

Sendai attractive city of green



ともに、前へ 仙台

Moving Forward As One
SENDAI

Small Businesses' Resilience after the Great East Japan Earthquake

-- From the perspective of support toward small- and medium-sized companies by the local municipalities --

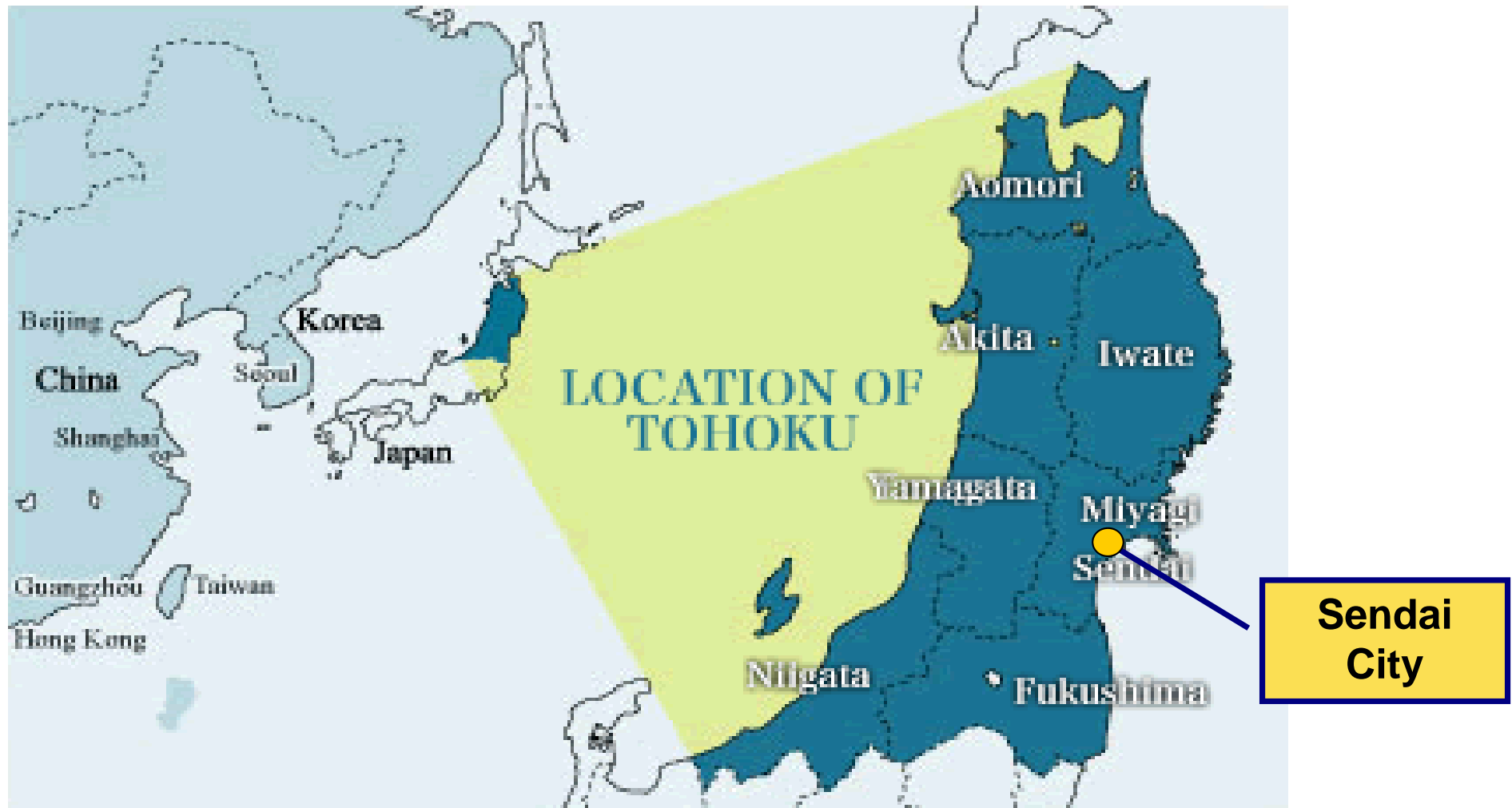
Emiko OKUYAMA Mayor Sendai City



1. Effects of the Great East Japan Earthquake on the local economy and businesses within Sendai city

Outline of Sendai City

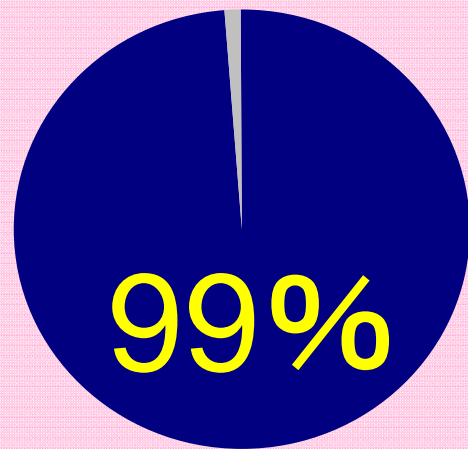
- Economic and administrative center of the Tohoku region
- Population: 1,058,939 persons (as of April 2013)



Effects of the disaster on businesses in Sendai City

Businesses located
within the city
(About 48,000)

Of these, Note: Before
Earthquake



are
**Small- and
medium-sized
companies**

◎ Businesses within the City
immediately after the disaster ◎
(From Sendai City's immediate survey conducted in July 2011)

Experienced suspension of business... **51.5%**

▼ Downturn after the earthquake

- Quantity of orders
- Number of clients
- Cash flow
- Quantity of production and sales

▼ Necessary immediate support

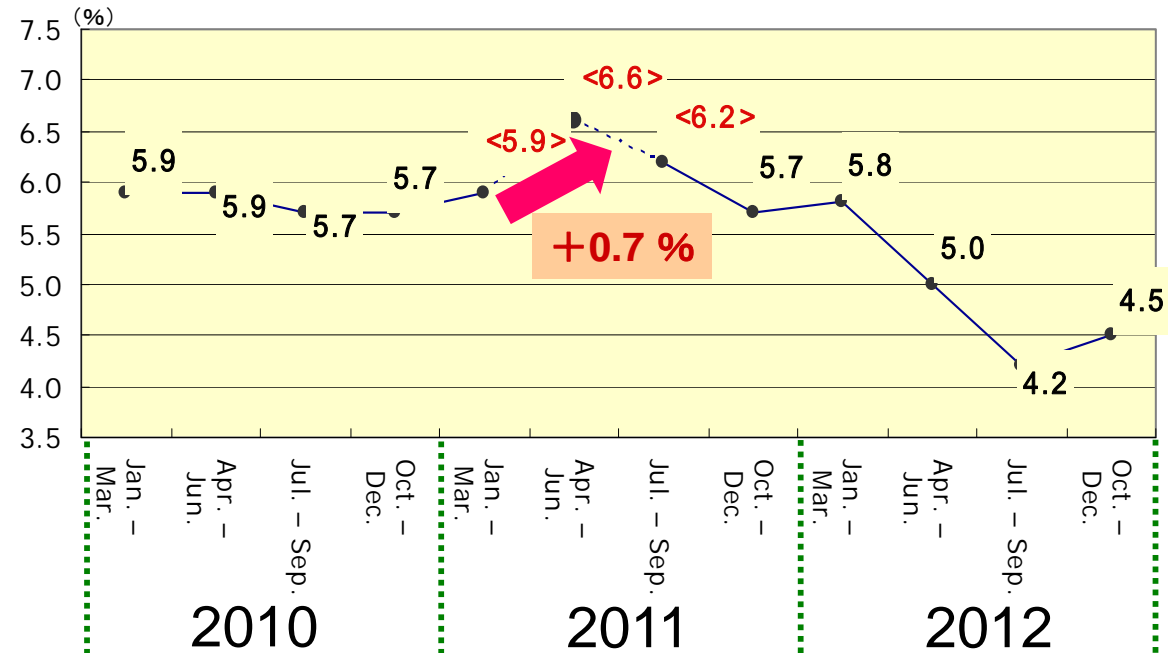
- Reduction of taxes, etc.
- Funds
- Construction of buildings/
installation of machines
- Salary for employees

Effects of the disaster on the local economy

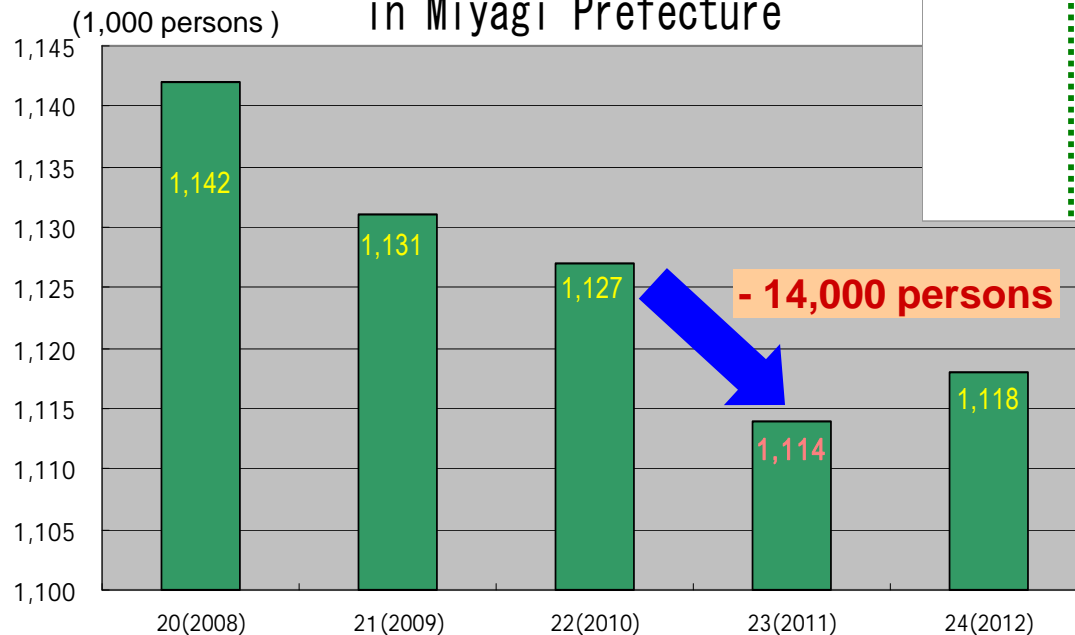
Employment numbers and unemployment rate after the earthquake

(According to "Labor Force Survey" by the Ministry of Internal Affairs and Communications)

Unemployment Rate in Miyagi Prefecture



Number of Persons with Employment in Miyagi Prefecture



Employed

Decrease

Unemployed

Increase

Severe repercussions for disaster victims in rebuilding their livelihood

2. Measures to support the restoration and reconstruction of local small- and medium-sized companies

Sendai City Measures to Support local businesses

◎ Provisions and support provided to businesses in accordance to the level of damage

Businesses ▪ Employees

Employment
decrease

Sales
down

Equipment
loss

Funds
downturn

Urgent job
creation
Attract
enterprises

Supporting
development of
new sales
channels

Subsidy for same-
site restoration of
manufacturing
facilities

Financial support

Sendai City Measures to Support local businesses

Urgent job creation program (city level)

- ▼ Direct employment by Sendai City
 - Issuing disaster victim certificates
 - Assisting refuge areas, etc.

- ▼ Employment through consignment to private businesses
 - Safety watch at temporary housing, etc.
 - Employment support service, etc.



Safety patrol at temporary housing

Created jobs
2,700 jobs
(FY2011)

Employment adjustment subsidy (national level)

Subsidy of 2/3 of the salary for businesses that were driven to keep employees away from work due to business contraction

Urgent push to maintain employment

Sendai City Measures to Support local businesses

Support development of new sales channels
(city level)

Furthermore

Develop new sales channels to
replace lost ones
+
Coordinate with companies outside
of the area

◎ Numbers for businesses matching assistance
(results of 2012)

1,745 cases



Recovery in sales from new sales channels.
New efforts toward coordination between
small- and medium-sized companies.

Sendai City Measures to Support local businesses

Subsidy for same-site restoration of manufacturing facilities (city level)

◎ City designated business 29 cases Subsidy about **975** million yen
(up to October, 2012)

Group subsidy system (national level)

◎ Issuance results within Sendai City 50 groups 531 businesses
(up to March 2013)

Issuance amount about **28.9** billion yen

Increase employment of disaster victims by
increasing recovery speed of production facilities

Sendai City Measures to Support local businesses

Financial support (city level)

◎ Financing system related to the Great East Japan Earthquake

(results from 2011)

▼ Financed amount: about **30** billion yen

(about **68%** of the city financing system overall)

◎ Assistance in interest rates etc. for persons using the city's financing system (results from 2011)

▼ Financed amount: about **500** million yen

Purchasing double loans (national level)

▼ Support from the nation's purchasing company

(results up to March 2013)

205 cases

(in Miyagi prefecture)

Support for the early restoration and business recovery of small- and medium-sized companies within the city

Current economic situation of Sendai City

About **60%** of
the companies
showed recovery
in sales

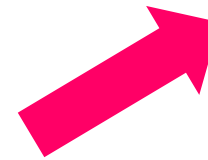
(from urgent city survey on December 2012)

Jobs-to-applicants ratio (within Sendai
administrative area)

Lowest time

0.49

(May 2011)

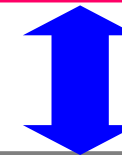
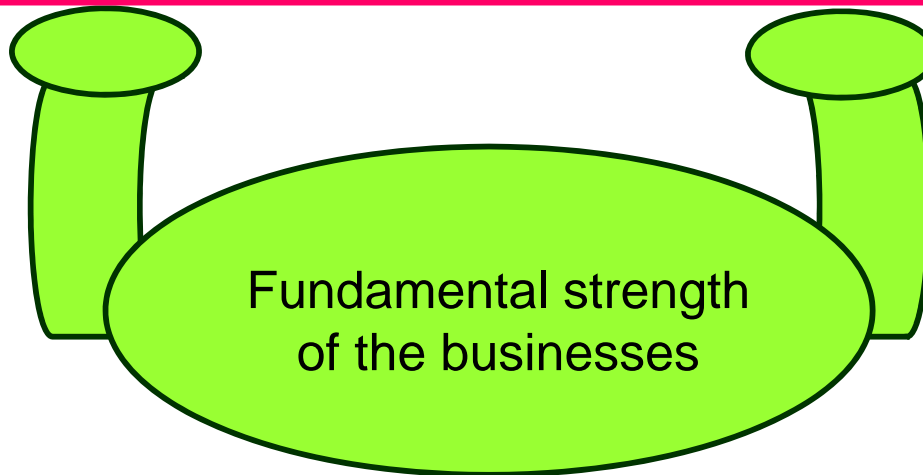


Current

1.43

(February 2013)

Ministry of Health, Labour and Welfare
from the general job placement situation
(employment services statistics)



Remaining problems:

- Harmful rumors
- Mismatched employment
- Decrease of tourists
- Reclamation of agricultural land

Summary

- The problems that local small- and medium-sized companies have been facing after the Great East Japan Earthquake span a wide range of issues, such as: providing employment for its staff; reduction in sales; loss of production equipment; and downturn of funds.
- In order to resolve these issues, Sendai City has been involved in the following: loan of funds to local small- and medium-sized companies; support for raising money by supplying interest rates and guarantee commissions to affected small- and medium-sized companies; efforts to maintain and create jobs; and support for the development of new sales channels.
- For the future, in addition to the above provisions, we need to provide support for disaster preparation.