

Strengthening the Japan-Midwest Relationship

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Visit by Minister Hiroshige Seko Demonstrates Importance of Japan-Midwest U.S. Partnerships

Strengthening the Japan-U.S. Relationship by Growing Investment



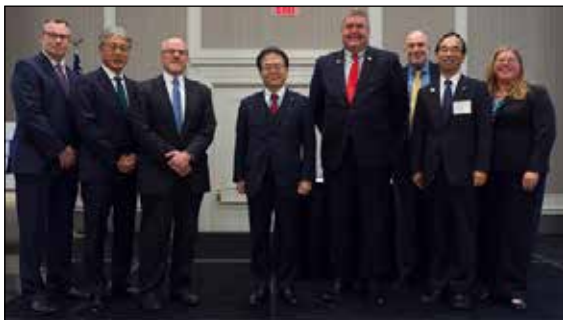
Summary of Keynote Speech by Hiroshige Seko, Minister of Economy, Trade and Industry of Japan, JETRO Seminar, August 2, 2018, Columbus Ohio

Investment by Japanese companies in the United States has contributed to the strong ties between the United States and Japan. There are 484 Japanese companies that have invested here in Ohio, and they are hiring 77,000

employees. We would like to take this opportunity to express our appreciation to state and local governments and their economic development corporations for accepting all these companies.

Since the 1980s, Japanese investment in the United States has been growing at a 10% average annual growth rate. The result

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Guests and presenters at the August 2 seminar included (from left): Kenny McDonald, President, Columbus 2020; Shigeki Maeda, Executive Vice President, JETRO; Tom Shoupe, Executive Vice President, Honda of America Mfg., Inc.; Hon. Hiroshige Seko, Minister of Economy, Trade and Industry; Scott Ryan, State Representative, The Ohio House of Representatives; Ralph Inforzato, Chief Executive Director, JETRO Chicago; Hon. Mitsuhiro Wada, Consul-General, Consulate-General of Japan in Detroit; Deb Scherer, Managing Director, Global Trade and Investment, Columbus 2020

A Special Visit Highlighting a Special Relationship



From the Chief Executive Director

Ralph Inforzato
 Chief Executive Director,
 JETRO Chicago

Hiroshige Seko, Minister of Economy, Trade and Industry, made an unprecedented visit to the Midwest from August 1st to August 3rd, a full three days in America’s Industrial Heartland. I had the honor to travel with the Minister and his

senior METI leadership team to Indiana, Ohio and Michigan and participate in his respective meetings. All of us are interested in the pace and growth of Japanese investment in the Midwest and we are interested in understanding the economic contributions that Japanese companies are making to our local communities, such as job growth, facility expansion and export growth. As it turns out, the top leaders of the Government of Japan, such as Minister Seko, a close advisor to Prime Minister Abe, are also interested in Japanese investment in the Midwest. This is a case of aligned economic interests among the very top leadership in Japan as well as the political and business leadership of the Midwest – both recognize and respect the Midwest-Japan economic relationship as a reflection of the strong U.S.-Japan economic relationship. Indeed, the unique connection between the Midwest and Japan is special enough for the Minister to spend three days of his time visiting the area. He is the only cabinet member of the Japanese government to make such a visit. Minister Seko said, “At no other time in the history of the bilateral relationship have Japan-U.S. economic ties been so strong.” He personally thanked Indiana Governor Eric Holcomb and the local leaders in Ohio and

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Now Available for Download: “Japanese Auto Manufacturers’ Contributions to the U.S. Economy (July 2018)”

This joint research presentation by METI and the Japan Automobile Manufacturers Association (JAMA) shows how Japanese brand automakers are contributing to the American economy.

See page 4 for more information.



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JETRO Chicago Chief Executive Director Ralph Inforzato with Minister Seko.

Michigan for their ongoing support of the Japanese companies in their respective communities.

Minster Seko made the Keynote presentation at our August 2 public program, "Strengthening the Japan-U.S. Economic Relationship by Growing Investment," (Columbus, OH), and stated in fact that investment from Japan in the United States is 90 times larger compared to the 1980s and has reached \$469 billion in cumulative direct investment in the U.S., creating 860,000 American jobs. This is the story: that Japanese companies in the U.S. are job creators and have been for decades. As Midwesterners, we want an expansion of jobs driven by business growth; Minister

Seko effectively articulated this virtuous economic cycle of Japanese investment growth in our Industrial Heartland which contributes to the expansion of our job base. To obtain a greater sense of the economic perspective, please see the slide presentation, "Japanese Auto Manufacturers' Contributions to the U.S. Economy (July 2018)," which is a joint research presentation made by METI and the Japan Automobile Manufacturers Association (JAMA) showing how Japanese brand automakers are contributing to the American economy. See page 4 for information on downloading the presentation.

We want this trend to continue. We want job growth in our Midwest manufacturing sector to grow, as does Minister Seko. Whether you are in Seymour (IN), Novi (MI) or Dublin (OH), there's a basic confluence of economic interests between Japan and the Midwest that centers on continued job growth and investment expansion by Japanese companies.

Minister Seko engaged in dialogue with all about Japan-U.S. economic relations, which culminated in a discussion to identify the key challenges for Japanese companies in the United States. Workforce development and trade issues were the challenges that Minister Seko cited to the Midwest leadership. Interestingly enough, these challenges were also held in agreement by the leaders from Indiana, Ohio and Michigan. However, it was the urgency in Minister Seko's message on trade that was the difference in both his public interviews and private meetings as he specifically said that if the U.S. automotive related Section 232 tariffs are implemented, then the economic contributions of Japanese companies in the U.S. are at risk. The Minister was very forthright on the issue of trade, indicating that U.S. imposed tariffs will threaten the stability of the North American automotive supply chain; he made his message very firm. The Midwest leadership respected his message. And Minister Seko made this point to show the Government of Japan's concern for the transition in U.S. trade policy, specifically the Section 232 investigation related to automotive tariffs. It was a singular visit to the Midwest and at a very important time.

Wednesday, August 1: Minister Seko visits Indiana



On the first day of his Midwest visit, Minister Seko went to Indianapolis, Indiana. At left, Minister Seko is greeted by Indiana Governor Eric Holcomb.



Above, Minister Seko attends a discussion on economic relations in Indiana, with the state's Japan automobile industry representative, along with Indiana Governor Eric Holcomb.



Above, Minister Seko meets with employees following a tour of Subaru of Indiana Automotive, Inc. (SLA), a subsidiary of Subaru Corporation. The plant is located in Lafayette, Indiana, north of Indianapolis.



At left, Minister Seko is interviewed by reporter Mary-Rachel Redman of Inside INdiana Business. He spoke about the impact of automotive tariffs, and investment in Indiana.

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is that Japanese investment in the United States is 90 times larger than it was in the 1980s. It has now reached approximately \$469 billion on a cumulative basis and has created about 860,000 jobs across the country.

Japanese automobile manufacturers have contributed to growing the auto industry in the United States, together with American companies. Over 90,000 American workers employed by Japanese auto makers operating in the United States are now producing 3.8 million units, which is twice the number of cars exported from Japan to the United States. The number of American workers involved in Japanese auto production is 1.5 million if indirectly employed workers are included. In addition to this, 420,000 cars are exported from the United States, which contributes to an improvement of America's balance of trade.

Japanese companies have actively contributed to human resources development and have provided social services in order to develop a commitment to their local communities and be good corporate citizens of America. So far, more than 100,000 Americans have participated in job training programs provided by Japanese companies.

We would like to strengthen our close relationships in trade and investment with the State of Ohio and other states in the Midwest, the center of American manufacturing. To that end, we will continue to strongly encourage and support companies in both countries that are eager to expand their overseas businesses, through the business matching program and investment promotion seminars hosted by JETRO, which has 45 offices across Japan.

Thursday, August 2 Seminar in Columbus, Ohio:

“Strengthening the Japan-U.S. Economic Relationship by Growing Investment,”



Hiroshige Seko, Minister of Economy, Trade and Industry of Japan delivers the Keynote Address.



Shigeki Maeda, Executive Vice President, JETRO



Hon. Mitsubiro Wada, Consul-General, Consulate-General of Japan in Detroit



JETRO Chicago Chief Executive Director, Ralph Inforzato.



Scott Ryan, State Representative, The Ohio House of Representatives.



Deb Scherer, Managing Director, Global Trade and Investment, Columbus 2020.



Tom Shoupe, Executive Vice President, Honda of America Mfg., Inc.

Wednesday, August 1 in Indiana

During his visit to Governor Holcomb's office in Indianapolis, Minister Seko met with a number of officials and executives. In the photo at right: Tom Easterday, Executive Vice President, Secretary & General Counsel, Subaru of Indiana Automotive, Inc.; Yoichi Kato, Director, Corporate Executive Vice President, Subaru Corporation; Millie Marshall, President, Toyota Motor Mfg. Indiana, Inc.; Minister Hiroshige Seko; and Jim Schellinger, Secretary of Commerce, Indiana Economic Development Corporation.



Thursday, August 2 in Columbus, Ohio

During his August 2 visit to Columbus, Ohio, Hiroshige Seko, Japan's Minister of Economy, Trade and Industry (center) had the chance to exchange greetings with Dana McDaniel, City Manager of Dublin; Lydia Mihalik, Mayor of Findlay; Mike Barborst, Mayor of Sidney; and Terry Emery, City Manager of Marysville.



Friday, August 3: Minister Seko Visits Michigan



The Mayor of Detroit and the President of the Detroit Regional Chamber are among those who joined Minister Seko at a breakfast meeting to discuss their community and the Japan automobile and parts industries.



Minister Hiroshige Seko is joined by Sandy K. Baruah, President and CEO of the Detroit Regional Chamber (left); Mike Duggan, Mayor of the City of Detroit (second from left); Bob Gatt, Mayor of Novi, MI; and Ken Massey, Mayor of Farmington Hills, MI.

Now Available for Download: "Japanese Auto Manufacturers' Contributions to the U.S. Economy (July 2018)"

Get both the history and the latest information on the impact of Japan's automotive industry on the economy of the United States. This joint research presentation by METI and the Japan Automobile Manufacturers Association (JAMA) shows how Japanese brand automakers are contributing to the American economy, from California to North Carolina, with a heavy emphasis on the Midwest.

Download this slide presentation in PDF format at <https://goo.gl/Rx4TDT>.

JULY 2018

JAPANESE AUTO MANUFACTURERS' CONTRIBUTIONS TO THE U.S. ECONOMY

Japanese-Brand Automakers in the US: A 35+ Year History

Japanese-Brand Auto Manufacturers' U.S. Operations

Japanese-Brand Automakers' U.S. Production is Greater than their Auto Exports to US market

- Since 1992, Japanese-brand automakers' U.S. production has consistently outpaced exports from Japan to the U.S. In 2017, Japanese automakers built 3.77 million vehicles in the U.S.

Increase in U.S. Parts Purchases by Japanese-Brand Automakers

- From 1986 to 2017 Japanese-brand Automaker purchases of U.S. parts has dramatically increased.

Contact JETRO Chicago • www.jetro.go.jp/usa/

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The JETRO Chicago team offers a wide variety of business support services for companies in the Midwest planning to initiate a business presence or seeking to add to their existing investment in Japan, and/or work with Japanese companies. Please feel free to contact us.

