

A new era for Japan-China relations

by Akio Isomata **Ambassador and Consul-General**

of Japan in Shanghai

Japan and China

The relationship between our two countries is now back on a normal track and is at a new stage of development. At the G20 Osaka summit in June, both countries' leaders agreed to open up a "New Era of Japan and China." Additionally, there are a great deal of high-level and other dialogues currently taking place that we fully expect to continue. This new era of relations is creating fantastic opportunities.

China: The world's market

China's population currently stands at nearly 1.4 billion people. The country remains a huge market for investors and businesses from Japan and the rest of the world. The Chinese market is said to include 450 million middle-income people and 150 million high-income peo-

Consulate general

Here at the consulate in Shanghai, we cover Shanghai and four neighboring provinces. Young Chinese people are increasingly interested in Japan, and we are hosting traditional and local performances, as well as introducing to Chinese youths new aspects of Japanese culture, including popular music, anime, digital art and video games by hosting, organizing and supporting relevant events and activities. Innovation and co-creation are also playing important roles in bringing our two countries together and we play an active role in these areas.

'The Trinity:' Consulate General, JETRO (Japan External Trade

okogawa was founded in

oany has 113 subsidiaries in 60

countries and regions around the

world. Covering three major ar-

eas of measurement, control and

information, Yokogawa has be-

come a specialized international

The company started its China

business as early as 1957. Since

then, Yokogawa China Co. has

delivered over 4,000 control

systems and 300 safety systems

across various industries in Chi-

The company also delivered

control systems to approximately

half of China's large-scale and

complex automation projects

As one of the world's leading

industrial automation compa-

nies, Yokogawa continues to

grow its business in China with

within the oil and gas sector.

a pioneering spirit.

industrial control leader.

in Tokyo, Japan. The com-

Organization) and the Shanghai Japanese Commerce and Indus-

We work together to discuss policy, advocacy and share our resources to collect business-related data. Based upon the data, we compile an annual recommendation report on the improvement of the business environment in Shanghai, submit it to the local authorities and conduct follow-up discussions regularly.

Japanese in China

There are 57,000 Japanese expatriates living and working in Shanghai and the city's four neighboring provinces. This accounts for more than 40 percent of all Japanese expats living in China. There are 41,000 Japanese expats living and working in Shanghai itself compared with just 8,000 Japanese expats living in Beijing. Eighty-six percent of Japanese direct investment to China comes to Eastern China, namely, Shanghai and its surrounding provinces.

Today, the city is at the forefront of economic and cultural exchanges between Japan and China. Shanghai is also striving to become the financial center of China, and the two countries are holding regular capital market dialogues as the financial sector in China continues to develop. At the timing of the 2nd International Import Expo held in early November, the Japanese government sent two state ministers, and the number of Japanese firms reached nearly 400 - the largest among foreign firms.

Global partners

1915 and is headquartered ing traction. The digitalization of

decisions.

their businesses.

Japan and China are taking on the challenges faced by the global community. Both countries can work

The "internet of things" is gain-

processes is well underway and

the use of big data and artificial

intelligence is yielding valuable

insights needed to make business

Yokogawa's 'Synaptic Business

Automation' concept clearly ex-

presses the company's commit-

ment to utilizing the latest infor-

mation technologies. Decades of

experience with plant manage-

ment and industrial processes,

portfolio of automation solutions

and consulting expertise all help

Yokogawa customers transform

"Rapid industry changes, latest-

edge technologies available to the

market and worldwide sustain-

ability initiatives such as COP21,

IMO2020 and WBCSD are all

making the business environment

more complex," said Kazuhiko

Takeoka, Yokogawa chief execu-

tive in ASEAN Pacific and presi-

Mitutoyo Quality

Yokogawa China: Driven by a pioneering spirit



Akio Isomata, Ambassador and Consul-General of Japan in Shanghai

together to address issues related to free trade, climate change, global health, innovation, medical and health services, among other areas. We can also assist the private sector to reach out and take advantage of opportunities in developing coun-

Challenges and solutions

Since China started the policy of reform and opening up in 1978, the country has attracted significant investment from Japan. The challenges the Japanese business communities face in China encompass global challenges such as the slowing down of the world economy, U.S.-China trade frictions, cost of labor and increasing property

In China it is becoming more difficult to invest in labor-intensive businesses due to the high-cost of labor, environmental and safety restrictions. Moving forward, Japanese and international investors will need time to change and adapt to the shifting business conditions

Kazuhiko Takeoka, Yokogawa

Officer of Yokogawa China Co.

physical worlds."

Chief Executive in ASEAN Pacific

and President and Chief Executive

dent and chief executive officer

of Yokogawa China Co. "We see

a convergence of the digital and

Yokogawa's OpreX brand en-

ables the continuous creation of value underlying the Synaptic

Business Automation concept and

Tourism remains a huge opportunity. In 2014, 2.41 million Chinese visitors traveled to Japan. Last year, 8.38 million Chinese people visited Japan and here at the consulate, we issued 2.25 million visas to Chinese passport holders visiting Japan — one-third of all Japanese visas issued in the world. This year we are expecting more than 9 million Chinese travelers to visit Japan and, with the 2020 Tokyo Olympics taking place next year, we expect interest in visiting Japan to further increase. In addition, we are encouraging global tour operators to adopt the "Fly and Cruise" concept. This involves wealthy North American and European travelers flying to Shanghai and then taking an overnight cruise to Japan. This initiative has good potential as it provides these travelers a chance to experience both China and Japan and compare cultural differences between the two countries.

'Win-win-win'

Japan and China's partnership is open to other global players, and we want to cooperate and work together with other countries to address the global challenges we commonly face. When Prime Minister Shinzo Abe visited China in 2018, 52 memorandums of understanding were signed by public and private organizations for cooperation in markets of developing countries. Japan and China can work together to grasp various opportunities as we address regional and global concerns. This "winwin-win" concept between Japan, China and other countries can bring the region closer together while strengthening the long-term relationship between Japan and China. ♦

www.shanghai.cn.emb-japan.go.jp

is comprised of OpreX Transfor-

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Measurement, OpreX Execution

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OpreX, Yokogawa provides prod-

ucts, services and solutions that

cover everything from business

in technology and solutions that

Yokogawa cultivates through the

co-creation of value with its cus-

Takeoka concluded: "In response

to the United Nations' call to

achieve sustainable development

goals by 2030, we are working to

achieve net-zero emissions, tran-

sition to a circular economy and

ensure the well-being of all by 2050

by helping to make the world a bet-

ter place for future generations." ◆

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OpreX represents excellence

management to operations.

tomers.

Measuring growth in the Chinese market

itutoyo Measuring Instruments (Shang-▲ hai) Co. has become one of the most trusted stateof-the-art precision measurement solutions companies in China.

Founded in Japan in 1934, Mitutoyo Corp. realized the potential of the Chinese market in the 1960s. Continuous growth led to the company establishing its own directlymanaged operations in Shanghai in 2001.

"China has had a huge impact on our global business due to the sheer size of the market," said Yukihiro Sakata, director general manager. "Mitutoyo Measuring Instruments (Shanghai) Co. is committed to delivering the highest-quality products to customers across China.'

Today the company focuses on the sales and service of precision measuring instruments and serves clients from a range of industries including automotive and information device manufacturing.

While the second half of 2018 saw slower growth in the au-



Yukihiro Sakata, Director General Manager of Mitutoyo Measuring Instruments (Shanghai) Co.

business.

tomotive sector and other key industries in China, Sakata is confident that China's automotive industry will recover in

"Expected growth in China's automotive sector, due to increased demand for electric vehicles, will put us in a strong position to meet demand and win new clients," shared Sakata.

Mitutoyo Measuring Instruments (Shanghai) Co. expects to continue to play a significant role in Mitutoyo Corp.'s global

"While China is known for its ability to mass-produce goods, Chinese companies are continuously improving their production quality," said Sakata. "This is where our opportunity lies; to better serve clients as they improve their manufacturing standards and require our high-quality products and ser-

vices. China's 'Made in China 2025' policy will also provide opportunities for us as it drives exports from China to international markets."

Mitutoyo Measuring Instruments (Shanghai) Co.'s talented workforce remains at the heart of the company's success and employee retention remains

"We believe our employees directly influence our company's ability to serve clients and grow," stated Sakata.

In addition to investing in advanced employee training programs in China, the company organizes training for its employees at Mitutoyo Corp.'s headquarters in Japan.

"As we look forward, my responsibility will be to ensure the continued success of our business in China and prioritize the welfare of our highly valued and dedicated employees," concluded Sakata. ♦ www.mitutoyo.co.jp/eng www.mitutoyo.com.cn

Mitutoyo

leisure and entertainment

markets are growing signifi-

Within this changing en-

vironment, Yamaha Motor

(China) Co. is facing new

challenges. To remain an

industry leader, the com-

pany is developing prod-

ucts and businesses within

the so-called horizontal

market, establishing the

Yamaha Experience Center

Yamaha and China: Celebrating four decades of success

Tamaha Motor's story in China began with the successful Guangzhou Yamaha Exhibition held in southern China in 1979.

Yamaha and China North Industries Group Corp. Ltd. (Norinco) signed a technical support agreement in 1983 and Chongqing Jianshe Yamaha Motor Co. (CJYM) was established in 1992.

With its focused expansion strategy, Yamaha Motor (China) Co. is today active in marine, power products (generators and multipurpose engines), parts procurement, robotics and information technology solutions.

A strong position in China With the rapid development of the Chinese market, Yamaha Motor (China) has grown together with China. The company is committed to the corporate mission of being a 'kando-creating company' that continues to "offer new excitement and a more fulfilling life for people all

over the world. China's economic progress continues. The government of China has put forward a series of new visions for the future of the country including the "Healthy China 2030", environmental protection policies and a drive to



Atsuhiko Okano, President of Yamaha Motor (China) Co.

transform the electric vehicle Simultaneously, the Chi-

nese market and its corresponding consumption trends are changing rapidly;



Yamaha Sports Boat

and strengthening its cooperation with key industry

Creating exceptional value and contributing to society in a new era In addition to providing products and services, the company is actively engaging in and supporting rugby, mo-

torcycle, water vehicle and

recreational off-highway ve-

hicle sporting events. Yamaha's commitment to China will continue to follow the corporate philosophy of "creating value that surpasses customer expectations" and Yamaha will keep striving for further developments in this new era. • www.yamaha-motor.com www.yamaha-motor.com.cn



Safeguarding clients and contributing to a stronger Japan-China relationship

Mitutoyo 全新升级 NEW DESIGN 智能测量系统更好对应 SmartFactory

三丰精密量仪(上海)有限公司 三豐力豐量儀(香港)有限公司 中国香港新界葵涌大连排道 21-33 号宏达工业中心 8 楼 818 室 电话:0852-29922088 传真:0852-26702488

itsui Sumitomo Insurance (China) Co. (MSIC) delivers insurance products and solutions to clients across China. A driving force within China's insurance industry, MSIC is also strengthening the Japan-China economic partnership.

As part of the MS&AD Insurance Group, MSIC established a strategic partnership with China Pacific Insurance Co. 15 years ago. Today, MSIC is strengthening its reputation in China via what continues to be this so-called people-to-people business.

In recognition of his contributions to Shanghai's development and international cooperation, Yukitaka Ito, MSIC chairman and president, was recently awarded the Magnolia Gold Award by Ying Yong, the mayor of Shanghai. Out of 12 recipients, Ito was the only Japanese national to receive the award.

"The Chinese insurance market continues to present significant opportunities and



Hiroyuki Tamura, Vice President; Yukitaka Ito, Chairman and President; Seiichi Manabe, General Manager of Corporate Planning Department of Mitsui Sumitomo Insurance (China) Co. (MSIC)

through our efforts, we have continued to rank amongst the top 10 foreign non-life insurance companies in China," said Ito. "Our dynamic team has worked hard to ensure MSIC remains the number one Japa-

nese non-life insurance company in China in terms of gross premiums."

Because of fierce competition, MSIC has made it a priority to establish direct and longstanding relationships with

clients across China. In order to sustain its growth and development, MSIC implemented key strategies to manage its business operations.

"Growth is of vital importance in this business and we

utilize advanced digital technologies to better respond to customer needs," said Ito. "We are transforming our portfolio by creating new 'service pillars' and strengthening our internal human resource strategies by building a performance-focused organizational culture."



president was recently awarded the Magnolia Gold Award by Ying Yong, the Mayor of Shanghai.

Japanese investment into China is expected to remain steady over the next few years as the two countries continue to strengthen economic ties. "If you love China as much as

we do, you will be inspired to contribute to the country," concluded Ito. "We see an increasing need for non-life insurance solutions including human resource accidental fees, natural disasters, cargo and property. Our success is based on our affinity for China and our desire to support the economy. We look forward to further developing the positive relation-ships MSIC has nurtured with clients in China as we share our passion for success." ♦ www.ms-ins.com.cn



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Raising a glass to success in China

apping into the Chinese beer market has proved successful for Japan's largest beer producer, the Asahi

With its successful growth strategy in China since 1994, subsidiary company Asahi Beer (China) Investment Co. has earned a reputation for delivering high-quality products to beer enthusiasts in China.

In line with China's increasing number of affluent, young professionals, there is growing demand for premium and specialty beers in China. To meet this growing demand, Asahi Beer (China) Investment Co. has introduced popular products such as Peroni and Grolsch to cater to Chinese and international consumers.

"The Chinese economy and the country's rapidly develop-



Takashi Nishimura, President of Asahi Beer (China) Investment Co.

ing social environment are good for business," said Takashi Nishimura, president of Asahi Beer (China) Investment Co.

"The premium beer market and the specialty beer market are both growing segments and we are in a strong position to simultaneously grow our business in China"

The company acquired shares in Chinese breweries to better serve the local market and has helped advance the country's beer industry. Today Asahi Beer (China) Investment Co. is focusing on Chinese 'beer-likers' and foreigners in the country.

"With more 'beer-likers' in China, restaurants and sports bars continue to attract clientele and our products are available to all our customers," said Nishimura.

Having achieved success in China's so-called first-tier cities such as Beijing and Shanghai, Asahi Beer (China) Investment Co. is reaching out to China's untapped second-tier cities.

"We want to reach out to oth-

er cities across China as these represent a huge opportunity for us," said Nishimura. "We recently opened a branch office in Chengdu, a representative office in Wuhan and intend to establish a presence in several key inland cities in the future."

"As we expand our business we are also driven to create an inspiring and trust-based work environment for our employees. As a Japanese company active in the Chinese market, we recognize the importance of the Japan-China partnership and we look forward to seeing this flourish in the future." •

Asahi

Making the connection between innovation and success

Japan's Hirose Electric Co. is one of the world's most trusted manufacturers of high-performance connectors. Serving key industries, the company has been committed to producing high-quality electronic products since 1937.

Recognizing the importance of the growing Chinese market, HRS Electric Trading (Shanghai) Co. (est. 2003) was reorganized as Hirose Electric (China) Co. in 2018. Today, the company contributes to China's electronics industry by developing connectors for industry leaders.

"We have become a leader in the industry by delivering a wide range of high-quality and innovative products," said Takao Kimura, chief operating officer of Hirose Electric (China) Co.

The company's success is based on three core pillars — access to



Takao Kimura, Chief Operating Officer of Hirose Electric (China) Co.

capital, a highly skilled workforce and close working relations with

In a move to strengthen its relationships with customers in China, the company has expanded its

operations and opened several offices in key industrial regions across the country. This has enabled Hirose Electric (China) Co. to close the distance between the company and customers.

In addition to offices in Shanghai, Shenzhen and Beijing that carry out marketing efforts across greater China, offices in Guangzhou, Chongqing and Changchun have enabled the company to work more closely with existing customers as well as reach out to new clients.

"We intend to strengthen our leading position and grow our business in the rapidly expanding Chinese electronics market," said Kimura.

While North America and China address trade issues, Hirose Electric (China) Co. will develop its business in China and the region by challenging the competition and exploring opportunities in other markets.

"Despite growing competition from local Chinese companies, which are delivering high-quality, cost-competitive products and services, our strong reputation puts us in a position to develop our business," said Kimura.

"Increased automotive production, especially of electric vehicles, is expected to drive the global automotive market over the next few years and in line with this, the future is bright for Hirose Electric (China) Co." ◆ www.hirose.com/cn



The trusted Okura address in Shanghai for business and leisure guests for 30 years since 1989

kura Garden Hotel Shanghai is one of the members of The Okura Group, whose corporate philosophy is "Best A.C.S. — Best Accommodation, Best Cuisine and Best Service." Thoughtful services and pursuit of excellence represent the symbolic core competitiveness of Okura Garden Hotel Shanghai and the Okura brand.

The Okura Garden Hotel is ideally situated in Shanghai's prestigious shopping and business district at the center of the city. Originally the site of the French Club, which was completed in 1926, the 33-story hotel combines contemporary design with the elegance of the former club. With a private 30,000-squaremeter garden, the entire facility radiates a rich culture, while paying homage to the past. The 10 sophisticated function rooms are the perfect settings for meetings, conferences or banquets, the 492 well-equipped guest rooms offer an immediate sense of relaxation, and personalized attention exemplifies the hotel's five-star rating.



Harmen Dubbelaar, President and General Manager of Okura Garden Hotel Shanghai; Regional General Manager - China; Managing Corporate Executive Officer of Hotel Okura Company Ltd.

Recognized as a piece of the city's cultural heritage, the building is protected by the Shanghai government. Looking back on its history offers insight into the valuable memories of the past. Thanks to its origins, it showcases the most popular and fashionable styles from the 1920s and '30s. The building

was used by the U.S. Army and later, an indoor swimming pool was built at the site of the current Cocktail Lounge Oasis in the 1940s. After the establishment of the People's Republic of China in 1949, it changed its name to the People's Culture Palace with the garden used as a sports field. From the end of 1970s, the building was renamed the Jing Jiang Club. In 1985, a renovation project began to create the Okura Garden Hotel Shanghai with the cooperation of the Shanghai government and with 100 percent investment by Nomura China Investment Co. On March 20, 1990, the Okura Garden Hotel Shanghai opened under a 30year lease. The new tower with its elegant guestroom facilities successfully merges with the old building and incorporates the hotel lobby, Coffee Shop Rose, Cocktail Lounge Oasis, function rooms and business center.

Over the years, the hotel has welcomed countless official state visitors, distinguished guests and business leaders and gained a reputation as a trust-

worthy hotel where guests feel welcome and are served with respect and dignity. Hotel employees are well versed in several languages and many speak Japanese and English. The hotel has been a center of the Japanese business community and many Japanese companies were introduced to the art of doing business in China while they stayed in the hotel.

We thank all our guests for their patronage at Okura Garden Hotel Shanghai. As we celebrate our 30th anniversary, all of us at Okura are looking forward to welcoming guests for many years to come as we continue to provide them with our Best A.C.S. in China.

A.C.S. in China. ♦ www.gardenhotelshanghai.com



leadershipinsights



"China and Japan have a good relationship and we are seeing efforts to strengthen the economic ties between our two countries. There are many opportunities to bring our countries closer together through increased trade and the Shanghai Japanese Commerce and Industry Club will continue to work to support the Japanese business community in China."

HITOSHI NAKAMURA, Secretary General, Shanghai Japanese Chamber of Commerce and Industry Club (JCCIC) www.incic-sh.org



"In 1972, Japan and China re-established diplomatic relations and today is a 'Golden age' for our partnership. We are seeing closer ties regarding trade relations between both countries and interaction is increasing both economically and culturally. About 15 percent of JETRO's annual budget is spent in mainland China, indicating the importance JETRO places on the Chinese market. We have eight offices in China, including Hong Kong and actively encourage investment from China to Japan."

 $\label{eq:michiel} \textbf{MICHIAKI OGURI, Managing Director, Japan External Trade Organization (JETRO)} \\ www.jetro.go.jp/china$



"The Japan National Tourism maintains 21 offices in key cities around the world. Each overseas office is committed to promoting travel and tourism to Japan. JNTO currently has two branches in China, namely Shanghai and Beijing and will be opening a new branch in Guangzhou towards the end of 2019. Chinese tourists to Japan account for the largest number of visitors to Japan from any country. The most popular travel destinations for Chinese travelers to Japan are Tokyo, Osaka, Hokkaido, Chiba, Aichi, and Kyoto."

KENJI HARAGUCHI, Chief Representative, Japan National Tourism Organization (JNTO) www.welcome2japan.com