

## Completion Report

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In the era of globalization, the contribution of government policy to export success is an essential factor of economic development. For instance, the establishment of export promotion agency (EPA) plays a vital role in facilitating and supporting domestic firms export their commodities. In the context of Japan, the Japan External Trade Organization (JETRO) serves a comparable function and has effectively established connections with both local governments and firms entities through the trade association. Meanwhile, in Malaysia, the Malaysia External Trade Development Corporation (MATRADE) plays a similar role, however it is unable to build connections between those entities. Thus, the primary objective of this study is to examine the export promotion strategies imposed by local governments in the state of Kedah, Malaysia and Kagoshima, Japan.

The primary finding of this study demonstrates that the cooperation between exporters through the creation Kagoshima Boeki Kyoukai (Kagoshima Trade Association) and the collaboration with local and federal governments accounts for the differences in how export promotion activities are implemented in Kedah and Kagoshima. We call this structure as Kagoshima Model where the financial support is provided by the local government and the technical and training aspects are provided by the central government. The establishment and sustainable existence of the association are attained through reciprocal support among these three entities; firms, governments and association. On the other hand, in the state of Kedah, the government and the aforementioned organization do not have a formal relationship. We propose this to be the main cause of local firms' lower export success.

In particular, this study develops three models in which we incorporate firm strategies of information dissemination, subsidy, and pop culture's policies into the strategic trade policy framework. In the model, it incorporates the objective of trade missions, advertising, and exhibitions of the Kagoshima Model. One significant result of this model is that the implementation of incentives such as Cool Japan would lead to a rise in global demand as consumers developed strong addictions to products that were perceived as representing Japanese culture. In another model, we established the basic model where the domestic country's government subsidizes its domestic firms' international transportation costs by granting a direct unit subsidy on the exported goods. The provision of financial assistance for container sharing by Kagoshima Prefecture to local firms provides an important example of such a strategy.

The main outcome of our study is the policy paper to the Economic Development Department of Kedah State Government. We recommended that the Kedah state government should take the initiative to form associations aimed at fostering the growth of export-oriented firms, especially those that utilize local resources by learning from the Kagoshima Model.

Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

1. October 10, 2021, Malaysia Association of Japanese Studies (MAJAS) Member Lecture Series, Perbandingan Promosi Eksport Kedah dan Kagoshima
2. February 25-28, 2019, 8<sup>th</sup> International Conference on Economics, Business and Marketing Management (CEBMM 2019), Export Promotion Agency, Presenter.
3. December 18, 2018, 5<sup>th</sup> Annual Ecofi Symposium 2018, Promosi Eksport dan Duopoli Antarabangsa, Presenter.

Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

1. Journal of Economics, and Sustainability, to be submitted, A review of export promotion.
2. Journal of International Studies, to be submitted. A comparative analysis of export promotion between Kagoshima and Kedah.
3. Foreign Trade Review, to be submitted. Strategic export promotion policy and soft power.

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)

1. Penerbit Universiti Malaya, 2019. . Perbandingan eksport Kedah (Malaysia) dan Kagoshima (Jepun) in Book Jepun dan Dinamisme Global. Normizan Bakar (Author), Rohayati, Asmadi and Md Nasrudin (Editors).
2. Policy Recommendation Paper. 2024. Title: Promosi eksport Kedah: pembentukan kerjasama antara pengeksport (Kedah export promotion: the establishment of cooperation between exporters). Under discussion with Kedah Government.