

**Special points of interest:**

- Japan's GDP rose 1.2% in third quarter from previous one, the sharpest growth since 2007.
- JETRO Geneva organized seminars in Basel and in Geneva to celebrate the entry into force of the Japan-Switzerland Free Trade and Economic Partnership Agreement.
- Four Japanese companies were invited to participate in JETRO booth at IGEHO in Basel.
- 11 Tokyo's restaurants obtained three Michelin Guide stars.

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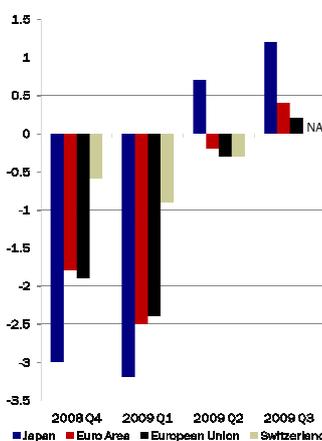
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## Japan's current economic situation

According to Japan's November Monthly Economic Report, "although the economy has been picking up, it is short of autonomous factors and remains in a difficult situation". Japan's GDP increased 1.2% in last quarter from previous one, 4.8 % at annual rate, showing the second straight quarter of growth. On the same period, Euro Area's GDP rose 0.4% and European Union's one increased 0.2% (see diagram; growth of the Swiss GDP has not yet been published).

This increase is mainly due to the effects of the governmental stimulus plan and to the recovering of foreign economies. As a consequence of the stimulus plan, consumer spending, which account for around 60% of the GDP, grew 0.7% in the third quarter from previous one. Consumer confidence in-

**GDP growth rates**  
Percentage changes compared with the previous quarter, seasonally adjusted data



Sources: Japan's Cabinet office and Eurostat

dex also rose 6.9% in September from previous estimation in June, showing the third consecutive increase. Furthermore, the industrial production went up 2.1% in September on a month, showing a decrease of 18.4% on a year. Exports jumped 13.2% from August to

September (+10.9% to China, +17.0% to the USA, +16.9% to the EU). Further to the entry into force of the Japan-Switzerland Free Trade and Economic Partnership Agreement, exports to Switzerland soared 31.3% in September.

However, the economic situation remains fragile. Corporate profits declined 53.0% during the second quarter in comparison with previous year. The unemployment rate slightly decreased 0.2 point in September, but still is at 5.3%. Whereas the consumer price index remains stable in September from the previous month, it was down 2.2% over the year. Japan's Monthly Economic Report concludes that "recent price developments show that the Japanese economy is in mild deflationary phase".

## JETRO seminars in Basel and in Geneva

In cooperation with the Cantonal Chambers of Commerce and OSEC, JETRO organized two seminars in Basel and in Geneva to celebrate the entry into force of the Ja-

pan - Switzerland Free Trade and Economic Partnership Agreement. The seminars were held on October 30 in Basel and on November 9 in Geneva. Welcome state-

ments were made by Mr. Aebischer, Basel Chamber of Commerce, and Mr. Meyer, Geneva Chamber of Commerce, Industry and Services. (Continued on page 2)

## JETRO seminars in Basel and in Geneva

(Continued from page 1)



Michiaki Watanabe, JETRO Geneva Director General in Basel

Mr. Watanabe (picture) presented the benefits that Swiss and Japanese firms can gain from the Agreement. He explained that the Japanese economic situation is today recovering, but remains fragile. He also said that many tariffs and quota on foodstuffs will be eliminated. He further stressed the importance for business stakeholders to know the Japanese culture and foodstuffs, and warmly called participants to take part in the foodstuff seminars organized by the JETRO (see newsletter previous issue). Further to Mr. Watanabe's speech in Basel, Dr. Hamano, coordinator for the Toyama's Regional Industry Tie-Up project, de-

scribed the business trends and the regulation regarding the pharmaceutical sector in Japan. Mr. Godel, Head Swiss Business Relations, provided participants in Basel and in Geneva useful tips to enter Japan's market and to avoid some mistakes that Swiss firms done in the past. Mr. Minacci, OSEC, also presented support services provided by the Swiss economic organization.

### **Two success stories: Ricola AG and Felco**

The stories of two companies that entered successfully into Japan's market were also presented.

In Basel, Thomas Blaser, VP Sales Overseas, explained how Ricola AG

broke into Japan's market in 1973. Ricola AG is a Swiss family-owned company, founded in 1924. Headquartered in Laufen, Canton of Basel-Landschaft, it produces naturally grown herbs from Swiss mountain areas. Thomas Blaser stressed the need to take time to strengthen business ties with Japan. In Geneva, Stéphane Poggi, Sales Director, presented Felco. Founded in 1945, Felco is a company headquartered in Geneveys-sur-Coffrane, Canton of Neuchâtel. It manufactures hand and electric pruning shears, saws and cable cutters. It started to export to Japan in 1959. Stéphane Poggi emphasized the importance to be patient and to listen to Japanese counterparts.

## Linear Chuo Shinkansen: a 500 km/h train project



Miyazaki Maglev Test Track  
Source: Railway Technical Research Institute Website

A symposium was held on November 16 in Nagoya to discuss the development of new magnetic levitation (maglev) line projects. Participants from the United States, the United Kingdom, the Vietnam, Malaysia, Singapore, Indonesia, India and Egypt were invited.

The maglev train is a train without wheels suspended with no support other than magnetic fields. It can reach a maximum speed exceeding 500 km/h. It is also a safe, low environmental impact and minimum maintenance transport system.

The Linear Chuo Shinkansen is a Japanese project led by the Central Japan railway company, JR Tokaido. The building of this train is scheduled to start between 2010 and 2015 and to be finished in 2025. The train will connect three Japanese large areas. First, it will connect Tokyo to Nagoya in 40 min., against 1 hour 40 min. today. Second, it will connect Tokyo to Osaka (through Nagoya) in 60 minutes, against 2 hours 30 min.

R&D is today led by the Yamanashi Maglev Test Center of the Railway

Technical Research Institute (see picture). After fundamental tests in laboratory to experiment the feasibility of high-speed running at 500 km/h, the building of a test track began in Miyazaki Pref. in 1975. On December 2, 2003, the maglev train reached 581 km/h. In December 2006, the Maglev Practical Technology Evaluation Committee of the Japan's Ministry of Transport recommended to continue tests to increase the durability, to reduce the production cost and to develop a public use design.

## JETRO booth at IGEHO

Four Japanese companies were invited to exhibit their products in the JETRO booth at IGEHO (International exhibition for hotels, catering and extra-domestic consumption) held from November 21 to 25, 2009, in Basel. Founded in 1906, Ishimitsu & Co. Ltd. is a food trading company importing green coffee beans into Japan. It now supplies Japanese foodstuffs, such as rice, algae, snacks and sake overseas. Created in 1888, AIYA Group Europe is the global

leader in manufacturing Matcha, the principle ingredient in virtually all green tea flavored products. Technosigma mainly sells equipments to manufacture, store, transport and package flour, starch and edible oil products. Moreover, it imports and sells flour products, like pasta made of brown rice. Japan Concierge AG is a Zurich-based agency, which introduces Japanese foods, but also Japanese culture and tourism into Switzerland. The com-

pany connects the two different cultures through spreading information via networks all over Japan. IGEHO is the largest and most important exhibition for the hotel and catering industry in Switzerland and the neighboring German-speaking countries. 837 exhibitors from 19 countries presented their products and services over a gross area of almost 69,000 m<sup>2</sup>. Around 80,000 people were expected.



JETRO booth at IGEHO

## JETRO's White Paper on International Trade and FDI

JETRO published in November 2009 a White Paper on "International Trade and Foreign Direct Investment". The report provides an overview analysis on trade and FDIs. It describes "a recessionary phase said to be the worst since the Great Depression, with the world economic growth rate failing to 3.2% in 2008 and expected to fall into negative in 2009". While it observes signs of recovery, the report does not exclude a downside risk.

Furthermore, it stresses the need for "further liberalization of trade and the establishment of trade rules through the conclusion of the Doha Round". While trade protective measures, such as increase in tariffs and compulsory standards, are introduced to protect domestic markets, it argues that the WTO plays the role of a "bulwark against protectionism" in limiting such measures. The report also identifies new business opportunities in the environmental

and service markets. As many countries adopted stimulus measures to promote the development of the green economy, it underlines the growing interest in energy-saving products such as hybrid vehicles and low-priced apparels, and in clean energy sources like wind and solar powers.

The White Paper is available in full on JETRO Website: [http://www.jetro.go.jp/en/reports/white\\_paper/trade\\_invest\\_2009.pdf](http://www.jetro.go.jp/en/reports/white_paper/trade_invest_2009.pdf).

	Exports			Imports		
	Value USD Mio.	Growth rate %	Share %	Value USD Mio.	Growth rate %	Share %
Japan	775,918	8.9	4.9	756,086	21.7	4.5
Switzerland	200,336	16.4	1.3	183,200	13.6	1.1
EU	5,935,445	10.9	37.4	6,213,390	12.1	36.9
USA	1,287,442	10.7	8.1	2,337,379	7.5	13.9
China	1,428,869	17.3	9.0	1,131,469	18.3	6.7

Extract from November 2009 JETRO's White Paper on International Trade and Foreign Direct Investment

## Tokyo as the new gourmet capital

2010 Michelin Guide hands out 261 stars to Tokyo's restaurants, 34 more than last year and more than any cities of the 23 countries covered by Michelin.

It awarded 11 restaurants with three stars ranking, 42 restaurants with two stars and 144 restaurants with one star among the 160,000 restaurants located in Tokyo.

Jean-Luc Naret, Michelin Guide Director General, said that Tokyo became the world's top gourmet

city.

Tokyo has three times more stars than Paris, home of the Guide. And only ten restaurants are awarded with three stars in the French capital.

The Michelin Guide also distributed 110 stars to 84 Swiss restaurants. Only two restaurants obtained three stars: "le Pont de Brent", near Montreux (Canton of Vaud) and the "restaurant de l'Hôtel de Ville" in Crissier (Canton of Vaud).

One star means "a very

goods restaurant in its category", two stars designates an "excellent cooking and worth a detour" and three stars reflects an "exceptional cuisine and worth the journey" (Michelin Guide Website).

The Michelin Guide has been published in Japanese and in English on November 20 in Japan, and will be published in Europe early February 2010. The Michelin Guide started to review Tokyo's restaurants in 2008.

## Japanese foodstuffs at Globus

From early December to Christmas, Globus stores will sell apples and black garlicks imported from the Aomori Pref. of Japan.

There are many varieties of apples in Japan. Each has its unique color, size and flavor. According to the old saying, « an apple a day keeps the doctor

away ».

Black garlic is a fermented garlic used as a food ingredient in Asian cuisine. It has a subtle sweet and dry food taste.

A Japanese apple is bigger and sweeter than a Western one.



## Agenda

28<sup>th</sup> January: JETRO Japan Night in 2010 Davos World Economic Forum Annual Meeting

18<sup>th</sup> - 25<sup>th</sup> 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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