

Special points of interest:

- Japan's GDP grew 0.6% from April to June. The industrial production increased 2.1% in July on a month.
- Japan-Switzerland Free Trade and Economic Partnership Agreement (JSFTEPA) entered into force on September 1, 2009.
- A memorandum to facilitate the exchange of young professionals between Switzerland and Japan was signed on the same day.
- Japan is the 8th most competitive economy, according to the World Economic Forum's Global Competitiveness Report.
- Sony announced it plans to provide 3D home displays by 2010.

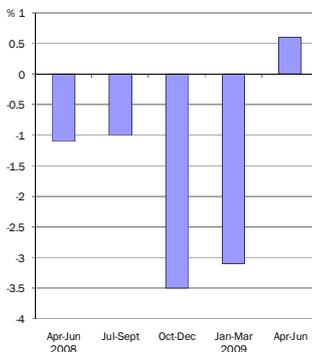
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Japan's current economic situation

Overall Japanese economic situation is improving, but concerns still are expressed regarding the evolutions of the consumer price and of the labor market. Some major macroeconomic indicators show that the economy is recovering. Japan's GDP increased 0.6% from April to June (2.3% at annual rate), whereas the Cabinet Office initially estimated the GDP would increase 0.9% on this period (3.7% at annual rate). The industrial production also grew 2.1% in July from a month earlier. It increased for the fifth straight month, whereas it fell 22.7% on a year. The consumer confidence index (excluding one-person households) also raised 1.8% from 39.4 in July to 40.1 in August, showing an increase

Evolution of real Japan's GDP
seasonally adjusted series
April 2008 - June 2009
Source: Japan's Cabinet Office



of 33.2% on a year. While some figures still are negative, they show improvements of the economic situation. The number of corporate bankruptcies reduced 1.0% in August from previous year. Debts accumulated by companies shrank for the fifth straight month. They decreased 67.3% to ¥ 284.21 Bio, the small-

est amount on a year. More specifically, the number of bankruptcies with debts superior to ¥ 41 Bio. fell 75.0%. Corporate profit also globally decreased 53.0% during the second 2009 quarter on a year, while it fell 70.1% during the first quarter. Housing starts decreased only 0.5% in July from previous month, whereas they fell 1.2% in June and 2.7% in May. However, some indicators still are deteriorating. The consumer price index is in July down 0.3% from June, showing a decrease of 2.2% on a year. Moreover, Japan's unemployment rate increased from 5.4% in June to 5.7% in July. Jobless ratio fell to a record rate of 0.42 in July. 42 job positions are now available for every 100 people seeking a job.

Japan - Switzerland FTA entered into force

On September 1, JETRO participated in Zurich in the seminar to celebrate the entry into force the same day of the Japan-Switzerland Free Trade and Economic Partnership Agreement (JSFTEPA). The seminar was organized by OSEC, in collaboration

with SECO, SJCC, Swissmem, Electrosuisse and JETRO. About a hundred people attended this successful seminar. In his opening statement, Daniel Küng, OSEC CEO, briefly presented the history of Japan - Switzerland relationship, that be-

gan early 17th century. He also said that Swiss companies are very active, but they only can be active if politics make the ground for them.

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Seminar to celebrate the entry into force of the Japan - Switzerland Free Trade and Economic Partnership Agreement

Japan - Switzerland FTA entered into force

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Statements were then made by Ichiro Komatsu, Ambassador of Japan to the Swiss Confederation, Heinrich Wegmann, SJCC President, Marie-Gabrielle Ineichen-Fleisch, Ambassador, SECO head of the World Trade Division in the Foreign Economic Affairs Directorate, Takezo Yanagida, JETRO Executive Vice President (see the picture) and Martin Godel, Head Swiss Business Hub Japan.

Takezo Yanagida stated that the Japanese "government's economic stimulus measures are beginning to show results". Pointing out the enormous impact on consumption of the Eco-car and the Eco-points programs, he said that it is

expected that "this recovery in consumer mood to be accompanied by a recovery in the economy as a whole".

In the afternoon, participants were divided in four workshops that focus on the following topics: (1) agriculture products and food, (2) medical device, (3) machinery and machine tools and (4) consumer goods, electronics and components. While taking part in discussions that were held in every

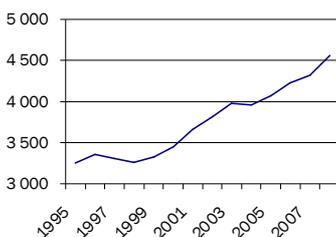
workshop, participants had the opportunity to ask questions and to obtain practical information.

Signed in Tokyo on February 19, 2009, following a total of eight rounds of negotiations since the first round in May 2007, the JSFTEPA improves mutual market access for goods and services. It provides frameworks for an origin declaration by an approved exporter. It further enhances investment conditions, effective protection of intellectual property rights and promotion of e-trade.



Takezo Yanagida, JETRO Executive Vice President

The Agreement is available on the Internet: <http://www.mofa.go.jp/region/europe/switzerland/epa0902/agreement.pdf>
For further information, please contact Kiyoshi Imai: kiyoshi.imai@jetroge.ch



Number of Japanese people living in Switzerland

Source:
Swiss Federal Office for Statistics

Memorandum to promote the exchange of professionals

A memorandum to facilitate the exchange of young professionals between Switzerland and Japan was signed on September 1, in Zurich.

The memorandum established a programme concerning the exchange of young professionals who go to the other country "to take employment within the field of their previously acquired professional technology or knowledge, in the hope of familiarising themselves with business, professional and technical practices in the country and improving their linguistic knowledge". Applicants shall be Swiss or Japanese nationals under

the age of 35. Japanese young professionals who wish to work in Switzerland will not be subject to a quota limit.

These new conditions will facilitate the entrance in the other country.

Until September 1, "as far as we know, Swiss nationals needed a visa and a certificate of eligibility to get a work permit" in Japan said Roland Flükiger, Head of the Emigration and Trainee Section, Swiss Federal Office for Migrations. He believed that "for highly skilled specialists, it was probably not a major problem. But for young professionals without many years of ex-

perience it was not very easy to get them". He also explained, "Japanese nationals needed a work permit that they only got when the Swiss employer was able to prove that he didn't find a suitably qualified person neither in Switzerland nor in the 27 member states of the European Union".

The number of Japanese people living in Switzerland is therefore likely to increase in the near future. As of December 31, 2008, only 4,500 Japanese people are living in Switzerland, 0.26% of the Swiss foreign population (Swiss Federal Office for Statistics).

Japan's competitiveness moved up one position

Japan moved up one position from previous year, according to the 2009-2010 Global Competitiveness Report released this month by the World Economic Forum (WEF).

Japan is now the 8th most competitive economy. Switzerland overtook the United States as the most competitive economy. As mentioned in the report, "Switzerland's performance has remained relatively stable, whereas the United States has seen a weakening across a number of areas".

The report points out the

following advantages of Japan's economy: the "strong availability of scientists and engineers", the "high company spending on R&D" and the "capacity for innovation".

With regards to Switzerland, it emphasizes the "excellent capacity for innovation", the "very sophisticated business culture", the "high spending on R&D". It also highlights the quality of public institutions, that are "the most effective and transparent in the world", the "excellent infrastructure", the "well-functioning

goods market" as well as the efficiency of the labor market.

The WEF defines competitiveness as "the set of institutions, policies, and factors that determine the level of productivity of a country". Based on the Global Competitiveness Index, introduced in 2004, the rankings are calculated from public data and from annual surveys carried out by the WEF together with local partner institutes. The report also provides detailed information for 133 economies.

Global Competitiveness Index 2009-2010 top ten	
Switzerland	1 (2)
United States	2 (1)
Singapore	3 (5)
Sweden	4 (4)
Denmark	5 (3)
Finland	6 (6)
Germany	7 (7)
Japan	8 (9)
Canada	9 (10)
Netherlands	10 (8)
(): Previous year	

Source:
World Economic Forum's Website

Buying Japanese food in Geneva and Lausanne

Mr. Uchitomi — a former pastry cook — became a successful sale manager. He opened a Japanese shop in Geneva (1991) and another in Lausanne (2003). Turnover of both shops today is about CHF 5 Mio. 25 people are employed. Geneva's shop welcomes 150-250 clients every day and Lausanne's one 60-100 clients.

Mr. Uchitomi explained the different reasons why the shops are so successful. First, "competition with Japanese shops is weak, whereas there are many Asian shops, such as Thai and Chinese ones", he said. He also mentioned choice, quality and reliance of Uchitomi's products.

Most successful products

are sushi and basic food-stuffs, such as rice, algae, "miso" soup and soy sauce. "Other specialized products are bought by people who know well Japanese cuisine", he said.

90% of products are imported from Japan. He regrets that "fishes and crustaceans cannot be imported from Japan". He argued "such imports are prohibited by the EU regulation, under which Switzerland is submitted". Furthermore, Japan itself already imports fish and does not wish to export it". Seafood is purchased either fresh or frozen. Fresh seafood is from Atlantic ocean or Mediterranean see. Frozen seafood is carried through Germany

from the EU, Thailand, the Republic of Korea or Vietnam.

Moreover, Mr. Uchitomi cannot import meat from Japan, while "it is a very good meat". Some vegetables also cannot be imported. If they were carried by boat, they would expire, and if they were carried by plane they would become too expensive.

Mr. Uchitomi believes that two shops are enough. "It's a family company. If it is becoming bigger, I would need administrative support", he explained. Furthermore, opening shops in German or Italian Switzerland would raise linguistic problems.

Uchitomi's Website:
<http://www.uchitomi.ch>



Mr. Uchitomi, Director of Japanese shops in Switzerland

Sony will make home 3D available in 2010

On September 2, 2009, Sony Corporation stated that it plans to provide 3D home displays by 2010. Announcement was made on the eve of the Berlin IFA (International radio exhibition Berlin, the oldest German industrial exhibition), held this year from September 4 to 9. Sony's 3D display will be based on frame sequential display and active-shutter glass systems, and on the Sony's high frame rate technology. Sony also

announced that the 3D technology will serve for other electronic devices, such as the Blu-ray Disc (the optical disc with up to 25 GB per single layered, and 50 GB per dual layered disc), VAIO products (Visual Audio Intelligence Organiser, a Sony's sub-brand for computer products) and the PlayStation (the Sony's video game console). During the Berlin IFA, that was attended this year by 1,164 exhibitors and by

228,000 visitors, people had the opportunity to play 3D PlayStation wearing special glasses to enjoy 3D thrills.

Home 3D displays could be seen as a new expression of the Sony's group brand message: "make.believe". It stands for "the power of [its] creativity, [its] ability to turn ideas into reality and the belief that anything we can imagine, can make real" (Sony's Website).

Agenda

26th Oct. (tentative schedule): Toyama pharmaceutical Business Seminar in Basel

29th Oct.: Celebration of the JSFTEPA conclusion
ETH, Zurich

30th Oct.: JSFTEPA seminar in Basel

9th Nov.: JSFTEPA seminar in Geneva

21st - 25th Nov.: Japan booth at the IGEHO (International exhibition for hotels, catering and extra-domestic consumption) in Basel

24th Nov.: Japanese foodstuff discovery seminar in Geneva

18th - 25th Mar.: Japan Pavilion in Baselworld

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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