

State of Nebraska
Department of Economic Development
Japan and China Center Report
January 14, 2014

We would like to thank the Nebraska Legislature for its continued support of Nebraska's two overseas trade and investment offices, located in Yokohama, Japan and Shanghai, China. Nebraska Center Japan and Nebraska Center China have been extremely beneficial to Nebraska in all areas of focus including foreign investment, exports, agriculture promotion, university partnerships, and general promotion of the state.

Pursuant to LB195, Section 223, the Department of Economic Development hereby submits a report electronically to the Appropriations Committee of the Legislature regarding the activities and accomplishments of the Japan and China international trade offices no later than January 15, 2014.

Nebraska Center Japan

The Nebraska Center Japan opened in December, 2006, and has been headed by Koji Nagasaka, Executive Director of the office. Also working at the Yokohama-based office is Hisami Imagawa, Office Manager.

In September, 2013, the Nebraska Center Japan coordinated a trip to Japan by Nebraska Lt. Governor Heidemann where he met with manufacturing company Morio Denki. The Lt. Governor and Morio Denki president Mataichi Sakai jointly announced the company's plans to open Morio Denki's first U.S. operation in Lincoln by the end of this year. The Japan office continued to work with Morio on their U.S. plans and the company did open their operations in Lincoln, in late December, 2013. The official opening ceremony is planned for January 17, 2014.

Lt. Governor Heidemann also met with Leaders of the Marubeni Corporation, and discussed their recent acquisition of Gaviion for \$3.6 billion. Assurances were given that operations would continue to be located in Omaha and that their new \$44million U.S. HQ building in Omaha to house 400+ Nebraska workers was almost complete.

The Lt. Governor also made a presentation to over 300 Japanese business leaders at the 45th Annual Midwest US Japan Association Conference, and then had numerous private meetings with Japanese companies specifically looking at investing in the U.S.

Japan is the largest overseas investor in Nebraska. There are approximately 35 businesses in Nebraska that are Japanese owned. Our Japan office strives to keep good relations with the companies already invested here, as well as promote new investments in the state.

This year saw a number of developments on the investment front. Aside from Morio Denki and Marubeni, a subsidiary of Mitsubishi, Agrex Inc., announced its plans to build a 2.6 million bushel BNSF shuttle loading facility at Laurel, Nebraska.

ITOCHU Corporation, along with Flint Hills Resources and Benefuel Inc., have invested in a next generation biodiesel fuel project located in Beatrice and they are retro-fitting an existing facility to produce 50-million-gallons-per-year.

NTT Group, a Japanese telecommunications firm has acquired technology security provider Solutionary, which will remain headquartered in Omaha. Solutionary, with 175 employees in Omaha, will operate as a wholly owned subsidiary of NTT, the Nippon Telegraph and Telephone Corp.

The Nebraska Center Japan is also focused on assisting Nebraska companies to export their products to Japan. The office is assisting Laurel BioComposite to get their product into the Japanese market. Office staff helped Oxbow Pet Products to negotiate a deal with a new Master Distributor in Japan that should dramatically increase their exports from Murdock, Nebraska. The office helped Right at Home Senior Care out of Omaha to locate and sign a Master Franchisee that will cover all of Japan. Various export assistance was given to many other Nebraska companies such as Earth Plantation, Robot Designs, Bedient Pipe Organ, Werner Enterprises, National Manufacturing, Bruckman Rubber, and Geist.

Nebraska Center Japan staff also attended 5 trade shows throughout the year where they presented the state and represented numerous Nebraska companies and organizations. One such show was the Saitama Import / Export show held in March, 2013, that had over 16,000 business representatives attend the show and our state booth introduced them to material from Bruckman Rubber, National Manufacturing, Bedient Organ, Design Plastics, UNL Food Processing Center, Kawasaki Heavy Industry, Werner Enterprises, and UNMC's UneMed Corporation. Materials of Nebraska Advantage and Nebraska Center, Nebraska travel brochures were also displayed.

The Nebraska Center Japan also has a key focus on agriculture development for the state. The office has continuing business development efforts with the Nebraska Corn Board, the Nebraska Department of Agriculture, Nebraska Cattlemen, Scoular Grain, Nebraska Prime Group, Earth Plantation, and other agriculture companies, associations, and boards. Koji has also helped to market Nebraska agriculture products to numerous companies in Japan such as Cargill Japan, Swift, Itochu, Yoshinoya, Sumikin Bussan, Sagami Food Chain, Imperial Hotel, and Don Restaurant chain, among others.

In July, 2013, the Nebraska Center helped to arrange and attended a US Beef Export Trade Seminar and Tasting Campaign at Hotel Okura sponsored by US Meat Export Federation. More than 40 US corn/soybean/cattle raisers attended, out of which the Nebraskan delegation had the largest number of attendees including Mark Jagels - US MEF Chair Elect, Dale Spencer - Nebraska Cattlemen Chairman, Tim Scheer - Nebraska Corn Board Director, as well as Andy Chvatal & Ron Paveloka of the Nebraska Soybean Board.

Koji has helped to move efforts forward for Nebraska Prime Group & Hannan Corporation. Hannan Corporation is a meat distributor in Osaka that attended a March Nebraska Beef Luncheon, and started purchasing the brand beef called “Western Reserve” from Hasting Packer “Nebraska Prime Group.” The Nebraska Center is working with them on a marketing campaign through Hankyuu Group’s supermarket chain.

In April, 2013, in celebration of beef import regulation ease-up in Japan, Cargill and Marudai Food Company jointly held a special beef seminar and food tasting party in Tokyo and Osaka. The NE Dept of Agriculture helped to sponsor the event and the Nebraska Center assisted.

In March, 2013, the Nebraska Center and the NE Dept of Agriculture hosted a special beef luncheon to celebrate the easing-off of the beef import restriction in Japan. Attending were 12 important customers of Nebraska beef. Nebraska Center assisted for the setting up of the reception, appointment of the customers, sending out of the invitation cards and interpretation at the party.

Nebraska Center China

Nebraska Center China was officially opened in March, 2013. Wei “Robert” Cai is the Executive Director and jiajun “Abe” Xu is the Office Manager. Initial activities were related to getting the office up and running as well as creating a Chinese / English website and marketing material. Office staff made trips to various connections the state has in China including our two Sister Provinces (Guizhou and Shaanxi), national and regional government leaders and numerous private sector contacts.

The Office Manager next traveled to Nebraska to meet a number of government and business leaders. This included a trip throughout Nebraska to get familiar with the various communities and business climate of the state.

The following months’ activities were focused on promoting Nebraska to companies in China for potential investment, as well as a key focus on assisting Nebraska companies looking to export to the China market.

Office staff went to 5 different cities in China and made presentations to chambers of commerce and other business associations promoting the benefits Nebraska has to offer to foreign companies looking to invest in the U.S.

The office has assisted companies from all over Nebraska in their efforts to do more business in China, including Bruckman Rubber, Werner Enterprises, Valmont Industries, Reinke Irrigation, Koley Jessen Law Firm, LI-COR, Acton International, Bedient Pipe

Organ, Speedway Motors, Laurel BioComposite, and Paraclipse.

Services to these companies were varied by need of the business. Services provided included translation and interpreting, market research and risk analysis, company background investigations, assistance with travel arrangements and logistics in China, business matchmaking, and general consulting.

The Nebraska Center China secured a booth at Shanghai's largest import/export show in August and represented 5 Nebraska companies at the show and had one Nebraska company, Paraclipse, travel to China to participate in the show.

The Center has done market research on various areas in China and made recommendations as to what business opportunities exist in those locations. We disseminated this information to the appropriate Nebraska businesses.

The Nebraska Center has had great success in encouraging Chinese companies to travel to Nebraska to look at business opportunities here including investing here, as well as purchasing Nebraska products. In 2013 we had approximately 15 groups travel to our state comprised of over 60 business representatives from China. Three of these companies decided to set up their US headquarters and operations in Nebraska and we are currently working with these companies to move these plans forward. We are hopeful that we these three companies will finalize these developments in early 2014 and will proceed with official announcements.