

Eustis and Japan Opportunities

Florida and Japan's Economic Relationship

(see Florida-Japan-Linkages PDF)

Florida serves as a convenient base for Japanese companies wishing to expand into the Southeastern US and into the Latin America and Caribbean region. Japan is the 6th largest foreign investor in Florida, with more than 200 Japanese companies employing more than 22,400 Floridians with holdings totaling more than \$5.2 billion. Bilateral trade between Florida and Japan exceeds \$6.6 billion annually, making it Florida's 2nd largest bilateral merchandise trade partner in the Asia-Pacific region and Florida's 7th largest partner overall.

In 2022, Japan imported approximately \$636 million in goods from Florida seaports and airports. Automobiles and related products account for almost 81% of all exports from Japan to Florida, with the Port of Jacksonville consistently serving as one of the top three ports for unloading Japanese vehicles for the United States. Additionally, auto parts from Japan are shipped through Florida's distribution centers to part centers throughout the United States.

Florida and Japan have a strong economic relationship, with trade between the two regions growing steadily. Here are some highlights of their economic ties:

Import:

In 2022, Japan imported approximately \$636 million in goods from Florida seaports and airports. Automobiles and related products account for almost 81% of all exports from Japan to Florida, with the Port of Jacksonville consistently serving as one of the top three ports for unloading Japanese vehicles for the United States. Additionally, auto parts from Japan are shipped through Florida's distribution centers to part centers throughout the United States.

Trade:

In 2022, the total bilateral merchandise trade between Florida and Japan was \$6.6 billion, making it Florida's 2nd largest bilateral merchandise trade partner in the Asia-Pacific region and 7th largest partner overall.

Additionally, Florida is home to over 200 Japanese firms which invest billions into the state economy. Florida's top exports to Japan are citrus fruit and fertilizers, while Japan's top exports to Florida are vehicles and machinery.

Companies:

Many Japanese companies have operations in Florida, creating well over 22,000 jobs. More than 30% of Japanese companies in Florida are based in Miami-Dade. Florida is home to more than 200 Japanese firms that invest billions in the Florida economy. Companies like Holdings Inc., Bridgestone Corporation, Canon Inc., Dai-ichi Life Holdings, Inc., Fujitsu Future Studies Center Ltd., Hino Motors Ltd., HIREC, Hitachi Ltd., Hitachi Research Institute, Honda Motor Co. Ltd., ITOCHU Corporation, Japan Airlines Co. Ltd., Japan Institute for Overseas Investment, Japan Machine Tool Builders' Association, Japan-China Economic Association, Marubeni Corporation, Mitsubishi Corporation, Mitsubishi Electric Corporation, Mitsubishi Heavy Industries Ltd., Mitsui & Co. Ltd., Mitsui O.S.K. Lines Ltd., Mitsui Sumitomo Insurance Co. Ltd., Mizuho Bank Ltd., Mizuho Research & Technologies Ltd., MUFG Bank Ltd., NEC Corporation, NEC Space Technologies Ltd., Nippon Life Insurance Company, NS Solutions Corporation, Okaya & Co. Ltd., Shimizu North America LLC, SoftBank Group Corp., Sojitz Corporation, Subaru Corporation, Sumitomo Chemical Co. Ltd., Sumitomo Forestry Co. Ltd.,

Taisei Corporation, Teijin Limited, The Society of Japanese Aerospace Companies (SJAC), Tokio Marine & Nichido Fire Insurance Co. Ltd., Toshiba Corporation, Toyota Motor Corporation, and Toyota Tsusho Corporation.

Memorandum of Cooperation (See Attached)

October 12, 2023, Florida and Japan signed a Memorandum of Cooperation on Economic and Trade Relations. The MOC outlines areas of cooperation, including infrastructure and technological projects, capacity-building support, and cooperative research and development. The Department of Commerce, Select Florida and the Department of State are designated as the city of Eustis' contacts with the state.

This MOC confirms that Japan and Florida intend to further cooperate in mutually beneficial areas, such as Infrastructure and Ground Transportation; Aerospace, Aviation and Defense; Logistics; Clean Energy and Sustainability; Life Sciences and Biotechnology; Academic Cooperation; and Sister Cities, Sister States and Sister Ports Partnerships.

Japan and Florida share deep economic ties, and many Japanese companies have operations in the state, creating approximately 22,000 jobs. It is expected that the signing of this MOC will further deepen the good relationship between Japan and Florida.

Some of those areas of agreement are:

- Academic Cooperation: Welcoming the active exchange programs between high schools, universities and research institutions between Japan and Florida, and the resumption of people-to-people exchange, Both Sides look forward to enhancing further collaboration, supporting and facilitating exchange programs, researcher-to-researcher exchanges and academic collaborations.
- Life Sciences and Biotechnology: Both Sides note that life science and biotechnology are now the leading Florida export to Japan, and welcome that Japanese companies are increasing their investment in those areas in Florida. Both Sides will strengthen their exchange of information, research and development of innovative technologies in this area.

https://www.mofa.go.jp/press/release/press4e_003310.html#:~:text=Japan%20and%20Florida%20share%20deep,%5BReference%202%5D

Brief Introduction to Japan

Government:

The Constitution of Japan was implemented in 1947. They have a parliamentary system of government, which is divided into three branches: the legislative branch, the executive branch, and the judicial branch.

Geographic and Economic Areas:

Japan is divided into 9 regions, which are split into 47 smaller prefectures. The current system of Prefecture came into existence after the abolition of the Han system in July 1871.

Prefectures of Japan is something unique to the Island of Japan, but is be comparable to a state in the Untied States. Each prefecture is subdivided into cities and districts then the district is further subdivided into towns and villages.

Cities in Japan have special designations based on population -the designated city (population greater than 500,000), the core city (populations under 300,000 but over 200,000), the special city (population of at least 200,000) , and the regular city (population of at least 50,000). These designations are formally passed by legislature. Other naming conventions are towns and wards for areas with populations lower than 50,000.

Regions and Economics:

As a general overview of the 9 regions, each has local industry specializations, opportunities, available incentives, and unique environments.

Region: Chubu

Prefecture: Aichi, Fukui, Gifu, Ishikawa, Nagano, Niigata, Shizuoka, Toyama, and Yamanashi. Chubu region accounts for 20% of the nationwide share in shipments of manufactured goods and is a catalyst driving the Japanese economy with its manufacturing base.

Region: Chugoku

Prefecture: Hiroshima, Okayama, Shimane, Tottori and Yamaguchi.

The Chugoku Region includes research and development businesses in the fields of electronics, biotechnology, and new materials, and is leading the world with its advanced technical power.

Region: Hokkaido

Prefecture: Hokkaido

The main advantage of this region is its natural environment, allowing the area to have the highest levels of production in agriculture and fisheries.

Region: Kanto

Prefecture: Gunma, Tochigi, Ibaraki, Saitama, Tokyo, Chiba, and Kanagawa.

Kanto region functions as Japan's greatest launch-pad for new businesses and industries, and with Tokyo located in it, the region can be considered Japan's engine.

Region: Kansai

Prefectures: Nara, Wakayama, Kyoto, Osaka, Hyōgo and Shiga, often also Mie, sometimes Fukui, Tokushima and Tottori.

The Kansai region in Japan is located in the heart of Japan. Including the three major cities of Kyoto, Osaka and Kobe, the Kansai region has the nation's second-largest economy, with a population of over 20 million.

Region: Kyushu

Fukuoka, Kagoshima, Kumamoto, Miyazaki, Nagasaki, Ōita, and Saga

Region: Okinawa

Prefecture: Okinawa

Thanks to their location, both Kyushu and Okinawa are strategic regions for Japan to connect with nearby Korea, China and the whole East Asia region in general.

Region: Shikoku

Prefectures: Tokushima, Kagawa, Ehime, and Kochi.

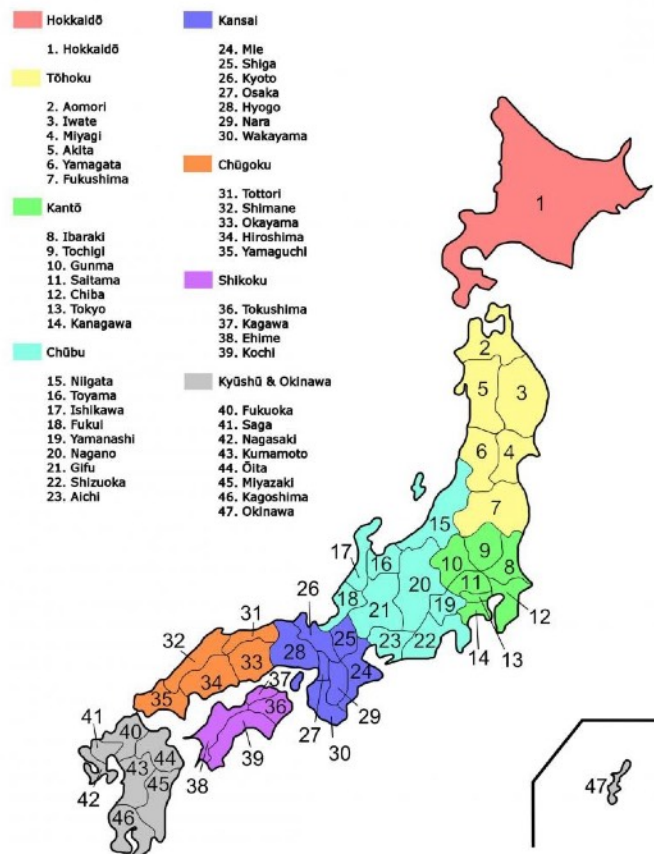
Agriculture industries are well developed in the region and provide a gross domestic product that is higher than the average when compared to other areas of Japan.

Region: Tohoku

Prefectures: Aomori, Akita, Iwate, Yamagata, Miyagi, and Fukushima

Tohoku region is specialized in the electrical machinery and food industry sectors. Among Tohoku's trading partners, Asia and North America are in top positions.

Regions and Prefectures of Japan



Eustis as a Sister City

Establishing a sister city relationship between a Eustis and a Japanese city of comparable size can offer many benefits, but also presents challenges. This relationship has the potential to foster valuable cross-cultural connections, economic growth, and educational exchange. Success depends on careful planning, clear goals, and open communication between the two cities to ensure mutual benefit and avoid misunderstandings. Several Florida cities currently have a mutually beneficial relationship with Japanese cities.

Current Florida Cities with Sister Cities

Clearwater and Nagano: Sister cities since 1959, these cities have exchanged students, teachers, and delegates for over 60 years.

St. Petersburg and Takamatsu: Sister cities since 1961, these cities participate in a summer cultural exchange with Student Ambassadors.

Delray Beach and Miyazu: Sister cities since 1977.

Orlando and Urayasu: Sister cities since 1989.

Miami and Kagoshima: Sister cities since 1990.

Lakeland and Imabari: Sister cities since 1995.

Pensacola and Gero: Sister cities since 2005.

Largo and Kami: Sister cities for 55 years.

Miami Beach and Fujisawa: Sister cities since 1959.

Wakayama: Sister state to Florida since 1995.

Key Pros and Cons:

Pros:

1. Cultural Exchange:

a. Cultural Enrichment:

Both cities can experience a deeper understanding of each other's culture through festivals, art exhibitions, language exchanges, and educational programs. A cultural exchange with Japan would be especially appealing to our youth, and encouraging additional interactions with the city.

Example: Tallahassee and Sapporo

The sister city relationship between Tallahassee, Florida and Sapporo, Japan has led to cultural exchanges such as art exhibitions, music performances, and festivals. Sapporo's annual Snow Festival and Tallahassee's Japanese Cultural Festival showcase cultural traditions, crafts, and performances from both cities.

b. Tourism Boost:

People from both cities might visit each other more often, increasing international tourism and cultural tourism for both locations.

Example: Key West and Kawajima

Key West, a small but vibrant tourist destination, has a sister city relationship with Kawajima, Japan. This connection has encouraged both cities to promote tourism exchanges. Events such as the Key West Japanese Festival help showcase Japanese culture in Florida, attracting tourists from Japan to Key West and vice versa. This exchange encourages Japanese tourists to visit Florida, increasing local business revenues from hotels, restaurants, and attractions.

2. Educational and Research Collaboration:

a. Student and Faculty Exchange:

Educational facilities in both cities can establish exchange programs or joint research projects.

b. Learning Opportunities:

Schools can offer exchange programs for students to experience life in each other's country, which promotes global awareness and strengthens international friendships.

Example: Orlando and Utsunomiya

This partnership has supported educational exchanges, where students and educators from both cities collaborate on environmental and technology-based projects. UCF and its students benefit from international research collaborations, cultural exchange, and enhanced academic credentials. Additionally, students gain global exposure, which can make them more competitive in the job market. For Orlando, this collaboration also strengthens its profile as an educational hub.

- **Student Exchange Programs:** Local students can gain valuable international exposure, learning about Japanese culture, language, and advanced technologies, while Japanese students experience life in Florida and contribute to local projects.
- **Joint Research Opportunities:** Universities in both cities might collaborate on research initiatives in areas like environmental sustainability, space technology, or robotics, benefitting both the academic institutions and the wider community through shared discoveries and innovations.

3. Economic Benefits:

a. Trade Opportunities:

Sister cities often open avenues for trade, business partnerships, and investments. A Florida city may access Japanese products, technologies, or business networks, while the Japanese city may seek Florida-based products, services, or expertise.

b. Business Connections: The relationship can foster small and medium-sized businesses to explore international markets, especially in sectors like agriculture, technology, tourism, or manufacturing.

c. Joint Ventures: Cities may collaborate on sustainable development, innovation, or infrastructure projects, with potential mutual benefits in areas like green technology, renewable energy, or transportation.

Example: Jacksonville and Nagoya

Jacksonville, a port city in Florida, has a sister city relationship with Nagoya, Japan's third-largest city. This partnership has helped Jacksonville attract Japanese investment and establish business ties, particularly in the automotive and manufacturing sectors. For example,

Mitsubishi Heavy Industries has operations in Jacksonville, and sister city relations often promote further business collaborations between local firms and Japanese companies.

By being linked to Nagoya, Jacksonville has been able to leverage Japan's technological expertise and global trade networks, enhancing its economic position. This includes business ventures and trade, particularly in automotive manufacturing and high-tech industries.

4. Diplomatic and Geopolitical Significance:

a. Strengthened International Ties:

The relationship could enhance diplomatic connections between the U.S. and Japan, helping both cities maintain ties with their respective national governments.

b. Global Positioning:

Florida cities with sister cities in Japan could enhance their international profile, attracting global businesses, tourists, and international investment.

Example: Tampa and Sasebo

Tampa has a sister city relationship with Sasebo, Japan, a city with a significant naval presence. This connection has led to stronger military and diplomatic ties between the two cities, particularly in terms of military cooperation and shared defense interests. Tampa, with its large U.S. military presence (including MacDill Air Force Base), benefits from these diplomatic and defense-related ties, helping to foster a sense of partnership between the U.S. and Japan.

Tampa's sister city relationship with Sasebo highlights the importance of military and geopolitical cooperation. This connection has led to collaboration in areas like defense technology, military training, and even civic engagement related to U.S.-Japan relations.

5. Civic Pride and Community Engagement:

a. Civic Pride:

Residents can take pride in their city's international connections, which can contribute to local identity.

b. Volunteer and Engagement Opportunities:

Citizens, especially youth, may have more opportunities to engage in volunteer programs, cultural events, and collaborative community service projects with their sister city.

Example: St. Petersburg and Kanazawa

St. Petersburg, Florida, is a city with a sister city relationship with Kanazawa, Japan. The partnership has sparked various community driven events such as cultural exchanges, art exhibits, and youth programs. Local St. Petersburg residents participate in volunteer projects, international cultural nights, and even internships in Kanazawa, all fostering a strong sense of civic pride and international community engagement.

The relationship with Kanazawa boosts civic pride, as residents feel connected to a distant but meaningful community. The reciprocal nature of the partnership allows local citizens, especially students and artists, to engage in cross cultural programs, enriching their personal and professional lives.

Cons:

1. Cultural and Language Barriers:

- a. Language Differences:
Language can be a significant barrier in communication, complicating business negotiations, cultural exchange, and even daily interactions.
- b. Cultural Misunderstandings:
Differences in customs, business practices, and social norms may lead to misunderstandings or frustration in interactions between the two cities.

2. Cost and Resource Allocation:

- a. Financial Costs:
Establishing and maintaining a sister city relationship can be expensive. Costs include travel, organizing events, supporting programs, and other logistics that require public or private funds.
- b. Resource Drain:
For smaller cities, the time and resources required to engage in meaningful exchanges and maintain the relationship might strain local government or community organizations.

3. Political and Economic Shifts:

- a. Changing Political Landscape:
The political environment in either country could shift over time, which might impact the sustainability or benefits of the relationship (e.g., trade agreements, travel restrictions).
- b. Economic Disparities:
If the cities have uneven economic development or industry focus, the relationship might not offer mutual growth, leading to potential dissatisfaction.

4. Logistical Challenges:

- a. Distance and Time Zone Differences:
Physical distance and time zone differences can complicate coordination for meetings, events, or even day to day communication.
- b. Travel and Communication:
For cities separated by vast geographical distance, frequent travel between the two may not always be feasible for all parties involved.

5. Impact on Local Identity:

- a. Risk of Overemphasizing Foreign Influence:
Some residents may feel that focusing too much on a sister city abroad could detract from local culture or priorities.
- b. Cultural Conflicts:
Efforts to introduce foreign elements into local traditions or public life might clash with the preferences or values of some community members.