

Forging International Tie-Ups Between Industrial Clusters

-Regional Industry Tie-up (RIT) Program-



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Japan External Trade Organization (JETRO)

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.Tips for Successful International Tie-ups Between Industrial Clusters

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(1) Cluster Policy in Japan

Knowledge Cluster Initiative (2nd Term)

Budget (FY 2008): 7.5 billion yen

Mission

1. Create innovation through university and public research institution tie-ups
2. Promote global-level technology revolution
3. Vitalize regional economies towards sustainable growth

Related programs:

Project to promote urban area industry-university-government collaboration (4.6 billion yen)

Ministry of Education, Culture, Sports, Science and Technology (MEXT)
Budget (FY 2008): 13.8 billion yen

Clusters in Japan

Promotion of inner-cluster collaboration and exchange

Industrial Cluster Project (2nd Term)

Budget (FY 2008): 1.2 billion yen

Mission

1. Build infrastructure required to promote innovation by SMEs, venture companies, research institutes, and the like
2. Create new industries
3. Tie up with regional policies to create synergy effect

Related programs:

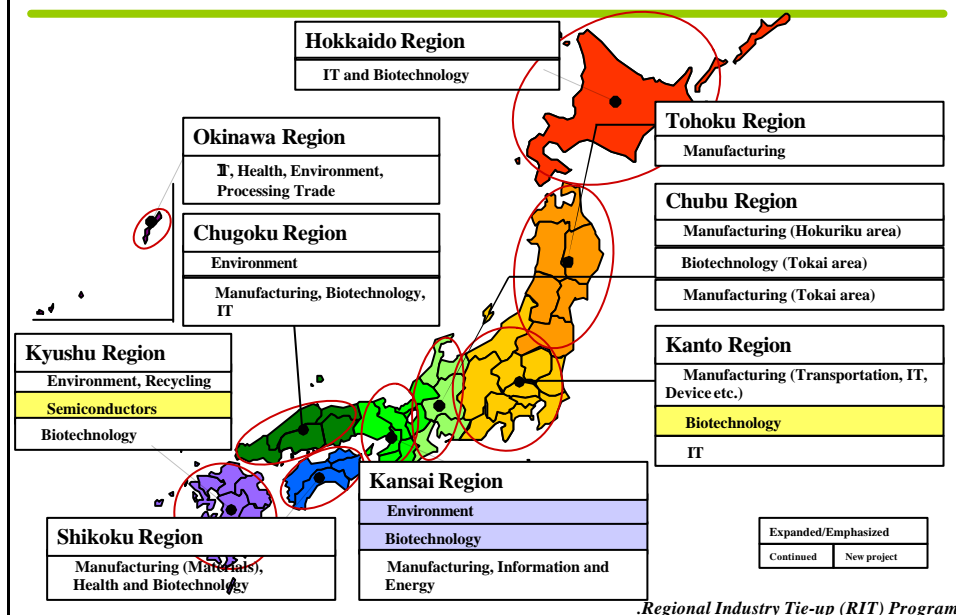
Regional Innovation Cooperation Program (11.6 billion yen)

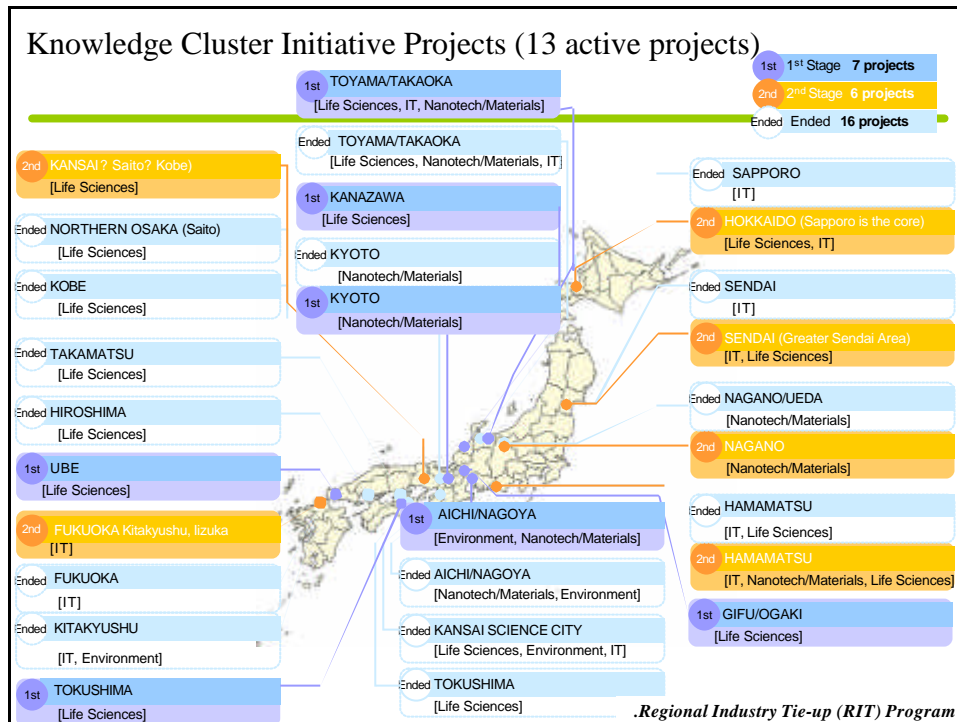
Ministry of Economy, Trade and Industry (METI)
Budget (FY 2008): 12.8 billion yen

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Industrial Cluster (18 active projects)





(2) Regional Industry Tie-up (RIT) Program

JETRO launched RIT Program in FY 2007 to support SMEs.

1. Background :

- (1) A need existed to activate regional economies and promote their internationalization
- (2) Regional SMEs lack necessary resources and know-how to expand into international markets

2. Objectives :

- (1) Foster international exchanges among Japanese and overseas clusters (e.g. FDI, export promotion, technology alliance)
- (2) Promote innovation through integration of superior technologies and know-how possessed by both Japanese and overseas SMEs
- (3) Create new business in regional economies

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Profile of RIT Program

1. Who can participate :

- (1) Local business/industry organizations
 e.g., regional business/industry associations,
 chambers of commerce and industry,
 regional governments

- (2) At least two-thirds of members should be SMEs

2. Support term per project :1-3 years

3. Support budget :max of 8 million yen per project/per year

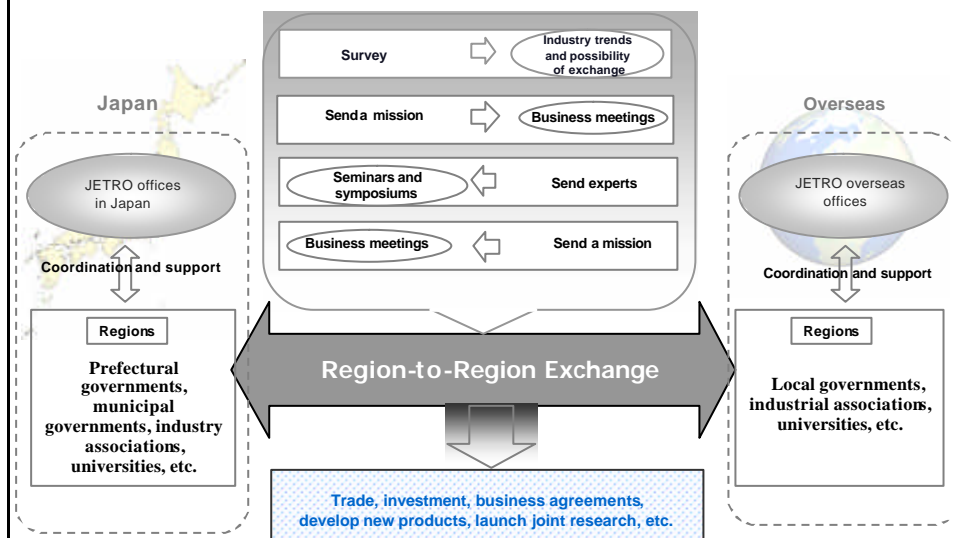
4. Target Sectors : Open to all industries

- e.g., medical, biotechnology, mechanical/metal
 processing, environment, nanotechnology,
 contents, ICT, etc.

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How the Program Works



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Examples of Activities



Seminars



Business meetings



Visits to research institutes and universities



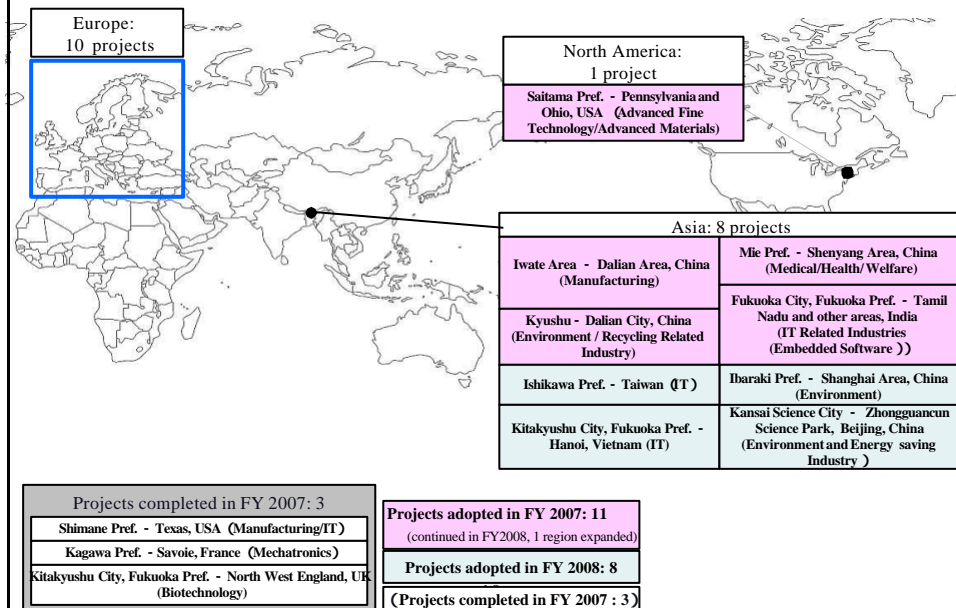
Visits to partner organizations by missions



Networking opportunities

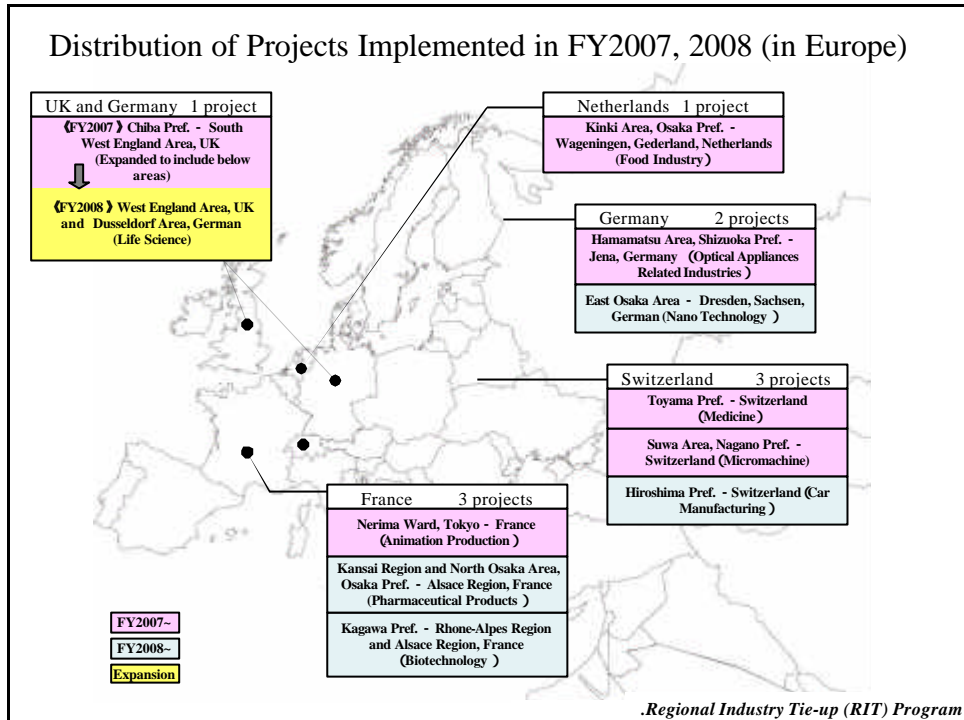
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Distribution of projects conducted in FY2007, 2008

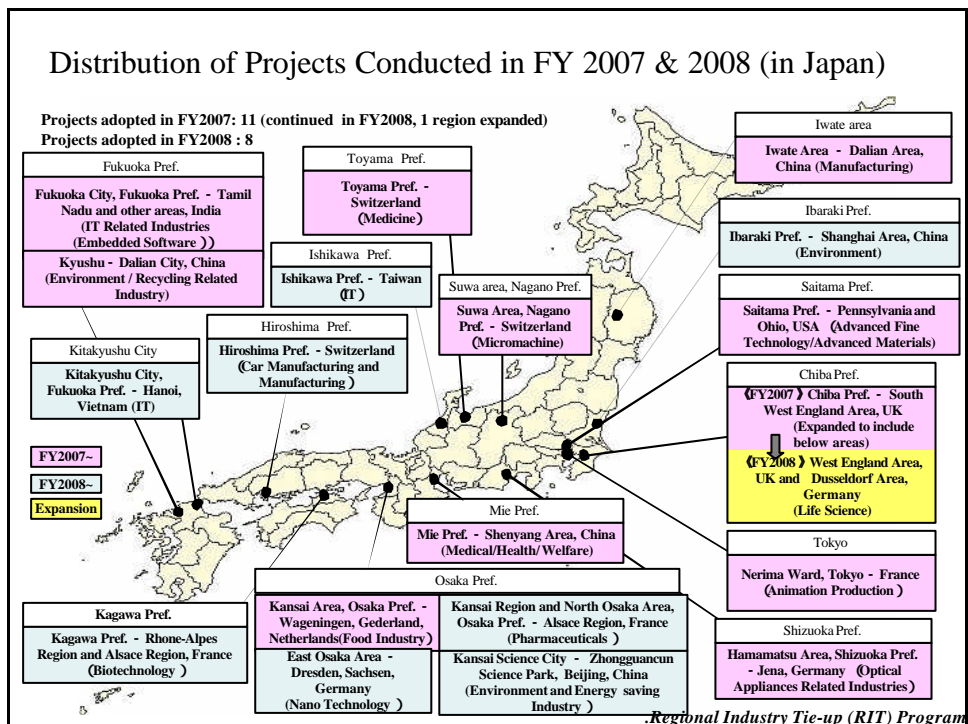


.Regional Industry Tie-up (RIT) Program

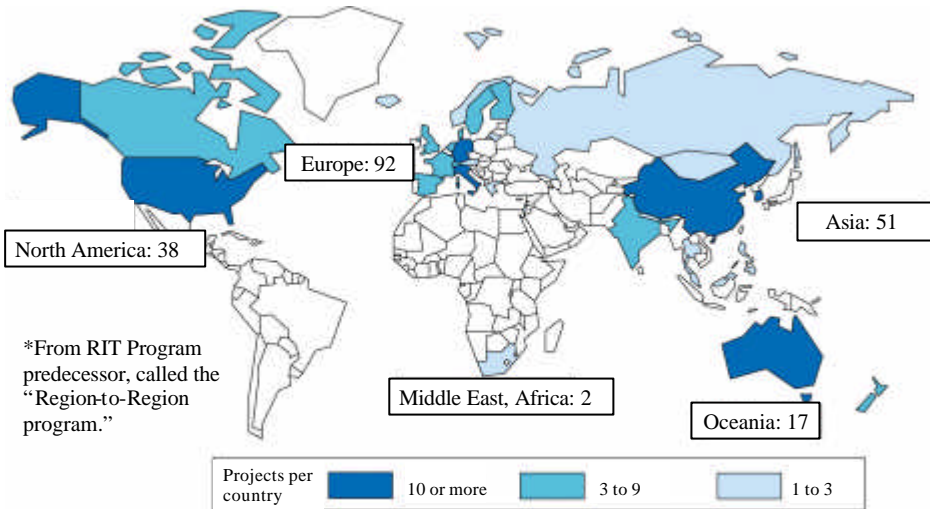
Distribution of Projects Implemented in FY2007, 2008 (in Europe)



Distribution of Projects Conducted in FY 2007 & 2008 (in Japan)



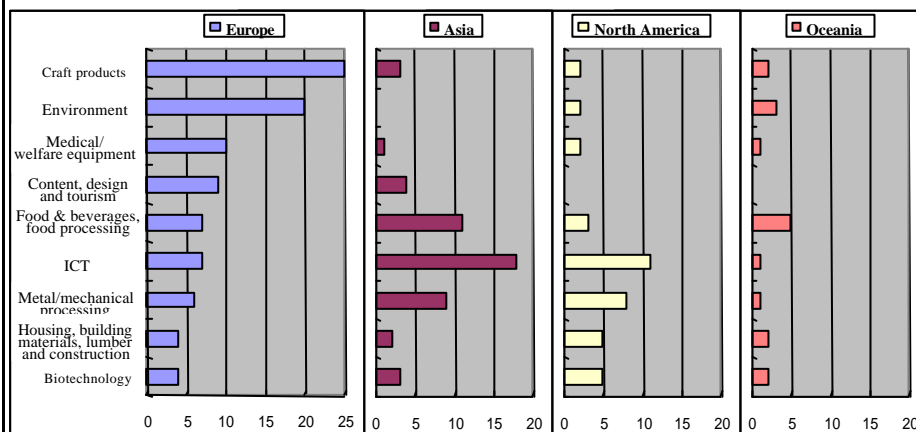
Distribution of Past Projects* (FY' 96-'06): 200 in total



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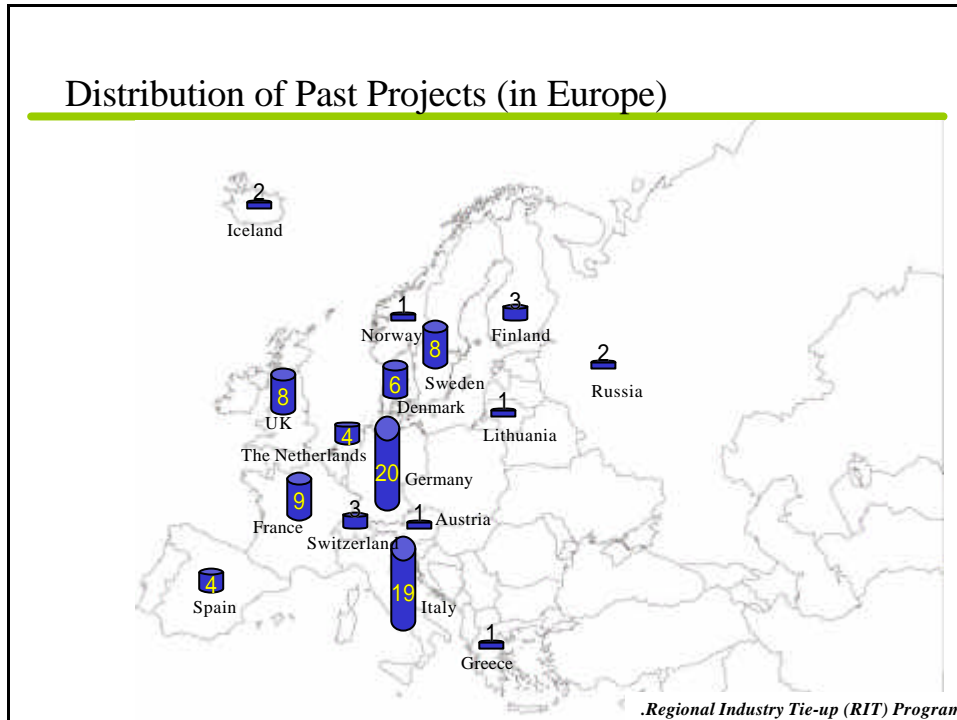
Past Projects by Region and Industry Category



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Distribution of Past Projects (in Europe)



Case 1: Fukushima Pref. and Sweden (medical/welfare equipment)

1. Project Period: 2003 to 2006

2. Organizer (Japan): Fukushima Prefectural Government

3. Organizers (Overseas): Invest in Sweden Agency (ISA), Umeo University and Lund University



Case 1: Fukushima Pref. and Sweden

4. Outcome of Cooperation

Through industry-academia collaboration, the following development projects are under way.

- (1) A Nihon Univ. spin-off venture business began clinical trials in collaboration with a Swedish company (for a breast cancer checker) to offer its product in the EU market.
- (2) Japan (Aizu Univ.) – Sweden (Umeo Univ.) joint research project in the field of cardiac surgery. (exchange agreement)
- (3) Joint development project on a medical robot hand is currently underway.
(from 2006)



(Breast cancer checker)

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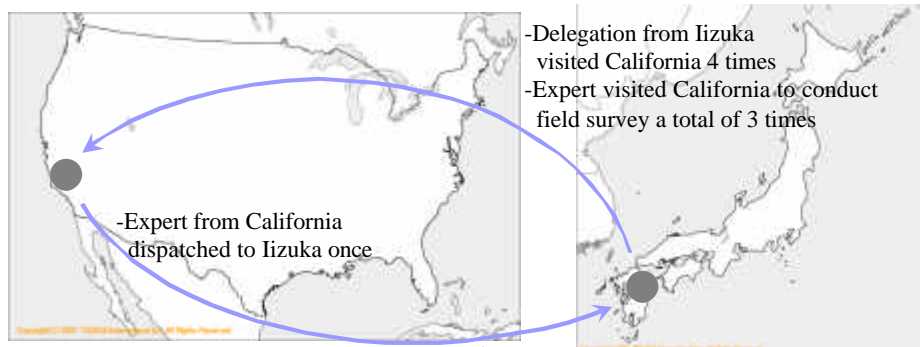
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Case 2: Iizuka city (Fukuoka) and Silicon valley (US) (ICT)

1. Project period: 1998 to 2002

2. Organizers (Japan): Iizuka City Government, Iizuka Council for Promotion of Local Information

3. Organizer (Overseas): Center for the Study of Language and Information (CSLI) of Stanford University



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Case 2: Iizuka City (Fukuoka) and Silicon Valley (US)

4. Outcome of Cooperation

- (1) Establishment of “e-ZUKA Try Valley Center”*, a business incubation facility (2002)
- (2) Joint development of a game console interface for the handicapped (from 2001)
 - Stanford’s CSLI established a branch in Iizuka.
 - Sales of product begin in the Japanese market (2006).
- (3) Exchanges among venture companies from both regions (from 2003)
 - Business/economic missions to Silicon Valley continue, even after conclusion of RIT program.



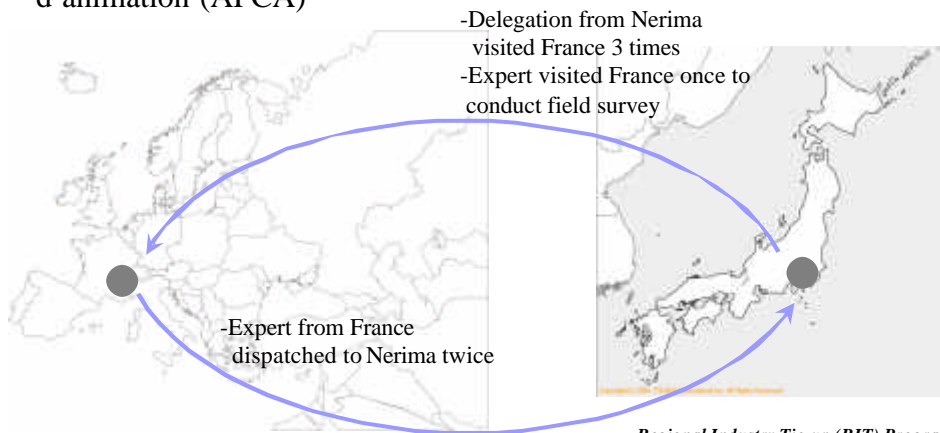
*10 IT firms are currently utilizing the “e-Zuka Try Valley Center,” including one each from China, Vietnam and Sri Lanka. e-ZUKA Try Valley Center

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Case 3: Tokyo (Nerima Ward) and France (Animation)

1. **Project period:** 2006 to 2008
2. **Organizer (Japan):** Nerima Animation Association (NAA)
3. **Organizer (Overseas):** Association française du cinéma d’animation (AFCA)



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Case 3: Tokyo (Nerima Ward) and France

4. Outcome of Cooperation

(1) France-Japan Joint Animation Project
“Kawaiko” (from 2007)

-Collaboration combining French characters and Japanese animation (MoU concluded between NAA & AFCA)



Characters from Kawaiko

(2) Sales and TV broadcasting of Japanese animation (2008)

- Japanese animation “Net Ghost Pipopa” was sold to a French TV network; will be broadcast in Europe and Asia.

(3) Joint film production project (from 2008)

-Joint project combining Japanese 2D animation technologies and French 3D animation technologies.

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Case 3: Tokyo (Nerima Ward) and France



Kawaiko (Nerima Animation Association LLG)

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Case 3: Tokyo (Nerima Ward) and France



Amuri in star ocean (by Studio Hibari, Co.,Ltd.)

.Regional Industry Tie-up (RIT) Program

. Tips for Successful International Tie-ups Between Industrial Clusters

From the “Survey on Success Factors for International Partnerships Between Industrial Clusters ”

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. Tips for successful international Tie-ups in Industrial Cluster

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1. Tie-up with regional policies
 2. Involvement of active companies
 3. Utilization of industry, academia and government networks
 4. Adequate communication
 5. Long-term perspective on international exchanges

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*. Tips for successful international
Tie-ups in Industrial Cluster*

Analytical Method

Questionnaire Survey

- (1) Survey period: From November 16 to mid December, 2007
- (2) Target numbers: 200 themes
- (3) No. of questionnaires sent: 183
- (4) No. of valid responses: 131
- (5) Response Rate: 71.6%

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1. Tie-up with Regional Policies

•Increase the potential of tangible results by incorporating projects into the region's industrial promotion policies.

- The direction of the project becomes clearer
- The range of support is widened
- Recognition of the RIT Program is enhanced

Case of Fukushima Prefecture:

•One of Fukushima prefecture's industrial promotion strategies was to prioritize the promotion of partnerships between medical and engineering fields. This enabled RIT Program staff to better tailor the program to specific needs.

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*. Tips for successful international
Tie-ups in Industrial Cluster*

2. Involvement of Active Companies

•Involve companies that are eager for international tie-ups and collaboration; it gives momentum to projects.

Case of Nagasaki City:

•A company in Nagasaki city, highly motivated to create new business opportunities, played a key role in the project by gathering participation from the city government and relevant industries, and led the way in the overseas exchange project.

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*. Tips for successful international
Tie-ups in Industrial Cluster*

3. Utilization of Industry, Academia and Government Networks

•Support of experts from industry, academia and government networks is necessary.

- Full utilization of industry, academia and government networks, and personal connections in the region

Case of Shimane Prefecture and Texas (USA):

- Shimane Institute for Industrial Technology (SIIT) supported a technology assessment committee in order to evaluate technologies introduced from overseas for SMEs in Shimane. SIIT also provided support on patent and contract issues.
- Shimane University's Technology Licensing Organization (TLO) arranged a research collaboration between companies and universities in Shimane Prefecture and Texas.

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4. Adequate Communication

•Necessity to overcome not only language barriers, but also differences in culture, systems and perspectives between participating regions

Case of Toyama Prefecture and Italy:

- An designer who studied interior design in Italy worked as an interpreter
- To seek design advice from its Italian partner, the Toyama side invited an Italian interior designer to the prefecture to give him a better understanding of Toyama's interior industry. The designer's advice was then utilized by the Toyama side.

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5. Long-term Perspective for International Exchanges

•Continued international exchange between regions (with support from regional governments) will lead to better outcomes

Case of Iizuka City :

- Iizuka city positioned the nurturing of the IT industry as a pillar of its industrial policy, and conducted RIT program as part of this policy.
- The city provided its own budget for the project for five years after the expiration of the program
- As a result, Iizuka city succeeded with releasing the test product developed under the joint research with partner region.

Application for RIT Program

Regional Industry Tie-up (RIT) Program website:

<http://www.jetro.go.jp/jetro/activities/high-tech/rit/>

To apply

- **In Japan:** contact nearest domestic Japan office:

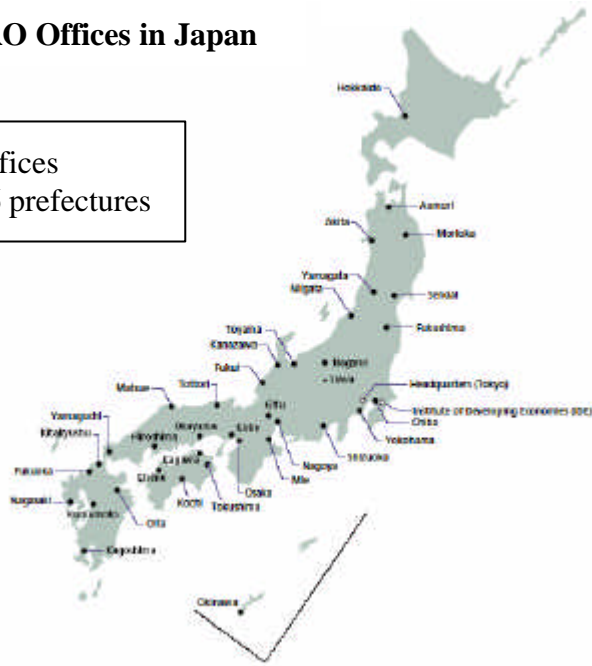
<http://www.jetro.go.jp/jetro/japan/> (domestic office network)

- **From overseas:** contact nearest overseas office:

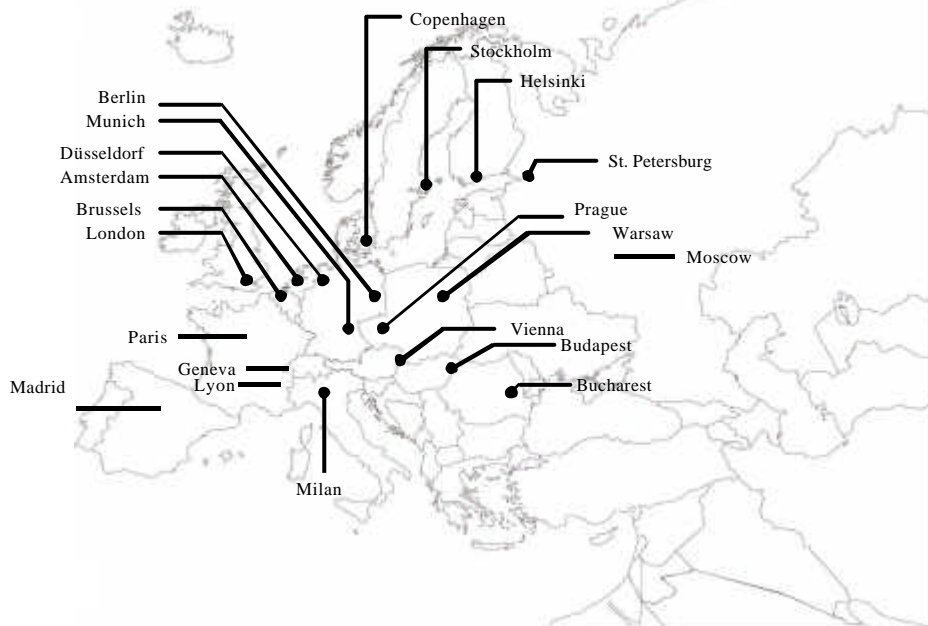
<http://www.jetro.go.jp/jetro/overseas/europe/> (int'l office network)

JETRO Offices in Japan

38 offices
in 36 prefectures



JETRO Offices in Europe





Thank you!