

Outline of the Report of Council for the Future of Small and Micro Enterprises

~Toward Restructuring Measures and Operations to Make them Easier for SMEs and Small/Micro Enterprises~

Basic ideas toward restructuring policies

Objectives of SME and Small/Micro enterprise policies

Drive the economic growth of Japan with a view to the global market by becoming seeds of new industries

Firmly support local employment and society, and spread vitality and profundity all over Japan (SMEs can conduct flexible and mobile activities as they are small)

Review the past SME policies and **restructure the system to focus on small and micro enterprises (as well as improve its operation drastically)**

For small and micro enterprises at various stages/with various orientations, develop **detailed support measures** that meet their actual needs

The independence/self-support /efforts of SMEs themselves which receive support are also important.

Examine elaborating/enhancing of the position of small and micro enterprises under the Small and Medium-sized Enterprise Basic Act

It is important to steadily take **support measures for medium-sized enterprises** as well as small and micro enterprises.

Exhaustive response to management problems

Management support system

- Radical strengthening of "knowledge support"
→ **Establishment of a new "knowledge support" platform**
— Sharing practical and living knowledge on a regional basis that is necessary at each stage of start, stabilization, growth, and succession of a business
- **Making the evaluation and ability of the business support organizations "visible" and publicizing them**
- **Increasing the expertise of SME management consultants**
- **Management support utilizing the IT cloud**
- **Review of Act on Supporting Small Business by Commerce and Industry Association and Chamber of Commerce and Industry**: From support for associations to support for individual enterprises

Human resources

- **Securing/development/settlement of human resources**
 - Consistent regional human resource support
 - * "Small Business Michelin" of excellent enterprises
 - **Internship program**
 - Career education in school
- **Steady implementation of the SME Business Capabilities Enhancement Support Bill** (diversification/strengthening of business support organizations)
- **Revitalization and strengthening of the support functions of existing organizations, such as commerce and industry associations, chambers of commerce and industry, and federations**
 - Drastic improvement of on-site capability and recognition
 - Revitalization and strengthening of management support functions
- **Consideration given to SMEs and small/micro Enterprises in terms of the social security/employment systems**

Market development/transactions

- **Market development**
 - Support for market development, etc. to address the decrease in domestic demand, changes in the transaction structure, etc.
 - Improving the recognition of products and evaluating products, etc.**
 - Wisdom/skills/sensitivity of Japan
 - Further support for overseas business
 - **Discovering promising small enterprises and providing detailed support**
 - **Support regional/business type collaboration**
 - The government lead marketing and support for stable overseas operations.
 - **Expansion of financial support (including long-term capital)**
 - Improvement of support operations (prolonging the support period, etc.)
- **Ensuring of proper transactions**
 - Consideration of the review of the Act against **Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors** (Subjects of the regulation, etc.), **stricter application of the Act**, and development of an environment that facilitates receipt of consultation services
 - Drastic review of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises**
 - Support for cooperation among subcontractors, etc.

Technology

- **Further strengthening of technical capabilities**
: Creation of technical development support for small and micro enterprises (smaller amounts, shorter periods, etc.), exhaustive support for adoption, revitalization of industrial clusters, etc.
- **Succession of technology/skills**
: Promotion of efforts within companies and regions as well as the efforts of human resource development mediation companies
※ Strengthening of efforts through collaboration among the Ministry of Economy, Trade and Industry, the Ministry of Health, Labor and Welfare, and the Ministry of Education, Culture, Sports, Science and Technology
- **Facilitation of business succession**
 - Review of the business succession tax system
 - Enrichment of knowledge support, etc.
- **Strengthening of management power through promotion of utilization of the "A new document presenting guidelines for SME accounting ("Tyusho Kaikai Yoryo")" (using books as tools for improving management)**
※ Mechanism of confirmation by professional accountants

Basic business capabilities (corporate accounting, etc.)

Financing

- **Development of exhaustive financing measures according to the stage/orientation of each enterprise**
 - Supply of funds in the form of capital to growth-oriented small and micro enterprises (**creation of small businesses investment, capital subordinated loans, etc.**)
 - Drastic review of Managerial Improvement Loans**
 - Shift to a system corresponding to the needs of each enterprise
 - Growth-oriented: expansion of the ceiling on loans/lower interest rates
 - Community-based: prolongation of the loan period, etc.
 - Act on Equipment Installation Support for Small Enterprises
→ Abolished
- **Desirable means of credit guarantee/security**
 - Desirable credit guarantee system
 - Development of a system to facilitate ABL (Asset-based Lending), etc.

Implementation of measures to bring out the vitality of young people

Development of an environment that enables women to play an active role

Small Business Future Subsidy

Drastic promotion of business start-ups/inauguration by young people and women

Support for start-ups of wide-ranging businesses with the use of experience/sensitivity, etc. of women

Measures to enable young people to serve as a new source of vitality/leading players in Japan

- Promotion of young people's participation in management / facilitation of a generation shift
 - i. Facilitation succession/acceleration of businesses
 - Review of the tax system and knowledge support
 - Support for the development of new businesses by successors, etc.
 - ii. Strengthening of the role of young people in SME associations
- Securing of young human resources/exertion of their vitality
 - Internship programs, etc.

Support for start-ups of global growth-based businesses

- Promotion of business start-ups by persons of "spin-outs", etc.
 - **Creation of a subsidy**
- Sufficient verification of the angel tax system and comprehensive review of tax systems relating to inauguration of businesses
- Improvement of equity investment incentives
 - Preference dividend for parties other than the SMRJ (Organization for Small & Medium Enterprises and Regional Innovation)

Support for start-ups of businesses to create regional demand

- Promotion of business start-ups of by women/young people, etc.
 - **Creation of a subsidy**
 - Fund matching and creation of a loan/guarantee that is integral to post-inauguration management support
- Drastic strengthening of "knowledge support"
 - Creation of opportunities for entrepreneurs to acquire knowledge
 - Support for entrepreneurs by those who have experience to start up businesses, etc.
- Improvement of the recognition of enterprises that have just been inaugurated

Support for the second inauguration of businesses

- Support for the development of new businesses by successors
 - **Creation of a subsidy for the development of new businesses conducted by young successors to second inauguration of businesses** (subsidy for the second inauguration of businesses)
- Facilitation of business succession (as mentioned above)

Considering establishment of the "measures for young/female entrepreneurs, etc." in SME measures (such as adoption of subsidies, etc.)

Development of a pleasant working environment for women

- Expansion of parenting support services
- Support for enterprises that work to develop a pleasant working environment for women (public recognition, etc.)
- Support for female job seekers to overcome the blanks in their careers (internship programs for housewives, etc.)
- Development of environment supporting compatibility between work and housework (collaborating with the Ministry of Health, Labor and Welfare, etc.)

Local

Encouraging the prosperity of local community

Drastic measures to decrease vacant stores by supporting retail shops

Promoting the regional transaction network

Support for small and micro enterprises through collaboration with related ministries and agencies (Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of Land, Infrastructure, Transport and Tourism, etc.)

Implementation system of the government, etc.

Planning/implementation of policies based on the candid opinions of the persons concerned

Exhaustive provision of information all over Japan

Review of operation of existing measures / drastic simplification of application procedures

Collaboration among related ministries and agencies
Roles of the national and local governments

Improvement of on-site capability