

Updates on Japanese Business and Economy

Vol. 25 October 2023

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Keidanren Summer Forum 2023

On July 20-21, Keidanren hosted its annual “Keidanren Summer Forum,” featuring a series of in-depth and candid discussions encompassing a wide range of critical topics for the Japanese business community. Thirty-nine top executives of Keidanren, including Chairman Masakazu Tokura (Chairman of the Board, Sumitomo Chemical Co., Ltd.), enthusiastically participated in conversations centered on the theme of “Rebuilding Capitalism and Developing Human Resources.”



Japanese Prime Minister Kishida (center), Chairman Tokura (right), and Vice Chair Sato

At the opening ceremony, Chairman Tokura delivered a speech, emphasizing that the Japanese business community is presently at a critical juncture. He underscored the significance of implementing “Sustainable Capitalism,” as advocated by Keidanren, to address a complex web of challenges, referred to as the “poly-crisis.” These challenges include the stalemate in Ukraine, which undermines the foundations of the international order, growing inequalities arising from excessive capitalism, declining birth rates and aging populations, and ecosystem destruction due to climate change.

During the plenary sessions, participants actively engaged in discussions covering various topics, from economic security to human resource development. Moreover, they had the opportunity to attend an online presentation by Professor Rebecca Henderson from Harvard University, titled “Reimagining Capitalism: Implications for Japanese Business Leaders,” during which they exchanged their viewpoints.

In a special session, Keidanren hosted Japanese Prime Minister Fumio Kishida. In his address, Prime Minister Kishida emphasized the importance of collaboration between the public and private sectors to address the challenge of underinvestment in sustainability. He declared that the government would take the lead in investing and encourage private investments to simultaneously address societal issues and drive economic growth. The Prime Minister also announced that Japan will lead in international rulemaking related to generative AI, with the government offering fora where computing resources and data can be provided to researchers and startups at home.

At the close of the Forum, Chairman Tokura and Vice Chair Yasuhiro Sato (Senior Advisor, Mizuho Financial Group, Inc.), who served as the Chair of this year’s Keidanren Summer Forum, presented a summary document of the Forum [\[Japanese\]](#) to Prime Minister Kishida.

Delegation Visit to DC, New Jersey, and New York

From July 10 to 14, a delegation from Keidanren’s Committee on U.S. Affairs visited Washington, DC, New York City, and took part in the Annual Summer Meeting of the National Governors Association (NGA) in Atlantic City, New Jersey. Jun Sawada, Keidanren’s Vice Chair and Chair of the Committee (Chairman and Representative Member of the Board, Nippon Telegraph and Telephone Corporation), led the delegation of 32 participants.

In Washington, the delegation held meetings with various Members of Congress, including Senators Ted Budd (R-North Carolina), Marsha Blackburn (R-Tennessee), Bill Hagerty (R-Tennessee), Tammy Duckworth (D-Illinois), Pete Ricketts (R-Nebraska), and Representatives Young Kim (R-California) and French Hill (R-Arkansas). They also met with the Chairs of the Congressional U.S.-Japan Caucus, Representatives Joaquin Castro (D-Texas) and Adrian Smith (R-Nebraska), as well as other Caucus members such as Representatives Nancy Mace (R-South Carolina), Drew Ferguson (D-Georgia), and Carol Miller (R-West Virginia).



Senator Hagerty (6th from left) and the members of the delegation

During these meetings, the legislators and delegates concurred on the increased importance of strengthening U.S.-Japan relations to address common challenges such as economic security and energy. The delegation members also emphasized the strategic significance of the U.S. rejoining the Trans-Pacific Partnership (TPP) in pursuit of a Free and Open Indo-Pacific, in addition to the U.S. commitment to leading the Indo-Pacific Economic Framework (IPEF). The legislators generally expressed their understanding of the Keidanren position.

While participating in the NGA Meeting, the delegation had individual discussions with Governors Roy Cooper (D-North Carolina), Tony Evers (D-Wisconsin), Jared Polis (D-Colorado), and Phil Murphy (D-New Jersey). The delegation members highlighted the long-standing investments made by Japanese companies in each of these states, which have created many employment opportunities and contributed to local economic development. The Governors expressed their appreciation for these contributions and conveyed their expectations for continued investments while discussing their states' policy priorities, social issues, and advantages as an investment destination.



Governor Cooper (right) and Vice Chair Sawada



Governor Murphy (left) and Vice Chair Sawada

In New York City, the delegation held a meeting with Mayor Eric Adams, Deputy Mayor Maria Torres-Springer, and representatives from the New York City Economic Development Corporation (NYCEDC). They agreed

that Japanese companies can make substantial contributions to addressing the various challenges faced by the city, including infrastructure maintenance, public safety, and environmental concerns. Both sides reaffirmed their commitment to strengthening the economic and cultural partnership.



Mayor Adams (front row, 3rd from right) and the members of the delegation

Through this series of exchanges, the delegation reaffirmed the importance of a robust U.S.-Japan alliance and the broader partnership between the two nations. Keidanren will continue its efforts to expand and deepen the U.S.-Japan relationship by actively engaging in multilayered dialogues with the federal government, Congress, and state and local governments.

Committee on Bioeconomy's Delegation Visit to Washington and Boston

From June 4 to 9, Keidanren's Committee on Bioeconomy dispatched its first overseas delegation to Washington DC and Boston. The delegation was led by the Committee's Chair, Tatsuro Kosaka (Senior Advisor, Chugai Pharmaceutical Co., Ltd.) with a total of 26 participants. During discussions with policymakers and stakeholders, the delegation learned about advanced initiatives and policy trends in the U.S. and explained Keidanren's [Biotechnological Transformation \(BX\) Strategy](#) that had been released in March.

In Washington, the delegation held meetings with representatives from the Department of Commerce and the National Security Council, along with Representative Thomas Kean Jr. (R-New Jersey), a member of the House Science, Space and Technology Committee. These meetings primarily focused on discussions related to the [Bold Goals for U.S. Biotechnology and Biomanufacturing](#), a White House initiative released in March. The U.S. counterparts emphasized the importance of international cooperation in bolstering biotechnology supply chains for enhanced resilience, particularly from an economic security perspective. They also expressed their expectations for increased investments and



Representative Kean (center) and the members of the delegation

collaboration from Japanese businesses.

In Boston, the delegation participated in several events, notably the BIO International Convention 2023, one of the world's premier gatherings for business matchmaking in the field of biotechnology. They also toured laboratories, universities, and local governmental entities, engaging in candid dialogues with representatives from each organization. These visits provided the participants with valuable insights into the functionality and advancement of the cutting-edge ecosystem in the U.S.

Visits to Keidanren by Members of the U.S. House of Representatives

On June 30, Keidanren's Committee on U.S. Affairs and the Subcommittee on U.S. Relations hosted a meeting with Representatives Earl Blumenauer (D-Oregon), Dan Kildee (D-Michigan), and Nicole Malliotakis (R-New York), who were visiting Japan.

Representative Blumenauer expressed his appreciation for the robust U.S.-Japan partnership in Asia during this critical juncture in international affairs and for the global economy. He brought up the expectation at the time that China's accession to the World Trade Organization (WTO) would improve its behavior within the international community. The Congressman pointed out that this expectation has not been met, and China continues violating WTO rules. He stressed that the U.S. is now facing the consequences of its inability to change China's behavior and urgently needs to deepen cooperation with its friends. He encouraged Japan to seize this



Representative Blumenauer

opportunity as collaboration between the U.S. and Japan becomes increasingly vital in various areas, including national security, climate change, and the economy.

Representative Kildee emphasized the importance of promoting democratic values by establishing rules and principles in the Indo-Pacific region. He explained that the U.S. has both the capacity and the willingness to engage in dialogues aimed at rejoining the Trans-Pacific Partnership (TPP) while expanding collaboration



Representative Kildee

through the Indo-Pacific Economic Framework (IPEF). He pointed out that the IPEF lacks market access and needs to be supplemented by measures involving the U.S. Congress, such as trade agreements. Furthermore, the Congressman stressed that it is not enough to just establish fair rules of the game. The U.S. itself must become stronger to succeed. This includes enhancing its manufacturing capabilities through initiatives like the Inflation Reduction Act (IRA) to establish resilient supply chains in collaboration with like-minded countries.

Representative Malliotakis stated that there have been drastic shifts in international dynamics since the TPP was proposed, and highlighted the need for the U.S. to increase cooperation with like-minded countries, especially in light of recent Chinese activities.



Representative Malliotakis

She also emphasized the importance of rebuilding supply chains in collaboration with allies, beyond just reshoring. Furthermore, the Congresswoman underscored the importance of taking a resolute stance against human rights violations, citing solar panels produced through forced labor as an example of conflicts with the environmental agenda.

Asia Business Summit Held in Seoul

On July 5, Keidanren co-hosted the 12th Asia Business Summit in Seoul with the Federation of Korean Industries. The Summit has been held since 2010 at the proposal of Keidanren and has convened the voices of top business leaders from major Asian economies. This year, the Summit was attended by business organizations from 11 territories: China, India, Indonesia, Japan, Korea, Malaysia, Myanmar, Philippines, Singapore, Taiwan, and Thailand.



During the Summit, participants engaged in candid discussions in three sessions, respectively focusing on “Pivot to Asia Economy,” “Challenges for a Better Asia,” and “Globalization and Trade Policy.” Based on these discussions, they adopted a [Joint Statement](#) at the conclusion of the Summit.

In the Joint Statement, the business leaders stated that they had reached a consensus on the importance of the following five points:

- (1) Stimulating intra-regional mobility of people during the ongoing post-pandemic transition;
- (2) Achieving both economic growth and a steady energy transition toward a decarbonized society;

- (3) Promoting digital transformation (DX) and ensuring “data free flow with trust” (DFFT);
- (4) Rebuilding the free and open international economic order based on the rule of law;
- (5) Cooperating to strengthen supply chains for vital resources.

The Joint Statement concludes with the leaders committing to further strengthen coordination and cooperation among business communities, as well as calling on governments to make concerted efforts, in order to realize a more prosperous and vibrant Asia that leads the global economy and contributes to the well-being of humankind.

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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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