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**NEW ECONOMIC REPORT:
JAPANESE INVESTORS FAVOR
THE SOUTHEASTERN UNITED STATES**

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Book Available Upon Request

Among foreign investors in the United States, the Japanese rank second behind the United Kingdom, and the trend is gaining momentum -- especially in the Southeast, where 626 Japanese businesses now contribute \$7.5 billion to the economy, reports Robert P. Forrestal, president of the Federal Reserve Bank of Atlanta.

In the 1989-90 edition of The Economic Review: A Guide to Japanese-American Investment, Forrestal notes the dramatic increase in Japanese investment throughout the Southeast. "The number of Japanese-affiliated establishments in the seven Southeastern states is roughly double the figure prevailing just four years ago," Forrestal comments.

Published this month by The Japan-America Society of Georgia, a non-profit, Atlanta-based organization, The Economic Review includes an analysis of foreign investment trends. Factors such as good quality labor, a low cost of living, mild weather conditions, and plain old Southern hospitality help attract Japanese companies to the Southeast, writes Dr. William J. Kahley, an Atlanta economist for the Federal Reserve Bank.

After reviewing the report, international policy expert Dr. John R. McIntyre concurred with Kahley's assessment, recognizing increased foreign investment in the Southeast. "Japanese investment is probably growing faster in the Southeast than in any other area of the United States, with the possible exception of California," says McIntyre, an associate professor who teaches Japanese management at the Georgia Institute of Technology.

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While Japanese companies boost our economy through investments, Kahley says, U.S. companies learn new management and production strategies from foreign manufacturers. Further, he writes, "The improved competitiveness raises living standards here and may improve the nation's trade balance via increased exports and/or reduced imports."

The Economic Review offers guidelines for Japanese companies locating in the Southeast -- and for U.S. businesses considering Japanese markets, says Editor Dr. B. Eugene Griessman, director of communication and development in Georgia Tech's College of Management. "The Japanese provide us with jobs, taxes, and opportunities for cultural enrichment," Griessman says. "Although the capital comes from abroad, it pays for new facilities in Georgia or Tennessee or Alabama which employ people living in those states."

Provided in the review are comments by governors from Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee and Virginia, plus updated economic statistics for each state. For example, Georgia Governor Joe Frank Harris notes that over 260 Japanese operations now employ more than 14,000 Georgians and contribute \$1.5 billion in capital investments.

Leading Japanese executives such as Nissan Motor Co., Ltd. Chairman Takashi Ishihara describe their U.S. marketing tactics and offer U.S. investment data in The Economic Review. "As of the end of 1988, the position of U.S. investments in Japan stood at \$16.9 billion, a large 84 percent increase over the \$9.2 billion registered at the end of 1985, which is a very welcome sign," says Ishihara.

Top U.S. executives are also represented. Coca-Cola International President John Georgas, for example, comments on the business climate in Japan and Coca-Cola's entrance into that market. Also included in the book are interviews with Dr. James C. Abegglen, author of Kaisha: The Japanese Corporation.

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EDITOR'S NOTE: The report includes economic statistics for each of the Southeastern states. To request a book, call The Japan-America Society of Georgia, (404) 524-7399.