

**Special points of interest:**

- The coincident index of business conditions increased 1.6 points, growing for the eighth consecutive month.
- Headquartered in Etoy, Canton of Vaud, Sunstar group sells products in more than 90 countries with annual sales of over CHF 1,170 million.
- The Japanese Diet will debate on the ¥ 92,300 bio. (CHF 1,057 bio.) FY 2010 budget.
- Swiss capital stock in Japan doubled from 2002 to 2008, rising from CHF 7,261 mio in 2002 to CHF 14,840 mio in 2008.
- Toshiba unveiled a 3D Cell TV capable to convert any 2-D show into 3D in real time.

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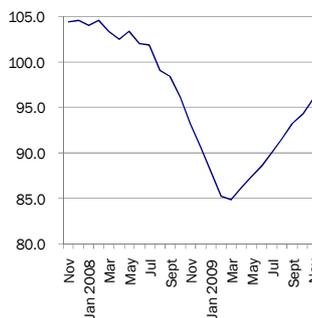
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## Japan's current economic situation

According to the January Monthly Economic Report, "although the employment situation remains severe, the economy is expected to pick up reflecting improvement in overseas economies and the effects of the Emergency Economic Measures". From October to December 2009, Japan's GDP rose by an annualized 1.82% in real terms. The coincident index of business conditions increased 1.6 points to 95.6 in November from a month earlier (see graph). It went up for the eighth straight month since March record low (84.8). However, the economic index remains lower than before the financial crisis started in fall 2008 (104.4 in November 2008). The index of industrial production also rose 2.6% to 88.3 (2005=100) from previous year, showing an increase of the ninth consecutive month, whereas it decreased 3.9% in a year.

**Coincident index of business conditions**  
2005 = 100

Source: Japan's Cabinet office



Exports from Japan to Switzerland jumped 101.8% in November year-on-year, whereas total exports of Japan decreased 6.3% on the same period. Japan - Switzerland Free Trade and Economic Partnership Agreement that entered into force on September 1, 2009 will contribute to further increase economic exchanges between the two countries. Supporting Japanese exports, the yen was trading at ¥ 93.77 to the dollar on January 8, the lowest level since August. Japan's current ac-

count surplus rose 76.9% in November from previous year. The number of corporation bankruptcies with debts went down 1% from a year earlier to 15,480 in 2009, showing the first decrease in four years. However, Japan is facing challenges, led by unemployment and deflation. Unemployment rate rose from 5.1% in October to 5.2% in November. Furthermore, wholesale prices decreased by a record 5.3% in 2009, the largest fall since 1961. The drop is mainly due to the decrease of energy costs and to the weak demand. On January 25, the Lower House of Japan's Parliament approved an additional budget containing stimulus measures of ¥ 7.2 tr. (CHF 82 bio.) to consolidate Japan's economy. The stimulus measures will also contribute to overcome the economic challenges.

## Sunstar's world headquarters in Switzerland

Founded in 1932, Sunstar was originally a manufacturer and seller of rubber glue for bicycle tires and metal tubes. The business is today extended to mouth & body care, health

& beauty care, environment & amenity, and safety support & high technology. Sunstar recently moved its headquarters from Japan to Switzerland. Masakazu

Nakamura, CEO, has been working for the company for 35 years. He explained the successful story of this family business.

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## Sunstar's world headquarters in Switzerland

(Continued from page 1)

### Globalization of Sunstar's business

Graduated in organic chemistry and obtained Master of Science from the Keio University in Tokyo, Mr. Nakamura (picture) joined Sunstar in 1975 as a scientist researcher in the R&D department.

At that time, 90% of the sales were performed in Japan. Hiroo Kaneda, current honorary chairman and son of the founder, decided to globalize the family firm. In 1987, Sunstar acquired the John O. Butler US-based company, which held the global brand "Butler" and "GUM" and covered 70 countries. A joint venture company was also set up in China.

Mr. Nakamura moved to the United States from 1996 to 2000 to manage the US subsidiary firm, renamed into Sunstar Americas, Inc. Early 2000s, Sunstar also established sales bases in European countries and

expanded its business into Latin American region.

### World headquarters in Switzerland

Established in 2002, Sunstar's subsidiary in Switzerland then owned its Japan-based parent company. In September 2009, the new world headquarters building located in Etoy (picture), Canton of Vaud, was inaugurated. Mr. Nakamura underlined the following advantages of Switzerland: its neutrality, stability and peaceful environment, the quality of Swiss made products "well recognized by almost all advanced countries", its cultural and linguistic diversity, its geo-

graphical location, and the availability of a highly qualified workforce.

### Further expansion of business

Sunstar group today employs around 4,000 people worldwide and sells products in more than 90 countries with annual sales of over CHF 1,170 million. Two thirds of sales come from Japan, 20% from America and 10% from Europe. "My mid-term perspective is to bring the sales to 50% from Japan and 50% from the rest of the world", outlined Mr. Nakamura. He further explained that he would like to expand the sales to BRIC countries (Brazil, Russia, India and China), Middle East and Northern Africa. He also stated that Sunstar's activities should be extended from the prevention of oral care to the treatment of oral diseases, diagnosis and maintenance and thus Sunstar becomes to be truly "total oral health company".



Sunstar's Headquarters in Etoy, Canton of Vaud



Masakuzu Nakamura, CEO,  
Sunstar Suisse SA

## METI's discussions on cigarette lighter regulation

The Japan's Ministry of Economy, Trade and Industry (METI) started discussions to further regulate cigarette lighter.

Regulations are already introduced in Switzerland and in the European Union. 7<sup>th</sup> March 2008 Ordinance of the Federal Department of Home Affairs

prohibits sale of non-child resistant and novelty lighters since 1<sup>st</sup> April 2009 in Switzerland. On 11<sup>th</sup> March, the EU Commission approved a Directive to ban sale of non-child resistant and novelty cigarette lighters. Novelty lighters are lighters shaped like objects which

oftentimes look like toys. Between 1,500 and 1,900 injuries and 34 to 40 fatalities are estimated to be caused by misuse of cigarette lighters. In the United States, the introduction of child-resistance requirements reduced by 60% the number of accidents.

## Japanese Diet debates on FY 2010 budget

The Japanese Parliament started on Monday 18<sup>th</sup> January to discuss the FY 2009 extra budget of ¥ 7,200 bio. (CHF 82 bio.), covering period until 31<sup>st</sup> March 2010. Finance Minister estimated that the extra budget may boost the GDP by 0.7%.

The Japanese Diet will then debate on the record ¥ 92,300 bio. (CHF 1,057 bio.) FY 2010 budget. The budget rose 4.24% in FY 2009 from a year earlier. Major increases from FY 2009 to FY 2010 budget

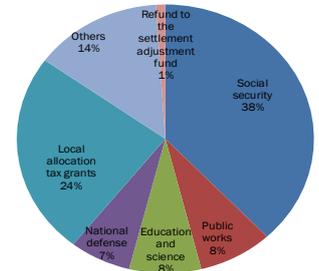
expenditures occurred in social security (+9.8%), education and science (+5.2%), food supply (+33.9%) and local allocation tax grants (+5.5%). Major decreases from FY 2009 to FY 2010 budget expenditures are in public works (-18.3%), economic assistance (-7.5%) and official development assistance (-7.9%).

Tax revenues (¥ 37,396.0 bio., CHF 428 bio.) account for 40.5% of total budget revenues, other revenues (¥ 10,600.2

bio., CHF 121 bio.) for 11.5% and government bond issues (¥ 44,303 bio., CHF 505 bio.) for 48%.

The FY 2010 budget implements new policies, including the ¥ 13,000 (CHF 149) allowance per child (¥ 2,255.4 bio.; CHF 26 bio.), the effectively free public high school tuition (¥ 393.3 bio.; CHF 5 bio.) and the individual household income support for agriculture (¥ 561.8; CHF 6 bio.).

Framework of FY 2010 Japan's budget



Source: Ministry of Finance

## Japan as the main FDI partner of Switzerland in Asia

In December 2009, the Swiss National Bank (SNB) published its annual report on Foreign Direct Investment 2008. As figures related to FDI between Japan and Switzerland show, Japan remains the main economic partner of Switzerland for FDI in Asia.

Swiss capital stock in Japan doubled from 2002 to 2008, rising from CHF 7,261 mio in 2002 to CHF 14,840 mio in 2008. In 2008, Swiss capital outflows in Japan were of CHF 1,339 mio. In 2008, Swiss capital stock in Japan accounted for 1.8% of world Swiss capital stock and for 23% of its capital stock in Asia (see chart). The largest recipients of Swiss capital stock are the EU (37.4%) and the United States (18.5%).

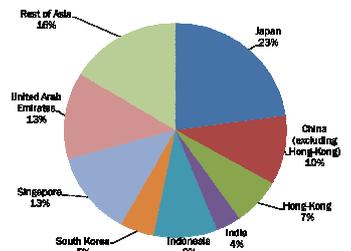
The number of employees in companies or organizations where Swiss firms invested in Japan also rose sharply from 35,734 in 2002 to 64,052 in 2008. The increase paces of capital stock and of staff were especially high in 2007 year-on-year (+35.8% for capital stock and +44.2% for staff).

Looking at the other direction, the number of em-

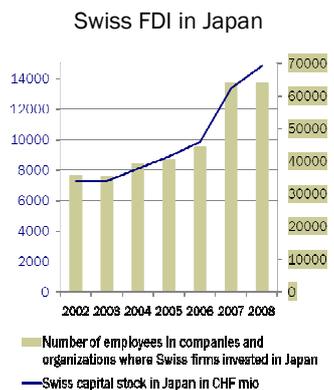
ployees in companies or organizations where Japanese firms invested in Switzerland rose 38.3% from 2,021 in 2003 to 3,104 in 2008. Total Japanese capital stock in Switzerland was in 2008 of CHF 628 mio, accounting for only 0.1% of foreign investors in Switzerland. Japanese capital stock in Switzerland remains therefore lower than Swiss one in Japan. The largest foreign investors in Switzerland are the European Union (70.4%) and the United States (18.5%).

However, Japanese capital stock recently increased in some companies located in Switzerland, such as Quadrant and Shiseido's Swiss sale distributor. More Japanese FDIs in Switzerland are expected in the near future.

Largest recipients of Swiss FDI stock in Asia



Source: SNB



Source: SNB

## Toshiba unveiled the 3D Cell TV

On January 6, 2010, Toshiba unveiled the Cell TV, "the world's first LCD TV integrated with the Cell Broadband Engine™", its latest advanced TV with a super-fast processor. The TV was presented during the Consumer Electronics Show (CES) 2010, the consumer show, held in Las Vegas, USA, from January 7 to 10.

The Cell TV includes eight processors of 3.2 GHz, providing a capacity ten times more powerful than current computers and more than 140 times more powerful than current TVs. Thanks to its processors, the TV is capable to convert any 2-D show into 3D in real time.

Using 3D glasses, the spectator will enjoy any 2D movies, video games and sport shows in 3D.

The Cell TV also contains the Toshiba's super resolution technology which is capable to enhance edge detail and color saturation. It also holds sensors to analyze the light and color of the room to automatically adjust the contrast and brightness.

Founded in 1939 and headquartered in Tokyo, Toshiba, "a world leader in high technology, is a diversified manufacturer and marketer of advanced electronic and electrical products, spanning information & communications equipment and systems,

Internet-based solutions and services, electronic components and materials, power systems, industrial and social infrastructure systems, and household appliances" (Toshiba's Website).

The CES is a technology-related trade show to help companies expand their business and understand new technologies. Sponsored by the Consumer Electronics Association, it is held each January in Las Vegas Convention Center, Nevada since 1967. Around 140,000 people from more than 140 countries usually attend the trade show.

## Agenda

18<sup>th</sup> - 25<sup>th</sup> Mar.: Japan Pavilion in Baselworld, Hall 6  
Ten Japanese pearl firms will exhibit

*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 Geneva Newsletter can also be viewed and/or downloaded online:  
<http://www.jetro.go.jp/switzerland/newsletter>

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