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# Osaka Renaissance News

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## “Branding Osaka -- Part 1”

There are several things about Osaka that most international businesspeople agree makes this such a fantastic place to work and live.

From a business perspective, Osaka as a merchant town possesses a unique entrepreneurial spirit rooted in a positive can-do attitude. Personal and professional networks are tight and reputation is built over a long period of time. As many newly arrived businesses in Osaka have discovered the hard way, there is no substitution for time and energy spent here to deepen these relationships in the process building both a personal brand and the brand of the business.

Inconsistency in delivering the brand message, regardless of how strong the product might be, can keep a business stuck in the starting block.

At a recent meeting of the Osaka Mayor's Foreign Business Network I found myself surrounded by several GM's from international hotels in Osaka. The common theme was: *“We have a fantastic product in Osaka but we need to work together more closely with Osaka City on branding this town, and we need to do it asap”*.

Within minutes, Mayor Hiramatsu and his team joined the circle and a mission was born.

In October, we held our

first official session of the Osaka Hotel GM & Osaka City Roundtable.

At the Osaka Hilton Hotel. Several Hotel GM's from Osaka sat together with senior representatives of the Osaka Tourism and Convention Bureaus. A lively discussion ensued and, in true Osaka style, everyone had their say.

What emerged were several action plans requiring cooperation between Osaka City and the international hotels & GM's. A commitment to hold a series of working groups followed as we work together to brand Osaka. Keep your eyes on this space for more news!

**Paul Dupuis**, *Chairman of FBNC & Advisor to Osaka City*

## Osaka: Cruising Confidently into the Future

A ship with a good captain and crew, fuel, and other resources, can sail with confidence because when the weather gets stormy, as is likely to happen from time to time, the leaders and crew know what to do. It also helps if the ship is not just floating aimlessly on the high seas, but has a destination in mind. Osaka today, is such a purposeful ship, with a determined leadership at the helm.

On September 2, 2009, about 40 members of Osaka's Foreign Business Network Club,

after being welcomed and greeted by Osaka Mayor, Kunio Hiramatsu, literally went on a cruise, not just for the sake of enjoying the fine sights and sounds of Osaka, but to visit some of the coastal areas of Osaka that are likely to play a central role in putting Osaka firmly in position as the world leader in emerging and fast-growing new technologies such as flat panel televisions, lithium ion batteries, solar and other new-energy industries.

The cruise also

offered an opportunity to point out the role of the Yumeshima container terminal and the Yumesaki tunnel in Osaka's vision to become a leading player in the shipment of products that will both satisfy consumers and help protect the planet in the foreseeable future.

In the pages that follow, learn about the opportunity coming up in 2012 to obtain a site for your business and how the intermingling of logistics centres and manufacturing sites close to the Port of Osaka can all support Osaka's branding efforts as the definitive place to set up your business!

## *The Coastal Areas of Osaka: Tapping into the Treasure*

### AUTHOR

*Osaka City has commissioned Paul Dupuis to author this series of newsletters.*

*Paul Dupuis, Director of West Japan for Wall Street Associates, is a business development adviser to Osaka City, Osaka Prefecture and is a key member of the Kansai Economic Federation roundtable.*

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On the September 2009 Osaka Bay cruise, Nose Kazuhiro, Manager, Port & Harbor Bureau, City of Osaka, pointed out the Hanshin Industrial zone, covering the area west from Himeji through Amagasaki and the Osaka Bay area, which in his school days, had some of the most prominent manufacturing companies in the field of iron and steel products, as well as shipbuilding.

Up to 2002, there were regulations restricting factory size. Coupled with the challenges facing the Kansai economy in general, there was an outflow of companies from the Osaka region to other areas.

The abolition of the law in question has contributed to the repopulation of the Panel Bay, Battery Bay, and Green Bay areas with new companies that have fresh and exciting ideas that serve as an anchor to attract further new businesses and opportunities.

It was pointed out that in terms of port and pier activity, the opening of Universal Studios, Japan (USJ) in March 2001 provided an opportunity to make frequent ferry trips, including a stop at Tenpozan (Kaiyukan).

The September 2 cruise also offered an opportunity to highlight the role that the Osaka Aquarium has played with respect to attracting tourists from abroad.

In that respect, the Osaka Port has played host to numerous cruise ships from overseas. The large number of historical, natural, national, and world heritage treasures such as the city of Kyoto, Nara, Osaka's designation as the National Kitchen, has been helpful in attracting a steady stream of visitors to the Osaka area over the years.

On the cruise, from the Tenpozan area, one could see companies like Ikea, which recently celebrated its one year anniversary, Nakayama Steel, Asahi Glass Panel factory, and Panasonic's Lithium ion factory, some of which are located on waterfront lots that are still under construction as new companies move in. .

### Multi-purpose Port

While the Port of Osaka is designed to ensure that companies that need to get their products to other parts of Japan or other parts of the world are able to do so with readiness and dispatch, this does not mean that the port will remain blind to the needs of other users such as tourists.

The differing needs of tourists and the transportation of business cargo as well as the import of oil and gas products have been taken into account in the design and organization of port activities, ensuring that all sectors are served to the highest standards possible.

## Yumesaki Tunnel

The opening of the Yumesaki Tunnel in August 2009 is an important element of the plan to bring Osaka's port facilities into the 21<sup>st</sup> century and to considerably speed up cargo handling and shipment.

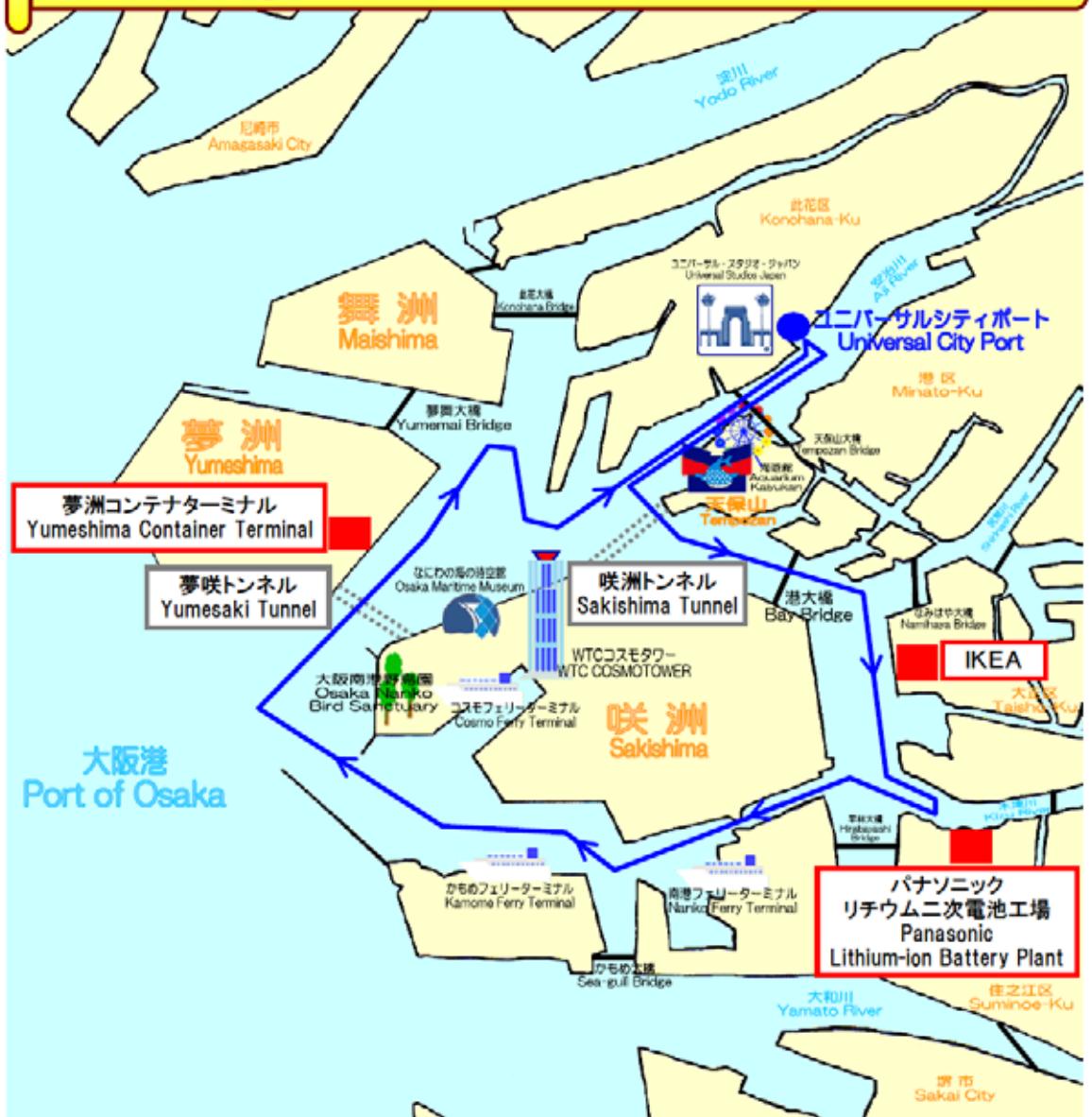
Using the Hanshin Expressway it takes about 20 minutes to access Yumeshima but with the completion of the tunnel, the 5-kilometer trip takes less than 10 minutes. This project cost over 100 billion yen and took eight years to complete.

The application of the "sunken-tube method," which involves the use of floating long prefabricated tube sections to the tunnel site, sinking them into previously dredged trenches and then covering them up, made it possible for the Yumesaki tunnel to be finished earlier than might have been possible with other technologies. The use of a steel-concrete composite also means that the tunnel has the strength to withstand considerable use over a long period.

Another technology that was applied in the construction of the Yumesaki tunnel is the so-called "Key Element Method." Submerged tunneling methods have traditionally made use of final joint construction to close the gap left following the submerging of the final tube. Not only does this kind of work create a construction bottleneck but also it calls for very high-level construction technology to ensure that the project is finished correctly. "The key element method aims at enhancing safety and quality and reducing the construction period further through the elimination of the final joint construction method by applying technological concepts of the V block method to the final tube" ("Key Element Method." Infrastructure Development Institute — J A PAN October, Oct 2009 Issue 49 <http://www.idi.or.jp/tech/quarterly/idi49.pdf>).

Osaka is fortunate to have in its environs some of the most forward-looking technology companies. The Yumesaki tunnel is part of a set of initiatives that contribute to making business in the city more efficient.

# Port of Osaka Cruise Map



 Cruise route

Education's purpose is to replace an empty mind with an open one.

- Malcolm Forbes

One kind word can warm three winter months.

- Japanese proverb

## Osaka 2012 – Getting Your Piece of a Dream Business Location

While some of the leading-edge technology companies are already located in Osaka, there are others still coming on board in areas such as Osaka's Konohana Ward where Sumitomo Electric Industries is slated to locate its Information and Communications laboratories in 2010.

Meanwhile, Sharp and other LC panel companies and solar battery establishments are constructing plants that will start operation by March 2010.

In addition to the excellent container terminal at Yumeshima, locating your plant on Osaka's waterfront property allows you to take advantage of Nanko ferry terminal, which is Japan's leading domestic ferry terminal. In terms of both cargo volume and passenger numbers, Nanko can be counted among the very best, with its numerous connections to other parts of Japan.

Companies setting up factories in Osaka can also count on the numerous scheduled flights from the area to destinations such as Shikoku, Kyushu, Oita, Miyazaki, Kagoshima, Okinawa, and others.

From 2012, Osaka City will be able to make available to potential investors and companies, premium land in the coastal areas of Osaka, where they can plug into the exciting technological and manufacturing developments already underway in the city.

At present, with Panel Bay and Battery Bay attracting so much attention, it is not easy to get even 1 hectare of land for a factory or other development.

But a 500 billion yen dream development envisaged for 2012 will provide an opportunity for Osaka City to collaborate with interested parties in order to create more opportunities for high-value added manufacturers and industries.

The attractiveness of this upcoming project can be seen through the prism of the array of companies that have already taken root in Osaka. Companies that will take advantage of the opportunity to set up in 2012 will find themselves in very good company indeed. And they can benefit immensely from the future-oriented port facilities, logistics and transportation infrastructure already developed or in planning for the future.

The development planned for 2012 will include government incentives for those who choose to be a part of it. Osaka City is in the process of reviewing and assessing the scale of the project so more accurate information will be available over time.

But 2012 is not so far off, so if you want to join Osaka City in making a great leap towards the future, now is the time to start thinking and planning.

### New Logistics Centre – Yumeshima



## Osaka City

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[www.osaka-saisei.jp/eng/index.html](http://www.osaka-saisei.jp/eng/index.html)

### Port of Osaka: Playing a Vital Role in the "Super Gateway" Plan

The Port of Osaka plays a pivotal role in Japan's continued success in the export arena. It plays an equally important role in the inflow of products and raw materials to Japan as well as facilitating the domestic movement of products, finished or otherwise.

To strengthen this role, a logistics and manufacturing cluster is being developed on a 140 hectare piece of land at Yumeshima, comprising a three-berth integrated container terminal, to support next-generation industries. Operations at Yumeshima began in October 2009.

The completion of the Yumesaki Tunnel in August 2009 has contributed greatly to the realization of plans to make the Port of Osaka and its adjoining ports the true "Super Gateway Port." In addition, Sakishima is undergoing conversion in order for its facilities to accommodate multi-purpose foreign-trade vessels, specialized vessels, domestic Roll on/Roll off (RORO) vessels and ferries.

The high concentration of distribution centers, warehouses and logistics control centers within the same vicinity as companies such as the Asahi Glass Panel plant, Panasonic Energy Company's Lithium Rechargeable Battery plant, Sharp LCD Panel-Solar Cell plant and others, promises to bring greater balance between export and import cargo handled through the Port of Osaka. This will also contribute to the daily lives of the citizens of the Kansai area through enhanced job prospects.

#### Some exciting facts about cargo handling at the Port of Osaka (2008 figures)

Domestic cargo: 56,952,279 tons 61% of total cargo  
Foreign cargo: 36,008,191 tons 39% of total cargo  
Total: 92,960,470 tons

#### Domestic cargo

Outgoing: 23,596,516 tons  
Incoming: 33,355,763 tons  
Total: 56,952,279 tons

#### Foreign cargo

Export: 11,552,910 tons  
Import: 24,455,281 tons  
Total: 36,008,191 tons

Coastal ferries: 64%  
Coastal Conventional  
Ferries 36%

Foreign container  
vessels 83%  
Foreign trade  
conventional vessels 17%

No	Outgoing (Top items)	Incoming (Top items)	No	Export (Top items)	Import (Top items)
1	Finished cars 75%	Finished cars 59%	1	Steel products 17%	Cloths, shoes, Everyday items, 18%
2	Steel products 7%	Steel products 12%	2	Industrial machinery 16%	Electric machinery 12%
3	Mixed lots 5%	Cement 7%	3	Synthetic resin, paint, dyes, and other chemicals 9%	Furniture and fitment 6%

## Osaka Foreign Business Spotlight: David Syrad, A.K.I. Ltd. (Market Entry Consultants)



### **Tell us about yourself**

I was born in the UK and spent time in Singapore and Malta while growing up.

After graduating from London University with a degree in English literature, I spent a year in Italy teaching at a university.

I came to Japan in 1979, and for two years I taught English in Yokkaichi (Mie prefecture) and learnt Japanese. I then spent 6 months in Yokohama working for Interworld. I was delighted when Mike Galbraith, the owner of Interworld asked me to set up an Osaka branch of the company. I met my wife Tomoko then and so cemented a lifelong connection with Osaka.

In 1983, I returned to the UK with Tomoko to help with the family consulting business and soon expanded it to include a Japan Market Entry service. Later, I joined a large UK manufacturing group, GKN plc, as Far Eastern Market Co-ordinator, to gain more experience.

This grand title included running errands, Japanese translation and interpreting, Joint Venture (JV) negotiations and sales.

Following our first successful negotiation, I was transferred to the new JV in Telford. Later they discovered that I spoke Italian, French and German so added responsibility for European sales – unfortunately they forgot to add any additional salary to go with the expanded role. I spent 5 years in the UK and 4 in Italy with GKN, then moved to an MBO in the UK, European Automotive Components.

I returned to Osaka in 1997 to manage the Asian businesses of Inalfa Industries BV, a Dutch multinational.

In all, I have spent 24 years in the automotive industry in various parts of the world and have set

up businesses and managed projects across Europe, the USA and Asia.

In 2007, I set up my own consulting company and attempted to escape from the automotive industry, but still find that half our projects are automotive-related. I am studying arbitration and am an associate member of the CIArb, am a member of the BCCJ and ACCJ and am the Japan representative of the Royal Commonwealth Society. I acted as an inward investment consultant for Osaka City in 2007 and still occasionally assist with introductions and attend events.

### **Tell us about your company**

When I set up A.K.I. Japan Limited in 2007, I expected to lead a leisurely life advising a few companies and spending a lot of time canoeing. I am working just as hard as when I was a company employee! It has been a lot of fun though, getting to know a wider range of businesses. We have 15 consultants with various specializations and we have assisted companies from all over the world.

Our services include: market research, strategy creation, sales representation, company set-up and management, negotiation support, manufacturing feasibility studies, outsourcing studies, turnaround support and cross-cultural facilitation and coaching. A key contribution we make with all our customers is helping them to adjust their strategy and communication style to the Japanese market. Often, we assist established companies to resolve internal or external problems by facilitating meetings or leading negotiations.

In one recent case, we led commercial negotiations for a European company and achieved a far better than targeted financial result (worth several million Euros) while at the same time improving the relationship with the customer.

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## Osaka Foreign Business Spotlight: David Syrad...cont'd

In the Kansai area we have helped a medical equipment component manufacturer and in Tokyo, supported KDDI-BT in formulating a market strategy and presenting a bid for business in Japan with a mixed Japanese and UK team. Our ICT team has also set up and runs operations for Abilis software and One-Spin solutions.

In Korea we are leading a turnaround and negotiation team at a Korean component manufacturer.

### What's your vision for the future of your organization in Kansai and in general?

We firmly believe that the Kansai region will be a source of innovation and a leader in globalization. As Japanese business globalizes Kansai companies will be at the forefront and we will be there to assist them. As a centre for medical, biotech and electronics-related activities, Kansai possesses the skills and knowledge base on which many future businesses will be built.

This makes the region potentially very attractive for foreign investors as well. Our mission is to act as a bridge in both directions, helping foreign companies to succeed in Japan and Japanese companies to succeed in overseas markets.

A.K.I. Limited has already expanded from its base in Osaka and has Japanese consultants and others of various nationalities in Osaka, Nagoya, Yokohama, Tokyo, Seoul, London, Milan, Krakow and Detroit.

From this strong foundation, we intend to expand our global customer base and help them to grow profitable businesses around the world. We will remain based in Kansai and will try to bring investors to the region to grow our business here.

### What is the attraction of Osaka as a place to do business?

Osaka's greatest asset is its people. Before founding A.K.I., I set up and ran a manufacturing company here for a Dutch multinational. Many of the employees were temporary or part-time, but their commitment and loyalty were fantastic and the atmosphere in the company was warm and friendly. The team also had a flexible approach to problem solving, and were not afraid to speak their minds. This allowed us to rapidly identify potential problems and nip them in the bud.

I received excellent support from Osaka City in setting up the company and was able to claim incentive payments for the permanent staff I hired.

As an entry point for foreign investors, Osaka offers low land and labour costs and a skilled and flexible work force. It also offers a central location with easy access to Tokyo, Nagoya, Hiroshima, and Kyushu.

Osaka also offers all the facilities of a major city without the overcrowded transport systems and high prices of Tokyo. The international school in Senri is a very valuable asset. Both of my children have studied there and gained a world-class education.

Although much of my work is now in other parts of Japan, Asia, or Europe, it is always a pleasure to come back to Osaka at the weekend, relax amongst friendly people and enjoy skiing and kayaking; and I can reach the mountains, Lake Biwa or my favourite local river – Seta Gawa in less than an hour.

### What weaknesses do you see for the Osaka-Kansai business area in regard to foreign investment?

Osaka needs to improve its connections to the world. Kansai airport is expensive and inconveniently located. Despite this, there have been moves to reduce Itami to a cargo facility. While Haneda expands to offer quick and convenient access to Asia and beyond, Osaka and the Kansai region is moving in the opposite direction and trying to make access less convenient – not the right way to keep existing businesses or attract new investors. This compounds the inconvenience imposed by the Japanese government in requiring even residents to go through a time-consuming fingerprinting and photo routine every time they re-enter the country. This is not seen as necessary in Korea, China or even the UK where there is a real threat of terrorism.

A.K.I. Limited consultants fly all over the world in support of our customers. Time saved in travel and immigration procedures is time available to spend with our friends and families. Lack of language skills in the workforce can be a limiting factor, but I have successfully overcome this in the past by sending staff on very intensive, short seminars with our partner company Interworld.

Since 2003, **Osaka City** has been seeking to attract individuals, businesses, and educational institutions that can contribute to the dynamism, creativity, and vibrancy of the Osaka area. Contact us with feedback and suggestions at: [y-bouno@city.osaka.lg.jp](mailto:y-bouno@city.osaka.lg.jp)