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SOUTHEASTERN USA REPORT 2019



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A steadily growing partner for Japan

Within the Southeast United States, Japanese companies have found several attractive investment destinations, namely Georgia and North Carolina. Meanwhile, South Carolina and Virginia have also given their neighboring states some stiff competition by offering favorable investment conditions.

GLOBAL MEDIA POST

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GEORGIA: Old, reliable partner

For the sixth straight year, Georgia, cited for its excellent infrastructure and workforce, headed the Top Business Climate list of Site Selection magazine last November. But, for several years, the state has remained first choice for Japanese companies, like YKK, Toto and more than 600 others, all of which employ thousands of local residents.

“Georgia, the center of the Southeast USA region, has the two great seaports of Savannah and Brunswick. At the core of the state is also the world’s busiest airport, which easily connects Georgia to any part of the country and the world,” Consul General of Japan in Atlanta Takashi Shinozuka said.

Headed by recently appointed general manager, John Selden, the Hartsfield–Jackson Atlanta International Airport is undergoing a 20-year development program — ATLNext — designed to increase passenger capacity, replace facilities and improve its design.

Apart from location and infrastructure, the state’s competitive advantage is the quality of the workforce. The government takes pride in its world-acclaimed training program, Georgia Quick Start, which is part of the Technical College System of Georgia.

Kubota, Rinnai, Toppan Interamerica and several other Japanese companies have availed of this program to further develop their employees.



(<https://cdn.japantimes.2xx.jp/wp-content/uploads/2019/02/JT-SE-USA-2018-LEAD-ARTICLE-JETRO-Atlanta-Chief-Executive-Director-Takuya-Takahashi.jpg>)

JETRO Atlanta Chief Executive Director Takuya Takahashi | © JETRO

“Anyone can see that the relationship is strong and will continue to be so. Investments will continue to come here because of its welcoming government, great infrastructure and talented workforce,” Shinozuka said.

Director of Global Commerce of the Department of Economic Development Scott McMurray pointed out that the strong relationship between the state and Japan was a result of many years of work.

“We have always prioritized Japan and see it as one of our main partners. In fact, Georgia is celebrating the 45th anniversary of our office in Tokyo, the state’s first overseas office. This is a testament to the commitment we have toward our Japanese partners,” McMurray said.

And, further raising its profile among Japanese business, the city of Savannah will host the Southeast United States Japan Conference in October.

North of Georgia, the states of North Carolina and South Carolina are trying to catch up in the race to attract more foreign investment, particularly from Japan.

“We’re seeing the relationship of these states with Japan strengthening,” said JETRO Atlanta Chief Executive Director Takuya Takahashi, whose office oversees the states of Georgia, North Carolina, South Carolina, Florida, Alabama and Tennessee.

Shinozuka also pointed out: “When you take a look at North Carolina and South Carolina, the number of Japanese companies has not been as large as in Georgia. But according to our statistics, the number of Japanese-affiliated companies in these two states has almost doubled in the past 10 years.”

NORTH CAROLINA: Center of research and car suppliers

Among North Carolina’s biggest advantages, Charlotte Douglas International Airport offers daily one-stop flights to both Tokyo and Osaka. Business travel between the state and Japan is expected to grow sharply once the airport’s \$2.5 billion expansion is completed.

Currently, the Charlotte metropolitan area is increasingly becoming a lucrative investment location for Japanese. There are 80 such companies based in the area, among which are car parts suppliers, like NGK Ceramics USA and Seiren North America.

“We established our base in North Carolina in 1988 and we are still here today. We have been happy with our experience, and have become committed in helping the state attract more Japanese companies,” said NGK Ceramics President Steve Dailey.

Just fresh from celebrating its 30th anniversary in North Carolina in 2018, NGK Ceramics will mark another milestone, the centenary of its Japanese parent company, NGK Insulators Ltd., this year.

The state is also actively promoting its so-called Research Triangle, an area that connects three of its major research universities: North Carolina State University, Duke University and the University of North Carolina at Chapel Hill. Advanced manufacturing and research-oriented industries are capitalizing on this resource of knowledge.

Situated alongside the Research Triangle is the Piedmont Triad, which consists of the cities of Greensboro, Winston-Salem and High Point. Honda Aircraft Co. selected the area for its base of operations because of its location and growth prospects.

“We identified the East Coast of the United States as the center of the world’s business jet market. We are able to run our business efficiently from this location. We chose Greensboro, NC because of its airport’s future growth potential, skilled workforce and quality of life. And, as in the rest of the state, there is strong support from the state and local business partners,” explained HondaJet President and CEO Michimasa Fujino.

North Carolina’s Honorary Consul to Japan David Robinson is enthusiastic about the current trajectory of the state’s relationship with Japan.

“We already have strong Japanese names in the state — AW North Carolina, HondaJet, Toshiba. With the available talent that they can still discover here, we’re ready to welcome more investment from Japan,” Robinson said.

SOUTH CAROLINA: Wealth of opportunities

Not lagging behind its neighbors, South Carolina has presented a lot of promise for Japanese business, particularly in Greenwood, where Japanese giant Teijin just broke ground for its \$600-million carbon fiber plant. Just across the road is Fujifilm, which has undergone various expansions since its first opening in 1988, including the most recent investment in 2018.

“Fujifilm has been here with us for 30 years. Its most recent expansion is worth noting because it diversifies the product offerings in Greenwood,” said Greenwood Partnership Alliance CEO Heather Simmons.

While upstate South Carolina is more industrialized, other areas in the state have seen an influx of fresh Japanese investment. Aiken County, southwest of the capital Columbia, is home to Bridgestone Americas, the county’s largest employer.

“We hit a home run in 1997 when Bridgestone came. They were looking for a pro-business, non-union area, and found a good fit with us,” said Will Williams, president and CEO of the Economic Development Partnership of South Carolina, which covers the counties of Aiken, Edgefield, Saluda and McCormick.

On the coast, the metropolitan area of Charleston is positioning itself as a leading logistical hub in the southeastern United States. With the deepest port in the south Atlantic and other competitive advantages, Charleston is looking to attract more Japanese investors.



(<https://cdn.japantimes.2xx.jp/wp-content/uploads/2019/02/JT-SE-USA-2018-LEAD-ARTICLE-JAASC-Co-Chair-and-AFL-Chairman-Satoru-Ogawa.jpg>)
Japan America Association of South Carolina (JAASC) Chairman Satoru Ogawa | © JAASC

“Six Japanese companies currently call Charleston home. Showa Denko Carbon has been our longstanding partner and also serves as our community’s ambassador,” said Michael Graney, vice president for global business development of Charleston Regional Development Alliance.

“The Charleston area is certainly growing. We would like more Japanese to be our partners in this journey. For Japanese investors eyeing the United States for opportunities, start in South Carolina. We welcome you here in Charleston!” Graney added.

“We were formed in 1988 because of the growing presence of Japan in the state,” said Japan America Association of South Carolina (JAASC) Chairman Satoru Ogawa.

JAASC Co-chairman Craig Lundgren added: “Today, we are here to help support the Japanese community as they find a home in South Carolina.”

VIRGINIA: Eager for Japanese partnerships

While Virginia is home to many companies from around the world, the southwest region of the state wants to form stronger ties especially with Japan, according to Virginia’s First Regional Industrial Facility Authority, which is promoting its New River Valley Commerce Park.

Board Chair Mary Biggs explained: “Relationship-building with Japanese companies takes a lot of time and effort, but it’s very rewarding. It gives us time to understand how their companies do business, so we are better prepared to provide assistance when they locate here.”

Outside of business, the educational sector is seeking to deepen ties with the world’s third-largest economy.

Sweet Briar College (SBC) President Meredith Woo points out her school’s culture complements Japanese culture very well.

“We produce very good women engineers, which the Japanese will find interesting. Apart from that, our campus is not only safe, but also considered one of the five most beautiful campuses in this country,” Woo said.

SBC already has a sister relationship with Doshisha Women’s College of Liberal Arts, but wants to widen its network of institutional partnerships in order to develop more relevant academic programs.

