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E-MAIL MAGAGINE

Issue 111 [March 2017]

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NEW YORK TIMES, WITH THE WESTERN JAPAN CITY HOSTING AN INTERNATIONAL FOOD FESTIVAL IN MAY

Osaka became one of the top travel destinations for the year as it was listed on the New York Times' "52 Places to Go in 2017." The selection marked the first time that the western Japan city was listed

on the annual travel list compiled by the U.S. newspaper. On the list, Osaka is described as a city of "insatiable curiosity and appetite." The

newspaper said Osaka is where Michelin-starred restaurants spread with the city's culinary legacy being "at work in the neighborhoods of Tsuruhashi and Fukushima." Travelers were also recommended to go to the International Festival Utage (feast), a food festival to be held from April 28 to May 7.

Rough Guides, a British publisher of travel guidebooks, ranked Osaka eighth in the 2017 edition of the "Top 10 Best Cities to Visit." The guidebook said Osaka's attractions like the Manga Museum and the Instant Ramen Museum are "heaps of fun." The publisher said for travelers it is

The Osaka Chamber of Commerce and Industry



worth chowing down at street food stalls, many of them being set up near the well-known Tsutenkaku Tower and the Dotonbori canal and enjoying their bustle. Along Hozenji Yokocho Alley, a favorable drag of Osaka celebrities, are many Japanese-styled bars called “izakaya,” which are old and attractive, making travelers' nightlife all the more enjoyable.

International Festival Utage is one of the largest food events in Japan. It has been held in Osaka every four years since 1985. This year's festival will celebrate flavors from all Japan's 47 prefectures under the theme, “comparison of Japan's “Matsuri” festivals and tastes.” It will also feature various special events, including stage shows focusing on Japan's “matsuri” festivals, a barbecue festa, liquor tasting and a world food show. The forthcoming Utage will be held at Intex Osaka. For further information, see <http://www.shokuhaku.gr.jp/multilingual/>

2. OCCI DEMANDS REGARDING HOW TO DEAL WITH ISSUES FACING THE JAPANESE GOVERNMENT IN ITS TIES WITH THE NEW U.S. ADMINISTRATION

The Osaka Chamber of Commerce and Industry (OCCI) worked out in February a set of demands regarding how to deal with issues facing the Japanese government in its relationship with the new U.S. administration led by President Trump. The OCCI presented the package to officials of the government and the ruling parties, including Prime Minister Shinzo Abe. The demands focus on the government explaining to the Trump administration the close economic relationship having been established between Japan and United States, including Japanese companies' contribution to the United States. The OCCI also asked the government to strengthen and promote the free trade system, stabilize the currency market, and establish a solid system aimed at supporting the domestic economy, a goal that can be achieved if the government's growth strategy is reinforced and investment in the domestic market is expanded.

The OCCI released the results of its unscheduled survey of member companies regarding how they see the policies that have been adopted by U.S. President Trump. The survey was conducted between January 25 and February 3, covering 1,474 member companies of which 313 companies replied.

The biggest concern voiced by the companies polled among the Trump administration policies were the proposed review of U.S. trade agreements with other countries (withdrawal from the TPP and the proposed renegotiation of NAFTA), cited by 53.7% of the companies surveyed. Washington's expected move to rectify the dollar's appreciation against the yen was also a source of concern, listed by 41.2% of the polled. Also fueling their concern was the Trump administration's readiness to reduce U.S. trade deficits with other countries through the raising of tariffs and the levying of a border tax, a problem recognized by 40.9% of the companies surveyed. These findings reflect a strong concern about the protectionist policies of the Trump administration.

According to the survey, 30.3% of those polled saw the Trump administration policies as having rather negative effects on their operations. The survey found 56.2% replying they don't know what

may happen to their operations. Asked to list specific negative effects from the policies of the Trump administration, 77.7% were concerned that their earnings would be stagnant or worsen following the increased uncertainty in the world economy. Some companies cited indirect effects, with 55.3% fearing that orders may fall in the wake of the deterioration of earnings at client companies.

3. REPORT ON THE OCCI'S BUSINESS MISSION TO INDONESIA AND THE PHILIPPINES

The Osaka Chamber of Commerce and Industry (OCCI) sent a business mission to Indonesia (Surabaya and Jakarta) and the Philippines (Manila) from February 12 to 18, jointly with the Japan External Trade Organization (JETRO). Led by Masashi Hashimoto, Executive Officer of Marubeni Corp. and Branch Manager of the Osaka Branch of the trading house, the delegation was composed of 23 persons from 15 member companies and 2(two) organizations.

In Surabaya, the second largest city in Indonesia, the delegation visited the country's first green port where most advanced port facilities, including a 24-hour automatic gate system, have been installed. It also visited Ngoro Industrial Park, a major industrial complex located in East Java Province, and Japanese companies that are providing logistics services to businesses operating there. Members of the mission held intensive talks with officials of Japanese companies on a range of issues relating to their operations. Questions and answers during the meeting focused on the business advantage the Japanese companies are enjoying by operating in East Java where not many Japanese companies have started business as well as their future business operations. It is about 3 years since the OCCI's delegation's last visit to Surabaya.

The delegation then moved to Jakarta and visited MM2100 Industrial Town, an industrial complex developed by Japan's Marubeni Corp. in 1990. It is the closest industrial town from Jakarta and a full-support system covering the entire business process through the start of operations has been established for companies wishing to do business there. As a result, the industrial park has become home to about 130 Japanese companies. By visiting a factory run by a Japanese company in the industrial complex, the delegation learned about a business model in which the factory serves as a production and marketing hub aimed at facilitating access to markets in multiple countries. Later, the delegation paid a courtesy call on Mr. Djojokusumo, Deputy Chairman for Investment Promotion at the Indonesia Investment Coordinating Board. During the meeting with the Deputy Chairman, chief delegate Hashimoto and other mission members were briefed about the Indonesian government's efforts to improve investment conditions for foreign entities, including incentive measures accorded to them. Chief delegate Hashimoto called for deregulatory steps to be taken to encourage foreign investment in Indonesia, including reducing the minimum investment amount applied to foreign companies.

The following day, the delegation visited the Philippine Chamber of Commerce and Industry (PCCI) with which the OCCI has had a partnership since 1993, and interviewed officials of the PCCI



Investment Committee to obtain information on local investment projects that have been given priority. After that, the mission members were briefed by local JETRO officials on the overall economic situation in the Philippines and also held an exchange meeting with officials of primary PCCI member companies. Furthermore, the mission visited an offshore business operation run by Japanese IT companies in Manila, and took a first-hand look at the growing business process

outsourcing (BPO) industry in the Philippines.

The delegation later visited the Lima Technology Center, a business complex under the comprehensive urban development concept featuring both development of commercial facilities and housing development. Currently, the center houses 60 companies. The office of the Philippine Economic Zone Authority (PEZA), a government agency in charge of controlling tax incentives accorded to foreign companies operating in the Philippines, is also housed in the center, enabling the implementation of one-stop tax exemption procedures for foreign entities operating there. In addition, the mission visited a factory run by a Japanese manufacturer in the center. The delegation learned about a system in which the factory serves as a processing base for the manufacturer with the aim of targeting the European and U.S. markets through exports.

Furthermore, the delegation visited the Lipa Campus of De La Salle University, a private school located in Lipa City, the Philippines. The OCCI mission members actively discussed how to develop human resources with officials of the university, known to be active in promoting industry-government-academia partnership.

The latest mission provided the OCCI with greater opportunities to learn about future business operations of Kansai-based companies in Indonesia and the Philippines, where excellent human resources, especially those of young people, are abundant and domestic demand is expected to expand in view of an increasing number of middle-income earners.

As a result, 1 of the delegation companies is considering to invest in the Philippines within 1-2 years, 1 in Indonesia within 3-5 years. To add, 1 company is considering to develop a new trading business in Indonesia and in Philippines respectively.

4. REPORT ON THE "18TH OSAKA BUSINESS NETWORKING CLUB"

The Osaka Business and Investment Center (O-BIC) held a meeting of the "18th Osaka Business Networking Club" on February 16, at which Mr. Atsushi Miyano, Executive Director and General Manager of the Osaka Branch of the Bank of Japan was invited to speak. About 130 representatives from businesses in Osaka, including those moving into the market in Osaka, foreign diplomatic missions and economic organizations joined the meeting in order to deepen exchange.



Mr. Miyano spoke about the characteristics and current state of Kansai's economy and society that were analyzed based on his experience of traveling through the streets in Chuo ward, Kita ward, Nishi ward, Fukushima ward, and Tennoji ward. Mr. Miyano's recommendations on revitalizing Kansai's economy, such as strengthening inbound tourism and promoting innovation as a way to link the high communication skills of the people of Osaka to the increased enjoyment of visitors, were favorably received by the attendees. Vigorous exchange unfolded at the networking meeting following this lecture.

As to Mr. Miyano's Lecture,

*To download the lecture resume, please click <http://www.o-bic.net/upload/pdf/file00000499.pdf>

5. OCCI INTERNATIONAL DIVISION REPORT ON VIP VISITORS

February 23 (Thu.) H.E. Mr. Jukka Reino SIUKOSAARI, Ambassador of Finland to Japan

March 10 (Fri.) Ms. Shirley Pui Man YUNG, Principal Representative, Hong Kong Economic and Trade Office (Tokyo), Government of the Hong Kong Special Administrative Region



O-BIC as one-stop service center for creating a foothold in Osaka

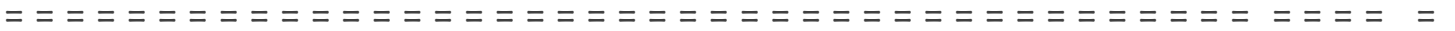
<http://o-bic.net/>

Osaka Business & Investment Center (O-BIC), established in 2001, is operated through the joint efforts of the Osaka Prefectural Government, Osaka City Government, and Osaka Chamber of Commerce & Industry.

As your one-stop service center for business investing, O-BIC provides a comprehensive yet detailed support system. International companies, foreign

government offices and economic organizations as well as foreign-capitalized companies located in Japan are welcome to use the center to obtain accurate information and essential advice for creating a foothold in Osaka.

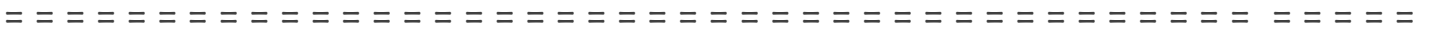
For further information, please contact: o-bic@osaka.cci.or.jp



◆ Information about scheduled events (in Japanese only)

If you wish to receive information about scheduled events, please visit
<http://www.osaka.cci.or.jp/Jigyousonota/annai.htm>
and submit your subscription request to OCCI Email Station.

Alternatively, please check out information about scheduled seminars and other events on the OCCI's website (in Japanese only).



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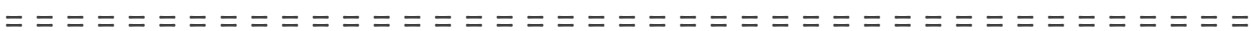
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