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## HIGHLIGHTS OF THIS ISSUE

- ★ **JETRO BANGKOK UPDATE** **PAGE 2**
  - Fukushima Prefecture's well-known YUZORA Peaches have been re-launched in Thailand
  - Workshop on lifestyle products
  - Japanese businesses seek JV with 20 Thai SMEs
  - JETRO Bangkok welcomes new Japanese staff
- ★ **JETRO OVERSEAS UPDATE** **PAGE 4**
  - JETRO Business Support Center Yangon established
- ★ **EVENTS IN JAPAN** **PAGE 6**
  - JETRO invited food buyers from Thailand to Fukushima aiming for first-ever export of Fukushima peaches after the Great East Japan Earthquake
- ★ **WHAT'S NEW ON THE NET?** **PAGE 7**
  - Redesign Makes TPP Website Easier to Use!
  - 2012 JETRO Global Trade and Investment Report
  - Survey of Business Sentiment on Japanese Corporations in Thailand for the 1st half of 2012
- ★ **EXPLORING JAPAN** **PAGE 9**
  - JETRO Survey: Analysis of Japan-China Trade in the first half of 2012

# JETRO BANGKOK Update



## 1. Fukushima Prefecture's well-known YUZORA Peaches have been re-launched in Thailand

After the great disaster in the Great East Japan Earthquake, Fukushima prefecture has put great efforts in strictly practicing safety measure management in order to ensure safety, freshness and quality of its agricultural produces with attentive care.

With the initiatives of JETRO and other related agencies, Fukushima has delivered YUZORA peaches, one of its high-quality and well-known local products to Thailand

As for a PR activity to promote YUZORA peaches, the peaches were distributed to 2 leading department stores in Thailand include:

- 1) Central Department Store's JAPAN Fair from 12-16 September 2012
- 2) Siam Paragon Department Store's Fruit Corner from 15-16 September 2012



In addition, upon the re-launch of YUZORA peaches in Thailand, JETRO took this opportunity to present the peaches to Mr. Boonsong Teriyapirom, Minister of Commerce of Thailand on September 12.



## 2. Workshop on Lifestyle Products

JETRO in cooperation with the Department of International Trade Promotion (DITP) organized the workshop on lifestyle products on July 13.

The workshop's topics included

- Keys for the high-end market, experience from "Maison & Objet" Benefit of Thai-Japan Business Partnership for 3rd Market by Mr. KITAGAWARA Jun'ya, Creative Director, Art Resource Inc.
- Best practice of Thai-Japanese Business Partnership by Mr. SAKAI Yoshiharu, Managing Director, R-Partner Co., Ltd.
- Importance of market-oriented approach by Mr. SAKAMOTO Hiroshi, Managing Director, Sense of Life Inc.
- Points for product development and export of spa product by Mr. SATO Tadashi, Swanson INC.



### 3. Japanese businesses seek JV with 20 Thai SMEs

Japanese businesses were looking for joint-venture deals with 20 Thai SMEs who were selected out of a pool of over 100 companies by Japanese specialists to join the Tokyo International Gift Show - the largest international gift and souvenir show in Japan from September 5-7, 2012.

The products showcased were lifestyle products such as textiles, furniture and decorative items aiming to find potential Japanese partners to help exploit innovative Japanese craftsmanship to create better design, function and quality. Then both sides will together export the products to the world market which is expected to bring in more revenues to both countries.

For more information, visit

[http://www.jetro.go.jp/thailand/e\\_pree/pdf/daruma\\_tokyogift\\_eng.pdf](http://www.jetro.go.jp/thailand/e_pree/pdf/daruma_tokyogift_eng.pdf)



### 4. JETRO Bangkok welcomes new Japanese staff

Department	Successor	Predecessor
Investment Promotion	Mr. HASEBA Junichiro	Mr. ISHIKAWA Munenori



## J E T R O O V E R S E A S U p d a t e

### JETRO Business Support Center Yangon established

On September 3, 2012, JETRO opened JETRO Business Support Center Yangon (BSCY) in Myanmar as a part of its support for the international business development of Japanese companies.

The BSCY provides three temporary office spaces (ranging from 8.9 square meters to 9.2 square meters) to Japanese companies for a maximum of 70 days. A Japanese advisor regularly stationed at the BSCY offers comprehensive consultation services to allow the smooth establishment of bases for Japanese firms in Myanmar as well as follow-up support in continuing to develop their business. At the start of the services on September 3, Hankyu Hanshin Express, headquartered in Tokyo, and two other companies offering corporate services moved into the office spaces.

On August 31, the opening ceremony of the BSCY was held in Yangon. From the Myanmar side, the Chief Minister of Yangon Region, Myint Swe, and the Mayor of Yangon City, Hla Myint, joined the ceremony, while Japan's Ambassador to Myanmar, Takashi Saito participated as the representative of the Japanese Government. The Chief Minister Myint Swe and Ambassador Saito delivered congratulatory speeches and a message from Japanese Minister of Economy, Trade and Industry, Yukio Edano was presented. After the ribbon cutting ceremony, the guests viewed the BSCY and joined the reception with 120 other attendants.

JETRO has set up Business Support Centers (BSCs) in Thailand (Bangkok), the Philippines (Manila), India (New Delhi, Mumbai and Chennai) and Vietnam (Hanoi). Of the 569 Japanese companies which have made use of the offices provided by the BSCs, 60% of them went on to locate operational bases in their target countries.

## Outline of the BSCY

<b>Name</b>	JETRO Business Support Center Yangon (BSCY)
<b>Location</b>	4th Floor of Sedona Hotel Business Suites, No.1 Kaba Aye Pagoda Road, Yankin Township, Yangon, Republic of the Union of Myanmar
<b>Day of establishment</b>	Monday, September 3, 2012
<b>Users targeted</b>	Japanese companies considering setting up bases in Myanmar (The BSCY also provides consultation services to Japanese firms already operating business in the country.)
<b>Services provided</b>	<ol style="list-style-type: none"> <li>1. Short term office space (Three offices, maximum use of 70 days)</li> <li>2. Comprehensive support services <ul style="list-style-type: none"> <li>-Consultation offered by a Japanese advisor</li> <li>-Services provided in cooperation with local governmental organizations include support for administrative procedures and information provision on institutions, markets, industries, and companies of Myanmar</li> </ul> </li> </ol>
<b>Admission charge (Tax included, for 70 days)</b>	For small- and medium-sized enterprises (SMEs): 31,500 JPY For major companies: 76,500 JPY

## E v e n t s   i n   J a p a n

**JETRO invited food buyers from Thailand to Fukushima aiming for first-ever export of Fukushima peaches after the Great East Japan Earthquake**

***Fukushima peaches are promoted to buyers from Thailand aiming for its first-ever export after the Great East Japan Earthquake***

From August 7 to 10, JETRO invited food buyers from Thailand and hosted business meetings for Agricultural Cooperatives and local companies in Fukushima, as well as an inspection tour at a radiation check agency. It was the first time to promote peaches grown and harvested in Fukushima to overseas buyers. If succeeded, the peaches will be first Fukushima produce to be exported after the Earthquake.

The group of Thai buyers from importing companies of agricultural products, two major retailers, and a restaurant chain visited some peach farms, then had time for business talks with Fukushima farmers. Also, in order to understand efforts to secure food safety, which the prefecture has made, the buyers visited a radiation inspection body.

Since 2005, Fukushima Prefecture began making efforts towards exports of its agricultural products such as peaches and apples. In general, peach can not to be said suitable for export because of its very soft and delicate pulp. However, Kawanakajima white peach, whose peak season is late August in Fukushima is to be exported to Taiwan as its pulp is relatively hard, and it keeps longer than ordinary peaches. In the past, the amount of its export had rose to about 70 tons, or 10,000 cases in a season, and had continued to show a steady growth.

Fukushima peach producers enjoyed talking business with the buyers and felt a good response from them. There are great expectations to develop trade between the parties in the future.



## What's new on the net?

### Redesign Makes TTPP Website Easier to Use!

JETRO has entirely redesigned the TTPP website to make it easy to use. The new website was released on August 8 (Wed).

The main changes in layout include:

1. **Increased width of the website**

The extension in the width of the website is to address recent changes in PC display sizes. The layout has been changed to make contents more accessible and various functions easier to use.

No substantial changes have been made in the contents.

2. **Changes in design on the top page**

1) A search function has been added in the left frame on the top page to find proposal information more easily.

2) The new "User Guide" menu provides information about how to register, search proposals and use each of the other functions.

\* Please view "User Guide" to learn how to use TTPP more actively and effectively.

3) After log-in, menus will be available under the following three categories in the right frame on the top page and in the left frame on the other pages. This enables you to access pages and functions directly so you can manage your registration information and e-mails more quickly.

A. "Check Your Mail": You can view your "Received Mail", "Sent Mail" and "Match Results".

B. "Confirm/Update Your Info": You can view or correct your "Registered Proposal", "Applied Proposal" and "User Info". Here you can also change your password.

C. "My Catalog": You can view your "My Catalog", "Trail" and "My Search". The new "My Search" function allows you to save your search criteria and reuse it.

3. **You can reset search criteria easily**

A search box is now available at the top of the search results to reset search criteria. With this box, you can change or narrow down your search criteria easily and quickly.

4. **Upper limit for visuals in proposal information raised from two to five**

You can upload a maximum of five visuals related to your business proposal. Use more visuals to promote your products and services effectively!

For more information, please contact:  
Business Services Div. (E-mail : [tttp@jetro.go.jp](mailto:tttp@jetro.go.jp))



### New Reports from JETRO

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

#### SURVEYS:

#### 2012 JETRO Global Trade and Investment Report'

Every year JETRO publishes Global Trade and Investment report. This report has utilized broadly by both Japanese and foreign businessperson and researchers, students. It contains information which we think you might find useful to grasp recent trends in world trade, the current status of Japanese trade investment and the latest issues.

<http://www.jetro.go.jp/en/news/releases/20120808100-news>



#### Survey of Business Sentiment on Japanese Corporations in Thailand for the 1st half of 2012

In English, visit [http://www.jetro.go.jp/thailand/e\\_survey/pdf/jccspr12eng.pdf](http://www.jetro.go.jp/thailand/e_survey/pdf/jccspr12eng.pdf)

In Thai, visit [http://www.jetro.go.jp/thailand/e\\_survey/pdf/jccspr12eng.pdf](http://www.jetro.go.jp/thailand/e_survey/pdf/jccspr12eng.pdf)





## Exploring Japan

### JETRO Survey: Analysis of Japan-China Trade in the first half of 2012

JETRO conducted a comparative survey of investment-related costs in major cities and regions of Asia and Oceania in the period December 2011 and January 2012.

#### Analysis of Japan-China Trade in the first half of 2012

Total trade sees a modest rise due to China's economic slowdown, while export growth falls.

Converting yen-denominated statistics for imports (preliminary) and exports (revised) released by Japan's Ministry of Finance in July 2012 to US dollars, the Japan External Trade Organization (JETRO) found that Japan's total trade with China rose 1.1% to US\$165.1 billion in the first half of 2012, setting a new record on a first half-year basis, and the second largest on a half-yearly basis, behind the second half of 2011 which registered US\$181.8 billion.\* Imports from China rose 7.5% to US\$91.3 billion, while exports to China fell 5.7% to US\$73.7 billion, marking the first drop in 3 consecutive first half-year periods since 2009.

As a result, Japan's balance of trade logged a deficit of US\$17.6 billion, an increase of 2.6 times over the same period of the previous year. This was the first deficit exceeding US\$10 billion in 5 consecutive first half-year periods since 2007.

\*On a yen-basis, figures of Japan's total trade with China dropped by 2.0% to 13.1 trillion yen, with imports rising 4.2% to 7.3 trillion yen and exports declining 8.6% to 5.9 trillion yen. From the April 1996 reports, the Ministry of Finance began releasing trade statistics figures only in yen. Since then, JETRO has converted yen-denominated trade figures to US dollars, based on the rates posted by the Ministry.

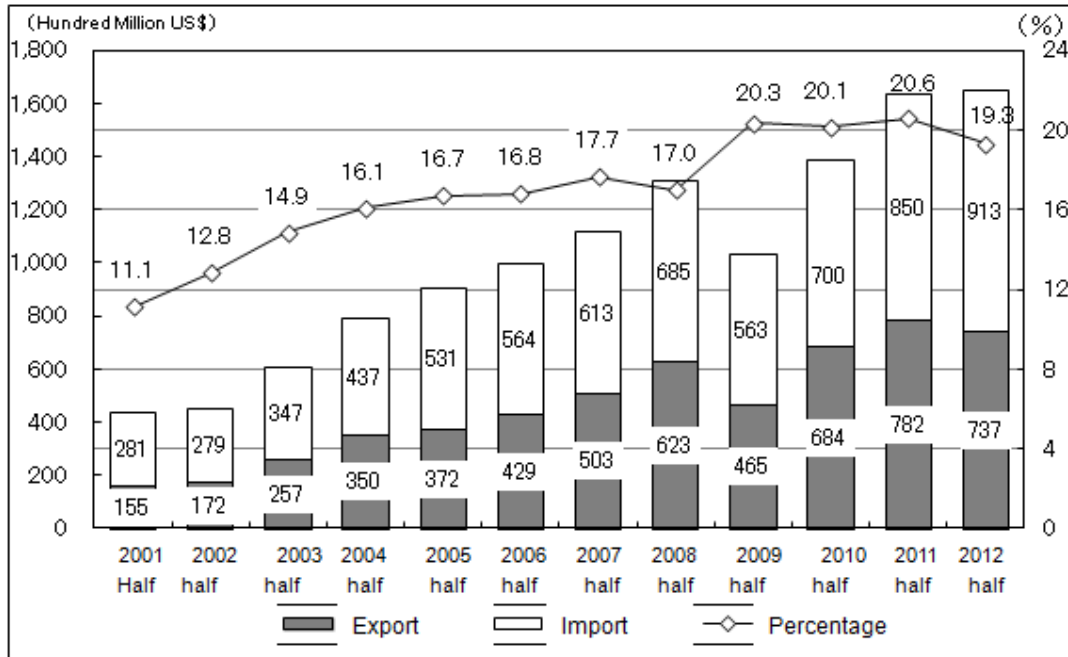
According to the Ministry, as the currency of settlement for Japan's exports to Asia in the second half of 2012, the US dollar, Japanese yen and Chinese yuan account for respectively 50.2%, 47.1% and 0.4%, while the figures reach 72.0%, 26.3% and 0.2% for Japan's imports from Asia. The US dollar is the most-used currency for trade settlement.

#### Summary points :

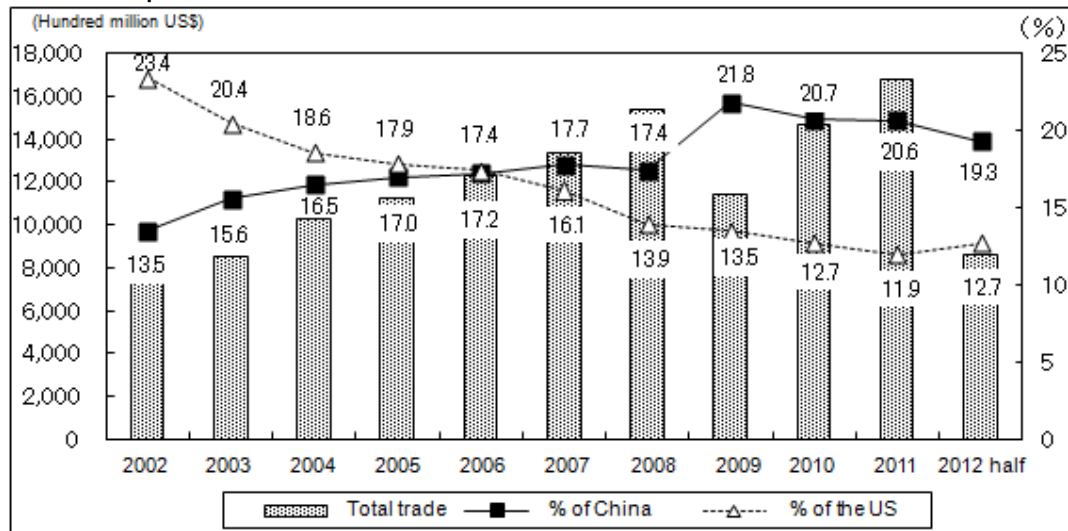
##### ~ Overview of the first half of 2012

- On the back of sluggish domestic demand due to China's economic slowdown, a decrease was seen in the exports of general machines, and raw materials including iron and steel, with the exception of some products. Although exports of consumer products such as video equipment and automobiles recorded high increases, overall exports dropped for the first time on a first half-year basis since 2009.
- With imports, an increase was noted in those of foodstuffs, car components and communication instruments fueled by expanding demand for smart phones in Japan. While the growth remained at the single-digit level because of sluggish domestic demand in Japan, imports did reach a record high on a first half-year basis.
- As a result, Japan-China trade showed a slight increase over the same period the year before. China's share of Japan's total trade dropped by 1.3 points to 19.3% from the same period of the previous year, as the growth rate in trade with China fell below that of Japan's total trade with the world. It is the first time China's share has fallen below 20% in four running first half-year periods since 2008.

Japan-China Trade Statistics in the first half from 2001 to 2012



Share to Japanese total trade of China and of the US



~ Outlook for 2012

- The Chinese government has been intensifying efforts towards easing its monetary policies to avoid further economic slowdown. However, they are cautious about implementing large-scale stimulus measures to create domestic demand, and any increase in demand resulting from such economic measures is expected to be limited. In addition, China's slowing industrial production is forecasted to continue, thus Japan's exports to China are likely to decline.
- Imports from China are expected to see a modest rise, fueled by the increasing imports of smart phones.
- In view of the circumstances, Japan-China trade throughout 2012 is not expected to see a large increase, but could possibly set a new record high with a modest increase over the previous record set in 2011.

- The trade deficit is likely to surpass the previous record of US\$28.8 billion set in 2005.

#### ~ Detail analysis

#### EXPORTS:

Exports of machines and raw materials decline due to China's economic slowdown.

Owing to China's sluggish rise in domestic demand due to its economic slowdown (its real GDP growth rate over the first half of the year: 7.8%) and the strong yen, Japan's exports of general machines and raw materials have been on the decrease, with the exception of some products. On the other hand, those of video equipment and automobiles showed a high increase, while foodstuff, which was greatly affected by Chinese import restrictions on food after the Great East Japan Earthquake last year, also picked up.

#### Breakdown by product category:

- Due to a drastic slowdown in China's industrial production, exports of semiconductors/flat-panel manufacturing equipment, textile machinery, motors, organic compounds, iron and steel which increased last year all showed a decrease this year. Also, the rate of decline in exports of construction machinery rose, led by Chinese government real estate investment controls and slowing fixed asset investment. Those of electronic components including semiconductors also showed a sharp decrease in growth rate.
- Thanks to expanding demand worldwide for smart phones and tablet PCs, an increase was seen in Japanese exports of metalworking machinery such as machining centers needed for production in China, liquid crystal devices and polarizing plates for liquid crystal panels.
- On the back of China's market expansion, Japan's exports of consumer products including audiovisual equipment such as single-lens reflex digital cameras and automobiles showed a considerable increase. Also, food exports, especially marine products, picked up as China eased food import regulations it had established in the wake of the nuclear accident following the March 11 disaster.
- When looking at the influence of Europe's debt crisis on Japanese exports to China, a decrease was noted in China's exports of clothing, as well as in solar power cells due to falling prices in Europe, which in turn triggered a sharp drop in Japan's exports of high-pure silicon, wafers and textile machinery to China. However, the proportion of these products in Japan's overall exports to China was small, so it could be said the EU debt crisis had only a limited effect on Japan's overall exports to China in the first half of 2012.

#### IMPORTS:

Imports surge, fueled by smart phones, food and car components. A steady increase was noted in Japanese imports from China in the first half of 2012. However, the growth remained single-digit due to stagnant domestic demand. In addition to imports of electrical equipment such as communication devices, those of transportation equipment centering on automobile components were on the rise. Food imports also posted a positive growth centering on fish and shellfish.

#### Breakdown by product category:

- Imports of high-value added communication devices continued to surge with an increase in smart phone popularity. Those of tablet PCs and car components centering on multi-purpose items also increased. Food imports showed a double-digit

increase, backed by fading concern for Chinese food safety, rising domestic demand for low price products, and a price hike in broiled eel.

- Imports of rare earths and rare metals considerably dropped reflecting China's tightening export regulations and falling prices. Also, with a drastic sales decrease of liquid crystal televisions in Japan, audiovisual products saw a sharp decline of nearly 20%.
- Imports of clothing and clothing accessories were up modestly despite a continuing trend among manufacturers to shift production from China to other Asian countries and regions in search of lower production cost. The growth was fueled by rising import unit value which has followed greater emphasis on the production of value-added products in China.

China's share of total Japanese trade drops, the first decline below 20% in four consecutive first half-year periods. The pace of increase in Japan's trade with China was less than that of Japan's overall trade, 7.8%. As a result, China accounted for 19.3% of all Japanese trade, dipping 1.3 points from the same period last year. This is the first decline below 20% in four consecutive first half-year periods since 2008. Japan's share of exports to China dropped to 18%, dipping two points and making it only 0.9% higher than the share of exports to the US. Japan's share of imports from China also declined to 20.5%, dipping one point from the previous year. China, however, remains Japan's largest trading partner in terms of import, export and total trade value.

#### Outlook for 2012:

Total trade to remain at modest growth, while trade deficit with China to be the largest ever. On the back of China's slowing economy, the Chinese government has been further easing its monetary policies such as by decreasing the reserve-requirement ratio and interest rates. On the other hand, they seem to be cautious about implementing large-scale economic stimulus measures and easing regulations of real estate investment based on past experience of having an overheated economy emerge after implementation of an economic-stimulus package of 4 trillion yuan. Any increase in demand due to future economic measures is therefore considered to be limited and it is also believed that industrial production will only post a modest rise. As a result, these factors will probably force a downturn in Japanese exports to China. Japanese imports from China are expected to increase continuously but modestly led by communication devices. Considering the above, the trade value between China and Japan is expected to increase modestly in comparison to that of 2011, but unlikely to see large-scale growth. The trade deficit is expected to grow reflecting the downturn in exports and modest rise in imports. There is a strong possibility that the degree of Japan's deficit will surpass the US\$28.8 billion marked in 2005 and become the largest ever.

#### EXPORTS:

- Considering that government-led investment demand in China seems to be limited, Japanese exports related to infrastructure investment such as construction and mining machinery are expected to remain stagnant. Also, exports of facility machinery, components and raw materials, which are used for production of finished goods in China, will continue to decline or level off. Moreover, because industrial production in China is expected to grow at a sluggish pace, local procurement is likely to further expand.
- Meanwhile, exports of consumer products centering on cars and single-lens reflex digital cameras will continue to rise, fueled by the expanding Chinese market.
- At the same time, if the yen's appreciation continues and third country/region exports to China and local Chinese production increase, that may possibly put downward pressure on Japanese exports to the country.

**IMPORTS:**

- Imports of communication devices will likely see continuous growth with increasing domestic demand for smart phones. Food imports are expected to remain strong thanks to rising domestic demand for low price products and the recent tendency among people to eat at home instead of going out due to the slumping economy.
- Imports of rare earths and rare metals will see a decrease as their prices were already in decline from the same period last year due to progress in developing alternative technology.
- Reduced import prices induced by further appreciation of the yen may facilitate an even greater increase in imports from China.

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