



Opinion

Opinion: China aggressiveness is opening up opportunities for Illinois businesses

By MICHAEL FRERICHES



Credit: Bloomberg

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A couple of themes emerged during my recent international exchange trip to Japan. Taken together, they point toward a tremendous economic opportunity for Illinois.

One, Japanese officials made clear they're worried about Chinese encroachment. Last August, China fired ballistic missiles around Taiwan, and several of them ended up in Japanese waters. There also remains a long-running dispute over islands and waters in the East China Sea. Japanese officials showed us a chart of the numerous Chinese incursions over the years.

Two, that worry over China has Japanese business and political leaders searching for safer and more stable investments. When they look around the world for good places to invest, they look at the U.S. I pointed them toward the middle of the country, specifically Illinois, where we have a great international city in Chicago, innumerable agricultural resources and burgeoning tech and research capabilities.

We ought to support our key ally Japan and make the most of this moment to bring jobs back to Illinois. We can continue to build relationships with a strong trading partner, one that has significant influence in an area of the world that increasingly is threatened by Chinese destabilization.

Last month's trip to Japan was a professional honor. I was one of five people chosen to represent our country to mark the 50th anniversary of the American Council of Young Political Leaders' program with the Japan Center for International Exchange. U.S. Sen. Dick Durbin also was part of this program, going to what was then the USSR in 1979. For more than five decades, Illinois has had strong economic ties through the Midwest U.S.-Japan Association, a group once chaired by the late U.S. Sen. Adlai Stevenson III, a former state treasurer.

The organization notes that Japan is Illinois' top foreign investor by number of locations. Japan is second in number of jobs created by a foreign country here, according to Intersect Illinois, a public-private partnership focused on global business development for the state. Intersect reports that there are 630 Japan-owned business facilities that provide 44,100 jobs. During the past five years, the number of facilities is up 3.1% and the number of jobs is up 16.4%.

We can build on those numbers. During my trip, I had dinner with a Japanese businessman with a renewable energy company in need of help with drilling. “We’re looking for partners in America,” he told me. “We like working with Americans because they think differently. And we think we have a lot to learn from that. American partners help us to think differently.”

In addition to creative thinking and a penchant for problem solving, Illinois can boast a centrally located transportation hub, a diverse and talented workforce, and a growth mindset.

Mitsubishi made a great investment in central Illinois in the late 1980s. At its peak, 4,000 people had jobs, 200,000 vehicles rolled off assembly lines, and \$320 million boosted the local economy in salary, taxes and benefits. While Mitsubishi ended production, today Rivian electric trucks are made in Normal.

A decade ago, Nippon Sharyo expanded a train car manufacturing plant in Rochelle, west of DeKalb, investing more than \$50 million and creating 300 jobs. Unfortunately, it closed in 2018, but Zekelman Industries, a large steel pipe and tube maker, is now there.

Bolstering U.S.' chip-making capacity is the latest challenge, and Illinois is well positioned to take advantage. Federal legislation approved last year is designed to make sure we have chip manufacturing capacity in the U.S., and Illinois is well positioned to capitalize and bring home good-paying jobs.

Some of these efforts will come from Japanese or Taiwanese companies partnering with tech that is being spun out from Argonne National Lab in DuPage County. Microelectronics use is growing rapidly and gobbling up energy. Argonne and 30 companies are working to increase energy efficiency in microelectronics. Argonne is looking at how to make chip materials and manufacturing processes more energy efficient and reduce the impact of supply chain disruptions.

The potential for partnerships on computer chips is spurred in part by Japan's changing attitude toward China. I previously had been to Japan with ACYPL in 2011 as a state senator, and the biggest difference between that trip and this one was the nature of the talk about China. Japan is very much aware that China is an economic and now military superpower and wants to flex its muscles in Asia, and they're coming in direct conflict with Japan. Japanese leaders realize that trying to tie themselves economically to China hasn't deterred conflict.

We were shown a chart of the incursions over Japanese territory, a number that shot up from a handful each year, to dozens each year, to more than 100 a year.

Japan is greatly increasing its defense spending, including the purchase of Tomahawk missiles from the U.S. Japan is keen on increasing its ties to the U.S., and in January, the two nations announced an agreement to change military deployment in the region to make Marines more agile if tensions rise.

President John F. Kennedy made famous the aphorism, "In the Chinese language, the word 'crisis' is composed of two characters — one representing danger, and one representing opportunity." Japan's tension with China presents an opportunity for Illinois. We should pursue Japanese investment to boost Illinois' economic development efforts and strengthen our ties with one of the United States' biggest trading partners.

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