

# Road to recovery

- 1. Framework of the law for Special Zone for Reconstruction
- 2. Approved or Planned Special Zone for reconstruction
- 3. Approved Reconstruction Acceleration Plan
- 4. Grant for Reconstruction to the Afflicted Municipalities
- 5. Involvement of Private Sector for Reconstruction
- 6. Support of JETRO for Involvement of Private Sector

23rd March 2012 Reconstruction Agency

### 1. Framework of the law for Special Zone for Reconstruction

Municipalities located in the "disaster afflicted zones", stipulated in the Act on Special Provisions of Article 3 of the Public Finance Act, can formulate plans on the Special Zone for Reconstruction to be submitted to the Government for the package of special arrangements.

Basic Guidelines for

Government fo

the Special Zone for Reconstruction

(To be decided by the Cabinet)

Basic guideline

Government fo

Special Zones

- Significance of smooth and swift reconstruction in the Special Zone for Reconstruction
- Basic guideline for necessary assistance and other measures to be taken by the
   Government for afflicted municipalities for smooth and swift reconstruction in the
   Special Zones
- •Basic elements of approval system of Reconstruction Acceleration Plans
- Special measures and arrangements to be taken in the Special Zones

#### Consultative body of Central and Local Governments

established in each
Prefecture, held in regions
affected by the disaster
and directed by the future
Reconstruction Agency
to discuss proposals from
local authorities on special
arrangements and
other related elements
(working groups can be set
up by region)

#### Consultative body of Reconstruction Acceleration Plan

Plan to apply for special measures and arrangements involving deregulation, reduced procedures, tax incentives and other special measures.

Formulated by Prefectures and municipalities separately or jointly. Private enterprises are entitled to make proposals.

#### **Approval by the Prime Minister**

- Special deregulation and reduced procedures covering housing, industry, town-building, medical services, nursing care and others.
- Tax incentives to promote employment and industrial activities
- Interest substitute for loan lenders

#### **Land Restructuring Plan**

Plan to apply for special arrangements involving approval, procedures, etc. for land restructuring

Formulated by municipalities alone or jointly with Prefecture.

 Public hearings, announcement and inspection when necessary
 Consultation and agreement in the process of consultation on restructuring

#### **Disclosure of Plans**

# Special arrangements for land use restructuring

- Special arrangement of concession necessary for projects
- Integrated "one-stop" procedures
- Creation of new types of project system related to land use.

#### Reconstruction Grant Projects Plan

Plan involving grant projects (projects for reconstruction in areas severely affected by the disaster)

Formulated by municipalities alone or jointly with Prefecture.

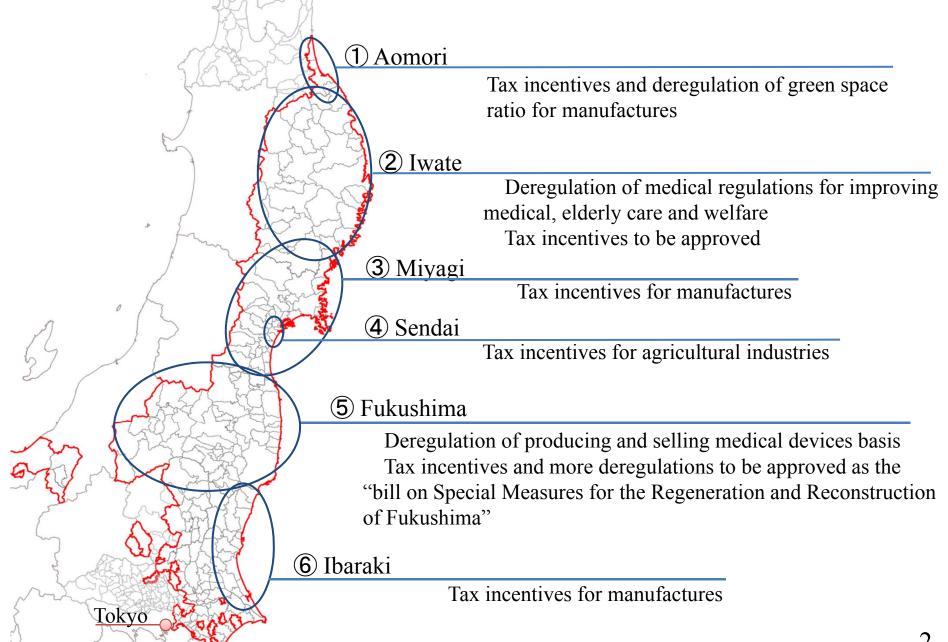
#### Submission to the Prime Minister

# Reconstruction Grant to support regional reconstruction

- Unified subsidy projects for municipalities (originally 40projects at different ministries)
- Secure resources with flexible use for local governments
- Central government will finance all the local expenditures
- Flexible implementation and simplified procedures

Add and/or enhance special arrangements

## 2 . Approved or Planned Special Zone for reconstruction



# 3. Approved Reconstruction Acceleration Plan

19th March 2012

|   | region        | Approved<br>date     | Special districts           | summary   | Approved for some special measures applications   |
|---|---------------|----------------------|-----------------------------|---|---|
| 1 | Aomori        | 2 <sup>nd</sup> Mar  | municipalities              | Tax incentives and deregulation of green space ratio for manufactures               | ●Tax incentives (corporation tax, real estate acquisition tax, etc)  【Types of industry】 eco-friendly manufacture, life science industry, electronics industry, environment and renewable energy industry, food industry, information service industry, retail  【Special districts】 Hachinohe city, Misawa city, Oirase town, Hashikami town  ●Deregulation of green space ratio  【Special districts】 Hachinohe city, Oirase town, Hashikami town   |
| 2 | Iwate         | 9 <sup>th</sup> Feb  | Iwate pref.                 | Deregulation of medical regulations for improving medical, elderly care and welfare | <ul> <li>Deregulation of medical regulations for improving medical, elderly care and welfare</li> <li>Special provision of the medical staff arrangement regulation for hospitals</li> <li>[Special districts] the entire pref.</li> <li>Special provision of the welfare staff management regulation for in-home service</li> <li>Special provision of the welfare staff management regulation for Intensive Care Home for the Elderly</li> <li>Special provision of the welfare staff management regulation for Long-Term Care Health Facility</li> <li>Special provision of the Regulations for Buildings and Facilities for Pharmacies</li> <li>[Special districts] costal 12 municipalities</li> </ul> |
| 3 | Miyagi        | 9 <sup>th</sup> Feb  | Miyagi pref.                | Tax incentives for manufactures   | ● Tax incentives (corporation tax, real estate acquisition tax, etc)  【Types of industry】 manufactures (automobile industry, electric industry, food industry, wood industry, medical health industry, renewable energy industry, aerospace industry and marine industry)   |
| 4 |               | 2 <sup>nd</sup> Mar  | •                           | Tax incentives for agricultural industries  | ●Tax incentives (corporation tax, real estate acquisition tax, etc)  【Types of industry】 agricultural industry, renewable energy industry, R&D industry  【Special districts】 the costal region of Sendai city   |
| 5 | Fuku<br>shima | 16 <sup>th</sup> Mar | Fukushima<br>pref.          | Deregulation of producing and selling medical devices basis                         | <ul> <li>Deregulation of producing and selling medical devices basis</li> <li>[Special districts] the entire pref.</li> </ul>   |
| 6 | Ibaraki       | 9 <sup>th</sup> Mar  | East side 13 municipalities | Tax incentives for manufactures   | Tax incentives (corporation tax, real estate acquisition tax, etc)  [Types of industry] eco-friendly and renewable energy industry, automobile and constructional machine, material industry, electronic industry, food industry, marine products industry, wood industry, carrier industry, sightseeing industry, retail and service industry  [Special districts] costal 9 municipalities and the next 4 municipalities  -3-  |

### 4. Grant for Reconstruction to the Afflicted Municipalities

Objective: Support town-building based on the reconstruction plan formulated by local governments afflicted by the disaster and accelerate reconstruction process by providing "grant for reconstruction".

Targeted projects: Projects necessary for the reconstruction of areas severely affected by the disaster.

\*Projects by or in the municipalities located in the "disaster afflicted zones"

Budget Scale: Total of 1 trillion 930 billion Yen on Project Basis

#### **Core Projects**

Integrate diverse infrastructure projects necessary for regional development of the afflicted local governments for its reconstruction .

Road rehabilitation project

Land readjustment project

Collective relocation for disaster prevention project

Agricultural area development project

Fishery village development project

School facilities development project

Earthquake resistance reinforcement project for hospitals

Project to install eco-friendly purification tank

40 existing projects from 5 Ministries



Afflicted local governments

Support town-building based on respective reconstruction plans

#### Alleviate financial burden on local governments

No additional expense for local governments by finance of the Central Government in the forms of (1)Additional national subsidy and (2) supplementary local allocation tax.

#### First distribution of grants

■ Total of approximately 251 billion yen (national budget) was distributed to 59 municipalities in 7 prefectures.

### 5. Involvement of Private Sector for Reconstruction

#### Establishment of a New Service for Collaboration with Private Sector

#### 1. Organization

- Establishment of a new service for collaboration with private-sector for reconstruction on 1st Apr 2012, "Unit for Collaboration with Private Sector for Reconstruction".
- ➤ The staffs of the new sector including; Japan Business Federation, Japan Association of Corporate Executives, Japan Chamber of Commerce and Industry.
- Establishment of the new units in each Regional Bureaus of Reconstruction Agency.
- → Total 20 officers (10 officers in Tokyo headquarters, 10 officers in regional bureaus)

#### 2. Mission

- ➤ Provide technical support for collaboration with private sector in the afflicted municipalities;
- ➤ Hold committees in charge of each reconstruction project and provide necessary support to relevant governments;
- ➤ Hold seminars and exhibitions to promote collaboration with private sector;
- Release a list of FAQ and best practices of collaboration for reconstruction with private sector in afflicted municipalities.

#### [Contact]

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## 6. Support of JETRO for Involvement of Private Sector

#### 1. Business Hotline for your business

JETRO has established a hotline for Foreign companies in Japan who have business concerns/difficulties due to the Great East Japan Earthquake.

The consultation is limited to international business issues and items related to company operations in Japan (e.g. tax accounting issues, human resources, etc.).

#### **Please contact:**

JETRO Invest Japan Department (TEL:+81-3-3582-5410, Email:BizHotline@jetro.go.jp)

# 2. Briefing on the Current Situation of the Japanese Economy after the Great East Japan Earthquake

The Japanese Government and JETRO are hosting briefings on the current situation of the Japanese economy after the Great East Japan Earthquake in major cities of the world and in Japan for foreign companies.

Total 27times in 21cities (Beijing, London, Shanghai, Bangkok, Seoul, Paris, Dusseldorf, Lausanne, Zurich, Mexico City, Milano, Hong Kong, Singapore, New York, Brussels, Tokyo, Osaka etc.)



More information http://www.jetro.go.jp/en/earthquake/