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## “Japanese consumer has a very favorable image of Swiss made products”

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M-INDUSTRY is the group of Migros Industries, manufacturing and marketing over 20,000 products for its customers in Switzerland and abroad. It opened a subsidiary in Japan in November 2014: M-INDUSTRY Japan Inc. David Chalk has been appointed as the managing director.

Please find more information on <http://www.mindustry.com/en/home.html>

### *Why has M-Industry decided to expand in Japan? What is the objective of M-Industry through this expansion?*

Japan represents the world's 3<sup>rd</sup> largest economy and the 2<sup>nd</sup> largest food market. As such, it is a very important market for any company wishing to export. MI objective is to work with our Japanese retail partners in bringing the very best of Swiss food, drink, and cosmetics to the Japanese consumer.

### *What have been the obstacles to enter the Japanese market?*

There are a number of obstacles when trying to enter a new market, not only Japan.

Regulatory: Japan has very strict

standards for allowing food items to be imported into Japan. There is a demanding process to ensure our products meet these standards in terms of compliant ingredients and production processes.

Logistic: It takes about 5 weeks by boat for cargo to arrive to the Japanese port. Additionally, production lead-times and custom clearance procedures in Japan add another 5-7 weeks. This is a challenge when competing against local manufacturers.

Exchange rate fluctuations: The Swiss currency has strengthened by close to 30% to the Yen over the past few years. Although we are fully automated and continually working on efficiencies in our value chain, the weak yen and strong franc is a significant head wind.

### *What support did you have from JETRO's Geneva office and Tokyo's headquarters, as well as from other organizations?*

JETRO were a great help in getting us set up in Japan. They were able to guide us through all the legal, administrative, hu-



David Chalk, Managing Director, M-INDUSTRY Japan Inc.

man resource, and practical issues with establishing an office in Japan.

### *To what extent does M-Industry Japan Inc. benefit from the Japan - Switzerland Free Trade and Economic Partnership Agreement (JSFTEPA)? What kind of products benefit from lower customs tariffs or increased quantities?*

Many of our products benefit from the free trade agreement such as jams and biscuits.

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## 会見

INTERVIEW

### “Japanese consumer has a very favorable image of Swiss made products”

Interview with David Chalk, Managing Director, M-INDUSTRY Japan Inc.

(Continued from page 1)

*What products are put on the Japanese market? What are the most successful ones?*

Currently we are exporting coffee, chocolate, biscuits, jams, ice tea, and rosti. Coffee, biscuits, and jams are selling very well. We are optimistic for our other items as well, especially our great skin care products, once they launch.

*What is the reputation of Swiss products in Japan?*

Similarly to Japan, Switzerland is a country with limited natural resources. Therefore the Swiss ability to create and add value is well appreciated in Japan. Though not immediately linked to food cuisine compared to such countries as France or Italy, the Japanese consumer has a very favorable image of Swiss made products.

*What is your current business situation in Japan?*

We are in the process of imple-

menting our initial 5-year business plan. We are working diligently with our retail and logistic partners in ensuring a smooth distribution to the final consumer.

*What are your plans for the future?*

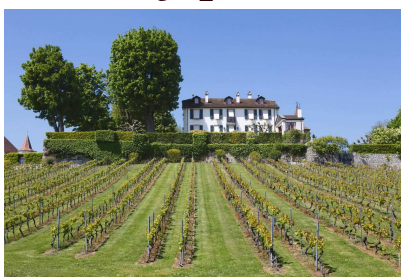
We will continue to build on the foundation of the work we have done so far. By pacing ourselves, we will be able to build a significant, sustainable long-term business in Japan.

## 行事

EVENT



Lavaux, Spring © OVV/Erol Gemma



La Côte, Spring © OVV/Erol Gemma

Six wine-producers from the Canton of Vaud visited Japan from May 27 to June 1, 2015. They took part in several events in Tokyo and Kyoto, with the objective of the promotion of wines from the Canton of Vaud in Japan.

According to Pierre Keller, President of the Vaud's wine association (Office des Vins Vaudois OVV), “we get better and better results in Japan. A lot of Michelin 2 or 3-star restaurants in Japan propose Vaud's Chasselas wine”.

#### *Six wine-producers*

This business trip is organized by the OVV, in collaboration with Japanese importer Club Concierge, and the sponsorship of the watch manufacture Hublot.

Club Concierge imports several thousands of wine bottles per year from the Vaud Canton. On the occasion of this business trip, it will also distribute a magazine, which will focus over thirty pages on Vaud's wine producers.

Six wine producers took part in this business trip in Japan: Cyril

Séverin, Domaine du Daley; Alain Leder, Obrist SA; Grégoire Dubois, Les Frères Dubois; Luc Massy, Clos Duboux; Guy Stuby, Au Clos de la République; Louis Philippe Bovard, Domaine Bovard.

#### *Japan: 7<sup>th</sup> largest wine market*

Exports of Swiss wine in Japan is likely to increase for the following reasons.

Japan is a giant market, offering the potential of a population of 127 million people. According to a study by Vinexpo, Japan is 7<sup>th</sup> largest wine market in the world with regard to the import of bottles with prices more than USD 10 (JPY 995). In addition, several wine waiters say that Swiss wine goes well with Japanese cuisine.

Exports of goods to Japan is facilitated by the 2009 Economic Partnership and Free Trade Agreement.

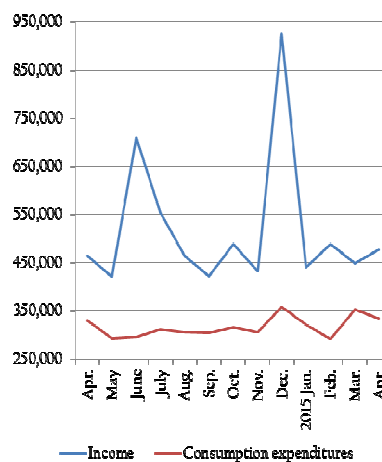
## Japan's current economic situation

“Concerning short-term prospects, the economy is expected to recover, supported by the effects of downfall in oil prices and the effects of the policies, while employment and income situation show a trend toward improvement” (Monthly Economic Report, May 2015, Cabinet Office).

Japan's exports were up 8% in April 2015, showing an increase by 21.3% in North America and by 6.0% in Asia. Whereas exports in Western Europe remained quite

stable (+0.8%), they soared 35.3% in Switzerland.

The domestic demand also increased. The average of monthly income per household Workers' Households was ¥ 476,880 in April 2015, marking an increase by 2.8% in nominal terms from the previous year (see graph). Moreover, the consumer price index for Japan in April 2015 was 103.7 (2010=100), up 0.4% from the previous month, and up 0.6% over the year.



Incomes and Expenditures for Workers' Households, Statistics Bureau

動向

SITUATION

## Tokyo One-Stop Business Establishment Center

The Japanese Government and the Tokyo Metropolitan Government together launched the Tokyo One-Stop Business Establishment Center on the 7<sup>th</sup> floor of JETRO Headquarters in Tokyo, which commenced operation on April 1, 2015.

### Assistance in establishing businesses

This is the first center in Japan that has integrated the procedures for establishing business by overseas-affiliated or venture companies in one location.

Through face-to-face consultation, well-versed staff members and experts in this field assist with a wide range of administrative procedures required when forming a legal entity and starting operations in Tokyo including for corporate registration, taxes, pension, social insurance and immigration control. At the request of these companies, the center will also provide interpretation and translation services in multiple languages.



Tour of the center before the opening ceremony. From left to right, Tokyo Governor Yoichi Masuzoe, Prime Minister Shinzo Abe, State Minister of National Strategic Special Zones Shigeru Ishiba and JETRO Chairman Hiroyuki Ishige.

### Two additional related organizations

Within this center, contact points of two related organizations were also opened. In the “Business Development Center Tokyo”, bilingual consultants will help business matching and matters concerning life for individual workers of overseas companies intending to start business in Tokyo. The “Tokyo Em-

ployment Consultation Center” helps non-Japanese firms or enterprises which have just established business accurately understand the employment rules in Japan and smoothly develop their operations. JETRO has operated the Invest Japan Business Support Center (IBSC) on the same floor as the Tokyo One-Stop Business Establishment Center. This enables overseas-affiliated firms to conduct all preparation and procedures for starting operation in Tokyo on the 7<sup>th</sup> floor of JETRO Headquarters.

To overseas companies wishing to set up business in Tokyo, please take full advantage of these centers.

For further information, please visit the Website of the Tokyo One-Stop Business Establishment Center:  
[http://www.seisakukikaku.metro.tokyo.jp/invest\\_tokyo/english/business-support/one-stop.html](http://www.seisakukikaku.metro.tokyo.jp/invest_tokyo/english/business-support/one-stop.html)

活動

ACTIVITY

## 革新

INNOVATION

## Maglev train reached a world speed record of 603 kph

Japan's maglev train reached a new speed record of 603 kph on April 21, 2015. The speed record was reached on a test run near Mount Fuji, during a period of nearly eleven seconds.

Maglev train is Japan's state-of-the-art train with a non-adhesive drive technology. It is based on a combination of superconducting magnets and linear motor technology. It has been developed by the Rail-

way Technical Research Institute (RTRI).

The construction work of Maglev train has been underway since 1970. The first tests were performed in Miyazaki Prefecture in 1975.

Previous records were reached a week before with a speed of 590 kph, and in 2003 with a speed of 581 kph.

*Tokyo — Nagoya in 40 minutes*

JR Tokai (Central Japan Railway Company) will use Maglev train to connect Tokyo and Nagoya in 2027 in only 40 minutes. The two large industrial cities are 286 km apart.

Maglev trains is also expected to connect Tokyo and Osaka in only 67 minutes by 2045.

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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