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# 会見

INTERVIEW

## “One hundred years of quality in dental”

Interview with Mr Makoto Nakao, third generation and Chairman of the Board, GC International AG

GC is a leading company in dental care. Most of our readers have likely been treated with GC's products when going to the dentist. The company has just celebrated its 100th anniversary and has ambitious goals for the future. We met Mr Makoto Nakao, Chairman of the Board and grandson of one of the founders. We discussed the company's unique philosophy, as well as its audacious decision to establish a second headquarters in Luzern to oversee most overseas markets.

### *Could you introduce GC to our readers?*

GC was founded in 1920 by three young chemists who graduated from Tokyo University. They wanted to start a company with those three criteria in mind: To do something good for people, involving technology and requiring a limited initial capital.

They decided for dental care, and, with the support of family and friends, founded in 1921 GC which stands for General Chemical.

The first product was a dental cement launched on February 11, 1921. It was a commercial failure because it was too difficult to mix (the powder had to be



Mr Makoto Nakao, grandson of one of the three founders of GC and Chairman of the board of GC International AG

mixed with liquid in a very specific way).

They learned and improved to the point that GC has become a leading company in Japan. In 1971, an era of low growth started in Japan. GC sought new markets to continue to grow. The first overseas market was Belgium.

### *What are your main products?*

We provide a whole range of products for dental care including prevention, preparation, and restoration. Our customers are dental care providers. Some of our products like GC Fuji filling

material are known by dentists worldwide.

In addition to top-selling products which we continuously improve, we also develop new ones, thanks to digitalization. We will soon bring a scanner onto the market that will provide a comprehensive picture of a patient's mouth. The range of products available in each country can be slightly different depending on local preferences and regulations. A comprehensive overview of the products in Switzerland can be found on the GC Europe website.

*(continued on page 2)*

会見

INTERVIEW

## “One hundred years of quality in dental”

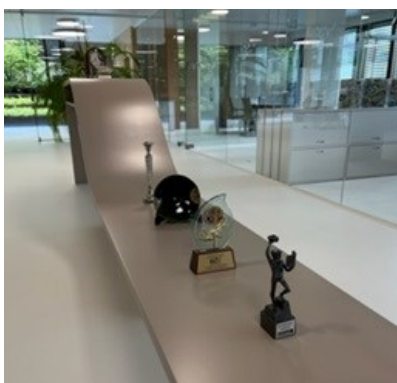
(continued from page 1)

*Remarkably, your company's philosophy comes from this initial failure. Why is that?*

GC's first product ever was indeed a market failure. The founders were chemists. They knew how to prepare their products, but the preparation was too difficult for most dentists and other customers. They understood that it was a mistake to not think from the viewpoint of the customers when developing a product. This is the origin of GC's corporate philosophy, called SE-MU-I. Since then, customers have been at the core of every process at GC.

*Why have you created GC International?*

Japan is an ageing country with a decreasing demography. Hence, the market is shrinking. For the company to continue to develop, we need to be stronger abroad. We have reached the conclusion that success is possible only when being close to our customers. Managing all overseas markets from Japan would not have worked well enough.



GC's commitment to quality has been awarded many times

Therefore, we established GC International as headquarters for overseas markets, except Korea, Taiwan, China and Japan, which are covered by our East Asian headquarters in Japan.

*Why Luzern and Switzerland?*

We considered several locations for it. Switzerland was in the short list, along with Austria and Singapore. We compared the pros and cons of all of them and eventually have chosen Switzerland. Three cities were considered: Basel, Luzern, and Zug. I visited all of them and decided for Luzern. It is a beautiful region. It was an important decision at a personal level as I decided to move to Switzerland. I wanted to show that we can make radical change. Even at 65, it is possible to move to a totally unknown country. I am feeling well here.

*Last year, you celebrated your 100th anniversary. What does it mean to you?*

It was an important day for us, although we had to limit the number of participants due to the restrictions implemented because of COVID.

We have a long commitment to our customers and associates (editor's note: he always refers to GC's employees as associates). My grandfather was one of the founders. My father succeeded him and continued to develop the business, reaching new markets. He introduced "quality management". Focusing on the customers and continuously improving. This is the typical kai-



GC Fuji is a best seller known by all dentists

zen spirit (continuing improvement).

*Can you tell us more about GC's future?*

This long-time commitment to quality continues today. We introduced Vision 2031. We want to become the n°1 dental company. A truly global company. We changed the corporate governance accordingly with separate board and management.

Plus, all stakeholders must be considered in the process. Customers (mostly dentists) of course, but also associates, suppliers, distributors, society and final end-users (people interesting into oral health).

In these days, it has been proved that oral health relates to systemic disorder from various aspects. We believe that improving oral health will play an important role in the future as the world population ages. We think that "the entrance to a healthy long living society and a century of Health is your mouth."

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

In the June edition of our newsletter ([Issue 157](#)), we covered the Free Trade Agreement Monitor 2020 published by the [SECO](#). We focused on the effectiveness in the usage of the existing agreement between Switzerland and Japan focusing on Swiss imports. Now, we will focus on Swiss exports to Japan and how effective companies are in using the preferential tariffs granted by the 2009 agreement.

### Exports

Swiss companies exporting to Japan (or Japanese companies importing from Switzerland) have been effective in taking advantage of the existing bilateral agreement. In 2020, they achieved tariff savings worth CHF 32 million (saving rate of 64.6%). The overall preference utilization rate was 50.7% for 2020 (53.3% in 2019 and 52.2% in 2018).

Most of the goods exported to Japan from Switzerland already benefit from no tariff based on the

WTO Most Favored Nation rule (6.15 billion out of 7.04 billion). This is true for all pharmaceutical goods that are duty free. The FTA preferential tariff was successfully claimed for goods worth CHF 0.44 billion. Together, 93.5% of all Swiss exports to Japan were duty free.

Hypothetically, companies could have saved about CHF 50 million in total (actual savings was 32 million). There is room for improvement with another 17.5 million to be saved.

Organic chemicals (HS Code 29) is the category of goods with the

highest saving potential. CHF 10.1 million could be saved thanks to the FTA. Followed by jewelry (1.4 million) and tobacco (1.3 million).

This said, companies have already been able to save 3.6 million for jewelry and 1.8 million for organic chemicals. Half of all savings achieved were for beverage (HS Code 22: waters: mineral, containing sugar, sweeten, or flavored).

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.

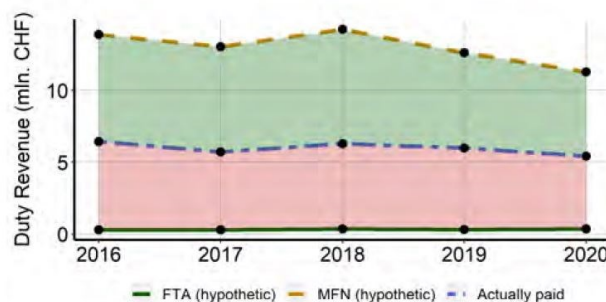


Chart from the report (page 97). Japanese companies importing from Switzerland have saved 32 million but could have saved another 17 million. Credit SECO

分析

ANALYSIS

## Japan's economy expanded by 0.5% during 2022's second quarter

From April to June, the Japanese economy did better than during the first quarter of 2022. Quarter-to-quarter, the GDP grew by 0.5% (0% during the first quarter of 2022). Considering the global uncertainty, this performance is wel-

comed. Private demand supported most of the growth contributing to 0.3 points while the other 0.2 came from the public demand.

Compared to the past quarter, Japanese exports grew more (+0.9%) than the imports (+0.7%).

With COVID and the war in Ukraine, Japan's economy has alternated positive and negative quarters.

Source: [Cabinet Office](#)

動向

TREND

## Japan Patent Office Annual Report 2022: more and better

### 革新

INNOVATION

Intellectual property (IP) is a key aspect for an innovative economy. In this regard, patent and design registration are essential to protect a company's IP by protecting it against copies. Without that, companies have little incentive to invest to improve and develop new products.

The Japan Patent Office has compiled the latest trend in its latest report covering the year 2021.

(1) The number of applications for patents and requests for patent examinations in 2021 slightly increased from the previous year (+728 up to 289,200 in total).

(2) Regarding patent applications submitted to Japan from abroad, the number of applications from China, the United States, and Europe increased from the previous year.

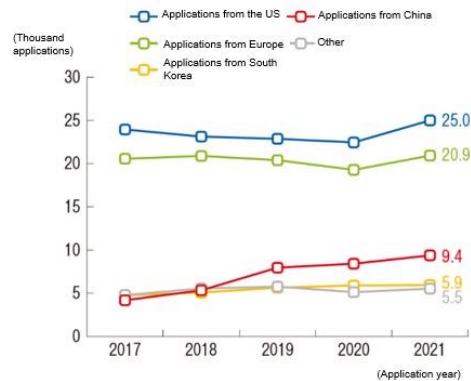
(3) The number of primary examination notifications (FAs: First Actions) for trademark examinations showed a large increase of 23.3% from the previous year because of strengthening and streamlining the examination system.

Applications from Europe and the USA have decreased over time. This year is an exception. The USA is

still leading foreign applications with 25 thousand applications ahead of Europe's 20.9 thousand. China is growing up to 9.4 thousand. More remarkably, China has rapidly grown for design registration up to nearly 3,500 overtaking both the USA (2,400) and Europe (2,300).

Source: [Ministry of Economy, Trade and Industry](#)

Figure 1-1-32. Changes in the number of patent applications submitted to Japan from abroad



## Agenda

### 活動

AGENDA

✓ Ms Fumi Jokura has left JETRO Geneva at the end of July. She spent almost four years as Director in our office. She has now returned to Japan for her next assignment. She left a strong mark thanks to her hard work. She successfully supported several Swiss and Japanese companies and contributed to the increase of our research activities.

Starting from July 20th, her successor, Ms Kaoru Fukaya, is taking office as director of JETRO Geneva. We will introduce her properly in the next issue of our newsletter.

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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