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## 会見

INTERVIEW

## “We are working hard on improving the life of local communities”

Interview with Mr Wada, former CEO of Summit Fresh Produce, leading European distributor of bananas

Sumitomo is a name everyone knows in Japan, as it is related to so many industries. In Switzerland however, the name is less familiar, although most of us are buying from it without knowing.

Sumitomo Corporation is one of the companies of the Sumitomo Group. The company bought the bananas leading retailer Fyffes and relocated it to Versoix (Geneva) last year.

We met Mr. Tomonori Wada, CEO of the newly created company Summit Fresh Produce and Chairman of Fyffes to discuss about the group, the acquisition, and the successful relocation to Switzerland. He kindly took the time to answer our questions. (Editor’s note: Mr Wada is now working as General Manager for the Americas)

*Sumitomo is one of the oldest and largest Japanese business groups (Keiretsu). Could you briefly introduce it to our readers?*

Sumitomo Group has a four-hundred-year-old history. Its founder, Masatomo Sumitomo, ran a book and medicine shop in Kyoto in the early 17th century. Later, the family extended to the



Sumitomo Corporation acquired the fruit leader Fyffes in 2017. Later, the company moved to Versoix (Geneva). Credit: [Sumitomo Corporation](#)

copper business to the point where the company refined up to 30% of Japanese copper and 10% of the global copper industry. Since then, Sumitomo has expanded to related businesses thanks to its expertise and based on the conglomerate’s needs. Chemicals, heavy industry, trading, banking, and forestry are some of the industries that are still part of Sumitomo’s business today.

In the middle of the 20th century Sumitomo which was a typical keiretsu (conglomerate) was split into several entities. Today, those companies are regrouped under the umbrella of the Sumitomo Group.

*What is the main activity of Sumitomo Corporation?*

Sumitomo Corporation is one of the companies from the Sumitomo Group. Historically, we were a trading company. We helped Japanese companies to export their products and imported foreign products into Japan. In fact, our history and expansion are strongly related to JETRO’s network, as JETRO supported us in our task.

The company was established in 1945. In the following decades we established branch offices around the world. We currently have 22 offices in Japan and 113 overseas.

*(continued on page 2)*

## There are many synergies between Mabuchi Motor and Electromag

会見

INTERVIEW

(continued from page 1)

As more Japanese companies started to export their own products, Sumitomo Corporation has changed to an investment company. We currently have 273 companies in our portfolio. We are active in the metal industry, transport and construction, infrastructure, media, digital business, living related and real estate, and mineral resources and energy. Sumitomo Corporation itself has 5,390 employees, but 74,920 when including all the subsidiaries.

*Could you tell us more about the acquisition of Fyffes in 2017 and the creation of Summit Fresh Produce Switzerland SA last year?*

Sumitomo Corporation has a long history of retailing bananas and other tropical fruits in Japan. We bought the Irish company Fyffes to expand our business to Europe where the company is well positioned. Summit Fresh Produce Switzerland SA is the holding company owning Fyffes. Today, we represent about 15% to 20% of all Bananas sold in Europe. In Switzerland we sell them to the largest retailer in country but under its

own label. Hence, many people buy our bananas without knowing it.

*Why have you chosen Switzerland and Versoix to settle the company?*

For two reasons. The first is that Fyffes is very strong in Ireland and the UK but has more potential in continental Europe. It is more effective to increase its business when you are in the targeted market. So, we wanted to relocate the headquarters to somewhere in Europe.

According to the prospective study we conducted, Switzerland was also ideal for recruiting talented people. This is especially true for the Geneva area that has a strong ecosystem in commodity trade.

So, Geneva was both in the heart of Europe and an ideal place to build a solid team.

The choice of Versoix was based on the availability of office space and location, especially regarding proximity to the airport and the local train station.

In total, we will have 35 to 40 people working in Versoix.

*The pandemic and the current supply chain bottlenecks are a challenge for many companies. How do you deal with it?*

In Europe we have been able to maintain the business despite the situation. We managed to deliver to our customers. I believe that our long and positive partnership with shipping companies helped us.

In America, it is a bit more challenging as we are newer and smaller on the market. Although, we have managed to keep the situation under control.

*What are your priorities for the near future?*

In April 2021, Sumitomo Corporation established the Energy Innovation Initiative. A transcending initiative aiming to create a sustainable energy cycle and achieve decarbonization. This concerns all six of our business fields including our activity with fresh fruits.

I do believe that there is a strong potential for improvement in agricultural products thanks to innovative technologies. For instance, we are working on AI solutions to optimize the delivery of bananas based on the actual consumption in shops. This would help to reduce food waste.

Sustainability is also about people; therefore, we are working hard on improving the life quality of local producers and communities.

## Monitoring of the Swiss Japanese free trade agreement: Imports

分析

ANALYSIS

The Swiss State Secretariat for Economic Affairs (SECO) has published for the third year an annual Monitoring report of the existing free-trade and economic partner-

ships agreements.

This useful tool provides detailed figures on how effective companies are on using the existing tariff concessions.

**Japan-Switzerland agreement**

The agreement has been in force since 2009. The year covered by the report is 2020.

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## Monitoring of the Swiss Japanese free trade agreement: Imports

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### Imports

The main indicator used to compare FTAs across time and countries is the Preference Utilization Rate (PUR). PUR is the ratio between the trade value of preferences used and trade value of preferences that could be used.

The PUR for imports from Japan was 41% in 2020 (41.2% in 2019).

Based on the WTO Most Favored Nation rule, 58.51% of the imports from Japan are already tariff free. With the FTA preferential rate, 99.95% of the trade would be tariff free.

Practically, Switzerland has imported goods worth 3.84 billion francs in 2020, but companies paid tariff on nearly 1 billion worth of goods. This figure could be much lower in theory.

Companies have saved nearly 5.9 million francs of import duty but could have saved nearly as much if using the preferential tariff.

### Products category

The main potential for savings is for Automotive and automotive

parts (HS code 87). CHF 2.2 million could have been saved if imported through the preferential tariff instead of MFN. For Machines and Precision Tools, the potential is considerable. Only a fraction of the goods is imported duty free as granted by the existing FTA.

### Why do companies not use the preferential tariff?

JETRO's surveys among companies around the world helped to identify the following reasons:

- Not aware of preferential tariff
- Don't know how to use it
- Not interested
- Cost benefit is not worth as the MFN tariff is already very low.
- Small quantity or one-time

import

- Tariff requested but not granted because of an issue in the procedure.

With a PUR of 41%, there is room for improvement. Imports from EU reaches 76% and 61.8% for South Korea. If Japanese exporting companies pay more attention to this, their price would be lower for Swiss buyers.

Public authorities can contribute by easing those procedures, either unilaterally or bilaterally.

Next month, we will focus on Swiss exports to Japan.

Source: [SECO](#) (available in German, French and English)

Hypothetical duty revenue according to MFN or FTA. Green: achieved customs savings. Red: Non-achieved customs savings.

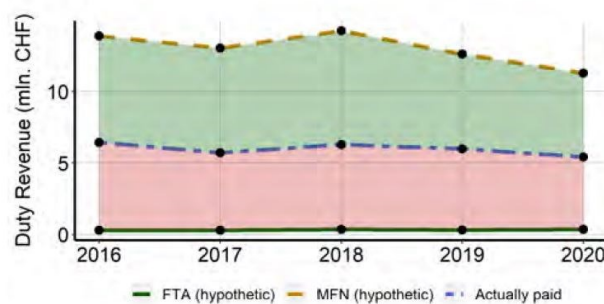


Chart from the report (page 96). Swiss companies importing from Japan have saved almost CHF 6 million but could save twice as much.

Credit: SECO

分析

ANALYSIS

## Opening ceremony for JETRO Munich

JETRO increases its presence in Europe with a new office in Germany (third office). Located in Munich, [an opening ceremony](#) will take place on July 13 with regional authorities and leading companies from both countries. The office is active since 2020, but could not hold the ceremony because of the pandemic. The Munich office is in

the heart of one of the most industrialized regions in the world. Germany and Japan have among the most competitive car industries. The potential of collaboration and mutual stimulation is considerable, especially because of the fast transition the automotive industry is engaged in.

The economic development in

Southern Germany will benefit to Swiss companies too as many are suppliers to the German automotive industry.

We are looking forward to work with JETRO Munich to support companies with their business with Japan.

JETRO has 15 offices in 13 European countries.

日程

ACTIVITY

## 革新

INNOVATION

## Japanese government plans to invest 10 times more into start-ups

The government is working on a five-year plan to better support start-ups in the country. In 2021, about \$6.2 billion have been invested into start-ups by the government.

This will be one of the key pillars to achieve new capitalism as advocated by Prime Minister Kishida.

Increasing state investment is only one of the measures considered by the authorities. Another one would be to encourage Japanese households to invest more of their savings. Over half of it is kept either in cash or bank deposit. By revising the pension system and related tax incentives, the government could achieve it.

The final plan will be presented by

the end of this year.

Japan is trying to achieve an economic transition while dealing with the burden of an important public debt.

New capitalism will be achieved through several reforms that will

engage a virtuous economic cycle. Eventually, the Japanese economy will be more competitive.

Source: [Cabinet Office of Japan](#) and [Kyodo News](#)



Picture from Prime Minister Kishida during the press conference

## 活動

AGENDA

## Agenda

- ✓ Ms Yukiko Kotani from the Japan Standard Association (JSA) has left JETRO Geneva. She spent three years in Europe to successfully increase the collaboration with European standard associations as well as international organisations. She has now returned to Japan, where she will take another position at JSA. Starting from July 1st, her successor, Mr. Tomoyuki Endo, will continue this important work. We will give him some time to settle in and will introduce him properly soon.

*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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