

Akira Kajita
 MANAGING DIRECTOR
 JETRO KUALA LUMPUR
 Country: Japan/Malaysia
 Contact: +603 - 2171 6100
 akira_kajita@jetro.go.jp

A helping hand straight from Japan

Economic resurgence, sophisticated market, innovation hub, business-friendly infrastructures, comfortable living, and *JETRO*.

What are these, you may ask? Well, they are six enticing reasons for businesses to invest in Japan!

The first five points are already well-documented but what about the sixth reason, *JETRO*? As a government-funded trade and investment promotion organization under Japan's Ministry of Economy, Trade, and Industry (METI), *JETRO* was first established in 1958 and is an abbreviation of "Japan External Trade Organization".

"What we do is promote trade and investments from Japan to the rest of the world," Akira Kajita, the

Managing Director of *JETRO Kuala Lumpur* told *HMag*. "We focus more on SMEs (small and medium-sized enterprises) because large companies such as Toyota and Panasonic can manage (investing) by themselves. Unlike the SMEs, these large corporations don't require support from the government. We have also started to promote inward investment from other countries into Japan," he explained.

With 77 offices worldwide and 55 offices located domestically in Japan, *JETRO* provides information, trade consultation, exhibition support, business matching, and plenty other services which SMEs would find useful. "For Malaysian investors going to Japan, the major challenge during these past two or three years has been the exchange rate. The value of the Malaysian Ringgit has depreciated and this has naturally become a disadvantage. Previously, however, plenty of investments from Malaysia have benefited from our support. Among them were (budget airline) *AirAsia*, which we helped with their opening branch in Osaka, and also the development group, *Tropicana Corporation*, which we helped with their hotels in Okinawa," he said further.

Kajita also revealed that these investments come from a variety of industries but tourism and halal food are the ones which stand out. "The number of Malaysians visiting Japan is ever-increasing and this creates a huge demand in tourism. Japan's halal food industry has also been expanding rapidly. Malaysia gains a huge advantage here as its halal certification is amongst the best in the world and the production of local halal products is massive. *Brahim's*, for example, is a company which has been successful in penetrating the Japanese market," he elaborated further.

With the Summer Olympic Games set to be hosted by Tokyo in 2020, lucrative opportunities have been carved wide open for the halal food industry. The Japanese government previously stated that they are expecting 40 million



For Malaysian investors going to Japan, the major challenge during these past two or three years have been the exchange rate. The value of the Malaysian Ringgit has depreciated and this is a disadvantage

foreign visitors to arrive on their shores during the course of that year. Naturally, a significant portion of these people will be Muslims, thus creating a huge demand for halal products.

JETRO Kuala Lumpur was established in 1958, one year after Malaysia's independence, and is one of the organisation's oldest overseas offices. "At first, we were based at the Japanese Embassy with just one officer from Tokyo and another one who was locally-hired. Around 20 or 30 years

ago, Malaysia provided many incentives to foreign investors, especially in the manufacturing industry. This made it a very attractive place to conduct business. But since then, the cost of labour escalated and Malaysia's advantage has decreased. Now, there is stiff competition from other countries such as Indonesia, Thailand, Vietnam, and the Philippines," he pointed out.

HMag also asked Kajita for his opinion on policies that would help foster foreign investments into Malaysia. He gave an honest assessment. "During these last couple of years, Malaysia's business environment has become very bad, not only for Japanese investors but also for the locals. The ban on foreign workers last February (2016) is one example. Then there was GST (Goods and Service Tax) which was introduced back in 2015 but is still facing problems until this very day. Then, last December, Bank Negara (the Central Bank) introduced new foreign exchange administration (FEA) rules. All these policies were announced rather suddenly and companies had to implement them with little preparation time. People got confused and this is not good for business," he pointed out.

It may be true that making investments and conducting trade between the two countries is no longer as easy as it used to be, but at least one thing remains constant – *JETRO* will be there to lend a helping hand. And that is a reason to be grateful! 

