



Nantawan Building, 16th Fl., 161 Rajdamri
Road Patumwan, Bangkok 10330, Thailand
Tel: (66) 0-2253-6441-5
Fax: (66) 0-2253-2020
Web site: <http://www.jetro.go.jp/thailand/>
E-mail: bgk-pr@jetro.go.jp

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JETRO Bangkok Update

1. Introduction of 4 new Japanese staff coming to Bangkok

JETRO Bangkok welcomed following new Japanese staff to its office

Department	Successors	Predecessor
Vice President and Industrial Promotion	Mr. Hiroyuki KONDO	Mr. Shigenori HATA
Vice President and Economic Research	Mr. Seiya SUKAGAWA	Mr. Atsusuke KAWADA
Trade Cooperation	Mr. Tetsuo SHIBATA	Mr. Haruhiko OZASA
Economic Research	Mr. Hayato HASHIMOTO	Mr. Masashi TSURUOKA

2. Logistics Workshop:- Logistics Facilitation in Mekong for ASEAN Economic Integration-

To achieve ASEAN economic integration, it is indispensable to promote improvement of the logistics environment, especially, in Mekong sub-region. Moreover, it is necessary to innovate logistics operations and services by developing not only hard infrastructure but also human resource in logistics sectors as one of the most important soft infrastructure.

JETRO and Thai National Shippers Council (TNSC) deem that in only 5 years that ASEAN will turn to ASEAN Economic Community (AEC), ASEAN entrepreneurs should know how to improve their logistics operations and services.

Consequently, JETRO and TNSC have initiated the **Logistics Workshop: - Logistics Facilitation in Mekong for ASEAN Economic Integration-** to entrepreneurs who want to expand their business. It will help businesses to learn and prepare their operation and networking in the ASEAN and Mekong from August 10th (Tue), 2010.

The workshop has been designed to serve the following objectives

- Showcase the real practices of Japanese companies operating in ASEAN, to build up awareness and importance in the efficient logistics management, concentrated in regional/international supply chain management to all businesses.
- Recognize the importance of the logistics environment improvement in not only hard-infrastructure but also soft-infrastructure such as human resource development, introducing TNSC and JETRO human resource development in logistics field.
- Share opinions, situations and problems among ASEAN and Mekong business operation, and highlight needs of businesses to ASEAN and Mekong in terms of logistics facilitation and regulations.

The number of participants reached approximately 200 persons including invitees from ASEAN and Mekong:

The Workshop program included

- Presentation on Showcase of Japanese Corporation's SCM in ASEAN of Food Industry by Mr. Takao KAWASHIMA, University of Marine Science and Tokyo Technology
- Presentation on Achievement of Logistics Development and HRD in Thailand by TNSC
- Showcase of Success Stories on Logistics Qualification System Program (LQSP training course) application based upon actual and practical implementation by NYK and Panasonic cases
- Panel Discussion on "Governmental and Private Roles and Region-wide Cooperation to Smoother Logistics Connectivity Environment"
 - Moderator: Dr Ruth Banomyong, Thammasat University
 - Panelists:
 - VIETNAM: Vietnam Shippers' Council
 - CAMBODIA: Cambodia Freight Forwarders Association
 - LAOS: Lao National Chamber of Commerce and Industry
 - MYANMAR: Myanmar International Freight Forwarders' Association

- THAILAND: Thai National Shippers Council
- SINGAPORE: Singapore Logistics Association
- Intergovernmental Bodies: Asian Development Bank



Recent Publications

Magazines:

1. Japan Spotlight, July/August 2010



Publisher's Note	~ Creeping Protectionism http://www.jef.or.jp/journal/jef_contents_free.asp?c=3785
Topics	~ -Postal Privatization Plan Revamped http://www.jef.or.jp/journal/jef_contents_free.asp?c=3786 ~ -Offshore Wind Energy Worth 10 Nuke Plants http://www.jef.or.jp/journal/jef_contents_free.asp?c=3786 ~ -Racing for Asian "Beauty Markets" http://www.jef.or.jp/journal/jef_contents_free.asp?c=3786
Cover Story	~ White Paper on International Economy & Trade 2010 http://www.jef.or.jp/journal/jef_contents_free.asp?c=3810 ~ 1) Bringing Out Japan's Hidden Strength to Meet Further Challenges of Globalization http://www.jef.or.jp/journal/jef_contents_free.asp?c=3788 ~ 2) World Economy & Policy Issues after Financial Crisis http://www.jef.or.jp/journal/jef_contents_free.asp?c=3789 ~ 3) Changing Production Networks in Asia http://www.jef.or.jp/journal/jef_contents_free.asp?c=3790 ~ 4) For Sustained High Economic Growth in Asia http://www.jef.or.jp/journal/jef_contents_free.asp?c=3791 ~ 5) Made-in-Japan Teaching Method Why Worldwide Acceptance? http://www.jef.or.jp/journal/jef_contents_free.asp?c=3792 ~ 6) Bullet Train & Maglev System to Cross the Pacific http://www.jef.or.jp/journal/jef_contents_free.asp?c=3793 ~ 7) "Made in Japan": from Textile Town to World http://www.jef.or.jp/journal/jef_contents_free.asp?c=3794 ~ 8) Glass Coating Offers Comfort & CO2 Cuts http://www.jef.or.jp/journal/jef_contents_free.asp?c=3795 ~ 9) Securing Globally Playable Human Resources Vital http://www.jef.or.jp/journal/jef_contents_free.asp?c=3796
Special Article	~ 1) Futenma Base Issue A Test to Deepen Japan-US Relations http://www.jef.or.jp/journal/jef_contents_free.asp?c=3797 ~ 2) EU-Japan Economic Cooperation It's Time to Unleash Partnership Power http://www.jef.or.jp/journal/jef_contents_free.asp?c=3798 ~ 3) Japan's Nation Branding A Stakeholder Approach http://www.jef.or.jp/journal/jef_contents_free.asp?c=3799 ~4) Japan Wine Project http://www.jef.or.jp/journal/jef_contents_free.asp?c=3800

Personal Profile	~ Interview with Setsuko Yuki, a famed food coordinator Japanese Cuisine Changing World Food Culture http://www.jef.or.jp/journal/jef_contents_free.asp?c=3801
Viewpoint	~ "Happiness Brings Happiness" Life in a Tokyo Kominka http://www.jef.or.jp/journal/jef_contents_free.asp?c=3803
Keeping up with Times	~ Yokai Comic "GeGeGe no Kitaro" & Japanese Society http://www.jef.or.jp/journal/jef_contents_free.asp?c=3787
Cultural Exchange	~ Israel - Land of Cultural Fusion http://www.jef.or.jp/journal/jef_contents_free.asp?c=3804
Japanese Craft and Art	~ Japan: a Powerhouse of Long-life Firms 2 Nambu Tekki Ironware 1st Pick on Japan's Traditional Craftwork List http://www.jef.or.jp/journal/jef_contents_free.asp?c=3802
Finance	~ Japanese Gov't Bond Myth Long-term Yields Remain Low despite Massive Issues http://www.jef.or.jp/journal/jef_contents_free.asp?c=3806
Culture	~ Kabukiza Gripped by Frenzy http://www.jef.or.jp/journal/jef_contents_free.asp?c=3805



2. Japan Spotlight, September/October 2010



Publisher's Note	~ Past & Future of APEC http://www.jef.or.jp/journal/jef_contents_free.asp?c=3812
Topics	~ 5 Million New Jobs in 10 Years/Rushing to Hire Asian People/Asian Economic Integration: Tug of War http://www.jef.or.jp/journal/jef_contents_free.asp?c=3814
Cover Story	~ APEC JAPAN 2010: Asia-Pacific Economic Cooperation http://www.jef.or.jp/journal/jef_contents_free.asp?c=3816 ~ 1) Toward Fruitful Achievements of APEC Japan 2010 http://www.jef.or.jp/journal/jef_contents_free.asp?c=3813 ~ 2) Beyond Bogor: Reflections on APEC's Future http://www.jef.or.jp/journal/jef_contents_free.asp?c=3817 ~ 3) APEC at Yokohama: What Should We Expect? http://www.jef.or.jp/journal/jef_contents_free.asp?c=3818 ~ 4) APEC: Yokohama & Beyond http://www.jef.or.jp/journal/jef_contents_free.asp?c=3819 ~ 5) What Do We Expect from APEC? http://www.jef.or.jp/journal/jef_contents_free.asp?c=3820 ~ 6) APEC Yokohama: Beyond Traditional Trade http://www.jef.or.jp/journal/jef_contents_free.asp?c=3821 ~ 7) Outlook for APEC & Japanese Economy Analysis from Perspective of Next Generation http://www.jef.or.jp/journal/jef_contents_free.asp?c=3822
Special Article	~ Ethiopia: An Appealing Investment Destination in Africa http://www.jef.or.jp/journal/jef_contents_free.asp?c=3825 ~ The Challenge of Global Growth "What's It For?" http://www.jef.or.jp/journal/jef_contents_free.asp?c=3826 ~ Israel's Intellectual Capital: Key Factor for Its Competitive Edge in World Market http://www.jef.or.jp/journal/jef_contents_free.asp?c=3827

Personal Profile	~ "Kawaii" Saves the World? Girls' Fashion from Harajuku, Tokyo http://www.jef.or.jp/journal/jef_contents_free.asp?c=3828
Viewpoint	~ Playing in No Man's Land ? http://www.jef.or.jp/journal/jef_contents_free.asp?c=3829
Asian View	~ Food Security & Global Agenda http://www.jef.or.jp/journal/jef_contents_free.asp?c=3831 ~ ASEAN & Japan: Overview of Bilateral Relationship http://www.jef.or.jp/journal/jef_contents_free.asp?c=3832
Keeping up with Times	~ 6 Billion-km Space Odyssey Asteroid Probe Hayabusa Returns to Earth http://www.jef.or.jp/journal/jef_contents_free.asp?c=3815
Japanese Craft and Art	~ Boasting 340 Years of History Ohiyaki Ceramics: a World of Poetic Zeal http://www.jef.or.jp/journal/jef_contents_free.asp?c=3830
Finance	~ Where Are Lenders of Last Resort? http://www.jef.or.jp/journal/jef_contents_free.asp?c=3833 ~ Tougher Moneylending Curbs: By-effects? http://www.jef.or.jp/journal/jef_contents_free.asp?c=3833
Culture	~ Japan's Openness: Multilayered & Flexible http://www.jef.or.jp/journal/jef_contents_free.asp?c=3835
Economic Focus	~ How Does Economics Deal with Income Inequality? http://www.jef.or.jp/journal/jef_contents_free.asp?c=3834

Events in Japan

Symposium: Corporate Strategy toward the BOP Business and Public-Private-Partnership

On July 14th, Nippon Keidanren, the Japan International Cooperation Agency (JICA) and JETRO organized a symposium in Tokyo entitled “Corporate Strategy toward the BOP Business and Public-Private-Partnership.”

The symposium was aimed at examining strategies for Japanese firms to target “base of the pyramid,” or BOP, economic segments, which comprises the roughly four billion people living in developing countries who earn less than \$3,000 in PPP basis per year. BOP markets have been drawing increased attention as an untapped market with huge potential.

At the symposium, Prf. Muhammad Yunus, 2006 Nobel Peace Prize Laureate, Founder and

powerhouse Danone Group, introduced their companies' experience in the BOP business and encouraged greater participation. The symposium also featured a panel discussion, which examined Japanese firms' strategies to succeed in this business, and proposed ways to utilize public-private-partnership schemes.

JETRO Chairman Yasuo Hayashi, who was one of the panelists, introduced examples of Japanese firms already in this business. He also talked about how JETRO would continue providing assistance to Japanese firms in this area by collecting and disseminating information, and conducting Pilot Demonstration Projects for Development and Import Schemes.



What's new on the net?

New Reports from JETRO

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

Japan-China Trade in the first half of 2010

Japan's total trade with China (imports and exports combined) rose 34.5% (year-on-year) to US\$138.4 billion in the first half of 2010, setting a new record. This was the first increase (on half-year basis) since the second half of 2008. Japan's exports to China rose by 47.1% to US\$68.4 billion during this period, while imports rose 24.2% to US\$69.9 billion.

For the full report, visit:

<http://www.jetro.go.jp/en/news/releases/20100818310-news>

2010 Global Trade and Investment Report

World merchandise exports and global inward foreign direct investment (FDI) declined significantly in 2009, against the backdrop of the global recession. Meanwhile, Japan recorded steep falls in imports (down 27.0% (year-on-year) to US\$552.3 billion), exports (down 25.2%--the largest decline since 1945--to US\$580.8 billion), and outward FDI (down 42.9% to US\$74.7 billion).

For full press release and reference materials, visit:

http://www.jetro.go.jp/en/reports/survey/pdf/2009_08_trade_2.pdf



Exploring Japan

Updated Version of JETRO's "Laws and Regulations on Setting up Business in Japan"

JETRO published an updated version of its "[Laws and Regulations on Setting up Business in Japan](#)" booklet, based on recent changes/amendments/additions to relevant laws and regulations as of October, 2010. Major changes related to foreign companies when setting up its Japan arms are as follows:

Visa

Immigration Control and Refugee Recognition Act

- New system of residence management (scheduled to enter effect in around July 2012)
The new system, which is scheduled to enter effect in around July 2012, will differ from the old system in a number of ways, including the introduction of residence cards for foreign nationals and the changes to notification procedures, and will make life simpler for legal foreign residents of Japan. For example, the maximum period of stay will be extended from three years to five years, and a "presumed permit of re-entry" system will exempt the need, in general, to file an application for permission for re-entry if reentering Japan within one year of departure. Introduction of the new residence management system will be accompanied by abolishment of the alien registration system.
- Establishment of a special exception on the period of stay (July 1, 2010)
If a foreign national applies for an extension before his/her period of stay expires and no decision has been made on the application by the expiration date, he/she may remain in Japan under the same status of residence until the date on which a decision is made on the application or two months have elapsed from the original expiration date, whichever is the shorter period.

For immigration bureau web site, visit <http://www.immi-moj.go.jp/english/index.html>

Tax System

Tax reform in FY2010

- Review of exemption from special tax for SMEs (April 1, 2010)
Business conditions of small and medium-sized enterprises (SMEs) wholly owned by large corporations with capital of 500 million yen or more are different from those of SMEs with capital of 100 million yen or less in terms of fund-raising capacity. Therefore, the reduced tax rate is not applied to those SMEs owned by large corporations even though their capital is 100 million yen or less.
- Anti-tax haven taxation system (April 1, 2010)
The tax rate for determining whether a country or territory is a tax haven (i.e., the "trigger tax rate") was lowered from 25% to 20% or below and the ratio of share holdings in subsidiaries was raised from 5% to 10% or over.
- Abolishment of liquidation income taxation (October 1, 2010)
Conventional corporate income tax is applied to the dissolved corporations since the liquidation income taxation is abolished. Therefore, any income such as sales of assets brought during liquidation is considered to be taxable income.

For Ministry of Finance web site, visit <http://www.mof.go.jp/english/tax/tax.htm>

Tax Treaty/Agreement (Treaties concluded or entering into forces as of December 2009.)

- Entering into forces: Brunei Darussalam, Republic of Kazakhstan, Republic of Singapore (revised), Bermuda
- Concluded: Grand Duchy of Luxembourg, Kingdom of Belgium, Malaysia (revised) , State of Kuwait, Swiss Confederation (revised)

Human Resource Management

Working hours / wages (April 1, 2010)

- **Reduction of work outside normal working hours and utilization of paid leave (April 1, 2010)**
 - Increased rate of payment for working hours exceeding 60 hours in a month is 50%. This new rate, however, will not apply to SMEs for the time being.
 - Employers are allowed to offer paid leave in lieu of additional wages for overtime work (25%) if agreed upon in a labor-management agreement.
 - Up to five days' worth of paid leave per year can be taken in hourly units if agreed upon in a labor-management agreement.
 - Minimum wage (For Tokyo: October 24, 2010)
The minimum wage for Tokyo is raised from 790 yen to 821 yen per hour, while the national average is 730 yen per hour.

For Ministry of Health, Labor, and Welfare web site, visit
<http://www.mhlw.go.jp/bunya/roudoukijun/foreign.html>

Social Security System

- **Employment insurance premium rate (April 1, 2010)**
The employment insurance premium rate is raised from 1.1% (employer: 0.7%, worker: 0.4%) to 1.55% (employer: 0.95%, worker: 0.6%).
- **Health insurance and nursing care insurance premium rate (April 1, 2010)**
General insurance premium rate for the Japan Health Insurance Association Run Health Insurance in Tokyo is raised from 8.18% to 9.32%. The premiums are shared equally by the insured party and the employer. Nursing care insurance premium rate is raised from 1.19% to 1.5, shared equally by the insured party and the employer.
- **Employees' pension insurance premium rate (September 1, 2010)**
The rate is raised from 15.704% to 16.058%, shared equally by the insured party and the employer.
- **National pension insurance premium rate (April 1, 2010)**
The rate is raised from 14,660 yen to 15,100 yen (from April 2010 to March 2011)

For Japan Health Insurance Association web site (in Japanese only), visit
<http://www.kyoukaikenpo.or.jp/1.html>

For Japan Pension Service, <http://www.nenkin.go.jp/english/index.html>

For full details of [Laws and Regulations on Setting Up Business in Japan](#), visit
http://www.jetro.go.jp/en/invest/setting_up/pdf/2010_setting_en.pdf

For further information, please contact:
Ms. Chutima D.
Public Relations Department
Tel: (662) 253-6441-5 Ext. 147 Fax: (662) 253-2020
E-mail: bqk-pr@jetro.go.jp