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IETRO Switzerland Newsletter

Japan External Trade Organization

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Interview with Adriano Gut, Product Manager

swissQprint manufactures digital large format printers for professional and industrial use. With a surface up to 3.2x2 meters for the Nyala LED, swiss-Qprint printers can print on all sorts of media with great accuracy even at high speed. This 10-year-old, innovation-driven company has grown quickly, competing with the big names in the industry. Mr. Adriano Gut kindly answered our questions and explained to us why swissQprint just opened an office in Japan.

Could you please briefly introduce swissQprint?

swissQprint was established 10 years ago with the ambition to produce high-end large format printers. The three founders shared a common idea of high precision and exceptionally reliable machines. Starting with five employees, the company grew rapidly and is still growing. Today, in addition to our headquarters in Switzerland, we have three subsidiaries in Japan, Germany and in the USA. The three founders are still in the operative business and in the board, and one of them, Mr. Reto Eicher, is also our CEO.

In 2017, you established a subsidiary in Japan. Could tell us more about this decision?



The swissQprint founders: Roland Fetting, Reto Eicher and Hansjörg Untersander

Everything went very quickly. In December 2016, our local distributor in Japan had some legal issues. swissQprint had nothing to do with it, but our customers in Japan were concerned that we might abandon the country. They really appreciated our products. On JETRO's advice, I immediately went to Japan to meet with all of our customers one-by-one to answer their questions. Because we had reached a critical size in the Japanese market, we quickly agreed that it would be better to directly enter the market instead of looking for a new distributor. With JETRO's support, we established our first subsidiary in a little over one year. It was all of the sudden and took some time to find the right people and the right place, but it was totally worth it. Today, our sales in Japan are doing well because former and new customers trust in our products.

Many of the best-known printer manufacturers in the world are Japanese. What is your added value?

Our products deliver outstanding performance, are exceptionally reliable and we offer exemplary service. For companies using their printers 12 hours a day (sometimes more), any interruption might be very expensive. Reliability is a key point for this market. As with every machine, our printers will eventually require maintenance, but they breakdown less often and last longer. Finally, we also have all the spare parts for our products in stock. We can immediately dispatch them all around the world.

swissQprint has just established a subsidiary in Japan



As you said, Japan is well known for its professional printers. This is exactly why we wanted to start our Asian expansion there. For printers, Japan is a flagship market. If something works here, it will spread throughout the Asian market.

According to your website (available in Japanese), your products are 100% Swiss made. Is it something that customers are looking for?

Our products are indeed 100% designed and engineered in Switzerland. 90% of our machines' components are manufactured in Switzerland, mostly from the Rhine valley where we are located. The main exception are the print heads, a very delicate and complex piece that we import from Japan. Finally, all of our machines are assembled here at our factory in Kriessern. Our partners in the region benefit from our success and it makes us glad and proud (the company was awarded the economic prize of the Rhine valley for their great achievements and its role as an industrial ambassador for the region, editor's note).

swissQprint offers a lot of hightech features and even a robot to increase productivity. What does digitalization represent to you?

I will turn the question the other way round. What can our products bring to digital companies? Our products meet with a lot of requirements the new digital players have. They are looking for the highest possible flexibility. They need a printer that can print both small and large quantities in different

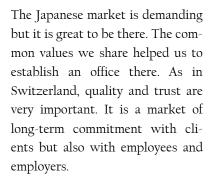


Adriano Gut, Product Manager

levels of quality on all sorts of media. Our printers can very quickly shift from one job to another. In addition, as said before, reliability is essential and this is especially true for small companies. If you have only one printer, you cannot afford to stop production for days or even weeks because of a breakdown.

We also have a robot that cooperates with our printers, to charge and discharge the media. In many cases, humans are still more efficient, but for repetitive actions, robots can certainly be helpful.

In your experience, is there any difference between the Japanese market and other markets?



What challenges have you faced or are you still facing?

To establish our office, the challenges were mostly practical. We needed to set up a local team, find the right location and go through the paperwork to establish the company. For instance, finding an office with doors that would accommodate our large machines was not so easy.

What are your feelings about this experience so far?

It has been a great experience. Of course, it has been challenging because it was totally unexpected. We had to move quickly, but in the end it was totally worth it. I also must say how much we appreciate the support of the JETRO, from the decisive initial advice, to the support in establishing our subsidiaries in Japan.



swissQprint officially opened the subsidiariy's new premises in Yokohama in January 2018 Issue 105 Page 3

Swiss-Japanese Trade in Goods in 2017

According to the Swiss Federal Customs Office, the total trade in goods* between Japan and Switzerland reached a total of CHF 10,781 million in 2017 (+3.8%). For 2017, Swiss exports to Japan are stable at 7,324 million (+0.7%) when imports from Japan have significantly increased (+10.9%); the exact opposite of last year situation.

The detailed figures show the similarity and strengths of the two

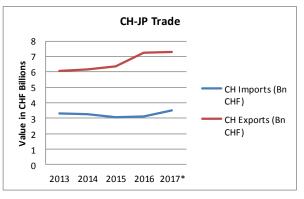
economies with similar products exchanged in both directions.

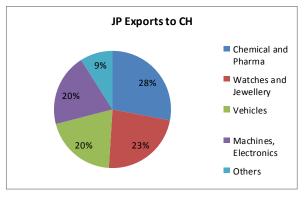
The high value of Swiss exports to Japan is essentially due to two categories of products representing together more than 80% of the total. On one hand there are chemical and pharmaceutical products (49%) and on the other hand watches and jewellery (34%). Machines are far behind (7.4%).

Swiss imports from Japan are mainly composed by four categories: chemical and pharmaceutical products (28%), watches (23%), vehicles (20%) and machines/electronics (20%).

The 10.9% increase of Swiss imports from Japan are mostly due to a considerable increase of the imports of chemical and pharmaceutical products (+33.8), but also to some extent from vehicles (4.5%) and machines/electronics (13.3%).

* without gold





*estimated figures

Source: Swiss Federal Customs Administration

Brexit aside, Japanese companies in Europe are optimistic

JETRO's 2017 survey on business conditions of Japanese-affiliated companies in Europe shows that the recovery of the European economy is welcomed by companies. Among the 936 companies who answered the survey, 42.7% expect an increase of their profit in 2018 (compared to 2017). Almost half of them expect a similar profit (48.2%), when only 9.1% expect a decrease. Considering UK and the rest of Europe separately, data shows that companies are con-

cerned about the Brexit. UK-located Japanese companies consider that the Brexit might affect their business due to potential trade barriers. On the other hand, the Japan-EU Economic Trade Agreement is seen positively for Japanese companies in the EU. Easier imports from Japan are the main reason for their optimism.

Regarding business activities in Switzerland, only one third of Japanese companies in Switzerland are expecting an increase of their profit for the current year. Two third of them expects their profit to remain the same.

This moderate enthusiasm can be explained by the fact that Japanese companies located in Switzerland expect no significant improvement of the local market. Half of them expect no change and the other half expects the prospects to slightly improve.





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Last days to register for the "Impulse Event: Japan" in Zurich



The event will provide you with a wealth of exciting information from both country experts and executives of Swiss SMEs, who will share their experiences with the Japanese market.

The following themes will be highlighted with case studies during this Impulse Event:

- Tourism
- ICT
- Infrastructure
- Retail
- Pharma/Medtech

Be sure to reserve Tuesday, <u>February 27, 2018</u>, when Switzerland Global Enterprise, JETRO Geneva and SJCC, the Swiss-Japanese

Chamber of Commerce, invite you to attend "Impulse Event: Japan" in Zurich.

You can look forward to an exciting afternoon and benefit from the reports by Swiss SMEs, who will talk about their experiences and backgrounds when it comes to internationalization in Japan, and offer you in-depth insights into the business world of Japan. After the event you will have enough time to meet other members of the export community and share your experiences at our cocktail.

Date: Feb 27, 2018 (PM)

Registration deadline: Feb 20, 2018

Language: English

Cost: Free for S-GE, JETRO and SJCC Members. Non-Members CHF 60.

Welcome coffee starts at 13:15. Networking cocktail starts at 17:20

S-GE offers Individual Country Consulting (30 minutes) with a country specialist during the morning. Don't hesitate to book one free of charge.

Registration <u>here</u>
Program on <u>S-GE</u> or <u>JETRO</u> websites
Brochure

Agenda



✓ Impulse Event: Japan
Event co-organized by JETRO, S-GE and the Swiss Japanese Chamber of Commerce (SJCC)
Zurich February 27, 2018

JETRO is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world. Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximize their global export potential.

The JETRO Switzerland Newsletter can also be viewed and/or downloaded online: http://www.jetro.go.jp/switzerland/newsletter



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