy Secretary General, Thailand Board of Investment, pointed out that part production, especially for automotive, electronics, and appliances industries has abundant opportunities to invest in ASEAN due to the existing Japanese multinational supply chain network.

She also added that manufacturing related services such logistics, research and development as well as technical services "have good opportunities to serve both Japanese and local companies that would like to upgrade their technology and strengthen their competitiveness".

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Dr. Yose Rizal Damuri, Centre for Strategic and International Studies, Indonesia, echoed her views and stressed that Japan's SME can take advantages of the single market in ASEAN, which is the fifth largest trading partner in the world. He pointed out the Japan's SMEs still reluctant to invest abroad due to the lack of information, high trade costs and business uncertainty.

Dr. Ganeshan Wignaraja, Director of Research, Asian Development Bank Institute, concurred that; the AEC in 2015 promised major opportunities for Japan's SMEs. "Most of Japan's firms are SMEs, employing a major of workers, and have a future role in regional cooperation and integration in Asia." But to do, Japan would need a new growth strategy that secure and expand employment, he added.

Prof. Kazushi Shimizu of Kyushu University reiterated that Kyushu has been gateway to Asia since the ancient times as Buddhism, tea, udon noodle, etc. entered Japan through Hakata, Fukuoka. He also added that Kyushu is a key production base of vehicles and semiconductors. "Local suppliers in ASEAN should take advantage of the growing automobile outputs," he added.

Other speakers included Dr. Sothea Oum of ERIA, Assistant Prof. Kriengkrai Techakanont, Thammasat University, Prof Hideo Kobayashi, Waseda University. Mr. Masao Suematsu, COO & Executive Vice President, Denso International Asia Co., Ltd., Mr. Yoshitaka Kawabe, president, Hatchando Vietnam Co. Ltd.

At the forum, the speakers and participants agreed that the ERIA Fukuoka Forum should serve as a forum exclusively to discuss SMEs prospects and challenges for the region. More than 300 participants including those from SME community in Kyushu attended the conference.

Prof. Hidetoshi Nishimura, Executive Director of ERIA, wrapped up the conference by emphasizing that the ASEAN economic integration will benefit the economy of the whole region.

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