

JETRO Global Trade and Investment Report 2012

~Companies and people move forward
towards globalization~

Overview



JETRO

Japan External Trade Organization

JETRO Global Trade and Investment Report 2012

<Global trade and investment>

1. High growth potential among emerging countries in spite of the slowing world economy 2
2. World trade hits a record high in 2011 then rapidly decreases in 2012;
changes seen in trade structure of emerging countries 3
3. Global FDI flows increase for second consecutive year,
but projected to slow down in 2012 due to poor M&A performance 4

<Japanese trade and FDI>

4. Japan sees robust exports of highly functional consumer goods and surge
in imports of LNG and emergency supplies 5
5. Japanese FDI:
 - Japanese outward FDI: Clear preference for emerging economies- 6
 - Japanese inward FDI: Active establishment of manufacturing/R&D bases- 7

<WTO and FTAs>

6. Importance of WTO's multilateral trade frameworks reaffirmed 8
7. Present status and future outlook of FTAs:
 - Progress in FTAs of the world and trends in Japan - 9
 - Japanese SMEs engaged in exports have more room to consider using FTAs- 11

<Overseas development of Japanese SMEs>

8. SMEs accelerating overseas business development 12
9. Overseas business development of the Japanese service sector & export promotion of
agricultural, forestry and fishery products and foodstuff 13
10. Efforts towards securing and fostering SME global human resources 15

◆ JETRO's global network 16

◆ Detailed materials can be downloaded from the following website.

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

<<Exclusion of liability clause>>

Responsibility for decisions made based on the information provided in this leaflet shall rest solely on readers. Though JETRO strives to provide accurate information, JETRO will not be responsible for any loss or damage incurred by readers through the use of the information.



1. High growth potential among emerging countries in spite of the slowing world economy

- ◆ Due to the European debt crisis, the world economy in 2012 has shown signs of slowdown. The growth of emerging and developing countries is also at an increased risk of a downward swing.
- ◆ Emerging and developing countries, however, will continue to lead the global economy partly because of their expanding population. As these countries will witness peaks in the demographic bonus at different times, the economic growth of these countries is expected to differ respectively.

GDP growth by country and region

(%)

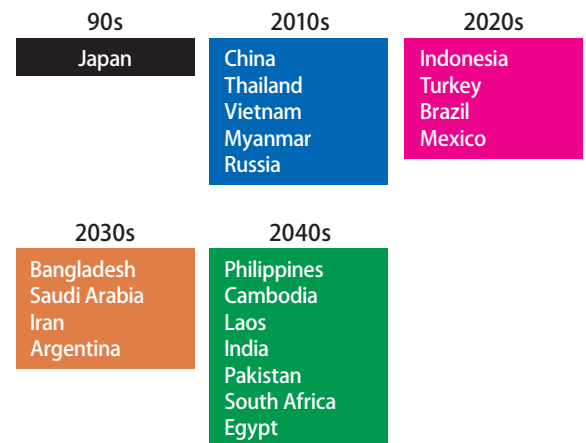
	2010	2011	2012(Projections)	2013(Projections)
World	5.1	3.8	3.3	3.6
Advanced Economies	3.0	1.6	1.3	1.5
Emerging/Developing Economies	7.4	6.2	5.3	5.6
Asia	9.5	7.8	6.7	7.2
China	10.4	9.2	7.8	8.2
India	10.1	6.8	4.9	6.0
ASEAN5	7.0	4.5	5.4	5.8

Note: The definitions of developed and emerging/developing countries follow the World Economic Outlook (IMF).
Asean5 refers to Indonesia, Malaysia, Philippines, Thailand and Vietnam.
Source: "WEO, October 2012" (IMF).

Ratio of contribution by advanced and emerging/developing economies to global economic growth



Peak times of the demographic bonuses of major emerging/developing countries

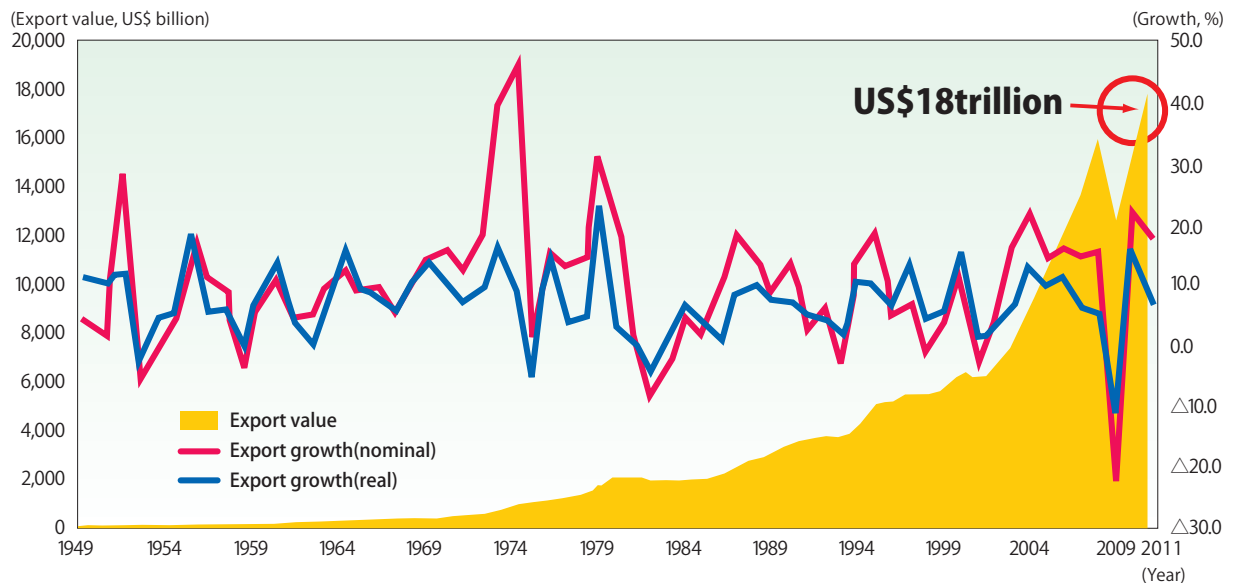


Note: The demographic bonus was calculated by dividing the productive-age population by the dependent population. The situation where the demographic bonus is 2 or more is generally regarded as "demographic bonus period". The chart above shows when demographic bonus in each country is at its peak.
Source: "World Population Prospects" (U.N.).

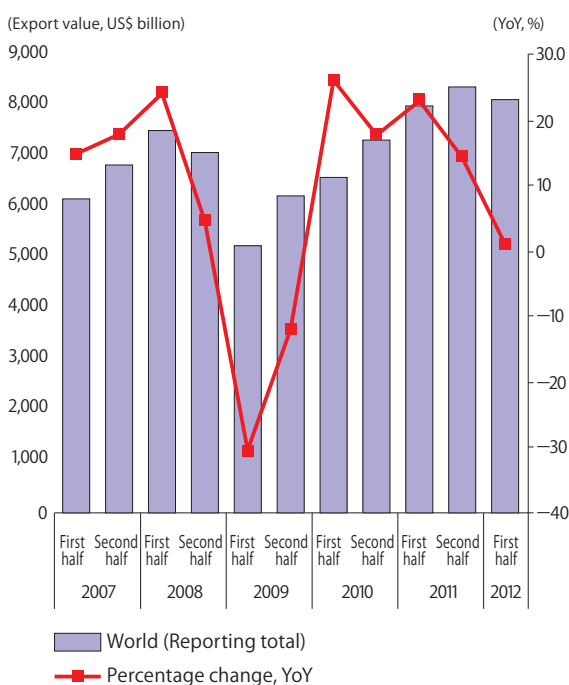
2. World trade hits a record high in 2011 then rapidly decreases in 2012; changes seen in trade structure of emerging countries

- ◆ Backed by the increased price of natural resources, the value of world trade in 2011 surpassed the record marked in 2008. While the exports of resource-rich countries have grown, the exports of the world's largest exporter country, China, have grown at a sluggish pace. Since the beginning of 2012, the growth rate of world trade has been significantly blunted.
- ◆ With the increasing presence of the emerging countries as a consumer market, the share of trade between emerging countries has been increasing.

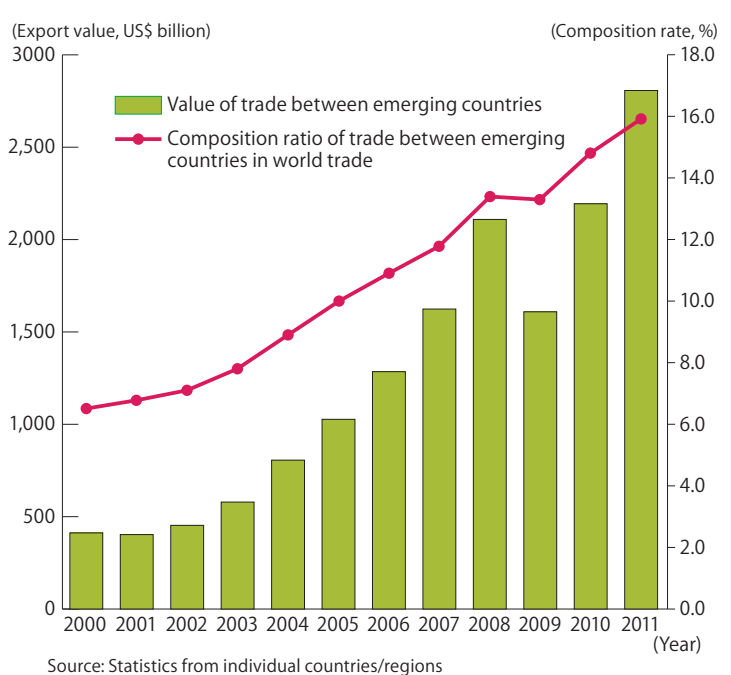
Long-term trends in world trade (exports)



Semiannual trend in world trade(exports)



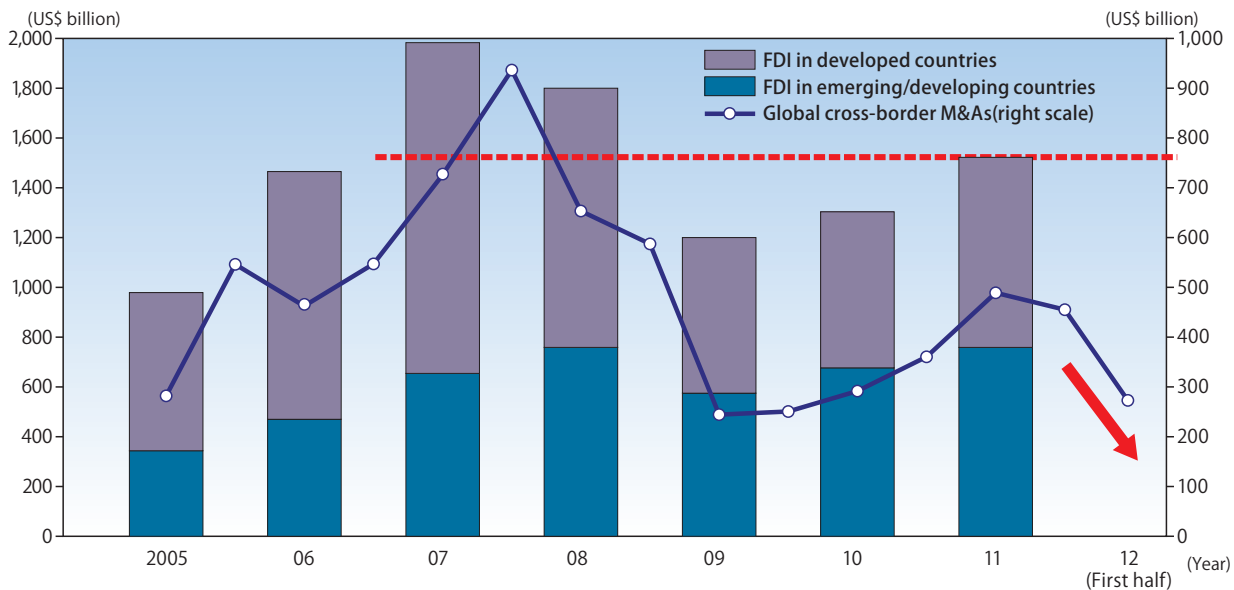
Trade between emerging countries (exports)



3. Global FDI flows increase for second consecutive year, but projected to slow down in 2012 due to poor M&A performance

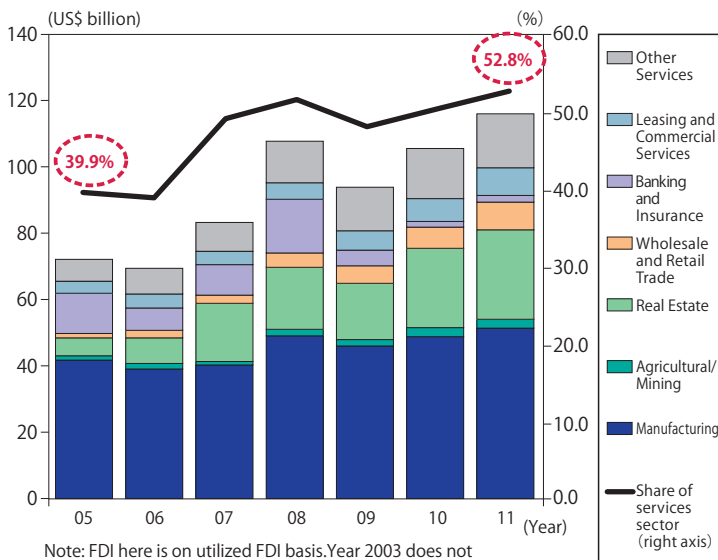
- ◆ The amount of world foreign direct investment (FDI) had been increasing for two straight years since 2009, but still remained at 80% of its peak in 2007. Due to the slowdown of merger activities triggered by the European debt crisis, the value of cross-border M&A for the first half of 2012 decreased significantly by 40% from a year earlier.
- ◆ China's inward FDI has seen some qualitative changes, such as more than half of the total amount is now going into non-manufacturing industries, and investments in the inland regions have also increased.

Global FDI and cross-border M&As



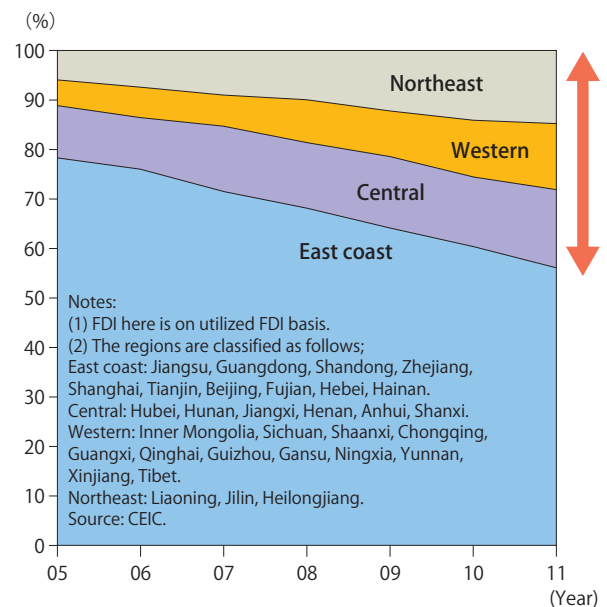
Note: FDI here is on inward FDI basis.
Sources: UNCTAD and Thomson Reuters.

China's inward FDI by industry sector



Note: FDI here is on utilized FDI basis. Year 2003 does not include banking and insurance.
Source: CEIC.

China's regional inward FDI share



Notes:
(1) FDI here is on utilized FDI basis.
(2) The regions are classified as follows;
East coast: Jiangsu, Guangdong, Shandong, Zhejiang, Shanghai, Tianjin, Beijing, Fujian, Hebei, Hainan.
Central: Hubei, Hunan, Jiangxi, Henan, Anhui, Shanxi.
Western: Inner Mongolia, Sichuan, Shaanxi, Chongqing, Guangxi, Qinghai, Guizhou, Gansu, Ningxia, Yunnan, Xinjiang, Tibet.
Northeast: Liaoning, Jilin, Heilongjiang.
Source: CEIC.

4. Japan sees robust exports of highly functional consumer goods and surge in imports of LNG and emergency supplies

- ◆ Japan's trade balance in 2011 fell into a deficit for the first time in 31 years. Imports of liquefied natural gas (LNG) for power plants have particularly surged, along with energy saving and emergency supplies.
- ◆ In spite of the severe export environment, Japan's exports of sake and green tea have shown solid growth led by a world-wide boom in Japanese cuisine. Surprisingly, exports of highly functional Japanese consumer goods, such as leisure-related products, cosmetics and stationery items, have also increased.

Japan's trade

	(US\$ million)		
	2010	2011	2012 First half
Total exports	767,025	820,793	409,419
Total imports	691,447	853,070	446,112
LNG imports	39,454	60,141	38,809
Trade balance	75,578	△ 32,277	△ 36,693

Source: "Trade Statistics" (Ministry of Finance).

Surged imports products of energy savings and emergency supplies

	2010	2011	Unit
Air-conditioners	4,172	5,579	thousand NO
Electric fans	7,689	17,242	thousand NO
Bamboo blinds	15	30	thousand MT
Oil space heaters	164	318	thousand NO
Flashlights	42,339	87,521	thousand NO
Portable radios	3,827	10,530	thousand NO

Source: "Trade Statistics"(Ministry of Finance).

Finished consumer goods increased in export quantities even after the Earthquake

Items	Main Partner Countries(volume basis)		
Gold or platinum jewelry and parts	Hong Kong	Australia	Switzerland
Motorcycles, cylinder capacity >800cc	U.S.	Netherlands	France
Beauty & skin care preparation, not compressed	China	Taiwan	Hong Kong
Passenger motor vehicles, without gasoline or diesel engine	U.S.	France	U.K.
Ball point pens	U.S.	Mexico	Hong Kong
Color television	Vietnam	Philippines	Thailand
Sea urchins, jellyfish, and sea cucumbers, frozen, dried or salted	China	Vietnam	Peru
Felt tipped & other porous-tipped pens & markers	U.S.	Germany	Saudi Arabia
Upright pianos	China	Vietnam	U.S.
Yachts, etc. for pleasure or sports, except sailboats or motorboats	U.S.	Russia	Thailand
Eye make-up preparations	Taiwan	Hong Kong	South Korea
Grand pianos	U.S.	China	Germany
Playing cards	Macau	Singapore	Hong Kong
Sunglasses	U.S.	Hong Kong	South Korea
Fermented beverages (sake, cider etc.)	U.S.	South Korea	Taiwan

Notes: (1)The consumer goods are chosen among 959 final consumer goods which have export quantities, increased for two straight years.

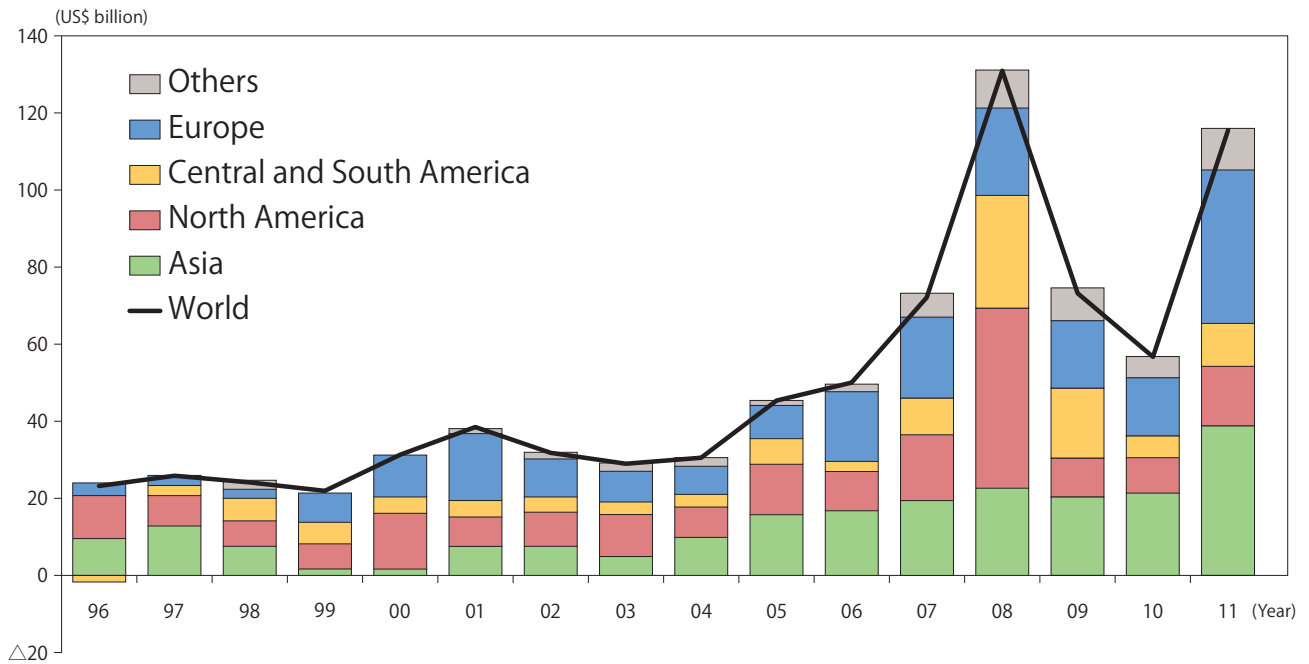
(2)The areas in color are trading partners to which Japan's exports quantities increased for two straight years.

Source: "Trade Statistics" (Ministry of Finance).

5. Japanese outward FDI: Clear preference for emerging economies

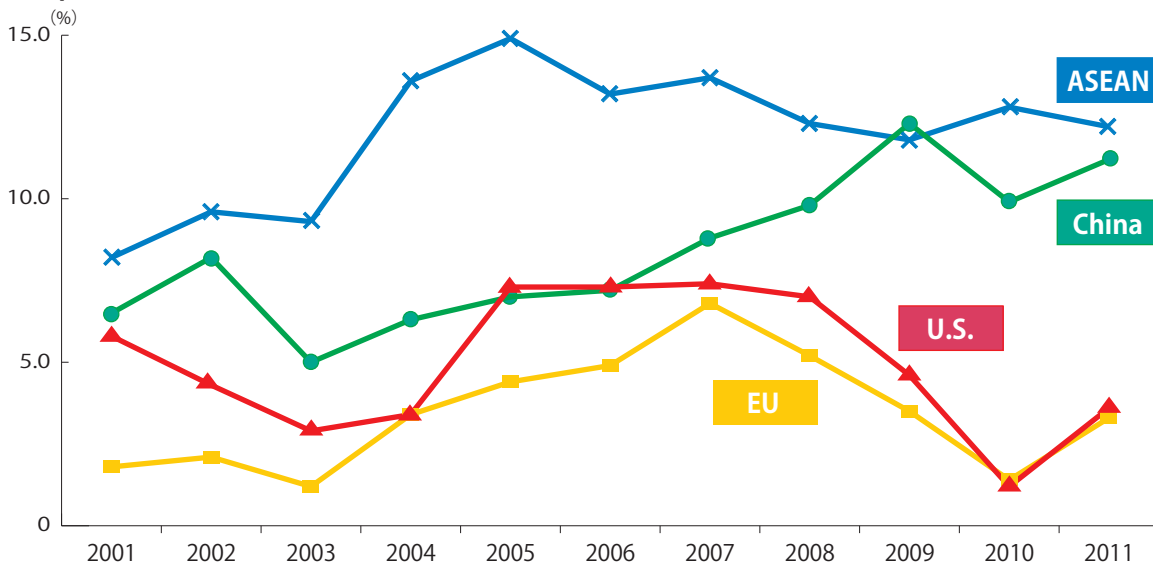
- ◆ In 2011, Japan's outward FDI increased for the first time in three years, with investment to Asia hitting a record high.
- ◆ The rate of return on Japan's direct investment to China and ASEAN is higher than that to Europe and the US, an indicator that the era of "profiting from Asia" has begun for Japan.

Japan's outward FDI by region



Note: The yen-based value is converted to dollars by JETRO.
Source: "Balance of Payments Statistics" (Ministry of Finance, Bank of Japan).

Japan's rate of return on outward FDI

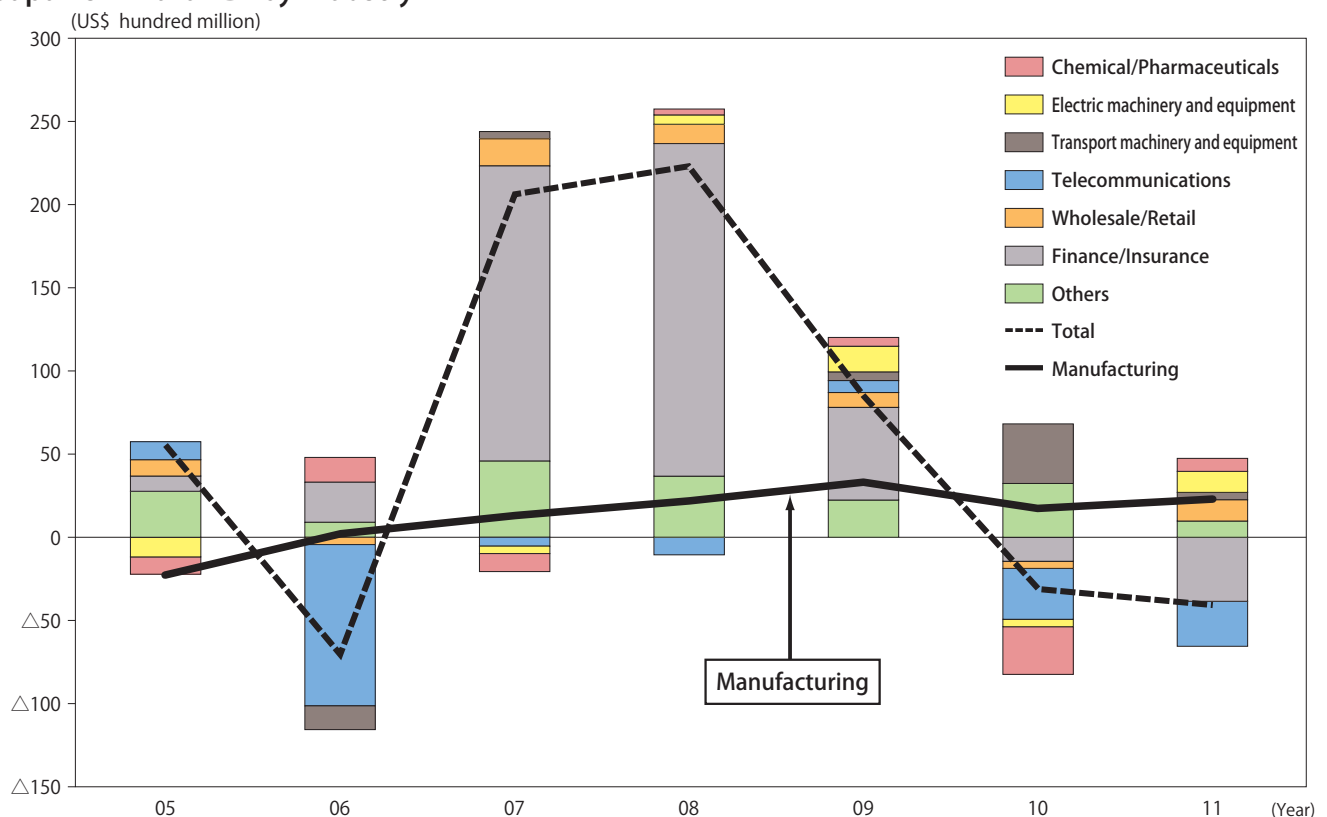


Notes: (1) Rate of return on outward FDI = FDI earnings in the term / Average of outward FDI balances at the start and the end of the term x 100 (%). (2) The EU comprised 15 countries by 2003, 25 countries in 2004-2006, and 27 countries in 2007 onward.
Source: "Balance of Payments Statistics" (Ministry of Finance, Bank of Japan).

5. Japanese inward FDI: Active establishment of manufacturing/R&D bases

- ◆ While total inward FDI to Japan has fallen below FDI withdrawal from Japan for two consecutive years since 2009, inward FDI in the manufacturing industry exceeded withdrawal for the sixth-year in a row and has been hovering at a stable rate.
- ◆ On the back of governmental incentives including the “Subsidy Program for Projects Promoting Asian Site Location in Japan”, a considerable number of new constructions and expansions of factories and R&D sites by foreign manufacturing industries have been witnessed.

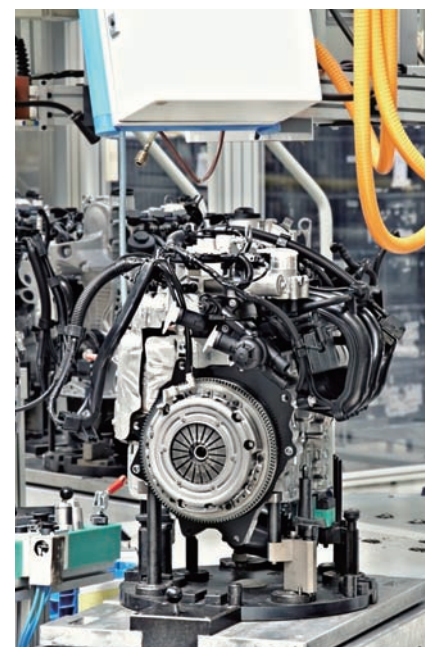
Japan's inward FDI by industry



Establishment/expansion of production/R&D bases by foreign/foreign affiliated firms

Company (Country)	Industry	Location
Dou Yee International (Singapore)*	Electronic components / materials	Shobara City, Hiroshima
L'Oreal (France)	Cosmetics	Kawasaki City, Kanagawa
Eurocopter (France)*	Helicopters	Kobe City, Hyogo
Umicore (Belgium)*	Nonferrous metal materials / chemicals	Tokoname City, Aichi
Mahle (Germany)	Automotive parts	Nogata City, Fukuoka
Cabot Microelectronics (U.S.)*	Electronic materials	Tsu City, Mie

Notes: (1) Projects decided or announced in and after April 2011. (2) Firms with * are those that selected for "Subsidy Program for Projects Promoting Asian Site Location in Japan" in 2011.
Source: Companies' press releases and newspaper articles.



6. Importance of WTO's multilateral trade frameworks reaffirmed

- ◆ Though the WTO Doha Round has been stagnant, the organization has still made significant contributions to limiting the introduction of trade restrictions with its monitoring and surveillance function as well as to settlement of international trade disputes with its judicial function.
- ◆ There are also signs that the WTO's rule making under plurilateral trade frameworks is being revitalized. In May 2012, for example, the organization embarked on full-scale efforts to expand product coverage of the Information Technology Agreement (ITA) aimed to abolish tariffs on IT products.
- ◆ With the official accession of Russia to the WTO on August 22, 2012 and that of Vanuatu's on August 24, membership of the WTO has reached 157.

Three functions of the WTO and evaluation

Function		Evaluation		Issues
Rule-making function	Development of multilateral trade rules and agreements on trade liberalization.	×	Negotiations on the Doha Round stand stalled.	Formation of sectoral consensus.
Monitoring function	Examination of the status of implementation of existing trade rules and reporting on problems.	○	Working as a deterrent to protectionism.	The remedial effect on reported problems questionable.
Judicial function	Judicial settlements of trade disputes by the Dispute Settlement Body and securing implementation of its decisions.	○	Parties to disputes generally respect decisions by the Dispute Settlement Body.	Strong judicial function may not be sustainable without adequate functioning of rule-making power.

Source: Prepared based on information obtained from various media reports and seminars.

Discussions on the expansion of products covered by the ITA

<Current ITA-covered items>
Estimated size of trade: US\$1,310 billion

Computers and peripheral equipment: PCs, supercomputers, printers, monitors, scanners, etc.
Communication equipment: Cell phones, facsimiles, etc.
Semiconductors: Memory chips, wafers, CPUs, semiconductor-manufacturing equipment, etc.

<Expected expanded coverage>
Expected size of expansion: US\$ 200-300 billion

Electronic home appliances: Car navigation systems, digital video cameras, digital TVs, DVD players, etc.
Advanced technologies: Electronic endoscopes, lithium-ion batteries.
Internet technology: Reception equipment, data processing equipment, various parts and media.

Notes: (1) Actual coverage of items is based on a schedule of commitments by countries/regions based on HS numbers. Details of the expansion are based on various proposals. (2) The amount of trade and the estimated size of expansion are based on the calculations by the European Centre for International Political Economy (ECIPE).
Sources: WTO, "Status of Implementation of WTO Agreements by Major Countries" (JETRO) and ECIPE data.

Gains from Russia's accession to the WTO (examples)

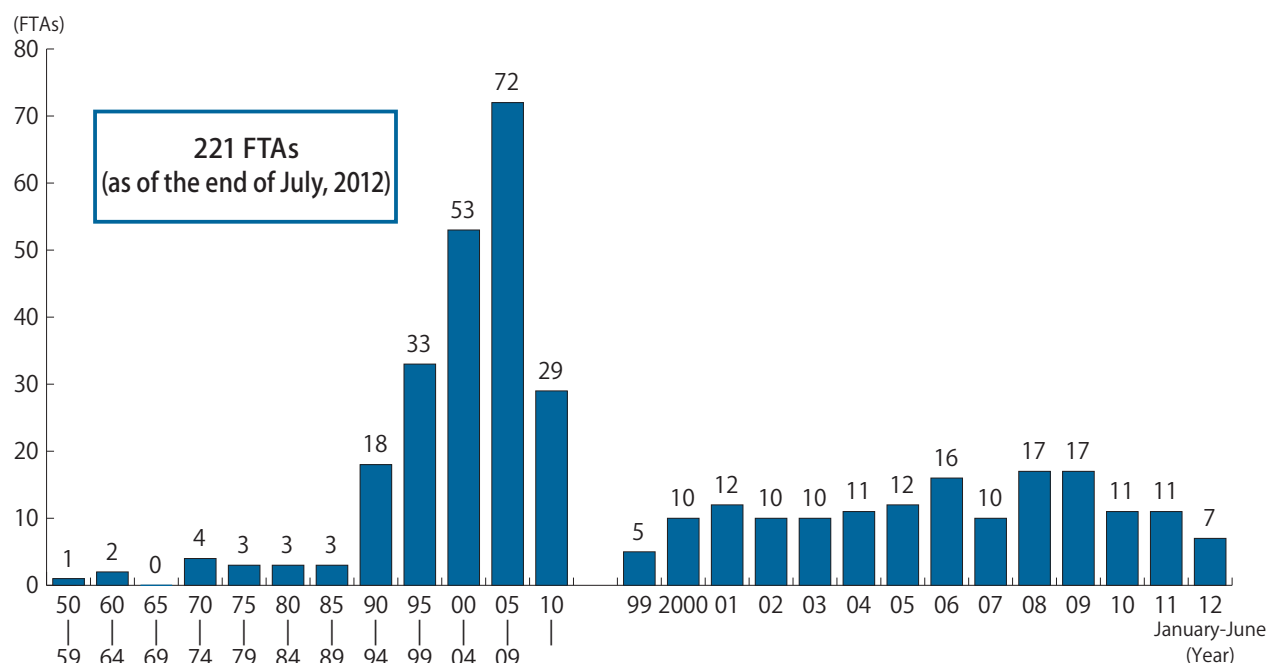
Sector	Overview
Tariffs	Binding tariff ceiling will be 7.8% for all products (current average applied tariff: 10.0%): 10.8% for agricultural products (current average applied tariff: 13.2%) and 7.3% for manufactured goods (current average applied tariff: 9.5%). The final bound rate will be implemented on the date of accession for more than one third of all products. The longest period of implementation is 8 years for pork, followed by 7 years for automobiles, helicopters and civil aircraft.
Automobiles and parts	Vehicles: Bound at 15% after 7 years of implementation period (electric vehicles: bound at 15% after 5 years of implementation period). Auto parts: In principle, bound tariff rate will be set at the level of current applied tariff rates (5% for bumper, seat belt and gearbox, 10% for engine and 15% for auto body).
Services	Specific commitments on 116 out of 155 WTO services sub-sectors.
Financials	Insurance: Foreign insurance companies would be allowed to establish branches 9 years after Russia's accession. Banks: Foreign banks would be allowed to establish subsidiaries and representative offices. There would be no cap on foreign equity in individual banking institutions, but the overall foreign capital participation in Russia's banking system would be limited to 50%.
Government procurement	Russia will initiate negotiations for joining the WTO Government Procurement Agreement within 4 years of its accession.

Sources: WTO secretariat materials and Ministry of Foreign Affairs.

7. Present status and future outlook of FTAs: Progress in FTAs of the world and trends in Japan

- ◆ The number of FTAs in effect in the world has reached 221 as of the end of July 2012.
- ◆ While the FTA coverage rate of Japan has remained at 18.6%, that of South Korea has grown due to the FTAs concluded with the EU and the US.

Number of FTAs across the world



Source: The list posted on the WTO website (as of the end of July 2012).

FTA coverage of major countries

(%)

	FTA coverage rate			Country/Region with FTA in force (Exports + Imports)		
	Exports + Imports	Exports	Imports	First	Second	Third
Japan	18.6	19.1	18.2	ASEAN (14.8)	India (1.1)	Switzerland (1.0)
U.S.	38.8	45.3	34.4	NAFTA (28.7)	South Korea (2.7)	DR-CAFTA (1.6)
EU	Total Trade Value	73.8	72.8	EU (64.1)	Switzerland (2.5)	EEA (1.6)
	External Trade	26.4	29.6	Switzerland (6.6)	EEA (4.2)	Turkey (3.7)
South Korea	34.0	36.5	31.5	ASEAN (11.6)	EU (9.6)	U.S. (9.3)
China	16.2	12.3	20.5	ASEAN (10.0)	Taiwan (4.4)	Chile (0.9)
India	17.9	21.6	15.4	ASEAN (9.9)	South Korea (2.2)	Japan (2.2)
ASEAN	60.0	59.2	60.8	ASEAN (24.7)	China (13.7)	Japan (10.4)

Notes: (1) The FTA coverage is the ratio of trade with countries/regions with which FTAs are in force (as of the end of July 2012) to overall trade. The coverage is based on trade statistics for 2011. (2) Acronyms are used for the FTA among the United States and the Dominican Republic and Central American countries (DR-CAFTA), the Comunidad Andina (CAN) and the European Economic Area (EEA). (3) China excludes Hong Kong (7.6%) and Macao (0.1%). (4) FTAs for ASEAN include those that have yet to take effect in some member states, but the value of trade for all member states were added up.

Sources: data from individual governments, DOT (IMF) and trade statistics of individual countries.

7. Present status and future outlook of FTAs: Progress in FTAs of the world and trends in Japan

- ◆ In response to the call of what is being referred to as the “era of FTAs between major trade powers”, Japan is also considering new possible FTAs such as the Japan-EU EPA/EIA.
- ◆ As for FTAs with emerging economies, which have significant market allure though many are imposed with high tariffs as well as various investment restrictions, further examination is necessary.

Trans-Pacific Partnership (TPP) Agreement and Regional Comprehensive Economic Partnership in East Asia (RCEP)

		TPP	RCEP
Pace of negotiations		<ul style="list-style-type: none"> ◆ Negotiations started in March 2010. ◆ "Broad Outline" announced in November 2011. ◆ 14 negotiating rounds by September 2012. 	<ul style="list-style-type: none"> ◆ At the Senior Economic Officials Meeting in August 2012, the ministers paved the way for the launch of RCEP negotiations in November 2012.
Depth of coverage		<ul style="list-style-type: none"> ◆ Not limited to liberalization of trade in goods and services. ◆ 21 areas of negotiations, including "cross-sectoral items" dealing with consistency between regulatory systems. 	<ul style="list-style-type: none"> ◆ Three Working Groups set up on "Goods", "Services" and "Investment".
Economic scale	GDP (share in the world)	29.8%	28.4%
	Ratio of intra-regional trade	39.0%	44.2%
	Population (share in the world)	9.6%	49.1%

Notes: (1) Data on the economic scale are for 2011.
(2) The economic scale of RCEP is based on ASEAN plus Six.
Sources: METI, USTR, WEO (IMF) and DOT (IMF).

Progress towards initiating Japan-EU EPA/EIA negotiations

- ◆ June 2007
Task forces for private joint research launched in Japan and the EU (Secretariat in Japan: JETRO).
- ◆ July 2008
"Joint Report EU-Japan Taskforces" submitted to the leaders.
- ◆ May 2009
Agreed to develop discussions on some specific non-tariff trade barriers at the EU-Japan Summit.
- ◆ April 2010
Agreed to set up Joint High-level Group (JHLG) at the EU-Japan Summit.
- ◆ May 2011
Agreed to start the "scoping exercise" as soon as possible at the EU-Japan Summit.
- ◆ May 2012
The completion of the "scoping exercise" announced at the Foreign Affairs Council (Trade Ministers) of the EU.
- ◆ July 2012
The European Commission decides to make request to all Member States to authorize it to open the FTA negotiation with Japan.
- ◆ The negotiation expected to be launched followed by an unanimous approval by the Council to give the Commission a mandate to negotiate with Japan.

Sources: Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry.

Major countries/regions with which Japan has yet to conclude or consider FTAs

(US\$ million, %)

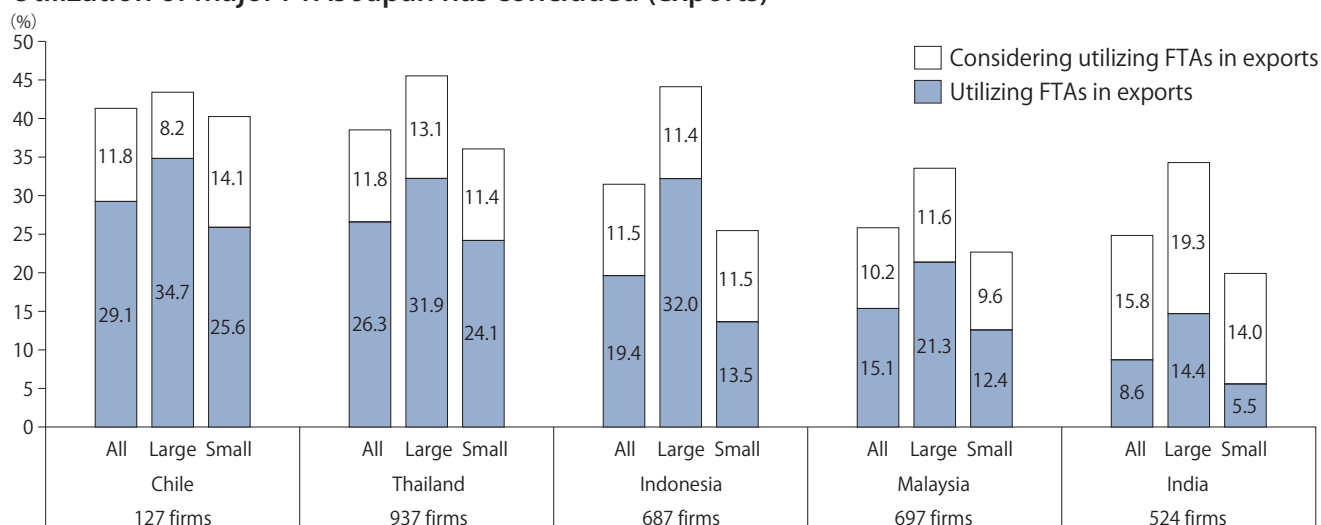
Country / Region	Export ranking	Export value (2011)	Japan's main export items		All items MFN average-tariff rate	FDI (2005-2011 Cumulative)	No. of Japanese firms (2011)	Investment agreement conclusion
Taiwan	4	50,692	Electric equipment	General machinery	5.6	4,862	996	2011
Russia	15	11,801	Automobiles	General machinery	10.3	1,739	427	2000
Brazil	26	6,195	General machinery	Automobiles	12.5	25,350	360	Unconcluded
South Africa	28	4,311	Automobiles	General machinery	7.8	1,885	212	Unconcluded
Israel	35	2,175	General machinery	Automobiles	5.2	16	25	Unconcluded
Pakistan	42	1,696	Automobiles	General machinery	15.8	264	72	2002
Norway	45	1,402	Automobiles	Steel products	7.0	539	49	Unconcluded
Egypt	47	1,337	Automobiles	General machinery	17.4	300	52	1978
Bangladesh	50	1,069	Steel	Automobiles	12.9	399	246	1999

Sources: Trade Statistics/Direct Investment (Ministry of Finance), Tariff Analysis Online (WTO), Annual Report of Statistics on Japanese Nationals Overseas (Ministry of Foreign Affairs) and METI.

7. Present status and future outlook of FTAs: Japanese SMEs engaged in exports have more room to consider using FTAs

- ◆ The utilization rate of FTAs by Japanese firms has been increasing year by year, and recently companies have been actively using FTAs between third countries centering on Asia. The utilization rate of small and medium-sized enterprises (SMEs) in exports, however, is lower than that of large-scale companies. These SMEs have room to make further use of FTAs as a way to reduce cost.
- ◆ Given the fact that many SMEs have voiced that they were not familiar with institutions as well as utilization procedures of FTAs, information provision concerning FTAs is essential to promote their further use.

Utilization of major FTAs Japan has concluded (exports)



Note: The number of firms is the number of firms that are exporting from Japan to respective countries or importing into Japan from respective countries. Large means large corporations, while Small means small and medium-sized firms.
Source: FY2011 Survey on the International Operations of Japanese Firms (JETRO).

Reasons small and medium-sized firms are not utilizing preferential FTA tariff rates in exports

Item	%	
Not aware of FTA/EPA systems or procedures	29.9	
Other (Free description)	Exports are direct exports via third parties such as trading firms	19.1
	No requests from importers, outside own business operations	
	Export volumes or export amounts are small	
	Procedures are cumbersome, costs are high	
See little merit in utilizing FTAs as the difference between base tariff rates and FTA preferential tariff rates is minimal in export destination countries	16.3	

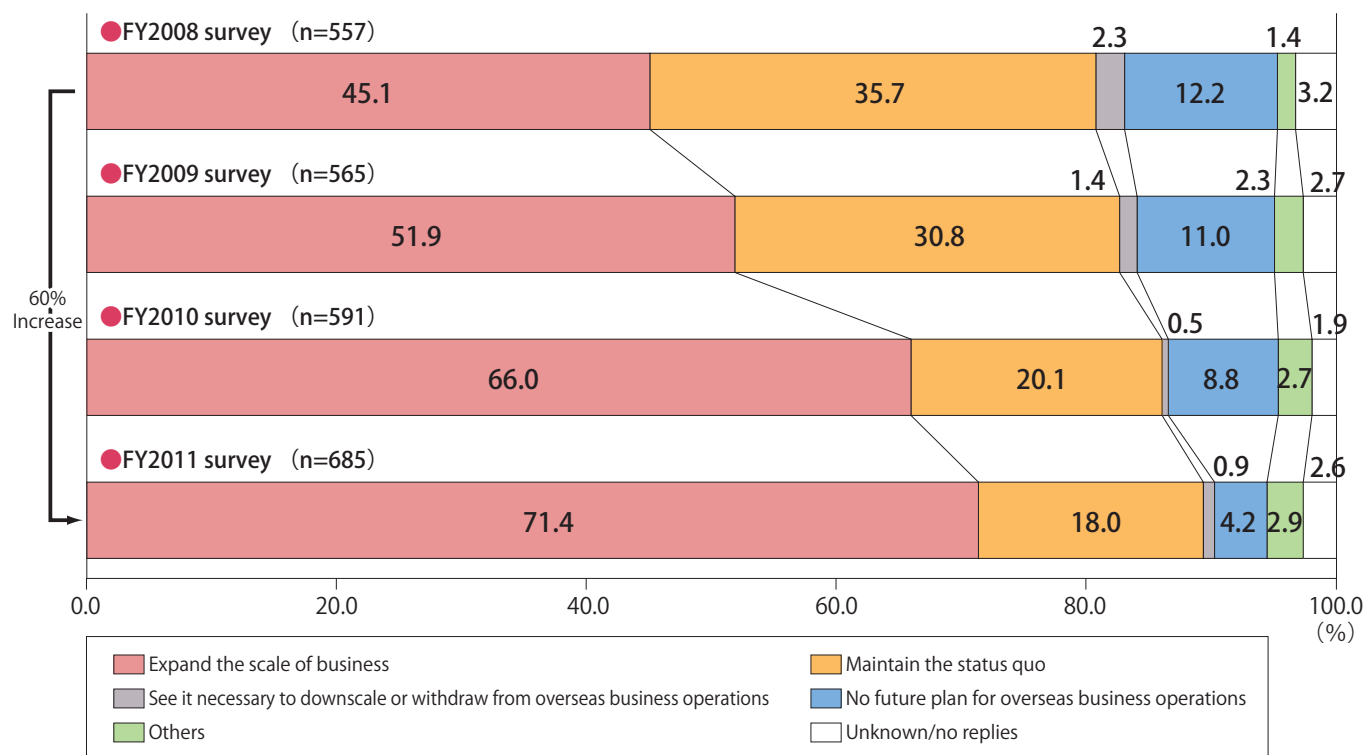
Note: The tallying was limited to small and medium-sized firms (Parameter: 498 firms).
Source: FY2011 Survey on the International Operations of Japanese Firms (JETRO).



8. SMEs accelerating overseas business development

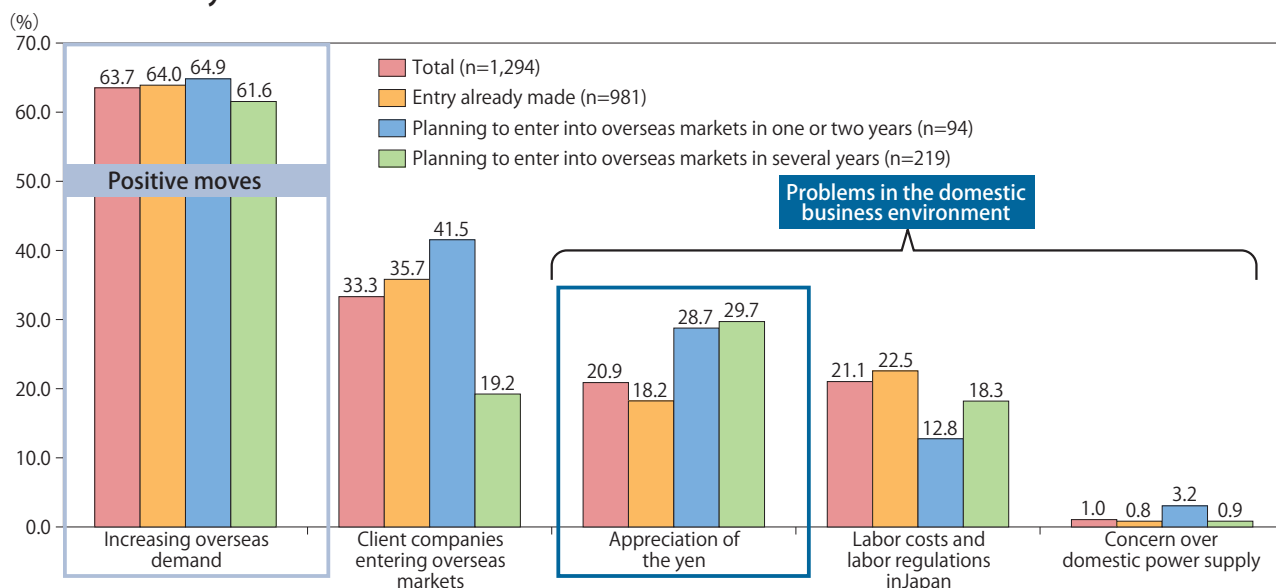
◆ Japanese SMEs have become increasingly eager to advance abroad. According to a JETRO survey, the number of respondent SMEs which replied that they will expand their overseas operations has increased by some 60% compared to the previous survey conducted three years earlier. Behind this trend is an increasing number of firms hoping to harness demand in foreign markets.

Plans of SMEs for overseas business operations in the future (the coming three years or so)



Source: "FY2011 Survey on the International Operations of Japanese Firms" (JETRO).

Reasons cited by SMEs for advances into overseas markets



Notes: (1) The parameter (n) excludes firms that gave no reasons for their moves into overseas markets from firms that already advanced into or are planning to advance into and considering advancing into, overseas markets.

(2) Multiple answers were allowed for each item.

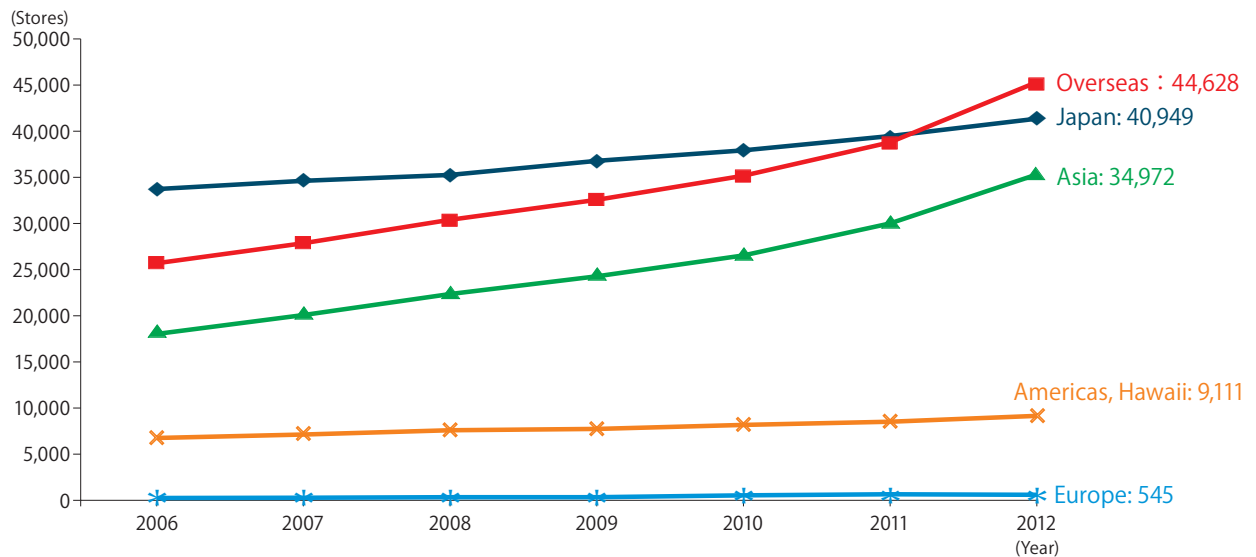
Source: "FY2011 Survey on the International Operations of Japanese Firms" (JETRO).

9. Overseas business development of the Japanese service sector & export promotion of agricultural, forestry and fishery products and foodstuff

«Overseas business development of the Japanese service sector»

- ◆ The overseas business development of Japanese retailers and other firms engaged in business-to-customer services has been gaining momentum. The number of overseas shops run by major Japanese convenience stores has exceeded that in Japan. The total number of shops in other Asian countries alone has also drawn close to the domestic figure.
- ◆ In addition to major companies, leading medium-sized companies and SMEs under various categories, including retailers, restaurants and beauty support services, have also expanded business abroad. China is the most popular destination, with the US ranking second followed by other Asian countries such as Singapore and Taiwan. Half the Japanese companies which have launched business in China have located their bases in Shanghai.

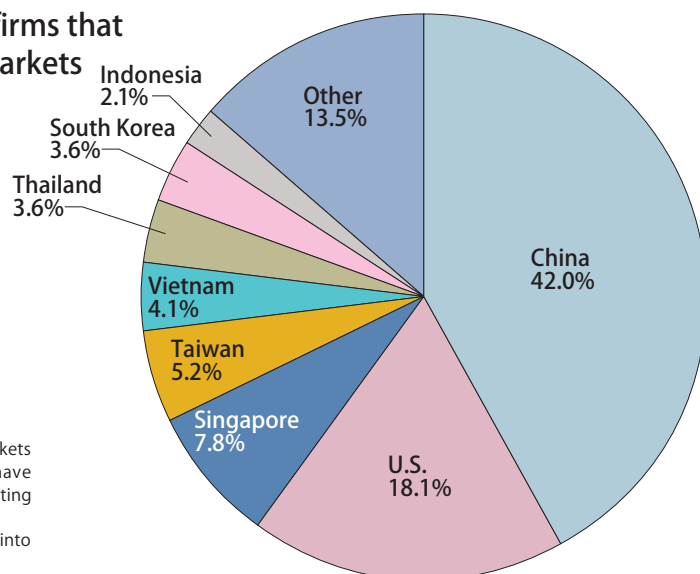
Number of Japanese convenience stores in Japan and overseas



Notes: (1) The sum of Seven-Eleven, Lawson, Family Mart, CircleK Sunkus, Mini stop, as of February each year.
 (2) "Overseas" includes stores licensed by U.S. affiliates of Seven & I Holdings Co.

Source: Summary of financial statements of each company.

Locations of subsidiaries of services firms that have already moved into overseas markets



Note: Services firms that have already moved into overseas markets are firms out of those responding to the JETRO survey that have established one or more subsidiaries overseas and are still operating there (n=160 firms).

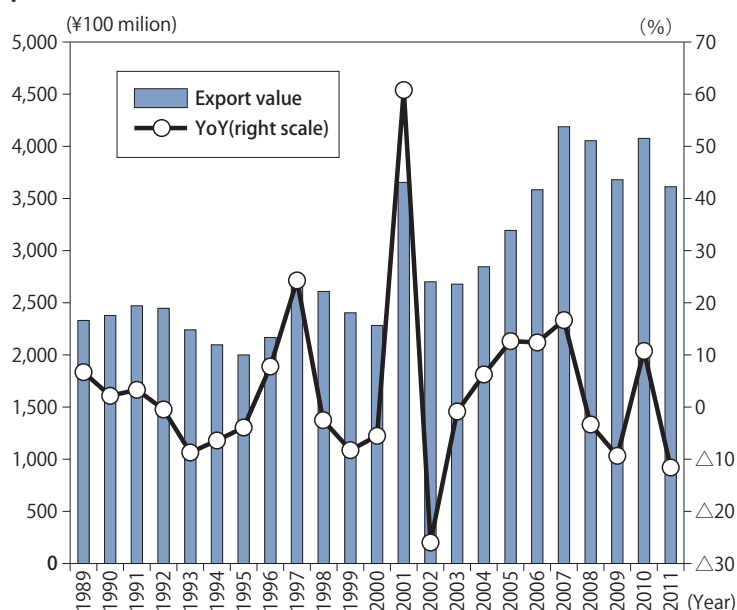
Source: "Questionnaire Survey on Needs for Support for Entries into Overseas Markets by Services Industry Firms", JETRO (FY2011).

9. Overseas business development of the Japanese service sector & export promotion of agricultural, forestry and fishery products and foodstuff

«Trends in exports of agricultural, forestry and fishery products and foodstuff»

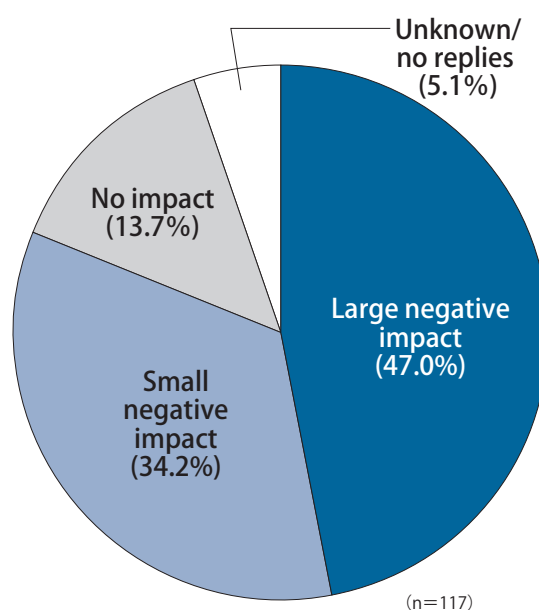
- ◆ Japan's exports of agricultural, forestry and fishery products and foodstuff in 2011 decreased by 11.6% compared to a year earlier. Import controls against Japanese foodstuff imposed around the world following the nuclear accident, as well as the historical appreciation of the yen, have played a large role in this. Even in the face of economic headwinds, however, many SMEs are continuing to make efforts to exploit overseas markets, utilizing opportunities such as trade fairs and exhibitions abroad.
- ◆ JETRO continues to be actively engaged in promoting the export of these products and in June 2012 the organization made a policy proposal regarding this area to the Government of Japan.

Japan's exports of agricultural and fishery products and food



Note: Agricultural, forestry and fisheries products/food: The sum of items "Foodstuffs and Animals" and "Beverages and Tobacco"
Source: Ministry of Finance, "Trade Statistics"

The stronger yen's impact on agricultural and fishery products and food exports



Source: "FY2011 Questionnaire Survey on Exports of Agricultural, Forestry and Fisheries Products and Food" (JETRO).

Policy proposals to relevant government ministries on exports of agricultural, forestry and fishery products and food

- Proposal 1: Continuous efforts to urge other countries/regions towards the early removal of import restrictions related to the nuclear power plant accident**
(Number of countries/regions implementing restrictions: 42 as of November 2012 decreased from 51 immediate after the accident)
- Proposal 2: Measures to deal with food safety restrictions by individual countries**
- Proposal 3: Promotion of talks on the quarantine of animals and plants**
- Proposal 4: Development of a system for intellectual property protection**
- Proposal 5: Strategic responses to logistics**

Source: JETRO Task force for agricultural, forestry, marine product and food export promotion

10. Efforts towards securing and fostering SME global human resources

- ◆ With the growing importance of the overseas market, SMEs are increasingly having to expand into other countries adapting to various local environments. These SMEs, however, often lack the global human resources necessary to do this.
- ◆ In addition to foreign language ability, there are three core competencies required of global human resources: 1) the ability to take decisive action, 2) the ability to effectively convey oneself, and 3) the ability to succeed in a multicultural environment.
- ◆ Large Japanese corporations are able to secure and foster global human resources through regular fulltime employment of foreign workers, sending young workers still new to their respective fields abroad and conducting overseas executive training programs.
- ◆ SMEs, however, find it much harder to take such measures and are hesitant to launch business operations overseas without such personnel. In spite of this, there are some SMEs making efforts to expand abroad by independently securing the necessary human resources such as by utilizing foreign students in Japan, former-trainees who completed special training courses for foreigners in Japan, Japanese with volunteer work experience overseas, or retirees.
- ◆ To secure and foster global human resources, the Government of Japan and related organizations have begun support efforts such as overseas internship programs. For Japanese SMEs to develop business closely involved with global markets from this time forward, they should focus their energy on “hito-zukuri (building people)” in addition to “mono-zukuri (manufacturing products)”.

Support measures and tools for securing and fostering global human resources

● Overseas internship programs targeting young business people

e.g., the METI Global Internship Program (implemented by HIDA: the Overseas Human Resources and Industry Development Association and JETRO); Osaka Prefecture’s internship program

● Learning courses and seminars on overseas businesses

e.g., JETRO’s e-learning courses and seminars on the trade business, workshops on international business

● Training courses for human resources abroad

e.g., Training courses in Japan for overseas engineers (HIDA)

● Support for global human resource development of the private sector

Original training programs and projects organized by specialized organizations and universities with proven know-how on overseas dispatch of personnel and other personnel training.

e.g., Accepting business people as overseas volunteers (JICA: Japan International Cooperation Agency), programs by APU: Ritsumeikan Asia Pacific University

Global Network

For contact information please visit <http://www.jetro.go.jp/en/jetro/worldwide>



About JETRO

- **Name:** Japan External Trade Organization (JETRO)
- **Representative:** Hiroyuki Ishige, Chairman and CEO
- **Address:** ARK Mori Building 6F, 12-32 Akasaka 1-chome, Minato-ku, Tokyo 107-6006, Japan
Phone: +81-3-3582-5511 (general inquiries)
- **website:** <http://www.jetro.go.jp>
- **Offices:** **In Japan:** JETRO Headquarters, Tokyo; JETRO Osaka; Institute of Developing Economies (IDE) and 36 regional offices
Overseas: 73 offices in 55 countries



JETRO

Japan External Trade Organization

● For more information, please contact: ●

Japan External Trade Organization
International Economic Research Division
Overseas Research Department

ORI@jetro.go.jp