

Japan External Trade Organization

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JETRO Chicago Midwest NEWSLETTER

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From the Chief Executive Director

*Tatsuhiro Shindo
Chief Executive Director,
JETRO Chicago*

A fond farewell to the Midwest U.S.

Dear friends,

It is with a deep sense of gratitude to you all that I am writing this column as I prepare for my departure from Chicago and the Midwest to return to

Japan. We had a small transition reception on June 10, which officially announced my farewell and introduced my successor, Ichiro Sone, who will arrive in late July. Responses to this announcement, to me personally and to my staff, were filled with very heartwarming wishes which were so impressive for me to read. Reading the words suddenly brought back a rush of clear images, scenery and lively memories of the Midwest, this great state of Illinois and Chicago where I have lived and made every effort with the greatest of intentions to do the best job I could for the past three years.

I would like to thank you all for your support and friendship. It has been 54 years since JETRO opened an office here in Chicago, more than half a century of activities to develop trade and investment between the Midwest and Japan. And through all these many years that we have been here, the real gift that we have is, in fact, you. I thank you again. Like JETRO Chicago, I was born into this world 54 years ago and I cannot believe that I have worked for JETRO for more than 30 years. In a sense, I feel like I have led the life of an ascetic monk who has given his service to the United States and really North America. I love the United States and Latin America, indeed my life and career is one totally focused on the Americas.

My relationship with the United States, on the Americas continent, and in Latin America began as a young exchange student to a high school in the United States. As I began my career with JETRO, I served the America Division (Americas Division), as a representative to Mexico. I had the distinct honor to serve former Prime Minister Yasuhiro Nakasone at the Institute for International Policy Studies. At JETRO New York, I was Director for North America and currently serve as the Chief Executive Director of JETRO Chicago.

I have served for a period of three years and one month as the head of

JETRO Chicago, with jurisdiction and responsibility for 12 states in the Midwest region of the United States. I worked on many activities in order to contribute to two-way trade between Japan and the United States, two-way investment promotion and two-way business development. JETRO is the only agency that covers the entire scope of the 12 states that comprise the American "Heartland." At times, I felt that my trusted colleague Ralph Inforzato and I were in a three-legged race as we sought to deepen our relationship by visiting each of the Midwestern states.

After The Great East Japan Earthquake in March 2011, I felt a sense of urgency to visit each of the 12 Midwest governors and in many instances, their lieutenant governors to personally brief them on the current pace of the recovery efforts and scale of reconstruction in the Tohoku region of northern Japan. The Midwest is such a vast geography and so important to Japan in terms of trade and investment. I saw that information about Japan during the aftermath of this crisis was missing, lacking in substance or even inaccurate. It was with a sense of urgency that I undertook an effort to disseminate positive messages and accurate information about the reconstruction of Japan. I learned quickly that speed in personally meeting top Midwestern state, business and university leaders was the most important issue during the months after The Great East Japan Earthquake.

At JETRO Chicago, we also earnestly undertook specific projects that would facilitate existing earthquake reconstruction assistance by supporting US market development of Japanese companies including those from the Tohoku region, as well as supporting the investment by American companies in the recovery area. We strongly believed that for this region of Japan to achieve an early recovery, businesses first needed to achieve sustainable growth.

Speed is the key for businesses to achieve growth – speed in gaining visibility of a company's technology and products at international exhibitions; speed in setting quality business partnering meetings; speed in organizing partnering workshops so our Japanese companies can meet large global American companies to develop relationships.

Therefore, with this sense of business speed in mind we organized a Japan Pavilion at the International Manufacturing Technology Show,

See "Chief Executive Director," page 8

In this issue ...

- *The Japan Pavilion at BIO 2013 ... page 3*
- *New JETRO Chicago Chief Executive Director ... page 3*
- *2013 Midwest U.S.-Japan Association Conference ... page 5*
- *Largest Japanese Tasting Event Ever in Chicago ... page 6*

Review of JETRO's Asia-Pacific Economic Integration Seminar

A symposium on **Asia-Pacific Economic Integration and the Role of the United States and Japan**, co-organized by The Chicago Council on Global Affairs, The Japan America Society of Chicago and JETRO, was held in Chicago on May 15. Approximately 250 attendees participated in this event, which also included tabletop information displays from representatives of 12 APEC economies located in Chicago. A brief overview of the key symposium presentations follows.

Adlai E. Stevenson III, Chairman, SC&M Investment Management Corporation, Chairman, Adlai Stevenson Center for Democracy, said that regional and bilateral free trade agreements proliferate in an untamed environment. The Trans-Pacific Partnership (TPP) is being negotiated with a comprehensive



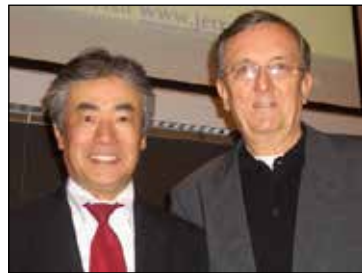
Adlai Stevenson

See "Asia-Pacific," on page 4

In this issue ...

- Review of Asia Pacific Economic Integration Seminar ... page 1
- 2013 Midwest U.S.-Japan Association Conference ... page 5

- Largest Japanese Tasting Event Ever in Chicago ... page 6
- Michigan Perspective: Opportunity in Japan ... page 7
- Back to Page 1



On April 17, JETRO Chicago presented a program at Earlham College in Richmond, Indiana. Tatsuhiro Shindo had the opportunity to meet with a number of academics and VIPs, including those above. From left, with Nelson Bingham, Provost and Professor of Psychology, Earlham College; Gary DeCoker Professor of Japanese Studies, Director of Institute for Education on Japan, Earlham College; City of Richmond, Mayor, The Honorable Sally L. Hutton.



On April 26, JETRO Chicago's Takuyuki Karwauchi, Tatsuhiro Shindo, and Kohei Okui meet Ei-ichi Negishi (second from right), H.C. Brown Distinguished Professor of Chemistry, Purdue University and 2010 Nobel Laureate.

Also, during that visit to Purdue, Tatsuhiro Shindo met with Tim Sands, Executive Vice President Academic Affairs Provost, Basil S. Turner Professor of Engineering, Purdue University.



Alabama Secretary of Commerce Greg Canfield, and Tate Godfrey, President of the Northern Alabama Industrial Development Association visited Tatsuhiro Shindo at JETRO Chicago on April 29.



JETRO Chicago visited the office of the Japan America Society of Indiana (JASI) on May 6. "Team Kizuna" is pictured above. From left: Yusuke Okano, JETRO Chicago; Theresa Kulczak, Executive Director, JASI; Tatsuhiro Shindo, JETRO Chicago; Tamayo Fukumoto, Community Director, JASI; Ralph Inforzato, JETRO Chicago.



On June 17, Tatsuhiro Shindo had the opportunity to visit Purdue University President and former Indiana Governor Mitch Daniels, at his office at the University.



On Tuesday, June 11 the Japan America Society of Indiana held its annual gala in Indianapolis, which was attended by more than 500 guests. At the event, Indiana Governor Mike Pence presented Tatsuhiro Shindo with the Honorary Hoosier Award, in recognition of his efforts in promoting Japan-Indiana relations. Above right, Governor Pence and Mr. Shindo share a light moment as Mr. Shindo displays the necktie presented to him by Gov. Pence on a previous visit.



Photo: www.zaebdobson.com



Tatsuhiro Shindo pays a "farewell visit" to Illinois Governor Pat Quinn at the Governor's Chicago office on Thursday, June 27.

In this issue ...

- Review of Asia Pacific Economic Integration Seminar ... page 1
- 2013 Midwest U.S.-Japan Association Conference ... page 5

- Largest Japanese Tasting Event Ever in Chicago ... page 6
- Michigan Perspective: Opportunity in Japan ... page 7
- Back to Page 1

Japan Pavilion attracts interest at BIO 2013



Director's Dialogue

Robert Corder
Project Coordinator
Business Development,
JETRO Chicago

Industry Organization (BIO) and is the largest event of its kind, attracting nearly 14,000 industry leaders from 62 countries around the world.

The companies in the Japan Pavilion represent the most advanced life science and biotechnology from Japan, including new treatments for oncology, pain management, cognitive disorders and neurological disorders; advancements in regenerative medicine; drug discovery tools; and contract manufacturing and R&D. Over the four days of the exhibition, the Japanese delegates had more than 800 meetings, with more than 600 of those expected to result in a business contract.

On Tuesday, April 23, JETRO Chicago hosted an exhibitor reception in the Japan Pavilion which featured two sakes from the Tohoku region. More

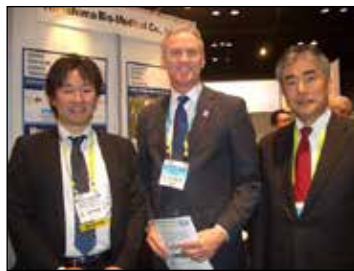


Tatsubiro Shindo (left) welcomes Illinois Governor Pat Quinn (2nd from left) to the Pavilion, where he talked with the team from MPO Inc. (Kanagawa, Japan).

than three hundred people visited the pavilion to network with the Japanese exhibitors and sample delicious sake.

As a part of the program, JETRO Chicago organized three partnering workshops for the Japanese delegates. Representatives from Onyx Pharmaceuticals, Cubist Pharmaceuticals and Eli Lilly made closed-door presentations

19 companies traveled from Japan to exhibit in JETRO's Japan Pavilion at the 2013 BIO International Convention, held at McCormick Place in Chicago from April 22-25. This annual event is organized by the Biotechnology



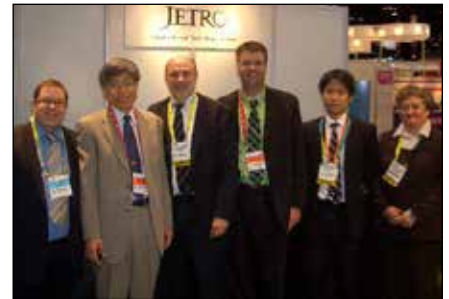
South Dakota Governor Dennis M. Daugaard (center) visits the Japan Pavilion and talks with Masayoshi Toyoura, CEO, Hiroshima Bio-Medical Co., Ltd. (left), and Tatsubiro Shindo, JETRO Chicago (right).

to the Japanese delegates, detailing the therapy areas they are focused on, explaining how they collaborate with other firms on research, licensing and marketing, and detailing the process for connecting with them. Each workshop ended with Q&A as well as plenty of time for the Japanese delegates to network with the speakers. Many of the Japanese firms which have participated in past workshops continue to have productive discussions with companies they met there.

The 2014 BIO International Convention will take place at the San Diego Convention Center on June 23-26. If you are interested in JETRO's biotech initiatives, contact robert_corder@jetro.go.jp.



Consul General of Japan at Chicago Masaharu Yoshida (left) and Tatsubiro Shindo, JETRO Chicago, with Ms. Fumiko Yoshii, Vice President, CytoPathfinder, Inc. (Tokyo) at Japan Pavilion.



Robert Corder, JETRO Chicago, Norito Kaneda, Eli Lilly and Company (Kobe), Ralph Inforzato, JETRO Chicago, Steve Wilkie, Director, Eli Lilly and Company, Yoshibiko Ito, JETRO Tokyo and Kelly Highland, JETRO Chicago at the Japan Pavilion.



Yusuke Okano, JETRO Assistant Director, Illinois Department of Economic Opportunity, State of Illinois.

Announcing BioJapan 2013 in October

Top business leaders, licensing professionals and scientific researchers from around the world will gather in Yokohama on October 9-11 for the BioJapan 2013 World Business Forum. This event is one of the largest partnering events for the life science & biotech sectors in Japan, playing a key role in connecting Japanese and international organizations and facilitating new business opportunities. The 2012 event attracted more than 540 exhibitors and over 12,000 attendees. BioJapan 2013 includes a business matching program that enables participants to pre-arrange meetings. For more information, visit www.ics-expo.jp/biojapan/.



Ichiro Sone to join JETRO Chicago as Chief Executive Director

Mr. Ichiro Sone has been assigned to head the JETRO Chicago office, and plans to arrive in Chicago around the end of July. As the new Chief Executive Director, Sone follows Tatsubiro Shindo, who returns to Japan after completing his assignment in Chicago.

Sone, 48, joined JETRO in 1988, following his graduation from Doshisha University in Kyoto. He has served in a number of positions, including Director of Overseas Division (2008); JETRO San Francisco (2005); Director in charge of Invest Japan Department (2003); Deputy Director of Second North America Division at the Ministry of Foreign Affairs (2001); and JETRO Los Angeles (1995). More from Mr. Sone will appear in the next issue of the JETRO Chicago Midwest Newsletter.

In this issue ...

- Chief Executive Director ... page 1
- JETRO Around the Midwest ... page 2
- The Japan Pavilion at BIO 2013 ... page 3

- Largest Japanese Tasting Event Ever in Chicago ... page 6
- Michigan Perspective: Opportunity in Japan ... page 7
- Back to Page 1



The opening address was presented by Hiroyuki Ishige, Chairman and CEO, Japan External Trade Organization (JETRO).



Following their individual remarks, speakers participated in a panel discussion, moderated by Edward Grant, Past President, Japan America Society of Chicago. Pictured above, from left: Edward Grant; Shujiro Urata, Professor, Graduate School of Asia-Pacific Studies, Waseda University; Zhang Jianping, Director, Department of International Economic Cooperation, Institute for International Economic Research, National Development and Reform Commission; Hank Lim, Senior Research Fellow, Singapore Institute of International Affairs (SIIA); William Noglow, Chairman, President and CEO, Cabot Microelectronics Corporation; and Hon. Masaharu Yoshida, Consul General of Japan at Chicago.

Asia-Pacific ... from page 1

subject matter jurisdiction but a membership which included China, India, Indonesia and others. Even Japan's government is challenging powerful interests at home and may join TPP, thereby facilitating a trilateral free trade agreement with China and South Korea and a trade agreement with the European Union. The ASEAN Economic Community is scheduled for 2015 and the Regional Comprehensive Economic Partnership with a share of the global population and GDP as large as that of the TPP. This "Bowl of Noodles" threatens to undermine the World Trade Organization (WTO). This implies an abandonment of the stalled Doha Round and a multilateral trade regime for the world.

The "Bowl of Noodles" does not include a monetary system to stabilize currencies, regulate capital flows, provide lender of last resort financing. The world's monetary governance reflects the world of 1944. Developed and developing countries should be joined in a common effort to continue mankind's evolution to global governance of trade and money for a global economy. Regional integration should lead to global integration and stability, helping also to produce peace in the world.

Daniel Goff, Deputy Director, Office of Trade and Investment, State of Illinois, said that the Illinois-Japan relationship is one that is long-standing and one that is very important. Japan is one of the state's largest trading partners and is a large source of foreign direct investment in the state with over 400 Japanese companies. These firms employ more than 53,000 Illinois workers.



Daniel Goff



Masaharu Yoshida

Masaharu Yoshida, Consul General of Japan at Chicago, said that for Prime Minister Shinzo Abe, the revival of Japan's economy is Job 1. He is making drastic changes in economic policy to overcome deflation and to increase employment and income. "Abenomics" consists of three arrows: bold fiscal policy, flexible monetary policy, and a growth strategy that promotes private investment. The first two arrows are flying toward the target. The yen-dollar exchange rate has moved toward its natural level. The

Bank of Japan is aiming to achieve a 2% price stability. Consumer confidence is trending upward. As for the growth strategy, the Prime Minister announced his bold decision to participate in the Trans-Pacific Partnership negotiations two months ago. This step is historic in Japanese politics. It shows his determination to revive Japan's economy, and to expand trade and investment, especially in the Asia-Pacific

region. Japan is prepared to engage in the negotiations seriously. All the countries have some sensitive issues. We need to be aware of each others' concerns. We need to conclude a Trans-Pacific Partnership that will achieve a greater benefit for its member countries. Economic integration in Asia is moving full-speed ahead.

The region already has a multi-layered, multi-dimensional web of free trade agreements. There are so many FTAs, in so many combinations, in so many directions. Recently, negotiations for two important FTAs have been launched. The China-Japan-Korea FTA would advance cooperation between three major economies in Asia. The Regional Comprehensive Economic Partnership would be the largest FTA ever. Japan is actively engaging the world in free trade. 80% of its global trade will be covered by its current FTAs, and those now under negotiation including TPP, RCEP, and the Japan-EU EPA. It is a new era for our trade policy. With these building blocks, Japan is committed to playing a positive, leading role in advancing free trade in Asia, Asia-Pacific, and the world.

Hiroyuki Ishige, Chairman and CEO, Japan External Trade Organization (JETRO), said during the symposium's opening address that Japan's participation in the Trans-Pacific Partnership (TPP) negotiations will strengthen the TPP, and also stimulate other mega FTAs, namely the EU-Japan EPA, Transatlantic Trade and Investment Partnership (TTIP) and RECP. It will be these mega FTAs that will drive the development of the future of the rules of global trade and investment even during the stagnations of the WTO Doha Round. To achieve this goal, the U.S. and Japan must take the lead.

In addition, Mr. Ishige said that it will be a challenge to harmonize the mega-FTAs that when combined account for 80% of the global economy because if they move independently in an uncoordinated competition, this may cause an adverse impact to global trade and investment. Therefore, coordinated competition is necessary and Mr. Ishige proposed that a meeting of trade ministers of the major economic powers including the United States, the European Union, Japan and China convene to share information and to increase the level of transparency.

Hank Lim, Senior Research Fellow, Singapore Institute of International Affairs (SIIA), said that the Trans-Pacific Partnership (TPP) is the leading trade policy initiative of the Obama Administration as well as a major outcome of the pivot to Asia by the United States. It is the foundation of U.S. trade policy and embodiment of its broad strategic interest in the Asia-Pacific region.

ASEAN's policy focus is to complete the ASEAN Economic Community by 2015. On TPP, there is no collective policy consensus. Singapore, Brunei, Malaysia and Vietnam are all in TPP negotiations. Indonesia is the key

ASEAN member state which has no intentions to join TPP as yet, while Thailand and Philippines are not quite clear of their official position on TPP, although Thailand has expressed interest in late 2012.

Zhang Jianping, Director, Department of International Economic Cooperation, Institute for International Economic Research, National Development and Reform Commission, described the changing shape and patterns of Asia-Pacific integration and the costs among the members involved in the Trans-Pacific Partnership. He said that the U.S., a leader of the TPP negotiations, must improve the transparency of TPP negotiations. Even China needs to reform and open up further: what is the right direction? After China joined the WTO, regional economic integration is becoming the new driving force. China needs to study the trend and directions of TPP. Dr. Zhang suggested that China could have some type of limited observe status of the TPP negotiations as a way to improve transparency.

Shujiro Urata, Professor, Graduate School of Asia-Pacific Studies, Waseda University, said that both the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership should be seen as complementary as they both are pathways toward an ultimate Free Trade Area of the Asia-Pacific (FTAAP). Therefore, Japan should contribute to a quick conclusion of FTAs that have high levels of issue coverage and tariff elimination by closely communicating with relevant negotiating members while implementing domestic reforms. Japan should establish an administrative body to oversee and coordinate all FTAs. Professor Urata said that political leaders have to show particularly strong leadership in pushing FTA negotiations forward, as FTAs (especially TPP) are considered important policies in Prime Minister Abe's Growth Strategy.

William Noglows, Chairman, President and CEO, Cabot Microelectronics Corporation, presented a business case for how his company is involved in the economic integration of the Asia-Pacific region. He indicated that approximately half of the company's global staff and half of its fixed assets are actually located in the Asia-Pacific region. Mr. Noglows said that having operations in Mie, Japan, Hsinchu and Kaosiung, Taiwan, Gyeonggi Province, South Korea and Singapore, helps Cabot better meet the needs of their customers. He cited the challenges that his company's faces as

the Asia-Pacific region integrates; 1] realizing the great cultural diversity of the Asia-Pacific region and that Asia is not monolithic; 2] there is severe competition for the region's top leadership talent and retention of this talent; 3] that profitability means competing against share-driven local competition; 4] there must be an alignment and close communication of your global strategy and; 5] there is a challenge regarding intellectual property development and its protection.

Closing remarks were presented by **Niamh King, Vice President, Programs, The Chicago Council on Global Affairs**.



Niamh King

Tabletop displays from representatives of APEC economies located in Chicago were visited by Hiroiyuki Ishige, Chairman and CEO, Japan External Trade Organization (JETRO), and Tatsubiro Shindo, Chief Executive Director, JETRO Chicago.



At left, Chairman Ishige, and Mr. Shindo, chat with Terry LaRocca, Senior International Trade Specialist for the State of Illinois.



At right, Chairman Ishige and Mr. Shindo greet Professor Arthur Cyr of Carthage College.

Get ready for the 2013 Midwest U.S.-Japan Association Conference

Guest View

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

The 45th Annual Meeting of the Midwest U.S.-Japan Association (MWJA) and the Japan-Midwest U.S. Association (JMWA) is set for September 8-10, 2013 in Tokyo.

MWJA has grown and evolved over the past four decades and we are pleased to convene for our 45th Annual Joint Meeting with our JMWA partners in Japan this September. Our

Associations have been committed to gathering together each year to share common business strategies and develop strong linkages between participating companies and government agencies. This year's theme will focus on growth as the common thread, entitled "Exploring Paths to Sustainable Growth", and we have organized a series of Executive Panel Sessions and keynote presentations to focus on growth in a variety of sectors.

The impressive participation of U.S. Governors for our 45th Annual Joint Meeting, led by our U.S. Chairman, Governor James Thompson, will include Iowa Governor Terry Branstad, Indiana Governor Mike Pence, Illinois Governor Pat Quinn, Michigan Governor Rick Snyder, Wisconsin Governor Scott Walker and Nebraska Lt. Governor Lavon Heidemann.

We are finalizing our roster of speakers from select corporations and organizations and some of the presenting firms include Archer Daniels

Midland as our U.S. keynote presenter, Toyota Motor Company, United Airlines, NEC, Nebraska Ethanol Board, Takeda Pharmaceutical, Orion Energy Systems and University of Wisconsin-Madison. (Our final list of presenters will be on our conference web site in upcoming weeks.)

The main conference format has been structured to provide our delegates with ample opportunities to network with our Japanese partners at a senior level and MWJA is pleased to assist companies to connect with the appropriate delegates from Japan.

Our hosts in Japan have been working diligently to organize the many details of this year's conference, including such events for the Sunday Program as a Tokyo Bay Cruise or a Kabuki performance, followed by our official Welcome Reception at the historic Meguro Gajoen, located in north Tokyo.

Regarding travel to Japan, we are pleased to announce that United Airlines and ANA will serve as our official carriers for the conference and the Imperial Hotel will serve as our headquarter hotel. (Please refer to the Hotel & Airline section of our web site for details related to special air fares and discounted hotel rates for our delegates.)

Our Annual Joint Meeting in Tokyo is always a special event for our Association and we look forward to meeting with our friends from the Midwest region in Japan in September. For further conference details, please refer to our web site at www.midwest.japan.org.

In this issue ...

- *Review of Asia Pacific Economic Integration Seminar ... page 1*
- *JETRO Around the Midwest ... page 2*

- *The Japan Pavilion at BIO 2013 ... page 3*
- *2013 Midwest U.S.-Japan Association Conference ... page 5*
- **Back to Page 1**

Food Industry Welcomes the Largest Japanese Tasting Event Ever in Chicago



Director's Dialogue

*Cathleen Moore
Assistant Director -
Research,
JETRO Chicago*

The Midwest's growing interest in Japan's sake and love of its food were evident on May 14 when nearly 300 U.S. food and beverage industry professionals converged on Kendall College for the largest exhibition by Japanese food and sake producers,

importers and distributors held to date in Chicago. The occasion was **Food & Sake of Japan**, a trade-only tasting event hosted by the Consulate General of Japan at Chicago and JETRO Chicago.

Restaurateurs, chefs, buyers, retailers, distributors, wholesalers, caterers, mixologists, sommeliers, media, culinary educators and



Attendee sampling sake at Food & Sake of Japan.

industry consultants spent the afternoon discovering new products, meeting suppliers, placing orders and expanding their knowledge of Japan's culinary arts. Attendees came from Illinois, Indiana, Michigan, Minnesota, Missouri, New York and Wisconsin.

Kendall College School of Culinary Arts' strong interest in Japan was apparent with several Kendall instructors bringing their entire classes, particularly to watch the chef demonstrations and learn about ginjo sake. Other culinary schools were represented as well. This was significant because one purpose of these events is to stimulate interest in Japanese food culture among America's future culinary leaders.

Concurrent with the product tasting were demonstrations by award-winning Japanese chefs: Shoji Nishizawa, Confectionery Master and winner of Top Excellence at Japan's National Confectionery Expo 2008, followed by Takashi Yagihashi, Owner/Chef of Chicago's celebrated Takashi and Slurping Turtle restaurants, together with Yuji Hayashi, Chef de Cuisine of the Official Residence of the Consul General of Japan at Chicago. Another highlight of the day was an in-depth look at ginjo, one of Japan's most refined types of sake, presented by renowned sake expert and author, John Gauntner.

This unprecedented industry event included 54 exhibitor tables offering samples of more than 230 products from Japan including confectioneries, miso, processed frozen food, seafood, soy sauces, seaweed, dressings, soup



Attendees taste Tarako (salted Pollack roe) on spaghetti, and dashi soup stock.



Confectionery Master Shoji Nishizawa (R) demonstrates wagashi-making while Chef Erika Masuda explains.

stocks and bases, syrups, juices, vinegars, green tea, shochu, beer and an astounding nearly 170 types of sake from all corners of Japan. In addition, chef's knives and handmade serving and sake glassware from Japan were on display. Many attendees had never before tried tarako (salted Pollack roe commonly used in rice balls or mixed with spaghetti in Japan) or the chili-spiced version mentaiko but they were encouraged to use it in Western-style hors d'oeuvres. One exhibitor offered cooking vinegars developed by a sommelier and a vinegar drink concentrate – vinegar-based beverages being very popular in Japan. Guests tried syrup bases intended for both cocktails and non-alcoholic drinks made with ginger, macha or Japan's favorite fruits (white peach, yuzu, purple grape, green apple and lychee). About 20 kinds of Shochu (Japan's distilled spirit) were available. Of course, some of Japan's finest green tea was offered by several vendors.

At guest Chef Shoji Nishizawa's table, attendees sampled his exquisitely beautiful and delicious wagashi (Japanese sweets). Although there are many styles and ingredients of wagashi, his are made with azuki beans, sugar, agar (a type of algae), rice flour and yam or chestnut.

Chef Takashi Yagihashi and Chef Yuji Hayashi joined forces to demonstrate the skill of filleting hirame (fluke) for Yagihashi's sashimi dish, "Crudo of Hirame." Samples of this were served along with Chef Hayashi's "Beef Tataki" – filet mignon first seared then marinated in bonito stock and ponzu (soy sauce, dashi and vinegar) and served with grated daikon (white radish), green onion and chili pepper.



Chefs Takashi Yagihashi (L) and Yuji Hayashi (R) demonstrate using Japanese ingredients.

The final presentation attracted sake aficionados and novices alike eager to hear John Gauntner, the leading non-Japanese expert on sake and a Sake Samurai, a title the Japan Sake Brewers Association confers on those promoting sake's merits in Japan and overseas. He spoke on Gingo, a super premium grade of sake receiving increasing attention for its refined flavor and aroma.

Not too many years ago in the Midwest, products like ramen, green tea, yuzu, ponzu, sake and shochu were strictly limited to Japanese stores and restaurants. Now with Japanese products and culinary influences finding their way onto all kinds of menus and shelves, it is the Consulate General of Japan and JETRO's objective to introduce as much variety and choice as possible to the food industry. For more exhibitor and product information, contact Cathleen Moore at 312-832-6021 or cathleen_moore@jetro.go.jp.

Contact JETRO Chicago • www.jetro.org

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For general information, call the number above, or for a specific inquiry, use the form at www.jetro.org (select "Contact JETRO" from the menu bar at left).

For Invest-in-Japan and robotics information contact Kevin Kalb, at kevin_kalb@jetro.go.jp.

Follow @jetrorobot on Twitter.

For biotech information, contact Robert Corder, at robert_corder@jetro.go.jp



In this issue ...

- *Review of Asia Pacific Economic Integration Seminar ... page 1*
- *JETRO Around the Midwest ... page 2*

- *The Japan Pavilion at BIO 2013 ... page 3*
- *2013 Midwest U.S.-Japan Association Conference ... page 5*
- **Back to Page 1**

Michigan Perspective: Opportunity in Japan



Guest View

Eric W. Tawney
*Candidate, Master of Public Policy,
University of Chicago;*

With a delegation of graduate students from the University of Chicago, I recently traveled to Japan and met with government leaders to discuss the country's future. Our conversations focused predominantly on two

issues: Abenomics and the Trans-Pacific Partnership (TPP).

My goal through this delegation was to better understand where Michigan and Japan could find opportunities to strengthen economic ties. Previous to attending the University of Chicago, I spent a number of years working with Michigan businesses, from large corporations to startups. Additionally, I spent six months working in Michigan Governor Rick Snyder's office. While there, I grew passionate for supporting the economic development strategies being deployed within Michigan and state trade missions being held throughout the world.

First and foremost, Japan's current economic policy strategy, a combination of bold monetary and fiscal policy reforms, unveiled by Prime Minister Shinzo Abe and Bank of Japan Governor Haruhiko Kuroda, undoubtedly changes the game for Japan. Abenomics, as it is referred to, is an aggressive plan to raise prices and promote growth, reversing the deflationary trend in Japan to one of moderate inflation. Currently, Japanese individuals and businesses are holding over \$16 trillion in savings. This plan aims to unlock those savings to accelerate the economy. The world is watching closely and global financial markets are definitely taking notice. Japan's Nikkei indices have seen large inflows of investment, yielding significant returns in the first quarter of 2013. Additionally, expansionary monetary policy is pushing Yen valuations lower against the U.S. Dollar, making Japan's already world-class export market more competitive globally. Secondly, Japan just recently won U.S. approval for entrance into Trans-Pacific Partnership negotiations, an 11 nation trade agreement that, if enacted, will account for 40% of the global economy.

So what does this mean for Michigan and Japan? A lot. First off, there are legitimate concerns by Michigan manufacturers that lower Yen valuations due to Abenomics, coupled with lifted tariffs from TPP, specifically on Japanese autos, could threaten the economic competitiveness of Michigan. Likewise, Japanese farmers hold concerns

that lifted protections on agriculture, an industry that Michigan is becoming a growing international exporter in, will significantly harm their ability to participate in the Japanese market. While leadership from both the U.S. and Japan are working to address these concerns, it is important to outline the many opportunities that exist for Michigan and Japan to become stronger partners.

Michigan and Japan share many similarities. Both are global leaders in manufacturing, specifically in autos, and are substantial contributors to R&D and innovation. Agriculture plays a significant role in both economies and the healthcare industry is rapidly expanding as both Japan and Michigan address aging populations. As a result of these shared industry concentrations, there are strategic opportunities to leverage combined strengths in human capital and advances in technological innovation.

If Abenomics is successful in stimulating economic activity and unlocking Japanese savings, Michigan stands the possibility of becoming a beneficiary of direct foreign investment by Japanese companies. Japanese presence in Michigan is growing. In fact, Japanese companies supported over 35,000 direct jobs in Michigan in 2012, a 6% increase from a year earlier. Likewise, a multitude of Michigan based companies are increasing their international presence in Japan.

As the global economy continues to struggle with low growth, strategic international partnerships will play a critical role in the ability to maximize strength and promote economic development. Michigan and Japan both hold complementary assets that, if coordinated strategically, can lead to high levels of success for both regions. Pure Michigan will benefit from the Endless Discovery that is Japan.



Prestigious speakers on the program for the University of Chicago delegation included (from left): former Prime Minister of Japan Yoshibiko Noda, former Prime Minister of Japan Taro Aso, and former Governor of the Bank of Japan Masaaki Shirakawa.

Save-the-Date: October 24 Monozukuri Seminar in Birmingham, Alabama

JETRO Chicago will host a ninth Monozukuri seminar this autumn, taking place on Thursday, October 24th in Birmingham, Alabama. Partnering with the Japan-America Society of Alabama, the luncheon seminar will take place in the Birmingham-Jefferson Civic Center, which is connected to the Sheraton and Westin hotels in downtown Birmingham. Speakers will be featured from Honda of Alabama, LLC; Toyota Motor Manufacturing, Alabama, Inc.; as well as invited speakers from Tier-1 and Tier-2 automotive supplier companies. Please stay tuned for more venue and registration information for the event in the coming weeks. To make sure you get the information, contact Kevin_Kalb@jetro.go.jp.

In Japanese, the words *mono* (thing) and *zukuri* (process of making), when combined literally mean the process of making or creating things, however a mere translation does not convey the accurate connotation of monozukuri. The concept is much more intense; monozukuri means having the spirit to produce excellent products and the ability to constantly improve a production system and process. American suppliers hoping to develop closer collaboration with Japanese companies are encouraged to fully embrace the concept and practice of monozukuri at their respective companies.

In this issue ...

- *Review of Asia Pacific Economic Integration Seminar ... page 1*
- *2013 Midwest U.S.-Japan Association Conference ... page 5*

- *Largest Japanese Tasting Event Ever in Chicago ... page 6*
- *Michigan Perspective: Opportunity in Japan ... page 7*
- **Back to Page 1**

Chief Executive Director ... from page 1

that took place in Chicago last September, and a Japan Pavilion within the Robotics Tech Zone at the Consumer Electronics Show in Las Vegas in January 2013. Then at McCormick Place, we organized two Japan Pavilions at the International Home and Houseware Show in March and a Japan Pavilion at the BIO Convention in April.

We also worked very hard on organizing business meetings to develop a greater market for Japanese food, sake and Japanese tea. These programs were mostly held at Kendall College here in the city in collaboration with the Consulate General of Japan at Chicago. I am honored to say that the single largest Japanese sake and food promotion tasting in the Midwest for food professionals was held just last month at Kendall College with approximately 500 food professionals registering for our tasting event. Three years ago, we started this sake promotion project with such small numbers for exhibitors and attendees, so I am particularly gratified to see this customized project to promote Japanese sake and food grow by more than ten times.

We also enabled Midwest companies in establishing a business presence in Japan. These include Advisory Research LLC in Chicago, Sweet Endeavors of Schaumburg, Lion Precision of St. Paul, Minnesota and Vera Bradley of Fort Wayne, Indiana. These companies all bring superb research analysis, unique technology or excellent products to the Japanese market.

Importantly we moved quickly to organize practical programs that centered on earthquake reconstruction assistance activities from the Chicago area and State of Illinois. The Japanese Chamber of Commerce and Industry of Chicago and the Japan America Society of Chicago combined to raise approximately \$2 million in donations for the victims. I am extremely grateful to these organizations, including the Japan-America societies throughout the Midwest who worked so hard to help with earthquake assistance projects.

More than two years have passed since The Great East Japan Earthquake. To make a more tangible commitment to assisting the victims, I was honored to represent the Japanese Chamber of Commerce and Industry in donating six PARO therapy robots directly to the region's elderly care facilities. When I visited these senior citizens, I heard first-hand how they narrowly escaped from the tsunami and how many of their friends did not. It was a very heartbreaking moment for me. The PARO therapy robot is helping to heal their hearts. And their heartfelt response to me was that they will never forget the genuine kindness of the people from Chicago. I promise to continue to play this type of active role for the people in the Tohoku region for as long as possible.

I continued to visit the 12 Midwestern states faithfully, meeting governors, lieutenant governors, the business community, universities and each Japan-America Society. We continued to organize the Japan recovery programs and our "KIZUNA, Bond of Emotion" Seminar, which I was honored to speak at throughout the Midwest.

I was also honored to be the keynote speaker to address the theme of Japan's reconstruction and to express my gratitude to the people of the United States at the Annual Gala of the Japan America Society of Indiana last year. To see the look in the kind faces of more than 400 attendees brought tears to my eyes, an unforgettable memory.

KIZUNA is the key Japanese word for Bond of Emotion. I use this word frequently to illustrate how we Japanese feel about the Midwest people because of your pure outpouring of goodwill and reconstruction assistance after the earthquake. So you can imagine my surprise and delight when former Indiana Governor Mitch Daniels cited me as his friend who taught him the meaning of KIZUNA and who then began using KIZUNA in a

number of events to express how the Hoosier state feels toward Japan. I recently said farewell to Mitch Daniels, now the President of the Purdue University who reiterated to me the importance of building KIZUNA.

On June 11th, the Japan America Society of Indiana had their Annual Gala dinner meeting where I had the distinct honor of receiving the Honorary Hoosier Award by Governor Mike Pence in front of more than 500 attendees. Governor Pence's kind words and this singular honor in front of so many of my dear friends will be a precious memory for me. I could never have imagined arriving here three years ago as the head of JETRO Chicago that I would be departing as a proud Hoosier: I am so honored.

I was also amazed by the quality of the Midwest's political and business leadership. Once per year, this Midwest leadership joins together as part of the Midwest U.S.-Japan Association's Annual Conference to meet their Japanese counterparts: all of the Midwest governors have attended this event for the past 44 years. On one of my very first visits to Iowa Governor Terry Branstad, I was briefing him on Japan's recovery and explained to him the importance of the particular Midwest U.S.-Japan Conference that was to be held in Tokyo in September 2011, just five months after the earthquake. He was carefully listening to me and immediately said, "Mr. Shindo, I will go to Japan and participate." This was an emotional scene for me that Governor Branstad decided then and there that he would visit Japan.

By traveling these beautiful Midwest states, meeting its people with their different accents, idioms, and nuances, I feel that I have experienced America. I learned that Japanese people and people in the Midwest do not despair. Whether it is the natural disaster that struck Japan or the horrific tornadoes that devastated southern Indiana and Joplin, Missouri, people actually obtain more courage, they never give up. This is the spirit of the Midwest and the spirit of the people of Tohoku. Whether they are family members, colleagues, or friends, these people will always support you.

The term, "The American Dream" for me is symbolic of the mindset in the United States. When I arrived in Chicago, the U.S. was entering into a severe recession with some saying that it would be the worst one in a hundred years. I have to say living through it I saw that Americans continued to be strong, continued to have hopes and dreams while striving for goals. Americans were never discouraged, they moved forward and believed in innovation and vitality. This is what I love about the United States and I am always encouraged.

My motto to lead the office as the chief executive director of JETRO Chicago is "Let's move forward! Value Teamwork, Work Hard and Stay Healthy." I encourage my staff members constantly. As the saying goes, "Adversity makes us strong. Adversity makes us wise." This is our way of training. Our emphasis is always on teamwork from which we can achieve excellent results. Teamwork gives us a unified strength. To me this sense of unity is the American Dream.

We are involved in the promotion of Japan-U.S. relations and we can achieve a close level of cooperation with our all Midwest-Japan Dream Team. The American Midwest is such a vast area that we have to join together from all parts from the Midwest to demonstrate teamwork and thereby obtain comprehensive strength.

I hope you all want to be on this path of training with everyone in the Midwest. We look forward to the future and to the support of JETRO Chicago. Ichiro Sone, is my successor and I would like to ask you all to please bestow the same courtesies and friendships on him that you have bestowed on me.

Again, I would like to sincerely thank you all. Today, I pray that the "bond" we have becomes deeper. Let the KIZUNA grow among us.