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JETRO Geneva office is one of 113 JETRO offices

On the occasion of its 50th issue, JETRO Switzerland Newsletter would like to introduce JETRO and its office in Geneva.

Japan External Trade Organization (JETRO) has originally been established in 1958 to promote Japanese exports abroad. It has shifted toward promoting foreign direct investments into Japan and helping small to medium size Japanese firms maximize their global potential.

In addition to its headquarters in Tokyo and its Institute of Developing Economies in Chiba, JETRO has a total of 38 offices in Japan and 73 overseas offices in 55 countries (as of May 2011). It employs a total of 1,536 people (as of March 2013).



Visit of JETRO's Chairman & CEO Hiroyuki Ishige (in the middle) at JETRO Geneva office on January 22, 2013

Likewise, Switzerland is geographically located in the center of Europe and at the same time it is an epicenter of the international system".

Promoting trade and investments

From 1990 to 2004, JETRO Geneva was involved in a program promoting import of Swiss products in Japan. Several members of economic organizations and companies, as well as journalists, were invited in Japan. This policy has shifted since 2004 toward the promotion of Swiss investments in Japan.

In addition, JETRO Geneva has started since 2012 an export promotion program. As part of this program, JETRO has successfully organized several seminars to promote Japanese foodstuffs and other products in Switzerland.

Albert Maillard, a Swiss consultant, provides consultancy services to JETRO since 1991. He points out that he has been working on all above mentioned topics: Swiss investments in Japan, Swiss imports in Japan, Japanese exports in Switzerland, as well as various other topics.

Former Director General of JETRO Geneva Michiaki Watanabe outlined the activities undertaken by the office from August 2008 to July 2011 to promote Japanese exports: "We held promotion events of Japanese products like foods, machines, pearls and so on".

Milestones in economic relationship

Economic relationship between Japan and Switzerland has been marked by the signing of the Free Trade and Economic Partnership Agreement (FTEPA), which entered into force on September 1, 2009. According to this agreement, Tariffs for more than 99% of the total trade in goods value between the two countries shall be eliminated within 10 years (see Newsletter no. 6, September 2009).

(Continued on page 2)

JETRO Geneva office opened in 1971

JETRO Geneva office opened in 1971. It has been established six years after the establishment of JETRO Zurich, which has closed in 2004.

First Director General of JETRO Geneva came in Switzerland on February 6, 1971. He officially opened the office on April 1, 1971. Michitaka Nakatomi, former Chairman of JETRO, explained why a JETRO office is located in Geneva: "Geneva is not only an economic and financial center of Switzerland but it has various important international organizations such as WTO and ISO.

会見

INTERVIEW

動向

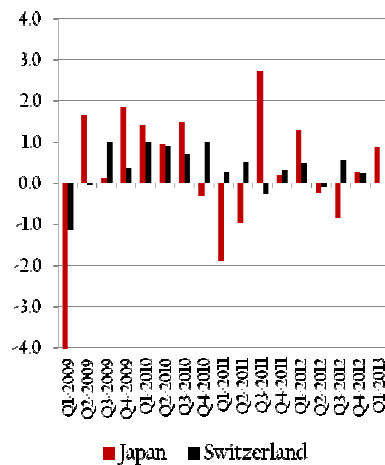
SITUATION

Japan's current economic situation

As outlined by the Bank of Japan (BoJ), Japan's economic situation has significantly improved. BoJ claimed "Japan's economy has started picking up" in May 2013 report, although in previous report (April 2013) it stated that "Japan's economy has stopped weakening and has shown some signs of picking up".

Japan's GDP grew 0.9% in first quarter 2013 (3.5% at annual rate) from the previous quarter (see graph). Moreover, the seasonally adjusted index of industrial production increased 0.9% to 90.4 in March 2013 from the previous month.

Exports increased 3.8% from the



Gross domestic product - expenditure approach - Growth rate compared to previous quarter, seasonally adjusted
Source: OECD

same month in the preceding year to ¥5,777 billion in April 2013. Exports to Asia (+13.1%), Western

Europe (+11.4%) and to a lesser extent to North America (+6.2%) increased.

The domestic demand remains resilient due to the effects of monetary and economic measures. The consumer price index was 99.4 in March 2013 (2010=100), up 0.2% from the previous month. The average of monthly consumption expenditures per household for March 2013 was ¥316,166, up 4.1% in nominal terms and up 5.2% in real terms from the previous year.

Moreover, the unemployment rate was 4.1% in March 2013 (2.8 million people), a decrease by 8.8% from the previous year.

JETRO Geneva office is one of 113 JETRO offices

(Continued from page 1)

"I am very proud that I was deeply involved in concluding and implementing Japan Swiss FTA. Without Jetro, the FTA could not have been possible", said Michitaka Nakatomi.

Additional agreements have been signed to smooth the relationship between the two countries, especially in the field of economic affairs. The Protocol amending the Convention between Japan and Switzerland for the Avoidance of Double Taxation with respect to Taxes on Income signed on May 21, 2010, is in force since November 30, 2011 (see Newsletter no. 14, May 2010). The Agreement on Social Security entered into force

from March 1, 2012 (see Newsletter no. 35, February 2012).

JETRO Geneva has organized a lot of events to promote the FTEPA and other Swiss-Japanese agreements. "In the course of my term, FTEPA, tax and social security treaties were signed and the number of Japanese companies in Switzerland began to increase. We held several seminars on the treaties for both Japanese companies and Swiss companies in cooperation with Swiss organizations", said Michiaki Watanabe.

Lessons learned from Switzerland

What lessons could be learned from Switzerland to improve Japa-

nese economy?

According to Michitaka Nakatomi, "Switzerland is strong not only in manufacturing but in services sector. Japan should learn a lot from Switzerland in its innovative and competitive spirits".

As Albert Maillard mentioned, Switzerland has been able to remain competitive though it is in a difficult context: "The Swiss economy has shown in recent years that even a small country — despite the recession in its neighboring markets and its increasingly strong currency — can remain competitive and even achieve excellent results, for instance in 2012".

会見

INTERVIEW

Exports from Japan in Switzerland rose 7%

Swiss Federal Customs Administration has released on March 6, 2013 the trade statistics for 2011.

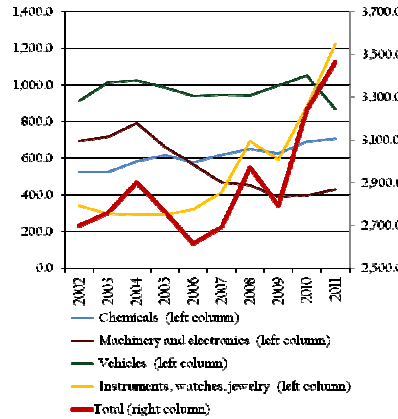
Exports from Japan in Switzerland

Total exports from Japan in Switzerland were of CHF 3,465.0 million in 2011, showing an increase by 7.0% over the year and by 28.4% since 2002. Japan is the Swiss second largest importing country in Asia, after China.

This total (named "total I" in Swiss statistics) excludes volatile goods, such as precious metals, gems, art and antique objects.

The main elements of Japanese exports in 2011 are instruments, watches and jewelry (29.5% of the total exports), vehicles (20.9%) chemicals (17.1%) and machinery and electronics (10.4%)

Exports of instruments, watches and jewelry increased sharply (+38.9%) to CHF 1,223 million in 2011 from a year earlier, and has

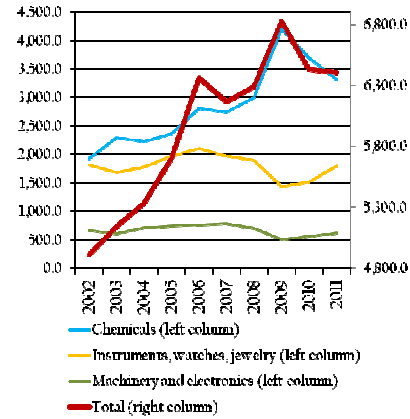


Exports from Japan in Switzerland in CHF mio
Swiss Federal Customs Administration

been multiplied by 4.2 since 2004. Furthermore, exports of chemicals (+2.4%) and machinery and electronics (+8.0%) rose from the previous year. However, exports of vehicles declined 17.4%.

Imports from Switzerland in Japan

Imports from Switzerland in Japan slightly declined 0.3% in 2011 to CHF 6406.0 million, but increased 30.5% since 2002.



Imports from Switzerland in Japan in CHF mio
Swiss Federal Customs Administration

The main products of Swiss imports in Japan in 2011 are chemicals (almost half of the total: 49.8%), instruments, watches and jewelry (27.0%) and machinery and electronics (9.2%).

Imports of instruments, watches and jewelry (+18.5%) and of machinery and electronics (+8.6%) increased, although imports of chemicals were down 10.1% from a year earlier.

分析
ANALYSIS

Japanese growth tactics unveiled

Prime Minister Shinzo Abe has unveiled Japanese growth strategy measures in two speeches, held on April 19 and May 17. Those measures will be part of the governmental growth strategy, scheduled to be compiled in June 2013.

Support to private sector

Prime Minister Shinzo Abe announced an increase of the meas-

ures to support the private sector from ¥63 trillion to ¥70 trillion. Moreover, he said the government will take actions in all areas, such as tax and financial systems, and budget.

Support to agricultural sector

He claimed agricultural exports should increase from ¥450 billion in 2012 to ¥1 trillion 2020. He out-

lined the potential of exports in Southeast Asia and the European Union.

Education and tourism

He further announced that a reform will soon enable all Japanese students to study overseas.

Moreover, visa regulation will be revised to increase the number of foreign tourists.

政策
POLICY

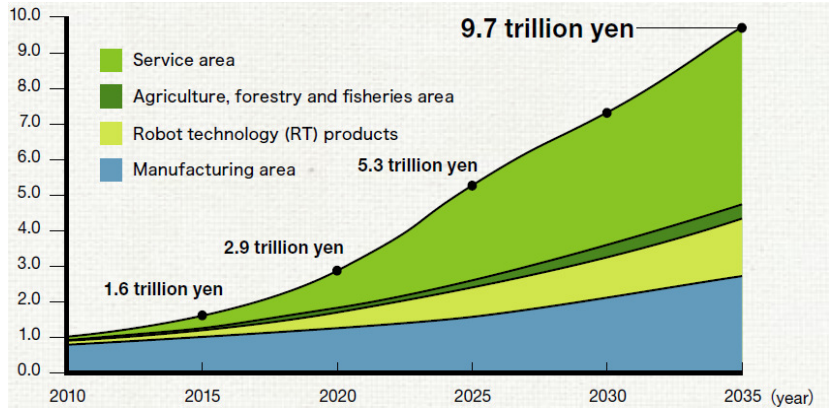
革新
INNOVATION

Promotion of robotic technologies for elderly care

Whereas the percentage of the population aged over 65 years old is expected to increase from 23% in 2010 (24.1% in October 2012, see Newsletter no. 49) to 30% in 2025, the required number of caregivers is forecasted to rise on the same period from 1,334,000 people to 2,320,000-2,440,000 people. As a result, the workforce in the health sector is expected to be lacking.

In this context, Japan's Ministry of Economy, Trade and Industry (METI) has started from FY 2013 the "project to Promote the Development and Introduction of Robotic Devices for Nursing Care". The objective of this project is to develop robot technologies that help elderly to remain independent and reduce the burden on caregivers. As the graph shows, it is expected that the entire robot industry will grow significantly to a size as large as ¥ 9.7 trillion in 2035.

METI and Ministry of Health, La-



Potential of the entire robot industry
Source: METI

bour and Welfare have identified in November 2012 four priority areas :

- Lifting aids (technologies that provide power assistance for transferring patients);
- Mobility aids (walking aids to support elderly who wish to walk using their own legs);
- Toilets;
- Monitoring systems for people with senile dementia.

As an example of promising robotic technology, Toyota Motor Corpora-

tion has developed a robot that supports the movement of patients.

As another instance, Smart Support Corporation has designed a robot which alleviates strain on the back by helping the movement of lifting and tightening the body truck.

For further information and additional examples, see: http://www.meti.go.jp/english/publications/pdf/journal2013_04.pdf

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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