

New face for JETRO Dubai Newsletter

Our Newsletter is now issued with a new name and design to provide you with more informative and easy-to-read contents. We hope that you get a better perspective on business and economic trends in Japan through this brand new Newsletter.

Yoshio Minagi – Managing Director, JETRO Dubai

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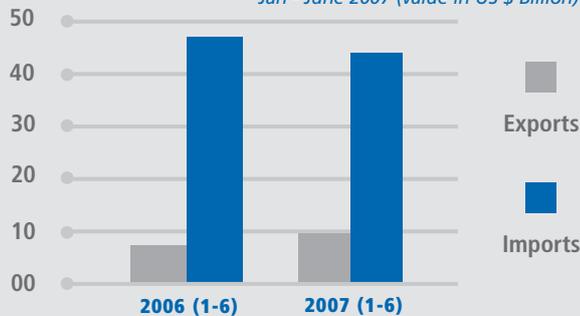
36% surge in Japan's exports to the GCC

Economic expansion in the GCC leads to higher exports

Japan's exports to the GCC countries surged by 36% to US \$ 9,663.90 million during the first six months of 2007. This spectacular increase in the Japanese exports highlight the rapid economic growth the Gulf nations are witnessing, with the support of the oil boon. Japan's imports from the GCC countries were valued at US \$ 44,645.17 million during the first half of 2007. The value of two-way trade was thus posted at US \$ 54,309.07 million.

Trend in Japan's Trade with the GCC Countries

Jan - June 2007 (value in US \$ Billion)



The UAE remained to be Japan's largest export market among the GCC countries, receiving 35.2% share of Japan's exports to the GCC block. Saudi Arabia, the 2nd largest export partner of Japan in the GCC, came very close to the UAE with a 35% share, after a big surge in her imports from Japan. Sultanate of Oman followed in the 3rd place with a share of 11%. Qatar was on the fourth position with a share of 8.46%, followed by Kuwait and Bahrain with 7.23% and 3.09% market share respectively.

Japan's exports to the GCC			
	value in US \$ million		
Country	2006 (1-6)	2007(1-6)	G. Rate (%)
Total	7,105.82	9,663.90	36.00
UAE	2,832.27	3,404.00	20.19
S. Arabia	2,107.82	3,384.07	60.55
Oman	740.29	1,060.04	43.19
Qatar	655.10	817.96	24.86
Kuwait	508.08	699.18	37.61
Bahrain	262.27	298.64	13.87

Source: JETRO (compiled from Ministry of Finance statistics)

Transport equipment, a major component of Japan's export to the GCC countries surged by 19.85% to US \$ 4,452.36 million. Export of general machinery, at the same time, more than doubled to US \$ 2,141.39 million, from US \$ 1,000.3 million. General machinery exports to all the GCC countries surged considerably, with the exception of the Kingdom of Bahrain. Notable increases have been posted in the export of textiles, rubber products, chemicals, precision instruments and non-monetary gold.

Japan's major commodities of exports to the GCC

value in US \$ million

Commodity	2006 (1-6)	2007(1-6)	G. Rate (%)
Total	7,105.82	9,663.90	36.00
Transport Equipment	3,714.85	4,452.36	19.85
General machinery	1,000.30	2,141.39	114.08
Electrical machinery	568.47	805.98	41.78
Iron & Steel (semi-finished)	683.97	777.08	13.61
Rubber products	356.95	446.60	25.12
Non-ferrous metals	102.87	157.95	53.55
Textiles	131.23	150.91	15.00
Chemicals	99.22	146.18	47.33
Others	447.96	585.44	30.69

Source: JETRO (compiled from Ministry of Finance statistics)

Mineral fuels dominate Japan's imports from the GCC

Mineral fuels dominated Japan's imports from the GCC that totalled US \$ 44,645.17 million during the first half of 2007. Saudi Arabia remained as Japan's largest supplier among the GCC countries, covering 35.32% share of Japan's imports from the GCC. UAE followed with a 34.46% share, and Qatar with 15.79% share.

Japan's imports from the GCC

value in US \$ million

Country	2006 (1-6)	2007(1-6)	G. Rate (%)
Total	46,489.95	44,645.17	-3.97
Saudi Arabia	18,612.89	15,767.58	-15.29
UAE	15,173.75	15,384.63	1.39
Qatar	6,782.35	7,052.42	2.4
Kuwait	4,570.35	4,484.12	-1.89
Oman	1,086.68	1,743.23	60.42
Bahrain	263.92	213.18	-19.22

Source: JETRO (compiled from Ministry of Finance statistics)

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Japan's import of crude oils from the GCC states stood at 559.85 million barrels during the first six months of 2007, averaging 3.07 million barrels a day. While import of liquefied natural gas (LNG) and light oil and preparations increased, Japan's import of liquefied petroleum gas (LPG) from the GCC declined during this period.

Japan's major commodities of imports from the GCC <i>value in US \$ million</i>			
Commodity	2006 (1-6)	2007(1-6)	G. Rate (%)
Total	46,489.95	44,645.16	-3.97
Petroleum etc. (Crude)	36,833.50	34,159.38	-7.26
Liquefied natural gas	2,686.97	3,340.92	24.34
Light oils & preparations	2,654.87	2,918.55	9.93
Liquefied propane	2,773.50	2,616.35	-5.76
Liquefied butane	894.71	858.27	-4.07
Others	646.40	751.70	16.29

Source: JETRO (compiled from Ministry of Finance statistics)

Contrary to the current trend of continuously increasing crude oil prices, the average price of crude oils during the first six months of 2007 recorded a decline by 1.79%, causing a holding back of the growth rate in bilateral trade to just 1.33%. To add to this decline in the price of crude oils, a 5.57% decline in the volume of crude oil imports from the GCC too helped to restrain the growth in the trade value. The average price of crude oils was US \$ 61.02/barrel for Jan.-June period of 2007, compared to \$ 62.13 during the same period in 2006. This price is calculated based on the value and volume of crude oil that Japan imported during the first six months of 2006 and 2007.

20% surge in Japan's Exports to the UAE

Japan-UAE bilateral trade for the first six months of 2007 stood at US \$ 18,788.63 million, an increase by 4.35%, compared to US \$18,006.02 million for the same period in 2006. Japan's first half 2007 exports to the UAE surged by 20.19% to US \$ 3,404.0 million, of which, export of transport equipments, including passenger motorcars, stood at 1,462.36 million, or 43.0% of the total exports to the UAE. Export of general machinery and electrical machinery rose by 27.79% and 26.86% respectively. Japan's non-monetary gold export to the UAE rose to US \$ 65.35 million during the first six months of 2007, from just less than a million during the same period in 2006.

Japan's major exports to the UAE <i>value in US \$ million</i>			
Commodity	2006 (1-6)	2007(1-6)	G. Rate (%)
G. Total	2,832.2	3,404.00	20.192.1
Transport equipments	1,225.38	1,462.36	19.34.0
General machinery (non-elect.)	446.36	570.40	27.798.0
Electrical machinery	329.52	418.01	26.86
Rubber products	178.00	241.77	35.821.8
Semi finished iron & steel	-258.91	172.46	-33.4.2
Re-export goods	82.69	99.35	20.157.4
	70.09	83.22	18.737.6
Gold (non-monetary)	0.72	65.35	9001
Others	240.60	291.08	20.98

Source: JETRO (compiled from Ministry of Finance statistics)

Japan imported 200.3 million barrels of crude oil from the UAE, at an average price of US \$ 62.08/barrel during the first half of 2007, which was almost 3% higher in volume and 2.21% lower in price per barrel. Crude oils covered 80.8% of the imports and another 11.5% was covered by gaseous hydrocarbons and other petroleum preparations. Japan's total imports from the UAE during the first six months of 2007 stood at US \$ 15,384.63 million, 1.39% higher than the value for the same period in 2006.

Exports to Saudi Arabia jump more than 60%

Japan's exports to Saudi Arabia were up by 60.55% to US \$ 3,384.07 million during the first half of 2007. While export of general machinery saw a 307.27% surge, export of electrical machinery rose by 95.82%. Export of most other goods increased, with chemicals, raw materials, and non-ferrous metals etc. showing high growth rates.

In the imports scene, there had been a 17.32% decline in the import value of crude oils and an almost equal decline in the volume of the same material, making the total trade with Saudi Arabia coming down by 7.57%. Japan's import of gaseous hydrocarbons, light oils and other oil preparations from Saudi Arabia also saw a decline during the first half of 2007.

Japan-Oman bilateral trade grows 53.44%

Japan-Oman trade was valued at US \$ 2,803.27 million during the first half of 2007, up by 53.44%. Japan's exports to Oman increased by 43.19% to US \$ 1,060.04 million, in which export of transport equipment surged by 44.53% to US \$ 804.07 million. Imports as a whole from Oman surged by 60.42% to US \$ 1,743.23 million, of which crude oil constituted 56.9%, which was 37.46% higher in value. Natural gas imports from Oman doubled to US \$ 721.52 million.

Machinery exports to Qatar surge

Japan's exports of machinery and equipment increased by 24.86%, in which, general machinery alone surged by 73.22%. Semi manufactured iron and steel rose by more than 200%. Other major exports were metal products, textiles and rubber products. Total export stood at US \$817.96 million during the first half of 2007. Japan's imports from Qatar increased by 4% to US \$ 7,052.42 million; supported by a major hike in the import of liquefied natural gas (LNG), light oils and oil preparations.

Transport equipment dominates exports to Kuwait

Japan's exports to Kuwait surged by 37.61% to US \$699.18 million, supported by increased exports of transport equipments, general and electrical machinery. More than half of the total exports were constituted of transport equipment. Japan-Kuwait bilateral trade was valued at US \$ 5,183.30 million during the first six months of 2007.

Import of crude oils formed 73.1% of the total imports from Kuwait, which was 3.77% down in value and 0.47% down in volume, compared to the first half of 2006. While import of light oils and preparations surged by 24.46%, import of liquefied propane and butane declined by 10.02% and 36.43% respectively.

Light oils and transport equipment - major commodities of Japan - Bahrain bilateral trade

While light oils covered 47.7% of Japan's imports from Bahrain, transport machinery covered 78.1% of Japan's exports to Bahrain. Japan - Bahrain bilateral trade stood at US \$511.82 million, in which exports were valued at 298.64 million, up by 13.87%. Other major commodities of trade were Crude oils and semi-finished aluminium.

JETRO promotes foreign direct investment

In 2006, the Government of Japan has announced plans to accelerate efforts to achieve its goal of doubling Japan's total FDI stock to the level of 5% of GDP by 2010, with JETRO as one of the principal bodies to help realize this goal. By providing foreign investors with abundant information on all aspects of doing business in Japan—and also offering expert consultation and even free temporary office space throughout the country—JETRO is actively working to achieve the target.

Provision of temporary offices and consultations

With more than 70 overseas offices in over 50 countries, JETRO provides companies around the world with a direct link to business in Japan. And JETRO offices located throughout Japan make it easy for foreign firms to get timely and accurate information about specific regions, markets and Prefectural incentive programs. JETRO operates one-stop business support centers in major business

areas across the country. These centers, called Invest Japan Business Support Centers (IBSCs), offer foreign businesses everything they need to begin investing in Japan. Located in Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka, IBSCs offer access to industry experts, legal scriveners, accountants, ICT specialists and certified social insurance consultants.

Your one-stop information source on the Internet

In addition to holding symposiums and seminars in major cities worldwide, JETRO disseminates the merits of investing in Japan through various brochures through print media and through the Internet. The Investing in Japan section of the JETRO website includes a wealth of information on doing business in Japan and includes up-to-date information on Japanese FDI trends and movements. Available in six languages (English, Japanese, German, French, Chinese, and Korean), the website is a one-stop business resource, offering everything from regional information,

success stories, a cost-simulator to the merits of investing in Japan, a step-by-step guide to setting up a business in Japan and also an introduction to the JETRO Investment Support Center (IBSC). Please log on to www.investjapan.org where you will get all the information that you need for your first step into the Japanese market.



Japan's Population Census-2005

Population of top 10 countries of the world 2005

Ranking	Country	Population (millions)	World Ratio (%)
	World	6,465	100
1	China	1,316	20.4
2	India	1,103	17.1
3	USA	298	4.6
4	Indonesia	223	3.4
5	Brazil	186	2.9
6	Pakistan	158	2.4
7	Russia	143	2.2
8	Bangladesh	142	2.2
9	Nigeria	132	2.0
10	Japan	128	2.0

Source: World Population Prospects, The 2004 Revision, United Nations

Based on the 2005 Population Census, the total population of Japan stood at 127,767,994 as of 1st October 2005, an increase by 0.7% or 842,151 more people compared to 2000. The increase in rate had been on the decrease since 1980, dropping to its lowest point during the past five years since the survey has started. Compared to the population in 2004, the figure for 2005 is down by 0.02%. By sex, 62,348,977 were males and 65,419,017 were females. The sex ratio (males per 100 females) dropped by 0.5% to 95.3, compared to the ratio in 2000. Population density of Japan was 343 persons/km². Among the countries with a population of 10,000,000 or more, it ranked fourth after Bangladesh (985 persons/km²), Republic of Korea (480 persons/km²) and the Netherlands (392 persons/km²).



BIZMATCH @ nanotech 2008

JETRO will hold "Bizmatch @ nano tech 2008", a company presentation and business matching event between 13th & 15th February 2007, during the 'nano tech 2007', the world's largest nanotechnology event held at the Tokyo Big Sight. Bizmatch @ nano tech 2008 aims to connect Japanese and foreign firms in nanotechnology and related high-tech fields. Participation and entry into the event hall are free, and participants will have only to meet their housing and transportation charges.

Companies will be allowed to make a 15 minutes presentation on 13th February. Meeting space will be provided for arranging business meetings during event period. Introductory seminar on Japan's nanotechnology market will be organized on Feb. 13th morning. Publication and promotion, including listing in directory and on web site will be provided to the participants. For more information, please contact: High-Tech Industry Division, Industry And Technology Department.
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Topics on Economy, Business and New Technology

Japan Ranked 8th in competitiveness

According to a World Economic Forum (WEF) survey released recently, Japan ranked eighth among 131 countries in terms of economic competitiveness. The rankings were based on WEF's statistical analysis and results of a survey among about 11,000 company leaders worldwide.

Recent Economic trends in Japan

According to a report published recently by the Bank of Japan, Japan's economy is expanding moderately. Exports have continued to increase, and business fixed investment has also continued to trend upward against the background of high corporate profits. Housing investment has fallen lately. Private consumption, however, has been firm in a situation where household income has continued rising moderately. With the rise in demand both at home and abroad, production has continued to be on an increasing trend. Exports are expected to continue rising against the background of the expansion of overseas economies as a whole.

Nissan to introduce clean diesel engine in Japan

Nissan Motor Co. Ltd. has announced their plans to launch a new clean diesel engine for use in the X-Trail sport-utility-vehicle to be introduced in Japan in the fall of 2008. Based on the M9R engine co-developed with alliance-partner Renault, the Nissan version will adopt original clean diesel technologies. This clean diesel engine is being developed to lower exhaust gas emissions to levels comparable to those of new emission standards in Japan.

'Bio battery', generating electricity from sugar

The Japan Economic Review reports quoting announcement from Sony Corp., that Sony has developed a bio battery that generates electricity from carbohydrates (sugar) utilizing enzymes as its catalyst. Test cells of this battery have achieved power output of 50mW, currently the world's highest level of passive-type batteries. The output of these test cells is sufficient to power music playback on a memory-type Walkman. Sugar is a naturally occurring energy source produced by plants through photosynthesis. It is therefore regenerative, and can be found in most areas of the earth, underlining the potential for sugar-based bio batteries as an eco-friendly energy device of the future.

Major Trade Fairs in Japan

For more details on each exhibition, please surf the following website
<http://www.jetro.go.jp/en/matching/jj-messe>

Jan. 12-14:

- Tokyo Auto Salon '08 with NAPAC, Chiba, Japan

Jan. 16-18:

- 25th Electrotest Japan 2008, Tokyo
- 37th Interpcon Japan, Tokyo
- 9th Int'l Electronic Components Trade Show
- ICP: 9th IC Packaging Tech. Expo, Tokyo
- 8th Fiber Optics Expo, Tokyo
- 9th Printed Wiring Boards Expo, Tokyo

Jan. 22-23:

- Souvenir Show, Tokyo

Jan. 23-26:

- 19th Int'l Jewellery Tokyo 2008

Feb. 3:

- Fishing Show Osaka Japan, Osaka

Feb. 12-15:

- HVAC&R Japan, Tokyo
- Materials/Equip-Air-con., and Sanitary Exh.

Feb. 13-15:

- Technical Show Yokohama 2008, Yokohama
- Nano Bio Expo 2008, Tokyo
- Nano Tech. 2008 Int'l Tech. Exh. & Con, Tokyo
- Converttech Japan 2008, Tokyo

Feb. 20-22:

- 42nd Super Market Trade Show, Tokyo

Feb. 22-24:

- Japan Golf Fair

Feb. 23-25:

- A&V Festa 2008, Yokohama (Kanagawa)

Feb. 27-29:

- 26th Tokyo Helath Industry Show 2008
- Senior Life Expo 2008, Tokyo
- 4th Int'l Hydrogen & Fuel Cell Expo, Tokyo

Mar. 4-7:

- IC Card World 2008

Mar. 11-14:

- 33rd Foodex Japan 2008, Chiba, Japan
- Hoters Japan, Tokyo
- Aqua & Spa 2008

Mar. 21-23:

- Diving Festival 2008 Resort & Tour

Apr. 9-11:

- SEA JAPAN 2008 - Tokyo (transportation, logistics, packaging / marine, ship building, port equipments)

Apr. 9-12:

- Japan Int'l Welding Show 2008 - Osaka (machinery, industrial tech./ machine tools, metalworking machinery, ind. tech etc.)
- Chubu Pack 2008 - Aichi (transportation, logistics, packaging / packaging materials, machinery & equipment)

Apr. 16-18:

- Techno-Frontier 2008 - Motion Engineering Japan 2008 - Chiba (machinery, industrial technology, machine tools, testing & measuring)

Apr. 22-25:

- International Fluid Power Exhibition 2008 - Tokyo (machinery, industrial tech./ manufacturing tech & engineering)

Apr. 23-25:

- International Measurement, Test and Control Technology Show - Tokyo (machinery, industrial tech./ testing, measuring & analyzing, precision machines)