

# JETRO Chicago Midwest NEWSLETTER

## Japan External Trade Organization

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### Just in! Photos from Symposium on East Asian Economic Integration ... see page 2

Pictured above is a group photo of speakers from JETRO Chicago's December 7 Symposium on East Asian Economic Integration. See more pictures of each speaker and more on page 2 of this newsletter.

## A look back at 2007 shows the diversity and intensity of JETRO Chicago's programs



### From the Chief Executive Director

*Takashi "Taka" Tsuchiya,  
Chief Executive Director,  
JETRO Chicago*

Season's Greetings!

The year 2007 for JETRO Chicago can be characterized as a year in which we intensified our efforts to increase the interest on the part of Americans towards doing business with Japan. We expanded our horizons and held many seminars, in many locations, on a variety of different subjects.

As for the geographical locations, we began the year in Bloomington, IN, and ended the year in Chicago. The cities we landed upon in between included: Des Moines, IA; Schaumburg, IL; Indianapolis, IN; Chicago; Plymouth, MI; Lawrence,

KS; Cedar Falls, IA; and St. Louis, MO. The subject matter we touched upon expanded from the usual overview of the Japanese economy; focus on Japanese industries such as biotechnology; and how to work with Japanese companies, to the anime market; the spirit of monozukuri; and finally East Asian economic integration. Through these activities, I feel that the Midwest's interest in Japanese business has been consistent, even though overall interest throughout America has shifted from Japan to economically emerging countries. Upon organizing such seminars, JETRO Chicago is quite fortunate to have the support of many local organizations, colleges and universities. I believe the reasons this support comes easily is that Japan is a major overseas market for these communities, and many Japanese affiliated companies are located in these Midwest areas, as well.

In this context, it was very timely that several Midwestern Governors and Lieutenant Governors traveled to Japan this past

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## Japan as "Okay" ... and that's okay!



### Guest View

*Arthur Alexander Mitsui  
Adjunct Professor,  
Georgetown University;  
former president, Japan  
Economic Institute*

In 1978, Harvard's Ezra Vogel wrote *Japan as Number One*. By the middle 1990s, the Chinese economy was becoming so large that I wrote an article called, *Japan as Number Three*. Today, after a decade of economic stagnation and serious questions about its ability to compete in a fast-moving world, many people question the nation's future. Nevertheless, there are compelling reasons to believe that a title for a future book could be, *Japan as Okay*.

The main reason for qualified optimism is the country's solid foundation; Japan possesses institutions, processes, and capabilities that work.

The economic experience of rich countries over the past 50 years

suggests that trend growth per person lies in the range of 0-2% annually. Countries become and stay rich because they have adopted institutions that work. Japan is not an outlier in this process. Measures of structural transformation reveal that change in Japan paralleled the American experience. Broad estimates of adaptation show that the two countries have adjusted at about the same speed.

An important institution is democratic government that responds to feedback. Japan is a democracy. Its political parties respond to political forces. The Liberal Democratic Party, in particular, has remained in power for the better part of 50 years because of its ability to develop policies that adapt to changing conditions.

A World Bank review of the role of government in development pointed to the importance of basic functions: "An effective state is vital for the provision of the goods and services—and the rules and institutions—that allow markets to flourish and people to live healthier and happier lives. Without it, sustainable development, both economic and social, is impossible." Essential functions include establishing a foundation of law, maintaining a nondistortionary policy environment, and investing in basic social services and infrastructure.

**See "Guest View" on page 4**

# JETRO Chicago

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### JETRO in Iowa

(Right) Arthur J. Alexander, Mitsui Adjunct Professor, Georgetown University speaking at "Unique Perspectives on Japan," a joint program by The Northern Iowa University, College of Business Administration and JETRO Chicago, in Cedar Falls Iowa on November 2.



(Left) Mr. Tomonori Shibabara, Director of Business Development at JETRO Chicago, speaks to the Iowa International Traders luncheon in Des Moines on November 1.



### The Japan Lecture Series visits St. Louis



JETRO Chicago presented "SPOTLIGHT JAPAN, Perspectives on the Economy and Business Culture," on November 15 at the University of Missouri-St. Louis.

(At left) Taka Tsuchiya, Chief Executive Director of JETRO Chicago talks with speaker Edward Bayham, Vice President of Business Development, Apath LLC, (St. Louis).



(Top right) David Baeckelandt, Principal, Mercer Investment Consulting, Inc with Alan Bird, Professor, Eiichi-Shibusawa-Seigo Arai Professor of Japanese Studies, University of Missouri-St. Louis



(Bottom right) Professor Roger Beachy, President, Donald Danforth Plant Science Center with Kelly Denevellis, Assistant Director, Business Development, Chicago



### At JETRO's ROBOLINK Forum

At the end of November, JETRO Chicago helped arrange speakers for JETRO's RoboLink Forum in Tokyo. (From left) Ms. Mai Matsushita, JETRO Tokyo; Mr. Kevin Kalb, JETRO Chicago; Ms. Helen Greiner, iRobot Corp.; Mr. Terunobu Yamauchi, JETRO Chicago; Dr. Shinichi Yuta, Tsukuba University; Dr. Arthur Sanderson, Rensselaer Polytechnic Institute; Dr. Alberto Elfes, NASA Jet Propulsion Laboratory; Mr. Tokuo Ikura, Japan Robot Association (JARA).

## East Asian Economic Integration Symposium draws hundreds to Chicago to hear expert presentations



An enthusiastic crowd of more than 230 filled the Daniel Burnham Room of the Chicago Club on December 7 to attend "A Symposium on East Asian Economic Integration: Progress & Business Opportunities," presented by JETRO and co-organized by The Chicago Council on Global Affairs, The Japan America Society of Chicago, and the Japanese Chamber of Commerce & Industry of Chicago. Takashi Tsuchiya, Chief Executive Director of JETRO Chicago served as master of ceremonies, and following a welcome remarks from a representative of Lt. Governor Pat Quinn, and greetings from Hon. Kenji Shinoda, Consul General, Consulate General of Japan at Chicago, opening remarks were provided by Michael H. Moskow, Senior Fellow for the Global Economy, The Chicago Council on Global Affairs and Former President and CEO, The Federal Reserve Bank of Chicago.

Yasuo Hayashi, Chairman and CEO of JETRO presented a keynote address. This was followed by major presentations from Dr. Surin Pitsurwan, Designate, Secretary General, Association of Southeast Asian Nations (ASEAN) and Former Minister of Foreign Affairs, Kingdom of Thailand, and from Dr. Angang Hu, Professor & Director, Center for China Study, School of Public Policy & Management, Tsinghua University.

Following a break, the audience heard two corporate perspectives on East Asian Economic Integration from Taizo Nishimuro, Former Chairman and Advisor to the Board, Toshiba Corporation and Chairman, the Board of Tokyo Stock Exchange Group, Inc. and from Patrick Canavan, Senior Vice President, Global Governance, Motorola Inc. Dr. Marvin Zonis, Professor Emeritus of Business Administration, The University of Chicago, offered comments, and moderated a panel of the day's speakers, as they addressed questions submitted by the audience. Closing remarks were provided by Tomoharu Washio, Executive Vice President, of JETRO, and former Chief Executive Director of JETRO Chicago.



Takashi Tsuchiya



Hon. Kenji Shinoda



Michael H. Moskow

Yasuo Hayashi



Dr. Surin Pitsurwan



Dr. Angang Hu

Patrick Canavan and Taizo Nishimuro



Dr. Marvin Zonis



Tomoharu Washio

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## Ask JETRO

### How do I find detailed information on Japan's various regions?

The JETRO headquarters website has added some new and expanded features to its regional information pages. Head to [www.jetro.go.jp/en/invest/region/](http://www.jetro.go.jp/en/invest/region/) in the Investing in Japan section of the site. The new features make it easier for foreign business people to connect with local investment officials, find potential business partners and also get the latest information on business climates and incentives for foreign firms.

**Your Regional Guide** is a "concierge" service that allows users to send inquiries directly to government officials responsible for foreign investment promotion in each region.

**Promising Local Companies** is a collection of links to databases of local companies interested in international business in each region.

**FAQs for Each Region** provide answers for common questions about investment in each region.


**Logistics Information** provides details about Japan's land, sea and air logistics infrastructure.

And, of course you'll find details on the industry clusters in all areas of Japan.

### Contact JETRO Chicago

**JETRO Chicago** is located at 1 East Wacker Drive, Suite 600, Chicago 60601. Phone: 312-832-6000; Fax: 312-832-6066; website: [www.jetro.org](http://www.jetro.org)

For general information, call the number above, or for a specific inquiry, use the form at [www.jetro.org](http://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](mailto:kevin_kalb@jetro.go.jp).

For biotech information, contact Robert Corder, at [robert\\_corder@jetro.go.jp](mailto:robert_corder@jetro.go.jp)

## Anime Focus again a Success at Film Festival



### Director's Dialogue

Kevin Kalb  
Project Coordinator  
JETRO Chicago

The Chicago International Film Festival has a long and outstanding tradition of attracting great films from around the world, and JETRO Chicago was able to assist in this year's Festival by helping to attract three Japanese anime films for the second year of Anime Focus: *Girl Who Leapt Through Time*, *Brave Story*, and *Atagoal: Cat's Magical Forest*. Each of these films attracted fans and newcomers of all ages, and helped to promote one of Japan's largest exports – anime – to Midwestern audiences.

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September, in order to participate in the Midwest U.S.-Japan Association Conference (MUJAC) held in Tokyo, and the U.S.-Japan Investment Initiative held in Osaka. Their participation in these two events confirms Japan's appeal and importance of building and sustaining relationships with Japan and the Midwest. Their participation is very reassuring of their interest in Japan.

With regards to our business oriented activities, we continue to work primarily in the biotechnology and robotic technology arenas. Although JETRO's participation in Bio Boston was mainly organized by JETRO New York, our JETRO Chicago office organized the highly popular "Japan Night Reception", and I might add that many of our midwestern friends attended this event making it a great success. In conjunction with Bio Japan, which was held in Yokohama, JETRO hosted the BioLink Forum. JETRO Chicago secured senior executives from major Midwest based pharma companies, such as Eli Lilly and Procter&Gamble, as speakers.

In the robotic technology area, we assisted the Japan Robot Association with further internationalizing their "2007 International Robot Exhibition" in Tokyo, by recruiting three very knowledgeable speakers from the U.S. who are highly regarded in the robotics industry. There were 500 people in attendance at this forum.

For this year's Anime Focus, JETRO Chicago hosted *Girl Who Leapt Through Time* director Mamoru Hosoda, who attended his film's screenings and interacted with audiences before and after the shows. Mr. Hosoda was also a featured guest at a private JETRO reception for Anime Focus that featured local film industry leaders, Film Festival jury members, directors and producers, as well as members of local Japanese business and cultural organizations.

To bring a special perspective and insight to Anime Focus, I had the pleasure of interviewing **Mimi Plauché, Feature Film Programmer with the Chicago International Film Festival.**

**Q:** *Could you briefly explain the background and history with Anime Focus and the Chicago International Film Festival, and how the idea of Japanese anime was brought into the Film Festival?*

**A:** The Festival has a long history of presenting

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Here in the Midwest, we participated in a show held in Rosemont, IL this past summer hosted by the Robotics Industries Association (RIA, based in Michigan), the U.S. partner of the Japan Robot Association. We had a booth in the service robotics zone, introducing very sophisticated robotic technologies.

The Japanese economy continued to recover gradually throughout the year, as corporate investment remained a major force. However, the recovery slowed down in the latter half of the year (with 2 % annual GDP growth forecast), due to the big fall in housing investment, in addition to the continuing weak growth of personal consumption which accounts for 55% of Japan's GDP. The Japanese housing downturn, by the way, is a result of a new law enforced last June requiring builders to submit verifiable data on earthquake resistance.

Reflecting on 2007, the economies of the U.S. and Japan are quite comparable to Midwest based professional sports. In the beginning of the year, two Midwest teams fought for the Super Bowl in late January. Continuing throughout the year, Midwest professional sports teams started off strong giving hope to the fans for a promising year, and then finished the year below expectations. I sincerely hope that 2008 will bring more success to our two economies as well as to Midwest based professional sports.

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animated films from around the world to Chicago audiences. Given our history and the extraordinary worldwide interest in and influence of Japanese anime on international cinema, when some members of the Japan America Society of Chicago approached the Festival with the idea of collaborating on the first annual Anime Focus, it seemed like a natural fit.

**Q:** *Often in America anime can be still related to children or family-style movies, but in many cases, Japanese anime films reach out to a much broader audience of all ages. How if so did the three anime films that the Film Festival attracted break away from this misconception?*

**A:** While all of the anime that were part of Anime Focus this year were considered to be family-friendly, this does not mean that they were made for children alone. All of the films dealt with more sophisticated themes that could be appreciated by an adult audience as well. For example, *Girl Who Leapt Through Time* is based on the work of the prominent novelist Tsutsui Yasutaka and uses the theme of time travel to address issues such as personal responsibility and the meaning of friendship. As a testament to this, the films attracted audiences of all ages.

**Q:** *Anime Focus is only in its second year as a part of the Film Festival, so it still has years to come to reach the level or status of a program such as Black Perspectives. What has the reception for anime been so far for the Festival and its audiences?*

**A:** While anime has a loyal fan-base across the US, it is still relatively new to our traditional Festival audience. What is exciting about the Anime Focus program is its ability to introduce new audiences to anime—many of our audience members commented that the first time they saw anime was at our Festival—as well as to introduce anime fans to the Festival—many audience members first attended the Festival when they came to an audience screening.

**Q:** *How important is it for the Anime Focus program and for the Festival to have the directors present at the film screenings? How did the Chicago audiences react to having Director Mamoru Hosoda at the screenings for *Girl Who Leapt Through Time*?*

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These seemingly routine tasks are extremely complex, however, and strain the capabilities of most governments. An important source of modern Japan's economic growth was its heritage from the 250-year Tokugawa period that ended in the late 1800s. Under the shoguns, Japan created a capable civil service, a functioning bureaucracy, and a literate society. This institutional heritage provided a basic competence in the mundane job of getting the fundamentals right.

Over the past 50 years, most Japanese tended to rise and fall together, mostly rise. However, that cozy life is changing. Deregulation has been proceeding for 30 years in finance, transportation, telecommunications, retail, and other areas; foreigners now own 28% of Tokyo Stock Exchange shares and account for almost half of all transactions. A shift from bank-centered to market finance, more competition among domestic firms, and strengthened rivalry with foreign companies are shaking up long-held norms. As the old system winds down, Japan is becoming more of a nation of winners and losers—across regions, industries, firms, and individuals. These changes preceded Prime Minister Koizumi's administration and will continue long after.

For example, retailing used to be noted for a remarkable stability among company rankings. The sales ranks of the 10 largest general merchandise stores showed remarkable constancy over the 15 years ending in 1998. Among the top five companies, only mild shuffling occurred. For a comparable American sample, two companies were in the top 10 that had not existed a decade earlier, and number one

**A:** Providing audience members with the opportunity to interact with filmmakers is one of the unique experiences that the Festival offers to filmgoers and movie lovers. In the post-screening question and answer sessions that follow the screenings at which the director is present, audiences gain insight into the creative process of filmmaking as well as into the cultural and artistic specifics of the film. The question and answer sessions which director Hosoda attended were very lively discussions that covered everything from the meaning of the particular shape of the clouds in the film's summer sky as well as the philosophical meaning of time travel and the inspiration for the particular device that enabled time travel in the film. The audiences were also very enthusiastic in their praise for him, with many staying after each screen to talk to him personally and get his autograph. JETRO's support of the Anime Focus this year helped to make all of these

Wal-Mart had jumped from the 17th position. Revisiting the list in 2006, two major retailers had gone bankrupt and were acquired by others. Two others flirted with bankruptcy; one came under the control and management of Wal-Mart while a Japanese company bought the other. These changes in ownership and control were accompanied by large-scale store closures. What is occurring in Japanese retailing is beginning to look more like the American model.

Considering the increased differentiations across firms, industries, and regions, it should not be surprising to find similarly rising diversity across individuals. Japan's reputation in the 1970s was that of possessing the most equal income distribution of all advanced countries. According to many surveys, inequality declined until the 1970s and rose thereafter.

A Japan with a competent state, a functioning democracy, a more profit-oriented business sector, an innovative technological capability, an educated people, and the ability to change is a Japan that will be okay. However, this future is not automatic. It will require struggle at all levels: by individuals shaken from the complacency of lifetime employment; by politicians searching for policies that will work and that will get them reelected; and by business leaders grappling with uncertain strategies in a newly contentious and punishing marketplace. Although success cannot be guaranteed, Japan has demonstrated that it has the ability to get to its present highly successful position; these same qualities can support it on its path to an okay future.

*Information on Professor Alexander's latest book, "The Arc of Japan's Economic Development," Routledge, 2007, can be found at [www.routledge.com](http://www.routledge.com).*

experiences possible while also spreading the word about the cultural value and entertainment pleasures that anime offers.

**Q:** *Looking ahead to next year's festival and beyond, how will Anime Focus become more of an integral program with the Film Festival, and what will be needed to continue its success?*

**A:** While Anime Focus is already an integral part of the Festival, we would like to continue to build audiences for the anime films. This will happen with a combination of continuing to introduce audiences to and educate them about anime as both art and entertainment. We are also looking to build partnerships with cultural and trade organizations such as JETRO, whose support helped to make the 2nd annual Anime Focus a success, to further develop this exciting program.

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## The World Food Prize – Iowa's Best Kept Secret

When you think of Iowa, perhaps what comes to mind is soybeans and raised pork, the birthplace of John Wayne, or for sports fans, Iowa football. What you may not know is that once a year, Des Moines, Iowa's capital, hosts one of the world's most prestigious conferences on agriculture and world food production. Foreign dignitaries, Presidents and CEOs of corporations as well as top University chancellors and presidents gather at The World Food Prize to discuss ways of feeding the ever-growing world population as well as honor the achievements of people who have worked towards improving the quality, quantity or availability of food around the world.

This year, The World Food Prize of \$250,000 went to Dr. Philip Nelson of Purdue University, who invented a system of preserving and transporting food long distances without the need for refrigeration. Known as bulk aseptic food processing, it has been used by such large food producers as Tropicana in storage and transport of their not-from-concentrate orange juice.

As unfamiliar to Americans as The World Food Prize is, its founder, Dr. Norman Borlaug, is also just as unknown. Although he is considered the 'Father of the Green Revolution' for his work in developing stronger and higher yielding crops such as corn and wheat for current and former Third World countries, he is better known throughout Mexico, India and the African continent than in the United States. However, he has achieved what only four other people in history have ever accomplished. He is the recipient of the Nobel Peace Prize, the Presidential Medal of Freedom and in July 2007 the Congressional Gold Medal. The only other individuals that have ever received all three awards were Dr. Martin Luther King, Jr., Mother Theresa, Elie Wiesel and Nelson Mandela. As many noted during the Symposium, as well as the Washington Times, Dr. Borlaug is credited with saving the lives of over one billion people from starvation.

The World Food Prize also brings together leaders of the world agricultural sector at the Borlaug International Symposium to discuss current issues concerning food production and, in recent years, the use of food crops to produce fuel. This October 16-19, 2007, corporate and government leaders such as Hugh Grant, CEO of Monsanto, Chad Holliday, CEO of DuPont, and Chuck Conner, Acting Secretary of Agriculture presented keynote speeches to commemorate the event as well as provide insight into the future of world agriculture and the recent

debate between food versus fuel. The conference session speaker list was no less distinguished, as the Ambassadors to Malawi and Mauritius, as well as university professors, high-ranking officers from the United Nations Foundation, BIO, G8 Global Bioenergy Partnership, as well as former World Food Prize recipients, participated in discussions.

The topic of how to increase food production on finite, and potentially decreasing acreages of land due to global warming and non-regenerative soil farming practices, while the world population soars was the main issue of discussion. The secondary issue was the chance for developing countries to move from poverty to prosperity. Once developing countries have achieved a more than satisfactory level of food production, how could they take their surplus and either sell their extra grain to the market in order to create a financial surplus or develop from their crop surplus the fuels necessary for their machinery to operate and become even further self-sufficient? Although the main consensus from the speakers was that food always comes first, then fuel, Former Representative James Greenwood, currently CEO of BIO, had stated that cellulosic ethanol technology could potentially play a significant role in the developing nations as well as the United States, Europe and Asia.

We are in an era where events that occur halfway around the world can have a significant impact on other parts of the world. The World Food Prize connection to Japan may not be so apparent, as the country is far from being a Third World nation. However, the food versus fuel controversy that has become a topic in many countries concerns Japan. As the world's largest net importer of agricultural products, any switch from food to fuel by some of Japan's major sources of grain could drastically affect prices and even available supply.

While The World Food Prize and the Borlaug International Symposium may not have solved the issues of world hunger or global warming yet, it is a tremendous forum for people from around the world, government, corporate and non-government organizations, to begin to discuss these issues and work cooperatively. Fear of new technologies in food, such as genetically modified (GM) foods, or the worry of biofuels taking over a large part of the food supply of the world certainly still exist. However, as Dr. Borlaug noted in his remarks to the Symposium new technology is often, at first, feared, criticized or negatively received. Over time, as public awareness and education spreads, this gives rise to understanding, which also brings rise to acceptance and eventually application.

*Toshikatsu Mino, Director, Agriculture, JETRO Chicago*  
*Markham Nakagawa, Researcher, JETRO Chicago*

## Tomonori Shibahara joins JETRO Chicago



JETRO Chicago welcomes Tomonori Shibahara as Director of Business Development. In his new position he facilitates business development between Japan and companies within the 12-state Midwest region. Prior to his current position, he served in JETRO's Business Services Center in Tokyo, where he assisted Japanese companies with starting businesses in foreign countries. He is also familiar with corporate training especially for trading business training. He developed the e-learning program, "Online Training Courses for Trading Business" and provided those courses for Japanese companies from 2001-2005. Mr. Shibahara joined JETRO in 1997, after earning his Bachelor's Degree in Economics from Waseda University.

## Special thanks to our fall intern ...

Ashley Goldade, a student at Dordt College, Sioux Center, Iowa, recently completed her Chicago Semester internship at JETRO Chicago and provided invaluable assistance on a variety of major projects. JETRO Chicago thanks Ashley for her work, as she heads back to school to finish her senior year, and wishes her the greatest success in her future endeavors.

