

Maintaining a Competitive Economy

1. History and Current Situation

- Tsu City is located in the central region of Japan with a population of about 290,000.
- With its convenient location (about 85 mins away from Osaka and 45 mins away from Nagoya) , and also being once a thriving castle town, Tsu City has always been a prosperous area that enjoyed a flourishing commerce and industry.
- Some key industries of the city over the years include the spinning industry (i.e. cotton and woolen textile etc.) during the early 1900s; the shipbuilding industry in the 1970s; and today, some of the city' s key industries also include transport equipment, information and telecommunications equipment and food product manufacturing.
- However, with an increasing number of companies and factories expanding their businesses overseas in the recent years (especially into Asia), and with a growing ageing population among city residents, it has become necessary for the city to come up with new stimulus policies.

2. Industry & Economy Revitalization Measures taken

- The city government is planning to build-up its grants and subsidies system for the establishment of business facilities. Companies that are looking to venture into the city can either choose to apply for the “site acquisition fees incentive grant” (20% subsidy with a maximum limit of 300 million Japanese yen) , or the “business facilities establishment incentive” (3 years' worth of fixed assets tax) .
- Sites that are targeted to be used for businesses which are moving into the city are being offered under very attractive terms and conditions. For example, at our Chusei Hokubu Science City, not only is the land being offered at very competitive rates, but the site is also being divided into different zones based on the various suitability and usage of the site, which includes the setting up of not only factories but also offices, businesses, logistics centers

and data centers etc..

- In order to allow companies to carry out their investments swiftly and in line with the business environment, one of the necessary requirements is to always have existing sites that are ready-for-immediate-use to be available to companies who may be looking to invest. For Tsu City, development plans are built on a long-term basis with the next 20 - 30 years in mind.

3. Mayor' s Leadership Abilities in Maintaining the City' s Economic Competitiveness

- Taking actions: During the early days of assuming my role as the Mayor, I had learnt that Mag-Isover - a subsidiary unit of the world-leading French glass manufacturer Saint-Gobain Group, is considering further expansion plans within the country, and so I made a suggestion to my office for me to approach the company to promote our city to them. Staff from my office voiced out their concerns for me to do this, stating that a city' s leader should only step-in at the end during these situations (i.e. when attracting companies into the city) . However, I believe that there are exceptions to this and explained to my staff that based on my previous experience in working at a French corporation, foreign companies often make their decisions after meeting with the leaders. With that, I then immediately arranged for a meeting with the company' s President, together with the Governor of Mie Prefecture, Mr. Suzuki Eikei. After the signing of the site agreement, the company' s President, Mr. Lienhart, told a reporter in an interview that the meeting he had with the Governor and I had allowed him to establish a trust between us.
- Wide perspective and sharp sensitivity: The concerns of companies that are looking to venture into new markets/areas often changes. One of the huge concerns that these companies had after the Great Eastern Japan Earthquake in March last year, was the effective implementation of disaster prevention measures. Armed with a broad perspective as well as a keen understanding of citizens' needs, the Mayor was able to apprehend the situation even more accurately than city staffs that were in-charge of attracting companies. Besides designating 36 "Tsunami Evacuation Buildings" and 53 "Places of

Refuge for the Disabled” for areas located near the coastline, maintenance of the sea dike was also quickly undertaken and as a result, companies and businesses evaluated that Tsu City is a safe city that is well-prepared in its disaster management.

- Long-term Vision: In order to constantly have ready-made sites available to companies that are venturing into the city, it is necessary to come up with development plans at an early stage while keeping in mind of a long-term vision. Faced with the situations of the hollowing out of industries as well as an ageing population, it has become increasingly difficult to come up with development plans in Japan. However, in order to maintain the attractiveness of a city/region, it is important and necessary for the Mayor to possess a firm and fixed vision on the future of the city.