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AUGUST

IETRO Switzerland Newsletter

Japan External Trade Organization

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On the front line of 'Visit Japan Campaign'

Japan National Tourism Organization (JNTO) is the organization which promotes the attractiveness of Japan as a tourism destination. It has 14 overseas offices in the world.

Koji Takahashi is the Director General of the JNTO office in Paris. He took office in June 2013. And he is now on the front line of 'Visit Japan Campaign'. Returning from three years' work in Tokyo, this is the second time for him to work in France. He was first posted in France as a first secretary of the Embassy of Japan between 2007 and 2010.

1. What is the role of the JNTO and more specifically of JNTO Paris?

The government of Japan has started 'Visit Japan Campaign' in 2003, realizing the potentiality of tourism in Japan and aiming the economic growth through tourism development. JNTO is the organization to implement a variety of promotion such as advertisement to public, exhibition in travel markets and holding seminars

Paris Office was established as an overseas office in 1960 and covers not only France but also Switzerland, Italy, Spain, Belgium and more.



Koji Takahashi, Director General of Japan National Tourism Organization (JNTO) —Paris office

2. What are the specificities of the Swiss market for JNTO?

Switzerland is a potential market for Japan because the income level is higher than in other European countries. Visiting Japan from Europe needs inevitably much more cost compared with a trip to European neighboring countries due to long flight and long stay. Therefore our main marketing target in Europe is 30-60 years old with sophisticated mind and enough budget. Swiss people are suitable to these criteria. Although the population is small, the ratio of visitors to Japan/the population is the highest with 0.35% among countries covered by Paris office (France: 0.24%).

3. What is the evolution of tourism in Japan? What are your objectives?

The government of Japan has set a target of the number of foreign tourists in Japan as 20 million in 2020. We passed successfully the target of 10 million in 2013 with 10,363,904 foreign tourists. Now in the beginning of 2014, we have a positive trend with over 20% growth because tourists from China and south-east Asian countries increase sharply.

The number of tourists from Switzerland registered a good increase with 15.7% in the first quarter of the year. We hope the number of Swiss tourists to Japan will pass the milestone of 30,000 this year (the record high is 28,322 in 2013).

4. What are the most popular destinations? What less famous destinations would you recommend?

The most popular destinations in Japan for Swiss people are Tokyo, Kyoto, Osaka, Okinawa and Hiroshima according to the result of a questionnaire to visitors at the Geneva Book Fair (May 2014). This preference is almost the same as in France.

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Japan's current economic situation



SITUATION

According to a report released in July 2014 by the Bank of Japan "Japan's economy is expected to continue its moderate recovery trend, and the effects of the subsequent decline in demand following the front-loaded increase prior to the consumption tax hike are expected to wane gradually".

Exports declined 2.0% in June 2014 from the previous year to ¥ 5,940 billion. The fall in the exports of electrical machinery (-5.1%), mineral fuels (-18.3%) and chemicals (-4.4%) were the main

factors of the overall decline. Exports to Asia (-3.8%) and to North America (-2.7%) decreased, whereas exports to Western Europe (+8.3%) increased. In the same month, imports rose 8.4% to \$ 6,762. As a consequence, the trade deficit was of \$ 822.2 billion, against \$ 180 billion in the same month of the preceding year.

However, the private consumption has remained resilient. The average of monthly consumption expenditures per household for June 2014 was ¥ 272,791, up 1.3%

in nominal terms from the previous year. The consumer price index in June 2014 was 103.4 (2010=100), up 3.6% over the year.



2010=100
Statistics Bureau, Ministry of Internal Affairs and Communications

On the front line of 'Visit Japan Campaign'





Washoku (Japanese cuisine) — JNTO

(Continued from page 1)

For European tourists, whose travel to Japan is long and difficult to repeat frequently, it is natural to visit major destinations as above. But we have a lot of smaller cities and towns which have old days' townscape, hot spring (Onsen), old architecture (castle, temple, shrine), beautiful landscape, etc.

Koyasan, Takayama and Matsue are examples of these kinds of attractive smaller destinations, although they are becoming 'semimajor' destination with increasing tourists year by year.

Of course we have more secret destinations, but it is difficult to present them fully now in this column. Please have a look at our web-site (http://www.tourisme-





Tokyo and Kyoto — JNTO

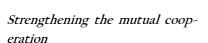
japon.fr/) and find your own favorite destination. At the same time don't miss Japanese food. You can enjoy a lot of selection of local food in Japan region by region using various seasonal harvests. Japan is a country where you can find something new interesting every time you visit.

We are waiting for your visit to Japan in near future.

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SGE and JETRO strengthen their collaboration

Switzerland Global Enterprise (SGE) and Japan External Trade Organization (JETRO) signed a Memorandum of Understanding (MoU), on July 9, in Tokyo, Japan. The MoU will strengthen the mutual cooperation between the two organizations and aim at further expansion of trade and investment between Japan and Switzerland.



The MoU was signed by JETRO Chairman and CEO Hiroyuki Ishige and S-GE CEO Daniel Küng at the Ministry of Economy, Trade and Industry (METI). The signature took place in the presence of State Minister of Economy, Trade and Industry Kazuyoshi Akaba and Swiss Head of the Federal Department of Economic Affairs, Education and Research (EAER) Johann N. Schneider-Ammann, on the occasion of the Federal Councillor's visit to Japan.

Through the MOU, both parties



JETRO Chairman and CEO Hiroyuki Ishige (left) and S-GE CEO Daniel Küng (right) signing MOU

have pledged to the following:

- 1. Sharing information on best practices and successful cases of trade and investment.
- 2. Supporting the other party in organizing seminars and dispatching business delegations.
- 3. Providing the other party with referrals of companies of its own country interested in making direct investment in the other country.
- 4. Promoting cooperation between Japanese and Swiss companies in third countries.
- 5. Supporting the "Agreement on Free Trade and Economic Partnership between Japan and the Swiss



(From left) METI State Minister Kazuyoshi Akaba, JETRO Chairman Hiroyuki Ishige, S-GE CEO Daniel Küng and Swiss Federal Councillor Johann N. Schneider-Ammann

Confederation" (Japan-Swiss EPA).

"Talk to JETRO first"

Please talk to JETRO first about your business plan in Japan and see more of what we offer. We will be pleased to visit your companies, respond to your inquiries, and assist you in setting up your business in Japan!

JETRO Geneva's office will make all efforts to further collaborate with SGE, in order to help Swiss companies to enter the Japanese market.

JETRO's invitation for business matching in Osaka

JETRO will invite buyers for participating in our business matching program in Osaka, from November 3 to 8. The main purpose of the program is to support Japanese SMEs to export their tableware and kitchenware to overseas market.

JETRO will provide a round-trip business class airline ticket, domestic transportation during the period of the program, accommodation and an interpreter.

Applicants shall be purchase managers in the fields of kitchenware and tableware.

For further information and registration, please contact JETRO Geneva (SWG@jetro.go.jp).



Flower plate, h+, horie-tk.jp Source: JETRO invitation program to Osaka, Japan



ACTIVITY

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Toshiba to supply geothermal power in Indonesia



Toshiba Corporation has announced on July 16 that it obtained a contract to supply three sets of 60-megawatt geothermal steam turbines and generators (STGs) for an Indonesia power plant project. Such STGs will serve specifically for the Sarulla geothermal plant project, which is under construction in Tapanali Utara, Indonesia (North Sumatra).

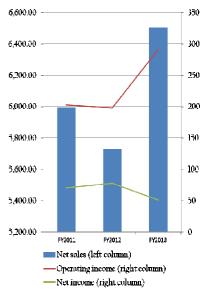
Toshiba will start to supply STGs in July 2014. The plant is scheduled to start operation in November 2016. Its output is expected to cover 1% of Indonesian power demand.

The contract was awarded by Sarulla Operations Ltd. (SOL).

Toshiba is the "world's leading supplier of geothermal power generation equipment" and "will continue to participate in projects that promote environmentally-friendly, low carbon-dioxide renewable, including geothermal power" (press release, July 16).

Geothermal power is an electricity generated from the thermal energy generated and stored in earth.

Geothermal power market is expected at 12,000 MW by the end of 2013. The major geothermal potentials are located in the United States, Indonesia, Japan, the Philippines, Mexico, Iceland, Indonesia, New Mexico and Italy.



Overview of financial results of Toshiba Corporation in billions of yen Source: FY2013 Consolidated Business Results, Toshiba Corporation

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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