

Special points of interest:

- Exports increased 37.9% in the first half of the year compared to the first half of previous year.
- Japan Tours suggests several guided tours to visit famous cities, such as Tokyo, Kyoto and Nara, as well as thematic tours to discover less known places outside touristic regions.
- JETRO released on August 24 its 2010 Global Trade and Investment Report, providing an analysis of the world economy with a focus on Japan's one.
- A new terminal handling with international flights will open at Tokyo Haneda Airport on October 21.

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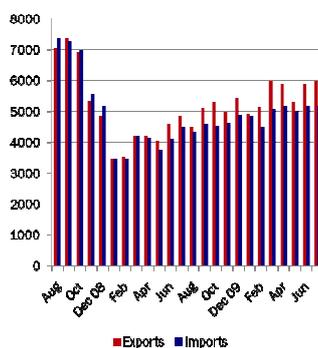
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Japan's current economic situation

According to the Bank of Japan's Monthly Report of Recent Economic and Financial Developments issued in August, "Japan's economy is likely to recover at a moderate pace". This recovery is stimulated by the robust demand in Asia-Pacific region and continued improvement in other overseas economies, as well as by a domestic moderate demand.

Japan's GDP grew 0.4% in the second quarter of this year in annualized rate, following a 4.4% increase in the January-March quarter. Indices of industrial production was of 95.0 in June (2005=100), marking an increase of 17.3% on a year but a decline of 1.1% from previous month. Coincident index of business conditions also rose 16.0% in June from previous year and remained quite stable

Value of exports and imports (August 2008 - July 2010) In billion yen
Source: Ministry of Finance



from previous month (+0.1%). The total value of machinery orders also increased 9.2% from previous month on a seasonally adjusted basis.

Driven by Asia-Pacific economies, exports recovered. Total exports increased 37.9% in the first half of the year compared to previous year. On this period, exports to Asia (+46.4%) and Oceania (+51.8%) soared, while exports to North America

(+28.9%) and Western Europe (+17.1%) rose at a lower rate. In June, Japan's exports went up 23.5% from previous month to ¥ 5,982 billion (see graph). However, the high value of the yen may affect Japan's exports. On August 24, the yen reached a 15-year high 83.6 yen against 1 US dollar.

The domestic demand remained relatively stable. The average of monthly consumption expenditures per household was in June down 0.3% in nominal terms but up 0.5% in real terms year-on-year. The consumer price index remained in June stable from previous month and down 0.7% over the year. The unemployment rate was of 5.3% in June, showing a slight increase of 0.1% from previous month and a 1.1% decrease from previous year.

Swiss travel agency to visit Japan

Japan Tours Switzerland, a Japanese travel agency, took over Jalpak's activities in Switzerland in 2007.

Jalpak, a Japan Airline's (JAL) travel agency, began to operate its activities in Switzerland in 1977. As the number of European

tourists travelling to Japan increased by the end of the 1980s, it dealt not only with Japanese tourists moving abroad, but also with tourists travelling to Japan.

Going through difficult times, Jalpak restructured its European activities and

closed its Swiss offices in 2007.

Masako Murayama-Reeve, who joined Jalpak in 1993, co-founded Japan Tours Switzerland on July 1, 2007 to continue Jalpak's tourism activities in Switzerland.

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Swiss travel agency to visit Japan

(Continued from page 1)

Japan Tours' services

Japan Tours has two offices in Switzerland, located in Zurich and Geneva. Both are next to the cities' train stations.

It provides a wide range of services for people wishing to travel to Japan, supplying all sorts of flight tickets, bookings of accommodation all over Japan and guided tours with a limited number of persons.

Masako Murayama-Reeve distinguishes steady clients, who are Japanese people or businesses people working in close relation with Japan, and Swiss tourists. According to the Japan National Tourism Organization, 8,222 Swiss tourists visited Japan from January to April 2010. However, she argued that the number of people coming from Switzerland is proba-

bly much higher given that Japan Tours also deals with a large number of clients with other nationalities.

Clients are "young people who have some knowledge about Japan through mangas, food, business connections..."; Japan also became an affordable destination "if you make good choices", she said.

Swiss tourism in Japan

Japan Tours suggests several guided tours to visit famous cities, such as Tokyo, Kyoto and Nara, as well as thematic tours to discover less known places outside touristic regions. It also proposes visits to the Northern island (Hokkaido) and to Southern islands (Shikoku, Kyushu and Okinawa). Smaller Southern islands, like Kerama and Yaeyama, are really successful too: "Swiss

people love those places where even Japanese people have never been; they are popular even for Australian people who go there for the world famous diving sports", said Ms. Murayama-Reeve.

The number of Swiss people visiting Japan increases 15% per year, but the annual growth of all tourists is of 35%. More and more Chinese, Hong Kong, Taiwanese and South Korean people visit Japan.

What is the reaction of Swiss people when coming back from Japan? "Cleanness, hospitality and efficiency", she said. She further argued that "Swiss people are punctual. But in Japan, it is much more than punctuality. For instance, there are trains from Tokyo to Kyoto every three minutes and they are always on time".



Masako Murayama-Reeve,
Managing Director,
Japan Tours Switzerland



Kiyomizu temple gate
near Kyoto



Kenroku-en garden
in Kanazawa
(West coast of Honshu island)

Sightseeing places in Japan

As Japan consists of four major islands and 6,848 smaller islands stretching 3,300 km from cool temperate to subtropical climates, the number of places to visit in Japan is huge.

Tokyo is made up of a variety of attractive places, including Ginza, a shopping district, Shibuya and Harajuku (with their fashion stores and "Gothic Lolitas") and the imperial palace and gardens. 125 km in North of Tokyo, Nikko is housing

shrines and temples (a UNESCO World Heritage Site), lake Chuzenji and Kegon Falls. On the West of Tokyo is Mont Fuji, Japan's highest mountain (3,776 m) and the renown hot springs of Fuji-Hakone-Izu.

As a former capital, Kyoto is the home of 2,000 temples, imperial palaces and several beautiful gardens. Nara, another former capital, encompasses eight temples, shrines and ruins, as well as the Heijo Palace.

Many other Honshu's places also worth a visit: Mount Koya, Hiroshima, Miyajima island, Matsue Castle, Izumo, old wooden houses of Takayama, the 260 islands of Matsu-shima Bay...

The Northern island, Hokkaido, has several natural parks with volcanic areas, lakes and brown bears. Southern islands, such as Kyushu, Shikoku and Okinawa, provide numerous areas of hot springs, splendid coast landscapes and white beaches.

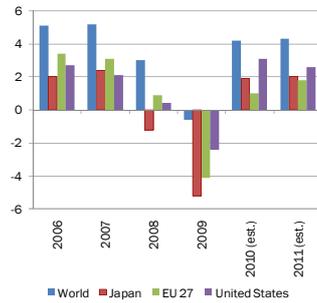
2010 JETRO Global Trade and Investment Report

JETRO released on August 24 its 2010 Global Trade and Investment Report. It provides an analysis of the world economy with a focus on Japan's one.

It shows that following the world's economic crisis, global GDP will recover 4.6% in 2010, led by Asian economies, especially China and India.

World trade in goods declined 23.0% in 2009 to USD 12.3 trillion, showing the sharpest decline since 1949. Exports of 18 major economies increased 27.7% in the first quarter 2010, showing signs of recovery.

In Japan, exports were in 2009 down 25.2% to USD 580.8 billion, marking the largest drop since the post-war decline of 70% in 1945. Imports also declined 27.0% to USD 552.3 billion. Japan's exports and imports began to recover in the last quarter of 2009. In the first



GDP growth in some major economies
Source: JETRO

quarter of 2010, Japan's exports jumped 46.4% and imports increased 21.1% over the year. China became Japan's largest export destination during the last quarter of 2009.

Foreign Direct Investments (FDIs) also fell dramatically (-42.6%) in 2009 to USD 1.1 trillion. As the number of M&A increased 6.9% in the first half of 2009, a recovery of FDIs is expected this year.

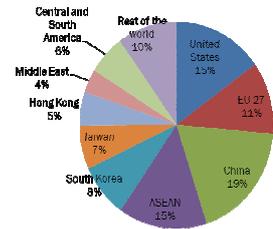
Japan's outward FDI dropped 42.9% in 2009 from previous year to USD 74.7 billion and Japan's

inward FDI fell 51.8% to USD 11.8 billion. As outward M&A soared 52.3% in the first half of 2010, outward FDI should recover in 2010 (the first six months of 2010 already accounted for 80% of 2009 FDI total value).

The report also emphasizes that 121 new FTAs have been signed in the 2000s (187 FTAs are existing worldwide). A large number of FTAs have been concluded in the Asia-Pacific region, including ASEAN FTA (AFTA), ASEAN-China FTA and ASEAN-South Korea FTA. Japan also has 11 FTAs in force (as of July 2010).

For further information, please see the JETRO press release (in English): <http://www.jetro.go.jp/en/news/releases/20100824801-news>

A summary of the report is also available in English at: <http://www.jetro.go.jp/en/news/releases/20100824801-news/reference.pdf>

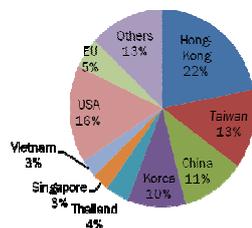


Share by country of Japan's exports
Source: JETRO

Japan's agriculture exports recovered rapidly

Since last year's autumn, Japan's agriculture, forestry and fish exports recovered rapidly. In the first half of 2010, these exports rose 18.2% year-on-year to ¥ 240 billion. Exports of rice, fruits and seafoods went up sharply. The objective of the Ministry of Agriculture, Forestry and Fisheries (MAFF) is to increase the figure to one trillion yen in seven years.

Most of these products are exported to Asian countries: Hong-Kong



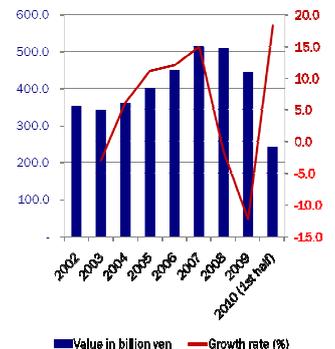
Share of Japan's agriculture, forestry and fish exports
Source: Ministry of Agriculture, Forestry and Fisheries (MAFF)

(22% of agriculture exports), Taiwan (13%), China (11%) and South Korea (10%). 16% are exported to the United States and only 5% are

exported to the European Union.

Exports of agricultural products represent 60.5% of agriculture, forestry and fish exports. Most exported products are sauces and beverages (34.5%), especially soy sauces and sake, tobacco (9.2%), dairy products (6.8%), cereals (6.7%), in particular wheat, fruits (4.8%) and fancy foods (11.1%).

Fish exports account for 37.6% of agriculture, forestry and fish products.



Japan's agriculture exports
Source: MAFF

International flights at Tokyo Haneda Airport

Japan Airlines (JAL) and All Nippon Airways (ANA) announced the schedule from October 31, 2010 of international flights at Tokyo Haneda Airport.

Located on Tokyo bay (see picture), Haneda Airport handles almost all domestic flights since the creation of Narita Airport in 1978. Haneda has a network of 420 flights per day and is connected with 49 airports around Japan. With 62 million passengers per year, Haneda is the fourth largest airport of the world.

While the number of passengers travelling to Japan surges, a new terminal handling with international flights will open on October 21.

In addition to the existing four flights to East Asia,



Tokyo Haneda Airport
Source: Civil Aviation Bureau,
Ministry of Land, Infrastructure and Transport

nine new international flights will take off from Haneda. JAL announced the schedule of flights to Paris, San Francisco, Honolulu (Hawaii), Bangkok (Thailand), Taipei (Taiwan) and Singapore. ANA will also inaugurate flights to Los Angeles, Honolulu, Singapore, Bangkok and Taipei.

As Haneda Airport is only 15-20 minutes by Monorail (train) or by airport buses

to Tokyo's city center, it is more convenient than Narita (90 minutes from city center). It will also provide a greater number of connections with domestic flights.

Furthermore, the new hub will include an "Edo market place", a large shopping area in old Tokyo style with shops opened 24 hours per day.

Agenda

19th Sept.: Small booth exhibition of Japanese food at the WTO Open Day, in collaboration with the Permanent Mission of Japan in Geneva

23rd Oct.: SJCC (Swiss Japanese Chamber of Commerce) 25th Anniversary Gala
At the Dolder Grand, Zurich (evening event)

26th Oct.: Japan Day 2010 Uster City Hall (Zurich)
Organized by the City of Uster and the Canton of Zurich

10th Nov.: JSFTEPA (Japan - Switzerland Free Trade and Economic Partnership Agreement) business seminar with SJCC
Credit Suisse Forum St. Peter, Zurich

11th Nov: JSFTEPA business seminar with the "Centre Patronal", in Lausanne

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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