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# JETRO Chicago **Midwest** NEWSLETTER

Illinois • Indiana • Iowa • Kansas • Michigan • Minnesota • Missouri • Nebraska • North Dakota • Ohio • South Dakota • Wisconsin

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## JETRO Assists Japanese Exhibitors and Visitors at IMTS

More than 115,000 people from around the world converged on McCormick Place last week for IMTS 2016, the International Manufacturing Technology Show, held every other year. Organized by the Association for Manufacturing Technology (AMT), this year's IMTS was the third-largest in its history for both the number of attendees and the total square footage (1.37 million). The 2016 show also had the highest number of exhibitors at 2,407. IMTS is an important show for the industry; the average sales increase in the months following past IMTS years is 32%.

JETRO Chicago hosted a group of Japanese attendees and exhibitors for a seminar at our office, providing a summary of U.S. business conditions and behavior, and recommending strategies for market entrance. In the afternoon, we were pleased to meet with AMT officials for an introductory presentation and guided tour of IMTS highlights. Our mission members enjoyed the opportunity to talk with exhibitors and "kick the tires" of newly introduced technologies in fields such as additive manufacturing (3D printing), robotic automation, and Industrial Internet of Things (IIoT).

**See "IMTS" on page 6**

## TPP Will Strengthen Both the U.S. and Japan



**From the Chief Executive Director**

**Ichiro Soné**  
*Chief Executive Director, JETRO Chicago*

An autumn chill is now in the air, but I am happy to say that the Japan-U.S. economic bond is still a very warm one. To deepen it further, JETRO participated in and hosted three very important events in September, and I would like to talk about them here.

The 48th Annual Joint Meeting of the Japan-Midwest U.S. and Midwest U.S.-Japan Association was held in St. Louis, Missouri from September 11-13. More than 300

representatives from both countries attended the meeting, including five governors from U.S. Midwestern states (Missouri Governor Jay Nixon, Illinois Governor Bruce Rauner, Michigan Governor Rick Snyder, Nebraska Governor Pete Ricketts and Wisconsin Governor Scott Walker); one governor and one Lt. governor from Japan (Saitama Governor Kiyoshi Ueda and Nagano Lt. Governor Yutaka Ota), as well as many corporate executives.

JETRO Chairman and CEO Hiroyuki Ishige led a very interesting panel discussion called, "Partnership for the Future," focusing on the Trans-Pacific Partnership (TPP), with speakers from leading institutions such as Washington University in St. Louis.

As in past years, I was again impressed by the "Kizuna" (bond of emotion/friendship) and "Trust" underlying the relationship between Japan and the Midwest, based on our common values. And this year, I was also impressed by the governors' encouraging statements in support of international trade and investment, even though the Presidential candidates from both parties are not supportive of the TPP itself.

Host Governor Nixon remarked, "It is especially important to call attention to the importance of the strong bonds between the Midwest and Japan because of the undercurrents related to trade rippling around the globe right now. Some foresee a potential turning point over global trade. I think much of this can be traced to a fundamental misconception among some that international trade is a zero-sum game, that in bilateral trade relations there can be only one winner who

**See "Chief Executive Director," page 7**



## Recap: Midwest U.S.-Japan: Gateway for the Future

**By Marie Gaudette, Executive Director, The Midwest U.S.-Japan Association**

We were extremely proud to celebrate our 48th annual joint meeting between the Midwest U.S.-Japan Association (MWJA) and the Japan-Midwest U.S. Association (JMWA) in St. Louis, Missouri in September.

Our Midwest leadership and partners in Japan have been devoted to gathering together each year to share common business strategies and develop strong linkages between participating companies and government agencies. This year's theme entitled "Midwest U.S.-Japan: Gateway for the Future", explored avenues for growth through Innovation – Partnerships – and Technologies.

Our impressive participation of U.S. Governors for this year's conference included our host Governor of Missouri, Jay Nixon, Illinois Governor Bruce Rauner, Michigan Governor Rick Snyder,

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### JETRO Chairman and CEO Delivers Keynote at Yeutter Forum



Hiroyuki Ishige, JETRO Chairman and CEO, delivered the Keynote Presentation at the Yeutter Institute Forum program at the University of Nebraska-Lincoln. Mr. Ishige presented on "Progress of Asia-Pacific Economic Integration and the Roles of the U.S. and Japan," on September 13.



Ronnie D. Green, Chancellor, University of Nebraska-Lincoln opening the Yeutter Series program, with JETRO Chairman and CEO Hiroyuki Ishige and Dr. Clayton Yeutter.



JETRO Chairman and CEO Hiroyuki Ishige and Dr. Clayton Yeutter.



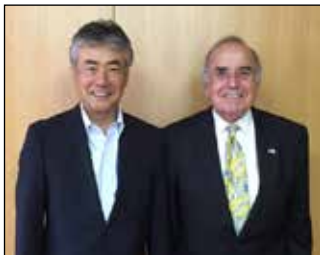
JETRO Chairman and CEO Hiroyuki Ishige and Dr. Clayton Yeutter look on as Nebraska Governor Pete Ricketts addresses the forum.

### JETRO in Minnesota

On Friday, August 12, Ichiro Soné accompanied Consul-General Toshiyuki Iwado to St. Paul for a meeting with Minnesota Governor Mark Dayton. Mr. Soné talked about the state of the Japanese economy and Japan's relationship with Minnesota. While in St. Paul, Mr. Soné also met with the Minnesota Trade Office.



On September 8, Kobei Okui, former Director of JETRO Chicago (3rd from right) met with CATERPILLAR Japan's Mr. Numata (left of Okui), Operating Director, Technical Services, Manager HEDC Excavator Division of CATERPILLAR Japan Ltd., to do a Success Story on how JETRO & METI assisted CAT Japan's expansion at their Akashi, Hyogo Prefecture facility.



Arthur I. Cyr, A. W. and Mary Margaret Clausen Distinguished Professor of Political Economy and World Business; Director, Carthage College, Kenosha, WI meets with JETRO Executive Vice President Tatsuhiko Shindo at JETRO Tokyo (July 21). JETRO's relationship with Professor Cyr has spanned decades and our Chicago and Tokyo offices were excited for his visit to Japan.

### Chicago Gourmet 2016

JETRO Chicago and the Consulate-General of Japan in Chicago co-sponsored the Chicago Sister Cities International Tasting Pavilion at Chicago Gourmet 2016 held September 23 - 25. Four Japanese restaurants served their dishes as part of the Sister Cities International Pavilion.



Kamebachi restaurant in Chicago serves Tuna Tataki (seared tuna) on a flavored rice cake & topped with microgreens.

Staff of Jellyfish restaurant in Chicago serve their Hanami (festival) Roll to Chicago Gourmet attendees. The roll, specially created for the pavilion, included shrimp tempura, pickled ginger & eggplant, avocado & a dollop of togarashi (spice blend) mayo.



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## Special Services in Tokyo Designed to Attract Foreign Businesses

Tokyo, the capital of Japan, with a population of 13.37 million people, is one of the world's few true megalopolises. Its total gross metropolitan product is valued at USD1.1687 trillion (FY2011), an amount rivaling the GDPs of Mexico or South Korea.

There are 2,748 large corporations gathered in Tokyo with capital of over 1 billion yen, approximately half of the total number of such companies in Japan. It is also an international business center, being home to approximately 2,370 or 76 percent of the foreign-affiliated companies in Japan. Tokyo also ranks top class in the world in the number of Fortune Global 500 company headquarters in the world. Such a great accumulation of companies in Tokyo serves as a magnetic force to attract even more companies to the city every day, further enhancing the city's economy.

The Tokyo Metropolitan Government (TMG) is advancing efforts to attract foreign companies and entrepreneurs and develop the international business environment by using the Tokyo Area National Strategic Special Zone and the Special Zone for Asian Headquarters.

TMG's goal is to create the world's most business-friendly environment, offering an irresistible array of support measures geared to entice overseas businesses. In order to raise Tokyo's international competitiveness, the TMG is advancing various initiatives while using systems such as the Special Zone program. For example, in addition to setting up the high performance infrastructure for business and daily life, we have established the **Business Development Center TOKYO**, with bilingual staff who can respond to inquiries by foreign companies regarding business and daily living; opened the **Tokyo One-Stop Business Establishment Center** in April 2015 on the same floor as the JETRO headquarters to allow companies to undertake procedures for company establishment at one stop; and we were able to relax regulations concerning residence status in Japan.

Also TMG has lowered the barriers for people to start new business in Tokyo. The Tokyo One-Stop Business Establishment Center opened its doors in April 2015, aiming to smooth the paperwork path for new businesses to set up shop in the city. The regulations and procedures for establishing a new company in Japan can be complicated. Over 20 different applications must be submitted to as many as eight different government offices, in order to obtain a certificate of eligibility for status of residence, certification of Articles of Incorporation, company registration and notification, and taxes, and other necessary documents. The Tokyo One-stop Business Establishment Center is prepared to help deal with all of that. The center shares the same floor with the Business Development Center TOKYO, whose bilingual staff can help with everything from funding partners to open a new business within Tokyo, to



Visitors get business advice and assistance at the Tokyo One-Stop Business Establishment Center.

finding the right employees, to providing advice on how to live in the city.

### Tokyo One-Stop Business Establishment Center (TOSBEC)

<http://tosbec.org/english/index.html>

The Tokyo Metropolitan Government (TMG) has launched a new support program aimed at foreign firms. **The Program to Increase Foreign Entrepreneurs** eases certain regulations and provides help through the entire process, in the hope of boosting the number of foreign startups in the capital.

### Business Development Center TOKYO (BDCT)

<http://www.bdc-tokyo.org/en/about/fhr.html>

<http://www.bdc-tokyo.org/en>

E-Mail: [contactus@bdc-tokyo.org](mailto:contactus@bdc-tokyo.org) (overall inquires)

[support2@bdc-tokyo.org](mailto:support2@bdc-tokyo.org) (inquiries for the program to increase foreign entrepreneurs)

### Tokyo Employment Consultation Center (TECC)

At the Tokyo Employment Consultation Center (TECC), attorneys with knowledge of labor-related laws give advice FREE OF CHARGE.

- Quick advice at our counters, or over the phone
- Advanced consultation in a private room or at your office

For example, you can prepare documents in English, such as employment contracts before labor issues arise and then smoothly set up a business enterprise.

<http://t-ecc.jp/english.php>

E-Mail: [info@t-ecc.jp](mailto:info@t-ecc.jp)

Reference: <http://www.japantimes.co.jp/news/2015/07/14/national/consultation-center-offers-insights-firms-looking-business-japan/>



*The Tokyo skyline. The Tokyo Metropolitan Government's goal is to create the world's most business-friendly environment, offering an irresistible array of support measures geared to entice overseas businesses.*

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## Special Report: 48th Annual Midwest U.S.-Japan Association Conference

### Midwest U.S. Japan ... from page 1

Nebraska Governor Pete Ricketts and Wisconsin Governor Scott Walker.

We were extremely pleased to have the Japanese Ambassador to the U.S., His Excellency Kenichiro Sasae, join us as well as Paul Piquado, Assistant Secretary for Enforcement & Compliance of the U.S. Department of Commerce, International Trade Administration.

Our superb array of speakers represented our leading US and Japanese firms/organizations, including Boeing Military, Council of State Governments, Prolog Venture, Mastercard Operations and Technologies, Toyota Motor Corporation, Teijin Limited, ANA Holdings and Toshiba Corporation, to name a few. (Our complete list of presenters is downloaded in the schedule section of our MWJA conference web site: <http://www.midwest-japan.org/schedule/>)

Our hosts in Missouri worked tirelessly over the past year to organize a program of great substance and cultural enjoyment. The opening Sunday included a visit to Mark Twain's home in Hannibal, a tour on the Mississippi River and a Cardinals-Brewers baseball game at Busch Stadium. The Sunday Welcome Reception was held at the historic St. Louis Art Museum, the site of the St. Louis World's Fair of 1904, with an evening climaxing with beautiful fireworks, launching our 48th Joint Meeting.

As in past conferences, we offered our delegates the opportunity to network at a senior level and the Association was pleased to assist our U.S. leadership connect with senior executives from the Japan delegation.

Our Annual Joint Meeting in St. Louis, Missouri was a great success due to the tremendous leadership of Governor Nixon and the Missouri Dept. of Economic Development, under the leadership of Ann Pardalos and Margaret Onken.

We look forward to seeing our friends in Tokyo for our 49th Annual Joint Meeting, from September 10 – 12, 2017.



Conference speakers included (from left) Yuzaburo Mogi, Japan Conference Chairman, Honorary CEO and Chairman of the Board, Kikkoman Corporation; Hiroyuki Ishige, Chairman and CEO, JETRO; Takeo Inokuchi, Senior Advisor, Mitsui Sumitomo Insurance Co., Ltd.; Mark Wrighton, Chancellor, Washington University in St. Louis; Keisuke Yokoo, Vice Chairman and President, Keizai Doyukai (Japan Association of Corporate Executives); and Mark O'Connell, CEO, OCO Consulting.



Hiroyuki Ishige, Chairman and CEO, JETRO addresses the conference session.



Ichiro Soné, JETRO Chicago, Wisconsin Governor Scott Walker, JETRO Chairman and CEO Hiroyuki Ishige, on September 12.



Ichiro Soné, JETRO Chicago, with Missouri Governor Jay Nixon on September 11.



JETRO Chairman and CEO Hiroyuki Ishige, Illinois Governor Bruce Rauner and Ichiro Soné.

### Contact JETRO Chicago • [www.jetro.org](http://www.jetro.org) INVEST JAPAN

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For general information, call the number above.

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.

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**Stephen Vullo**, Industrial machinery exports from Japan inquiries, [stephen\\_vullo@jetro.go.jp](mailto:stephen_vullo@jetro.go.jp)

**Hyerin Childs**, Business Development Representative, [hyerin\\_childs@jetro.go.jp](mailto:hyerin_childs@jetro.go.jp)



Larry Ingraham, Ingraham and Associates, talks with JETRO Chicago's Kelly Highland at the JETRO booth.

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**Special Report: 48th Annual Midwest U.S.-Japan Association Conference**

**Meeting Observations from Trade and Business Executives Across the Midwest**

JETRO Chicago asked a number of attendees at the Midwest U.S.-Japan Association Conference to provide their thoughts and insights on the event. We thank them all for their exceptional efforts.



**From Randy Mitchell, President, White County (IN) Economic Development**

As a first-time attendee to this conference, I wasn't sure what to expect in terms of learning; although, I had high expectations that I would be able to establish continuing relationships from which to build upon, as I sought to promote cultural and business partnerships between

White County in Northwest Indiana with Japan. I was not disappointed.

I quickly became energized by the opening remarks from the Conference Chairmen Dobie and Mogi, as they solidified the cooperative relationships between the U.S. and Japan. Although being from Indiana, I also couldn't help feeling a sense of pride from the speeches given quite eloquently by the other five U.S. Governors as they provided the attendees with wide-spread impressions of their respective state's strengths in business and government that the Midwest has to offer. Their commitment to one another spoke volumes relative to the pride and friendships that they mutually have for one another.

I was positively affected by the theme of the Conference that focused on the Gateway to the Future, which emphasized innovation, partnerships and technologies, and was equally impressed with the luncheon program by Shelley Lavender, President, Boeing Military Aircraft, as she presented the aviation history surrounding Boeing and how their link to Japan has grown over the years.

I felt that the Conference provided a fantastic program for spouses, and I took advantage of this by bringing my wife to the Conference. The tour of the Missouri History Museum and the Missouri Botanical Garden was in a word – "mindboggling." The beauty of the Japanese Garden was described by my wife as "a sight to behold," and a big thank you goes to Governor Nixon and the First Lady for making this part of the program, and the discovery of St. Louis, available to our spouses.

All in all, this was an extraordinary conference from start to finish, and I am looking forward to the 49th Conference in 2017 in Tokyo, to allow for the opportunity to renew the warm relationships established in St. Louis.



**From Sarah Walbert, International Trade Representative, Minnesota Trade Office Department of Employment and Economic Development (DEED)**

Any relationship that lasts 48 straight years is a remarkable achievement. So it's noteworthy when over 200 Midwestern and Japanese leaders gathered together in September 2016 for the 48th Annual

Midwest U.S.-Japan Association Conference. The venue was just steps away from the famous Arch in St. Louis, Missouri, historically nicknamed the Gateway to the West. It was fitting, then, that the conference theme was Gateway to the Future. Indeed we were treated to glimpses of the latest research from both sides of the Pacific. Imagine the attendees from 1968 learning about the Internet of Things;

or that much of Boeing's high tech components are Japanese; or that Minnesota soybeans are "exported" to Kikkoman's soy sauce plant in Wisconsin; or that a car company like Toyota is developing medical solutions to provide "mobility for all." Increasingly innovation is coming out of cross-border collaboration, whether through trade or an FDI presence – in other words, through working relationships. Minnesota, for example, has benefited in jobs and prosperity from the presence of Olympus Surgical and Takeda Pharmaceutical, but Minnesotans in turn are contributing R&D, production efficiencies and new product lines to the Japanese giants.

Perhaps because many at the conference are old friends, an easy consensus seemed to form around the message that international trade improves the lives of people. This may seem obvious. But in this U.S. election year when there's a sense that many are anxious about trade, it's important to state the obvious. "How will something survive if it's not affirmed," Ambassador Sasae pointed out. The value of trade to the 9 Midwestern states represented at the conference is a quarter of a trillion dollars; and 637,000 jobs in the U.S. are attributed to Japan alone, we learned in St. Louis. The facts and figures presented by trade experts and the frank and heartfelt remarks of Ambassador Sasae were further affirmed by the passion of panelists from the frontlines of innovation, not to mention six governors of all stripes. Their stories of Midwest-Japan business success were personal, and ascertained that the backbone of trade is relationships. Indeed as Missouri's own Mark Twain observed in the 19th century, "Prosperity is the best protector of principle."



**From Kim Uhlig, Director of Business Attraction, Greater Peoria (IL) Economic Development Council**

I'm extremely grateful to the Japanese Consulate in Chicago and JETRO for bringing to my attention the opportunity to attend the 2016 Midwest U.S.-Japan: Gateway for the Future in St. Louis, Missouri.

Unfortunately I was only able to attend Monday afternoon and Tuesday morning. Believe me, I will definitely attend the full conference next time. Being the first time, I was very impressed with the level of content the program covered. This year's theme was truly timely as our "new economy" is being driven by our future partnerships, future technologies, and future innovation. The panelists from both countries were very knowledgeable and each session was streamlined by the moderator who also asked some tough questions but kept the focus on the topic. I was able to better understand the relationships being built between Japan and the United States and learned about a number of opportunities to follow up on as it relates to the Greater Peoria Region and how our numerous assets can assist these business leaders with locating and partnering with our businesses.

I would be remiss if I also did not mention the "red carpet" events and additional networking opportunities. Although I was not able to attend

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## Special Report: 48th Annual Midwest U.S.-Japan Association Conference

### Observations ... from page 5

the Welcome Reception, I learned that I missed out on champagne and fireworks. I did attend the Gala Dinner, which was held in a beautiful venue and the food and entertainment was beyond any other "conference" I've attended. Kudos to the numerous sponsors for hosting these events. I look forward to participating again at future conferences.



**From Jamey Edgerton, Senior Vice President – Business Development, The St. Louis Economic Development Partnership**

It was an honor to attend the Midwest U.S.–Japan Association 2016 Conference, "Gateway to the Future." The roll-call of attendees was quite impressive encompassing a broad spectrum of Missouri, national

and international business leaders as well as elected officials. The global marketplace continues to shrink, drawing together countries from across the globe. Gateway to the Future provided an optimal platform for deepening an already solid relationship with Japan and the Midwest region. Governor Jay Nixon's opening remarks mirrored this sentiment, "International trade improves the lives of people... Let's make it

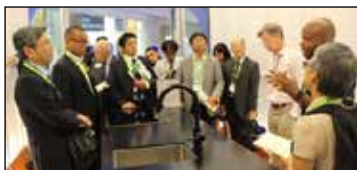
stronger." The conference offered a compelling forum for exploring methods of engagement with Missouri's approximately 80 Japanese businesses to ensure we continue to work together on expanding foreign direct investment and the continued growth and success within our region. The conference provided an incredible opportunity to connect with Japanese and U.S. delegates as well as senior executives of multinational organizations. I was humbled and thankful to have been offered introductions to Mr. Yuzaburo Mogi, Honorary CEO & Chairman of the Board, Kikkoman Corporation; Shelley Lavender, President Boeing Military Aircraft, Defense, Space & Security; and Mr. Paul Piquado, Assistant Secretary Enforcement & Compliance U.S. Dept. Commerce International Trade. It was a pleasure to hear from other business and civic leaders with a shared passion for strengthening the Midwest's Japanese business relations.

St. Louis was the perfect location for the conference due to its long history of embracing and supporting the Japanese community, businesses and culture. For over 40 years the Missouri Botanical Gardens has celebrated the history, culture and people of Japan with the Japanese Festival, one of the largest and oldest of its kind in the United States. As we continue down the path to expand and strengthen business and cultural relations with Japan, I see a bright future ahead.

### IMTS ... from page 1

When strolling through the cavernous exhibit halls full of busily humming machines, one cannot help but notice the preponderance of Japanese exhibitors at the show, and their deep ties with the United States. Although AMT records 22 exhibiting companies from Japan, hundreds more exhibited through their U.S. subsidiaries, and their booths were largely staffed by American employees. Many of these offices and factories are located in the Chicago suburbs and around the Midwest. Among members of the Japan Machine Tool Builders' Association (JMTBA), 54 exhibitors were spread across all four exhibit halls. As IMTS exhibit halls are organized by technology types, several large companies had multiple booths to showcase different product ranges. The strength of Japanese exhibitors at IMTS is easily understood when taking into account the size of the machine tool industry in Japan. In 2015, Japan produced about \$13.5 billion worth of machine tools, \$8.6 billion of which were exported. U.S. production by comparison was \$4.6 billion, of which \$1.7 billion was exported. Overall, Japanese machine tools represent about 17% of an \$80 billion global market.

JETRO Chicago would like to thank Shin Kishioka, President of ITA, Inc., and Alex Kaneko, President of A-Lex International Marketing LLC, for speaking at our seminar. We also thank our gracious hosts, Mario Winterstein, President of IBDGi, and Farron Sanders, Global Services Administrator at AMT, for guiding our group through IMTS, and Edward Christopher, AMT Vice President of Global Services, for our briefing presentation.



*Tour group members meet with Oak Ridge National Laboratory staff inside their new 3D printed building.*

The next IMTS is in September 2018 at McCormick Place.



*Tour group members are briefed by Mario Winterstein, President of IBDGi, and Farron Sanders, Global Services Administrator at AMT.*

However, the next big show for the global machine tool industry is JIMTOF, the Japan International Machine Tool Fair, held in Tokyo from this November 17th to 22nd. We encourage all of you who may be interested to attend and see the latest manufacturing technologies from Japan. For more information, please contact Stephen Vullo, [stephen\\_vullo@jetro.go.jp](mailto:stephen_vullo@jetro.go.jp).

**Stephen Vullo, JETRO Chicago**



### Welcome Tamara Rasbury

In August, Tamara Rasbury joined JETRO Chicago as an Assistant Researcher assigned to the Agriculture section. In this position, she will report on U.S. agriculture trends and FDA regulations affecting Japanese food producers. Ms. Rasbury spent her early childhood in Japan and attended Earlham College in Indiana, where she graduated with a degree in Japan studies and Japanese language. Ms. Rasbury spent two years in Iwate Prefecture while working as an Assistant Language Teacher. JETRO Chicago has taken the lead on explaining the new FDA Food Safety Modernization Act (FSMA) regulations to companies in Japan and Ms. Rasbury's language skills and experience in Japan make her an invaluable addition to the JETRO Chicago Agriculture team.

accrues all of the benefits. This view overlooks the fact that the products being manufactured today here in Missouri include components produced by trusted partners around the globe, including many in Japan. This international integration is the way the world does business in the 21st century and it strengthens the global economy. And we all recognize the intangible benefits trade helps propel, cultural and educational exchanges, recognition and understanding of our shared values, and of course greater security for all around the globe. Nations that concentrate on building walls and barriers won't develop new markets. Sitting on the sidelines leads the isolationism which endangers the economic health of nations, social stability and weakens world security. But here in St. Louis, a world class city with an international perspective, and throughout my great state, we understand the importance of trade and international investment."

Governor Rauner said at the conference, "Your success, business leaders' success from Japan in the Midwest, is critical to the success of the State of Illinois. Your success is our success. We will make it mutual. I look forward to expanding our mutual investment, our mutual trade, our mutual tourism and our mutual cultural exchanges." Governor Ricketts said, "We hope to be able to capitalize on TPP. An agreement that I hope our two countries can sign and move forward on as it will help us grow together and increases the security and prosperity of both countries. Governor Snyder said, "We had to recognize that we are part of a broader world. One of the keys to success in a broader world is recognizing you need good partners and Japan is one of those best partners. And as Michigan made a huge economic comeback, it's not what the government has done, the government does not create jobs, we create the environment for success and it's your companies, your investments that have created jobs, and Japan has been a big part of Michigan's comeback."

Governor Walker said, "A few years ago, it was great to see former governors join us for the 40th anniversary of the Kikkoman plant, but to see the video and to see the impact that the relationship brought, not just from a business standpoint, but from a cultural and educational standpoint that brought our nations together. That's something I think this association and gathering does each year and we are proud to have a link with that, particularly with Kikkoman. Over the years many other great businesses have invested from Japan into Wisconsin, and Wisconsin businesses have invested into Japan."

The second event was on September 13. JETRO co-hosted a symposium, "Asia-Pacific Economic Integration and the Role of the United States and Japan," together with the Clayton K. Yeutter Institute of International Trade and Finance at the University of Nebraska-Lincoln.

JETRO Chairman and CEO Hiroyuki Ishige made a keynote presentation on the significance of the TPP. Governor Pete Ricketts, former U.S. Trade Representative and U.S. Secretary of Agriculture Ambassador Clayton Yeutter and Chancellor Ronnie Green gave speeches.

Governor Ricketts stated that the TPP will bring opportunities by opening up trade barriers and bringing down tariffs. These opportunities make their producers more competitive and expand overseas markets. He also questioned if non-TPP member emerging countries would include protection of labor, intellectual property and environment in their trade negotiations, all of which are included in the TPP. He said, "They will step into the vacuum that we create if we don't sign TPP. That's why this agreement is so important. If we don't show our leadership, somebody else will step up and do that."

Ambassador Yeutter said, "If we do not have wisdom this time to pass TPP, we would turn economic leadership, including trade leadership in Asia, totally over to China. We will have lost our leadership capabilities in Asia and it may take decades to get them back." He stated that the TPP would bring similar benefits as NAFTA, the most successful trade agreement in history because it quadrupled trade among three countries and put them in the position where they have a competitive advantage over the rest of the world.

He also elaborated on the purpose of the new Yeutter Institute program: "We have to prepare our young people well for operating in the world and having

good jobs in that world that will carry them forward into good futures. And we have to build the ground work. We are boosting international trade and agriculture and everything else in Nebraska in the future."

JETRO Chairman Hiroyuki Ishige also discussed the significance of the TPP: 1) Its size: It is comprised of 12 Pacific-Rim countries, and they will create more advanced and liberalized rules than even the WTO. Their total gross domestic product (GDP) represents approximately 40% of the world GDP. Their populations combined form a market of 800 million people.

2) A 21st century Free Trade Agreement (FTA): It contains rules for new fields, including labor, environment and climate change. "Leveling the playing field" is a phrase often used by the U.S. Government. The TPP raises the level of standards and rules in developing countries to those of industrialized countries. Accordingly, developed countries like the U.S. and Japan will be able to compete under fairer rules.

3) It includes small and medium-sized enterprises (SMEs) under the coverage of trade liberalization: In both the U.S. and Japan, SMEs account for over 99% of all companies.

In addition to the TPP, there is another framework for region-wide free trade, called the Regional Comprehensive Economic Partnership (RCEP), which is currently under negotiation and seeing some progress. Compared to the TPP, the RCEP does not cover such a wide range of fields, nor are its target standards as high. However, in terms of GDP, population and the potential of future growth of member countries, the RCEP is comparable to the TPP.

One important point where the two frameworks differ is in terms of their membership. The TPP includes the world's first and third economic powers, the U.S. and Japan. But it does not include the major emerging countries like China and India. Among ASEAN countries, some are TPP members whereas others are not. On the other hand, all ASEAN members, China and India participate in the RCEP, while the U.S. does not. If the TPP comes to a standstill while the RCEP proceeds, the unifying force of the TPP may transfer to the RCEP. A new order may then rise in the Asia-Pacific. The TPP has achieved a high-level of liberalization and unification of rules because the U.S. and Japan, which share common values, have joined hands in taking its leadership.

Please read the op-ed by President Barack Obama in The Washington Post on May 2, "President Obama: The TPP would let America, not China, lead the way on global trade," and also one by Ohio Governor John Kasich in The Wall Street Journal on September 15, "A Vote Against Trade is a Vote Against Growth."

Last but not least, JETRO hosted an Invest Japan Seminar in New York on September 19 and we were privileged to have Japanese Prime Minister Shinzo Abe make the opening remarks. He spoke about the impact of the reforms his government has undertaken, such as a faster approval process for regenerative medicine and an improved immigration system for skilled foreign workers, as well as the potential effects of the TPP. He stated that, "the new rules under the TPP will enable intrepid businesses with unique technologies or local specialties to flourish in overseas markets."

He also argued that the TPP will strengthen the economies of both the U.S. and Japan, and that the U.S. should approve the TPP as soon as possible. Prime Minister Abe made it clear that he is working hard to make Japan an attractive destination for investment.

JETRO is doing its utmost to make Prime Minister Abe's aims a reality, and all of us look forward to continuing our role of supporting Japan-U.S. economic relations in any way we can. If you have questions or requests, please do not hesitate to contact us.



Japan's Prime Minister  
Shinzo Abe

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## A Sake Buyer's Inside Look at JETRO Mission to Osaka, Kyoto and Hiroshima



### Guest View

**Tona Palomino**  
Sake Portfolio  
Manager  
Tenzing Wine & Spirits

In July of this year, along with people from 6 different countries, I was invited to travel to Osaka, Kyoto, and Hiroshima, as part of one of JETRO's Buyers' Missions. As a bit of background, I am the Sake Portfolio Manager

for a local, Chicago wholesaler, Tenzing Wine and Spirits. Tenzing carries the largest portfolio of Japanese products in the Midwest.

The purpose of the trip is to foster a stronger sake export market, and, to that end, the trip unfolds as a series of sessions where the people directly responsible for the production of sake and other alcoholic beverages, such as shochu and fruit liqueurs, are brought face to face with the people directly responsible for importing such beverages into their respective markets. It is thus that in the last week of July, I found myself traveling through Japan with a class that drew buyers from China, Vietnam, Canada, the U.K., Italy, and Australia.

The trip offers a unique opportunity for both the local representatives and the visitors, and not enough credit can be given to JETRO for coming up with the concept and format of the trip. For the sake brewers and their representatives, it provides a first-hand connection to the people who may end up becoming their agents in various foreign markets, each with a particular set of constraints, perspectives, and needs, to say nothing of tastes. For the visitors, it allows access to specific breweries and unique products that are actively looking for overseas representation. This two-sided search is especially fruitful in the absence of a so-called "middle man"; direct interactions often lead to immediate and mutually beneficial arrangements, made even more so because the parties can count on the approval and encouragement of the JETRO staff – every successful connection signifies a successful trip.

Though we traveled together and often ended the day sharing insights and drinks, we mostly spent the days meeting separately with a steady succession of brewery representatives in what JETRO terms "business matching," essentially meetings with breweries that we had all had a chance to screen and select beforehand. We all brought to bear the specific needs and preferences of our respective companies and markets, looking for a particular product or a range of products within certain criteria, and found that to a man (and women) our counterparts

were just as eager to meet us half-way. The most telling aspect of this new openness to the global market is perhaps the trend away from more classic sake profiles (though there are many wonderful examples) and towards more modern styles – those driven more by flower/fruit aromatics than grain/savory ones. Though we certainly tasted across the entire spectrum of profiles, we found that often, the products that were being emphasized within a certain set, were ones with a few common traits – great packaging and more wine-like qualities. This perceptible shift in production focus speaks volumes to the attention that the producers are paying to foreign markets, and the strategy with which they are approaching them.

It is commonly acknowledged that Ginjo type sake is leading the way in sales outside of Japan for a good reason – novice sake drinkers find it more approachable, and it is in fact delicious. That the brewers are now making a bit more of those styles specifically with the export market in mind is a very positive development, as it assures that outside of Japan more and more people are likely to enjoy a delicious first (or second or third) experience with the type of sake that might make converts of them. More people drinking sake is a wonderful development for an industry with the centuries of tradition that sake has, and is sure to go a long way towards helping to preserve those traditions for future generations. That is something we can all raise a glass to. Kampai!



*Mission members attend a tasting event in Hiroshima.*



*Sake Buyers Mission members & JETRO staff*

## JETRO releases Global Trade and Investment Report

On August 9, JETRO released its Global Trade and Investment Report 2016: Broad economic zones and growth strategies for Japanese companies.

Key points of the report include:

- World trade declines 12.7%, marking the first negative growth in six years.
- Japan's trade balance is improving, marking a surplus of \$17.0 billion in the first half of 2016.
- Japan's outward FDI has exceeded \$100 billion for five consecutive years.
- FTAs in force around the world reach 282.
- Exports of agricultural, forestry, fishery and food products marks a record high at 745.1 billion yen.

For a detailed look at these and other key points, please visit <https://www.jetro.go.jp/en/news/releases/2016/25775525206556e1.html>. Download a detailed pdf of the report at [https://www.jetro.go.jp/ext\\_images/en/news/releases/2016/25775525206556e1/overview.pdf](https://www.jetro.go.jp/ext_images/en/news/releases/2016/25775525206556e1/overview.pdf).