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SelectUSA: Enhanced, Engaged . . . and Over Here

By Andrew Wylegala

Investment promotion topped Commercial Service Japan's (CS-J) busy month with a showcase at Ambassador Kennedy's residence on March 3 to launch enhancements to the SelectUSA program announced by President Barack Obama at the fall 2013 Investment Summit in Washington, DC.

The ambassador was joined by SelectUSA Executive Director Vinai Thummalapally, former US Ambassador to Belize.

SelectUSA is a U.S. Department of Commerce program that enjoys participation across the federal government under a group co-chaired with the White House National Economic Council.

In addition to presenting the enhancements for prospective investors and the economic development community, the event underscored why the United States is a top investment destination, especially for Japanese firms.

In addition, we spotlighted four investments into the United States, and a notable one into Japan. Finally, Ambassador Kennedy thanked the Japan delegation to the summit for their commitment to investing and strengthening US–Japan ties.

As Minister of State for Economic & Fiscal Policy Akira Amari and Ambassador Kennedy stressed in their remarks, few aspects of the broad US–Japan partnership are more mutually beneficial than investment.

The ambassador quoted Secretary of State John Kerry's summit statement that "foreign policy is economic policy," in emphasizing that strong, growing investment ties are a key component of President Obama's "Asian rebalance," which she noted is "real and creating lasting change."

Dynamism was the first keyword for the night. Japan has resumed as a US-anchored powerhouse in cross-border direct investment, even while, globally, the recovery of FDI flows paused during 2012–13.

Bucking the trend, Japan registered in 2012 its second-highest outbound investment level and, according to JETRO, sent 26 percent of that \$122 billion to US shores.

During 2012–13, Toyota, Nissan, and Honda expanded their already sizeable US footprints, helping spur a budding renaissance in US manufacturing. So what's new? While the two countries are well-established investors in one another, a new wave of investment is underway, embracing new sectors.

How about the rental of dust-control waterless mats and mops? Leslie Ken Yamada, president of Sanikleen Corporation, shared his dreams: to meet Ambassador Kennedy (achieved) and to introduce the company's successful model to Hawaii (well underway with SelectUSA help).

An example of a large-scale partnership was celebrated earlier that day when Ambassador Thummalapally witnessed the signing of a memorandum of understanding between Osaka-based Daiwa House Co., Ltd. and Dallas-headquartered Lincoln Property Company to develop \$1.5 billion worth of multi-family homes over three years, beginning with a joint project in Fort Worth, Texas.

Mutuality was the second theme as Amari and others stressed that the benefits of cross-border direct investment are multi-directional, flowing well beyond the country of investment, in the form of repatriated earnings, access to new markets, and the capture of ideas, talent, and innovation that arise when individuals from diverse backgrounds work together.

However, the reception was about more than two-way benefits from one-way investing. Ambassador Kennedy stressed the significance of the opposite flow: United States to Japan. US companies have invested almost \$5 trillion overseas and the US government supports this contribution to the US and global economies, and works to ensure that our firms find a welcoming environment.

Expect to hear more about SelectUSA throughout Japan and another 31 markets identified as program priority markets, covering the bulk of US investment, thanks to the upgrading of information, ombudsman, and advocacy services, as well as congress's action on President Obama's call to fund SelectUSA.

In Japan, CS-J will step up its work with the Association of American State Offices, JETRO, the JCCI, the ACCJ, and the Japanese government. Further, we will repeat last year's over-subscribed Investment Roadshow through Tokyo, Nagoya, and Osaka on May 19–23 to offer Japanese companies, especially SMEs, "a selection they simply don't want to refuse."