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“My wish is to further the successful relation between Japan and Switzerland”

Interview of H.E. Mr. Ryuhei Maeda, Ambassador of Japan to Switzerland

H.E. Mr. Ryuhei Maeda has been appointed Ambassador of Japan to Switzerland in February 2013.

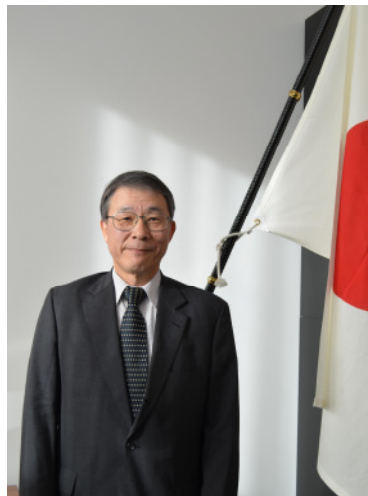
He entered the Ministry of Land, Infrastructure, Transport and Tourism in 1977. At this Ministry, he worked on issues related to civil aviation, maritime and railroad affairs.

“Involved in air negotiation with many countries, I was in charge of international cooperation at a domestic Ministry. That is why I could be transferred to the Ministry of Foreign Affairs”.

What is your opinion about the current economic situation in Japan? What is your view for the future of the Japan's economic situation?

The Japanese economy shows better conditions than before. The stock prices increased by 50% in 2013. The value of the Japanese Yen decreased. And the GDP growth has switched from a minus to a plus last year.

I think this trend will continue. This economic situation is a result of the “Abenomics”. The market has responded to this



H.E. Mr. Ryuhei Maeda, Ambassador of Japan to Switzerland
Bern, Japanese Embassy, January 8, 2013

policy in a very favorable way. Before the implementation of this policy, people and the industry were very pessimistic. Everybody had expectations about the Abenomics. Its goal was to get out from deflation and to raise price by 2%. I think that kind of psychological effect is very important. I am very optimistic about the future of the Japanese economy.

What does the government plan to do to implement the Abenomics, especially the growth strategy?

The role of the government is to create a favorable environment. It promotes the free trade through the removal of trade barriers and the facilitation of exports. The total volume of trade will be expanded.

The Japanese government also promotes an Open Skies policy. It signed Open Skies agreements with a lot of countries. Swiss President Burkharter, will sign in February, in Japan, an exchange of notes in this field.

In the past, routes and frequency had to be decided in bilateral agreements. Open Skies agreements lift those restrictions: between Japan and Switzerland aircrafts will be allowed to fly to any points of the countries at any frequencies.

Tourism is also a growing industry. The number of travelers in Japan is steadily increasing. The government will spend budget for letting people know about the attractive spots and tours in Japan.

(Continued on page 2)

“My wish is to further the successful relation between Japan and Switzerland”



会見

INTERVIEW

(Continued from page 1)

JETRO helps Swiss SMEs to do business in Japan and with Japanese companies. Do you have any message to Swiss SMEs considering to do so, as well as to JETRO Switzerland?

Japan will welcome the promising Swiss companies that invest in Japan. We really expect JETRO to make use of its ability to attract SMEs in Japan.

What will be the main events that will mark the 150th anniversary of diplomatic relations between Japan and Switzerland?

Swiss President Burkharter will visit Japan in early February. I hope that a member of Royal Family of Japan will visit Switzerland for celebrating the 150 years anniversary with Swiss people. There will be a lot of exhibitions and performances to introduce the

Japanese culture.

We also would like to make use of the big events, such as the Montreux Jazz Festival. One of the days of the Festival will be a Japan Day. We contacted the jazz production in Japan to ask them to send a good artist.

We are trying to realize “sister Cantons” between the Nara Prefecture, which is an older capital than Tokyo, and Canton of Bern.

We also think about making new sister railways. Now, we have the following sister railways: Oigawa Railway / Brienz Rothorn Bahn, Hakone Tozan Railway / Rhaetian Railway and Mount Fuji Express / Glacier Express. We have a proposal for a new sister between Keihin Express Way (Tokyo Bay) and Montreux-Oberland Bernois railway.

We further think about making sister mountains between the Mount Fuji and the Jungfrau.

How do you qualify the current Swiss-Japanese relations? What are the main fields of cooperation?

Swiss-Japanese relation is very deep and harmonious.

A lot of issues were to be solved in the field of the economy. They have been solved by my predecessors through the signing of the following agreements: Free Trade and Economic Partnership Agreement (FTEPA), Social Security Agreement and the Protocol to amend the Double Taxation Agreement.

It has been rather easy to reach the

FTEPA, because in the field of the agriculture the situation in Japan and Switzerland is very similar. However, since the entry into force of the FTEPA, we did not see any remarkable increase in imports and exports. It is disappointing for the negotiators.

We now would like to increase the exchange of people. People who have not visited Japan are eager to visit the country, and others found that it was a great visit. If we let Swiss people know more about Japan, it will be an incentive to visit the country.

What are your wishes for Japan and for Swiss-Japanese relations in 2014?

My wish is to further the successful relation between Japan and Switzerland.

What are your personal hobbies, leisure activities in Switzerland?

I travelled around this country and covered the main highlights: the big cities and spots. Many places are to be visited.

I also already played golf - four or five times - with my wife. The problem here is that you have to pull your cart. So, I bought an auto-propeller cart!

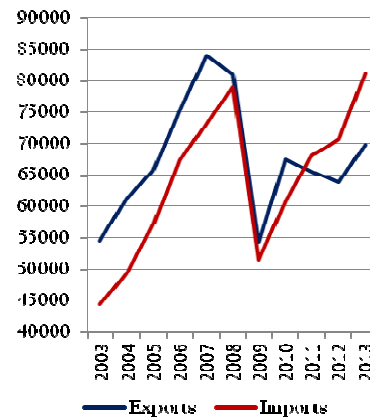
I also ski, but 15 years ago I had to stop because of a shoulder fracture. I went to Grindelwald in December and I resumed skiing!

Japan's current economic situation

For the first time in six years, Japan's Cabinet stated that the Japanese economy "is recovering" (Monthly Economic Report, January issue), although its previous reports mentioned at best that it is "on the way to recovery". It further outlined that it "is expected to be on a recovery trend as household income and business investment increase, while exports move toward picking up and the effects of the policies support".

Exports increased 9.5% in 2013 from the previous year to ¥ 69,788 billion (see graph). In December 2013, exports rose 15.3%, marking an acceleration of exports at the end of the year. However, as imports also increased rapidly, Japan logged a trade deficit of ¥ 11,475 billion in 2013 (+65.3%).

The consumer price index for Japan in November 2013 was 100.8 (2010=100), up 1.5% over the year.



Trade statistics in billion yens
Source: Ministry of Finance

動向
SITUATION

Japanese feed-in tariff for renewable power facilities

The surplus electricity purchase system has been introduced in Japan in 2009.

Likewise in Switzerland, electric utilities have to buy the renewable electricity at a fixed price and for a long-term period guaranteed by the government. The electricity might be generated from one of the following sources of electricity generation: solar photovoltaic, small and medium scale hydraulic power, wind power, geothermal power and biomass. For instance a tariff of ¥ 42 per kWh for photovoltaic electricity with the scale equal or more than 10 kW on a 20-year period is guaranteed (see table).

As a result, the number of residential renewable facilities has steadily increased. As of October 31, 2013, the total combined capacity of such facilities reached 5,852,000 kW.

Japan is ranked third in the world in terms of installed photovoltaic generation capacity, with 3.6 mio

kW and facilities in 900,000 households (as of July 2012). Moreover, the country counts except households about 40 mega solar facilities. Although onshore wind power raises technical challenges due to the geographical and climate conditions, offshore wind power provides large potential.

Japan has the third largest volume of geothermal resources in the world (after Indonesia and the US), but only 10% of its potential is ac-

tually used. Most of geothermal resources are located in natural parks and close to natural hot springs "Onsen" (see issue 56, November 2013).

The installed capacity of hydroelectric power is approx. of 48 mio kW and the one of biomass is approx. of 1.54 mio kW. The aim is to reach a capacity of respectively 49.25 mio kW and 2.17 mio kW in 2020.

Feed-in tariffs in Japan for renewable energies
Source: Agency for Natural Resources and Energy

Energy source	Size	Tariff (per kWh, tax inclusive)	Duration
Photovoltaic	(≥10 kW)	¥ 42	20 years
	(<10 kW)	¥ 42	10 years
Wind power	(≥20 kWh)	¥ 23.10	20 years
	(< 20 kWh)	¥ 57.75	20 years
Geothermal power	(≥15 MW)	¥ 27.30	15 years
	(<15 MW)	¥ 42	15 years
Small- and medium-scale hydraulic power	1 MW—3 MW	¥ 25.2	20 years
	200 kW—1MW	¥ 30.45	20 years
	< 200 kW	¥ 35.70	20 years

政策
POLICY

革新

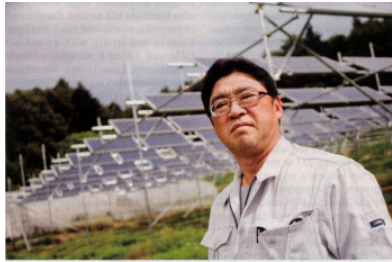
INNOVATION

Renewable Energy Village in Fukushima Prefecture

A Renewable Energy Village (REV) has been established in the City of Minamisoma (Fukushima Prefecture, east coast of Japan). It encompasses a farmland and photovoltaic panels. Wind mills, educational and recreational facilities, as well as an astronomical observatory are also planned to be built.

“Solar sharing”

The concept of “solar sharing” has been developed. It means that crops are growing beneath solar panels.



Okumura Kenro, member of the local recovery council, chairman of Eco-Ene Minamisoma Research Organization

Photo by Rob Gilhooly,
published in the Japan Journal,
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(with the kind permission of the photographer)

120 photovoltaic panels have already been installed, generating 30 kW of power, which is sold to the local electricity utility company, at

a fixed price (see page 3).

The objective of REV is to provide additional profits to local farmers, who face difficulties in selling their products after March 11th, 2011 Fukushima disaster.

Additional projects

Wind mills, recreational and educational facilities, as well as an astronomical observatory are also planned to be established.

REV will contribute to the Fukushima objective to have 100% of renewable energy by 2040.

Agenda

日程

AGENDA

✓ 6th Feb.:

11 am—2pm Business lunch at seminar organized by the Canton of Neuchâtel and JETRO focusing on
— The trend and forecast in global machine-tool industry
— Japan’s new growth strategy and JETRO’s activities

5 pm—10 pm Official ceremony of the 150th Anniversary of the signing of the Treaty of friendship and commerce between Switzerland and Japan and official launch of festivities for 2014

Museum of Ethnography of Neuchâtel, 4, rue Saint-Nicolas, Neuchâtel
Organized by Neuchâtel City Council.

✓ 5th Mar.: Targeted seminar on ICT in Zurich

Yuki Hagihara, Vice-President, Fujitsu, will talk and discuss about the global trend of ICT

Please do not hesitate to contact us (SWG@jetro.go.jp) to provide your comments, feedbacks and suggestions about this Newsletter! We will be pleased to take into account your ideas and to introduce new topics, companies, products... Thank you!

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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