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INTERVIEW

Pentel's sales reflect how people have adapted to the pandemic

Interview with Mr. Atsushi Sueoka, Managing Director Pentel Switzerland

The pandemic negatively impacted many companies, but in specific industries it had surprising effects.

While the lockdown and teleworking caused a drop in the demand for stationary goods, Pentel also enjoyed a solid increase in the hobby category. In 2018, Mr. Atsushi Sueoka, Managing Director at Pentel Switzerland, told us how the company was promoting "hobby goods". Two years later, the diversification strategy helped the company to support its sales during the crisis.

Mr. Sueoka kindly accepted our invitation to tell us about the latest trends in the stationary business and how Pentel has been doing during this challenging year. To learn more about Pentel and its presence in Switzerland, please kindly read our [previous interview](#).

How has Pentel reacted to the Covid crisis?

When the lockdown started in the middle of March, we started to see an impact on our sales, as most retailers had to close. The effect was still limited though. It was really in April and May when we were affected the most with sales halving compared to



Pentel's brush sign pens: ideal for calligraphy and illustrations

the previous year.

Thankfully, we already observed an improvement in June, July and August which were better than last year.

Going into the details, we have seen two very different trends. The B2B (wholesaler and office supply) market plummeted. Specialized shops had to stay closed longer and with the teleworking, the demand shifted.

On the other hand, the mass market was different. Super markets remained open at all times and could sell.

Internet sales doubled during the period, but they were rather small compared to retail sales. In

fact, the online sales could be larger, but it is difficult to say because many Swiss e-commerce platforms are buying from wholesalers and are not accounted as online sales.

What kind of measures have you implemented?

We could pretty much continue with our pre-existing working organization. We have separate offices, which helped to keep the distance. We stopped taking our lunch together and use hand-sanitizers.

We renounced reducing staff working hours. We wanted to be ready for the recovery.

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INTERVIEW

Pentel's sales reflect how people have adapted to the pandemic

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What sort of challenges have you faced in your daily business?

The challenge was and still is, how to reach the customers during this exceptional period. We switched online, mostly on social media.

Regarding stocks, our problem was not so much the risk of shortage. Everyone had to slow down for a while. We were not in a situation where our manufactories had to reduce work and would have been unable to supply the demand that would have remained normal elsewhere. Both demand and production decreased for a while.

We actually had an opposite problem. With many retailers who had to close and a sharp decrease in the demand, we ended up with large stocks. The situation is progressively getting back to normal.

We had some supply chain issues with the products manufactured in India as the factory remained closed for a long period there. This caused some delay for specific products but was eventually fixed.

Have your sales been impacted by Covid (positively or negatively)?

As said, March, April and May have been difficult. We caught up somewhat in June, July and August. For 2020, by the end of August, our sales were about 10% lower than in 2019. We may be able to further recover, but we recognize that some part will not be compensated.

For the whole industry, stationary

sales have dropped by 15% in the second quarter.

As mentioned before, we have seen new trends in our sales. Because of teleworking, some of our main selling channels, such office supplier, have decreased. With less people in the office, there is naturally less need for stationary products. This trend is unlikely to reverse this year and maybe next year also.

However, other sales categories are increasing fast. Personal usage products, such drawing brushes, are doing very well. People are spending more time at home and are looking for hobbies. Drawing, handwriting and calligraphy are increasing in popularity. We already saw a strong interest over the last two-three years (see our previous interview), but now it is about three times more.

In 2018, you told us that the hobby market was growing; has the crisis had an impact on it?

Yes, we started in January 2018 with 8 creative partner of our products, who could teach and show consumers how to use them. Today, we have 76 creative partners. We organize workshops. The figures are increasing well. In 2018, we had 4,700 people attending our workshops and there were 8,500 in 2019. Fairs are important for us; unlike other countries, it is a good selling channel and good showcase. Creativa Zürich especially attracts many people. People can try our products and if they like them, they will buy. Unfortunately, this year, the Creativa Zürich was cancelled as well as



Mr Sueoka showing us Pentel's antibacterial pen

many other events.

Do you have any new products in the pipeline?

Yes, we have! In December, we will launch an antibacterial pen that kills bacteria in less than 24 hours. A special treatment of the plastic kills the bacteria that remains on the pen after someone used it. The pen is certified based on ISO 22196 and European standards.

It is important to say that the pen is not certified as anti-virus (ongoing tests). Nevertheless, hospitals and companies are increasingly aware on the risk bacteria transmission and we believe there is a demand for such products. It does not replace regular cleaning, but can help to reduce the risk bacteria proliferation.

Japan to slightly ease the inbound restrictions

On September 25, the Japanese government announced that inbound restrictions would be progressively eased. Starting from October 1st, holders of residence permits will be able to enter/re-enter the country provided that the person is hosted by a company or entity that can assure observation of quarantine measures. This will

make life easier for foreign students or workers with long-term visas.

For business purposes, two frameworks exist: business track and residence track. This is meant for foreign staff sent to Japan as long-term residents. At the moment, this inbound exception is available only to selected Asian countries.

It will be updated regularly based

on the evolution of the epidemiological situation country by country.

Currently, travelling to Japan from Switzerland is very difficult. Japanese nationals must go through a 14-day quarantine. For non-nationals, only a few exceptions apply.

Source: [Ministry of Foreign Affairs](#)

動向

TREND

World trade drops sharply in 2020's first quarter

The second focus area of the [JETRO Global Trade and Investment Report 2020](#) is about world trade during the first quarter of 2020 (data for 2020 Q2 were not yet available when the report was published).

Not surprisingly, global trade had already decreased sharply during the first three months of this year (-5.8%). China and the EU made a large contribution to the decrease in exports.

By categories, Machinery and Automobile (cars and parts) contracted the most. On the other hand, medical related equipment and protective equipment have registered record growth. Switzerland ranked 1st for exports of test kits and second for disinfectant.

As a reaction to Covid-19, several countries have introduced temporary regulation to restrict exports of certain equipment or to ease the commercialisation of others.

For instance, in March Switzerland

introduced an export authorization for masks and protective gloves. Many countries have also adapted Foreign Direct Investment Screening Mechanisms (ISMs) to the Covid-19 to secure medical companies or equipment manufacturers. Many of those special restrictions will eventually be eased after the

pandemic, but the growing popularity for ISM is unlikely to end. According to the report, at the end of 2019, at least 30 countries had introduced ISMs. Those countries account for more than 60% of Foreign Direct Investment inward stock.

Top five countries/regions for import/export of products related to Covid-19 (2019)

(Unit: Million USD, %)

Items	Rank	Export				Import			
		Countries/region	Value	Share	Growth rate	Countries/region	Value	Share	Growth rate
Test kits/ Instruments and apparatus used in Diagnostic Testing	1	Switzerland	30,468	19.2	20.8	US	26,711	17.5	36.6
	2	Germany	26,653	16.8	-7.0	Germany	14,387	9.4	4.3
	3	US	22,169	14.0	9.0	China	12,060	7.9	18.3
	4	Ireland	19,821	12.5	33.8	Belgium	9,851	6.5	2.5
	5	Belgium	11,447	7.2	15.3	Japan	8,551	5.6	22.0
Masks	1	China	5,518	39.5	6.2	US	4,676	30.4	8.1
	2	Germany	1,183	8.5	-0.8	Japan	1,338	8.7	4.3
	3	US	1,164	8.3	7.0	Germany	1,282	8.3	3.1
	4	Mexico	606	4.3	11.6	France	651	4.2	7.4
	5	Vietnam	470	3.4	-14.0	UK	485	3.2	6.3
Protective garments	1	China	5,825	41.5	-9.4	US	3,114	23.5	-2.7
	2	Vietnam	1,327	9.5	44.1	Germany	990	7.5	1.6
	3	Italy	799	5.7	0.2	Japan	863	6.5	1.0
	4	Belgium	542	3.9	-4.2	France	840	6.3	-1.1
	5	Germany	515	3.7	6.7	UK	540	4.1	-3.8
Disinfectant/ sterilization products	1	Germany	46,661	15.0	1.1	US	63,922	19.1	9.3
	2	Switzerland	42,534	13.7	5.8	Germany	28,173	8.4	6.5
	3	Netherlands	25,251	8.1	16.6	Belgium	19,218	5.7	23.0
	4	Belgium	23,261	7.5	4.8	Switzerland	15,999	4.8	8.3
	5	US	21,791	7.0	8.8	Netherlands	15,633	4.7	10.2
Therapeutic respiration apparatus	1	US	12,218	20.8	0.8	US	12,946	24.3	10.7
	2	Netherlands	7,092	12.1	9.1	Netherlands	4,988	9.3	3.5
	3	Mexico	5,377	9.1	43.0	Germany	3,940	7.4	7.1
	4	Ireland	4,779	8.1	11.4	China	3,306	6.2	16.0
	5	Germany	4,766	8.1	2.4	Japan	3,217	6.0	6.9

Source: [JETRO](#) the analysis of the first chapter "Trade in 2019" is available [here](#)

活動

ACTIVITY

革新

INNOVATION

The standard behind antibacterial materials

Antibacterial (or antimicrobial) products are made by incorporating an antibacterial agent which can suppress the growth of bacteria on the surface of a product. Practically, a biocide agent is added to the plastic during the manufacturing process. One of the most common agents used is silver ion, but others exist, depending on the plastic used and the specific requirement of the final products. Nonetheless, whether a plastic can be called antibacterial or not is very important for companies and consumers. This is why the indus-

try needed a harmonized method to test the antibacterial properties of the final products, regardless of the agent used.

So, companies and labs started to work on methods to test the materials. Some have become national standards used by the whole industry. The Japanese Industrial Standard (JIS) Z 2801 is one of them. It is a quantitative antimicrobial test for hard surfaces and plastic that measures the growth of two common bacteria over 24 hours. This standard is not the only one, but as it is quick and reliable, it was cho-

sen as a base by the International Standard Organization (ISO) for the [ISO 22196](#) standard in 2007.

Standards are everywhere in our daily lives and play an essential role for interconnecting people and economies. They also play an important role in spreading innovations by helping to bring new technologies and products to the market. Standardization is a bottom-up process in which the industry plays a great role. This is important in order for innovations to be broadly adopted.



Pentel BK77 Antibacterial pen. Available in December this pen is made in France and is certified ISO 22196

活動

AGENDA

Agenda

- ✓ Swiss Open Innovation Webinar – Exploring Possibilities in the Swiss Cybersecurity Field

November 11 (Wed) 9:00-10:00 (CET), 2020

Organizers: JETRO Geneva, Greater Geneva and Bern Area (GGBA)

Language: Japanese/English (Simultaneous translation)

Objectives: The Trust Valley was just launched on Oct 8, as an association of universities, research organizations, industries and public sectors to promote cybersecurity ecosystem. In this webinar we will brief current situation of cybersecurity sectors in Switzerland and Trust Valley activities with the introduction by the leader expert at EPFL and 3 start-up pitches.

Programme is available [here](#), for registration follow this [link](#)

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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