Competitiveness: Succeeding in a New Global Market

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Hiroyuki Ishige
Chairman and CEO
Japan External Trade Organization (JETRO)
Competitiveness: Succeeding in a New Global Market

★ 1. Interest for investing in U.S. is growing

2. Japan as the gateway to Asia
Japan’s Investment in the U.S. Doubles

Changes in Japan’s Outward FDI by Region

(Billion USD)


North America Latin America Europe Asia others

$32 billion (2.2 times)

[$36 bill. (2.4 times) in North America]
Japanese Firms in Southeast U.S.

- **North Carolina**: 159 companies, 17,300 employees
- **South Carolina**: 102 companies, 14,300 employees
- **Florida**: 185 companies, 21,900 employees
- **Georgia**: 214 companies, 26,300 employees
- **Alabama**: 100 companies, 13,900 employees
- **Mississippi**: 64 companies, 5,800 employees
- **Tennessee**: 154 companies, 32,300 employees

Note: Data in 2011
Source: Department of Commerce, Press Releases

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(Source) Department of Commerce

Slide 4
Contribution to the U.S. Economy

**Employment**

- Japan: 700,000 (12%)
- UK: 17%
- Germany: 10%
- Netherlands: 7%
- Switzerland: 8%
- France: 9%
- Canada: 10%
- Other: 27%

**Export**

- Japan: $65 billion (21%)
- Germany: 13%
- Netherlands: 11%
- France: 7%
- Canada: 4%
- Korea: 3%
- Australia: 1%
- Other: 29%
- Canada: 4%

Source: US Department of Commerce
Business Outlook

No. of respondents: 445
Source: JETRO survey in September and October 2013

Expansion 60%
Reduction 3%
Withdrawal 0%
No change 37%

Employment

Expansion 46%
Reduction 7%
No change 47%
No change 46%
Reduction 3%
Withdrawal 0%
No change 37%
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★ 2. Japan as the gateway to Asia
GDP growth rate: 4.3%(Q1), 3.8%(Q2), 1.9%(Q3)

Nikkei Stock Average up by 60.0%;
  • Highest among the G8 countries

Unemployment rate at 4.0%;
  • Lowest among the G8 countries
## R&D Expenditures

<table>
<thead>
<tr>
<th>Country</th>
<th>% of GDP</th>
<th>FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>3.67</td>
<td>2011</td>
</tr>
<tr>
<td>USA</td>
<td>2.90</td>
<td>2009</td>
</tr>
<tr>
<td>Germany</td>
<td>2.82</td>
<td>2010</td>
</tr>
<tr>
<td>France</td>
<td>2.25</td>
<td>2010</td>
</tr>
<tr>
<td>UK</td>
<td>1.76</td>
<td>2010</td>
</tr>
<tr>
<td>Canada</td>
<td>1.74</td>
<td>2011</td>
</tr>
<tr>
<td>Italy</td>
<td>1.26</td>
<td>2010</td>
</tr>
<tr>
<td>Russia</td>
<td>1.16</td>
<td>2010</td>
</tr>
</tbody>
</table>

Source: Complied by JETRO based on data from the Ministry of Internal Affairs and Communications Statistics Bureau

Source: Japan Patent Office

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Connectivity to Asia

- Third largest economy in the world
- High-income population of 127 million
- Trailblazer (Coca-Cola, Nike, L'ORÉAL)
FTA Coverage

Note: This estimation is calculated with the data in 2012.
Source: Trade statistics of each country/region
To attract R&D and Asian regional HQs:

- Subsidies for capital investment
- Tax incentives for new R&D facilities and regional HQs
Experimental sites for regulatory reform
Attracting investment both domestic and from abroad

- Business friendly deregulation
- Better living conditions for foreign residents
- Tax reforms