

Updates on Japanese Business and Economy

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Keidanren Chairman's Visit to Washington DC

Keidanren Chairman
Masakazu Tokura
(Chairman of the Board,
Sumitomo Chemical Co.,
Ltd.), Vice Chair Toshiaki
Higashihara (Director,
Executive Chairman,
Representative Executive
Officer, Hitachi, Ltd.), and



Secretary Granholm (second from right)

Vice Chair/President Masakazu Kubota visited Washington DC on February 19-23. It was the first visit by the Chairman since the COVID-19 pandemic.

The delegation met with top government officials, including Secretary of Commerce Gina Raimondo, Secretary of Energy Jennifer Granholm, and National Security Council Indo-Pacific Coordinator Kurt Campbell, and emphasized the importance of U.S.-Japan cooperation in promoting a rules-based international order, advancing a free and open Indo-Pacific, resolving global issues such as addressing climate change and ensuring energy security. Additionally, they expressed support for the IPEF (Indo-Pacific Economic Framework for Prosperity) and advocated for U.S. participation in the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership).

The delegation also engaged in candid exchanges of views on the political and economic situation in the U.S. and the outlook for U.S.-Japan relations with experts at the U.S. Chamber of Commerce, the Business Roundtable, the Peterson Institute for International Economics (PIIE), and the Center for Strategic and International Studies (CSIS).

After returning to Japan, Chairman Tokura said, "This year, Japan chairs the G7, and the U.S. chairs APEC. The U.S. and Japan must take this opportunity to coordinate closely and exercise leadership in the global community. I keenly felt the United States' expectations on this point. It is important to maintain regular and ongoing exchanges and dialogues rather than having only one meeting. Keidanren will continue to take every opportunity to conduct dialogues with U.S. policymakers such as federal and state government officials, and to work to strengthen the U.S.-Japan partnership."



Meeting with the Business Roundtable

Updated Brochure: Japanese Businesses' Contributions to U.S. Economy

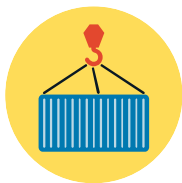
On February 15, Keidanren released the latest version of our annual brochure, "[Toward a Stronger and More Resilient U.S.-Japan Relationship](#)." The brochure provides information on Japanese companies' contributions to the economic relations between the two countries, including investment and job creation, highlighting the strength and stability of the relationship.



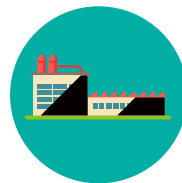
Japan Foreign Direct Investment in the United States
\$721 billion (stock)



U.S. Jobs Created by Japanese Companies
931,900 Americans directly employed (2020)



Japan Imports from the United States
\$112 billion in goods and services (2021)



Japan Plans To Continue Investing
Nearly 50% of Japanese companies in the United States are considering expansion. Source: JETRO

Meeting with Visiting Members of the U.S. House of Representatives

On February 22, Keidanren's Subcommittee on U.S. Relations held a meeting with Representatives French Hill (R-Arkansas), Mark Takano (D-California), Frank Pallone (D-New Jersey), Alexandria Ocasio-Cortez (D-New York), and Maxwell Frost (D-Florida), who were visiting Japan under the Maureen and Mike Mansfield Foundation's Japan-U.S. Friendship Commission Thomas S. Foley Legislative Exchange program.

During the meeting, the delegation discussed how the U.S. political environment is dramatically changing, mainly due to the rapidly increasing number of young voters, such as Millennials and Generation Z. In this context, climate change and labor issues are becoming top priorities.

To tackle climate change, the legislators emphasized the need to accelerate U.S.-Japan cooperation to develop renewable energy and carbon capture, utilization, and storage (CCUS) technologies. Additionally, they expect the business communities in the U.S., Japan, and Europe to lead the way in encouraging their governments to utilize nuclear power on the condition that safety can be guaranteed.

On the topic of labor issues, the representatives highlighted the decline in the younger generation's quality of life in the U.S. due to low wages, long working hours, and inadequate benefit programs. They also said that Japan's work environment, which includes childcare support, medical coverage, and access to public transportation, could serve as a useful reference for addressing these concerns.

In addition, the representatives said they are aware of Japanese businesses' expectations for U.S. commitment to the Indo-Pacific

region, including the IPEF (Indo-Pacific Economic Framework for Prosperity), and for the U.S. to rejoin the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership). The legislators suggested that leveraging the younger generation's interest in climate change and gaining political support can help revitalize trade discussions.

They also addressed Japan's G7 presidency and expressed hope that Japan would provide leadership in building consensus on various international challenges.



U.S. Representatives and Subcommittee Chair Yuria Toyokawa

Meeting with National Cyber Director Inglis

On December 19, Keidanren's Committee on Cyber Security held a meeting with Mr. Chris Inglis, the then White House National Cyber Director, during his visit to Japan.

Director Inglis began by praising the ["Declaration of Keidanren Cyber Security Management 2.0,"](#) which was released in October 2022, and in which the business community pledged to treat cyber security as a key management priority. He added that keeping "collective security under public-private partnership" in mind would make the community even more secure. Information



Director Inglis

sharing between the two sectors enables us to deal with threats that cannot be identified otherwise. Despite the widespread perception that the government controls a large portion of information in cyberspace, the reality is that the private sector has more information.

The Director also praised the three key national security documents the Japanese government revised in December. He stated that their general direction is the same as that of the U.S. National Security Strategy released in October, but the U.S. documents are distinctive in clearly mentioning two points: (1) the private sector should take broad responsibility for strengthening cyberspace resiliency, and (2) the government and the private sector should jointly defend against threats rather than separately.

He noted that the importance of public-private partnership has been demonstrated in the field in Ukraine, where sharing expertise, as well as technologies, between the two sectors has led to a certain degree of successful defense against Russian attacks. He also emphasized the importance of close cooperation between the government and senior business executives to build the future of cyberspace since it involves not only ICT specialists but also the entire nation.

Meeting with OECD Secretary-General Cormann

On January 23, Keidanren Chairman Masakazu Tokura met with Mr. Mathias Cormann, the Secretary General of the OECD (Organisation for Economic Co-operation and Development).



Secretary-General Cormann (left)
and Chairman Tokura

During the meeting, Chairman Tokura began by explaining Keidanren’s desire to rebuild a free and open international economic order. Keidanren has been calling for the establishment of a “Free Trade and Investment Club,” and intends to advocate for it at the April B7 Tokyo Summit, which will be held prior to the G7 Hiroshima Summit in May. To that end, he expressed Keidanren’s continued interest as a member of the BIAC (Business at OECD) in cooperating with the OECD, which plays an essential role in structuring international rules.

Additionally, regarding the revision of the OECD Guidelines for Multinational Enterprises, the Chairman stated that the stricter due diligence rules under consideration are impractical for companies to implement. While companies must take into account a broad societal point of view and consider human rights and the environment, the revised Guidelines should adequately reflect the opinions of the BIAC and Keidanren.

In response, Secretary-General Cormann emphasized the OECD’s continued strong commitment to rules-based international trade. He stressed the importance of coordinated approaches among like-minded countries to protect values such as democracy and market mechanisms in the Asia-Pacific region, which are under pressure. He expressed his desire to strengthen relations with both the Japanese government and

the Japanese business community.

As for the Guidelines for Multinational Enterprises, he said he was aware of the concerns raised by the business community about the revision. While acknowledging that he cannot prejudge the outcome since the OECD is a facilitator, he told the Chairman that he believes that any guidelines should be implementable by companies, and assured him that the businesses' concerns would be considered.

Lastly, the Secretary-General added he would consider holding a celebration event to mark the 60th anniversary of Japan becoming an OECD member.

Declaration for the Future Partnership between Japan and Korea

On March 16, Keidanren and the Federation of Korean Industries (FKI) released the Declaration for the Future Partnership between Japan and Korea [provisionally translated title; body text in [JP/KR](#)] to promote a future-oriented relationship between Japan and South Korea.



Acting Chairman Kim (left) and Chairman Tokura at the press conference

Keidanren Chairman Masakazu Tokura and FKI Acting Chairman Byong Joon Kim appeared at the press conference in Tokyo.

The Declaration acknowledged the Korean government's announcement of the measure to resolve the issue of former Civilian Workers from the Korean Peninsula (CWKs), and that the Japanese government valued the measure as a means to normalize Japan-Korea relations, expressing its expectations for a robust expansion of political,

economic, and cultural exchanges between the two countries.

Keidanren and the FKI have repeatedly considered ways to encourage economic exchange between the countries and have now agreed to establish the Japan-Korea/Korea-Japan Future Partnership Fund, respectively. Both organizations will use the funds to further strengthen economic ties between the two countries. This includes visualizing how both countries can advance and how they can collaborate in the new international order, implementing projects to solve common issues they face, and promoting exchanges between the countries' younger generations.

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For more information on Keidanren's recent activities, please visit [here](#) and our weekly journal [Keidanren Times](#).

Editor: Keidanren USA

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