

**Consul-General Ono's New Year Greetings at the 30<sup>th</sup> Anniversary of Establishment of Japanese Firms Association of Colorado, on January 14, 2012**

A happy new year!

I would also like to heartily congratulate you on the 30<sup>th</sup> anniversary of the establishment of the Japanese Firms Association of Colorado.

Over the past 30 years, the world economy and international society have both undergone dramatic changes. Along with this, the economic circumstances here in the Rocky Mountain region of the US have also experienced continuous and ongoing change. First of all, I would like to express my sincere respect to the JFA and its members for providing a steady and consistent hand to the development of activity by Japanese firms and to the community for these last 30 years, which have not always been smooth.

In this auspicious place and time at the beginning of the new year, I am a bit hesitant to note that current economic conditions in Japan and the world are not necessarily in an optimistic position.

In Japan, under the still difficult situation after the Great East Japan Earthquake, the Japanese economy is following a path of modest recovery. On the other hand, exports are leveling off and corporate profits are decreasing. Employment shows signs of improvement, but in general, it is still a severe situation. As things stand, personal consumption has generally remained unchanged and price trends, as you know, continue to show moderate deflation.

Looking toward foreign countries, current recovery trends for the world economy are weakening as a whole, partly because of the slowing economic recovery in Europe. In addition, despite various efforts by the EU to ensure fiscal discipline, increasing financial uncertainty in some EU countries has the potential concern to spread over the financial system and to have a negative impact on financial capital markets. That means the risk of future economic setbacks has not been completely removed.

On the contrary, in the United States, as Mr. Krueger, Chairman of the Council of Economic Advisers, said in an interview with Japanese media on New-Year's day, the U.S. economy was healing, and we witness some positive trends in its economy and labor market such as the lowest unemployment rate in two years and 10 months. However, the risk of economic setback is not completely gone and we still have to pay attention to financial capital markets and the influence of reduced government expenditure.

With these difficult situations both domestically and abroad, along with a generally stagnant economy, increasing debt, and an ongoing decline of local communities, more than a few people hold negative views of the prospective future of Japan.

However, Japan's actual capabilities in product development, technology, and productivity are still at a world-class level, far exceeding international standards. It is also true that many countries are still in need of technology and know-how from Japan, to realize economic growth.

Japan continues to make an unanimous effort towards recovery from the unprecedented damages of the Great East Japan Earthquake. In the process of this rehabilitation, a lot of new ideas and technologies are being created in various fields taking the world's leading position than ever before. For example, systems for building new towns to better withstand disaster, the development of renewable energy sources, the revitalization of agriculture and fisheries, and new environmental recovery methods.

This is the point that I would like to emphasize, that Japan still has such great potential.

Recently, we have seen a shift in the business styles of Japanese companies operating abroad. For example, as IT technology has drastically reshaped the previous geographical concept, the advantages of smaller cities where companies can secure highly qualified work forces and resources while keeping costs low have come to attract more attention than big cities. As a result, diversification through overseas bases seems to be growing more and more. Despite an adverse wind for exporters, some Japanese companies have been able to take advantage of the stronger yen to acquire foreign companies and succeeded in expanding their markets.

Under these conditions, great potential is being unfold for Japanese and American companies here in the Rocky Mountain region, to work together to secure broader international market as well as North American market.

I consider that one of the most important tasks of the Consulate General of Japan, the branch office of the Japanese government abroad, is to create an environment here that allows member companies of the JFA, working on the front line of international business, to operate their business more comfortably. This year, the Consulate-General of Japan at Denver will strengthen its efforts in this direction. Let us get together to send a powerful message by all of Japan from Colorado, with a goal to restore a high-spirited Japan.

Finally, I should also mention the various activities of the JFA toward the development of the community for Japanese residents in Colorado. These are very precious, and greatly support the consular services of the Japanese government. I certainly hope to maintain our close cooperation in this field with your unchanging support. I would very much appreciate it if you could continue your kind support through this year.

Finally, I would like to pray from my heart that this year shall be a wonderful one for all of you.

Thank you for your kind attention.