

State of Nebraska
Department of Economic Development
LB 195 Report on International Trade Offices
January, 2015

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 Nebraska Department of Economic Development (DED) hereby submits this report to the Appropriations Committee of the Legislature regarding the activities and accomplishments of the Japan and China international trade offices.

Nebraska Center Japan

The Nebraska Center Japan, Nebraska's trade and investment office in Japan, was established in 2006 and has been headed since that time by Executive Director Koji Nagasaka, assisted by Office Manager Hisami Imagawa. The programs and services provided through here are designed to help Nebraska attract investment from Japan as well as assist Nebraska companies with exporting to the market. The office also promotes agriculture products and educational relationships.

Recent key efforts of the Japan office include assisting Morio Denki with opening its U.S. headquarters and warehouse in Lincoln in early 2014. Morio Denki produces parts for Kawasaki and other rail car companies, and plans to open a new production facility in 2015.

In February 2014, Gavidon opened a new world headquarters in Omaha with a core crew of employees from parent company, Marubeni. Local people also were hired and numerous Japanese executives moved to Omaha from Japan. The Nebraska Center Japan assisted with arrangements and meetings with Marubeni to discuss future projects in Nebraska.

In May 2014, DED representatives traveled to Japan for meetings arranged by the Nebraska Center Japan. Department representatives and Mr. Nagasaka met with officials from three companies considering investments in Nebraska. The team also met with other company officials considering co-research opportunities with universities and private sector companies in Nebraska. Connections also were made with a number of potential customers of Nebraska-made products.

Mr. Nagasaka and Ms. Imagawa worked with NDED to arrange a Governor-led delegation to the Midwest U.S.-Japan Association Annual Conference in Des Moines in September. This is an important conference and association in which business leaders from the Midwest and Japan have met on an annual basis to discuss the growth and progress of economic relations between Midwestern states and Japan.

At the conference, Governor Heineman was able to present the benefits of Nebraska to approximately 200 Japanese business leaders. The Governor also had private meetings with Japanese companies considering investments into the Midwest. During the conference, Nebraska was chosen to host the event in 2018, when it will be celebrating its 50th anniversary.

Stateside in 2014, a subsidiary of Mitsubishi opened a 2.6 million bushel Burlington Northern Santa Fe Railroad shuttle loading facility in Laurel, Neb. Mr. Nagasaka has met numerous times with Mitsubishi to discuss more business opportunities with Nebraska.

ITOCHU Corporation, along with Flint Hills Resources and Benefuel Inc., has invested in a next generation 50-million-gallon biodiesel fuel project currently under construction in Beatrice, Neb. Mr. Nagasaka is a former ITOCHU executive and has met with them about this and other biofuel opportunities in Nebraska.

The Nebraska Center helped Oxbow Pet Products of Murdock, Neb., negotiate a deal with a new Master Distributor in Japan, dramatically increasing their exports.

The Japan office also assisted Right at Home Senior Care of Omaha locate new franchise owners in Japan.

Meetings were held with Kawasaki's purchasing management to research and plan strategies for approaching potential Japanese rail parts manufacturers to locate in Nebraska. These efforts are now underway.

The office is now working with DED to create new Japanese marketing material.

Mr. Nagasaka and Ms. Imagawa attended Select USA events in Tokyo, Nagoya and Osaka. These events are hosted by the U.S. Department of Commerce so that states can make presentations to hundreds of companies looking to invest in the U.S. There were also private meetings and networking events.

Nebraska Center staff has been working with the Trim Corporation in Osaka to find a joint venture partnership with a Nebraska company to bring their glass recycling technology to the U.S.

Mr. Nagasaka has met numerous times with the Daitron Corporation, which operates a manufacturing facility in Lincoln, Neb. This company's growth has been substantial and they are considering an expansion in the future.

The office has worked extensively with Hitachi Zosen to locate a joint venture partner in Nebraska interested in bringing their "energy from waste" technology to the U.S. Hitachi Zosen also wants to bring an energy saving technology for ethanol plants to the U.S., and Mr. Nagasaka is working with the Nebraska Ethanol Board and DED to introduce this technology to Nebraska ethanol plants.

Another ITOCHU-developed technology would help introduce dry corn fractionation to ethanol plants, leading to a wider availability of bi-products. DED and the Nebraska Center Japan are focusing on bringing this technology to ethanol plants in Nebraska.

The Japan office has worked with numerous Nebraska companies, including Bruckman Rubber Co., Hastings, Neb., Laurel BioComposite, LLC, Laurel, Neb., Geist, and Valhallan Papers, Inc., Lincoln, Neb., Werner Enterprises, Omaha, Neb., and LiteForm Technologies, South Sioux City, Neb. to either enter or expand in Japan.

Nebraska Center Japan worked closely with UNeMed, Omaha, Neb., to research medical and life science companies in Japan that might be interested in their technologies for license.

The Center also maintains ongoing business development efforts with the Nebraska Corn Board, Nebraska Department of Agriculture, Nebraska Cattlemen Association, The Scoular Company in Fremont, Neb., Nebraska Prime in Hastings, Neb., and other agriculture companies, associations and boards. Mr. Nagasaka has helped market Nebraska agriculture products to numerous companies in Japan, including Cargill Japan, Swift, Itochu, Yoshinoya, Sumikin Bussan, Sagami Food Chain, Imperial Hotel, and Don Restaurant chain, among others.

Nebraska Center China

Nebraska Center China was officially opened in March 2013. Wei “Robert” Cai is the Executive Director. Jiajun “Abe” Xu was the office manager until this past August when he retired and was replaced by Jie “Jessica” Zhang.

On January 20, 2014, prior to the Lunar New Year, the Nebraska Center China hosted a reception for Chinese business and government leaders to learn about investment and trade opportunities in Nebraska. Mr. Xu followed up with contacts he made at the reception by visiting a number of attending companies and inviting them to Nebraska.

The following months of activities focused on promoting Nebraska to companies in China for potential investment, as well as assisting Nebraska companies looking to export to the China market. Office staff visited companies, chambers of commerce, and business associations in Beijing, Shanghai, Jiangsu and Shandong to promote the benefits Nebraska offers to foreign companies looking to invest in the U.S.

In May 2014, Mr. Xu traveled to Nebraska to help DED staff welcome five different Chinese business groups to the state. These groups specifically came to Nebraska to attend the annual meeting of Berkshire Hathaway. Nebraska Center China staff, DED staff, and several local company representatives hosted a seminar that explained the benefits of investing in Nebraska. As a result, Vintage & Republic, a Chinese clothing company, established a research and design subsidiary in Omaha, Neb.

During the summer, Nebraska Center China worked with Round ‘n Block—an Omaha-based graphic design company—to design a Chinese recruitment brochure for Nebraska. The Center also put together an industry-specific brochure targeting railcar parts manufacturers.

In August 2014, Jiajun “Abe” Xu left the Nebraska Center China to pursue other opportunities. He was replaced by Jie “Jessica” Zhang. Ms. Zhang had worked for the Shanghai Small and Medium Enterprises Association for more than 15 years before starting work at Nebraska Center China. During that time, she helped facilitate overseas trips by Chinese business owners and worked with foreign businesses to establish connections in China.

In September 2014, Ms. Zhang traveled to Nebraska to familiarize herself with the state. While in Nebraska, she met with officials from Oxbow Animal Health, Murdoch, Neb., Life Products, Inc., Norfolk, Neb., Global Partners in Hope, Koley Jessen Law Firm, and Shamrock Development, Inc., all of Omaha, Neb. and the Lincoln and Omaha Chambers. Ms. Zhang also attended the Nebraska Diplomats’ Passport to Nebraska Weekend.

In October 2014, Nebraska Center China arranged a trip to China for DED staff. During this trip, DED staff visited Shaanxi, Sichuan and Shanghai. In Shaanxi, Nebraska Center and DED staff met with representatives of the Shaanxi Department of Commerce, Shaanxi Department of Foreign Affairs, five food processing companies interested in the U.S. market, Xi’an Jiaotong-University of Nebraska American Exchange Center, Yangling Modern Agriculture Development Zone, and Northwest Agriculture and Forestry University. In Sichuan, Nebraska Center and DED staff was invited to speak at the Fifth Western China Finance Forum. Nebraska Center and DED staff also met with members of the Guojia Guanghua Investment Group, which had attended the Berkshire Hathaway Annual Meeting in May. While in Shanghai, Nebraska Center China and DED hosted a large business seminar with more than 200 attendees. Staff from DED and Nebraska Center China also visited a number of companies in Shanghai and Jiangsu.

Nebraska Center has had great success with encouraging Chinese company leaders to travel to Nebraska to get a firsthand look at business opportunities here, including investing here and purchasing Nebraska

products. In 2014, approximately 10 groups comprised of more than 80 business representatives from China traveled to Nebraska. Three companies subsequently decided to establish U.S. headquarters and operations in Nebraska, and the Department is currently working with these companies to help accomplish these goals.

The office has assisted a number of Nebraska companies with efforts to do more business in China, including Paraclipse, Columbus, Neb., Reinke Manufacturing Company, Deschler, Neb., Prairieland Dairy, Firth, Neb., Bruckman Rubber Co., Hastings, Neb., Laurel BioComposite, LLC, Laurel, Neb., Acton International Ltd., LI-COR Biosciences, and Speedway Motors, Inc., Lincoln, Neb., Oxbow Animal Health, Murdoch, Neb., Life Products, Inc., Norfolk, Neb., Global Partners in Hope, Koley Jessen Law Firm, and Werner Enterprises, Omaha, Neb., Bedient Pipe Organ, Roca, Neb., CCS Group, LLC, Seward, Neb., LiteForm Technologies, South Sioux City, Neb., Thurston Manufacturing Company, Thurston, Neb., and Valmont Industries, Valley, Neb.

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. Additionally, the Nebraska Center acts as a first point of contact for Chinese companies seeking business opportunities with Nebraska entities. Nebraska Center China works with DED to hand off this information to the appropriate Nebraska companies.

Nebraska Center China also conducts ongoing research about various industries and regions in China and recommends locations where Nebraska companies are most likely to find business opportunities. In turn, DED staff disseminates this information to Nebraska businesses.