

List of Papers
for the Meeting with Mr. Goon Kok Loon,
Deputy Chief Executive Officer, PSA

Super Studio Inc. and an Inter-disciplinary Team

1. Progress Report Update on Feasibility Study for Creating an Economic Sharing Sphere with Asia
2. Outline of discussions with Officers in charge of planning and implementing hub programs in Japan
 - 1) Mr. MIKANAGI Kiyoyasu, president, Kansai International Air Port Co. Ltd.
 - 2) Mr. KIMOTO Hideaki, Director, Port & Harbor Bureau
Ministry of Transport
 - 3) Mr. YOSHIKAWA Atsushi, advisor to NIKKEIREN
 - 4) Mr. NAMEKAWA Masashi, Trade & Investment Coordinator
Economic Planning Agency
3. List of people including the members of the loose team, who are cooperating with the materialization of the project
4. Exploration of viable businesses in Japan using PSA's expertise in Business & Leisure Hub operations
5. Feasibility study for the above
Check points to promote the project targeted at Kobe Port and Kansai International Airport
6. Outline of Sales of the Land owned by the Seiyo Co
on Rokko Island

Minutes of a Talk

between

KIMOTO Hideaki, Director, Port and Harbor Bureau, Ministry of Transport and SUZUKI Koji, Super Studio Inc. on August, 20, 1996

on

The Sales/Redevelopment Project of a Private Sector Property
on Rokko Island

Suzuki reported the discussions with PSA, SUNTEC CITY, the Ministry of Environment, etc., which he had in his visit to Singapore in early August.

Suzuki:

- The port and harbor administration in Japan is very complicated, and it takes enormous time for privatization or until foreign investors can enter.

So, I planned to start with developing the port/harbor support project using a land lot owned by a private company. That will be impetus to promote privatization and to introduce foreign capital to port and harbor development/operations.

- I would like to use this land lot to develop a quarter housing support facilities for the investors from Asia and workers who are associated with sea and air transport businesses in the strategic international network. The facilities will include welfare facilities, business support services, restaurants/eateries and amusement centers.
- I found a 14-ha land owned by a company on Rokko Island. Already, I was awarded a contract from the owner of the land, Saison Group/Seiyo Co. that entrust me to negotiate for its sales.
- I proposed the above plan to potential investors in Singapore and Hong Kong, including the Port Authority of Singapore. So far, I received positive responses from them to participate in the project.

Kimoto:

- The proposed use of the land appears to fit in the new land use plan by the Kobe municipality. It may be good as a new use of the land in the bay area, and as part of the intended privatization of the port and harbors. The Kobe municipality may not want such a wide area left unused.
- As international business support facilities, there are Foreign Access Zones (FAZ) such as the Asia Trade Center and World Trade Center on the portside of Osaka-South Port. I heard that their office tenant businesses are having tough time. Isn't your plan similar to them?

Suzuki:

- The basic concept of our project is to create an area in Japan where investors who are managing businesses in international networks can manage themselves. We do not target at Japanese. It will be a different from a Chinese Town that Japanese people may design. FAZ is made out of Japanese way of thinking, and does not consider the convenience for the users. The aim of our project is quite contrary to the FAZ concept. As a symbolic event, we are planning to convene a conference of all overseas Chinese businessmen.
- The concept of "Business and Leisure Hub" to support port and harbor operations that the PSA is very good at seems to be most feasible to draw a higher potential of the land. It may be a short cut to realize the privatization of Kobe port.
- We obtained an agreement from the Ministry of Environment to open a Hawkers food center, and we received a proposal for Kobe.

Kimoto:

- "Business and Leisure Hub" is easy to imagine how it will be like. It may be possible to arouse new potential, if the

businesses to be introduced are targeted at foreigners.

- However, it is a large-scale project, and the existing Port and Harbor Act and regulations regarding city planning may lie on the way before making the project a success. It may be necessary that the central government give a certain level of guidance to the local government from time to time.
- On the other hand, the government is now promoting a government-to-government Kobe-Cheung Kong trading project under the chairmanship of Dr. Shimokobe, former chairman of Kobe Rehabilitation Committee. Both cities have their own interests and the project does not seem to be progressing as it was expected.

Suzuki:

- We would like to proceed with our project on the private sector players involving limited concerned government agencies such as the Ministry of Transport and Economic Planning Agency.

As the prospect of the China-Japan G-to-G trading project is not at all bright and clear, we would like to keep a distance from that project.

- Our plan is to proceed the work exploiting free thinking of the private sector, along the port and harbor reform policies of the Ministry of Transport, and with the support of the Economic Planning Agency that is promoting deregulation for opening the market, and foreign investment in Japan.

At some stage, we plan to contact the Kobe municipality. At that time, I hope, the municipality will be seriously consider and take action for general privatization of the port and harbor of Kobe.

- Already, I made a request through Mr. Yoshikawa, ex-counselor of the Economic Planning Agency that the top official of the PSA be invited to Japan.

- As the proposed project site is located next to the air-cargo

bonded facilities of Kansai International Airport, its president Mr. Mikanagi consider it valuable to include the airport as part of the international network of sea and air ports that we propose.

I am planning to have a meeting with Mr. Mikanagi on this matter.

** I proposed a meeting of Singapore's Minister of Communications Mah Bow Tan and Mr. Mikanagi, both of who agreed to the proposal.

Kimoto:

- I agree to the proposal in principle because it is important for Japan not to lose its position in the international network.
- Certainly, Kobe is still in a chaos. It may be a good idea that you will proceed with the Seiyo Co. and PSA and other potential participants from overseas for the time being.
- At present, under the leadership of Director General Shusei Tanaka of the Economic Planning Agency, deregulation process is underway. The Port and Harbor Bureau of the Ministry of Transport is also addressing the issue of deregulation in order to reactivate port and harbor businesses, and to reduce the high cost of physical distribution. So, if you happen to be faced with concrete difficulties in this direction as you proceed with this project, we can discuss the issue within the ministry.
- You may need coordination with people concerned with the Kobe municipality including some associations and trade unions. If it is appropriate, we can give them guidance along our port and harbor policies.