

In this issue

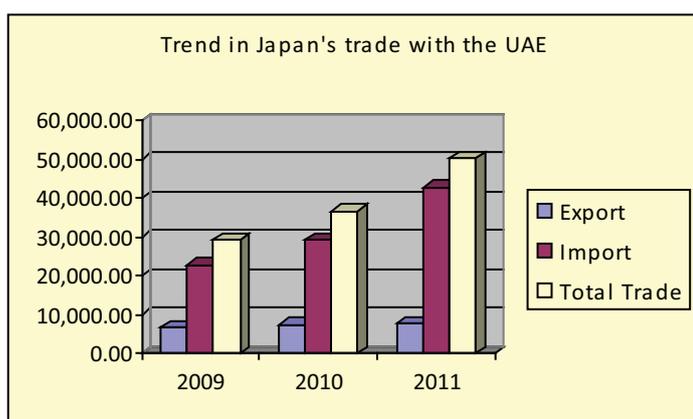
- ◆ Japan's trade with the UAE during the year 2011
- ◆ Japanese medical devices manufacturers find Dubai a springboard for business expansion in the Middle East
- ◆ ARITA Porcelain Coffee Cup Exhibition held in Dubai
- ◆ Japanese Food Mission from Malaysia and Singapore in Dubai
- ◆ JETRO Updates
 - ◆ Japan Earthquake Recovery Briefing (Message from JETRO Chairman)
 - ◆ Invest Japan Business Support Centre (IBSC)

Japan's trade with the UAE during the year 2011

37.58% growth in the value of bilateral trade:

Japan's bilateral trade with the United Arab Emirates continued to surge through 2011, in spite of the sluggishness in the world economy and the occurrence of earthquake, tsunami and the accident at the Fukushima Nuclear Power Station in Japan. Value of two-way trade rose by 37.58% to US \$ 50.38 billion, compared to US \$ 36.62 billion in 2010. Exports to the UAE grew by 1.82% to US \$ 7,466.13 million, while imports grew by 46.53% to US \$ 42,912.73 million in 2011. The sizable increase in the value of imports was mainly attributed to the surge in the price of crude oils that make the most of Japan's imports from the UAE.

UAE's position among the top trading partners of Japan in the world improved to the 9th position in 2011 from the 11th position in 2010, with a share in exports of 0.91% and a share of 5.02% in imports.



The value of Japan's world trade in 2011 stood at US \$ 1,678.97 billion, compared to US \$ 1,464.34 billion in 2010, an increase of 14.66%. Japan's total exports rose 6.96% to US \$ 823.65 billion, while imports rose 23.19% to 855.31 billion. A major feature of Japan's world trade in 2011 was that it's traditional trade surplus turned into a sizable deficit. Instead of a trade surplus of US \$ 75.75 billion in 2010, Japan had a trade deficit of US \$ 31.66 billion in 2011. China retained its position as Japan's top trading partner with a share of 19.44% in Japan's total exports and 21.52% in total imports. USA kept the 2nd position with a share of 15.41% in exports and

8.70% in imports. Following is a list of Japan's top ten trading partners showing bilateral trade value in the past three years.

Japan's bilateral trade with major trading partners (value in billion US dollars)

Country	2009	2010	2011	Growth rate (%)
China	232.09	303.10	346.11	14.19
USA	152.58	186.11	200.45	7.70
S. Korea	69.20	90.95	99.90	9.84
Australia	46.91	61.08	74.50	21.98
Taiwan	54.75	75.50	74.11	-1.84
Thailand	38.27	55.28	62.03	12.22
S. Arabia	34.58	42.37	57.04	34.60
Indonesia	31.14	44.18	51.83	17.30
UAE	29.20	36.62	50.38	37.58
Malaysia	29.59	40.36	49.27	22.06

Source: Japan Customs, compiled by World Trade Atlas

Japan's exports to the UAE:

Japan's automobile exports to the UAE made a fast recovery through the 3rd and 4th quarters of 2011 to exceed the levels of pre-tsunami period. However, though motor vehicles remained to be the largest single commodity of exports to the UAE, on a year-on-year basis, the export value declined by just over 9% to US \$ 3,174.98 million in 2011 against US \$ 3,489.69 million in 2010. Factors such as logistical problems caused by the East Japan Earthquake and the tsunami, and to a certain extent, the unprecedented floods in Thailand causing disruption in automobile parts supply to manufacturers, and finally, the consistent rise in the value of Japanese Yen were attributed to this slide in vehicle exports.

While export of higher and medium capacity gasoline-engined passenger cars declined by 17.48% and 28.91% respectively, export of lower capacity cars of gasoline engines (1000 to 1500 cc) increased by 18.80%. However, in the case of diesel engined cars, exports increased by 32.14% for cars above 2500 cc and by 75.22% for cars with capacity between 1500 cc and 2500 cc. In the case of motor trucks, the overall exports increased by 2.78%, with small trucks (less than 5 tons) showing an increase in exports of 25.95%,

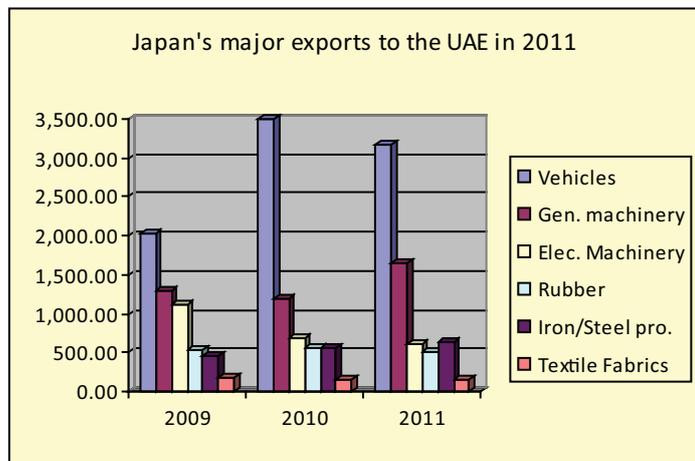
Published by **JETRO** Dubai

P.O.Box : 2272, Dubai, UAE
 Tel : +971 4 3328264
 Fax : +971 4 3328305
www.jetro.go.jp/uae/

Publisher : Hiroki Matsumoto
 Editor : David Thomas
 ©Jetro. All rights reserved
 circulation is free, on a private basis

and trucks between 5 and 20 tons, showing a decrease in exports by 19.14%.

UAE was the 10th largest vehicles export market for Japan in 2011 covering 2.14% of the total market coverage. USA remained to be the top market of Japanese vehicles, valuing at US \$ 41.42 billion in 2011. China remained at a distant 2nd position in 2011 with a value of US \$ 15.50 billion



worth of vehicle exports. Australia, Russia and Canada occupied the 3rd, 4th and 5th positions.

Japan's motor vehicle exports to the UAE on a quarterly basis (value in US \$ million)

Description	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
Motor vehicles	901.8	786.8	515.9	944.3	928.0
Passenger motor cars	614.1	548.8	285.1	649.9	562.6
Motor Trucks	120.6	101.8	83.5	123.8	174.9
Vehicle parts	81.5	81.5	99.6	102.1	104.2
Public transport vehicles	64.3	31.8	26.4	52.3	66.8

Source: Japan customs, compiled by World Trade Atlas

Export to the UAE of general machinery surged by 37.12% to US \$ 1,647.49 million in 2011 from US \$ 1,201.50 million in 2010. This surge was attributed to the increase in demand for air pumps, derricks, ship cranes, turbines, other lifting equipments, work trucks etc. Export of air pumps increased by 227.41% to US \$ 227.48 million from just US \$ 83.22 million in the previous year. Export of ships derrick cranes jumped by 105.90% to US \$ 134.89 million from US \$ 65.51 million. While heat exchange units showed an increase in export by 92.41% to US \$ 45.69 million, export of steam turbines showed an increase of 194.06% to US \$ 23.89 million. Machineries that showed minor decreases in exports were air conditioning equipments, gas turbines and some kinds of compressors.

Export of electrical machinery declined by 10.08% to US \$ 620.03 million amidst a mixed result of increases and decreases in exports of different electrical equipments. Major increases were recorded in the exports of insulated wires and cables (66.04%), electrical appliances for line telephones (44.13%), electric motors and generators (226.85%), vacuum cleaners (14.64%) etc. Decline in exports were mainly recorded for electrical transformers (-50.09%), electrical apparatus for switches (-51.23%) and electrical boards or panels (-57.65%).

Export of rubber products, comprised mainly of new tires declined 7.80% to US \$ 513.30 million in 2011, compared to US \$ 556.76 million in 2010. Export of iron or steel products comprising mainly

tubes, pipes, pipe fittings, bars, plates and sections, showed an increase of 11.01% to US \$ 632.03 million against the previous year's value of US \$ 569.33 million. Some of the other major products that saw increases in exports were optical, photographic and cinematographic items (24.76%), organic chemicals (10.47%), mineral fuels (pitch and pitch cocks obtained from coal) (45.29%) etc. Beverages exports from Japan to the UAE increased by less than a per cent to US \$ 34.02 million in 2011 from US \$ 33.92 million in 2010. UAE was Japan's 3rd largest market for beverages in 2011.

Japan's imports from the UAE:

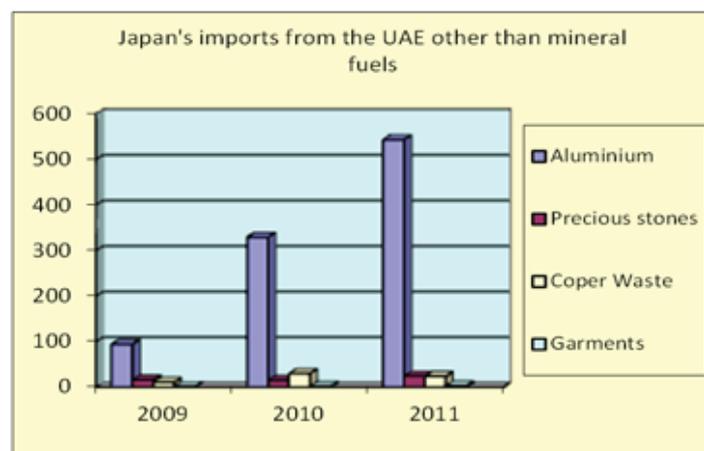
The value of Japan's imports from the UAE surged 46.53% to US \$ 42,912.73 million in 2011, compared to US \$ 29,285.21 million in 2010. UAE's share in Japan's total imports rose to 5.02% in 2011 from 4.22% in 2010. 98.45% of imports from the UAE were consisted of mineral fuels that include crude oils, gaseous hydrocarbons and other petroleum products. The value of crude oils imported from the UAE rose by 48.83% to US \$ 33.14 billion, covering 78.44% of the total imports. In terms of volume, Japan's crude oil imports from UAE increased by 8.24% to 301.05 million barrels in 2011, compared to 278.12 million barrels in 2010. The average price of crude oils surged 37.50% in 2011, to US \$ 110.08 per barrel, compared to US \$ 80.06 per barrel in 2010. UAE remained to be the 2nd largest supplier of crude oils to Japan after Saudi Arabia, covering 23.32% of Japan's total crude oil imports during the whole year. Saudi Arabia at the same time maintained its position as the largest supplier of crude oil to Japan, supplying over 430 million barrels of crude oil in 2011, covering 33.01% of Japan's total crude oil imports. Other major suppliers of crude oils to Japan in 2011 were Qatar, Iran, Kuwait, Russia, Indonesia, Iraq and Oman; in the order of value of import.

Japan's mineral fuel imports from the UAE (value in US \$ million)

Particulars	2009	2010	2011	G. Rate %
Crude oils	17,600.09	22,267.48	33,139.92	48.83
Petroleum Gases	3,687.47	5,132.37	7,030.14	36.98
Other fuels	1,249.71	1,439.92	2,078.24	44.33
Total	22,537.27	28,839.77	42,248.30	46.49

Source: Japan customs, compiled by World Trade Atlas

Beside crude oils, Japan imported petroleum gases and other fuels in large quantities from the UAE. Total value of gas imports from the UAE exceeded US \$ 7 billion in 2011, an increase by nearly 37% compared to the previous year.



Major among the different petroleum gases that Japan imported from the UAE was Liquefied Natural Gas (LNG), of which, the value stood at US \$ 4,404.80 million in 2011. Other categories of gas imports were Liquefied Propane and Liquefied Butanes gases. There had also been increases in the volume and prices of petroleum gases during the year 2011. In terms of volume, the total import of gases rose by 5.96% to 8.48 million tons in the place of 7.98 million tons in the previous year. The average price of petroleum gases imported from the UAE in 2011 rose 29.28% to US \$ 831.17 per metric ton, compared to US \$ 642.94 per metric ton in 2010. Other than crude oils and gases, Japan also imports oil preparations from the UAE and the volume of imports of oil preparations reached 19.96 million barrels in 2011 from 18.50 million barrels in 2010, an increase of 10.14%.

Among Japan's imports from the UAE other than fuel oils, aluminium held a major position. UAE has been a traditional source of semi-finished aluminium for Japan since many years, and in 2011 aluminium imports from the UAE surged considerably. Japan imported a total of 205.64 million kg of aluminium in 2011 at a cost of US \$ 2.64 per kg, compared to 139.24 million kg at a cost of US \$ 2.36 per kg in 2010. The total value of aluminium imports from the UAE in 2011 surged by 64.81% to US \$ 543.60 million, compared to US \$ 329.83 million in 2010.

Japan's aluminium imports from the world over rose by 14.96% to US \$ 9,222.18 million, compared to US \$ 8,021.83 million in 2010. UAE became the 6th largest supplier of aluminium to Japan, jumping ahead four positions from the previous year. Major other suppliers of aluminium, in the order of import value, were Australia, Russia, China, Brazil and New Zealand. South Africa, Indonesia, Canada and Argentina were also major suppliers of aluminium to Japan in 2011.

Japan's import of precious stones and metals from the UAE increased 65.11% to US \$ 24.83 million in 2011, out of which, diamond imports alone were valued at US \$ 21.67 million, an increase by 67.07%.

In addition to mineral fuels, aluminium and precious stones, Japan imported limited quantities copper scraps worth US \$ 23.86 million (-20.87%), synthetic fabrics worth US \$ 3.13 million (up by 75.08%) and baking related goods such as pasta worth US \$ 2.65 million (up by 75.08%) from the UAE in 2011.

Japanese medical devices manufacturers find Dubai a springboard for business expansion in the Middle East:

Successful end to Arab Health 2012 in Dubai:



A group of eleven Japanese manufacturers of medical devices and allied products had successfully participated in the 'Arab Health Exhibition and Conference 2012' in Dubai in January, under the Japanese Pavilion, set up by Japan External Trade Organization. Realizing the high potential of medical and healthcare market in the Middle East, the Japanese companies showcased a unique variety of high-tech and innovative products, aiming to expand their business in the Middle East region.

Arab Health, the largest trade show in the healthcare industry in the Middle East was held at the Dubai International Convention & Exhibition Centre, from January 23rd to 26th, 2012. Over 2,800 exhibitors from 60 countries specialized in medical technology,



laboratory equipment, diagnostics, physiotherapy / orthopaedic technology, commodities and consumer goods for hospitals, surgical products and services, information and communication technology in healthcare, medical disposables, healthcare building technology, radiology etc. took part in the exhibition.

Following were the companies from Japan that participated in the exhibition.

1. Daiya Industry Co., Ltd.
2. Fujimori Sangyo Co., Ltd.
3. Heiwa Medical Instruments Co., Ltd
4. Ito Co., Ltd.
5. Kai Industries Co., Ltd
6. Kaji Corporation
7. Kaneko Manufacturing Co., Ltd.
8. Keisei Medical Industrial Co., Ltd.
9. Kyoto Kagaku Co., Ltd.
10. Mpi Inc
11. Ushino Inc

For more information on the above companies, please see the previous issue of this publication (Vol.13, 4th Quarter 2011)

JETRO has organized over 1352 business meetings with prospective clients for the exhibitors during the exhibition time, resulting in the signing of a number of business deals. Exhibitor satisfaction rate was projected at 100%. The Japan pavilion was consisted of 12 booths including that of JETRO, covering an area of 108 square meters.

ARITA Porcelain Coffee Cup Exhibition held in Dubai:

Under the patronage of the Government of Japan, and with the support of JETRO Dubai, an exhibition of the Arita Coffee Cup, the famous Japanese porcelain crockery, was held at the Kinokuniya Bookstore at Dubai Mall, from 24th to 26th March 2012. Arita Porcelain is the most famous Japanese porcelain with nearly 400 years of history. The craftsmanship, production, drawing technique and unique designs of porcelain pieces make Arita the number one porcelain in Japan.



The current president of Arita Porcelain Group, Satoru Matsumoto, who is the 7th generation 'Yazaemon' (Matsumoto Yazaemon is the founder of 'Yazaemon Klin' in 1804), was personally present at the venue throughout the exhibition period. For further information on ARITA Porcelain products, please log on to : <http://www.aritaware.com/global/company>

Japanese Food Mission from Malaysia and Singapore in Dubai:

A group of Japanese food manufacturers and dealers from Malaysia and Singapore visited Saudi Arabia and Dubai during the month of February to explore the food market in this region. Companies such as Mitsui & Co. (Asia Pacific) Pte.Ltd., Iwatani Corporation, Goshoku Trading, Kirin Holdings (Singapore) Pte. Ltd., Sushi Kin Sdn. Bhd. Etc were part of the Mission. The visit was organized jointly by JETRO Kuala Lumpur, JETRO Dubai and JETRO Riyadh, between 17th and 22nd February 2012. The group's visit was part of Japan's recent initiatives to promote the export of Japanese Food System and food materials to overseas countries, especially to the Middle East.



In Dubai, the group visited officials of the Dubai Food Control Department of the Dubai Municipality, several retailers of Japanese foods like Deans Fujiya, Choithram, Carrefour, Waitrose and similar outlets, and other Japanese companies dealing in foodstuff.

JETRO Updates

Japan Earthquake Recovery Briefing Towards Reconstruction and Recovery Message from the Chairman of JETRO - One year after March 11

Mar. 21, 2012

It has been one year since the Great East Japan Earthquake hit Tohoku. I would like to reiterate my appreciation for the tremendous support which Japan received from countries and regions around the globe in its wake.

In spite of severe destruction inflicted during the calamity, Japan is now steadily moving forward towards recovery. I have visited afflicted small and medium-sized companies and met a number of corporate managers who made desperate efforts to restore manufacturing operations, aiming at the earliest possible resumption of product delivery to both their domestic and international customers. JETRO has been providing close support for these SMEs to restore and develop their international business.

Those involved in the agriculture, forestry and fisheries industry also went to great lengths in establishing rigorous product inspection to guarantee the delivery of exclusively safe foodstuff. I would like to request that countries and regions overseas recognize this and review their current restrictions on import.

Even after the quake, Japan has continued serving as a business platform which links growing Asia with the rest of the world, attracting overseas investors as an exceptional innovation hub and trend setter.

Through large-scale reconstruction grants and establishment of the system of Special Zone for Reconstruction, the Japanese government is earnestly promoting new industrial accumulation in the field of new energy and other areas in the region. We at JETRO remain committed to supporting overseas firms which are considering or planning to make direct investments into the afflicted region and the rest of Japan.

Ishige Hiroyuki,
Chairman & CEO
JETRO

Invest Japan Business Support Centre (IBSC)

The JETRO IBSC (Invest Japan Business Support Center) is a business facility which provides you with the most convenient and cost-effective way to enter or expand your business in Japan.

For foreign companies planning to start a business in Japan, the IBSCs provide information, consultation and other services free of charge, as well as a few services at cost. When you come to Japan, the IBSC will support you depending on your business needs by providing consultation and facilities for establishing a business base and starting your business in Japan.

IBSCs are located in six major cities of Japan— Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka. At each IBSC, experienced IBSC staff and advisors provide information by using a broad network across government and private sectors, and offer consultation

according to your company's needs. IBSCs also offer temporary office space for foreign firms that have not yet established a business base in Japan.

IBSC staff and advisors can provide information about such matters as industrial structures and market shares, Japanese business practices in regard to procurement, product sales, and industrial systems, as well as offering advice based on the needs of your company.

Examples of consultation

- Market and industry information
- Information on relevant legal systems
- Cost estimates
- Taxation, labor and legal issues
- Obtaining residence status and visas
- Information on incentives from national and local governments
- Establishing an office Networking with potential business partners
- Finding human resources
- Finding an office location

National and local authorities offer a number of incentives to encourage investment. Some examples are preferential taxation that includes reduction or exemption of business taxes, fixed asset taxes and real estate acquisition taxes, subsidies, the provision of land and buildings, and taxes related to financing and lending systems. In addition to information on these incentives, the IBSC staff can also help you efficiently gather information on laws, standards, regulations and authorization procedures and can arrange meetings with representatives from national and local authorities.

Estimate the cost of setting up a Japan Office:-

IBSC can provide a customized estimate based on a number of factors showing how much it would cost you to set up an office in Japan.

Help with procedural requirement for establishing a business:-

An in-house team of experts can provide you with information on company registration, visa applications, tax procedures, and labour procedures, and can also introduce you to outside professionals who can create and submit the procedural documents on your behalf.

Find qualified staff:-

IBSC staff can search for specific candidates, including representatives in Japan, salespeople, accountants, and engineers, through recruitment and job-placement companies and present the candidates to you. We also cooperate with recruitment companies in arranging interviews with promising candidates.

Find a location for your office:-

IBSC can help you find possible locations for your permanent office according to your needs using local real estate companies. Since you will need to have a set address for the majority of the procedures required for setting up your office—including establishment registration and public notification, certificate of eligibility application procedures, opening a bank account, and hiring employees—it is necessary to begin finding an office early in the process. IBSC can help you find an office quickly using our nationwide network with real estate companies.

For more information on setting up a business in Japan, please log on to:

http://www.jetro.go.jp/en/invest/setting_up/

