

Spanish economy stays among Europe's leading pack

Since its admission to the European Union in 1986, the Spanish economy has consistently grown stronger every year, with unemployment and inflation staying low, and foreign investment continuing to pour in.

Except for a minor recession in the early 1990s, Spain remains the fastest growing economy within the euro zone. In fact, the country has posted the highest growth rate in the EU for the past five years, according to Japanese Ambassador Motohide Yoshikawa.

While France, Germany and Italy are Spain's largest trade partners, Japan has expanded trade relations with the country.

"Trade between Spain and Japan last year reached 7 billion euros but there is still much growth potential as trading partners. This is especially true considering that Japan is the second-largest economy and Spain has the eighth-largest economy in the world," Yoshikawa says.

There are many other reasons to be optimistic about the future relationship between Spain and Japan, including further growth in tourism.

Yoshikawa cites recent Japanese newspaper polls that show that Spain emerged as the No. 1 travel destination for Japanese travelers, followed by Italy and Hawaii.

The Japanese diplomat lists other advantages for Japanese business in Spain.

"Spanish consumers see Japanese goods as being high quality. Spain is a large market and it is the fastest growing in Europe. Spain has a big connection with Latin America,

which is a very big market. They can utilize Spain as a bridge to Latin America. Spain also has a good infrastructure in place," he says.

The relationship between Japan and Spain has grown stronger over the last five years as Spanish exports to Japan rose 30 percent and imports by 192 percent, according to Genaro



Motohide Yoshikawa, Japan's ambassador to Spain

Gonzalez, director general of the state-run investment agency Promo Madrid.

"Japanese demand for Spanish products is traditionally concentrated on four economic sectors: fish, organic chemicals, vehicles and minerals. These four sectors have represented 40 percent of overall Spanish exports to Japan during the last five years," Gonzalez says.

"However, during this period increasing demand for high-technology products has been noticed, such as precision instruments, electrical machinery and equipment, and pharmaceutical products, which have increased from 6 percent of total exports to Japan in 2002 to 19 percent in 2006," he adds.

"The more relevant increases have been experienced by pharmaceutical products exports, rising 662 percent from 2002 to 2006 (up to 113 million euros), and electrical machinery, with an increase of 239 percent (up to 55 million euros) over the same period," he says.

Most of that economic activity has been based in and around the capital Madrid and Barcelona.

Madrid

As the capital of Spain and the largest city on the Iberian Peninsula, the Madrid region has traditionally attracted the most foreign direct investment in the country, accounting for more than a half of the total amount received in the country every year, according to Madrid Chamber of Commerce President Salvador Santos Campano.

"This investment is a direct result of the business-friendly environment created by the local government. The policies of

Madrid allow companies, large and small, to grow and succeed," says Santos.

"The Madrid region has a special relevance for Japanese investors. During the last decade, Madrid has been the leading Spanish regional recipient of foreign direct investment from Japan, with 46 percent of the overall FDI Spanish flow. Japanese FDI in Madrid is concentrated mainly in sectors such as the retail trade and vehicles, real state and computing activities," he adds.

Barcelona

Once a primarily industrial city, Barcelona has transformed itself into one of the world's most popular tourist destinations, as well as a mecca of art and culture.

The impressive transformation came as a result of a concerted effort by the Barcelona City Council.

"The council has invested in music, theater and museums. We have the Miro Foundation, the Picasso and Dalí museums, and we have Gaudí's architecture," explains Joan Clos, former mayor of Barcelona.


"We executed a plan to reconvert the waterfront during the 1992 Olympic Games, which has been a huge achievement.

All of these attractions are examples of public investment projects carried out in the last

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Spain's automotive industry has outperformed its European competitors. With 18 plants that produce nearly 3 million units a year, it ranks No. 3 in vehicle production in the European Union.



The Japan External Trade Organization (JETRO) has engaged in diplomatic initiatives to ease the entry of Japanese corporations into Spain. Through its Invest Japan Business Support Centers, local companies can likewise gain access to the Japanese market. www.jetro.go.jp/spain/

Viajes H.I.S. Madrid, the Spanish subsidiary of one of Japan's largest and most respected travel agencies, works not only with local and international travel agencies in seeking discount fares to and from Japan but also offers other travel-related services such as hotels. Under General Manager Kazunori Kurimoto, it focuses on providing services to individual travelers between Spain and Japan. www.his-spain.com

The Madrid Chamber of Commerce acts as the de facto representative of the Spanish capital's business community at home and abroad. Working with more than 370,000 Madrid-based companies, the Cámara Madrid, as it is known locally, is recognized as one of the most influential business organizations in the country. www.camaramadrid.es

Expo Zaragoza 2008 will bring together over 100 countries and international institutions, which will set up pavilions and mount exhibitions, under the theme "Water and Sustainable Development," which will highlight the need to develop new sustainable strategies to ensure proper management of this valuable resource. www.expozaragoza2008.es

Japan's partner in the Latin world

The continuing internationalization of Spanish companies combined with strong investment from abroad has made Spain one of the fastest growing economies in Europe.

Amid this robust economic activity, Japanese corporations have remained an integral engine of several vital industries in the world's eighth-largest economy.

Although Spain and Japan signed a treaty on friendship and commerce 140 years ago, the partnership between the two countries has yet to reach its full potential.

Madrid-based Bergé Group has experienced great success through partnerships with Japanese firms, and their operations in Spain and other Latin countries. Founded in 1870 as a maritime and port operator, the company expanded operations to Spain's major ports throughout the 20th century. Then in the 1980s, it embarked on an aggressive program to diversify its activities.

Today, the group consists of over 150 companies, covering a wide range of activities, including maritime and port operations, logistics, finance, and automotive distribution and retailing of over 20 brands (Lexus, Mitsubishi, Subaru, Isuzu, Ferrari, Maserati, Rolls-Royce and Bentley, among others).

"With regards to Spanish operations, we are the largest corporate group with commercial relations with Japan. Japanese corporations have such diversity that we have been able to create a unique relationship with them, attracting multiple industries," says Bergé Group CEO Fernando d'Ornellas.

With its continuing efforts to expand operations around the world, Bergé Group has become an even more attractive partner for Japan in Latin America, where the company has extensive relations with local and overseas firms.

Currently, several Japanese corporations do business with the Bergé Group's shipping, automotive and renewable energies divisions.

"Bergé would like to expand its partnerships in these divisions with Japanese corporations," shares d'Ornellas.

As a major player in the Spanish shipping sector, Bergé Marítima provides services through more than 30 companies, handling about 10,000 ships annually and operating in 28 Spanish ports. It has also established a joint venture with leading Japanese shipping company K Line.

Bergé Group also has had a very successful collaboration with Mitsubishi Corp., through another joint venture for the distribution of its vehicles in Chile and Isuzu in Spain.

The group has also scored a huge success in the retail and distribution of Lexus cars since the auto industry was liberalized in 1985 as Bergé established a partnership with Toyota Motors.

Today, Spain is

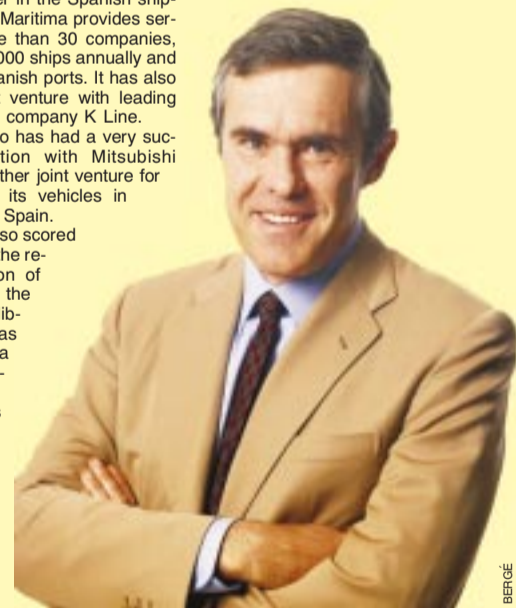
the fourth-largest market for Lexus in Europe, after Germany, France and Italy.

"Our success with Lexus is a direct result of branding the product to the upper segment of the market, creating a waterfall effect. We take the same successful approach when dealing with all our Japanese partners in the automotive industry," says d'Ornellas.

The company's latest endeavor is renewable energy.

Bergé has displayed a strong commitment

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Bergé Group CEO Fernando d'Ornellas (Bergé)

'Japanese corporations have such diversity that we have been able to create a unique relationship with them, attracting multiple industries'

Yamaha's 'six-wheel theory'

With road traffic growing unbearable in several capital cities, Yamaha Motor España President Jorge Lasheras is promoting a new idea. He believes that car owners must consider purchasing a two-wheel vehicle to beat their traffic woes.

While cars can be used for longer trips, powered two-wheelers (PTWs) can be used within the city, reducing carbon emissions, easing traffic and eliminating parking problems. Besides, PTWs are known to be a fun ride.

Since setting up the company in 1981, Lasheras sees Yamaha's future growth in PTWs.

"We have a real desire to be the best PTW factory in Europe. Increasing efficiency and our technical level is our focus now," he says.

One of two major production facilities for Yamaha in Europe, Yamaha Motor España produc-

es six models: three 50 cc scooters, one on-off bike and three larger scooters (the Majesty 125 cc and X-MAX 125 and 250 cc).

The past three years have been record years for the company in terms of turnover.

Due to domestic success and accomplishments in various markets throughout Europe, Yamaha Motor España has posted record turnover for three consecutive years. Seventy percent of its production is exported to European countries.

With Yamaha Motor España's factory working at full

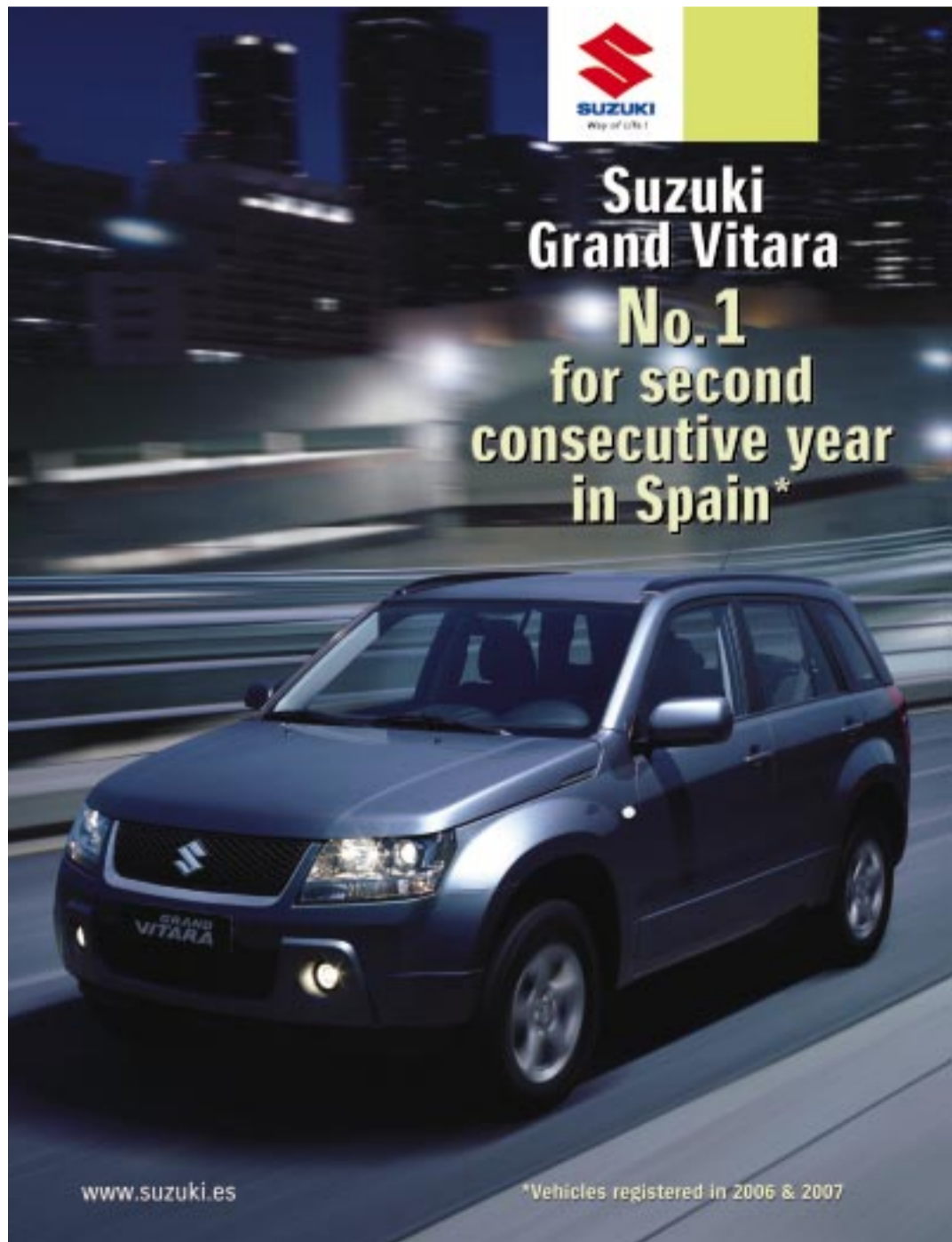
capacity (107,000 units per year), more of its PTWs can be expected to hit the streets of Europe.

"We have made Spain the second most important PTW market in Europe. Now, we are setting targets higher and working to develop the Spanish market as much as possible to the point where we can hopefully challenge Italy for the No. 1 position," Lasheras says.

As a growing number of Europeans consider owning a Spanish-made Yamaha PTW, it looks like Lasheras' idea may have already caught on. ♦ www.yamaha.es



Yamaha Motor España President Jorge Lasheras



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Suzuki Grand Vitara
No. 1
for second consecutive year in Spain*

www.suzuki.es

*Vehicles registered in 2006 & 2007

The market is heating up for Mitsubishi Electric in Spain

Backed by one of the world's most recognized brands, the Spanish branch of Mitsubishi Electric has enjoyed over 10 years of success in Spain and the rest of the Iberian Peninsula, thanks to an excellent product line well suited to the region.

From its headquarters in Barcelona, the company provides the market with security devices and industrial products. But a huge bulk of its business comes from air conditioners, which is not surprising, considering how summers in Spain have become increasingly hotter.

"Our summer in 2007 was hot and many predict more heat in 2008. This means a higher demand for our air conditioners throughout the country," comments Noboru Suguri, president of Mitsubishi Electric in Spain.

Greater demand for air conditioners has resulted naturally in increased competition and Suguri has developed a strategy that will consolidate Mitsubishi Electric's position in this important territory.

"We cannot simply look at the short-term effects on the market. We must plan for the medium and long term. What is very important is to maintain the high quality of our products. We believe that in the long term, quality pays," he says.

Suguri is determined to maintain the high quality of Mitsubishi Electric's customer service, both in its sales force and after-sales division.

"Ensuring customer satisfaction is our No. 1 priority. So, we are increasing our manpower in order to provide our clients with the after-sales service they require," points out Suguri.

In line with its commitment to maintain good customer relations, Mitsubishi Electric in Spain invited some clients to Japan to show them the company's manufacturing techniques and its latest technological advances that have kept Mitsubishi Electric ahead of its competitors.

"Looking back, business has been very good. But we must continue to develop our products and services in order to maintain our strong relationships with our customers in Spain," says Suguri. ◆
www.mitsubishielectric.es



Noboru Suguri, president of Mitsubishi Electric in Spain

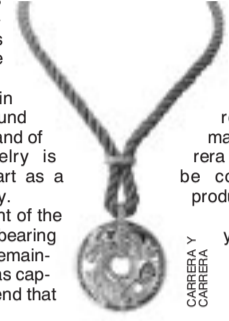
Customizing a unique brand around the world

In the late 1800s, cousins Manuel and Juan Jose Carrera began handcrafting jewelry, and started a business that would survive wars and grow into a global brand two generations later.

"After the death of (Gen.) Franco signaled the rebirth of an open Spanish economy, Carrera y Carrera was established in 1977 and proved to be a success story in the making. The 30-year-old company can be seen to be as young and modern Spain," says CEO Nathalie Guedj.

Well known in the industry around the world, the brand of handmade jewelry is setting itself apart as a product of quality. With 90 percent of the world's jewelry bearing no brand, the remaining 10 percent has capitalized on the trend that seeks the prestige of owning branded jewelry.

"Just as we have seen a demand for brands in clothing and watches, jewelry aficionados are now craving that same fix. This is an opportune time for all jewelry makers around the world, a turning point when consumers desire style recognition and a price that accompanies



Carrera y Carrera pieces reflect modern Spain yet retain its centuries-old dedication to craftsmanship.

those Japanese cities, the company now aims to stun one of the world's most fashionable cities — Tokyo — with its character that dares to be different and offer products that embody the Spanish soul. ◆
www.carreraycarrera.com

Japan's partner in the Latin world

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ment to the environment through several fully-owned subsidiaries that deal with developing renewable energy (particularly solar energy), cleaning of coastal waters (ports, marshes and rivers) and monitoring air quality.

Those technologies have shown robust prospects over the last few years as the issue of environmental protection gains increasing importance all over the world.



"Japan and Spain have a lot of potential and strength in this industry. We should collaborate more," says d'Ornellas, who highlights the positive contributions of Spain in the field of renewable energy.

High on its list of priorities, social responsibility and educational programs have prompted the company to promote those causes. In fact, Bergé Group established the first educational exchange program with prestigious Hitotsubashi University in Tokyo.

Under the program, students can choose to be trained in any of the Bergé Group's companies in Spain or Latin America.

With operations in Peru, Argentina, Chile and Mexico, and planned expansion in Colombia and the Caribbean, Bergé

The Bergé Group, composed of 150 companies, is engaged in maritime and port operations, logistics, finance, automotive distribution and renewable energy, among others. Aside from being the main dealer of Lexus (above left), it also owns Isofoton (bottom right), a leading maker of solar panels.



Group sees various investment opportunities across the region for its partners from Japan and elsewhere.

"We will bridge the gap for our related partners in Japan that are looking toward the Latin world as a sound location for investment. We appreciate all the relationships we have had with our Japanese partners as they have all been committed and trustworthy long-term business associates. We look forward to continue working with our partners as well as forging new relationships within Japan's corporate society," he says. ◆
www.grupoberge.net



Speed and flexibility drive Kubota

When Kubota launched operations in Spain in 1987, Europe was on the verge of an economic recession, prompting the Japanese tractor maker to shift operations from distribution to customer service for the European market.

Since then, Europe has re-emerged from the economic downturn and Kubota has rebuilt its dealership network.

"In 1998, we rebuilt our dealer network, changed our name to Kubota España and began to import brand-new tractors from Japan," explains Managing Director Julio Fernandez.

Having increased initial output from 150 units to 1,600 units this year, Kubota España has posted average annual growth of 20 percent over the past two decades. In fact, Spain has become one of the company's most robust markets in Europe.

"Currently, Kubota España has two major operations — the import of tractors from the U.S. and Japan, and the distribution of Kubota spare parts back to the U.S. and Japan from our major suppliers around Europe," explains President Takashi Nakano.

Strategy-wise, both executives have staked further growth for the company on Spain's strong agricultural sector.

"Kubota (tractors) are compact, have high horse power and are easy to operate. Even under stress, our machines do the job," says Nakano.

Meanwhile, both sides have been collaborating to produce machinery tailored for the European market.

"From Spain, we are asking Japan to design Kubota's agricultural machinery with specifications for our own local markets," says Fernandez. ◆
www.kubotatractores.es



Kubota España President Takashi Nakano (left) and Managing Director Julio Fernandez

Taking charge of growth in Europe

Opening operations in Barcelona in 1970, Sinor-Kao, now Kao Corporation S.A., was among the first Japanese companies to set up business in Spain.

After 38 years, that operation has grown from a country office to a European headquarters overseeing a huge market that includes a sales office and factory in France and Germany.

Having worked at Kao for the last 28 years in its research and development, consumer goods, and commercial divisions, Takatoshi Kobayashi is well positioned to take Kao Chemicals Europe to the next level.

"To be successful in Europe, we needed to have a central office in Europe and not just in Japan. The head office selected Spain because of its excellent infrastructure, prime location and stability," recalls Kobayashi.

Kao Chemicals Europe produces aroma chemicals used in shampoos and perfumes, additives for asphalt and concrete, toner for printing applications, and several types of surfactant for various applications, all of which are exported to 68 countries across the globe.

Focusing on strengthening Kao's business in Europe, Kobayashi is enlisting a multicultural workforce to better customize products for various European markets.

According to the company chief, Kao will become more competitive in the future by instilling a mentality that is more European and less focused on a single market.

"The challenge of the future is to become a global company. We must compete with companies from all countries. Each product goes through extensive testing to determine its effectiveness and for whom it is most suitable. Customer satisfaction is an extremely important phrase in Kao. We tailor the product to the European market here in Barcelona," explains Kobayashi.

Meanwhile, Kobayashi urges more Spaniards and Europeans to visit Japan as it would facilitate closer ties in various fields, including business, technology and culture.

"European people should spend some time in Japan to better understand and absorb the culture, technology and the nature of communication. That would help the two areas become unified," he says. ◆
www.kaochemicals-eu.com



Kao Chemicals Europe President and CEO Takatoshi Kobayashi

Globally dedicated, locally focused

In 2000, Japanese shipping giant NYK opened a fully owned subsidiary in Barcelona, viewing the location as the "door to Southern Europe."

Located near the port of Barcelona, NYK Logistics Iberica has made use of the extensive logistics network throughout the region to facilitate access to the entire Iberian Peninsula.

From its Barcelona site, NYK provides clients with global supply-chain solutions, ranging from storage in a fully bonded warehouse to offering complete transport services.

Since its opening, NYK Logistics Iberica has doubled turnover in the last three years.

"Looking to the future, our goal is to double our turnover by 2010 to about 80 million euro," comments David Delgado, general manager of NYK Logistics Iberica.

To reach that goal, NYK Iberica knows that expanding its services will not be enough and it will need to boost customer satisfaction.

"We view our clients as people, not just

numbers. We work closely with all of our customers to provide them with the solutions they need, and through our successful partnerships we grow together," says Delgado.

Another important reason for NYK Iberica's continued success is a balanced client portfolio.

While maintaining strong relationships with many Japanese companies throughout Spain, about 50 percent of NYK Iberica's customers are local Spanish businesses.

The connection with local businesses is of the utmost importance to NYK Iberica's future growth, which is why it has created new relationships with local companies across the country.

Whether a company is Japanese, Spanish or multinational, it is sure to get premium care at the hands of Delgado and his team.

"We see ourselves as the real Iberian

logistics supplier, providing our clients with the local services they need while maintaining our global network and standards. We offer top Japanese quality with premier local service," concludes Delgado. ◆
www.nyklogistics.com



The headquarters of NYK Logistics Iberica in Barcelona

Spanish economy stays among Europe's leading pack

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20 years. It has been a collective effort," adds Clos, currently the minister of industry, tourism, and trade of Spain.

The city has consistently ranked in the top five best European cities for quality of life and ease of doing business.

"Nearly 34 percent of foreign companies have their headquarters or main activity in Catalonia. In fact, more than half of all the Japanese, French, German, Italian, Dutch and American enterprises, among others, located in Spain are concentrated in Catalonia. Eighty percent of these companies have been here for more than 10 years," according to a recent study by the Catalonia Investment Agency and the Barcelona City Council.

In relation to Japan, Barcelona and its surrounding areas account for 71 percent of all Japanese investment in Spain, with 148 companies operating in the region. Companies like Pioneer, NYK Logistics and Nissan have their Spanish headquarters in the city.

"In order for Barcelona to make that huge transformation, stability has been a key factor. We have had the same government in the city since 1979, and we are one of the most political-

ly stable cities in the European Union," declares Clos.

Thriving industries

The automotive industry in Spain has been one of the best performers in all of Europe over the last several years.

With 18 automotive factories producing almost 3 million vehicles a year, Spain ranks third in vehicle production in the EU as of 2006.

Several of the major vehicle manufacturers with operations in Spain are Japanese, including Suzuki, Yamaha and Honda.

"Spain offers automotive companies a great environment for manufacturing operations. We have a modern and reliable infrastructure, an experienced workforce and a stable political environment. The best testament to Spain's appeal is the continued success many automakers have experienced all over the country," says Juan Antonio Fernandez de Sevilla, president of the Spanish Automotive Association (ANFAC).

Another sector in which Spain is a global leader is renewable energies. Its installed wind-power capacity makes it the second-largest wind-energy producer in the world as of 2005.

"There are more than 300 companies actively involved in Spain's wind-power industry. The growth and consolidation of this sector constitute one of the key drivers toward compliance with Spain's Kyoto commitments, and with the EU's 12 percent and 20 percent renewable objectives for 2010 and 2020, respectively," says Secretary General of the Spanish Wind Energy Association Ramón Fiestas.

Spain's wind industry shows no signs of slowing down as forecasts indicate that 15 percent of the country's electricity needs will be generated by wind by 2010.

Meanwhile, tourism remains a vital component of economic growth in Spain.

Attracting more than 60 million tourists, Spain was the second most visited destination in the world in 2007, according to the World Tourism Organization.

Although tourists are mainly from other European countries, every year the number of Asian visitors has risen.

One example of a successful company that caters to Japanese tourists is Viajes H.I.S.

"We help our clients every step of the way. From purchasing tickets to Spain and organizing site-seeing trips within the country to securing honest and satisfactory accommodations, we make sure our clients remember their visit to Spain for years to come," says Kazunori Kurimoto, general manager of Viajes H.I.S.

By introducing Japanese technology, culture and lifestyle, Tozuka believes that the Japanese pavilion will be successful in contributing to the resolution of water-related issues on a global scale.

"Japan is eager to share its knowledge on properly utilizing water. Surrounded by the sea, Japan has extensive experience on how to live in harmony with nature, rather than confront it," says Tozuka.

By introducing Japanese technology, culture and lifestyle, Tozuka believes that the Japanese pavilion will be successful in contributing to the resolution of water-related issues on a global scale.

"Japan's expertise in dealing with highly concentrated populations living in an area prone to tsunami and monsoons is greatly admired. We are very appreciative of Japan's strong presence at Expo Zaragoza. Its participation will certainly contribute to the expo's success," says Roque Gistau, head of the Expo Zaragoza organizing committee. ◆

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Erratum
In the special supplement on South Korea published Dec. 1, 2007, it was reported that Aekyung Petrochemical Co. Ltd. produced polyethylene. The company's main product is Phthalic Anhydride (PA). The error is regretted.



BERGÉ GROUP

a business reference in the
Spanish-speaking world

- Largest automotive distributor in Spain & Latin America
- First Spanish automotive port terminal operator
- Leading solar cell and high concentration solar technology manufacturer
- Largest automotive vertical integrator

Suzuki reinvents itself in Spain

Japanese car manufacturers have heavily invested in the Spanish economy in recent years. Being one of the biggest vehicle markets in Europe, Spain has become a vital manufacturing center in the region. The industry, in turn, has grown to be a vital pillar of the country's economy.

On the global stage, Japanese auto giant Suzuki Motor Corp. has experienced significant growth and stronger brand recognition.

Suzuki's success at the 2007 Tokyo Motor Show proved that its "Small Cars for a Big Future" campaign has captivated the attention of car enthusiasts and general customers alike. It has gained an upper hand in most European markets with its expertise in designing compact cars and environmentally friendly models.

That growth is also reflected in Spain, where the carmaker first entered the market via a joint venture with Santana Motor in 1983 to build the Suzuki SJ-410. Business did not go smoothly and Suzuki chose to end the partnership in 1994, when Santana sold all its shares to the Andalusian provincial government.

After a 10-year absence, Suzuki returned to the country in 2004, following the easing of import restrictions and further deregulation of the industry.

Since its re-entry into the Spanish market, Suzuki has experienced unprece-

dent growth in production output and sales. Its success has also hinged on efforts to build a more extensive dealer network.

"We focus heavily on the 'personal human relationship.' By building our dealer network, we are able to create a clear relationship with all of our customers," says Koji Tarumoto, president of Suzuki Motor Iberica.

"Through our cars and motorcycles, we supply every customer with a vehicle of quality, allowing them to live their way of life through our products," adds Tarumoto.

While sticking to Japanese quality control and safety standards, Suzuki has also adapted to local market demands.

"We are currently working on the 'Suzuki Euro Renaissance,' a new approach to the Spanish and European markets. The team in Spain has focused on two major objectives — a review of our products and a change of our sales network," he explains.

As part of that strategy, Suzuki released its Swift, Grand Vitara and SX4 models, designed and engineered in Europe.

Suzuki's multipronged strategy has worked. Suzuki Motor Iberica has sold 500 percent more cars this year than in 2003.

"Gears have shifted since our re-entry in 2004. The success that we have been having has given us the opportunity to release new cars and further broaden our product line," Tarumoto says.

There is more in store



Koji Tarumoto, president of Suzuki Motor Iberica

for Spanish consumers.

"We just released our latest car called the Suzuki Splash, a multipurpose vehicle that was designed specifically for the European customer," says the company president.

Breaking into the larger sedan segment is the next step in Spain for Suzuki, which can count on its effective branding efforts. "Brand image can be a part of the value of a product, which customers are willing to pay for. With our new corporate design, customers will easily recognize Suzuki with a consistent image," Tarumoto says.

Suzuki plans to launch new products for the European market each year with each model bearing European sensibility and Japanese quality. ◆ www.suzuki.es



Suzuki designed its compact model Splash with the European consumer specifically in mind.

Building on a strong foundation toward success

The traditional industrial center of Spain, Catalonia has attracted the most international companies within its borders. In fact, it hosts 70 percent of Japanese companies in the country.

Thanks to the foresight of its government, Catalonia will continue to become a preferred destination of foreign investment.

In 1985, the government of the autonomous region set up the Area for International Relations with Japan to attract Japanese industrial investment.

Since then, the pioneering initiative has identified new challenges and expanded its goals to encourage foreign investment in the region and, as of 2004, also aid companies via the Catalonia Investment Agency (ACI).

"During those years, Japanese investment was our primary objective. We established our head office in Barcelona and appointed a Japanese executive to lead this initiative," says Managing Director Susana Tintoré i Rebolz.

Two years after its creation, the ACI/CIDEM showed further interest in Japan and established its first international office in Tokyo.

The ACI/CIDEM initiative presented Japanese corporations with the opportunity to purchase or partner with Spanish companies.

Japanese electronics maker Sanyo was the first among the current 152 Japanese corporations to establish operations in Catalonia.

As a growing number of companies relocate their manufacturing facilities to more cost-effective Eastern Europe, the ACI/CIDEM has realigned its efforts to focus on the SME segment of the Japanese

economy. "We are looking for added-value investments in areas where we believe Japanese companies can supplement our recognized industries. Companies seeking local partnerships or acquisitions are playing a big role in Catalonia's economy," explains Tintoré.

Besides the traditional sectors where Catalonia has led the way, such as automotive, chemical, pharmaceuticals and electronics, Tintoré has identified other growth areas like logistics, biotechnology, food and drinks, and ICT.

"Our geographical location gives us a two- to three-day advantage over other leading ports in Europe. The information and communications technologies are on the rise in Barcelona while people forecast development of our comprehensive pharmaceuticals industry," she says.

Occupying an area of almost 32,106 sq. km in the northeastern corner of the Iberian Peninsula, the region is characterized by its varied landscape of mountains, beaches and areas of outstanding natural beauty close to the main population centers.

The favorable location means that Catalans enjoy a pleasant climate most of the year, which contributes substantially to one of the best levels of quality of life in Europe.

Although small in size, Catalonia provides a first-class environment to live as well as do business, which helps companies maintain a satisfied and stable work-



Catalonia Investment Agency Managing Director Susana Tintoré i Rebolz

force. For the ACI/CIDEM, Catalonia can offer investors equal if not more economic potential than several EU member states twice its size.

For many years, the region has provided a high return on investment and a stable political environment, factors that the ACI/CIDEM hopes will keep bringing in fresh investment. ◆ www.catalonia.com

'We are looking for added-value investments in areas where we believe Japanese companies can supplement our recognized industries. Companies seeking local partnerships or acquisitions are playing a big role in Catalonia's economy'

Pioneer solidifies its position with premier plasma Partnering to success

Since opening its distribution subsidiary in Spain in 1986, Japan-based electronics leader Pioneer has grown at an impressive rate in the region.

Historically known for premium car audio products, the Japanese company attributes the consistent growth to the successful branding efforts in the country and neighboring regions.

"When a Spanish consumer buys a Pioneer product they know it is of the highest quality," says Pioneer Electronics Iberica Managing Director Andrés Martínez, whose group employs 120 people, and oversees the Portuguese and Moroccan markets.

While maintaining its strong position in the car audio field, Pioneer is intensifying its push into the plasma television segment.

"The Pioneer name is known



Pioneer Electronics Iberica Managing Director Andrés Martínez (right) and Assistant Managing Director Kazuhiro Nomiya

around the world for its car audio products. But now, after the introduction of our plasma technology, people know and understand that we have the best TV available," says Martínez.

Working with an extensive distribution network, which includes retail giants El Corte Ingles and FNAC, Pioneer is able to keep its premium brand image and provide customers with convenient service center locations.

Pioneer's Spanish operation takes particular pride in the success of its national branding campaign.

"I know other Pioneer companies and I think that Spain is the country where the Pioneer brand has the best positioning thanks to great leadership and a commitment to marketing," says Assistant Managing Director Kazuhiro Nomiya.

In November, Pioneer and its local distributors launched KURO, a global marketing campaign aimed at boosting the

company to the top of the plasma TV market.

It was Pioneer's first international marketing campaign for the plasma TV market.

"In the past, we had a good branding approach to the middle or high range. But we have never launched a campaign like KURO, which targeted the premium market on a global scale. We look forward to the campaign and our televisions being a global success," says Martínez. ◆ www.pioneer.es



Pioneer's KURO (black in Japanese) flat screens have significantly deeper black levels that produce sharper colors and sharper details.

Present in the Iberian Peninsula for over a decade, Japanese electronics company NEC scored continuous success in Spain through masterful positioning in three business areas — consumer electronics, carrier services and enterprise solutions.

For 2008, NEC Iberica President and CEO Daisuke Takada has prioritized brand development in the consumer electronics segment, particularly in sales of projectors, as well as LCD and plasma screen technology.

"We are focused on the wholesale and professional markets. Our quality and brand image are very good within these sectors where we operate, but not as good as in the consumer market. This is one challenge we face at NEC," points out Takada.

While building its brand image in the consumer electronics sector, NEC is determined to hold on to its leading position in the professional market, which is evident through its different partnerships in the country.

Among its strongest alliances has been with Madrid-based telecom giant Telefonica.

"For the past 10 years, NEC has cultivated a relationship with the Telefonica group, which came about through NEC's very strong presence throughout Latin America," recalls Takada.

Since 2003, NEC Iberica has been providing server application platforms for Telefonica, starting with the IMODE terminals and platforms — the first service and developed for the entire

Spanish market. Through its close relationship with Telefonica, NEC Iberica has showcased the quality of its services and products throughout the country.

Takada believes that NEC Iberica's strength is founded on its ability to foster successful partnerships, a skill that could benefit other NEC branches.

Through such partnerships, the two parties gain a local perspective on a foreign product whether it is Telefonica developing a new service for Japan or NEC offering a new platform for Spain. ◆ www.nec.es



NEC Iberica President and CEO Daisuke Takada

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Honda sees a smooth road ahead

Although he has only been president of Montesa Honda for just over a year, Koji Maehara has taken the reins of the company at an auspicious time.

Since becoming a fully-owned subsidiary of the Japanese carmaker in 2006, Montesa Honda has seen positive trends in the Spanish automotive sector that will spell better business.

With recent changes to Spanish laws making it easier for people to get licensed for certain motorcycles, Maehara predicts a bright future for the company.

"I see many possibilities in the Spanish market. Thirty percent of our sales are in Barcelona. Our goal is to expand to the rest of Spain, and increase sales outside of Madrid and Barcelona. I believe that Spain has a chance to catch up with Italy and become the No. 1 market in Europe," the company chief says.

Maehara's bold prediction could only come from confidence and conviction that he has a great product.

"Honda has over 21 percent of the market and is No. 1 in terms of market share. The Honda name is linked with products that have the best technology, quality and innovation available today," he says.

Despite the change in ownership, Montesa Honda remains committed to its Spanish roots in

trial bikes. Not only is Honda the only major company involved in trial-bike racing, but its factory in Barcelona is the only one manufacturing these bikes for the entire company.

"The history of trial-bike racing comes from the original Montesa brand. Montesa Honda makes all decisions regarding the trial-bike division. In fact, the Montesa HRC Team won its 10th World Trial Championship title in 2007," Maehara boasts.

Although Montesa Honda wants to grow and expand, it plans to do so in a safe and healthy way.

Maehara wants to educate motorcycle and automobile operators about safety in an effort to reduce accidents.

"We sponsor a safe-driving school in Barcelona. We have educated over 15,000 people about riding and driving responsibilities,"

says Maehara. "Our mission is to contribute to the fun, passion and joy of Spanish people. By making an individual's mobility more convenient, we hope to increase his or her quality of life," he adds. ◆ www.honda.es



Montesa Honda President and Managing Director Koji Maehara