

Table 1. Standard Policy Menu for Industrial Capability Enhancement

Main objectives	Sub items
(1) Legal and policy frameworks	Laws and regulations
	Government ministries and agencies for promoting SMEs, FDI, SI, etc. with sufficient capability and authority
	List of priority sectors and activities based on sufficient research
	Inter-ministerial coordination mechanisms
	Effective public private partnership (PPP)
	Mechanism for business-government-academia linkage
	Visions and missions (long-term goals)
	Master plans (medium-term strategies, roadmaps)
	Action plans (budget, staffing, performance criteria, deadline, responsible bodies)
	Standards for quality, safety, skills, environment, etc.
	Mechanisms for protecting and utilizing Intellectual property rights
	Strengthening of industrial statistics
	Strategic mobilization of international cooperation
(2) Local capacity building (industrial human resource and local enterprises)	Universities of technology and engineering, industrial colleges
	Short-term courses for entrepreneurs
	Short-term courses on specialized skills for engineers
	Technical and vocational training for new or current workers
	Skill certification, competition and awards
	Subsidies and incentives for targeted activities
	Management or technical advisory service (by visiting consultants, short-term)
	Enterprise evaluation and advice system (institutionalized shindan system or technical extension services) - also related to SME finance
	Local enterprise networks
(3) Finance	Development financial institutions
	Commercial bank loans for targeted firms with interest subsidies and/or long maturity
	Equipment leasing
	Credit guarantee system
	Venture capital
	Enterprise credit information system
	Enterprise evaluation and advice system (same as in (2))
(4) FDI marketing	Priority list and investment incentives
	Investment seminars and missions
	High quality investor information package and website
	Investment promotion offices abroad
	One-stop services and enterprise support (before and after)
	Attractive business environment through upgrading infrastructure service quality (power, transport, water, etc)
	Environmental control and facilities (incl. waste water treatment)
	Industrial estates with complete infrastructural and administrative services (incl. specialized industrial parks, SI industrial parks, etc.)
	Labor support (training, recruiting & matching, housing/dormitories, commuting, education, health care, etc.)
	Strategy formulation for prioritized and targeted FDI marketing
	Negotiations with target company (anchor firm) and provision of required conditions
(5) Linkage (learning by working with global standard firms; market development)	Trade fairs and reverse trade fairs
	SME/SI/sectoral databases
	Official intermediation and promotion of subcontracting
	Incentives/subsidies for local procurement and linkage
	Domestic and export market development support
	Establishment and enhancement of industry associations