

*As delivered*

**Speech at Hitachi's Intercity Express Train Launch  
at Hitachi Rail Europe's Manufacturing Facility,  
Merchant Park, Millennium Way, Aycliffe Business Park,  
Newton Aycliffe DL5 6AE  
by Ambassador Koji Tsuruoka  
on Friday 9 December 2016**

Secretary of State, Minister Percy, Ms Boswell, Mr Cumner, Distinguished Guests, Ladies and Gentlemen,

It is just over a year since my predecessor, Ambassador Hayashi, was here to open the plant that you now see completed and in full operation. This proves that the people who have been working on this project did not waste any time completing what they needed to do, and still the work is in progress. So I would first of all like to congratulate all of you for the hard work that you've done and I'm looking forward very much to witnessing the evidence that will soon be presented to us.

Hitachi, through its European rail unit, is one of a number of Japanese household names that has chosen to set up a major operation in the United Kingdom. Its decision reflects various factors, not least the welcoming attitude of successive governments and the relevant communities here. Despite the uncertainty generated by Brexit, I am optimistic that the parties involved in this issue will do their best to ensure that the circumstances conducive to Japanese inward investment in the UK will continue.

I would like to stress on this occasion what Japanese companies typically do when they invest. Japanese companies invest in countries by applying three principles:

The first is to try to create a relationship based on trust with local employees and the local community. I noticed this at first hand when I visited Nissan, which is in the same area. I don't think Hitachi will be offended if I mention Nissan from this podium because they have been here for 30 years. In Japan we call them

*sempai*, or seniors, and Hitachi could very well benefit from the experience of Nissan in Sunderland. Nissan's business supports 39,000 jobs in the UK and they are fully integrated in the local community. I understand that, by the same token, 90% of Hitachi's employees here at this plant in Newton Aycliffe come from the North East of England. This is a local company and it is relying on the local supply of quality labour.

The second thing is to try to improve the skills of young people in the local communities in which they operate. As Ms Boswell has said, without quality, skilled labour and the continuing flow of high technology, no operation can be sustained – or be profitable, for that matter. So if you have highly skilled, dedicated workers, then that is the first, very solid step for success. Nissan has demonstrated its commitment to the community by conducting a range of workshops, competitions and practical activities which aim to inspire children. They are running programmes for elementary schoolchildren at their own expense, and they have been able to work with the local schools in the hope of generating interest among the young people in manufacturing, science and technology. In fact, many of these Nissan-trained people may end up working here at Hitachi, but that is not going to be anything Nissan will complain about because it is the result of mutual cooperation and collaboration.

Moreover, as has already been mentioned, Hitachi sponsors UTC South Durham, just next to this plant. Although it has just started, Hitachi is one of the original sponsors – or maybe, if I'm not mistaken, the original sponsor that supports the college's activities as a private company. I really am happy to witness this contribution as typical of how Japanese companies approach the issue of investing in a foreign country.

The third principle that Japanese companies adopt is developing a good relationship with local suppliers. You have heard the issue of the global supply chain. Of course, companies will seek suppliers from around the globe, aiming to integrate them in the most efficient supply chain that allows the most effective products to be made. Naturally, the best thing is for them to have local suppliers that can support them right here, and in fact North East England is full of potential in this regard.

I was actually here about three weeks ago and myself saw in action one of the suppliers working with Hitachi. The company's name is Hydram and they provide excellent quality work for Hitachi. How do they do that? Well, they have been operating here for decades so they obviously have good skills and expertise. But on top of that, what Hitachi did was to work with them in a highly focused way to help them produce the high-quality parts that Hitachi needed to use in its assembly plant here.

This approach based on collaboration is what Japanese companies try to practise when they come to another community because only through working together can you ensure success. Thanks to Hitachi's sharing of its high technology with a local components supplier, the quality of the parts has been totally satisfactory and local suppliers are assured of receiving further orders from Hitachi. This collaborative relationship will, of course, continue for decades to come because I am convinced that Hitachi will gain further orders – indeed, so many that this plant may become too small to digest them – and this will require the local suppliers to work at full stretch and even to expand their production capacity.

Today we are witnessing the launch of the first train from this plant. I have no doubt that such an event will be repeated frequently over the years and decades ahead. Hitachi's investment in North East England, its first overseas base, is an important symbol of cooperation between the UK and Japan and really sits well as a symbol for our ties in the future.

Thank you.