JETRO’s 5th QUICK BUSINESS SURVEY: CHALLENGES FOR JAPANESE COMPANIES IN THE US

JETRO conducted the Fifth Quick Business Survey from June 26th to July 1st. 961 companies responded about post-Corona business strategy in addition to the production/sales business restart and employment status.

Japanese companies are indicating a double set of challenges on conducting business in America. First, they have to manage the day-to-day challenge of re-opening their business operations during the COVID-19 crisis. Secondly, because of the Presidential Proclamation on Non-Immigrant Visas of June 24, Japanese businesses now have the challenge to secure timely personnel transfers from Japan to help them maintain their U.S. based operations in an effective manner.

Here are some of the highlights from our most recent Business Survey.

- More than 70% of the surveyed companies have seen a decrease in sales in the past month. However, companies whose sales fell by more than 50% is half from the previous survey conducted at the end of May, and there are signs of improvement. (34.9% to 15.0%)
- From the following survey conducted at the end of April, nearly 70% of companies stated there has been no impact on employment. Currently more than 70% of companies that laid off employees have now recalled them to work.
- For the first time, the number of responding companies and employees that are impacted under the Presidential Proclamation is shown. Across the US, at least 308 companies and more than 1,400 employees will be impacted by the Presidential Proclamation.

In particular, the impact on the restriction of L visas (in-house transferees) is significant, accounting for nearly 90% of the total.

- Many of the JETRO survey respondents showed concern about how the impact will affect worldwide Human Resource strategies, production and development activities, as well as business continuity.
- By the end of 2020, more than 60% of companies stated they would maintain their business operations in the US. More than 20% of those companies plan to reduce operations.
- Regarding business development, 30% stated they are working on developing new sales channels, products and services, while 20% will conduct exhibitions online. This signals the acceleration of the digitalization of business operations.

Please access the full JETRO Quick Business Survey: https://www.jetro.go.jp/ext_images/world/covid-19/us/doc_us_en05.pdf
WEBINARS WITH STATE OF NORTH CAROLINA AND TENNESSEE

On April 13, JETRO Atlanta Office hosted a web-seminar with EDPNC, Economic Development Partnership of North Carolina. First, JETRO Atlanta Director, Takuya Takahashi, reported the results of a questionnaire survey on “Trends of Japanese companies with labor relations, production/sales status, etc. under the influence of the new coronavirus” conducted from April 6th to 8th.

Next, EDPNC Director of Business Development Korey Howard explained the situation of the new coronavirus in North Carolina and the challenges faced by companies and how to deal with them including:

- Status of new coronaviruses in the state,
- Designations of “Essential Industries”,
- Pharmaceuticals to support new coronavirus measures,
- Japanese language inquiries window and economic relief measures.

Finally, Attorneys Kiyoaki Kojima and Akiyo Inoko of Smith Gambrel & Russell Law Office explained the latest legal information related to the new coronavirus, various laws and usages on site included:

- Outline of FFCRA and CARES Act,
- PPP application,
- Documents related to "Essential Business" or "Critical Infrastructure" business.

At the web-seminar on June 4 hosted with TNECD, Tennessee Department of Economic and Community Development, the first half featured an explanation by Takanori Nakajima an Attorney of the Baker Donelson Law Office, about the measures for common problems and worries that each company faces when resuming business. This was explained in the form of addressing the questions sent in advance. Some of the highlights included:

Q1: Decision to restart business,
Q2: What to do if an employee refuses to return to work,
Q3: Unemployment insurance/allowance/other benefits.

In the latter half, Global Director of FDI and Trade of TNECD, Masami Tyson, explained the contents of “Tennessee Pledge,” which is an industry-specific guideline for resuming business in Tennessee.

RECENT INVESTMENT BY JAPANESE COMPANIES IN SOUTHEAST

- Meidensha Corp. invests $8 million to Laurens, South Carolina (April 14)
- Mytex Polymers US Corp Invests Over $7 Million in Newton County, Georgia (May 26)

Exhibit Virtually for Free!! "JETRO Global Connection" at CEATEC 2020 ONLINE (Oct. 20 - 23, 2020)

JETRO Tokyo will organize a virtual pavilion “JETRO Global Connection” at CEATEC 2020 Online and accepting applications for participation in there from foreign tech-startups!

CEATEC is one of the biggest Tech shows in Japan and a comprehensive exhibition for Society 5.0 that includes all industries and business categories. Exhibitors will have an invaluable opportunity to introduce their solution/product, and to connect with prospective Japanese business partners.

Please check the detail in the following link and spread this information to tech-startups in your region which have interest in expanding their businesses in Japan!


For further information on JETRO Atlanta activities and events, please see our website www.jetro.go.jp/usa or contact our Business Information Desk at ama@jetro.go.jp.