

Japanese Investment in CE-SEE and JETRO's Activities in the CE-SEE

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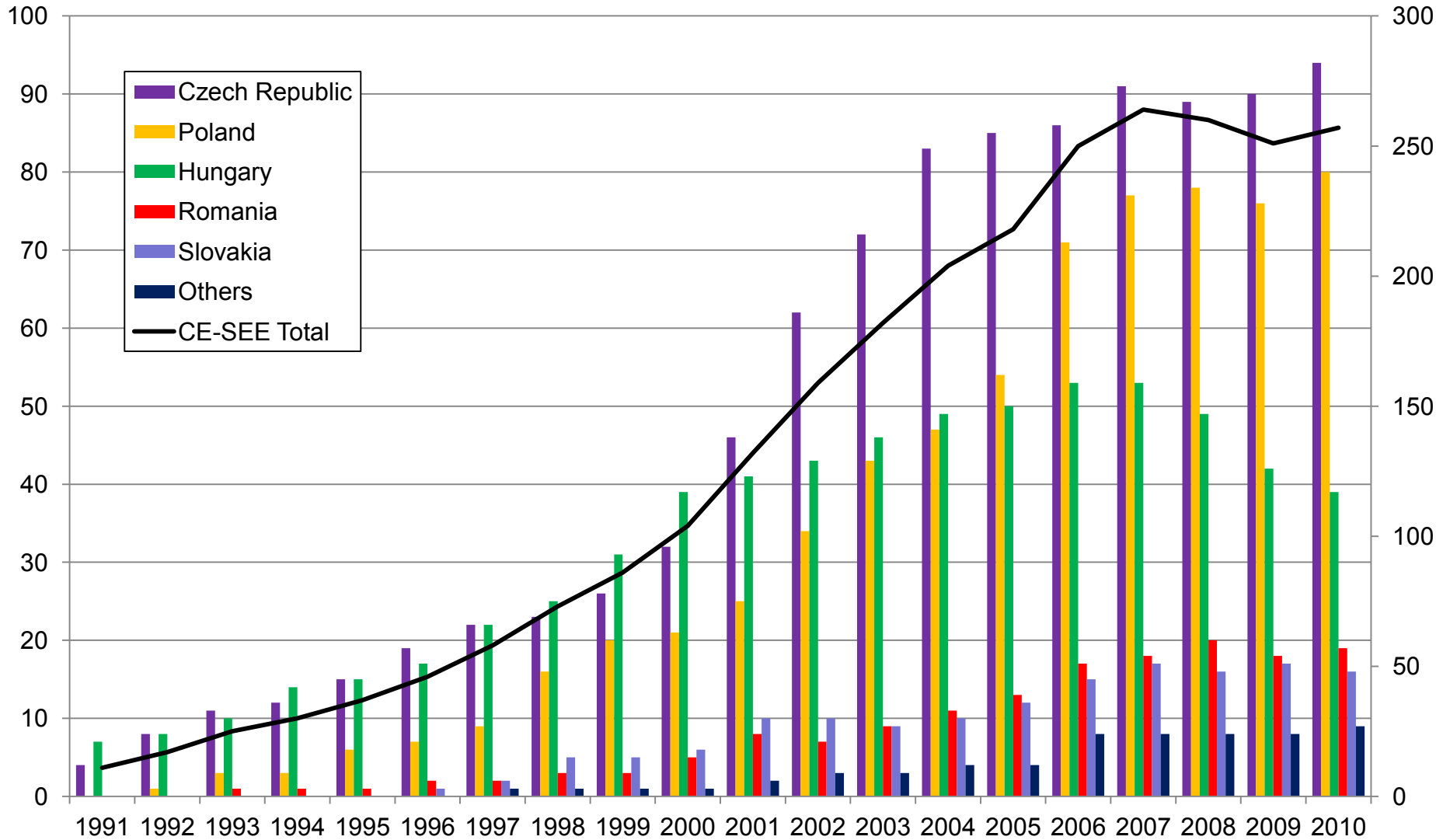


I. Japanese Investment in CE-SEE

- **Japanese business in CE-SEE**
- **Characteristics of Japanese Investments in CE-SEE**
- **Japanese Business in SEE**
- **Trade between Japan & Slovenia**

II. JETRO's activities in the CE-SEE

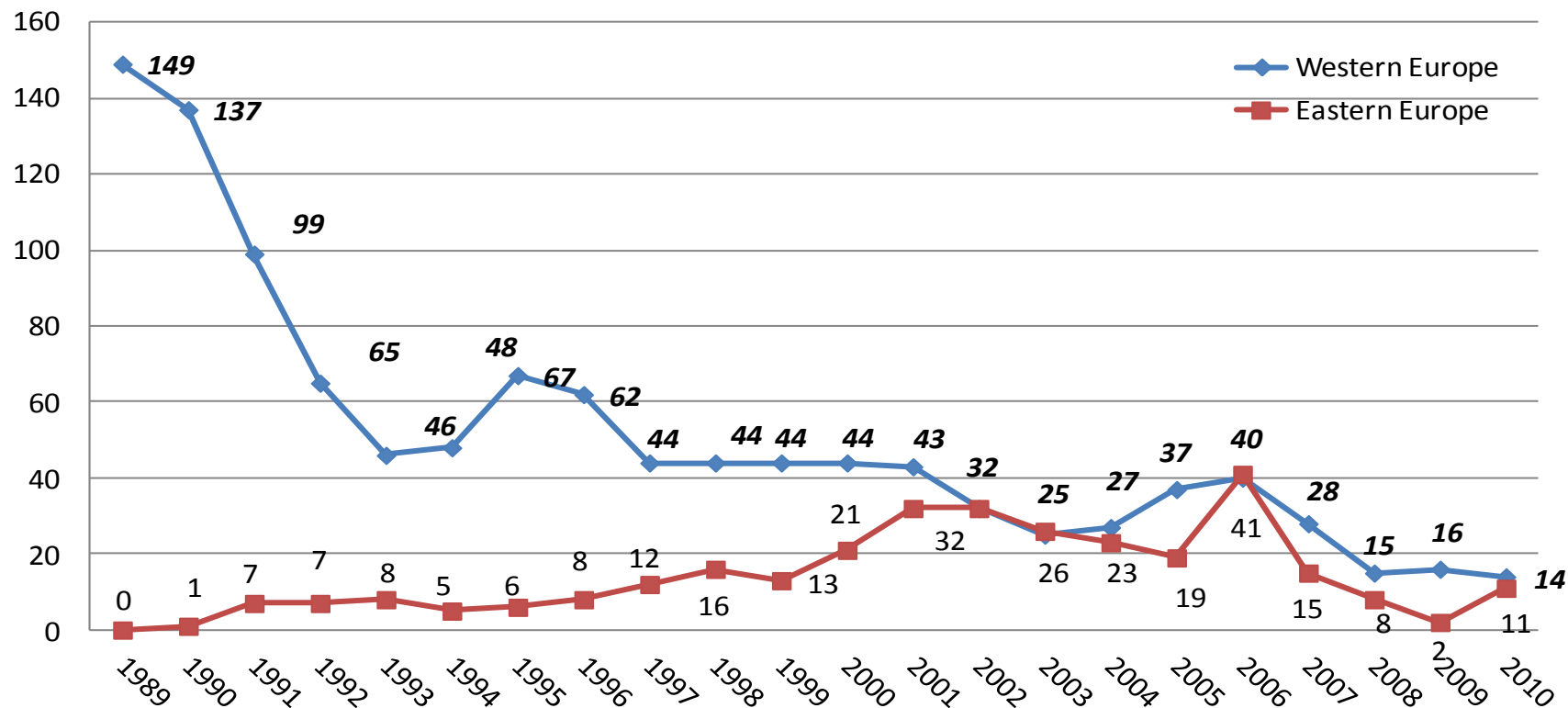
- **Introduction of JETRO**
- **JETRO's activities for promoting business**



Unit: Number of manufacturing facilities

(Source) Japanese Manufacturing Affiliates in Europe and Turkey – 2011 Survey (JETRO, March 2012)

Establishment of Japanese Manufacturing Bases

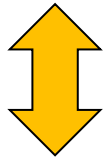


Western Europe: UK, France, Germany, Netherland, Belgium, Luxemburg, Ireland, Spain, Italy, Finland, Sweden, Denmark, Austria, Portugal, Switzerland, Greece

Eastern Europe: Poland, Czech, Slovakia, Hungary, Romania, Lithuania, Serbia, Montenegro, Bosnia & Herzegovina, Bulgaria, Slovenia

(Source) Japanese Manufacturing Affiliates in Europe and Turkey (JETRO)

◆ Considerable investments in the CEE countries



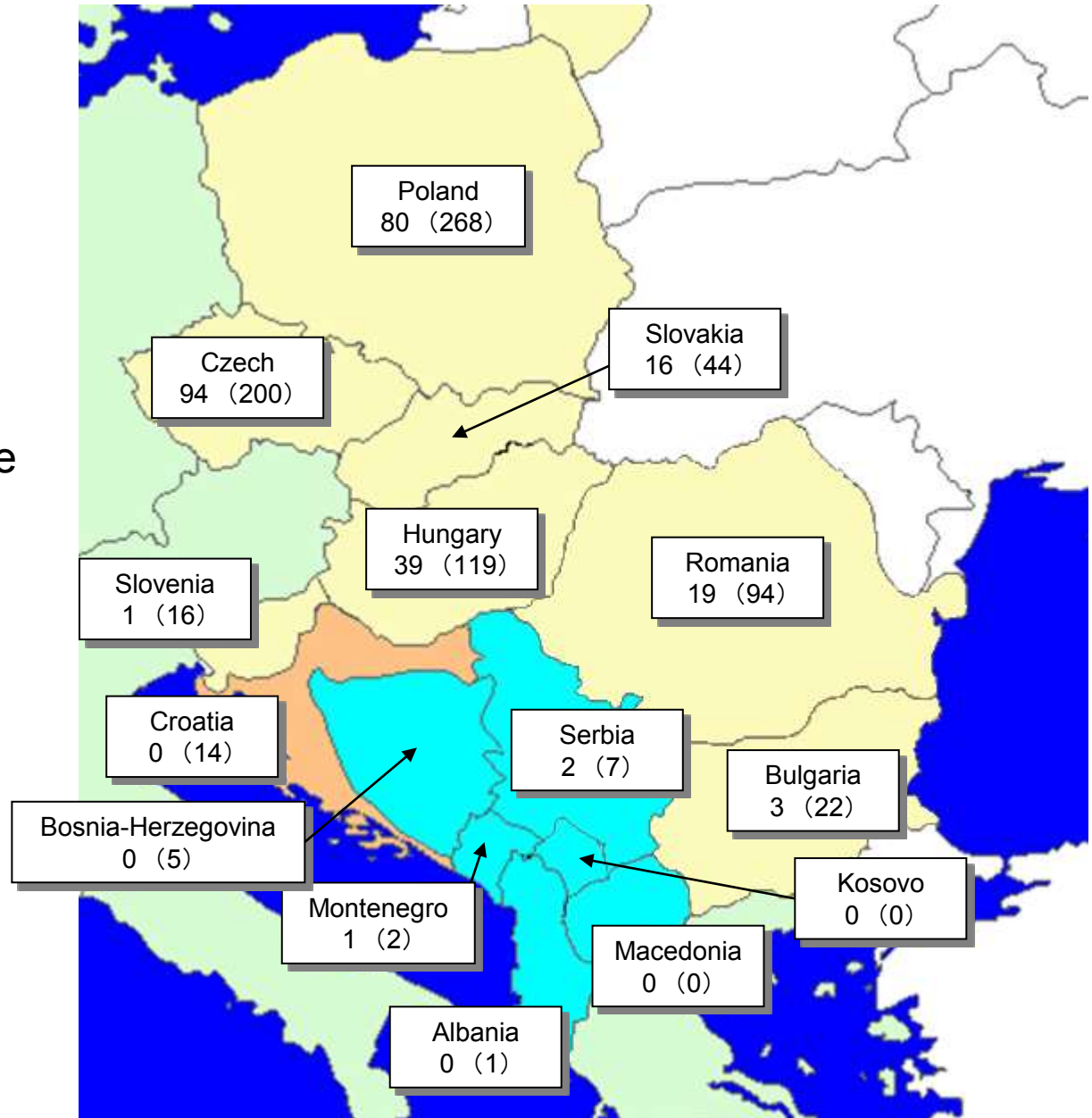
◆ Small investments in the SEE countries

| Country | Manufacturers (including non-manufacturers) |
|---------|---|
|---------|---|

Manufacturers: Companies with 10% or more direct/indirect Japanese ownership

As of the end of 2010

(Figures as reported by JETRO offices and Japanese embassies)



Production Bases for the European Market

- ◆ Japanese companies chose the CE-SEE region as production base for the entire European market.
- ◆ Most investments in three countries in the region (PL, CZ, HU).

Driving Forces:

- Relatively inexpensive but qualified labor forces in the region
- Progress of European integration
- Free Trade Zone within the EU
High Tariff against the imports from outside EU
Rapid improvement of infrastructure

Production Bases for the European Market

- ◆ Patterns of Japanese OEM with regards to setting up new plants in CE-SEE:
 - Entirely new investment / Relocation of plants from Western Europe
 - Once a OEM has set up a production base, lower-tier parts suppliers follow.

- ◆ Under the recent economic situations, some Japanese companies closed/sold their facilities.
 - Their suppliers had to find new customers.
 - Shift from green field to brown field.

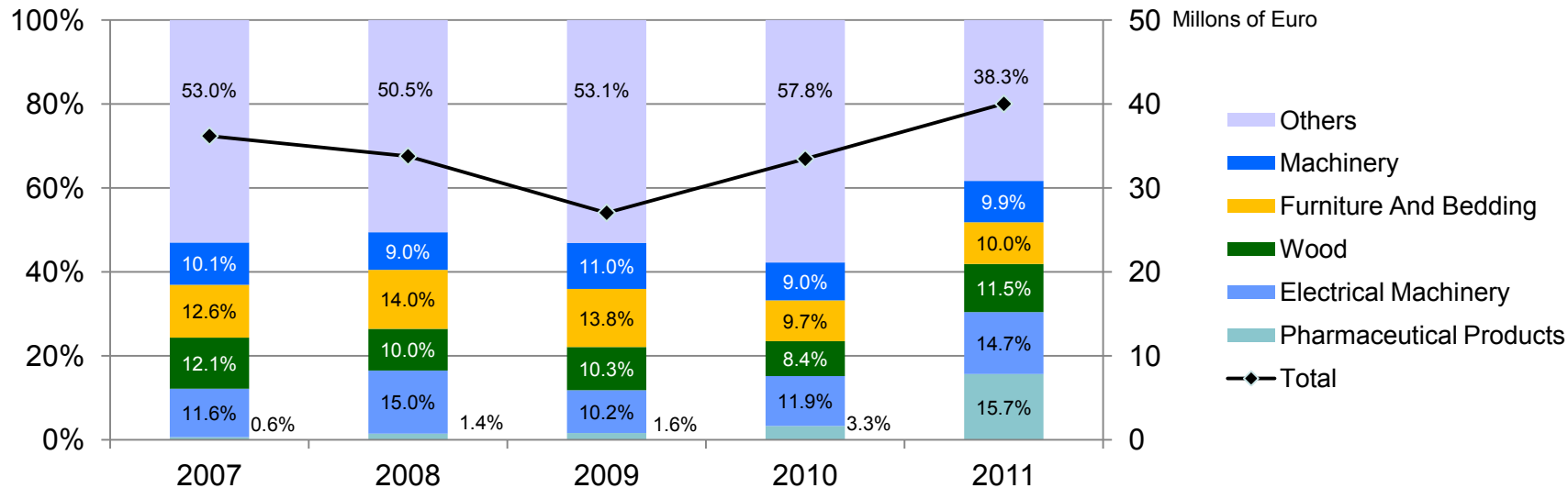
Relatively Small Investment in SEE

- ◆ Contrary to considerable investments in CEE countries, Japanese investments in the SEE are relatively small.
- ◆ Among the SEE countries, the biggest single economy, Romania, so far has attracted most Japanese investments.
- ◆ Only few Japanese investments in the Western Balkans so far.

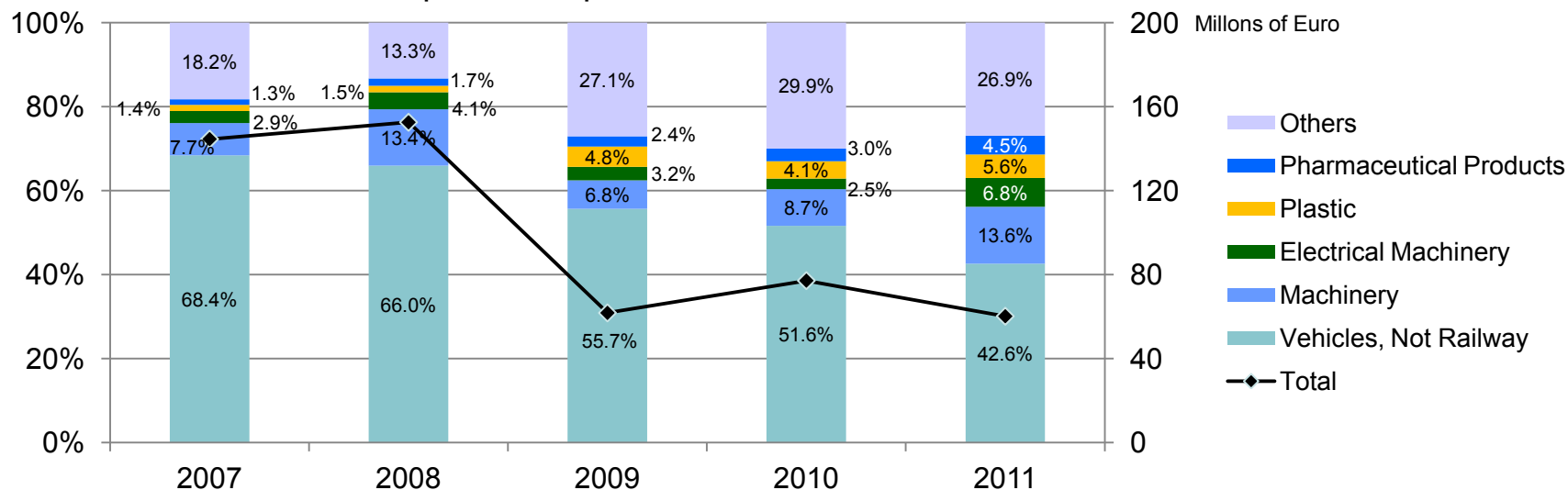
Possible Reasons:

- Lost 1990's
- SEE is perceived to be “**distant**”:
Physically & Psychologically
- Little information on the region:
Japan has had few historical contacts with SEE.

Japanese Imports from Slovenia



Japanese Exports to Slovenia



Japan Opens "3 Windows" to the World

1st Window: Innovation Hub

- ◆ Japan boasts large numbers of leading global companies and SMEs with proprietary technologies which support global firms.
- ◆ Japanese firms rank high for the number of international patent applications (PCT applications). Japan comes top for the number of environment-related patent application publications.
- ◆ With their high level technologies and R&D capabilities, Japanese firms create diverse added-values and intellectual properties.

On October 21, 2010, the 4th runway and an international terminal opened. Flights to 11 countries and regions (17 cities) are planned.

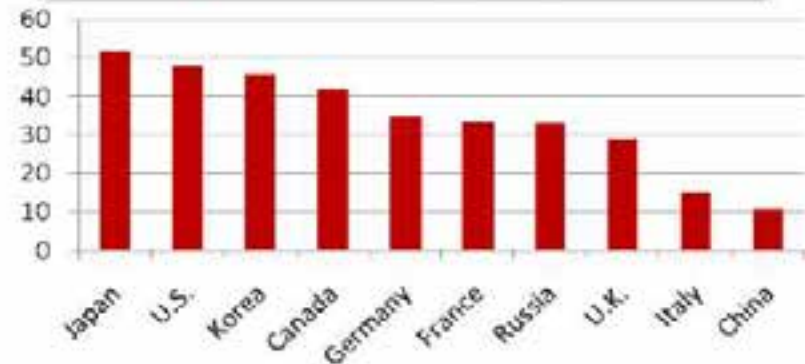


Provided by: Tokyo International Air Terminal Corporation

3rd Window: Trendsetter

- ◆ Japan is one of the world's largest economies. The economic size of each region within Japan can be compared to one country's economy.
- ◆ Japan offers a market for test marketing before entering Asian markets. It is also a country with "soft power," which sets trends.
- ◆ Sectors with large growth potential exist including health and tourism markets.

Number of Researchers per 10,000 People



Source: Ministry of Internal Affairs and Communications, "The Results of 2009 Survey on Science and Technology Research (Summary)"

2nd Window: Business Platform

- ◆ Japan plays an important role as a "bridge nation" connecting Asia and the world which contributes to Asia's growth.
- ◆ Japan has some of the best infrastructure in terms of advanced infrastructure (ICT infrastructure) as well as basic infrastructure (electricity, gas and water).
- ◆ Japan promises a safe, secure and comfortable living environment.



A show held at Japan Fashion Week

(C) Japan Fashion Week Organization



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II. JETRO's activities in the CE-SEE

- Introduction of JETRO
- JETRO's activities for promoting business

Japan **E**xternal **T**Rade **O**rganization

- ❑ Semi-governmental organization* to promote mutual trade and investment between Japan and the rest of the world
- ❑ Established in 1958
- ❑ Budget: 31B JPY / 282M Euro (FY2011)
- ❑ Employees: 1,553 (as of Apr. 2012)
- ❑ Overseas offices: 73 offices in 55 countries
- ❑ Regional offices: 36 offices in Japan



* *Independent Administrative Institution (IAI)*, funded by the Japanese government

- ✓ **Worldwide network:**
73 offices in 55 countries
- ✓ **Domestic network:**
36 regional offices in Japan
- ✓ **Neutral position:**
Non profit, Semi-Governmental
- ✓ **Reliable relationship with foreign governments**

■ Encouraging Japanese and foreign companies' business by

➤ Introducing foreign companies with high competitive products/services and technologies (Invest Japan)

Programs: Incubation facilities, Seminars/Conferences, Company visits

➤ Business matching with foreign companies

Programs: Trade Tie-up Promotion Program (TTPP), Trade Fairs, Business matching events

➤ Supporting Japanese companies' activities in foreign countries

Programs: Seminar, Business Delegation, Parts Procurement Event, Daily News & Publications, Individual Consultations

- ✓ ***JETRO supports over 1,000 companies every year***
- ✓ ***Over 100 success stories every year***
- ✓ ***Recent success stories;***
 - **Red Bull (Austria)**
 - **H&M (Hennes & Mauritz) (Sweden)**
 - **Instar ITS Japan, Inc. (Czech)**
 - **Japan Harmony Resort (Australia)**

□ Seminar / Conference

- **JETRO organizes many seminars and conferences about business environment in Japan**
 - ◆ JETRO Tokyo organizes two big conferences about Invest Japan, one in the U.S. and one in Europe (France, Germany, U.K.).
- **Overseas offices also organize various seminars**
 - ◆ *The EU-Japan Business Seminar - Future visions of EU-Japan partnerships for economic growth* (Mar. 2012, Brussels)
 - ◆ *Seminar on Japanese Coal Thermal Power Generation Technology* (Mar. 2012, Belgrade)
 - ◆ etc.

□ **Invest Japan Business Support Centers (IBSC)**

➤ **JETRO operates Invest Japan Business Support Centers to provide one-stop support and service**

- ◆ Six IBSCs across Japan (*Tokyo, Yokohama, Nagoya, Osaka, Kobe, and Fukuoka*)
- ◆ Incubation facilities with free temporary office spaces (up to 50 business days)
- ◆ Well-stocked library / Exhibition space and auditorium

➤ **Consulting services with expert advisors**

- ◆ Marketing
- ◆ Laws and regulations
- ◆ National and local government Incentives
- ◆ Cost simulation
- ◆ Incorporation procedures
- ◆ Employment and labor issues

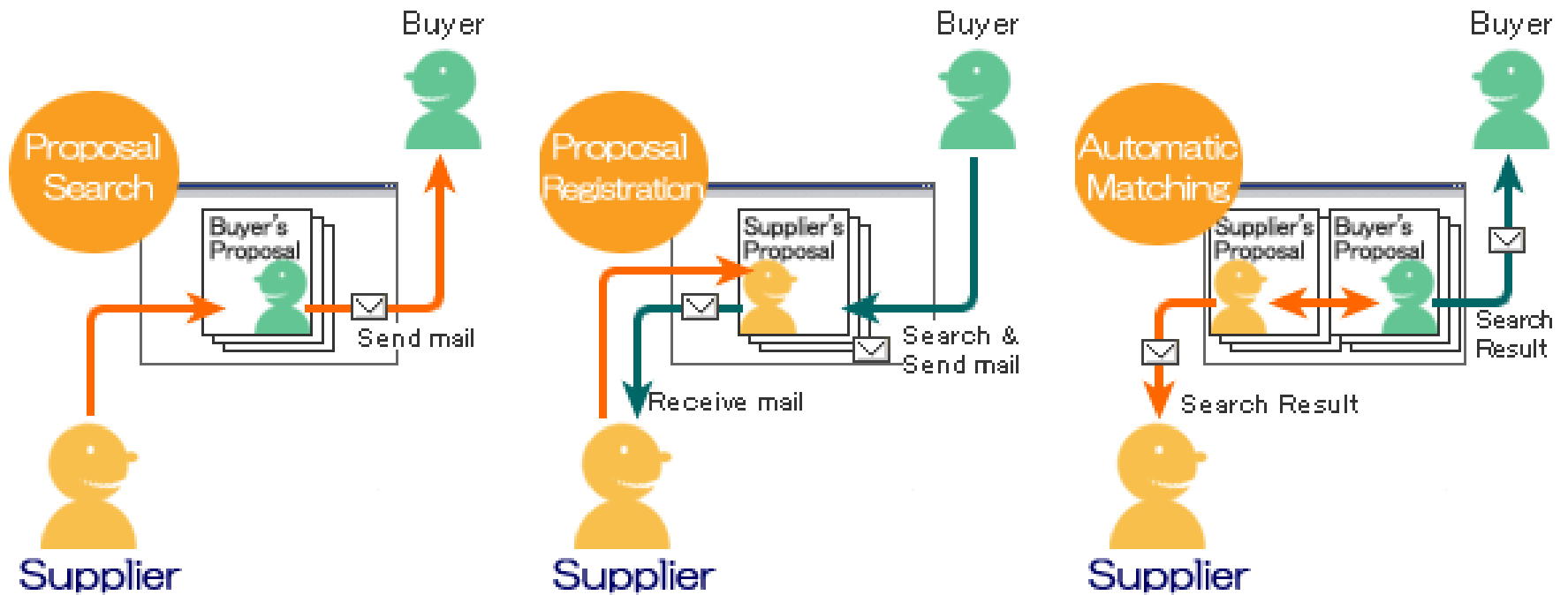


□ **TTPP (Trade Tie-up Promotion Program)**

- **Browse through business proposals from around the world in English and Japanese**
 - ◆ Over 20,000 business proposals in various areas over the world.
 - ◆ All the TTPP services are free of charge, including translation of proposals into Japanese.
- **Transmit customers business proposal information to the world**
 - ◆ The registered business proposals are posted on both the English and Japanese web pages.
- **TTPP automatic search and e-mail notification functions for business proposal matching**
 - ◆ The TTPP's automatic matching function will automatically conduct a search and notify customer of the latest proposals with conditions corresponding to customer's needs.

The TTPP offers several ways to match business partners

Over 20,000 Proposals



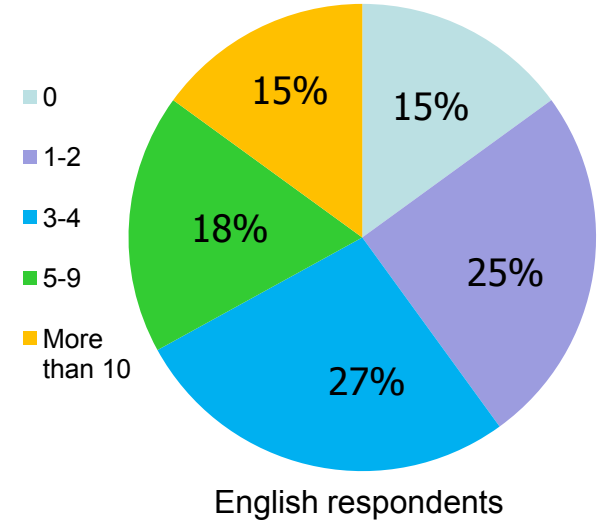
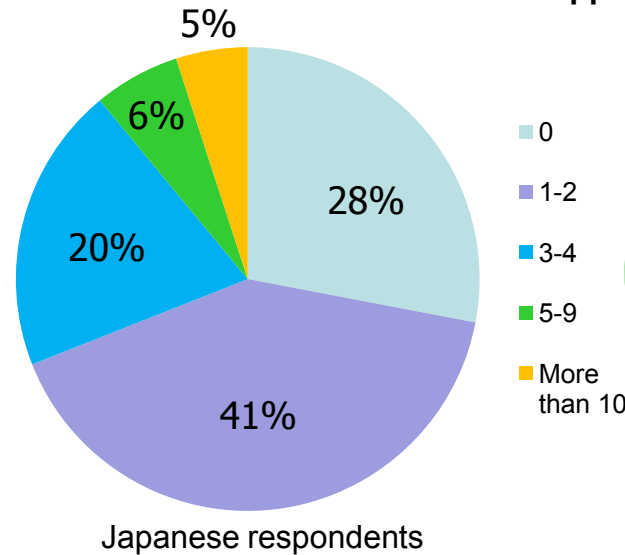
<http://www.jetro.go.jp/ttppoas/>

TPP Customer survey in 2011

◆ Business talk opportunities

- **70%** of Japanese respondents had one or more business talk opportunities (**20%** had 3 ~ 4).
- **85%** of English respondents said they had one or more business talk opportunities, and nearly **20%** had 5 ~ 9 opportunities and more than 10 opportunities respectively.

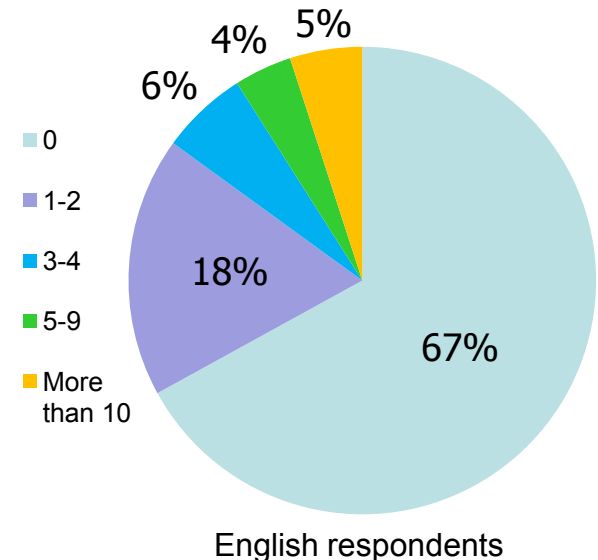
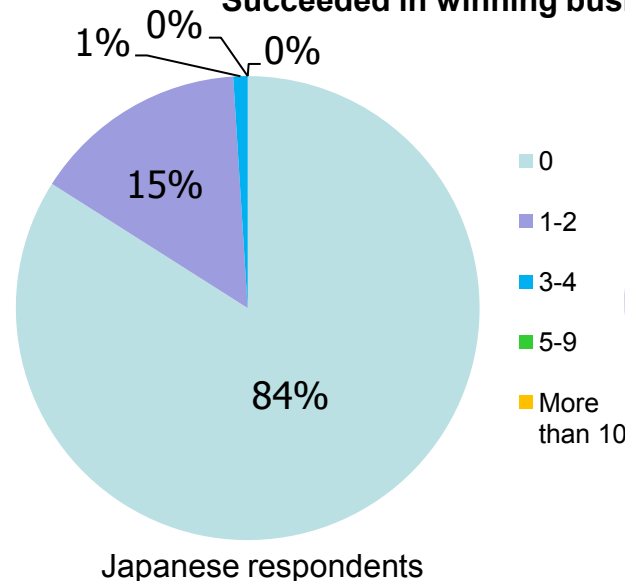
Business talk opportunities



◆ Succeeded in winning business contracts

- **16%** of Japanese respondents had succeeded in winning business contracts.
- **33%** of English respondents won one or more contracts. Of the total, respondents who got 1 ~ 2 contracts amounted to **18%**. About **5%** fell within a range of "3 ~ 4," "5 ~ 9" and "more than 10" contracts.

Succeeded in winning business contracts



Cumulative Japanese respondents = 940
Cumulative English respondents = 355

□ Trade Fairs

➤ Organizing JETRO booth in well-known exhibitions in the world

- ◆ SMEs can exhibit their products with lower price in the major exhibitions.
- ◆ Focusing on the fields of Machinery , Food (Japanese foods), Contents (*Manga*, Movie, etc.), Traditional Crafts, Environment, Health Industry.

➤ JETRO operates extensive trade fair database (J-messe) that offers comprehensive information on fairs and exhibitions held in Japan and in the world

- ◆ Users can search by industry, location and date.
- ◆ Any organizer can register their trade fair on the web-site.



<http://www.jetro.go.jp/en/database/j-messe/>

□ *Buyer Invitation Program*

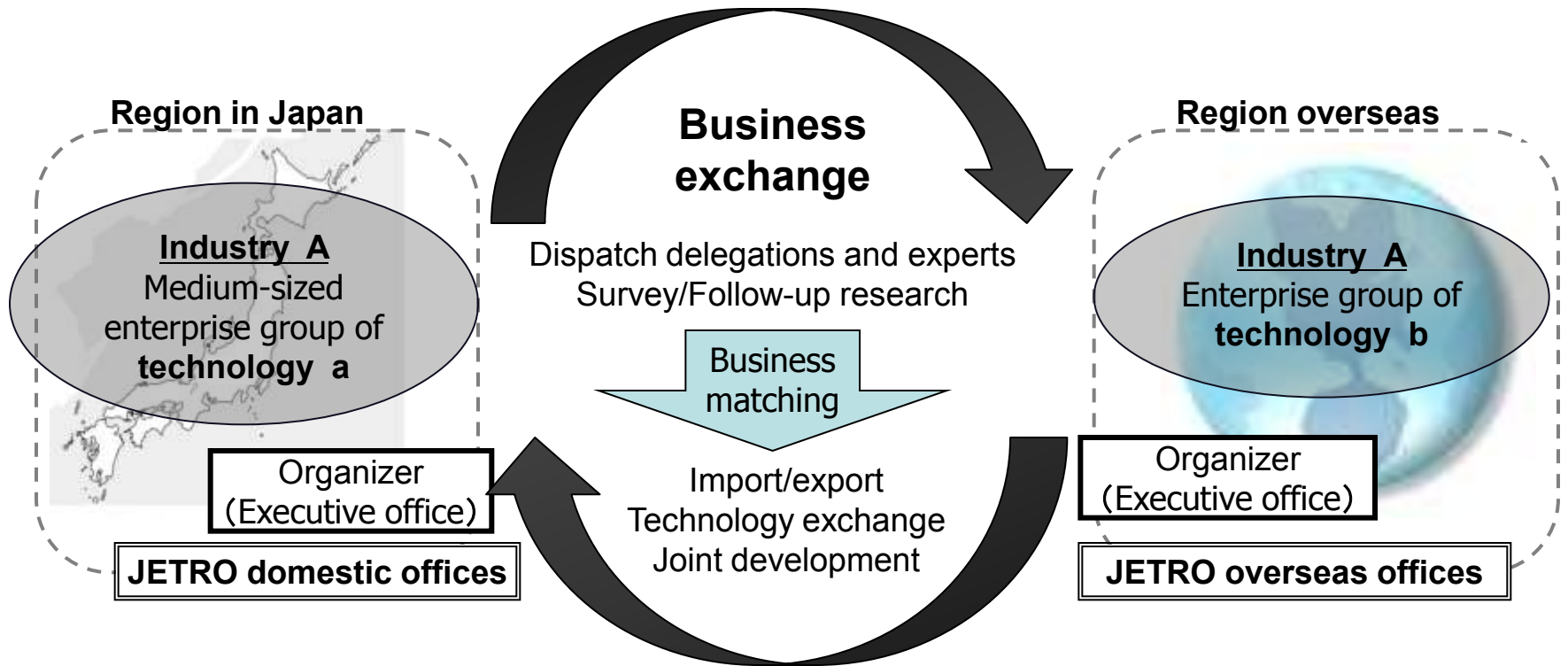
- **Invites foreign buyers and organizes B to B meetings with Japanese manufacturers / producers**
- **Provides opportunities to visit trade fairs, regions and cities in Japan**
 - ◆ Target: representatives in charge of overseas procurement
 - ◆ Type of industry: environmental and energy sector, mechanical components, food, content license etc.
 - ◆ JETRO covers expenses of : Flight to /from Japan, Accommodation in Japan, Interpreter, Travel insurance



□ ***Regional Industry Tie-up (RIT) Program***

➤ **Promotes business interaction of SMEs between industry clusters in Japan and foreign countries**

- ◆ The RIT program assists industry organizations to build relationships with foreign counterparts. The relationship allows companies to meet and start business together.
- ◆ Local business/industry organizations that represent the industry in the region can participate the program. (Individual companies cannot apply for the program.)
- ◆ The RIT program provides varying levels of support and assistance for one to three years;
 - Dispatching an expert from a foreign region to Japan
 - A delegation from a Japanese region visiting a foreign region
 - A delegation from a foreign region visiting a Japanese region
- ◆ JETRO provides the cost to survey the industry and potential companies of the target country, and the cost to send an expert to conduct a field survey.



Enterprise group: Local business/industry organizations, including regional business/industry associations, conferences of interested parties, study groups, chambers of commerce and industry, regional governments, as well as a consortium of these bodies

□ ***Seminars***

- **About business environment of new markets, law and regulations of foreign countries, business trends**

□ ***Business delegations***

- **Mainly to new markets (e.g. BRICs, CEE and SEE)**

□ ***Parts procurement event***

- **Japanese manufacturers exhibit what items they needs, and local suppliers come to the event and discuss with the Japanese exhibitors about the business**

□ **Regional center function in CEE and SEE:**

- *Covering Austria, Slovenia, Slovakia, Bulgaria, Croatia, Serbia, Bosnia and Herzegovina, Montenegro, Macedonia, Kosovo and Albania*
- *Observing situation in Poland, Czech Republic, Hungary and Romania in which JETRO offices exist*

□ **Encouraging CEE and SEE companies' investment in Japan**

□ **Supporting Japanese companies to expand their business in CEE and SEE**

- *Seminar on Business Environment in CEE and SEE (Nov. 2012, Vienna; Sep. 2012, Düsseldorf, Feb. 2011, Tokyo)*
- *Business Delegation in SEE (Nov. 2009, Serbia; 2006, Bulgaria etc.)*
- *Briefing*

□ Various information for doing business with Japan are available on our websites

- www.jetro.go.jp JETRO's events
- www.jetro.go.jp/en/invest/ Portal for investing in Japan
- www.jetro.go.jp/ttppoas/ Finding business partners
- www.jetro.go.jp/austria/ JETRO's events in Austria and CEE-SEE

***We welcome any questions about
business with Japan!***

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Thank you!