

2010 Questionnaire Survey of Japanese-Affiliated Firms

2010 Survey of Japanese-Affiliated Firms in Asia and Oceania

Thank you for participating in this survey. It will take 20 to 30 minutes to answer.

1. This survey is conducted annually in order to understand the business activities of Japanese-affiliated firms (i.e., companies for which the Japanese direct or indirect investment ratio is 10% or more). As the objective of the survey is to ask about business environments, we kindly ask you to respond from the local subsidiary's point of view. Please note that in this survey "your company" refers to the local subsidiary (or local branch office).
2. No individual company information will be publicized as your answers will be dealt with as statistical data.
3. If you have any technical problems, please contact the persons mentioned below.
If you have any questions regarding the contents of the survey, please contact your local JETRO office.
4. In this survey, "territory" refers to Hong Kong or Taiwan.

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If the ratio of Japanese (direct or indirect) investment in your company is less than 10%, or your company operates as a representative office, please do not complete this survey as you are not included in its scope. In this case, please click the button below to exit the survey. Thank you.

Click

Corporate Information (Sections with "★" must be completed.)

★Country/Territory:

- | | | |
|--------------------------------------|--------------------------------------|-----------------------------------|
| <input type="checkbox"/> Indonesia | <input type="checkbox"/> Malaysia | <input type="checkbox"/> Myanmar |
| <input type="checkbox"/> Philippines | <input type="checkbox"/> Singapore | <input type="checkbox"/> Thailand |
| <input type="checkbox"/> Vietnam | <input type="checkbox"/> Bangladesh | <input type="checkbox"/> India |
| <input type="checkbox"/> Pakistan | <input type="checkbox"/> Sri Lanka | <input type="checkbox"/> Cambodia |
| <input type="checkbox"/> Australia | <input type="checkbox"/> New Zealand | |

★Company Name: (In Japanese or English)

★Name:

★Telephone Number:

★E-mail:

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★Industry: (Please select an industry from the list below)

<Manufacturing*>

(*Companies that engage in production and processing activities in your area. Even if the Japanese parent company is a manufacturer, a company that engages only in product sales in your area is regarded as a “Sales company” within the <Non-Manufacturing> category.)

- Foods, processed agricultural or marine products
- Textiles (yarn, cloth, synthetic fabrics)
- Apparel and textile products
- Lumber and wood products
- Furniture and interior products
- Paper and pulp
- Chemicals and Petroleum products
- Plastic products
- Pharmaceuticals
- Rubber products
- Ceramics and cement
- Iron and steel (including cast and forged products)
- Nonferrous metals and products
- Fabricated metal products (including plated products)
- General machinery (including metal molds and machine tools)
- Electric machinery and electronic equipment
- Electric and electronic parts and components
- Motor vehicles and motorcycles
- Motor vehicle and motorcycle parts and accessories
- Precision instruments
- Medical Devices
- Printed and Published
- Other Manufacturing industries ()

<Non-Manufacturing>

- | | | |
|--------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
| <input type="checkbox"/> Fishery | <input type="checkbox"/> Agriculture and forestry | <input type="checkbox"/> Mining |
| <input type="checkbox"/> Distribution | <input type="checkbox"/> Trading company | <input type="checkbox"/> Sales company |
| <input type="checkbox"/> Banking | <input type="checkbox"/> Insurance | <input type="checkbox"/> Securities |
| <input type="checkbox"/> Transport/warehousing | <input type="checkbox"/> Real estate | <input type="checkbox"/> Judicial affairs/taxation |
| <input type="checkbox"/> Hotel/travel/restaurant | <input type="checkbox"/> Communications/software | <input type="checkbox"/> Construction/plants |
| <input type="checkbox"/> Other () | | |

★Type of Operation: (Please select the main clients of the major products that your company produces or distributes.)

- Companies General consumers

★Classification: The Japanese parent company is:

- A Large Enterprise A Small and Medium-Sized Enterprise*

*Companies that fall under the categories specified in Japan’s Small and Medium-Sized Enterprise Basic Act are regarded as small and medium-sized enterprises.

(1) Manufacturing, construction, transport, and other industries except (2) to (4) below: Corporations capitalized at 300 million yen or less or with 300 or fewer employees

(2) Wholesaling: Corporations capitalized at 100 million yen or less or with 100 or fewer employees

(3) Services: Corporations capitalized at 50 million yen or less or with 100 or fewer employees

(4) Retailing: Corporations capitalized at 50 million yen or less or with 50 or fewer employees

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★Classification: If a Japanese company based in any country other than Japan invests in your company, please specify where it is located.

Country/Territory:

★Year of Establishment:

★Number of Employees: (Please fill out the current number of employees) (In round figures)

Total : people

<Regular employees: people, Japanese expatriate employees: people>

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Q7 If you answered operating profit for 2011 is forecast to “Worsen” in Q5, please select the reason(s).

(Select all that apply)

- 1) Decrease in sales due to sluggish exports
- 2) Decrease in local market sales
- 3) Reduction in sales due to higher prices
- 4) Exchange rate fluctuations
- 5) Increase in procurement costs
- 6) Increase in personnel expenses
- 7) Increase in other costs (administrative expense, utility and fuel costs, etc.)
- 8) Higher interest rates
- 9) Inadequate price rising (in comparison with cost increase)
- 10) Other ()

2. Future Business Development

Q8 What is the most appropriate direction for your company's business development over the next one to two years?

- 1) Expansion
- 2) Status quo
- 3) Downsizing
- 4) Move to a third country (territory) or withdraw

[⇒ Go to Q9] [⇒ Go to Q11] [⇒ Go to Q10] [⇒ Go to Q10]

Q9 If you selected “Expansion” in Q8, please select the specific business plan(s). **(Select all that apply)**

- 1) Expansion of the existing business scale through additional investment
- 2) Consolidation of production and service bases for specific products
- 3) Expansion of the business scale/area through investment in other enterprises or M&A
- 4) Diversification of the contents of products and services (sector expansion)
- 5) Creation of new markets (expansion of business/sales networks)
- 6) Strengthening of planning, R&D, and design functions
- 7) Other ()

Q10 If you selected “Downsizing” or “Move to a third country (territory) or withdraw” in Q8, please select the reason(s). **(Select all that apply)**

- 1) Decrease in sales
- 2) Increase in procurement, personnel and other costs
- 3) Tighter regulations
- 4) Part of the parent company's restructuring policy
- 5) Review of production/sales networks due to the development of FTA/EPAs
- 6) Relations with business partners
- 7) Other ()

3. Efforts to Cultivate Local Markets

Q11 What policy does your company plan to adopt in order, to cultivate local markets in your area? Please select the most appropriate policy.

- 1) Give higher priority to local market cultivation than to exporting [⇒ Go to Q12]
- 2) Give equal priority to both, local market cultivation and exporting [⇒ Go to Q12]
- 3) Give higher priority to exporting than to local market cultivation
- 4) No interest in local markets because the company is an export-oriented company
- 5) No idea

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Q12 If you selected (1) or (2) in Q11, what group and what product/service price range does your company intend to target in cultivating local markets? Please check the appropriate box. **(Select all that apply)**

Current Target	Companies	Price Range
	<input type="checkbox"/> ₁ Japanese-affiliated companies	<input type="checkbox"/> ₁ High
	<input type="checkbox"/> ₂ Local companies	<input type="checkbox"/> ₂ Medium
	<input type="checkbox"/> ₃ Foreign-affiliated companies	<input type="checkbox"/> ₃ Low
	Consumers	Price Range
	<input type="checkbox"/> ₁ Wealthy class	<input type="checkbox"/> ₁ High
	<input type="checkbox"/> ₂ New-rich or middle class	<input type="checkbox"/> ₂ Medium
<input type="checkbox"/> ₃ Lower income class	<input type="checkbox"/> ₃ Low	
Future Target	Companies	Price Range
	<input type="checkbox"/> ₁ Japanese-affiliated companies	<input type="checkbox"/> ₁ High
	<input type="checkbox"/> ₂ Local companies	<input type="checkbox"/> ₂ Medium
	<input type="checkbox"/> ₃ Foreign-affiliated companies	<input type="checkbox"/> ₃ Low
	Consumers	Price Range
	<input type="checkbox"/> ₁ Wealthy class	<input type="checkbox"/> ₁ High
	<input type="checkbox"/> ₂ New-rich or middle class	<input type="checkbox"/> ₂ Medium
<input type="checkbox"/> ₃ Lower income class	<input type="checkbox"/> ₃ Low	

If you selected “Medium” or “Low” as the price range for the current or future target in Q12, go to Q13. If you selected only “High” or did not check any box, go to Q15.

Q13 Companies from which country/territory does your company expect to be the strongest competitors in selling mid- or low-priced products and services in local markets? Please select **one** from the list below (Exclude Japanese-affiliated companies).

※This question asks the nationality of the competitors, not the country where products or services are produced.

- | | | |
|-----------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------|
| <input type="checkbox"/> 1) Indonesia | <input type="checkbox"/> 2) Malaysia | <input type="checkbox"/> 3) Myanmar |
| <input type="checkbox"/> 4) Philippines | <input type="checkbox"/> 5) Singapore | <input type="checkbox"/> 6) Thailand |
| <input type="checkbox"/> 7) Vietnam | <input type="checkbox"/> 8) Other ASEAN countries () | <input type="checkbox"/> 9) Bangladesh |
| <input type="checkbox"/> 10) India | <input type="checkbox"/> 11) Pakistan | <input type="checkbox"/> 12) Sri Lanka |
| <input type="checkbox"/> 13) Other Southwest Asian countries () | <input type="checkbox"/> 14) Australia | <input type="checkbox"/> 17) Taiwan |
| <input type="checkbox"/> 15) New Zealand | <input type="checkbox"/> 16) Mainland China | <input type="checkbox"/> 20) Europe |
| <input type="checkbox"/> 18) South Korea | <input type="checkbox"/> 19) US | |
| <input type="checkbox"/> 21) Other () | <input type="checkbox"/> 22) No competitors | |

Q14 What problems does your company face or expect to face in selling mid- or low-priced products and services in local markets? **(Select all that apply)**

- 1) Difficulty in knowing about market characteristics and needs (Lack of information)
- 2) Difficulty in designing product functions and service contents according to consumer characteristics
- 3) Severe price competition with other companies
- 4) Difficulty in changing specification/quality criteria so as to realize cost reduction
- 5) Difficulty in establishing a production/supply system so as to realize cost reduction
- 6) Difficulty in creating sales channels (dealers, etc.) for new areas/clients
- 7) Inadequate logistics infrastructure
- 8) Difficulty in gaining consumer understanding about your company’s products/services
- 9) High risk in collecting accounts receivable
- 10) Lack of or difficulty in recruiting staff who are familiar with the local market
- 11) Difficulty in adapting to the local standards and legal system

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4. Business Problems

The following questions ask which issues in each of the following categories you perceive as particularly serious business problems for your company in the country where it is located. Please check the appropriate boxes for each category.

Q15 Problem(s) in sales or other business activities (**Select all that apply**)

- 1) Decrease in production orders from headquarters
- 2) Decrease in orders from clients
- 3) Major clients requesting lower prices
- 4) Sluggishness in major sales markets (consumption downturn)
- 5) Difficulty in developing in new clients on market
- 6) Decrease in sales prices due to global oversupply
- 7) Inflow of cheap imported goods into local markets
- 8) Competitors' market shares are growing (quality-wise competition)
- 9) Competitors' market shares are growing (cost-wise competition)
- 10) Lack of progress in local deregulation
- 11) Accounts receivable in arrears
- 12) Other ()
- 13) No particular problem

Q16 Problem(s) in financial affairs, financing, or foreign exchange (**Select all that apply**)

- 1) Necessary Lack of cash flow for expansion of business scale
- 2) Difficulty in procuring funds from local financial institutions
- 3) Volatility of the local currency's exchange rate against the US dollar
- 4) Volatility of the local currency's exchange rate against the Japanese yen
- 5) Volatility of the Japanese yen against the US dollar
- 6) Restrictions on fund procurement and settlements
- 7) Tax burdens (i.e. corporate taxes and transfer pricing taxes)
- 8) Rising interest rates
- 9) Other ()
- 10) No particular problem

Q17 Problem(s) with labor or employment (**Select all that apply**)

- 1) Increase in employee wages
- 2) Difficulty in recruiting general staff
- 3) Difficulty in recruiting middle management staff
- 4) Difficulty in recruiting general workers (Manufacturing only)
- 5) Difficulty in recruiting engineer staff (Manufacturing only)
- 6) Low rate of worker retention
- 7) Workers' capability
- 8) Personnel costs of Japanese (expatriate) officers and staff
- 9) Restrictions on staff dismissal and reduction
- 10) Difficulty in localizing managers and site supervisors
- 11) Restrictions on employing foreign workers
- 12) Other ()
- 13) No particular problem

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Q18 Problem(s) in the foreign trade system (**Select all that apply**)

- 1) Complicated customs clearance procedures
- 2) Time-consuming customs procedures
- 3) Lack of thorough information of trade rules and regulations
- 4) Unclear methods for assessing customs duties
- 5) Obscure criteria for determining classification of customs duties
- 6) Unclear inspection system
- 7) High non-tariff barriers*
- 8) Strict quarantine system
- 9) Other ()
- 10) No particular problem

* Non-tariff barriers are measures other than tariffs to restrict imports, and are used to protect domestic industries from imported goods. They include import quotas and means not directly related to trade, such as production subsidies and consumption tax.

Q19 (Manufacturing only. If you are not a manufacturer, go to Q20.) Problem(s) in production (**Select all that apply**)

- 1) Insufficient production capacity due to lack of facilities
- 2) Limited cost-cutting measures available
- 3) Increase in procurement costs
- 4) Difficulty in local procurement of raw materials and parts
- 5) Difficulty in changeover of production items within a short time period
- 6) Difficulty in quality control
- 7) High tariffs on imported capital goods and intermediary goods
- 8) Stricter environmental regulations
- 9) Electric power shortage
- 10) Inadequate logistics infrastructure
- 11) Other ()
- 12) No particular problem

Q20 What problems does your company face in promoting management localization? (**Select all that apply**)

- 1) Difficulty in recruiting executive staff
- 2) A high turnover rate of executive staff
- 3) Conflict with head office policy regarding appointment of staff
- 4) Inadequate language abilities of local staff (Japanese and English)
- 5) Lack of ability and awareness of local staff
- 6) Difficulty in reducing the number of Japanese expatriate staff
- 7) No progress in the development of local staff
- 8) No progress in the transfer of authority from head office to local level
- 9) Insufficient capabilities for developing local products and services
- 10) Insufficient capabilities for local planning and marketing
- 11) Other ()
- 12) No particular problem

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5. Procurement of Raw Materials and Parts (Manufacturing only)

Q21 What is the breakdown of your procurement sources? (Based on monetary amounts. Please ensure that the percentages total 100%)

- | | |
|--------------------------------------------------------------|-------------------------------------------------------|
| <input type="checkbox"/> 1) Local (_____ %) | <input type="checkbox"/> 2) Japan (_____ %) |
| <input type="checkbox"/> 3) ASEAN (_____ %) | <input type="checkbox"/> 4) Mainland China (_____ %) |
| <input type="checkbox"/> 5) Other Asian countries (_____ %) | |
| <input type="checkbox"/> 6) Oceania (_____ %) | <input type="checkbox"/> 7) US (_____ %) |
| <input type="checkbox"/> 8) Europe (_____ %) | <input type="checkbox"/> 9) Middle East (_____ %) |
| <input type="checkbox"/> 10) Other (_____ %) | |

If you selected "Local" as a procurement source in Q21, go to Q22. If you have no local procurement, go to Q23.

Q22 What is the breakdown of your local procurement sources?

(Please ensure that the percentages total 100%)

- | |
|---------------------------------------------------------------------------|
| <input type="checkbox"/> 1) Japanese-affiliated companies (_____ %) |
| <input type="checkbox"/> 2) Local companies (_____ %) |
| <input type="checkbox"/> 3) Other foreign-affiliated companies (_____ %) |

Q23 What are your plan(s) for procuring raw materials and parts in the future? (Select all that apply)

- | |
|-----------------------------------------------------------------------------------|
| <input type="checkbox"/> 1) Increase the ratio of local procurement |
| <input type="checkbox"/> 2) Increase the ratio of procurement from ASEAN |
| <input type="checkbox"/> 3) Increase the ratio of procurement from mainland China |
| <input type="checkbox"/> 4) Increase the ratio of procurement from India |
| <input type="checkbox"/> 5) Increase the ratio of procurement from Japan |
| <input type="checkbox"/> 6) Maintain current ratios of local procurement |
| <input type="checkbox"/> 7) Other (_____) |

6. Exports/Imports

Q24 What is the percentage of export sales out of total sales for your company? (_____ %)

Indirect exports are excluded. However, please include exports of products via sales agents or companies in the location (country) of your local company in the export amount.

Sales of products in mainland China that originated in mainland China but have been re-imported via Hong Kong and other areas

Q25 What is the breakdown of your export destinations? (Please ensure that the percentages total 100%)

- | | |
|------------------------------------------------------------------------|----------------------------------------------------|
| <input type="checkbox"/> 1) Japan (_____ %) | <input type="checkbox"/> 2) ASEAN (_____ %) |
| <input type="checkbox"/> 3) Mainland China (_____ %) | <input type="checkbox"/> 4) South Korea (_____ %) |
| <input type="checkbox"/> 5) Hong Kong (_____ %) | <input type="checkbox"/> 6) Taiwan (_____ %) |
| <input type="checkbox"/> 7) India (_____ %) | <input type="checkbox"/> 8) Other Asia (_____ %) |
| <input type="checkbox"/> 9) Oceania(Australia, New Zealand) (_____ %) | <input type="checkbox"/> 10) US (_____ %) |
| <input type="checkbox"/> 11) Europe (_____ %) | <input type="checkbox"/> 12) Russia (_____ %) |
| <input type="checkbox"/> 13) Middle East (_____ %) | <input type="checkbox"/> 14) Other (_____ %) |

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Q26 What country/territory do you see as the most promising export market for your company's business/products over the next one to three years? Please select **one** from the list below.

- | | | |
|-----------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------|
| <input type="checkbox"/> 1) Indonesia | <input type="checkbox"/> 2) Malaysia | <input type="checkbox"/> 3) Vietnam |
| <input type="checkbox"/> 4) Philippines | <input type="checkbox"/> 5) Singapore | <input type="checkbox"/> 6) Thailand |
| <input type="checkbox"/> 7) CLM (Cambodia, Laos, Myanmar) | | |
| <input type="checkbox"/> 8) India | <input type="checkbox"/> 9) Other Asia () | |
| <input type="checkbox"/> 10) Japan | <input type="checkbox"/> 11) South Korea | <input type="checkbox"/> 12) Mainland China |
| <input type="checkbox"/> 13) Hong Kong | <input type="checkbox"/> 14) Taiwan | <input type="checkbox"/> 15) US |
| <input type="checkbox"/> 16) Europe | <input type="checkbox"/> 17) Oceania (Australia, New Zealand) | |
| <input type="checkbox"/> 18) Russia | <input type="checkbox"/> 19) Middle East | |
| <input type="checkbox"/> 20) Other () | | |

East Asia is a region with various bilateral and multilateral free trade agreements (FTAs) and economic partnership agreements (EPAs). The following questions concern your company's use of such agreements.

Q27 Does your company currently make use of any existing bilateral or multilateral FTAs or EPAs (i.e., those already in force) for import or export activities (including advance tariff reduction measures and early harvest programs*)? **(Please select all that apply)**

<Example: India>

Does your company currently exporting to or importing from the following countries/territory? (Country/Area)	Does your company using any FTA effective between (Country/Area) and the country to which you are importing from or exporting to?		< For export activities > Is your company using or considering the use of preferential tariff measures under the FTA?			< For import activities > Is your company using or considering the use of preferential tariff measures under the FTA?		
	Export	Import	Currently in use	Considering using	No plan to use	Currently in use	Considering using	No plan to use
<input type="checkbox"/> _1	<input type="checkbox"/> _2	<input type="checkbox"/> _3	<input type="checkbox"/> _4	<input type="checkbox"/> _5	<input type="checkbox"/> _6	<input type="checkbox"/> _7	<input type="checkbox"/> _8	

* "Early Harvest" refers to an early reduction in customs tariffs on specified items.

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7. Wages

Q28 What are the approximate average wages of employees in the following job types in your company?

Please indicate an average wage per employee, not a range of wages.

<Manufacturing>

A. Worker (Regular general workers with 3 years of work experience, not including contract-based and probationary workers)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

B. Engineer (Regular employees who are core technicians, graduates of a vocational college or university, and have 5 years of experience)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

C. Manager (Regular employees who are section managers in charge of sales, university graduates, and who have 10 years of work experience)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

D. Wage increase over the previous year (Average in all job types): _____%

<Non-Manufacturing>

A. Staff (Regular general workers with 3 years of work experience, not including dispatched and probationary workers)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

B. Manager (Regular employees who are section managers in charge of sales, university graduates, and who have 10 years of work experience)

Base salary* only (monthly): _____ [local currency]

Bonus: Base salary × _____ months

Annual salary** : _____ [local currency]

C. Wage increase over the previous year (Average in all job types): _____%

*The base salary is the salary excluding benefits, as of August 2010.

** The total amount per employee for (fiscal) year 2010, including base salary, benefits, social security, overtime pay, and bonuses.

Thank you very much for your cooperation.