

One Asia Foundation International Lectures, Fall 2019 Semester
*“Humanities General Education: The Asian Community:
The Construction and Transformation of East Asiaology” Lecture Series (6)*

Title: The Discussions and Prospects of the Role of Japanese General Trade Company

For the sixth lecture, President Hsu invites Professor Liren Li, who is the Associate Professor from Department of Japanese Studies and the Director of Center of Japanese Studies at National Taipei University of Technology, to our guest speaker. Professor Li's specialties are Japanese economics, Japanese enterprise, Taiwanese-Japanese economics and trade. He used to work for Japanese Mitsubishi Corporation Machinery, Inc. Today's lecture combines academic research results and market empirical experiences and explains the functions of Japanese general trade company. Director Li's lecture's lecture is summarized as the following:

The lecture includes three main points: (1) Japan's general trade company and Japan's economy; (2) general trade company and Japanese-Taiwanese enterprise's strategic alliance; (3) “New Southbound policy” and Japanese-Taiwanese strategic alliance. Before entering his topic, Director Li explains why “総合商社” was translated as “總合商社 general trade company,” instead of “綜合商社 comprehensive trade company.” It is because the advantage of “総合商社” was to exert general capability and thus it is better to interpret as the translation of “總合商社 general trade company.” Director Li also mentions that Japanese general trade company has been walked in front of other Japanese enterprise and thus we can forecast the future of Japanese economic from the trend of Japanese general trade company.

The core resource of management of general trade company includes talents, capital ability, information, and brand. Among them, the reason to put “brand” into the concept of core resource of management recently is for the repeater of customers and to trace customers' purchase history through “brand.” There are seven general trade companies in Japan and they account for 20% of Japan's GDP. Though the percentage drops, comparing to the old days, the quality elevated conversely. Recalling the history of general trade company from 1940s to now, the functions of general trade company have transformed constantly. In 1990s, it has faced the transition period of economic system and in the beginning of 21st century its functions transformed into the following functions: (1) environment, (2) health, medical treatment, care, (3) information, IT, media, (4) advanced technology development.

Nowadays a general trade company uses its global network and its unique general trade company functions to led the Taiwanese-Japanese enterprise strategic alliance not only in Taiwan but also in China and Asia. Moreover, a trade company's advantages not only lie in

the connections with foreign countries through trade and its development in overseas industrial park but also its construction of connections among Japanese enterprises through direct investments and supports their overseas developments. In particular, a trade company also offers its customer with information about overseas markets and foreign system, as Japanese enterprises plan for overseas development. In addition, during the execution of large-scale public construction project, construction companies, manufacturers, business operation companies, financial institution, local governments are all involved in the project and general trade companies contribute greatly to the closed connections among these companies and institutions.

Regarding the complementary relations in Taiwanese-Japanese business strategic alliance, Japan and Taiwan have solid economic and business relations. Particularly, the strong mutual trusts in both societies develop important partnerships. Asia is not only a “producing base, export base,” but also a “market” to realize business development for the strategic alliance formed by Japanese and Taiwanese enterprises. When this strategic alliance formed by Japanese and Taiwanese enterprise expands its business beyond Taiwan, for example in China and Asia, a trade company plays a role or excel its mediation functions in international network, credibility, and business creativity, especially equipped by general trade companies. General trade companies located in Taiwan in particular excels the functions in constructing partnerships between Taiwan and Japan and bridging bilateral exchanges as Japanese and Taiwanese enterprises form strategic alliance. It is not only because these general trade companies have overseas branches and are equipped with the capability of communication with local people, but also because they have profound understanding toward industries and the characteristics of enterprises in both Japan and Taiwan.

At last, Director Li concludes that Japanese-Taiwanese strategic alliance has long history and its was built upon profound bilateral trust relations. It not only brings out Taiwanese and Japanese enterprises’ advantage, but also heads to the direction that expanding to the third countries toward China or Asia. Recently, Japanese and Taiwanese enterprises has grown dramatically in business service in ASEAN countries. “New Southbound policy” also contributes to this strategic alliance’s development in ASEAN countries (particularly in the market of overseas Chinese). For the purpose of developing new market, reducing cost, and risk spreading, Taiwanese and Japanese enterprises both exhibit their own advantages, form business strategic alliance, and develop their business jointly in ASEAN countries.

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