

Local Report: Nagoya City – Aichi Prefecture (December 2014)

The city at a glance



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

Nagoya is the capital city of Aichi Prefecture with the largest population of 2,277,351 (as of November 1st, 2014) in the Chubu region. Nagoya has a humid subtropical (Cfa) climate with four distinct seasons, with very hot summers and cold winters.

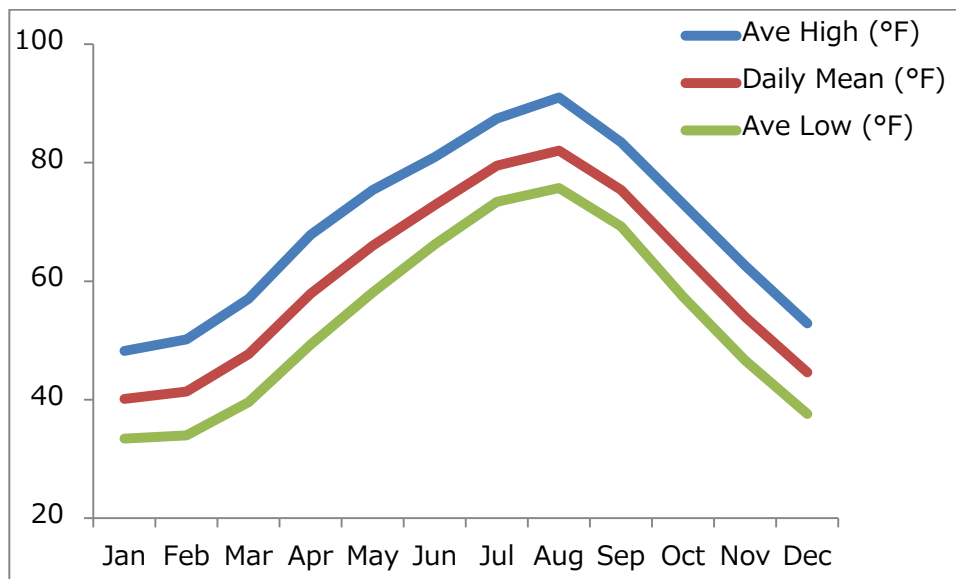


Figure 2: The Climate of Nagoya from 1981 - 2010 (source: time-j.net)

The price for the office space is high. According to Sanko Estate, the average price for 3.3 sqm in October in Nagoya was JPY15184, as compared to JPY16046 in Tokyo.

Transportation:

The City of Nagoya does not have an airport, but people have a direct access to Central Japan International Airport (Centrair) by a 30-minute train ride. Centrair had 9.97 million passengers in 2013 with daily averages of 80 domestic flights and 40 international flights to 26 cities such as Shanghai, Taipei, Manila, Bangkok, Frankfurt, and Helsinki. It also serves as an important cargo airport.

The land transportation of the city is well developed. Nagoya is a key station of the Shinkansen (bullet train.) It also has terminal stations of Japan Rail, Nagoya Railroad, Kintetsu, and City Metro. Seven lines of City Metro, which run throughout the city, are the primary transportation while other rails connect Nagoya with suburban cities. In addition, there are three bus companies.

Seaport:

The Port of Nagoya, located across Nagoya City, Tokai City, Chita City, Yatomi City, and Asuka Village, is the largest trading port of the nation. In the year of 2013, the port was No.1 in the following aspects:

- Total cargo volume - 2008 million tons – followed by Chiba and Yokohama
- Trade value – JPY16.3 trillion – followed by Tokyo and Yokohama
- Trade profit – JPY5806 billion – followed by Yokohama and Kobe
- Total cars exported – 147 million – followed by Mikawa and Yokohama

The economy of Nagoya

As is often the case for many large cities, retail and wholesale are the leading sectors of Nagoya, yielding 44% of the city's revenue in 2012. However, the economy of Nagoya cannot be explained without mentioning the influence of Toyota Motor and related automobile related companies in Aichi Prefecture. In fact, on the prefectural level, 41% of the revenue was yielded in the manufacturing sector.

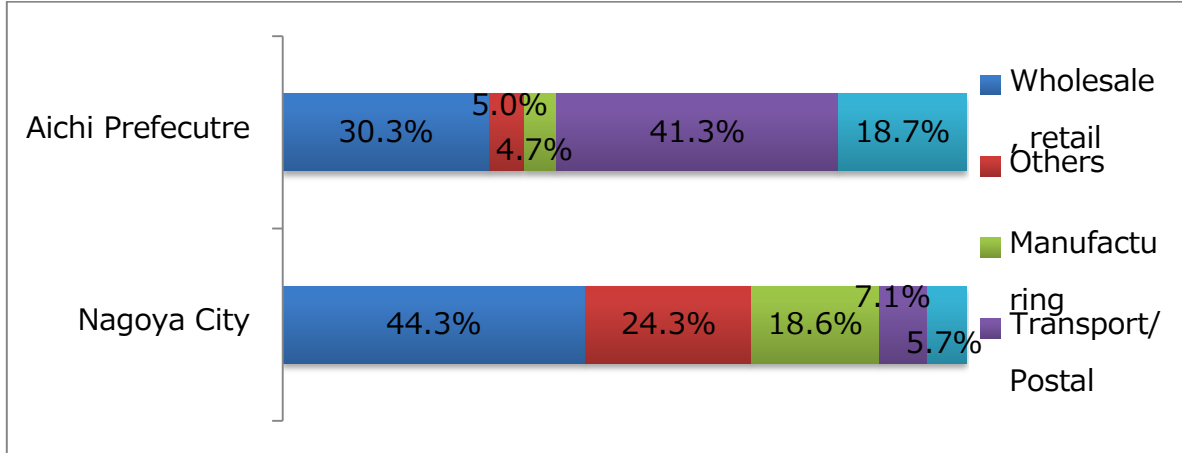


Figure 3: The revenue ratio breakdown of Nagoya City and Aichi Prefecture in 2012 (source: The City of Nagoya)

Naturally, Nagoya had the third largest industrial sector of Japan, following Tokyo and Osaka.

City	# of businesses	# of employees
Tokyo	11031	168173
Osaka	6403	124088
Nagoya	4514	101203
Yokohama	2738	96778

Table 1: Industrial sectors of large cities (source: the City of Yokohama)

Major companies

Aichi Prefecture accommodates large-scale automobile related companies including Toyota Motor, Denso, Aishin. Also, a variety of publicly traded companies are headquartered in the City of Nagoya.

- Kagome – food
- NGK Insulators – electric power related products

- Brother Industries – telecom and office equipment
- Ichibanya – restaurant chain
- Daido Steel – Specialty steel and materials

In addition to the big corporations, Aichi Prefecture has historically fostered specialized small sized manufacturers in food, textile, lumber, ceramic, steel, machinery, and so on. In fact, the prefecture has maintained No.1 for product shipment in Japan. The prefecture has short-listed representatives of manufacturers on [their special website](#).

Measures to attract business:

Greater Nagoya Initiative (GNI)

Greater Nagoya refers to the economic region of 100km radius from Nagoya. The initiative involves the national government, local governments, industries, companies, and academics to promote foreign investments. GNI provides foreign companies with information, business-matching services, and establishment services. Recent activities are as follow:

- Seminar for foreign companies – including the lecture on industrial structure and investment environment
- Business matching for Swiss high technology companies
- Business matching for German compound material companies

Incentives by the City

The City of Nagoya does not offer incentives specifically for foreign businesses. However, it has a scheme to financially support young companies' (in three years from the inception) office space and manufacturing facilities. In case of renting, the rent for three months (up to JPY3 million) is granted. In case of purchasing,

real estate tax for 3 years (up to JPY1 billion) is waived. The applicable sectors are environment/energy, medical/welfare/health, creative, cutting edge technologies, and support.

Sources/References:

City at a glance

- [City of Nagoya](#) (Japanese)
- [Time J](#) (Japanese)
- [Sanko Estate](#) (Japanese)
- [Central Japan International Airport](#)
- [Central Japan International Airport](#) (Japan)
- [Port of Nagoya](#)

Economy of Nagoya

- [City of Nagoya](#) (Japanese)
- [City of Yokohama](#) (Japanese)
- [Manufacturing Companies of Aichi](#)

Business Attraction Measurements

- [Greater Nagoya Initiative](#)
- [City of Nagoya](#) (Japanese)