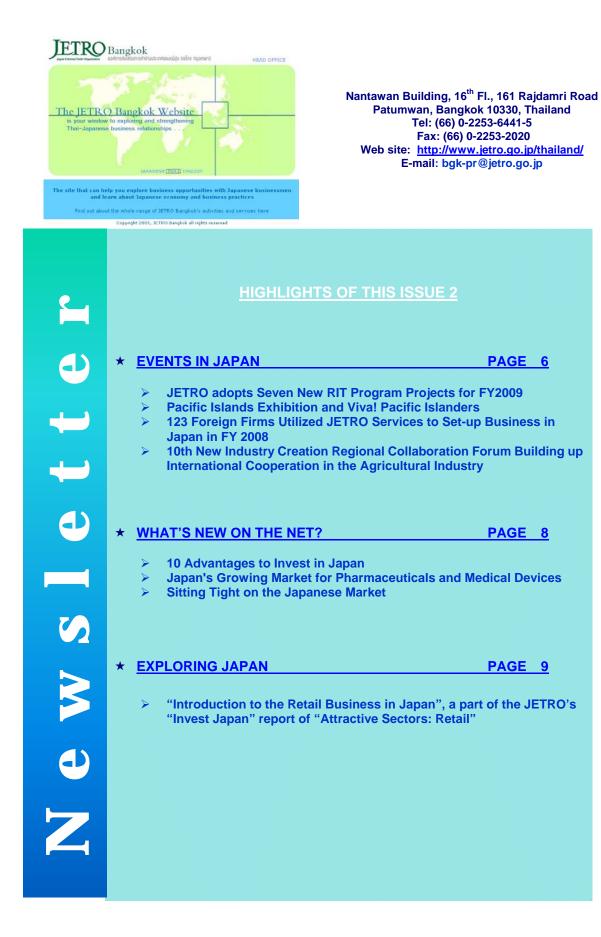


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Newslette

| HIGHLIGHTS OF THIS ISSUE 1 | | | |
|---|--|--|--|
| ★ <u>JETRO BANGKOK UPDATE PAGE 3</u> → MOU signing ceremony between ASEAN Secretariat and JETRO to | | | |
| JETRO's participation in "Automotive & Electronics Summit 2009" | | | |
| * <u>RECENT PUBLICATIONS PAGE 4</u> | | | |
| Japan Spotlight, May/June 2009 | | | |
| | | | |





MOU signing ceremony between ASEAN Secretariat and JETRO to support "the ASEAN Economic Community"



On June 29, in Jakarta, Indonesia, Mr. Yasuo HAYASHI, Chairman and CEO of JETRO and Dr. Surin Pitsuwan, Secretary-General of ASEAN signed MOU between ASEAN Secretariat and JETRO to support "the ASEAN Economic Community".



The MOU is aimed at collectively working together to expand ASEAN's trade and business with Japan as well as in the building of the ASEAN Economic Community through joint activities and mutual assistance including a) strengthening human resources capacity of ASEAN, ASEAN Secretariat; b) improving the investment climate in ASEAN for ASEAN as well as non-ASEAN companies, and Japanese companies; c) expanding of trade and business opportunities with Japan and ASEAN; d) alleviating poverty and narrowing the development gap within ASEAN.

The collaborating activities include organizing the annual Economic and Business Dialogue between ASEAN Secretariat and Japanese Chambers of Commerce in ASEAN; b) holding seminars, conducting joint studies and sharing best practices on topics and mutual interest across economic sectors and industries such as trade, energy, environment, ICT, technology, fiscal and monetary policy, IPRs, logistics, electronics, infrastructure development, SMEs; c) fostering the promotion and business networking of SMEs in ASEAN and Japan, including awareness of JETRO's activities such as One Village One Product (OVOP) and HRD that could help narrow the development gap and promote the livelihood potentials to a whole range of the population in the region.

JETRO's participation in "Automotive & Electronics Summit 2009"

JETRO joined "Automotive & Electronics Summit 2009," organized on June 25, 2009, concurrently with "Manufacturing Expo 2009" and "NEPCON Thailand 2009," ASEAN's largest international exhibitions on machinery and technologies for industrial and electronic parts manufacturing industries.

Mr. Shigenori HATA, Vice President of JETRO Bangkok, made presentation on "Opportunities and Challenges in Thailand" covering

- Activities of Japanese enterprises in Asia and Thailand's position
- New trends of investments from Japan in Thailand
- What's next?

Recent Publications

Magazines:



1. Japan Spotlight, May/June 2009

| Publisher's Note | ~ Ban Weapon Exports to Africa | | | | | |
|------------------|---|--|--|--|--|--|
| | http://www.jef.or.jp/journal/jef_contents_free.asp?c=3605 | | | | | |
| Topics | ~ Green Industrial Revolution Stirring/Debate Heats Up over Tighter Curbs on Temps /Kyoto, Nara among Spots Given 3 Star Rating http://www.jef.or.jp/journal/jef_contents_free.asp?c=3608 | | | | | |
| Cover Story | ~ 1 Interview with Haruo Shimada, president, Chiba University of Commerce: Sustained Efforts Vital to Spur FDI in Japan Fresh Stimulus Aids Economic Recovery http://www.jef.or.jp/journal/jef_contents_free.asp?c=3609 ~ 2 Investing in Japan: Why Now? Japanese Economy Today, Its Strengths, New Investment Trend http://www.jef.or.jp/journal/jef_contents_free.asp?c=3610 ~ 3. Importance of Japanese Market in Global Strategy http://www.jef.or.jp/journal/jef_contents_free.asp?c=3611 ~ 4. Search for Quality + Innovation + Timing = Business Success http://www.jef.or.jp/journal/jef_contents_free.asp?c=3612 ~ 5 "ShaLink" Cuts Opportunity Losses http://www.jef.or.jp/journal/jef_contents_free.asp?c=3613 ~ 6 Japan's M&A Deals in 2008 & Prospect http://www.jef.or.jp/journal/jef_contents_free.asp?c=3614 ~ 7 Increasing Overseas Investors & Corporate Governance in Japan http://www.jef.or.jp/journal/jef_contents_free.asp?c=3615 ~ 8 Entering the Japanese Market http://www.jef.or.jp/journal/jef_contents_free.asp?c=3616 ~ 9 Trends of FDI in Japan for 2009 http://www.jef.or.jp/journal/jef_contents_free.asp?c=3617 | | | | | |
| Special Article | ~ The Crisis of Economics http://www.jef.or.jp/journal/jef_contents_free.asp?c=3618 | | | | | |
| | ~ Mexico-Japan Relations: A Future-Oriented Strategic | | | | | |
| | ~ Mexico-Japan Relations: A Future-Oriented Strategic Partnership | | | | | |
| | http://www.jef.or.jp/journal/jef_contents_free.asp?c=3619 | | | | | |
| | http://www.jei.or.jp/journal/jei_contents_free.asp?c=3019 | | | | | |

| Viewpoint | ~ Facing Change: Some Issues for Japan&Women in Japanese | | | | | | |
|----------------------|--|--|--|--|--|--|--|
| | Workplace | | | | | | |
| | http://www.jef.or.jp/journal/jef_contents_free.asp?c=3620 | | | | | | |
| Promenade | ~ My Memories as Exchange Student in U.S. | | | | | | |
| | http://www.jef.or.jp/journal/jef_contents_free.asp?c=3621 | | | | | | |
| Asian View | ~ Global Crisis & Asia: Finance, Stimulus & Free Trade | | | | | | |
| | http://www.jef.or.jp/journal/jef_contents_free.asp?c=3622 | | | | | | |
| Japanese Craft and | ~ Present of Urushi & Myself | | | | | | |
| Art | http://www.jef.or.jp/journal/jef_contents_free.asp?c=3623 | | | | | | |
| | ~ Traditional Craft Industries: Present Status & Moves to Activate | | | | | | |
| | Them | | | | | | |
| | http://www.jef.or.jp/journal/jef contents free.asp?c=3625 | | | | | | |
| Challenging Region | ~ "Japanese Carpets" Evolving through Tradition | | | | | | |
| | http://www.jef.or.jp/journal/jef contents free.asp?c=3626 | | | | | | |
| Finance | ~ Bank-held Shares Shaking Financial System | | | | | | |
| | http://www.jef.or.jp/journal/jef contents free.asp?c=3627 | | | | | | |
| Economic Focus | ~ Basic Strategy for Post-Crisis Growth | | | | | | |
| | http://www.jef.or.jp/journal/jef contents free.asp?c=3628 | | | | | | |
| Culture | ~ Jerusalem prize &"Departures" | | | | | | |
| | http://www.jef.or.jp/journal/jef contents free.asp?c=3629 | | | | | | |
| Keeping up with Time | ~ Reactor Decommissioning Plan in Spotlight | | | | | | |
| | http://www.jef.or.jp/journal/jef_contents_free.asp?c=3607 | | | | | | |

Events in Japan

1. JETRO adopts Seven New RIT Program Projects for FY2009

JETRO adopts seven new projects for its Regional Industry Tie-Up (RIT) program for FY2009, bringing to 20 the total number of projects in operation in FY2009, including 13 projects carried over from last fiscal year.

Launched in FY2007(*), the RIT program facilitates business tie-ups and collaboration between regions and industrial clusters in Japan and other countries, with the aim of combining the cutting-edge technology and know-how of both sides to develop new products, services and technologies. JETRO utilizes its extensive global

network and experience in business matching to support each project.

By sector, the seven new projects include two the environment (environment-related in low-carbon products and community development), two in biotechnology (functional foods, highly functional agricultural produce and biomass plastics), two in manufacturing and processing (pharmaceutical device manufacturing, aerospace industry) and one in ICT (semiconductors and embedded software.) By region/area, the new projects are with North America (4), Asia (2) and Oceania (1); FY2009 marks the first time for a region from Oceania to be included in RIT.

In one of the new projects, the Kansai region is tying up with the US state of Minnesota in the field of pharmaceutical devices. The project aims to combine the product development strengths of Minnesota, which boasts an internationally renowned medical cluster, with the long manufacturing experience and know-how of Kansai's small and medium-sized firms, to create innovative, high value-added products.

In another project, the city of Kitakyushu is teaming up with the US cities of Chattanooga and Knoxville, Tennessee in the field of the environment to develop new technologies and services aimed at creating a low-carbon emission society.

*RIT was formerly known as the Region-to-Region program, which was in operation from FY1996 to FY2006.

For more information, please visit:

http://www.jetro.go.jp/en/jetro/activities/hightech/rit/

JETRO, together with the Pacific Islands Forum (PIF) and Pacific Islands Centre (PIC), organized "Pacific Islands Exhibition 2009" in Tokyo this May 21st to 26th. The event, which included a festival "Viva! Pacific Islanders," is being organized concurrently with the 5th Japan-PIF Summit Meeting, to be held from May 22nd to 23rd, in Tomamu, Hokkaido.

The exhibition and festival aimed to strengthen economic ties between Japan and the Pacific island countries/regions and further mutual understanding, through promotion of exports to Japan, and introduction of tourist attractions in these areas.

Symposiums on climate change issues surrounding the region and a trade seminar will be held as side events.

A total of 123 foreign firms utilized JETRO's support and services* to set up a business in Japan in FY2008, compared to 125 in FY 2007. By region, the majority of these new entrants were from Europe (44 firms: France 14, Germany 11, U.K. 4, Netherlands 4, Italy 3, and others), Asia (41 firms: China 15, Korea 9, Hong Kong 4, India 4, Singapore 4, Taiwan 2, and others) and North America (31 firms: U.S. 28 and Canada 3). In addition, four firms were from Oceania, two from Central and South America and one from the Middle East. One of the more prominent entrants was Brasileiro S/A (Petrobras), Brazil's dominant figure in oil exploration and production, which established a business in Okinawa through JETRO support.

Notable trends in FY2008 included an increase in the number of firms from Asia entering Japan, as well as a growing number of foreign firms--who provided services to Japanese firms targeting expansion abroad--setting up bases in the country to be near their clients' head offices. Another notable trend was foreign firms already established in Japan utilizing JETRO support to expand into

JETRO Bangkok Newsletter

regional areas, including IKEA, the Swedish home furnishings company, and French outdoor advertiser, MCDecaux (which is part of JCDecaux).

* JETRO operates six Invest Japan Business Support Centers (IBSCs) across the country to provide one-stop support and service to foreign firms seeking to establish or expand their business in Japan. The centers, linked to relevant government ministries, agencies and regional governments, provide free temporary office space (for up to 50 business days), consultations with expert advisors, and access to a wealth of information. A total of 669 firms have utilized IBSC to set up their business in Japan since the first IBSC opened in Tokyo in 2003.

For more information, please contact: Mr. Kazuo Nakamura or Ms. Keiko Otaki Invest Japan Division Phone: (03) 3582-5571 Fax: (03) 3505-1990 E-mail: jaa@jetro.go.jp

On June 10th, JETRO organized the "10th New Industry Creation Regional Collaboration Forum" at JETRO headquarters Tokyo, under the theme, "Building up International Cooperation in the Agricultural Industry."

The forum, held as part of JETRO's Regional Industry Tie-up (RIT) program, which promotes two-way industrial exchange and collaboration between regions in Japan and other countries, featured presentations and a panel discussion examining the latest trends in Japan's agricultural industry. The forum also included a presentation on government activities in the Netherlands to promote the country's agriculture industry and a case study of a promising new RIT project between Hokkaido and New Zealand.



New Reports from JETRO

Below are some recently published reports now available on the JETRO website.

*10 Advantages to Invest in Japan http://www.jetro.go.jp/en/invest/whyjapan/

*Japan's Growing Market for Pharmaceuticals and Medical Devices http://www.jetro.go.jp/en/invest/reports/pdf/market090331.pdf

*Sitting Tight on the Japanese Market http://www.jetro.go.jp/en/invest/reports/pdf/insight090331.pdf

Exploring Japan

"Introduction to the Retail Business in Japan", a part of the JETRO's "Invest Japan" report of "Attractive Sectors: Retail"

Major Forms of Retail Business in Japan

In Japan's retail market, various businesses complete by taking maximum advantage of their distinctive characteristics. As social conditions and lifestyles have evolved, business conditions have diversified, markets have moved upscale and new opportunities have been created.

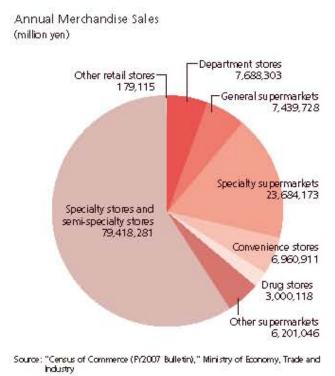
Basic retailers such as department stores, supermarkets, convenience stores (CVS) and specialty stores have transformed along with the changing times. Shopping centers that combine these retail businesses have been developed in a variety of urban and suburban formats, and offer a range of possibilities. In every case, branding and business development that address each area and target market are the key. Outlet malls and "100 yen shops" have also established a strong presence, and mail order sales via the Internet and mobile phones have been displaying remarkable growth as well.

| Form | Characteristics | Trends |
|---|---|---|
| Department store | Large-scale retailers in locations with a large population and convenient transportation that sell high-quality products such as clothing, food and interior/lifestyle items | Japan's major department stores have been undertaking large-scale reforms since 2003. Other notable changes include improvements in customer service capabilities, sales promotions targeting their best customers and construction of barrier-free stores. |
| Supermarket: General Merchandise Store (GMS) | Large-scale stores that retail practical clothing, food and interior/lifestyle items. Characterized by extensive inventory and high volume sales. | Have greatly expanded sales floor space per store in recent years. In many cases located adjacent to shopping malls, or in large-scale multi-tenant facilities. |
| Supermarket: Supermarket (SM) | Retailers with sales floor space 250m ² or more, with specialty goods products accounting for 70% or more of all items sold (in the case of a food specialty supermarket, for example, foods account for 70% or more of all items sold) | Japanese are very particular about food, especially the freshness of vegetables and fish. Demand for foods selected with an eye for safety, worry-free consumption, and health creates an opportunity for competitive advantage that is not based solely on price. |
| Specialty store Semi-Specialty Store | Retailers that stock a limited number of specialty products sold by knowledgeable sales staff. (Specialty store: specialty products account for 90% or more of all items sold; Semi-specialty store: specialty products account for 50% or more of all items sold) | Specialty stores and semi-specialty stores still form the backbone of the retail sector, it is the category with the most foreign companies, including exclusive brand stores and apparel specialty shops. |
| Convenience Store (CVS) | Self-service retailers that deal mainly in food and beverages, and have a sales floor area between 30m ² and 250 m ² and whose business is open 14 or more hours per day. | Located in residential areas and along office streets, with around-the-clock operations being the norm. Have evolved as "life support bases" for consumers of all ages by offering services such as ATMs, payment windows for public utility charges and mail order payments, reservations and purchases of airline, movie, concert and other tickets, and receipt of products purchased by mail orders. |

| 1 | Specialty stores and | 79,418,281 | 5 | Convenient stores | 6,960,911 |
|---|-----------------------|------------|---|---------------------|-----------|
| | semi-specialty stores | | | | |
| 2 | Specialty Supermarket | 23,684,173 | 6 | Other supermarkets | 6,201,046 |
| 3 | Department stores | 7,688,303 | 7 | Drug stores | 3,000,118 |
| 4 | General Supermarket | 7,439,728 | 8 | Other retail stores | 179,115 |

Annual Merchandise Sales (Million Yen)

Source:"Census of Commerce (FY2007) Bulletin", Ministry of Economy, Trade and Industry

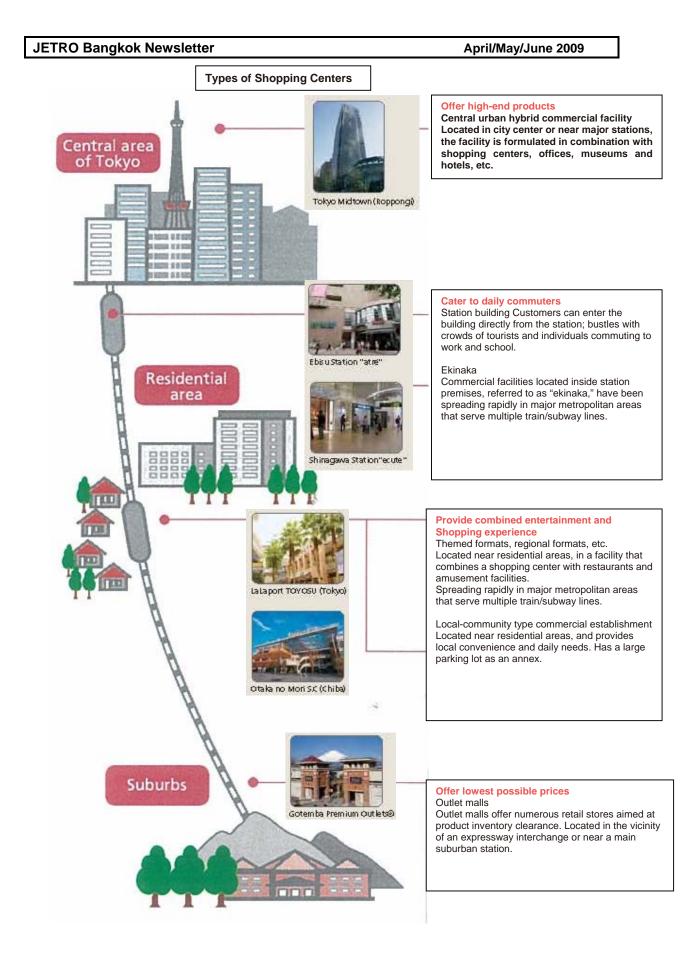


Shopping Center Industry Trends

Japan has approximately 2,800 shopping centers, with estimated gross sales of 27 trillion yen in FY2007 (Japan Council of Shopping Centers research)

These shopping centers seek to support consumers' new lifestyles by bringing together a range of stores, centered on apparel brands by manufacturers and select shops, as well as service business such as restaurants and cinemas.

Moreover, shopping centers are increasing rapidly in attractive locations near mass transit stations, including within buildings located above or across from stations and even within stations themselves.



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