

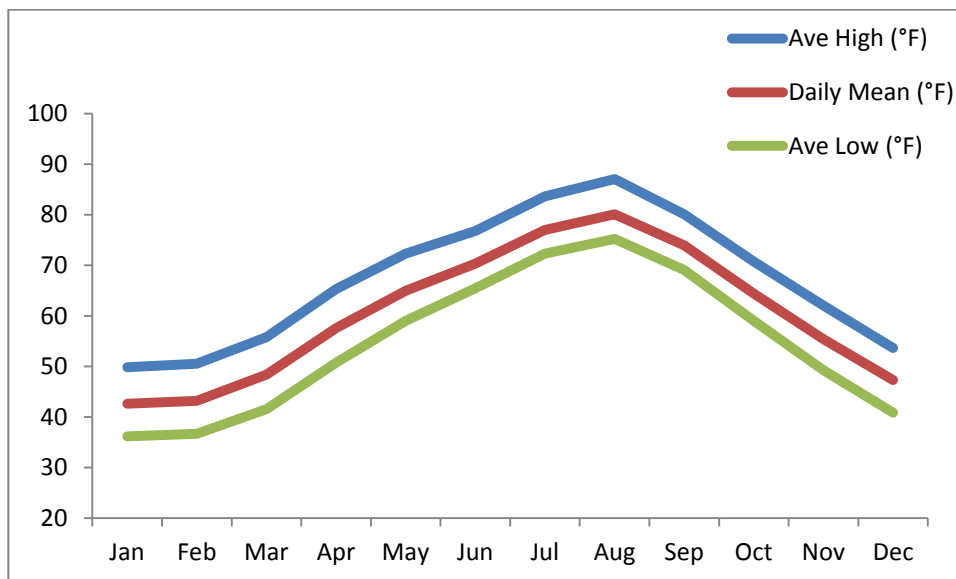
# Local Report: Yokohama City – Kanagawa Prefecture (November 2014)

## The city at a glance



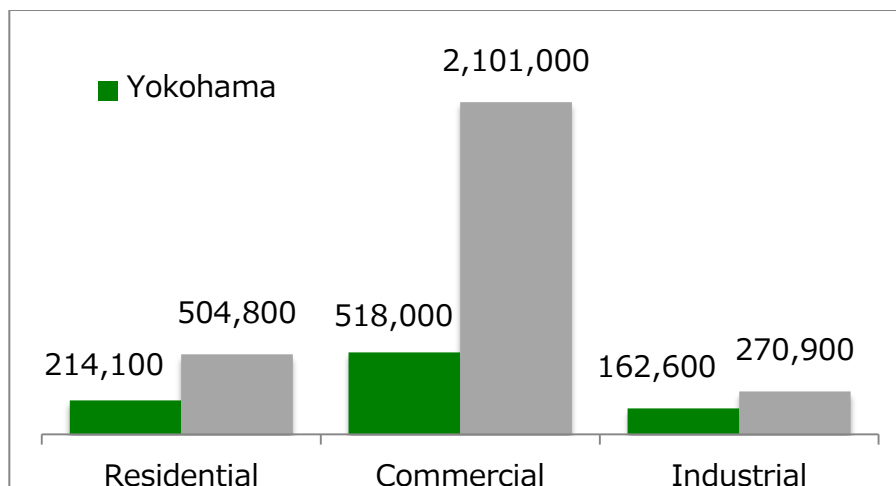
**Figure 1: The Location of The City of Yokohama (original image from Digipot)**

Yokohama is the capital city of Kanagawa Prefecture and the largest city in Japan, (with a population of 3,711,540 as of November 1<sup>st</sup>, 2014) except for Tokyo. Yokohama has a humid subtropical (Cfa) climate with four distinct seasons, with moderately hot summers and cold winters.

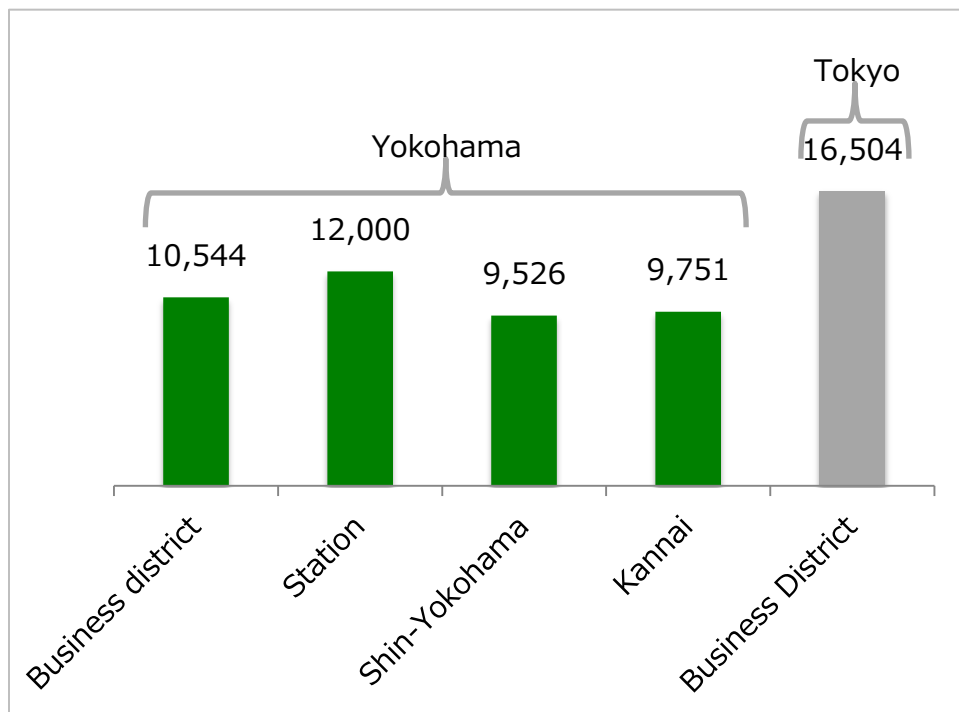


**Figure 2: The Climate of Yokohama from 1981 - 2010 (source: time-j.net)**

The price of land and rent for office space is high but reasonable compared to central Tokyo, as the figures below show.



**Figure 3: A Comparison of the Price of Land between Yokohama and Tokyo by Purpose as of January 1st, 2014 (Original Source: Ministry of Land, Infrastructure, Transport, and Tourism)**



**Figure 4: A comparison of office rent prices (in JPY for 3.3 m2 per month) in March 2013 (Source: City of Yokohama)**

### **Transportation:**

The City of Yokohama does not have an airport but has access to Tokyo International Airport (Haneda Airport) within 22 minutes and to Narita International Airport within 90 minutes by train.

Land transportation is very well developed. A Shinkansen (bullet train) stops at Shin Yokohama Station. Yokohama Station accommodates four JR local lines as well as private lines such as Keikyu, Sotetsu, Tokyu, and a city-owned subway line. According to JR, Yokohama station has the fourth-largest number of passengers of all JR stations in East Japan. In addition, 10 bus companies (out of which 9 are private) operate throughout the city.

## Seaport:

The Port of Yokohama has been one of the major three commercial seaports in Japan since its opening in 1859. Not only is The Port of Yokohama significant as a commercial port but it has also served as an industrial and tourist port. In fact, The Port of Yokohama accommodated cruise ships 152 times - 50% more than The Port of Kobe - in 2013.

## The economy of Yokohama

Yokohama has one of the most competitive economies in Japan. Its scale is comparable to Osaka and Nagoya.

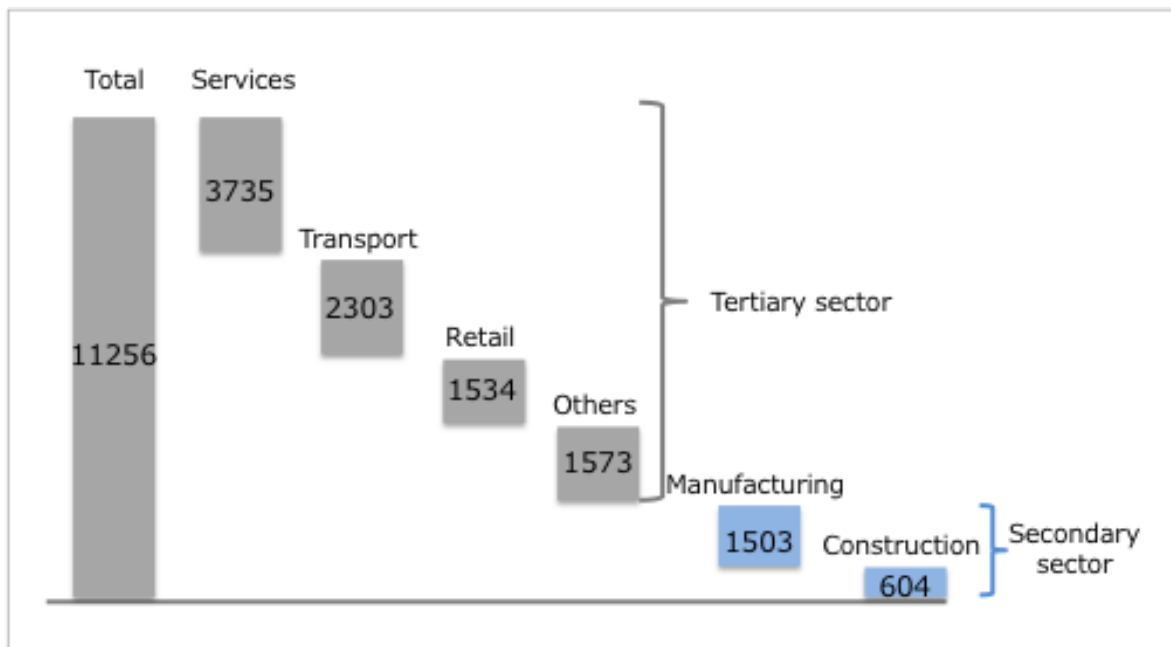
		Ranking			
	Unit	1	2	3	4
# of establishments in 2012	thousand	Osaka (190)	Nagoya (120)	Yokohama (144)	Sapporo (70)
# of employees in 2012	thousand	Osaka (2190)	Yokohama (1429)	Nagoya (1390)	Sapporo (830)
GDP in 2010	billion yen	Osaka (18500)	Yokohama (12601)	Nagoya (11600)	Fukuoka (830)

**Table 1: An Economic Comparison of Large Cities in Japan**  
(Source: City of Yokohama)

## Industrial structure

The economy of Yokohama is dominated by the huge tertiary sector which generates 81% of the city's GDP. The most influential sectors are services and

transport. Regarding the manufacturing sector, both employment and the value of shipments are decreasing over time.



**Figure 5: GDP Breakdown of The City of Yokohama in 2011 (in billions of yen) (Source: City of Yokohama)**

### Major companies and city projects

Yokohama accommodates the headquarters of publicly traded businesses in various sectors. Popular names include Nissan Motor (automobiles), Tokyo Electron (semiconductors), Colowide (a restaurant chain), JVC Kenwood (audio), Three F (a convenience store chain), and JGC (construction). This concentration of major corporations, as well as its large population, enables Yokohama to carry out cutting edge field experiments.

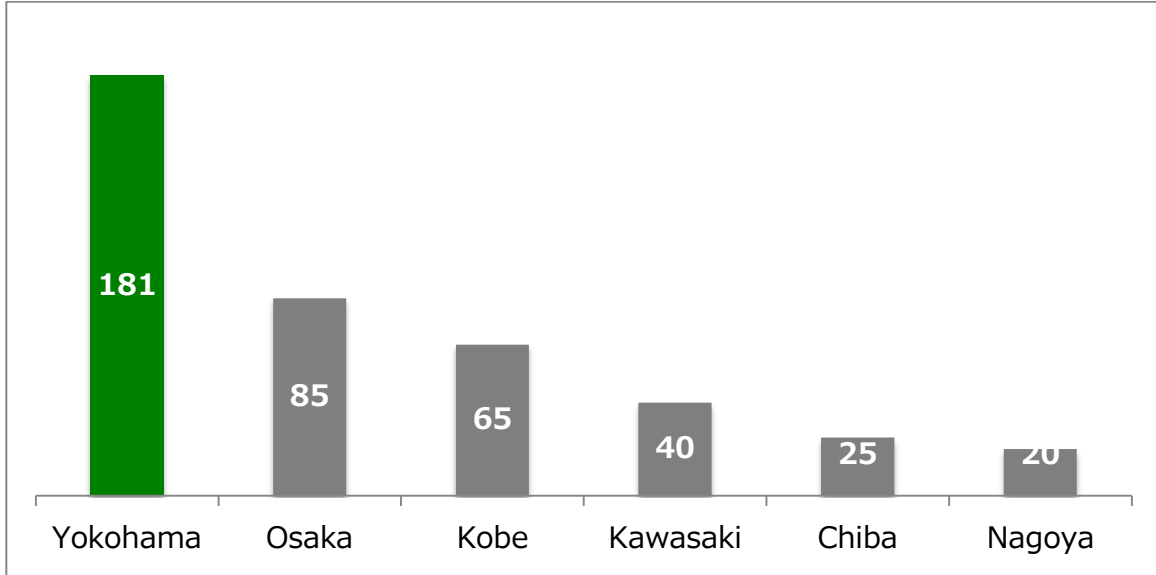
- **Yokohama Smart City Project (YSCP):** One of the city's major initiatives is a smart city project. YSCP aims to establish a smart city model through the collaboration of the city, residents, and businesses.

The primary focus of the project is energy management systems in multiple layers (e.g. individual houses, apartments, business buildings, and manufacturing facilities.) It also covers electric vehicles and the development of charging stations.

- **Yokohama Mobility Project Zero (YMPZ):** YMPZ was a holistic eco-friendly automobile policy project led by Nissan and The City of Yokohama from 2009 to 2013. The programs included:
  - EV Partners: commercial facilities providing incentives to customers to switch to electric vehicles
  - EV car sharing: the promotion of a shift to EVs and trials of EV car sharing systems
  - New mobility: the development and trial of super-mini cars (cars accommodating a maximum of two passengers)
  - Dissemination of Eco drive: events to promote ecological driving
  - Dissemination of EVs: subsidies for buying EVs and installing EV charging equipment

## Measures to attract business:

Yokohama has been keen on attracting businesses. In fact, the city has attracted more foreign businesses than any other apart from Tokyo. There were 181 foreign businesses in Yokohama in 2013.



**Figure 6: The Number of Foreign Companies in Major Cities in 2013**  
(Source: City of Yokohama)

The City of Yokohama has generous systems for luring businesses in specific sectors.

- **Move-in aid:** A grant of from JPY3 million to JPY20 million is given to companies aiming to open their first establishments in The City of Yokohama. A similar level of grants will be given to companies already operating in the city but expanding their office space or number of employees in their headquarters or R&D facilities. (See Figure 7 for details.)
- **Move-in aid for foreign companies:** Up to JPY1.5 million yen will be granted to foreign companies moving into the city.
- **Tax reduction:** Tax reduction measures (half of property tax and city planning tax rates) and grants (up to JPY3 billion) will be granted to companies that require funds to carry out long-term business plans in particular areas of the city for companies carrying out business plan to meet

constant condition (business contents, the amount of investment) in particular area in the city.)

Target Areas	Requirements	Functions	Subsidy
<b>Specially promoted areas</b> <ul style="list-style-type: none"> <li>Life Science (medicine, medical equipment)</li> <li>Low carbon/energy</li> </ul>	<ul style="list-style-type: none"> <li>300M2 or larger floor areas</li> </ul> or <ul style="list-style-type: none"> <li>30 or more employees involved in the areas</li> </ul>	<ul style="list-style-type: none"> <li>HQ or R&amp;D</li> </ul>	JPY20M (max)
		<ul style="list-style-type: none"> <li>Operating facilities (not HQ or R&amp;D)</li> </ul>	JPY10M (max)
<b>Focused areas</b> <ul style="list-style-type: none"> <li>Health, Fitness</li> <li>Energy/ environment</li> <li>IT</li> <li>New technologies</li> </ul>	<ul style="list-style-type: none"> <li>100M2 or larger floor areas</li> </ul> Or <ul style="list-style-type: none"> <li>10 or more employees involved in the areas</li> </ul>	<ul style="list-style-type: none"> <li>HQ or R&amp;D</li> </ul>	JPY10M (max)
		<ul style="list-style-type: none"> <li>Operating facilities (not HQ or R&amp;D)</li> </ul>	JPY3M (max)

**Figure 7: Office Rent Grants for New Establishments in The City of Yokohama (source: City of Yokohama)**

Recent moves of foreign businesses into Yokohama in 2014

- Mercuries (Taiwan): The operation of a restaurant chain
- Exel Industries (France): Robotics products for the industrial and agricultural sectors
- AICON 3D Systems (Germany): 3D optical measuring devices
- B&R Industrial Automation (Austria): Development of automation and control technologies



- CETECOM (Germany): Testing and authentication services for telecommunications devices
- MEC Holding (Germany): Materials and equipment for welding and thermal sprays
- Sensata Technologies (USA): Development of sensors and control components

## Sources/References:

### City at a glance

- [Yokohama City Statistics](#) (Japanese)
- [Time J](#) (Japanese)
- [Land price Yokohama](#) (Japanese)
- [Land Price Tokyo](#) (Japanese)
- [Land and rent price](#) (Japanese)
- [Sendai Airport](#) (Japanese)
- [Sanko Estate \(rent as of 31 Aug, 2014\)](#) (Japanese)
- [East Japan Railway Company](#) (Japanese)
- [Ministry of Land, Island, and Tourism](#) (Japanese)

### Economy of Yokohama

- [City of Yokohama](#) (Japanese)
- [YSCP](#)
- [YMPZ](#) (Japanese)

### Business Attraction Measurements

- [City of Yokohama](#) (Japanese)
- [Economic Affairs Bureau, City of Yokohama – Grant, subsidy](#)

- [City of Yokohama - Recent moves](#) (Japanese)