

## Inside this issue

World Economic Forum 2023: Focus on Japan 1 + 2

Trade between Switzerland and Japan has hit a new record in 2022 3

JETRO Geneva's selected articles in Japanese 3

JETRO showcasing 36 startups at the CES including 7 Award honorees 4

行事

EVENT

## World Economic Forum 2023: Focus on Japan

With Economic minister Nishimura, Governor of the BoJ Kuroda, and JETRO's Chairman Sasaki

The World Economic Forum took place in Davos in January for the first time since the pandemic. Many topics were discussed amid the challenging business environment. Japan was well represented. Mr Nishimura Yasutoshi, Minister of Economics, Trade, and Industry, attended as well as Mr Kuroda Haruhiko, Governor of the Bank of Japan, and Mr Sasaki Nobuhiko, Chairman of JETRO.

We selected some key points from their intervention.

### “1. Japan's Path to Economic Revival”

During this session Mr Nishimura Yasutoshi, the Japanese minister of Economics, Trade and Industry, discussed the current and near future of Japanese economy with other participants. The session can be seen on the [WEF's website](#). We selected some key points.

### *About the Monetary Policy of the Bank of Japan*

Moderated by Gideon Rachman. First asked about the current monetary policy of the Bank of Japan, Minister Nishimura started by saying that this is the BoJ prerogative, not his. However, his understanding is that, currently, we are in an uncertain



Mr Nishimura, Japanese minister of Economy, Trade and Industry during a session

period due to the lasting impact of COVID, the war in Ukraine, as well as fast growing inflation. Whilst the foreseeable future remains uncertain, the BoJ is likely to maintain its loose monetary policy.

### *Is Japan shifting from stimulating the inflation to controlling it?*

For the past 20 years, Japan has experienced a deflationist era. Consumers have mainly been focusing on price no matter what companies could bring as added value to their products.

Now we are in a curious situation. We are experiencing a surge in inflation but with a deflationist mindset. Various governmental plans have aimed to stimulate

the inflation. But from now on, when real investments are made and wages increase, the economy can go and overtake the deflation. Then, it will be possible to normalize the monetary policy.

### *Private economy needs to seize the momentum*

Mr Niinami Tak, CEO of Suntory Holding Limited agreed speaking of a Status Quo mindset. Companies need to take the opportunity of this momentum by acting on three points; investing more, creating more jobs and startups. It also means that some obsolete industries may go out of business. The government can support with unemployment subsidies or reskilling programs.

(continued on page 2)

## 行事

EVENT

## World Economic Forum 2023: Focus on Japan

(continued from page 1)

The second point is mobility labor. Japan has long suffered from limited workforce. The first point will allow them to reallocate the workforce to the most competitive companies.

The third point is definitely to increase households' wages so that consumption can increase.

We need a roadmap, he suggested.

### Japan has a role to play as leading liberal democracy in the Indo-Pacific area.

The Australian economic minister Julie Bishop said she has no lessons to give but observes that a stronger Japan would benefit to the whole region. Japan is the largest liberal democracy in the Indo-Pacific area. The success of Japan would show that this is the way to go.

### 2. Global Economic Outlook: Is it the end of an era?

This session was described as a "must-watch" session by the WEF. The panel included the head of the IMF, the European Central Bank and the Bank of Japan (BoJ).

The session can be watched on the [WEF's website](#).

### Understanding the BoJ's monetary policy.

The Bank of Japan is the only major central bank to keep at loose monetary policy. This is increasing the gap between the Yen and the dollar as well as the Swiss franc.

During this session, Governor Kuroda explained why the BoJ is keeping the current path, despite the market expecting otherwise.

The US Federal Reserve, the European Central Bank and the Swiss National Bank have all increased their rate several times in the last couple of months. For the ECB and the SNB it means ending the negative interest rate that has prevailed for years. The economy of their respective countries is facing a surge of inflation of great magnitude, well above the usual upper limit of the target (2%). Japan is experiencing a different situation. This inflation has indeed increased in Japan. It even reached 4% in December. However, the annual value is only 2.5% (Over 6% for the USA and 10% for the EU). Plus, the forecast for 2023 is 2%. This means that inflation would be within the target range even without an intervention from the BoJ. Japan will hence be the only major economy to have inflation under control next year.

### An imported and temporary inflation.

Long has the BoJ worked to support the inflation in Japan. The central bank fought hard to avoid the risk of deflation that is as much of a problem.

The current inflation is mostly coming from the high energy prices which affect every industry. This is temporary. States have worked hard to find alternative sources and develop their own production capacity. The prices are already decreasing.

The BoJ is seeking a sustainable inflation. This will be achieved with lasting economic growth that will result in salary increases and higher consumption.

### 3. A word from JETRO Chairman Sasaki: de-risking instead of decoupling.

JETRO's Chairman Sasaki was surprised by the hard words the EU and the USA have spoken about China. Decoupling has been an important topic as some countries have realized that not everyone is playing by the same rules. Now, from a business perspective, working without China is a nonsense. It would be incredibly expensive and lead us into a dead end.

Our economies are grown so interdependent that it would be painful to try to do otherwise. A more practical approach has emerged during the Forum: de-risking rather than decoupling. Instead of a general trend, a more strategic approach is preferred. The USA, the EU and Japan can build a production capacity in key areas to diversify the supply sources and avoid political leverage.



Davos Congress center under a beautiful sun the sun

## Trade between Switzerland and Japan has hit a new record in 2022

With a total amount of CHF 14.8 billion (export + import), trade between the two countries has never been so flourishing. It is about 1.3 billion better than the second best result (2017: 13.46 billion).

Exports have reached CHF 9.378 billion, an all-time record high beating the previous record of 2019 (CHF 8.136 billion).

Imports from Japan to Switzerland have grown strongly and achieved their second-best performance with CHF 5.453 billion. This is only the second time for imports from Japan to hit the 5 billion mark (2017: 5.995).

### Swiss imports from Japan

Pharmaceutical and chemical products also represented the largest category of products exported by Japan to Switzerland with a total amount of CHF 1.969 billion (36%). Precious metals and gemstones represented a quarter with 1.282 billion (24%). Third, machines and electronics represented 735 million (13%) followed by watches and vehicles both at 10%.

### Swiss exports to Japan

As usual, the main category of products exported to Japan are pharmaceutical and chemical products. With CHF 5.2 billion out of 9.4, they represent over half of the exports (55.8%). Second, precision

instruments, watches, and jewelry represented nearly one third with 2.9 billion (31.3%). Together, those two categories represent most of the products sold by Switzerland to Japan. To lesser extent, machines and electronics follow with CHF 493 million (5.3%), then agricultural products CHF 242 million (2.6%), and metals CHF 218 million (2.3%).

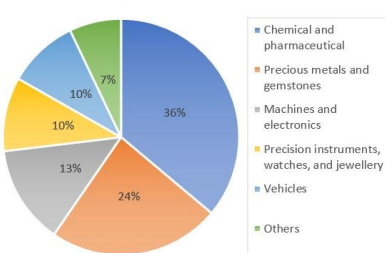
Japan is the second largest Asian market for Swiss products after China, and third for imports after China and Singapore. Japan represented 2.4% and 1.6% of the Swiss foreign trade.

Source: [Swiss Customs](#)

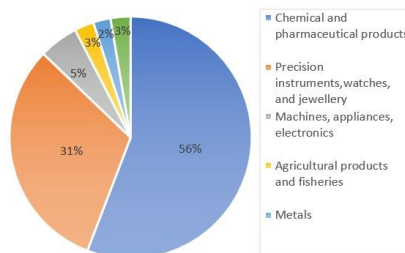
## 分析

ANALYSIS

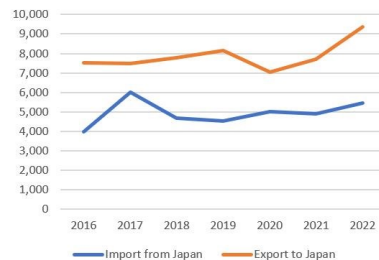
Import from Japan



Export to Japan



CH-JP trade in CHF million



## JETRO Geneva's selected articles in Japanese

JETRO Geneva informs companies using different platforms. The newsletter is meant to inform people here in Switzerland. We also inform Japanese companies in Japan or abroad with articles in Japanese. Usually under the form of Business Tanshin (short articles reporting about political decisions, economic figures, or outcomes of

relevant national votes) or regional reports. The latter are more detailed and cover an industry or a broader topic.

What is relevant to one audience can sometimes also be interesting for another. Hence, we will regularly list selected articles published in Japanese on JETRO's global website at the end of the message we

send to inform that the latest newsletter is available.

Those articles are in Japanese, but modern translation tools make them accessible to those who are not fluent in Japanese.

All articles related to Switzerland can be found on JETRO website following this [link](#).

## 活動

ACTIVITY

## 革新

INNOVATION

## JETRO showcasing 36 startups at the CES including 7 Award honorees

Last month, we introduced the first three Japanese startups honored with a CES Innovation Award. This month, we introduce the other four.

The detailed list of the 36 companies is available [here](#).

## Ball Wave Inc. – “Sylph”

Category: Mobile Devices & Accessories

“[Sylph](#)” is an ultra-compact, high-performance gas chromatograph for onsite chemical analysis of space and terrestrial environments. Unlike conventional gas chromatographs that are as large as mini-fridges, the palm-sized Sylph weighs less than 5 lb. and is operable on mobile battery power – making gas chromatography accessible anywhere.

## Diver-X Inc. – “ContactGlove”

Category: Virtual & Augmented Reality

“[ContactGlove](#)” is a glove-type VR controller that can accurately rec-

reate the sensation of touching objects in VR space. A tactile feedback module using shape memory alloy (SMA) coils applies force to the ball of your finger to replicate the sensation of touching or grasping an object.

## ICOMA inc. – “ICOMA TATAMEL BIKE”

Category: Vehicle Tech & Advanced Mobility

“[ICOMA TATAMEL BIKE](#)” is a full-size electric motorbike that folds into the size of a suitcase. It’s also designed to provide different functionalities, including one as a power source for outdoor activities and

emergencies. The large side panel can be customized according to the users’ preference.

## Pixie Dust Technologies, Inc. – “SonoRepro”

Category: Home Appliances

“[SonoRepro](#)” is the world’s first handheld Ultrasonic scalp care device. “SonoRepro” applies vibration pressure from ultrasound waves to stimulate the scalp. It’s designed to concentrate ultrasound waves in the air onto a single point on the scalp at a time, providing stimulation without making any direct contact with the user’s head.



Japan (J-Startup) Pavilion will host 36 rising startups / Source: [JETRO](#)

## Agenda

## 活動

✓ Stay tuned!

AGENDA

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>

JETRO

Japan External Trade Organization

JETRO Geneva  
80, Rue de Lausanne  
1202 Geneva  
Phone: 022 732 13 04  
E-mail: SWG@jetro.go.jp

