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## Japan's global trade looks up in 2010 as economy slowly recovers from recession:

Japan's world trade is showing an upward trend in 2010 with exports surging by 43.6% and imports by 27.9% during the first half of 2010, compared to the same period in 2009. Exports to Asia rose by 52.6% and imports by 28.0%. Exports to the Middle East increased by 31.2% and imports rose by 58.5% during the same period. According to a report published by Japan's Cabinet Office in May 2010, Japan's core machinery orders rose in March 2010 by 5.4 % from the previous month, suggesting increased capital spending in the following months as the economy recovers slowly. Machinery orders from manufacturers rose 3.1 %, while orders from non-manufacturers jumped 12.6 %. Overseas orders climbed 3.9 % during the month.

Item	Jan	Feb	Mar	Apr	May	June	Total
Export	53.5	56.9	66.6	63.6	57.1	64.3	362.0
Imports	52.8	49.7	56.1	55.7	53.6	56.7	324.6
Total	106.3	106.6	122.7	119.3	110.8	121.0	686.6

Source: JETRO Statistics

According to a report published by Japan's Ministry of Economy, Trade & Industry (METI) during the month of May 2010, industrial production continued to show an upward trend. Though for the month of May, industrial production decreased by 0.1% from the previous month, the year-on-year increase was 20.2%. A survey by the same ministry, on production forecast in manufacturing for the months of June and July 2010, production is expected to increase 0.4% in June and 1.0% in July. The industries that mainly contribute to the increase in June are general machinery, electrical machinery and chemicals. Industries that would contribute in the increase in July are chemicals, general machinery and transport equipment. The survey said that shipments in May 2010 increased by 21.0% year on year, but showed a decline of 1.7% from the previous month. The industries that contributed to the decline in May are transport equipment, general machinery, petroleum and coal products.

Japan's major Exports during June 2010 (value in million US \$)

Item	Value	Y on Y change	Share %
Total	64,251.0	34.6	100
Foodstuff	331.1	6.3	0.5
Raw materials	831.4	9.7	1.3
Mineral fuels	727.7	-22.1	1.1
Chemicals	6,321.4	21.7	9.8
Manufactured goods	8,760.6	42.9	13.6
Machinery (non-electric)	12,394.1	57.5	19.3
Electric Machinery	12,102.2	26.8	18.8
Transport Equipment	15,233.5	40.8	23.7
Others	7,549.0	22.1	11.8

Source: JETRO Statistics

Japan's crude oil imports rose 1.8% in volume to 107.2 million barrels during the month of May 2010, compared to the 105.3 million barrels in May 2009. According to METI statistics on crude oil imports during the month of May 2010, Middle East account for 87% of imports, with Saudi Arabia contributing 29.6% and UAE 22.3%. Other major contributors are Qatar (10.7%), Iran (8.9%), and Kuwait (5.9%). Crude oil import from Iraq jumped 55.5% to 3.95 million barrels in May 2010, compared to 2.54 million barrels in May 2009.

Japan's major imports during June 2010 (value in million US \$)

Item	Value	Y on Y change	Share
Total	56,746.1	32.9	100.0
Foodstuff	5,163.9	10.6	9.1
Raw materials	4,481.3	69.7	7.9
Mineral fuels	15,107.2	45.1	26.6
Chemicals	5,111.1	26.7	9.0
Manufactured goods	5,431.1	53.0	9.6
Machinery (non-electric)	5,197.9	34.6	9.2
Electrical machinery	7,766.9	28.8	13.7
Transport equipment	1,624.4	23.3	2.9
Others	6,862.2	10.8	12.1

Source: JETRO Statistics

Japan's trade with the UAE recovered during the first half of 2010 with a 16.3% rise in exports and a 61.1% rise in imports. Considerable increase in Japan's export to the UAE of transport equipment (mainly of passenger motor cars) has been recorded during the first six months of 2010. Similarly, Japan's imports of industrial supplies – mostly of mineral fuels and metals from the UAE have also shown great improvement.



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## JETRO Seminar on Business Opportunities in Iraq:

JETRO has organized a successful seminar on investment opportunities in Iraq on 8th July 2010 at the Novotel Hotel, World Trade Centre in Dubai. The seminar was attended by 61 people representing 46 Japanese companies from the UAE, Japan and countries in the Middle East and North Africa. The presentations were focused on two aspects namely the 'latest situation in Iraq' and 'the commercial activities on New Iraq'.

Mr. Akira Endo, Minister – Counsellor, Japan Embassy in Iraq briefed the delegates on the latest situation in Iraq, including, economy, politics and general security situations.

Mr. Gaither Martin, partner and principal consultant of 'Between Two Rivers LLC' of Iraq led the presentation on the financial status of Iraq, diplomatic and commercial activities of major countries in Iraq such as Japan, the United States of America, United Kingdom, Turkey, China, India, Russia and South Korea. A part of the presentation was also dedicated to the oil & gas sector in Iraq.

## Increased business chances in Egypt:

### JETRO seminar on Business Opportunities in Egypt & North Africa

JETRO Dubai has organized a seminar on business opportunities in Egypt-centred North Africa, on 20th July 2010, at the Novotel Hotel, World Trade Centre in Dubai.

Main events of the seminar were a presentation on "Business Trends in Egypt-cantered North Africa" by Mr. Yasuyuki Kumon, the Chief Representative of Bank of Tokyo Mitsubishi UFJ in Cairo, and a lecture on "Business Chances in Egypt seen from Trade and Investment Movement" by Mr. Junichi Takamiya, Managing Director of JETRO Cairo in Egypt. The presentations were followed by a Question & Answer session. 54 participants representing 40 Japanese companies attended the seminar.

## Topics on Economy, Business and New Technology:

### Surge in Japan's trade with the UAE in 2010:

Japan's trade with the UAE surged by 49.88% to US \$ 18.24 billion during the first six months of 2010, compared to US \$ 12.17 billion during the same period in 2009, according to statistics released by JETRO. While Japan's exports to the UAE rose by 16.28% to US \$ 3.57 billion during January – June 2010, imports rose by 61.10% to US \$ 14.66 billion during the same period. Breakdown of exports and imports in terms of US dollars are yet to be published by JETRO.

Detailed figures in terms of Japanese Yen are released by Japan's Ministry of Finance, based on Japan Customs. According to the Ministry of Finance, increase in the export of passenger motor cars contributed much to the surge in Japan's exports to the UAE. Passenger car exports during the first six months of 2010 jumped by 178.7% to ¥ 103.1 billion from just ¥ 37.0 billion during the same period in 2009. This figure exceeds the level of exports of passenger cars during the first six months of 2006, (¥ 94.1 billion), but still short of the level during the same period in 2007 (¥117.3 billion).

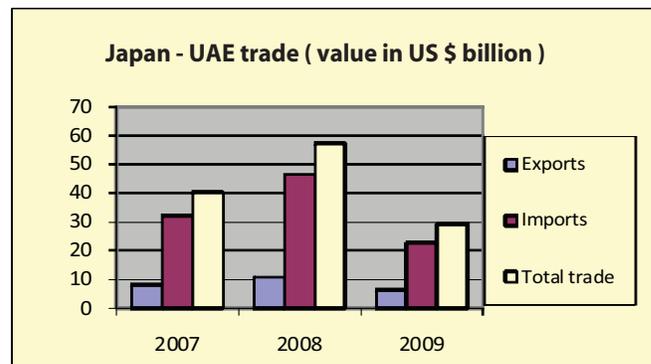


Apart from transport machinery, Japan's export of general machinery and electrical machinery to the UAE declined by 19.05% and 38.58% respectively during the first half of 2010. However, including the transport machinery, the overall increase in the export of machinery and equipment, stood at 14.19% to ¥ 238.2 billion during Jan-June 2010.

Among Japan's imports from the UAE, the dominant commodity – crude oils – surged by 61.63% to ¥ 1,030.7 billion during the first half of 2010, compared to ¥ 637.7 billion during the same period in 2009. Japan's import of petroleum gases from the UAE has also posted an increase of 30.61% to ¥ 230 billion, compared to ¥ 176.4 billion during the same period in 2009. Import of manufactured products, including semi-finished aluminium rose by 277.78% to ¥ 13.6 billion, against ¥ 3.6 billion, mostly contributed by a jump in the export of unwrought aluminium and unwrought aluminium alloys.

## Summary of Japan - UAE trade during the year 2009:

Contributed by a decline in the price of crude oils and the credit crunch followed by the global economic slowdown, the value of Japan's trade with the UAE declined considerably in 2009. An increase in the value of Japanese Yen in 2009 has also played its part in bringing down Japan's exports to the UAE. The decline in the bilateral trade was recorded at 48.9% to US \$ 29.23 billion. This was the first decline in value in the Japan-UAE bilateral trade in seven years. However, in spite of the fall in trade, UAE remained to be the largest export market for Japan, among the GCC countries. While machinery and equipment dominated Japan's exports to the UAE covering 73.3% of the total exports, mineral fuels dominated Japan's imports, covering 99.2% of the total amount.



## Boost in the export of mechanical equipment and electrical machinery in 2009:

The year 2009 saw a boost in the exports of some of the electro-mechanical equipment and machineries used for infrastructure developments. Export of centrifugal pumps increased by 139% to US \$115 million. Export of air compressors rose by 425% to US \$109 million. Export of liquid transformers above 10000 KVA, for which UAE stood as Japan's top export market in the world, rose to US \$142 million. Similarly, export of static converters rose by 246.7% to US \$36.1 million. UAE remained to be Japan's number one export market for machinery and materials such as food grinders & mixers, electric smoothing irons, line telephone related equipments, automatic circuit breakers, isolating switches & make-and-break switches etc. in 2009.

## Growth in export of railway related equipment:

The value of equipment and materials related to rail transport exported to the UAE from Japan reached US \$262.3 million in 2009, compared to US \$236.3 million in 2008, an increase by around 11%. Major items of Japanese exports in this category were railway coaches.

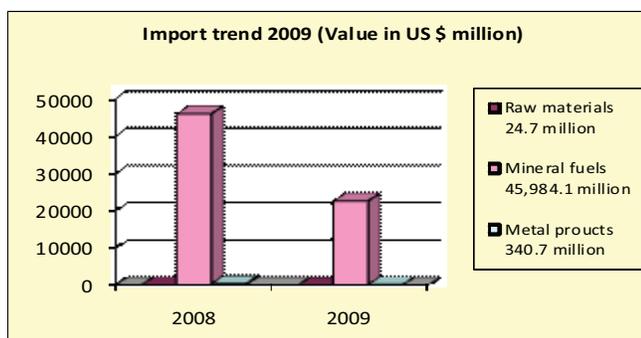
## Slump in the demand for transport equipment and construction machinery:

The downturn in the UAE economy caused by the global financial crisis and the credit crunch, have affected Japan's exports of transport equipment into the country. A slump in sales and inventory adjustments in mass, coupled with the appreciation of Japanese Yen have caused the machinery exports from Japan to the UAE decline. While export of road transport equipment, slid by 56.2% to US \$2.28 billion from US \$5.21 billion in 2008, export of construction machinery has also suffered a setbacks, as the construction industry in the UAE slowed down in 2009.

However, UAE remained to be a major export market for Japan in 2009 for cranes, shovel loaders, bulldozers and trucks. Some items in this category had even shown major increases in exports, such as lifts or skip hoists, which posted an increase in value by 14.6% to US \$35.8 million.

## Mineral fuels dominated Japan's imports from the UAE:

Japan's imports from the UAE in 2009 stood at US \$22.7 billion, a drop by 51% compared to US \$46.4 billion in 2008. UAE remained to be the 2nd largest supplier of crude oils to Japan, covering nearly



22% of Japan's total imports of this commodity. In 2009, Japan imported a total of 285.8 million barrels of crude oils from the UAE, which was 22.6% less in volume compared to the volume in 2008.

Similarly, the value of import of petroleum gases has also dropped by 34.6% to US \$3.7 billion in 2009.

## Yamaha introduces electric scooters for short commutes

Yamaha of Japan has introduced electric scooters that have zero-emission, priced at Yen 240,000, for short distance city commuters. Its cruising range on regular road condition is estimated to be 25 km per charge, though technically the maximum rate reaches 43 km. According to Yamaha officials, the scooter, that can be charged from a regular home socket, will go on sale in September in Tokyo and nationwide in October. It will also be introduced in Taiwan and Europe in 2011, though no plan yet for the US market and the UAE or the Gulf markets.

Counting on its 50 years of experience in the field, Yamaha believes it can compete against the Chinese and smaller manufacturers to gain the top global market share in electric motorcycles in the next few years.

In April, Honda Motor Co. showed off their version of electric scooter slated to hit the Japanese market in December, targeting companies like newspaper publishers and pizza that make deliveries.

## JETRO Updates:

### JETRO Zone at FOODEX JAPAN 2011

JETRO will reserve 60 booths in the forthcoming 36th International Food and Beverages Exhibition (FOOEX Japan 2011) to be held at the Makuhari Messe (Nippon Convention Centre) in Tokyo, between 1st and 4th March 2011. Out of the 60 booths, 50 booths will be offered to firms from developing countries to introduce their food products with potential in the Japanese market. 10 booths will be earmarked for JETRO, to be set up as information desks of JETRO, kitchen for exhibitors etc. In addition to the above spaces, JETRO will have a Business Centre for JETRO Zone's exhibitors. Out of the 50 booths of JETRO, around 30 booths will be given to companies from African countries. The booths are offered at substantially subsidised rates, so that they become affordable to the companies from developing countries.



A scene from Foodex Japan 2010

Around 2,100 companies using 3,300 booths (29,000 sq.m) are expected to participate in FOODEX Japan 2011. Over 80,000 visitors are expected to visit the exhibition.

For more information, please contact JETRO Dubai, or log on to [www2jma.or.jp/Foodex/en/index.html](http://www2jma.or.jp/Foodex/en/index.html)

### **Pavilion at the Arab Health Exhibition & Congress in Dubai in January 2011**

Around ten small-to-medium sized companies from the healthcare industry in Japan will showcase their products and services under a Japanese Pavilion set up by JETRO, at the forthcoming Arab Health Exhibition & Congress in Dubai between 24th and 27th January 2011. JETRO, participating in this exhibition for the first time in Dubai, expects to bring companies from Japan who are specialized in the fields of diagnostic equipment such as sonogram, CT Scan etc., surgical equipment such as operating tables, surgical beds etc., medical disposables such as syringes, needles, gloves etc., and different kinds of medical welfare equipment. During the exhibition period, JETRO will have one-to-one meeting facilities for the benefit of the visitors to the JETRO pavilion.

Arab Health 2011, held at the Dubai International Exhibition Centre in the UAE, will be one of the major exhibitions of its kind in the Middle East. Organized by IIR Middle East, a leading exhibition organizer in the region, Arab Health 2011 expects to attract increased number of visitors compared to the previous year. In 2010, the exhibition attracted 2,652 exhibitors from 58 countries and 66,612 visitors from 141 countries. The Arab Health Exhibition that brings together healthcare authorities, medical device manufacturers, medical supply distributors and healthcare professionals, also features several conferences during the exhibition period.



Scenes from Arab Health 2010

(Courtesy - Terumo Corporation, Dubai)



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