

Investment Practice and Policy Issues for the XXI Century Investment Promotion, a Japanese Perspective

July 12th, 2016

TPP & Investment Seminar

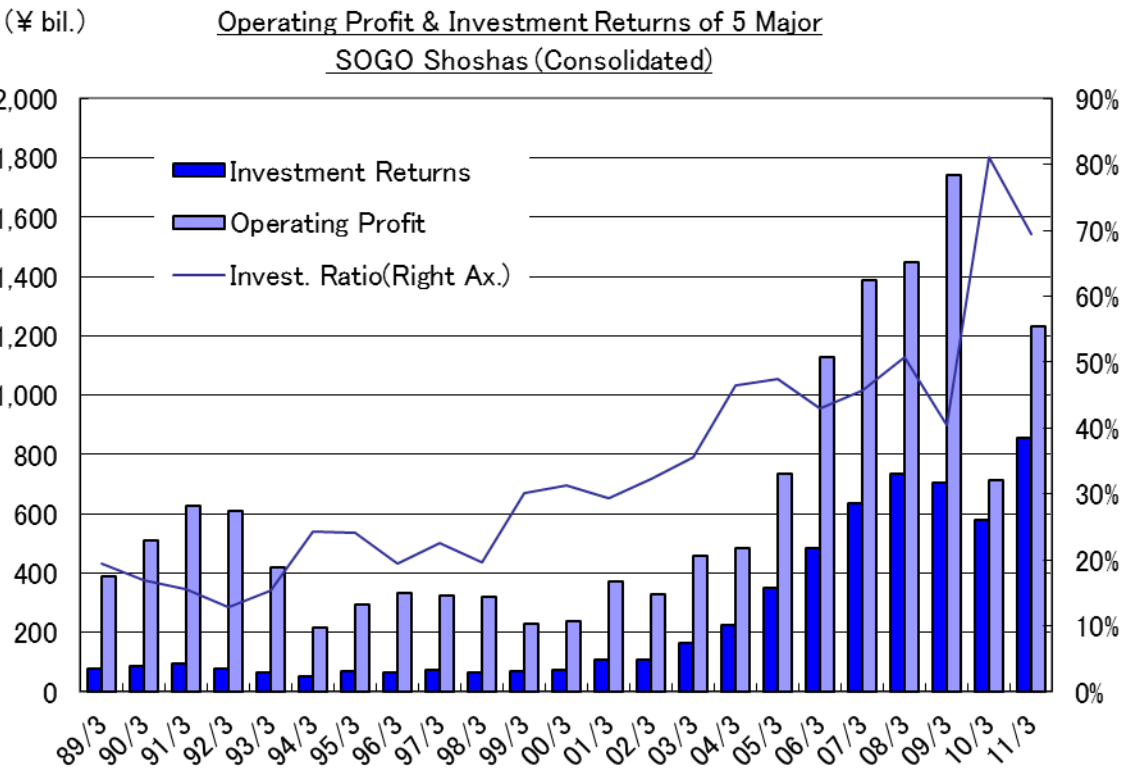
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Sogo Shosha's Business: Economic Globalization and Shift of Focus on Trade to Trade and Investment



Source: 「Ohte SHOSHA no Hikaku Keiei Bunseki」
 Investment Returns=dividend+equity in earnings of associated companies

- Imports
 - From contracted imports to ownership of Imports ^ (Resources/Fuels)
 - Ownership of domestic transport/shipping and export facilities in the country of origin (in this case grain)
- Exports
 - Export of power generation equipment → to our own electric power businesses in other countries
 - Automobile exports → to our own local auto dealerships in other countries
- Support Japanese Companies' Moves/Expansion Overseas
 - Establish JVs
 - Invest in such Industry infrastructure support areas as logistics and distribution/processing

Various Country and Investment Decisions

- Looking at changes in economic growth and demand
 - Infrastructure → Demand for capital goods/intermediate materials for industrial use → Distribution of manufactured products
- Commercial risks
- Government policy/legal risks: Frequency of changes, system transparency (application)
 - Cancellation of projects
 - Capital-related
 - Local currency procurement environment
 - Systematic/institutional restraints on moving capital in and out of the country and foreign currency environment
 - Land provisions/costs (purchasable/leasehold, etc)
 - Labor laws/regulations
- Problem resolution system/methods
 - In particular, the necessary institutional infrastructure has not been fully developed and/or large differences between developed country resolution systems and that of newly emerging economy nations
- Speed of technological innovation and degree of international competitiveness

⇒ In terms of investment agreements, having a minimum framework for rapid implementation and sustainment and ensured problem resolution procedures
In addition, cooperation with the partner country on investment-related legal and implementation/operation systems