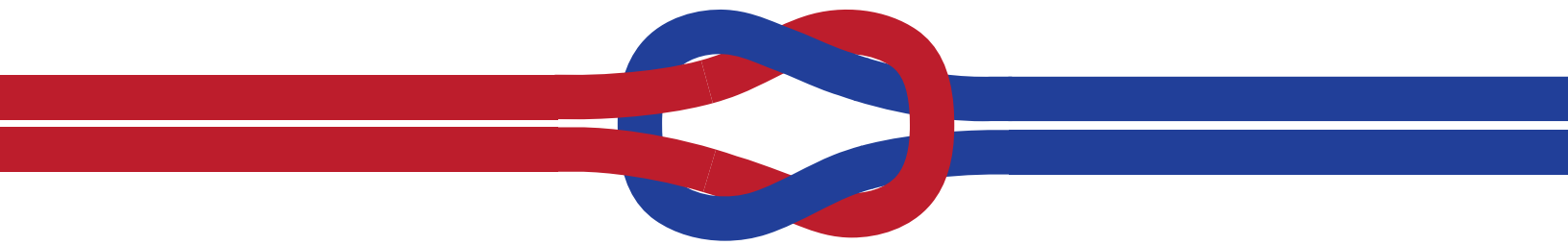


Keidanren



**Toward a Stronger and More Resilient
U.S.-Japan Relationship
2024**

The Importance of the U.S.-Japan Alliance



Keidanren is committed to reinforcing the strength and resilience of U.S.-Japan economic ties by further developing the communication channels between Japan and the United States.

Our two countries can work together in order to resolve various global issues and exercise the leadership needed to maintain and strengthen a free and open international economic order.



“Our cooperation today is unprecedented, rooted in our shared vision of a free and open Indo-Pacific and a peaceful and prosperous world, guided by our shared values including the rule of law...The United States and Japan also reaffirm our economic leadership. As the two largest democratic economies in the world, we look forward to advancing domestic and global prosperity and upholding a free, fair and rules-based economic order.”

From a Joint Statement between President Joe Biden and Prime Minister Kishida Fumio on January 13, 2023

Source: Official Website of the Prime Minister of Japan and His Cabinet (https://japan.kantei.go.jp/101_kishida/actions/202301/_00008.html)

A Balanced Economic Relationship

The United States and Japan are top economic partners and global leaders who should continue to build their relationship into a stronger and more resilient economic alliance. Both countries have demonstrated their mutual commitment to one another through strong trade and investment. The United States is the top destination for Japanese foreign direct investment, and Japan is the United States’ largest foreign investor.

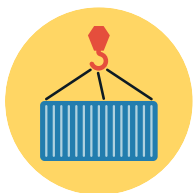
Japan and the United States Are Balanced Partners in Investment and Trade



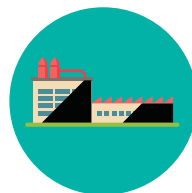
Japan Foreign Direct Investment in the United States
\$775 billion (stock)



U.S. Jobs Created by Japanese Companies
963,400 Americans directly employed (2021)



Japan Imports from the United States
\$120 billion in goods and services (2022)



Japan Plans To Continue Investing
50% of Japanese companies in the United States are considering expansion

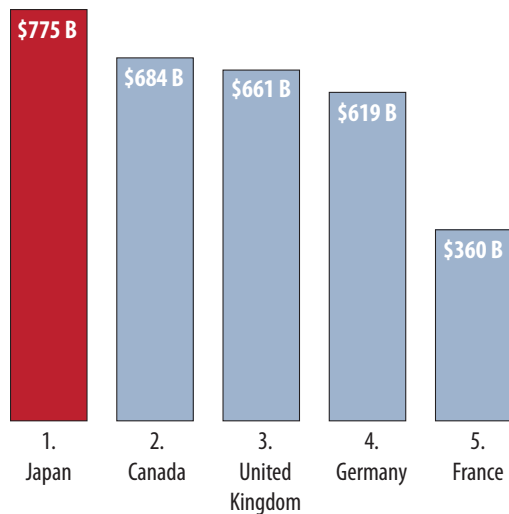
Source: JETRO

Japan Invests in the United States

Japan Is a Leading Investor in the United States

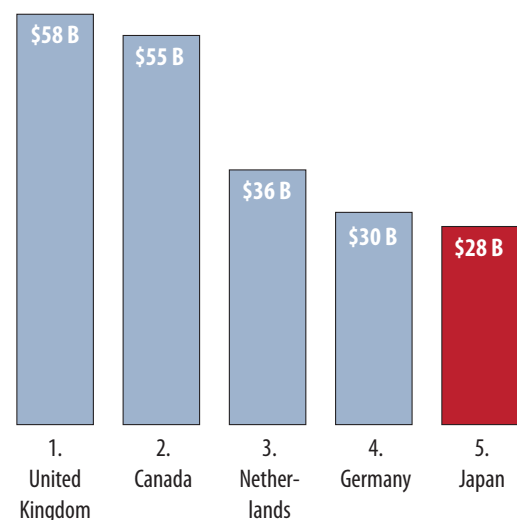
At \$775 billion in cumulative stock through 2022, Japan is *the top* investor in the United States. Moreover, Japanese investment in the United States remains strong, with \$28 billion in investment flows in 2022.

Foreign Direct Investment in the United States by Country (Stock through 2022)



Source: U.S. Bureau of Economic Analysis

Foreign Direct Investment in the United States by Country (2022 Flows)

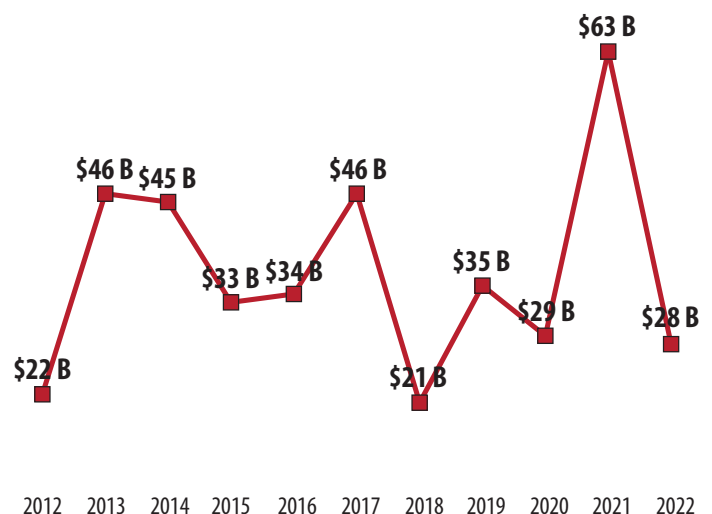


Source: U.S. Bureau of Economic Analysis

Japan Sustains Its Place as Major FDI Contributor to the United States

Japan is one of the largest sources of inbound foreign direct investment (FDI) in the United States annually. Over the past decade, there have been some peaks and dips in Japanese FDI in the United States, but continued annual contributions have raised Japan to the number one investor position.

Japanese Foreign Direct Investment in the United States (Flows, 2012-2022)

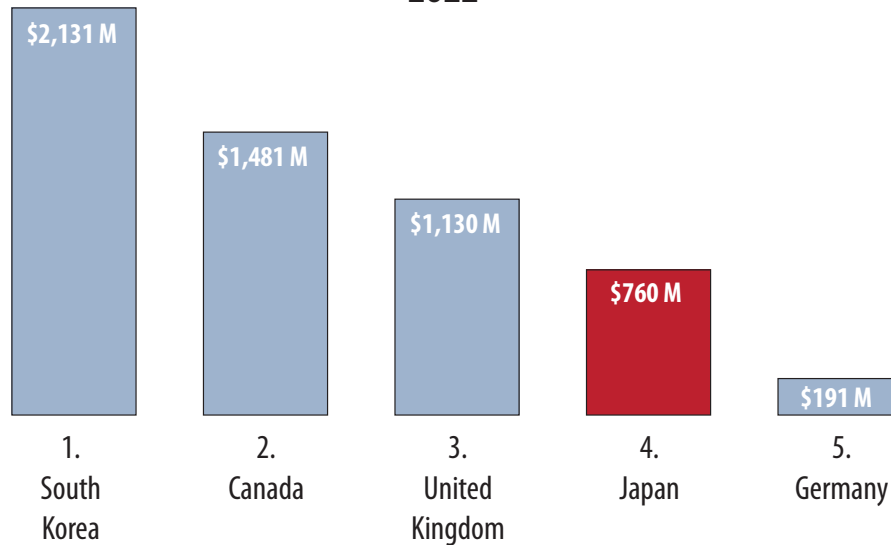


Source: U.S. Bureau of Economic Analysis

Japan Invests in the United States from the Ground Up

In 2022, Japan was the fourth-largest investor in expansions and new U.S. business branches from scratch (greenfield investments), involving every aspect of the United States job market from building construction to information technology to sales.

Greenfield Investments by Country
2022

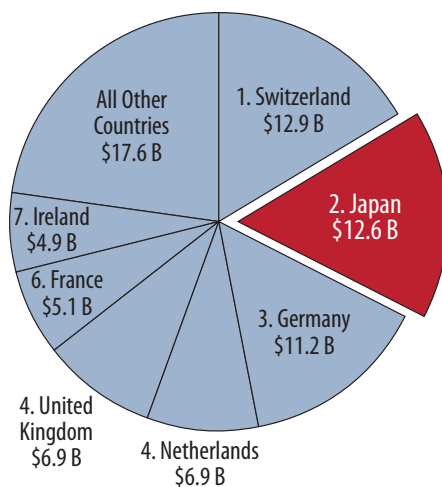


Source: U.S. Bureau of Economic Analysis

Japan Provides High Quality Investment

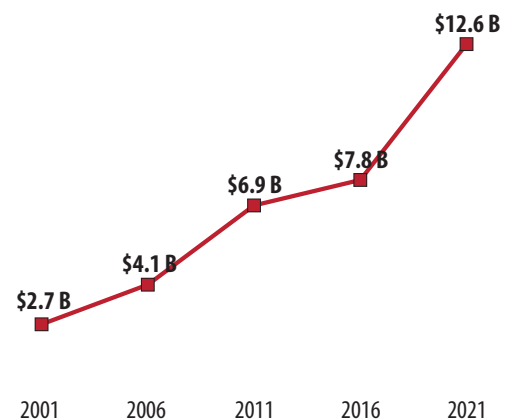
Japanese investment in the United States is focused on research and development (R&D). In 2021, Japanese FDIUS accounted for nearly \$13 billion in R&D. Since 2001, R&D spending by Japanese affiliates in the United States has increased considerably.

Insourced R&D Spending by Country
2021



Source: U.S. Bureau of Economic Analysis

Insourced Japanese R&D Spending
2001-2021



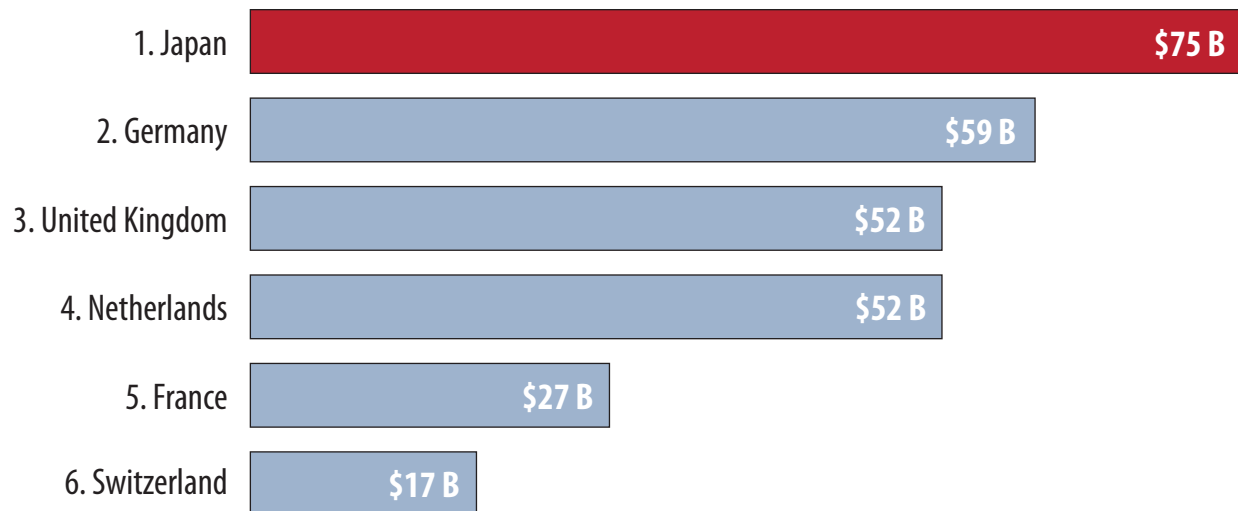
Source: U.S. Bureau of Economic Analysis

Japanese Affiliates Boost U.S. Exports

Japanese Companies Export from the United States

Japanese companies are the largest foreign contributors to U.S. export totals.

U.S. Exports of Goods Shipped by Foreign Affiliates 2021

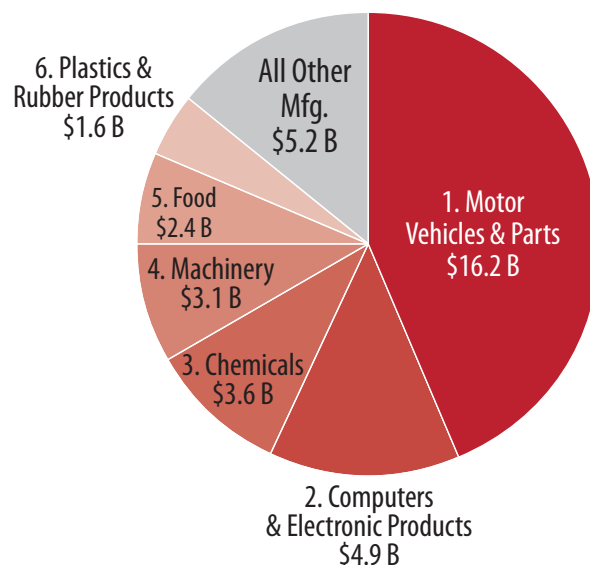


Source: U.S. Bureau of Economic Analysis

Japanese Manufacturing Affiliates in the United States Export a Diverse Variety of Goods

Japanese auto manufacturers in the United States are responsible for nearly 45 percent of all exports from Japanese manufacturing affiliates, while the remaining products come from a wide array of industries. An additional \$37 billion in goods are exported through Japanese wholesale affiliates in the United States, though industry-specific data are limited.

U.S. Manufacturing Exports by Japanese Affiliates by Industry 2021

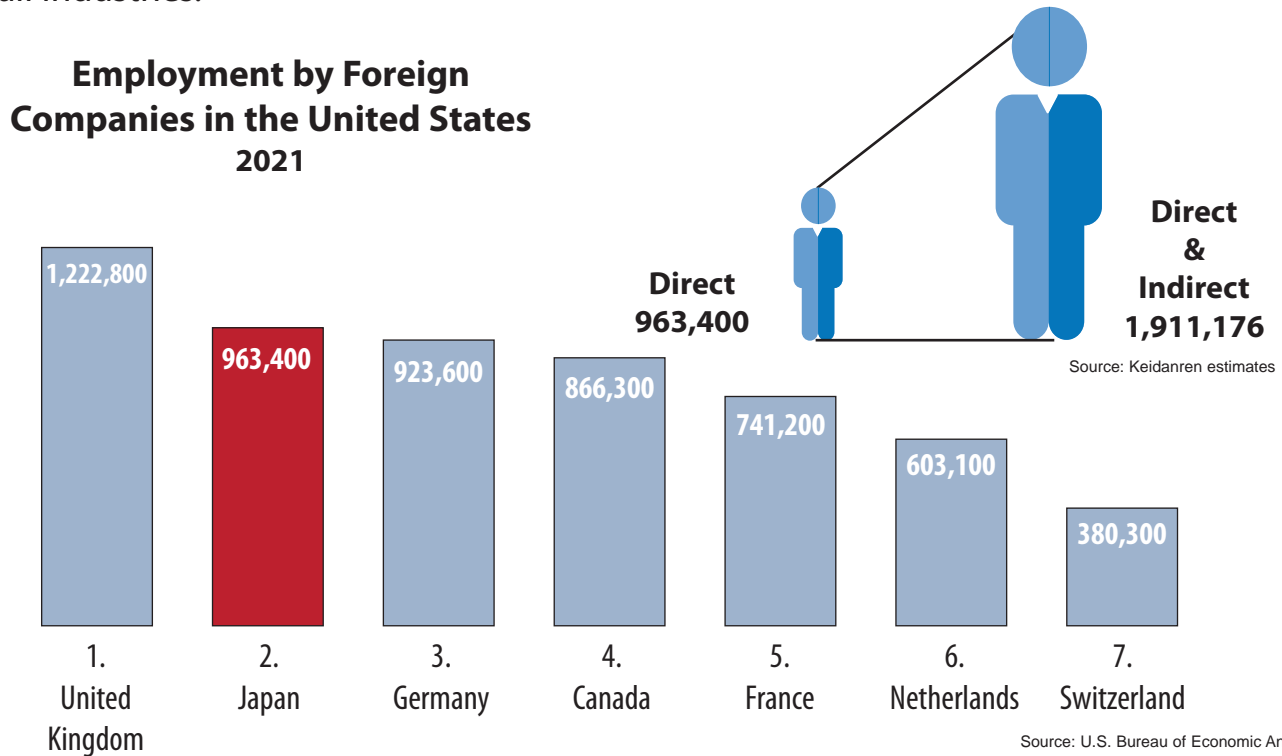


Source: Bureau of Economic Analysis

Japanese Businesses Employ Americans

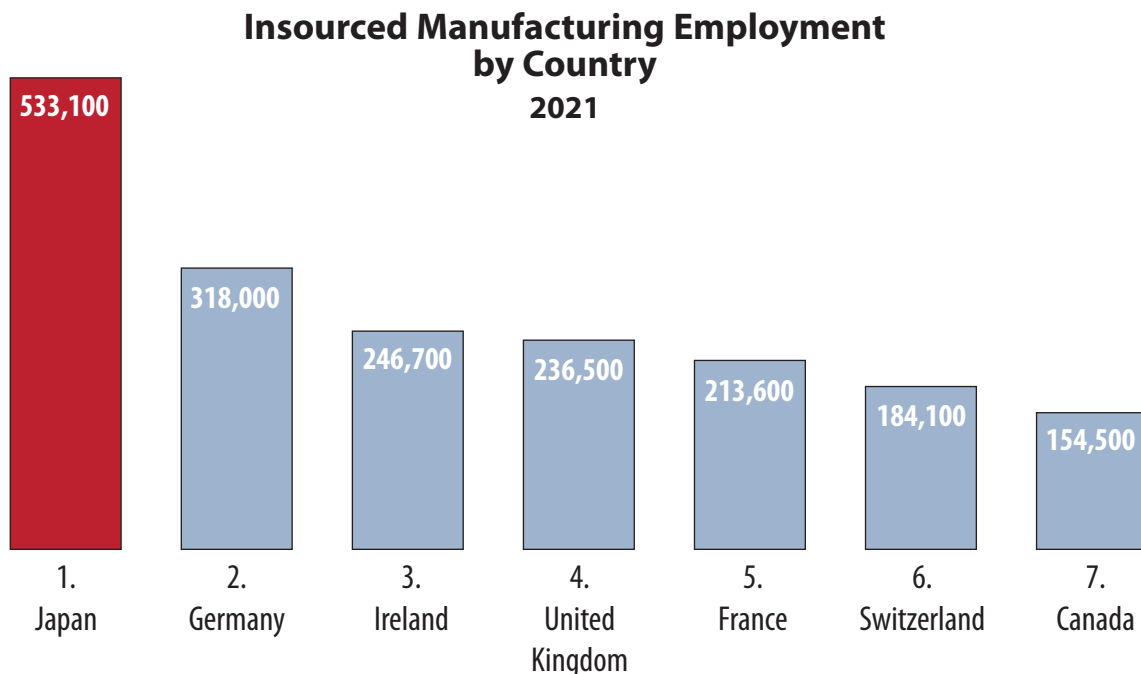
Japanese Businesses Employ Hundreds of Thousands of Americans

In 2021, Japanese companies created jobs in the United States both directly and indirectly across all industries.



Japanese Companies Lead All Foreign Nations in U.S. Factory Jobs

Japanese manufacturing companies employed more than half a million American workers in 2021, far more than any other foreign country.

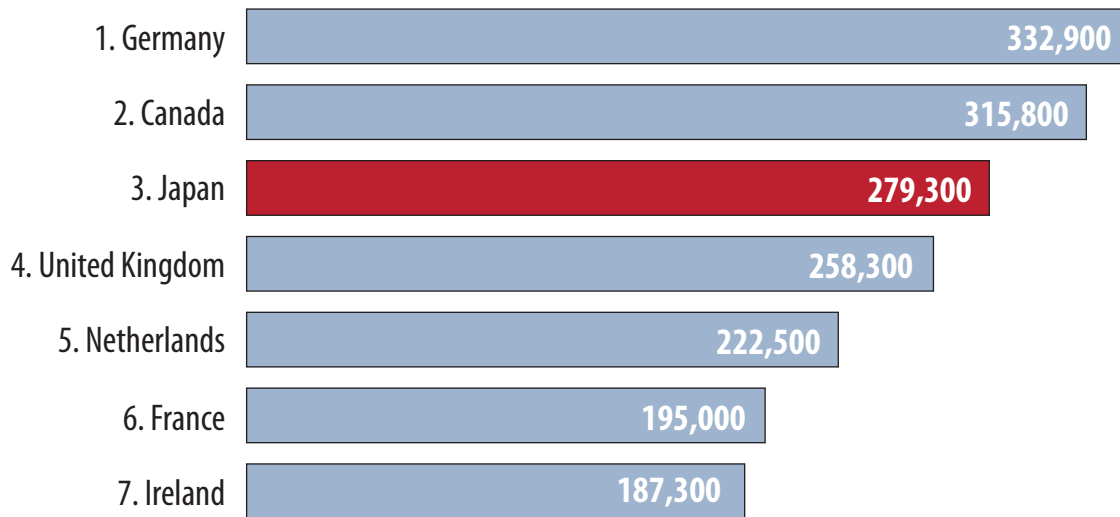


Japanese Businesses **Employ Americans**

Japanese Companies Are Leaders in American Job Creation

Japanese enterprises created some 280,000 new American jobs between 2011 and 2021.

**Insourced Job Creation by Country
2011-2021**

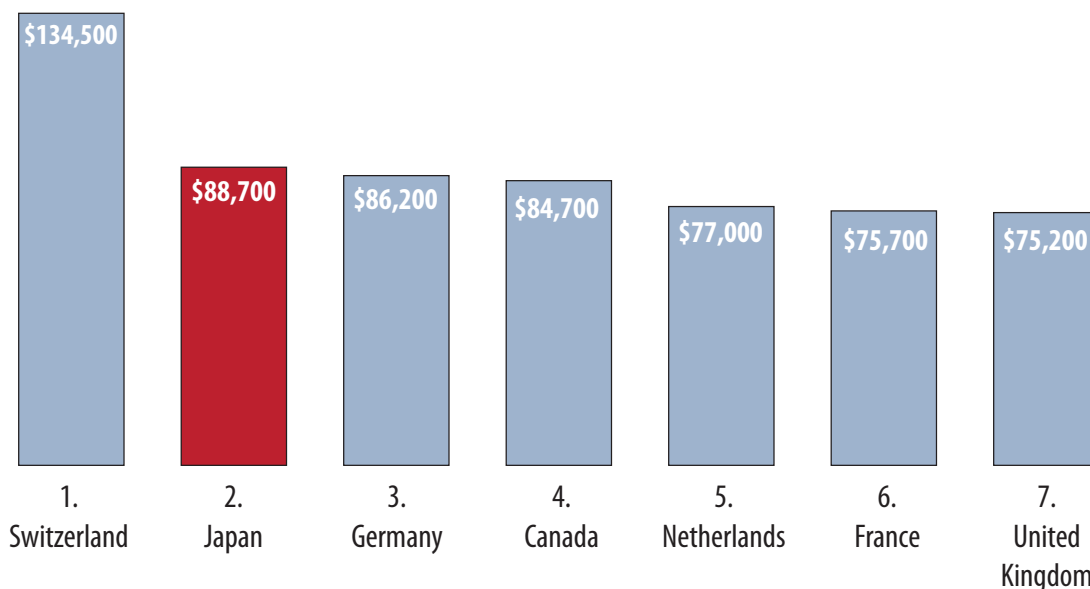


Source: U.S. Bureau of Economic Analysis

Japanese Companies Provide Quality American Jobs

Japanese companies offer stable and high-paying jobs for American workers.

**Insourced Compensation by Foreign Companies in the United States
(By Large Investor Countries)
2021**

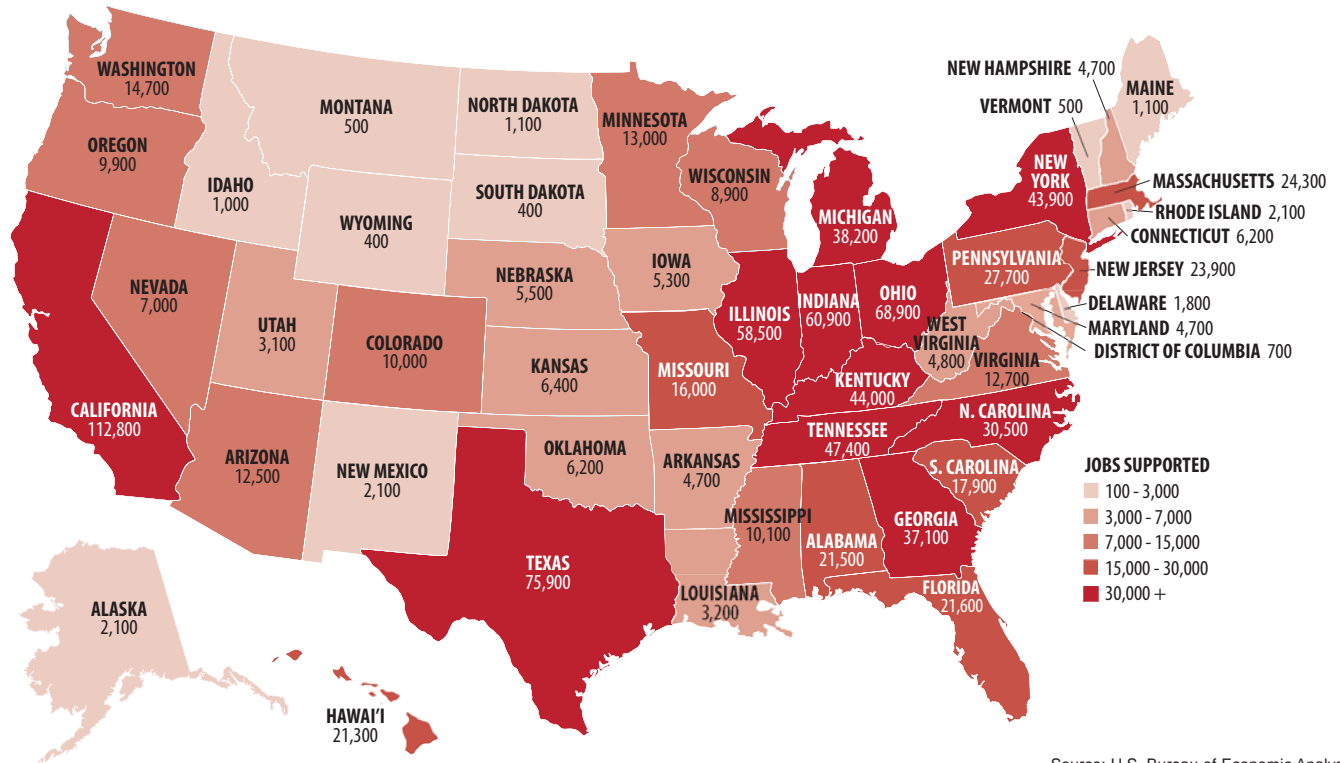


Source: U.S. Bureau of Economic Analysis

Japanese Affiliates Provide Jobs in All 50 States

Japanese affiliates employ Americans in all 50 states and the District of Columbia. California tops this list with more than 110,000 jobs.

U.S. Jobs by Japanese Affiliates, 2021

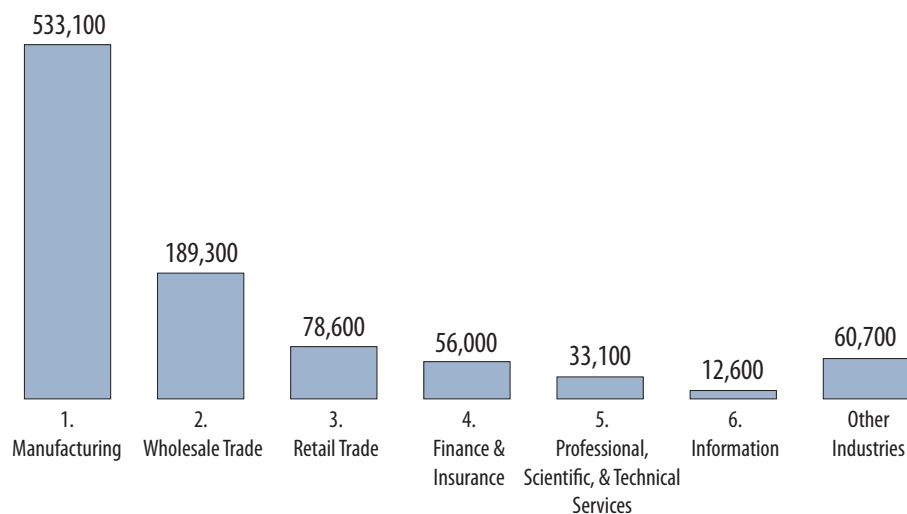


Source: U.S. Bureau of Economic Analysis

Japanese Affiliates Provide Most Jobs in Manufacturing

Japanese manufacturing affiliates operating in the United States employed more than half a million Americans in 2021, the single largest sector. More than 200,000 of these factory jobs were in motor vehicles and parts.

U.S. Jobs by Japanese Affiliates by Industry, 2021



Source: U.S. Bureau of Economic Analysis

Japanese Companies Are **Good Corporate Citizens**

Japanese Companies Value Their Local American Communities

It is a source of pride for the Japanese business community in the United States that our companies' contributions and engagements go beyond just the economic sphere, and that many Japanese-owned companies have forged close ties with their local communities in the United States through long-term commitments. Japanese companies are dedicated to good corporate citizenship in the communities where they operate. Examples of community engagement include a variety of categories such as education, environment, public health, and charitable causes:

Education

Through targeted donations and scholarships, Japanese companies are working to encourage students to seek STEM degrees and careers. Firms are also working with students with disabilities to successfully transition to jobs in a variety of industries.

Public Health

Donating to advance patient care, advocacy, and innovative research for cancers, as well as advancing research on aging. Providing funding to produce an educational video to encourage eligible people to donate blood.

Environment

Japanese companies act proactively to address environmental problems such as climate change and the destruction of ecosystems. In addition to contributing through business activities, companies support environmental initiatives such as planting trees, cleanup efforts, and national park conservation in local communities in which their U.S. facilities operate, through financial contributions, event sponsorships, and associate volunteer programs.

Charitable Causes

Volunteering to provide meals, distributing food to food banks nationwide, and providing food for elementary students who may not have sufficient food to eat over the weekends. Supporting organizations that promote social justice and anti-racism initiatives while seeking to foster greater diversity, equity, and inclusion.

Promoting Diversity in Employment

Japanese companies support inclusive and diverse employment initiatives by (1) empowering women in the workforce; (2) drawing and supporting applicants from a variety of racial and ethnic backgrounds; (3) providing employment opportunities for adults of all ages; (4) promoting a supportive working environment for LGBTQ+ employees; (5) ensuring an accessible and accommodating workplace; and, (6) providing opportunities to reintegrate veterans into the workforce.



"The U.S.-Japan relationship is the most important bilateral relationship
in the world, bar none."

-Mike Mansfield, former U.S. Senator and Ambassador to Japan

Keidanren

Policy & Action

Long recognized and respected as **the leading voice for Japanese businesses**, **KEIDANREN** (Japan Business Federation) seeks to establish consensus in the business community on a variety of important domestic and international issues, and works for their steady and prompt resolution. At the same time, we communicate with a wide range of stakeholders including political leaders, administrators, labor unions, and citizens. We also strive for the resolution of international issues and the development of closer economic relations with various countries through policy dialogue with the governments and economic associations of each country as well as international organizations.



Membership

- ▶ 1,555 Corporate Members
- ▶ 107 Nationwide Industrial Associations
- ▶ 47 Regional Economic Organizations

As of January 2024

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