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INTERVIEW

Connecting Western Switzerland and Greater Nagoya

Interview with Mr. Patrick Roth, Managing Director of the Precision Cluster

A physicist by education, Patrick Roth is the director of the Precision Cluster in Biel. He is strongly involved in the Japanese “Regional Industry Tie-up” program (RIT) networking the Western Switzerland Area and Greater Nagoya. Mr. Roth has travelled several times to Japan and has an extensive knowledge of SMEs in both countries.

Could you please briefly introduce the Precision Cluster?

The cluster regroupes almost 120 companies and academic institutions. What those companies have in common are very high quality and precision standards. Some of them also measure (or produce measurement tools) with great accuracy. The Cluster is a non-profit association. The main goal is to network members together, but also to build bridges with other regions with a similar set-up.

The Precision Cluster is involved in the Western Switzerland area and Greater Nagoya program. What are the goals of this program and why have you joined it?

We participate in the program



Patrick Roth
Managing Director

because we believe in it. It is interesting to see how the Nagoya region is similar to our region. When I visited Nagoya last year, I noticed, that like in our region, a lot of SMEs are in competition to get contracts with the big names. But because these small companies all produce excellent products, they can only race to offer the lowest price, which is painful for them. The only way to escape from this situation is to find other markets that are similar but different. Similar because your great knowledge and precision will be interesting for these other markets, but different because you are not a direct com-

petitor. This is exactly what Greater Nagoya's companies are looking for. They have fantastic technology and they are looking for partners overseas. I believe they are coming to the right region.

What are your impressions of this program?

First of all, I would like to commend your program on its scope and on its long-term vision. Your companies scan the market, meet people and, step by step, trust is built and business opportunities arise.

In Switzerland, companies are still challenged by the high value of the Swiss Franc. They are trying to recover and have to focus on the market they know. Companies who are looking for new markets are mostly the ones proposing new ideas or products. From their perspective, Japan can look like an “exotic” market, but the willingness to open the market on the Japanese side can make it easier than the American market despite the language barrier. Companies who are willing to make the effort have good chances on both sides.

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INTERVIEW

Connecting Western Switzerland and Greater Nagoya

(Continued from page 1)

What do you think about the Japanese SMEs you visited last year in the Nagoya region?

Let me start with a short anecdote. When I came back from Nagoya for the first time, people asked me if it wasn't too difficult because of the cultural differences. I answered not at all. First of all, Nagoya is an industrial city and all of them tend to work in similar ways. What is different from Europe is that Japanese people are very kind and make a lot of effort to make a foreign visitor comfortable. Of course, it helps a lot.

On the business level, I have only found the highest quality with a spirit focused on customer needs. It is similar to what I can see here in Switzerland. Unfortunately, it can also bring some challenges. It is more difficult for companies who have the highest expectations to match together. It takes more time to identify the right partners. However with patience, there are very good opportunities to do business.

For Japanese companies, the Swiss market is a good test market. It opens the door of Europe to you. Swiss companies want to try new products and if something works well in Switzerland, you can potentially scale up by 10 in Germany and by 100 in Europe. Of course, the purchasing power is not the same, but it gives you an idea of the potential.

What kind of business opportunities do you see between Swiss and Japanese companies in the field of Micro technology?

Since our region in Switzerland is a machine-tools region we are in direct competition with the Japanese machine-tool industry but still, it is a complex field and there are enough possibilities for collaborations or joint-ventures. It takes patience and it also takes courage because we tend to see each other as strong competitors. However, we can find a common ground, especially in highly vertical technology; meaning technologies that are not really broadly applicable but applicable in narrow fields. Swiss companies can find Japanese companies interested in those niche technologies and of course, it is also true the other way round.

Have you faced any unexpected challenges until now?

The time that companies can dedicate to prospecting in overseas markets is very limited. They will maybe listen to you, but will not start anything. Currently, most of them are struggling to remain successful despite the strong Swiss Franc and have no extra-resources to extend their activities.

From the perspective of the Cluster, there is also a small problem. We don't have any mandate to build bridges with Japan. Of course, we have to establish new international contacts, but usually

this activity remains at a general level.

One other thing that certainly remains challenging is the differences in the way we do marketing. We don't present things in the same way. In Japan, I notice for instance that you put a lot of information on your slides, where we tend to use more pictures and just a few words. A Swiss company must know that it is mandatory to provide some information about the company's owners in a PowerPoint presentation if they want to do business in Japan. It is not a big deal, but we just need to adapt our message a little to our audience.

What are the next steps of this program?

If we think in terms of mid and long-term perspectives, the next step should be an establishment of a Swiss company in Japan, which may happen soon, a company having already expressed its interest. It is also true in the other way; some Japanese companies are willing to start an activity here.

The very next step in this program is the *EPHJ-EPMT-SMT Salon International* in Geneva. Several companies from the Greater Nagoya Initiative are going to be exhibitors. It will be a very good opportunity for those companies to meet Swiss SMEs.

(see our dedicated article)

Greater Nagoya shows its knowledge in Geneva

From June 20 to 23, the 16th edition of the *EPHJ-EPMT-SMT Salon* will host once more the best of three high precision industries:

- Watches and jewelry (EPHJ)
- Micro- and nanotech (EPMT)
- Medical devices (SMT)

For this event, several companies from the Greater Nagoya region are going to show their knowledge in those fields. It will be a perfect occasion to strengthen the ties between SMEs of both Western Switzerland and Greater Nagoya areas.

Azumi Techno

AZUMI TECHNO CO., LTD.

Injection mold parts for high precision functional components. High precision and medical equipment parts (microneedles for medical treatment, hold cutting in disposable needles used for surgery, research equipment parts.)

IWATA TOOL

IWATA TOOL CO., LTD.

SP center, center drill, TOGLON hard series for HRC40-72 hardened steel, high-speed processing is possible for ordinary steel GP drill, micro tools, PCD, CBN, special order cutting tools and more.

JUKEN

JUKEN KOGYO CO., LTD

Ultra-precision parts for optical and medical applications. Precision plastic parts for watch, automobile, meter, camera, etc.

KITAOKA

KITAOKA CO., LTD.

Ultra-precision machining for single crystal diamond, water-jet machining, MC (5axis), NC etc.

NAGASE

NAGASE INTEGREGX CO., LTD.

Manufacture & sale of machine tools, forging machines, electronic measurement units, and industrial machines.

Development & manufacture of various super-precision grinders, nano machines, super-precision measurement systems, etc.

NAKAGAWA

NAKAGAWA MFG, CO., LTD

Fine hole processing from φ20 micron to resin, machinable ceramics, and metals with very small tolerance. Microfabrication.



活動

ACTIVITY

Business Conditions in Japan

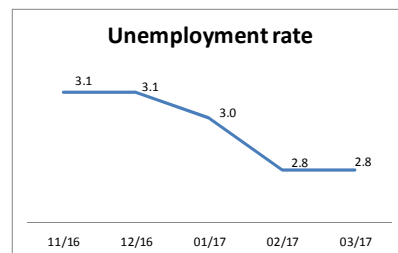
According to the Cabinet Office, the economy is expected to recover in the short-term. The private consumption is picking up, supported by the improvement in the income situation and the employment figures (the unemployment rate decreased to 2.8% in February).

Regarding trade, Asia is currently the most dynamic region for Japanese exports. Exports to the U.S.

and the EU are almost unchanged but expected to improve due to the moderate recovery of overseas economies.

Business investments are also showing signs of picking up. They increased last year (3.5% for the third quarter of 2016) and are expected to increase even more this fiscal year. However, the figures for orders received for machinery, a

leading indicator, appear to be remaining steady.



Statistics Bureau, Ministry of International Affairs and Communications

動向

SITUATION

革新

INNOVATION

Honda's X-ADV: the motorcycle crossover

Demand for SUV-cars (or crossovers) has been high over the last few years. It is especially true in Switzerland, where almost half of new cars are SUVs (46.8% for the first quarter of 2017). Inspired by this trend, Honda wants to reproduce it in the motorcycle market. The X-ADV will be released this month in Switzerland and presents many characteristics associated with SUV vehicles.

Honda's new crossover mixes SUV style and off-road abilities. It remains compact despite its powerful 745cc twin-cylinder. Very convenient with its 21L under-seat luggage space and its "Smart Key" system, the X-ADV will be a seri-

ous challenger for the Yamaha's T-Max, the top seller of the Maxi-scooter segment. Yamaha and Honda are the first two brands in Swit-

zerland representing together one third of the 45,897 motorcycle and scooter sold last year in the country.



Honda's new X-ADV

日程

AGENDA

Agenda

- ✓ EPHJ-EPMT-SMT Salon International
The Greater Nagoya Initiative booth will be number J110
Date: June 20 to 23, 2017, Palexpo, Geneva
<http://www.ephj.ch/>

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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