

Initiatives for supporting Urban Development Overseas by Private Companies

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1. Promotion of Overseas Expansion of Infrastructure Systems
2. Experiences in Japanese Urban Development
3. Japanese Initiatives
4. Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN)
5. Examples of Current Policies
6. Next Steps

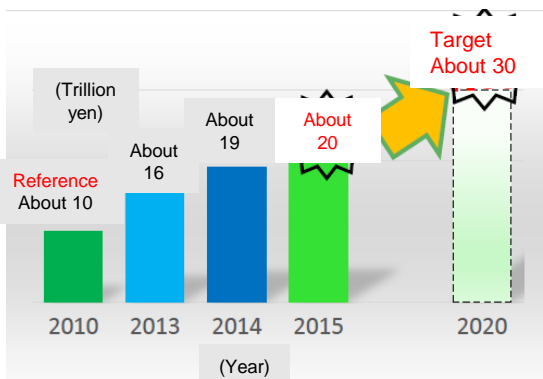
1. Promotion of Overseas Expansion of Infrastructure Systems

- In accordance with the Prime Minister's directives in March 2013, the "Economic Infrastructure Strategy Committee" was established with the Chief Cabinet Secretary as chairman to comprehensively debate infrastructure export, economic assistance, etc.
- The "Infrastructure Systems Export Strategy" was determined at an Economic Assistance Infrastructure Strategy Meeting in May of that same year. The goal result was set as orders of about ¥30 trillion in 2020 (about ¥10 trillion in 2010). As we promote the Five Pillars of Concrete Strategy below, we carry out active top-level sales by the Prime Minister, cabinet ministers, etc.

<Five Pillars of Concrete Strategy (policy system for infrastructure system export strategy) >

- Promotion of public-private partnerships for strengthening enterprises' global competitiveness
- Support for discovery/cultivation of enterprises/local governments and talent that can carry overseas expansion of infrastructure forward
- Acquisition of international standards utilizing advanced technology, knowledge, etc.
- Support for expansion into the infrastructure sectors forming new frontiers
- Promotion of the securing of stable and inexpensive supplies of energy and mineral resources from overseas

◎Infrastructure orders results based on statistics



◎Results of top-level sales by the Prime Minister and Ministers

Sales numbers by Prime Minister and Ministers (in overseas visit)

	Prime Minister		Ministers		Vice Ministers/ Parliamentary Secretary		Total	
	Number of cases	Economic mission	Number of cases	Economic mission	Number of cases	Economic mission	Number of cases	Economic mission
Reference 2012	10	0	19	1	19	4	48	5
2013	34	8	46	7	41	5	121	20
2014	32	10	42	10	53	7	127	27
2015	32	9	36	4	51	9	119	22
2016	33	1	31	1	52	6	116	8
From 2013 onwards	131	28	155	22	197	27	483	77

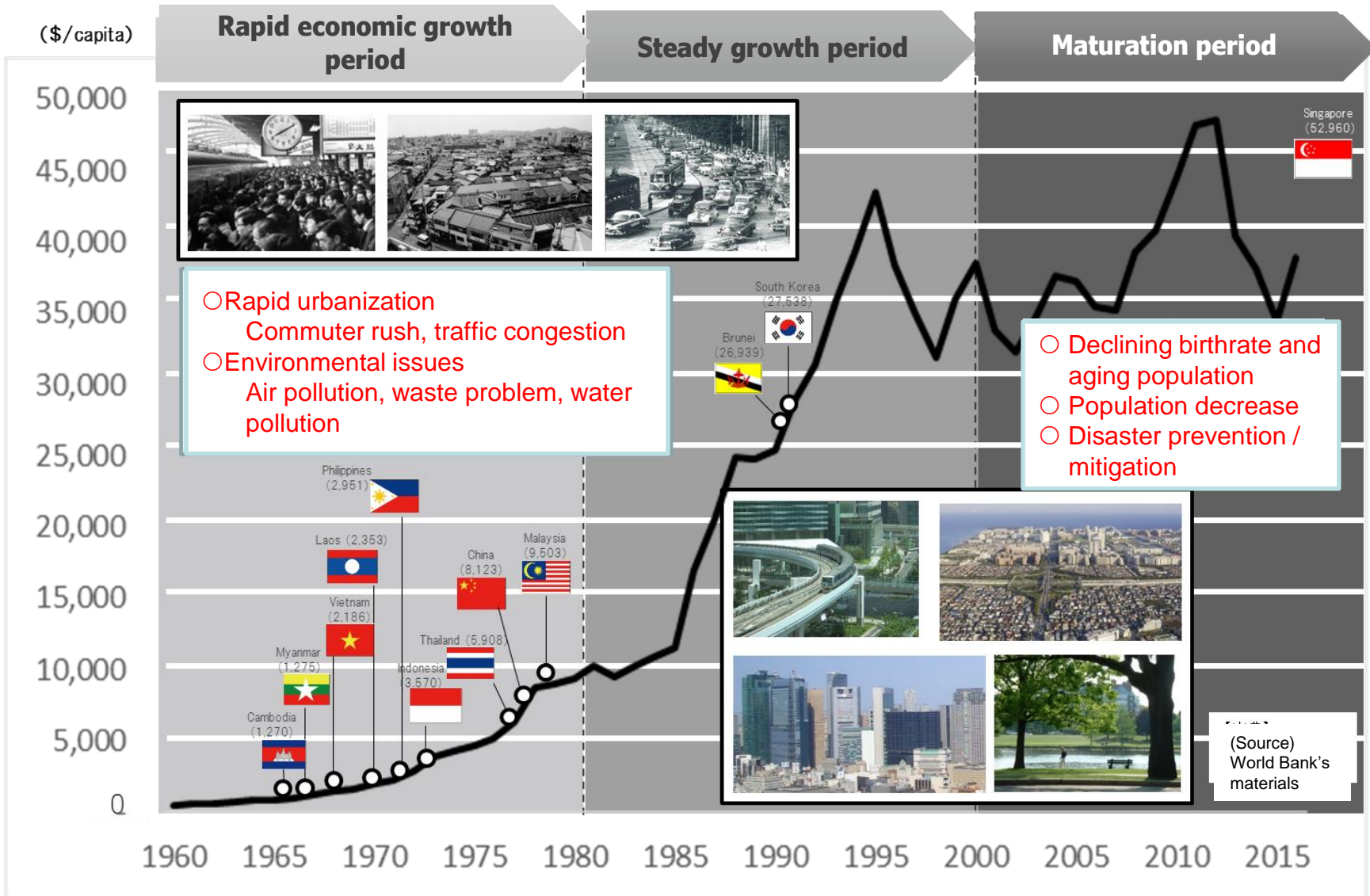
(The other party's Visit)

	Prime Minister		Ministers		Vice Ministers/ Parliamentary Secretary		Total	
	Number of cases	Economic mission	Number of cases	Economic mission	Number of cases	Economic mission	Number of cases	Economic mission
Reference 2012	15	28	15	58				
2013	30	72	46	148				
2014	12	41	37	90				
2015	26	62	43	131				
2016	22	46	32	100				
From 2013 onwards	90	221	158	469				

(Note) Comprehensive aggregation of various types of statistical values, data from interviews with industry groups, etc. Includes "Revenue from Business Investment etc."

2-1. Situation of Asian Countries compared with Japan's Development

Countries all over the world, especially developing countries in South East Asia, are looking towards Japan's experience in past city building as well as advanced technology supporting future city building.



(Note) A plot of Japan's per capita GDP (at exchange rates of that time) . The dots are each country's per capita GDP in 2016.

Japan faced all sorts of issues at each stage of growth, but responded to all of them with appropriate solutions.

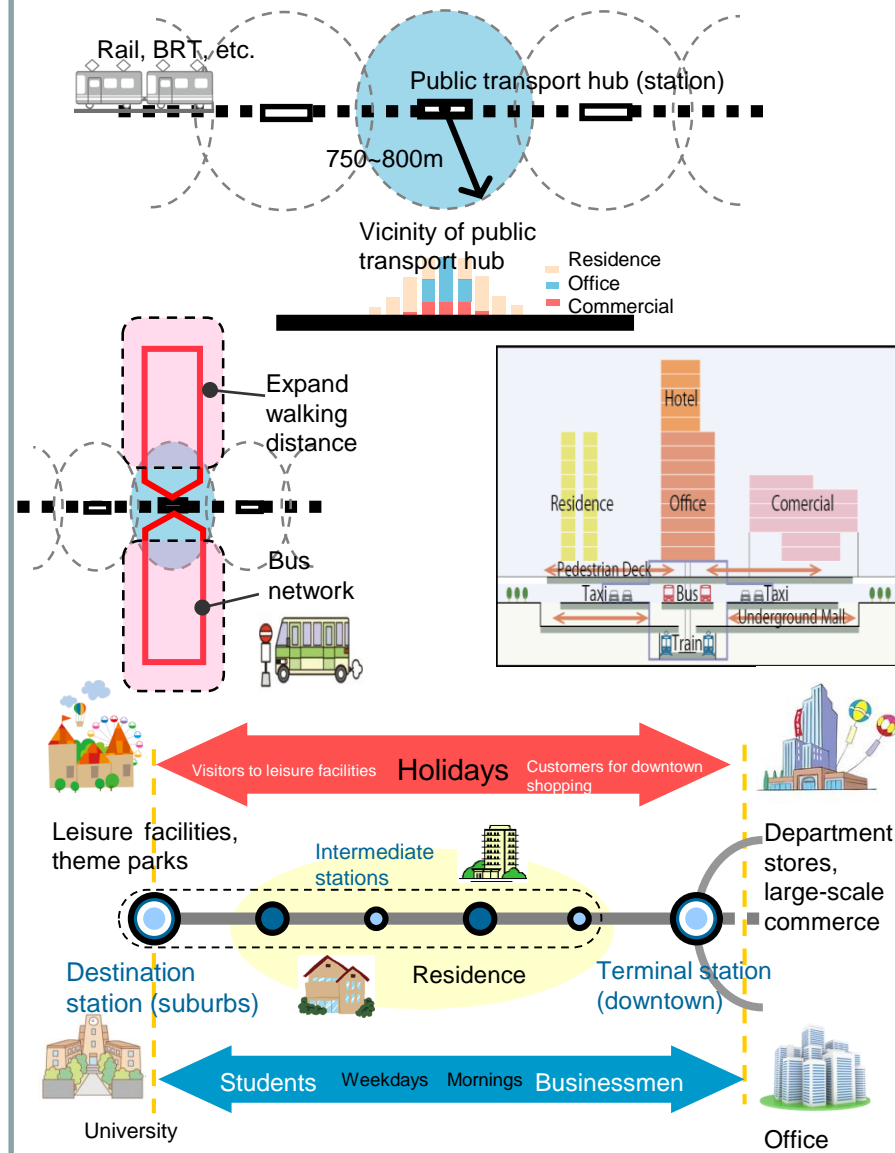
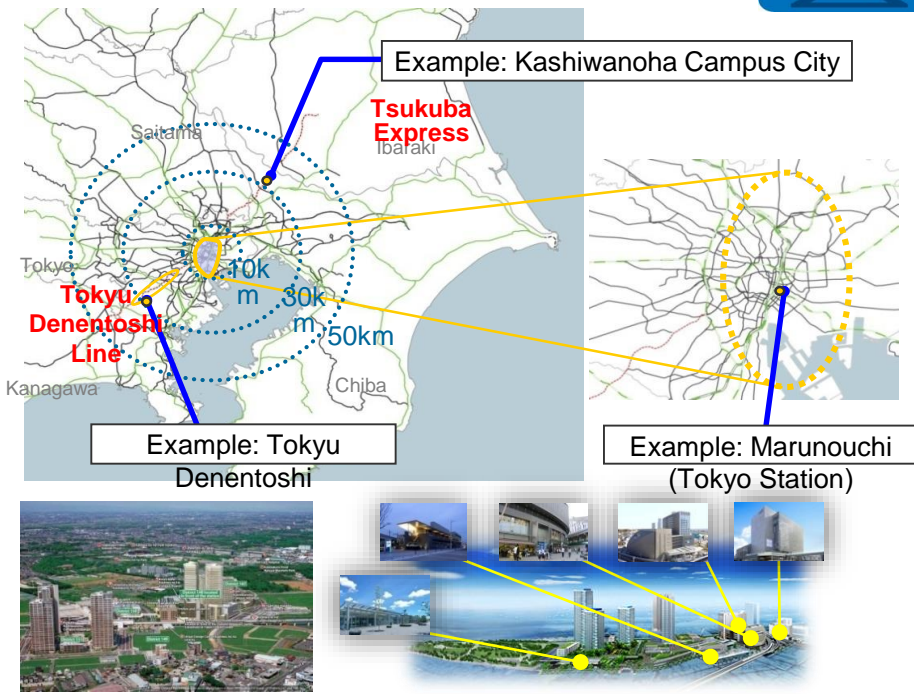
	From 1960 High Economic Growth Period	From 1980 Stable Growth Period	From 2000 Mature Period
Challenges	<ul style="list-style-type: none"> Housing shortages due to population concentrations in cities Inadequate infrastructure (electricity, water, etc.) due to rapid urbanization Pollutions and Environmental problems such as air and water contamination 	<ul style="list-style-type: none"> Response to needs for higher quality of life along with increasing household income Worsened traffic due to progression of motorization Underused land due to changes in industry structures Increased environmental awareness 	<ul style="list-style-type: none"> Response to needs for city building with a low environmental impact Decreased vitality of city centers due to lower birth rates, aging, and decreasing populations Utilization of deteriorating housing stock
Solutions	<ol style="list-style-type: none"> Development of sub-centers Mass supply of housing Development of New Towns Development of legal systems to enable urban policies 	<ol style="list-style-type: none"> Increased quality standards for housing and building Enhancement of public transport Development of brownfield land Promotion of Material Recycling 	<ol style="list-style-type: none"> Implementing smart cities City building with TOD (Transit Oriented Development) and compact city + network Restoration of building stocks Preservation of Environmental and cultural landscapes

Enhancement of Public Transport

1. Concentrate city functions into walking distance within public transport hubs
2. Expand walking distance by developing bus networks
3. Improve railway ridership by placing city functions along with railway lines
4. Create TOD hubs where passengers can easily transfer by combining stations, bus stops, facilities, etc.
5. Create synergies through carrying out rail business and rail-side development as one

TOD (Transit Oriented Development) is essential

Mobility 



Next-gen cities combining a variety of elements

- A comfortable and sustainable city that solves the plethora of issues cities face—like transport, energy, health, and communities—with IT and other technologies
- Also takes increased safety during disasters as well as resource circulation and the environment into account.



Nature Coexistence with nature



Energy Low energy usage



Safety & Security Safety and security

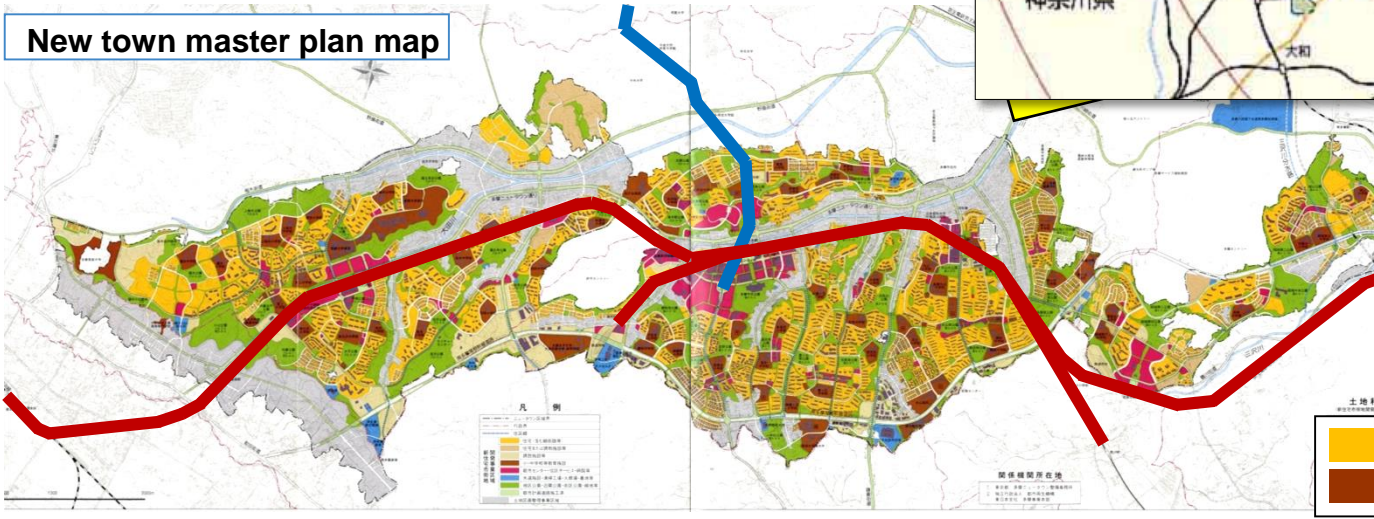


Recycle Resource circulation



- To deal with population concentration in downtown Tokyo, rail construction was done together with the new town development in the suburbs
- With public organizations at the center, residential land development was done and good-quality housing was supplied to 340,000 people.
- A city monorail was constructed linking Tachikawa City and Tama City in addition to the two rail lines straight to downtown Tokyo.

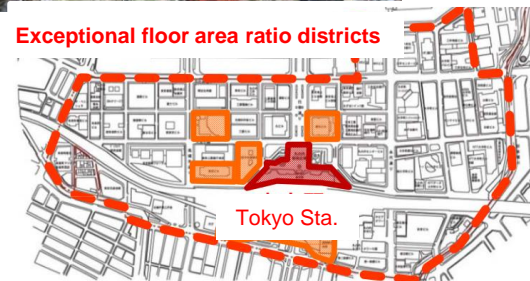
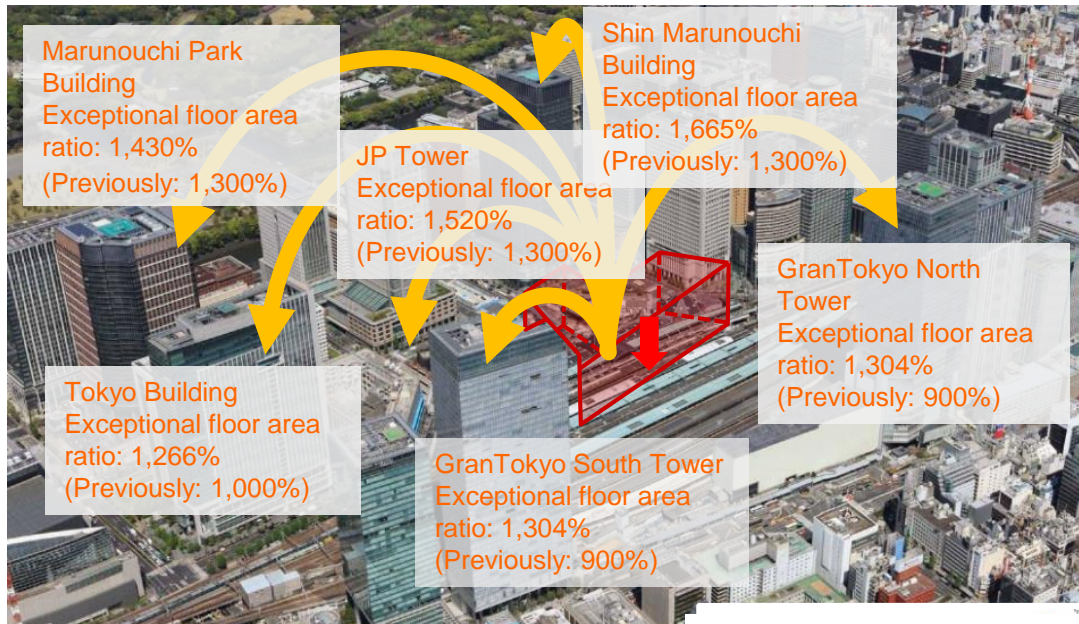
Development of Tama New Town



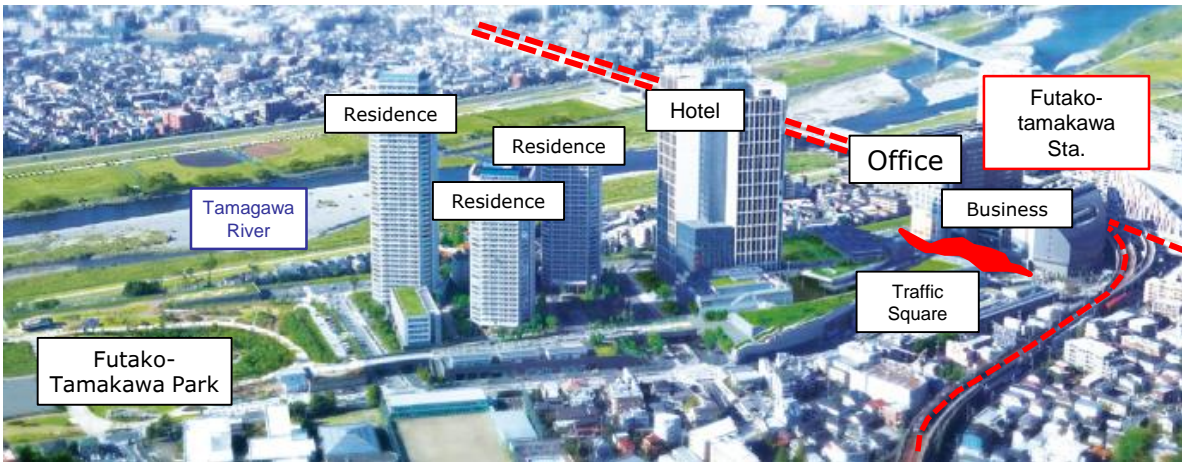
Urban plan decided : 1965
 Construction Begins : 1971
 Plan surface area : 2,892ha
 Plan population : 340,000

3-4. Examples of Japanese Urban Development ② Redevelopment of the Area around Tokyo Station (TOD)

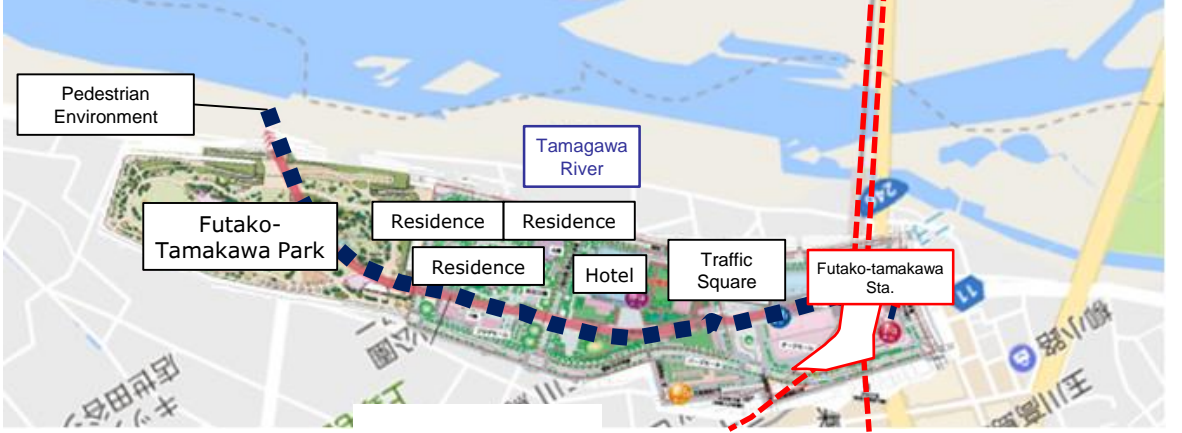
- In the process of preserving and restoring Tokyo Station Building, Marunouchi area realized intensive land use through bonus FAR rate transferred from station area.
- At the same time, Gyoko Street has been redeveloped to create a dignified space suitable for the gate of the capital city, Tokyo.



- Transit Oriented Development centering on the intersection of two railway lines
- Large scale development (11 ha) of commercial, office, residential complex on unutilized land
- Designed to serve as a regional hub for bus network with the development of station square.
- Realized eco-friendly town through efficient energy use in infrastructure and buildings, utilization of rich natural environment along the river. (Awarded world's first LEED* Gold in the "Town Planning Section" in 2015)



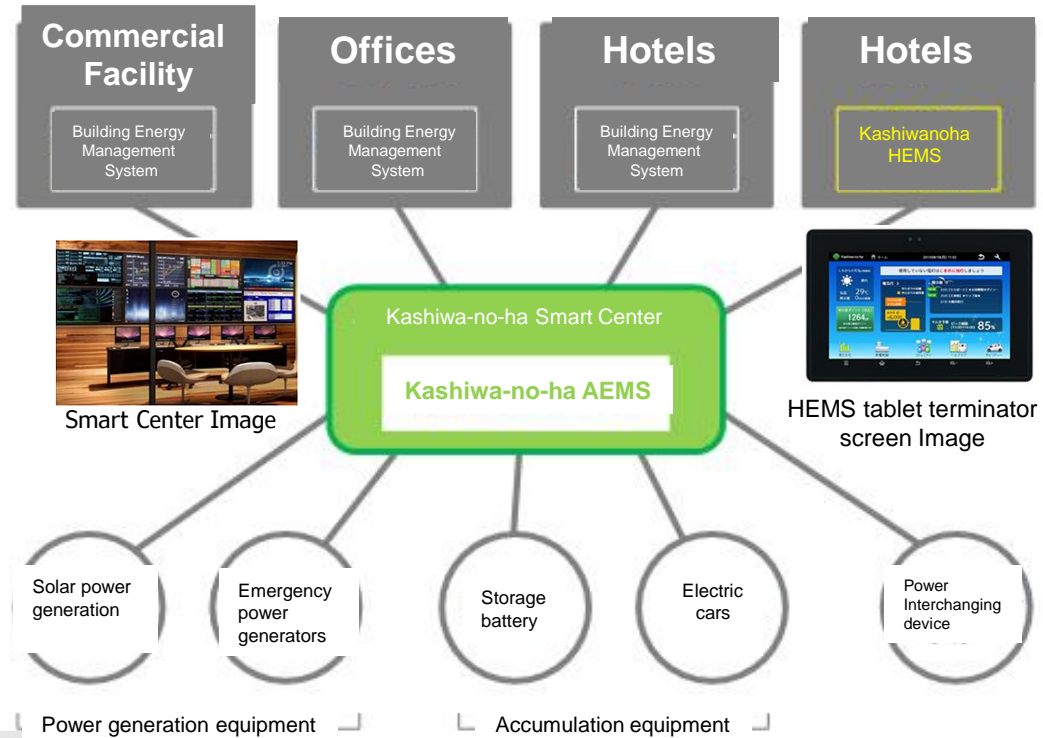
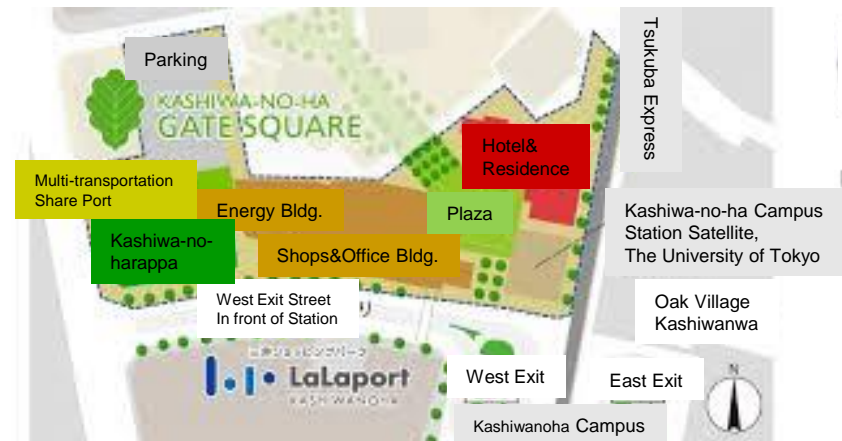
↓ Creating rich environments in which people can live with nature such as Tamagawa River



↑ position diagram ↓ Traffic Square



- Station vicinity development gathering businesses, offices (including incubation facilities), hotels, residences, research facilities, and more in the suburbs.
- Developing smart city through introducing energy management technologies such as AEMS, HEMS, BEMS





The Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) utilizes the knowledge, technology, and experience built up by our country to invest—together with Japanese businesses—in local business entities doing transport infrastructure and urban development and provide hands-on support. (Established on Oct. 20, 2014)

(Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (abbreviated name: JOIN))

《Establishment background》

- Demand from world infrastructure businesses is enormous, especially in developing countries.
- Private arrangements making the most of private investment and know-how are on the rise.
- Since transport and urban development projects have unique characteristics such as long-term servicing, demand risk during the operation stage, and influence from local governments, it's difficult for private organizations to participate on their own.
- Infrastructure export strategies etc. are present in government policies

Government Policies

- Prime Minister Abe's Speech on Administrative Policies on Infrastructure
- High-Quality Infrastructure Partnerships (May 21, 2015)
- Follow-up Strategies for High-Quality Infrastructure Partnerships (Nov. 21, 2015)
- Initiative for Expanding High-Quality Infrastructure Exports (May 23, 2016)
- Infrastructure Systems Export Strategies, Revised Edition (May 29, 2017 – Decided at Overseas Cooperation Fund Infrastructure Strategy Meeting)
- Future Investment Strategies 2017 – Reforms for Realizing Society 5.0 (Jun. 9, 2017, Decided at Cabinet Meeting)

《Primary operations》

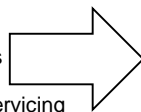
- Investment (joint investment with private groups)
- Hands-on support (deploying talent such as executives and engineers)
- Negotiations with other countries

《Target businesses to support》

- Transport businesses
 - Passenger/freight transport via rail, ship, or air
 - Maintenance/management etc. of rail, road, port, and airport facilities
- Urban development businesses
 - Construction of structures such as residences, hotels, and offices
 - Operation/maintenance management of parks, sewers, etc.
- Businesses supporting the above businesses

《Results of support》

- Contribute to worldwide growth by participating in foreign markets
- Expand order opportunities for related industries by participating in business operations
- Improve overseas business environments for Japanese companies via infrastructure servicing



Contribute to sustainable growth for our country

(Reference) Past projects where support was approved

- ① Thi Vai Port Terminal servicing/operations business in Vietnam (ministerial approval in Oct. 2015), ② High-speed rail business in Texas, USA (ministerial approval in Nov. 2015), ③ Urban rail servicing/operation business in Brazil (ministerial approval in Dec. 2015), ④ Combined urban development business in Yangon, Myanmar (ministerial approval in Jul. 2016), ⑤ Combined urban development business in the suburbs of Jakarta, Indonesia (ministerial approval in Oct. 2016), ⑥ Refrigeration/freezing warehouse servicing/operation business in Indonesia (ministerial approval in Jan. 2017), ⑦ Urban development business in the central district at Garden City in Jakarta, Indonesia (ministerial approval in May 2017), ⑧ Urban development business in the southeast of Jakarta, Indonesia (ministerial approval in Jul. 2017), ⑨ Development business where the museum used to be in Yangon, Myanmar (ministerial approval in Jul. 2017), ⑩ Mega Kuningan urban development business in Jakarta, Indonesia (ministerial approval in Dec. 2017), ⑪ Business operating existing toll road etc. in Jaipur, India (ministerial approval in Dec. 2017)

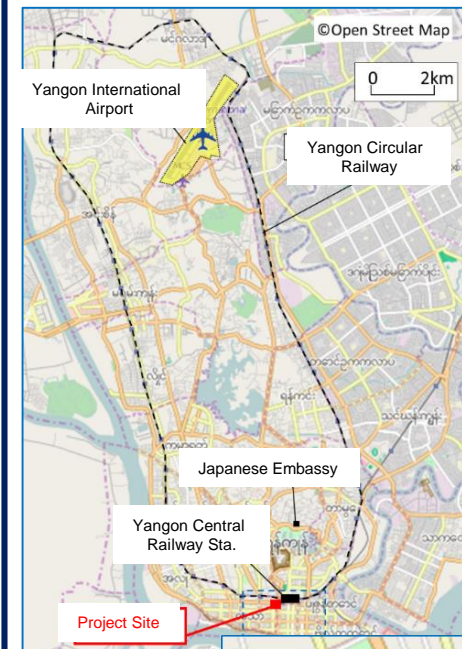
- The first large-scale combined urban development business project Japanese companies have done in Yangon, Myanmar.
- While supplying much-needed offices, hotels, serviced apartments etc. in Yangon, we cultivated local talent by transferring know-how related to operating combined facilities.
- Approved by the Minister of the MLIT as an investment project for the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development on Jul. 12, 2016.

<Project overview >

- Purpose/scale:
Offices (2 buildings) / hotel rooms and serviced apartments (1 building), condos (1 building) / commercial facilities (platform area)
- Site area: ~4ha (portions of other project sites included)
Total floor space: 200,000㎡+
- Construction started: 2017
Construction complete: in 2020 (planned)
- Japanese companies (Mitsubishi Corporation, Mitsubishi Estate), JOIN, and local partner companies (SPA Group) have made a joint investment and are participating in the project together
- Approved JOIN investment: ¥4.5 billion

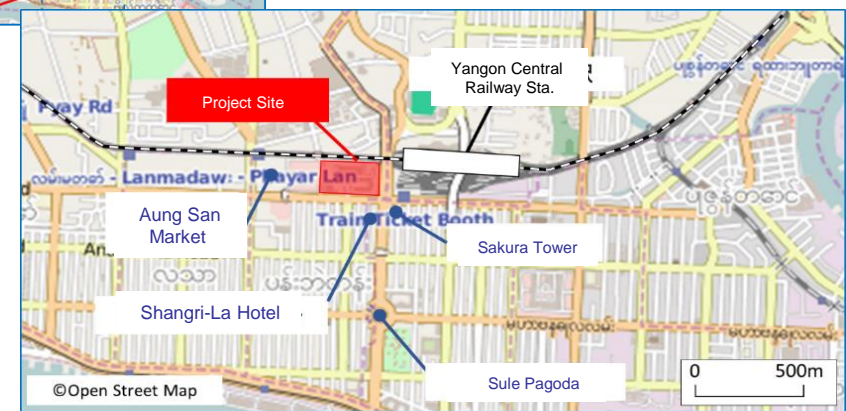
<The significance of the support>

- The first large-scale combined urban development by Japanese companies in Myanmar
- Cultivates local talent via transfer of know-how regarding operating combined facilities
- Considering co-financing from Asian Development Bank (ADB) under the framework of Quality infrastructure Partnership,



Completed image
(low building in front is from a different project)

Project area map/detailed map



- Urban development project to construct, sell and operate complexes of condominiums, shopping malls, offices, and a hotel in the south of Jakarta, invested by Daiwa House Industry, JOIN and Indonesia's TRIVO Group.
- The project aims at promoting proliferation of Japanese style high-quality operation & maintenance services.
- The project also aims at increasing the use of LRT as well as energizing the project area through pedestrian deck and sidewalks in cooperation with the LRT operator (Transit Oriented Development).

< Project overview >

- Purpose/scale:
Residences (total of 5,000 rooms/12 buildings), offices, etc.
- Site area: ~12ha
Total floor space: ~640,000m²
- Construction started: 2017
Construction complete: in 2026 (planned)
- Japanese companies (Daiwa House Industry), JOIN, and local partner companies (TRIVO Group) have made a joint investment and are participating in the project together.
- Approved JOIN investment: ¥2.3 billion

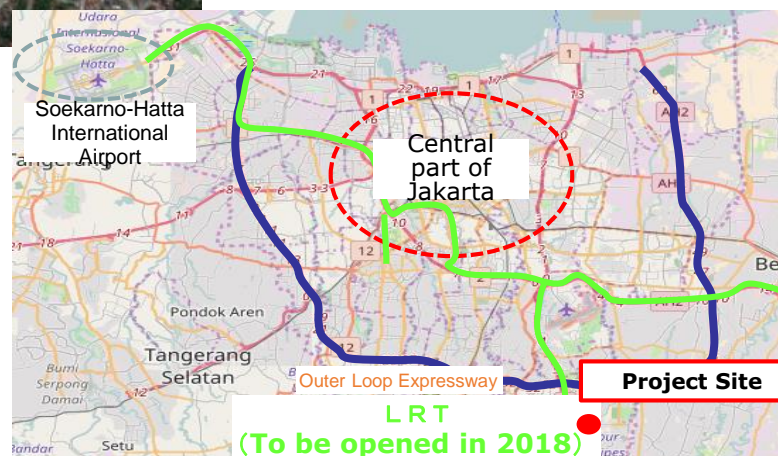
< The significance of the support >

- Promotes expansion by Japanese companies that don't have residence project experience in Indonesia
- Japanese subsidiaries will do maintenance management, becoming an overseas expansion of high-quality Japanese-style maintenance/management services with speedy maintenance responses etc.
- Links with LRT businesses and promotes TOD (Transit Oriented Development)



Completed image

Project Site's position diagram/detailed map



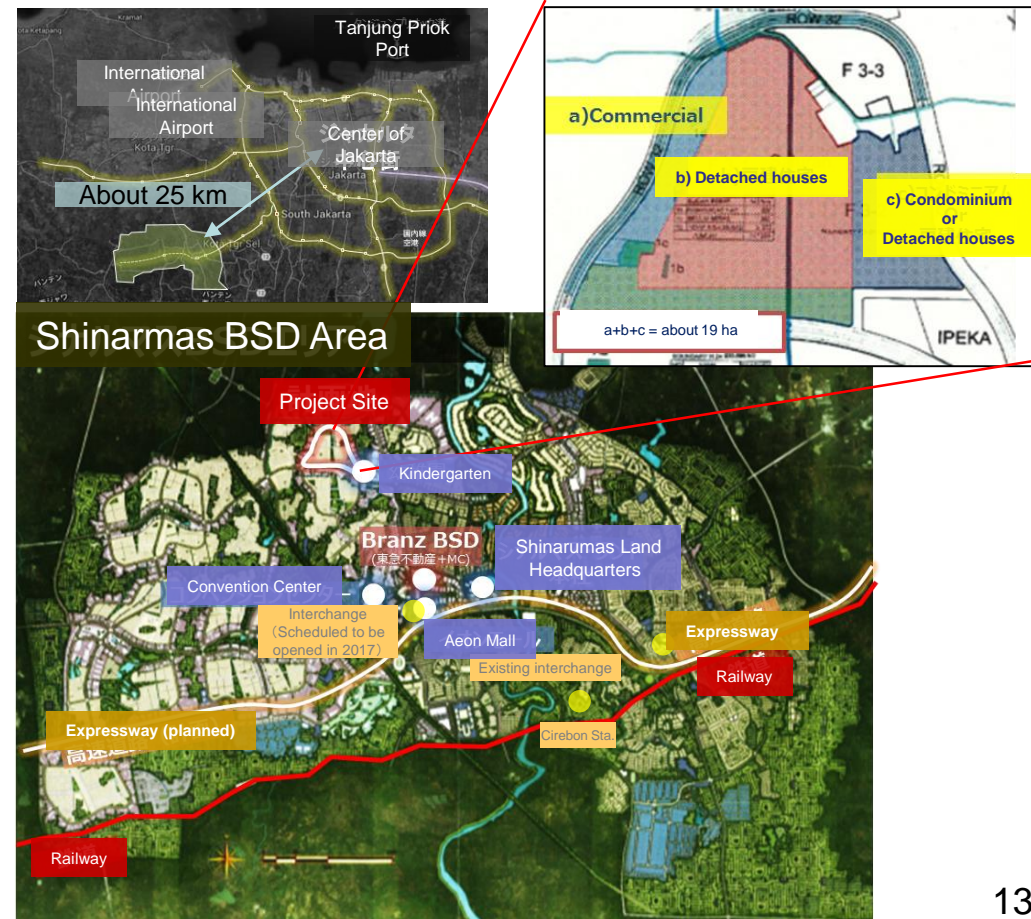
- A project for development of detached houses and a shopping center in the suburbs of Jakarta, 25 km away from central Jakarta, financed by Mitsubishi Corporation, Nishi-Nippon Railroad, Hanshin Electric Railway, Keikyu, JOIN, and BSD (a subsidiary of Sinar Mas Land).
- In cooperation with Sinar Mas Land Japanese enterprises took the initiative from the zoning stage to realize area development and next-generation community development in the Japanese style.
- JOIN's first project in the urban development field in Indonesia.

<Project overview >

- Purpose/scale
Residences (detached & condos, 1,000 rooms in total)
 - Commercial facilities etc.
- Site area: ~19ha
- Construction started: 2017 (planned)
Construction complete: in 2035 (all phases)
- Japanese companies (Mitsubishi Corp., Nishi-Nippon Railroad, Hanshin Electric Railway, Keikyu), JOIN, and local partner companies (Sinar Mas Land) have made a joint investment and are participating in the project together.
- JOIN's investment: up to ¥3.4 billion

<The significance of the support >

- Promotes overseas expansion by rail companies
- Japan is taking a lead role, and through participation by Japanese design firms, Japanese-style comprehensive development/next-gen city building will be enabled
- Participation from Japanese electric rail companies in order to make pioneering TOD concepts a reality in Indonesia
- Supply of the detached housing desired by Indonesians



Strategic development of various support tools for economic cooperation

Support for M/P and F/S projects

Utilization of technical cooperation and grant aids

Utilization of ODA loans

Strengthening the support of public finance

- ◆ Support the formulation of a comprehensive master plan and the development of legal systems necessary for the development of the target country.
- ◆ Support F/S for large-scale infrastructure projects, etc.

- ◆ Speed up the procedure of ODA loans
- ◆ Introduce ODA loans to be repaid with foreign currency
- ◆ ODA loans for sub-sovereigns
- ◆ Introduce US dollar-denominated ODA loans, etc.

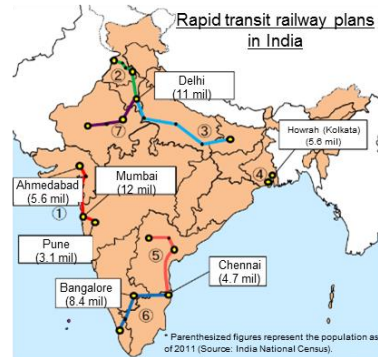
- ◆ Expand the target of overseas investment and financing
- ◆ Strengthen JBIC functions
- ◆ Expand the international trade-insurance system
- ◆ Establishment of JOIN and JICT, etc.

[Reference] Initiatives of Japanese Government ②

Transportation (incl. High-Speed/ urban railways) and Transit Oriented Development

[India] Mumbai-Ahmedabad HSR & Urban railway

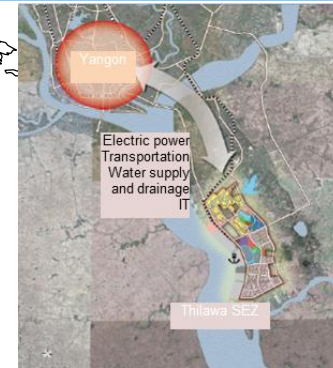
- High Speed Railway project connecting Mumbai and Ahmedabad (about 500 km, almost equal to the distance between Tokyo and Osaka) about a 2-hour journey. Total project cost is about 1.8 trillion yen (according to the media report). Of the seven routes of the rapid transit railway plan, this route was first considered.
- India also has a large number of construction plans for urban railway (metro etc.). Japan supported metro construction projects in Delhi, Chennai, Kolkata, etc. through ODA (yen loan, technical cooperation).



Basic infrastructure development and urban development

[Myanmar] Thilawa SEZ Development (including Thilawa Port)

- Newly developed special economic zone (about 24 km²) in Thilawa, about 20km south of central Yangon. A Japan-Myanmar joint venture developed the zone and Japan's ODA supported the development of peripheral infrastructure.



Development of New State Capital and basic

[India] Andhra Pradesh New State Capital

- AP State requested the development of master plan for 2 blocs (sport city and electric city) in the new capital region comprising of 9 blocs (217 k m²)



Nacala Port

Industrial development and development/operation of oceanfront areas including port of shipment

Regional Development in the former US Military

[The Philippines] Clark Air Base Redevelopment

- Project for redeveloping former US air base into investment promotion zone.
- Project area (9,450ha) is located in the Clark SEZ, which provides various tax incentives.
- JOIN supported the development of the master plan through local consulting firm co-funded with Base Conversion and Development Authority

[Mozambique] Nacala Corridor Development

- In Nacala Corridor, development of distribution infrastructure is under way to support coal development and agricultural development in inland areas. Japan is supporting the functional strengthening of container terminals, including Nacala Port, which is the entrance of Nacala Corridor, with a yen loan, grant aid, and technical cooperation.
- Japanese companies have determined to invest and participate in the development / operation projects for Nacala Railroad and Coal Terminal, which are under development by railway and port-operating companies.

[Issues]

- Reviews of the master plan for urban development in Yangon revealed the lack of legal system needed to ensure viability of urban planning and pointed out that ensuring that viability is critical.
- Urban development projects by private companies are being started one after another in Yangon, and in order to conduct urban development projects smoothly going forward, urban planning and development approval systems that ensure viability are needed.

[Details of Support]

- In 2014, the MLIT began support for preparing a “Urban, Regional Development Planning Law” system, and from 2015 – 2017 it conducted exchanges of opinion and follow-ups incorporating experts. (the above bill is waiting for the submission to the Assembly)
- After the enactment, it will be necessary to formulate by-laws for implementation etc., so JICA specialists in urban policy were dispatched in this February.
- This year, to prepare for the bill’s passage, support is being given centering around proposals for by-laws for implementation. (Exchanges of opinion with local experts are being conducted)

<A Professional Meeting in 2016>



(J-CODE (Japan Conference on Overseas Development of Eco-cities))

- In developing countries in Asia, populations are greatly increasing and urbanization is progressing rapidly. Accordingly, a variety of problems—including environmental issues—are occurring, and the need for cities that coexist with the environment (eco-cities) is increasing as a possible solution.
- Utilizing Japan's urban development experience, problem solving know-how, and technology, companies in our country from all sorts of industries have formed “Japan Teams” and promoting eco-cities in collaboration with public sector, starting at the upstream stage of concept and planning.

Members (56 entities)

- Chairman: Keiji Kimura (Special Adviser to Mitsubishi Estate Co., Ltd., Chairman of the Real Estate Companies) Association of Japan)
- Members: developers, consultants, financial institutions, trading companies, general contractors, manufacturers
- Observers: MLIT, Osaka City, Development Bank of Japan, JBIC

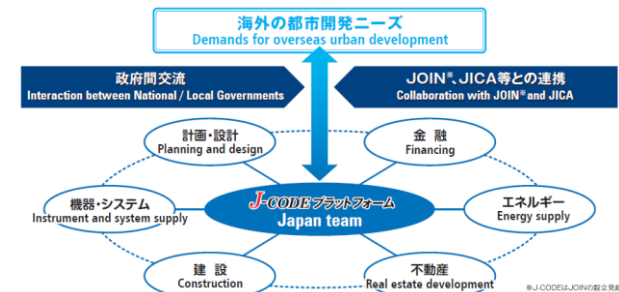
1	IHI Corporation	21	Takashimaya Company, Limited	41	NOMURA REAL ESTATE DEVELOPMENT Co.,Ltd.
2	Azusa Sekkei Co., Ltd.	22	Takenaka Corporation	42	HASEKO Corporation
3	Atsumi & Sakai Law Firm	23	Parking Management Organization, Ltd	43	Hitachi, Ltd.
4	AEONMALL Corporation	24	Tokyo Land Corporation	44	Hinokiya Holdings Co., Ltd.
5	Osaka Gas Co., Ltd.	25	TOKYO GAS Co., Ltd.	45	Fukuda And Partners Co., Ltd.
6	Oriental Consultants Global Co., Ltd.	26	Tokyu Corporation	46	Fujita Corporation
7	ORIX Corporation	27	Tokyo Tatemono Co., Ltd.	47	Marubeni Corporation
8	Kajima Corporation	28	Toshiba Corporation	48	Mizuho Bank, Ltd.
9	CTI Engineering Co., Ltd.	29	Toshin Development Co., Ltd.	49	Mitsui Fudosan Co., Ltd.
10	Industrial Marketing Consultants Co., Ltd.	30	Nakabayashi Construction Co.,Ltd.	50	MITSUBISHI ESTATE CO., Ltd.
11	SHIMIZU CORPORATION	31	Nishimura & Asahi Law Firm	51	Mitsubishi Jisho Residence Co., Ltd.
12	NIPPON STEEL KOWA REAL ESTATE CO., LTD.	32	The NIKKAN KENSETSU-KOGYO SHIMBUN,LTD.	52	Mori Trust Co., Ltd.
13	SHICHIRO KENSETSU Co., Ltd.	33	JGC Corporation	53	MORI Building Co.,Ltd.
14	Sumitomo Corporation	34	NIKKEN SEKKEI LTD.	54	Yachiyo Engineering Co., Ltd.
15	Sumitomo Realty & Development Co., Ltd.	35	Nikken Sekkei Civil Engineering Ltd	55	UR Linkage Co., Ltd.
16	Sumitomo Forestry Co., Ltd.	36	Nikken Sekkei Research Institute	56	Raysum Co.,Ltd.
17	Sekisui Chemical Co., Ltd.	37	Nikken Housing System Ltd.	As of Oct. 13, 2017	
18	Sekisui House Ltd.	38	Nippon Koei Co., Ltd.		
19	TAISEI CORPORATION	39	NIHON SEKKEI INC.		
20	Daiwa House Co., Ltd.	40	Japan Real Estate Institute		

History

- Established in Oct. 2011
- Became a General Incorporated Association in Jul. 2014

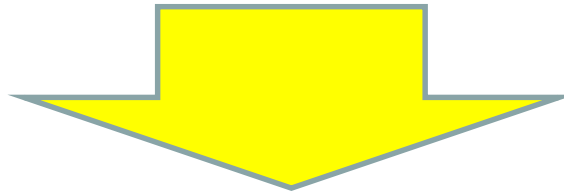
Primary activities

- Project creation and info exchange regarding working in China, Vietnam, and Myanmar
- Research towards developing new countries for activity, such as Indonesia
- Support for formulating eco-city assessment standards in Vietnam
- Handling visits to Japan from key people, info gathering at seminars etc.
- Development of projects with links with government organizations such as the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) (includes investment in JOIN)



Overall government strategy

Create a system for supporting infrastructure system exports, including legislative framework to enable public organizations/companies engage in all phases the project formulation to the operation/maintenance in areas like rail, aviation, **urban development and housing**, sewage, etc.



- In the field of urban development, we are considering strengthening the Urban Renaissance Agency's (UR) systems related to overseas operations.
- We will utilize UR's public character and its experiences in large-scale development—something private businesses don't have—to participate in urban development projects, and lead them towards individual orders for companies in Japan.

Appealing our country's strength and building a relationship of trust with other countries

Project Formulation

Supporting preparation of specific development plans

Supporting order receiving and investment by Japanese companies

Supporting the acquisition of permission/approval

JOIN investing, etc.

The Agency's Goal

Centering on large cities and cities at the center of local society where the servicing of foundations of functional city activities and rich city life is not keeping up with changes in social and economic conditions, we conduct operations to support improvements in urban conditions and the supply of rental housing in order to renew these cities. Simultaneously, by handling management etc. of rental housing etc. inherited from the Public Company for Urban Development, we work to ensure stable supplies of rental housing providing a good living environment, and therefore contribute to the healthy development of cities and improvements in the stability of citizens' lives.

Operations Overview

➤ Rental housing

Supplies rental housing society needs, including safety net functionality for "weaker" residents such as the elderly or households with children

- The organization removes itself from new construction as a rule
- Around 740,000 rental unit stocks renewed and used

➤ Urban revitalization

Promotes urban renewal with high policy significance, while distributing roles between private companies and local public organizations.

- Designing, plans, and coordination of various projects
- Participates in projects as a partner

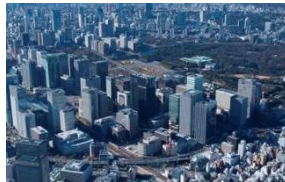
➤ Disaster recovery

Supports recovery in disaster areas and strengthening of cities' disaster prevention functionality

- Developing resilient cities



Rental housing



Urban renewal



Disaster recovery

● Transitional businesses

➤ New Town

Development of New Town and supply of residences and land in accordance with its position in policy

- New work ceased, construction completed early, land supply/disposition complete by 2018.

➤ Special Park Facilities

The organization gathered funds for and installed/managed facilities with fees in national government-run parks

- New operations ceased. Duties complete in 2018.



New Town



Special Park Facilities

● Capital structure

¥1,071.7 billion (national government 99.8%, local public organizations 0.2%)

- Staff: 3,199 people (15 people doing international work)

Thank you for your kind attention.