

## [CONTENTS, FEBRUARY 2018]

1. REPORT ON BUSINESS DELEGATION TO SHENZHEN AND HONG KONG

2. ESTABLISHMENT OF KANSAI SDGS PLATFORM AND ITS FIRST GENERAL MEETING HELD

3. UK SENT A DELEGATION TO OSAKA AND HELD ON BUSINESS MATCHING PROGRAM

4. 2018 SELECT USA JAPAN INNOVATION SEMINAR WITH A REPRESENTATIVE OF MASSCHALLENGE

5. RESULTS OF THE 68TH BUSINESS AND ECONOMIC TREND SURVEY (DISCLOSED IN DECEMBER 2017)

6. REPORT ON VIP VISITORS

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## 1. REPORT ON BUSINESS DELEGATION TO SHENZHEN AND HONG KONG

The Osaka Chamber of Commerce and Industry (OCCI) sent a businessdelegation headed by Hiroyuki Fukano, executive councilor, to Shenzhen and Hong Kong from December 4 to 8, 2017.



In Shenzhen, the team visited venture companies and start-up supporting organizations with the aim of finding the key reasons Shenzhen attracts worldwide attention as an innovative city. They also visited Makeblock, a venture company aiming to lead the world in the field of scientific educational robots. Subsequently, they studied showrooms at Huawei and Tencent, companies represent the city's information technology sector. At Genesis, a manufacturer ranking 11th following Toshiba in the global tablet-computer market, the team observed terminal devices for consumers in Japan. In addition, at a tech campus opened in Shenzhen by RocketSpace?an American accelerator ?famous for successfully supporting the growth of Uber, the team learned that they are currently carrying out approximately 20 projects, and most of them are from overseas.



In Hong Kong, the business observation team visited the Hong Kong Trade Development Council (HKTDC), a partner organization of the OCCI. During their visit, the team observed that, located in an area with four-hour access to other Asian countries and five-hour access to half of the world's population, the country offers a great geographical advantage, and was reassured of its potential as a gateway not only to China but also India and countries in the ASEAN region. In addition, Team head Fukano asked the representatives of HKTDC for their cooperation in promoting the Kansai region including Osaka as the most ideal venue for Expo 2025, and as an excellent region for investment.

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## **2. ESTABLISHMENT OF KANSAI SDGS PLATFORM AND ITS FIRST GENERAL MEETING HELD**

The United Nations (UN) has established a "2030 Agenda for Sustainable Development" which includes 17 Sustainable Development Goals (SDGs) of global action. With the aim of accelerating economic activities to promote social values and creating a sustainable society, a new collaborative platform was developed in Kansai on December 16, 2017. OCCI took part in this platform, along with private companies, civil society, NGOs, NPOs, universities, local governments, and governmental agencies in the Kansai region.

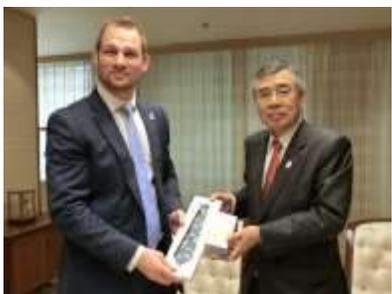
At the platform's general meeting, Vice Chairman Furukawa was appointed as the advisor to the platform. From here on, the OCCI will promote the SDGs to the business field and support companies in incorporating the SDGs into their business plans.

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## **3. UK SENT A DELEGATION TO OSAKA AND HELD ON BUSINESS MATCHING PROGRAM**



On January 17, 2018, representatives of nine cutting-edge AI and IoT technology companies affiliated with the Thames Valley Chamber of Commerce, UK (TVCC; led by Chief Executive Paul Britton), an MoU partner of OCCI, visited Osaka to attend a business presentation and individual meeting session. Presentations featured cutting-edge products and services in the following sectors: 1) manufacturing (batteries, monitoring equipment, and Disaster Prevention Equipment); and 2) service (support for overseas business expansion, education, law, human resources, and tourism). Following the presentations, 28 business negotiations were held with representatives of Japanese companies. In addition, representatives paid a courtesy visit to Vice Chairman Furukawa, and subsequently held a dinner party with Vice Chairman Tateno and British Consul-General Sarah Wooten.



The OCCI and the TVCC send business missions to each of their chambers every year, ever since the MoU(Memorandum of understanding) was signed between them in 2014 by Minoru Furukawa, Vice Chairman of the OCCI, and Paul Briggs, former chief executive of the TVCC.

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#### 4. 2018 SELECT USA JAPAN INNOVATION SEMINAR WITH A REPRESENTATIVE OF MASSCHALLENGE

On Wednesday, January 24, 2018, in collaboration with the United States Department of Commerce and the Commercial Service Section of the U.S. Consulate General Osaka-Kobe, the OCCI held 2018 Select USA Japan Innovation Seminars. The seminar welcomed a total of 115 participants comprising representatives from U.S. states and various companies in Osaka, including manufacturers, finance and retail companies.



The OCCI signed a Memorandum of Intent on SelectUSA program with the U.S. Department of Commerce in 2016 and has, since then, been promoting investment and helping businesses expand in Japan and the U.S.

At the beginning of the seminar, Minister Counselor Keith Kirkham, for Commercial Affairs, U.S. Embassy Tokyo, extended his greetings, and mentioned that he was pleased how the SelectUSA and commercial service Osaka-Kobe introduced and supported OCCI’s first meeting with MassChallenge in Boston, which led for OCCI to invite MassChallenge to Osaka, to speak at the joint seminar. He also mentioned that this was another success, accomplished under the spirit of partnership found in our Memorandum of Intent.

In response, Tsutomu Miyagi, president of the OCCI, returned his greetings, stating, “With the aim of establishing itself as an innovation hub, the OCCI is currently working on developing innovation ecosystems and helping start-up entrepreneurs. From here on, it will put efforts into stimulating interaction between start-up companies in Japan and the U.S. to help such companies become even more globally competitive.”

Following these greetings, Ms. Kiki Mills Johnston, managing director of a U.S. start-up accelerator “MassChallenge” invited by the OCCI, spoke about MassChallenge’s innovation ecosystems to foster venture companies around the world. Subsequently, she together visited the Osaka Institute of Technology and

exchanged ideas on possibilities for collaborating to help Japanese and American start-up entrepreneurs.

SelectUSA’s next Investment Summit to be hosted by the U.S. Department of Commerce will be held from June 20 to 22 in Maryland, U.S.A.

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## **5. RESULTS OF THE 68TH BUSINESS AND ECONOMIC TREND SURVEY (DISCLOSED IN DECEMBER 2017)**

The results of the Business and Economic Trend Survey were disclosed. This quarterly survey is conducted jointly by the OCCI and the Kansai Economic Federation to grasp the business sentiments of member companies and the status of their corporate management. For the 68th survey, 1,623 companies were sent a questionnaire from mid to late November, with responses from 398 companies (valid response rate: 24.5%).

The survey results show that the 2017 October-December business sentiment index (BSI:“the percentage of companies seeing business as improving” minus “the percentage that of declining) concerning “Domestic Business In General” is 40.7, a very positive figure for 5 consecutive quarters, showing a continuous improvement in member companies’ general business sentiments. As for the future score of “Domestic Business In General” in 2018 January-March, is also expected to be 25.7 and keep increasing. The score of SMEs (Small and medium sized companies) has risen to 18.5, and that of manufacturing industry has updated its highest score, 34.9.

Next, asked about “what made your company’s achievement well”, 45.7% mentioned “Increase of Domestic demand” was the major answer. Meanwhile, for the question of “what affected your company negatively”, the answer of “Cost increase of raw materials” was the most answer (27.9%), followed by “Business obstacles due to labor shortage” (21.9%), and “Stagnation of domestic demand” (18.1%). From the view of trends by industry, manufacturer and maker answered “Cost increase of raw materials” the most(41.1%) and non-manufacturer answered “Business obstacles due to labor shortage” the most(28.7%).

Finally, as for the question of “outlook of the USD/JPY rate”, 70.9% of the respondent answered that it is going to be 110 to 120 JPY in the end of March, reflecting current rate. This rate was also major answer for the question “Your company’s desired rate level” (28.7%). Besides, 83.7% of the companies answered that the “Nikkei Stock Average” will keep its level in more than 20,000JPY in the end of March.

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## 6. REPORT ON VIP VISITORS

1/15 Mr. Munin Paniswasdi, Consulate-General of Thailand to Osaka

1/15 Mr. Asad Majeed Khan, Ambassador of Pakistan to Japan

2/9 Ms. Dace Treija-Masi, Ambassador of Latvia to Japan



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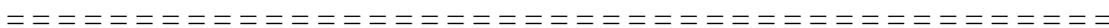
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