

May 13, 2011

## **The First Proposal for Recovery from the Great East Japan Earthquake by the Business Community in Western Japan**

The Great East Japan Earthquake was much more catastrophic than the Great Hanshin-Awaji Earthquake in terms of both the scale and scope of damage. The disaster and a power shortage in eastern Japan due to a nuclear accident have had an impact on the Japanese economy as a whole. Japan now faces a momentous crisis; economic activity in eastern Japan is certain to remain stagnant for a considerably long time; and the functions of the Tokyo metropolitan area as a political, administrative and economic center in Japan will inevitably decline.

At a time like this, those of us in the business community in western Japan are determined to support the restoration and reconstruction efforts in disaster-stricken areas, make up for eastern Japan's flagging economic activity and strongly sustain Japan's overall economy.

To that end, we will provide long-term support while ascertaining the needs of the afflicted localities. Moreover, to resolve the immediate issues, we have compiled our proposal as below. In this proposal we request the national government and relevant local governments to take all necessary measures.

### **1. Establishment of a strong implementation system**

#### **(1) Establishment of a command and control center, "Tohoku Recovery Authority" (tentative name), by the national government**

The national government must establish a "Post-disaster Recovery Basic Act" directed at early reconstruction of the afflicted areas and regeneration of Japan. The government must also promptly establish a "Tohoku Recovery Authority" (tentative name), a command and control center with strong authority and broad responsibility, in line with the needs of the afflicted municipalities in the Tohoku region. This organization, to be headquartered in one of the afflicted localities, must recognize the requests and needs of all municipalities hit by the disaster, as well as take all necessary actions, such as implementing budgets and planning effective measures in a timely manner.

In addition, to mobilize the efforts of all regions of Japan and ensure efficient and early recovery and reconstruction, we propose the establishment of an organization, such as "Western Japan Office, Tohoku Recovery Authority" (tentative name), that can serve as western Japan's primary contact for supporting the afflicted localities.

**(2) Securing of financial resources for rebuilding without disrupting the process of regaining financial health**

When securing financial resources for reconstruction, the national government must radically slash the budgets for nonessential projects and make all necessary efforts, without simply depending entirely on issuance of additional national bonds, because of the nation's critical financial condition. The government must strive to secure financial resources for rebuilding without disrupting the process of regaining financial health.

**(3) Establishment of a one-on-one support scheme through which a non-afflicted local government directly supports an afflicted local government**

In a case where a wide area suffers damage, as seen in the recent disaster, the national government should introduce a one-on-one support scheme through which a non-afflicted local government directly and responsibly supports an afflicted local government in its reconstruction. The government must vigorously promote implementation of this scheme through instruments such as legalization of certain fiscal measures.

**2. Regaining control of Fukushima Daiichi Nuclear Power Plant accident as soon as possible**

Efforts are now being made in various sectors to regain control of Fukushima Daiichi Nuclear Power Plant. We strongly urge all parties involved to continue to do their best to regain control of the power plant as early as possible and for the national government to provide accurate and easy-to-understand information on measures being taken to overcome the crisis at the power plant and their progress. The information should be provided in a timely manner, for distribution within Japan and overseas.

**3. All necessary measures to be taken for western Japan to support the nation's economic activity**

Those of us in western Japan must provide continuous reconstruction support for the afflicted areas and contribute economically as much as we can, such as by stimulating economic activity in western Japan as well as supporting and encouraging Japan's overall production and employment for the time being. In this regard, we request the national government and other relevant local governments to take all necessary measures, such as ensuring a stable power supply.

**(1) The national government to provide supply-related information for western Japan to support Japan's overall economy**

We request the national government to provide information on both eastern and western Japan's supply capacity and supply chain information for each product category and industry which has become available since the disaster. Specifically, we need information on the supply of necessary components,

materials and other resources in order for western Japan to support Japan's overall economy.

**(2) Provision of support for corporations based in western Japan to employ disaster survivors**

We request the national government to offer subsidies to corporations based in western Japan ready to employ disaster survivors.

**(3) Provision of support for corporations based in the Tohoku or Kanto region to relocate their operations temporarily to western Japan**

We request the national government to offer tax incentives for relocation, allow flexible application of relevant laws and regulations such as the Factory Location Act and the City Planning Act, speed up necessary relocation procedures, and strengthen public financial support related to initial investment and operating costs. We also request the national government to ensure a stable power supply, a prerequisite for relocation of operations to western Japan.

**(4) Provision of support related to procurement of components, materials and other resources and support for corporations afflicted by unsubstantiated rumors about radioactive contamination**

We request the national government not only to support corporations directly hit by the disaster through financial measures such as tax incentives for recovery of damaged facilities, but also to provide equivalent support for corporations afflicted by inadequate supply of components, materials and other resources as well as by unsubstantiated rumors about radioactive contamination.

**4. Strengthening efforts to maintain or restore the Japan "brand" image**

We request the national government to provide accurate and easy-to-understand information on the post-disaster recovery and reconstruction efforts and measures being taken to overcome the crisis at the nuclear power plant, and quell unsubstantiated rumors about radioactive contamination. The information should be provided in a consistent and timely manner for distribution both within Japan and overseas. Moreover, the national and local government must sweep away the post-disaster mood of self-restraint and create a lively atmosphere through measures such as promoting tourism and organizing a variety of events.

**(1) Publicizing the safety of Japanese products**

The national government must strengthen its system to prove the safety of Japanese products based on uniform standards for export items, and request the nations and regions imposing excessive regulations on Japanese products without regard to reasonable standards to promptly take corrective action.

**(2) Encouraging overseas tourists to visit Japan**

The national government must request the nations and regions overseas taking excessive measures, such as warning business and leisure tourists against traveling to all Japanese regions, to lift such measures promptly.

**Western Japan Economic Council**

Hokuriku Economic Federation

Chubu Economic Federation

Kansai Economic Federation

Chugoku Economic Federation

Shikoku Economic Federation

Kyushu Economic Federation