

## JFTC News

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## Address by Nobuo Katsumata at the Reception to Mark the Inauguration of the New JFTC Chairman

**Nobuo Katsumata**  
**Chairman, Japan Foreign Trade Council, Inc.**  
**Chairman, Member of the Board,**  
**Marubeni Corporation**

First, let me thank all of you for taking time out from your busy schedules to attend this reception.



Before I get into the body of my inaugural address, I want to convey my deepest sympathies to the people of Myanmar and China in the wake of the terrible disasters that have struck those countries and express my fervent hopes for a speedy recovery in the stricken areas.

In the General Assembly held earlier, thanks to the recommendations of former Chairman Sasaki and others, it was decided that I would assume chairmanship of the Japan Foreign Trade Council

(JFTC), an organization with a proud 60-year history. I consider this a very great honor.

On the occasion of my installation as chairman, I would like to begin by expressing my deep respect and admiration for the accomplishments of former Chairman Sasaki, who has done so much to advance the development and prestige of the JFTC.

The four-year tenure of Chairman Sasaki, it is fair to say, has witnessed the rebirth of the Japanese trading companies (Shosha).

Against this background, former Chairman Sasaki has built up the JFTC's role in promoting policies oriented to enhancing the business environment, and has established a number of key footholds under the motto "Global Frontier."

More specifically, thanks to our proactive policy proposals, the Japanese government's approach to free trade agreements and economic partnerships has broadened dramatically, shifting from a focus on bilateral pacts to a push for regional frameworks. This shift has given us reason to look forward to a new expansion of global business activity.

With regard to the standardization and computerization of internal and external trade procedures, something the JFTC has advocated for many years, he took part in the government's Asian Gateway Initiative and made an important

contribution to the institution of a program for reforming trade procedures.

Former Chairman Sasaki also worked tirelessly calling for conclusion of more international social security agreements, and with the passage of a comprehensive domestic law to facilitate such agreements, we now have a much better foundation for encouraging human exchange across national borders.

In addition, he presided over the compilation of our medium-term vision statement "Toward a New Trading Nation," which elaborates on the idea that trade and investment are equally important and virtually inseparable. This can be considered a summation of former Chairman Sasaki's policy-proposal efforts over a period of four years.

Meanwhile, our nonprofit Action for a Better International Community (ABIC) has grown into a more influential presence than ever, as I'm sure you are all aware.

With these achievements of former Chairman Sasaki's as a springboard, I am looking forward to guiding the council's activities under the new motto, "Building the Future, Connecting the World."

This motto sums up my vision of the role the JFTC has to play in realizing the goal of a new trading nation.

As information technology evolves and globalization progresses, Japan is being rapidly transformed by sweeping changes that are overthrowing our economic and social frameworks. As I see it, this era of change also offers a golden opportunity to build Japan into a new trading nation.

I believe that the JFTC should look on this as an opportunity to create the kind of business climate through mutual exchanges of people, goods, capital and information in which economic activity can expand globally, and should work actively to recommend policies to that end. At the same time, the shosha should look on it as a chance to

develop new business models, and rise boldly to the challenge.

I am convinced that together, the council's proposal activities and the shoshas' tireless efforts to meet new challenges can help build a solid future and foster deeper, more organic ties among the countries of the world. In this way, I would like the JFTC to contribute to the development of the Japanese economy and play a meaningful role in international economy and society in the years ahead.

This is the meaning of "Building the Future, Connecting the World," which defines the shape of the new trading nation toward which we aspire.

Now, let me to introduce you to the vice-chairmen who will be working with me in managing the council's operations.

- Shoei Utsuda, President & CEO of Mitsui & Co., Ltd.
- Eizo Kobayashi, President & CEO of ITOCHU Corporation
- Susumu Kato, President & CEO of Sumitomo Corporation
- Yutaka Kase, President & CEO of Sojitz Corporation
- Yorihiro Kojima, President & CEO of Mitsubishi Corporation
- Junzo Shimizu, President of Toyota Tsusho Corporation

We look forward to serving you under the council's new administrative regime.

Finally, I would like to stress how very much I am relying on the support and cooperation of all of you here as I begin my term as the new chairman of the Japan Foreign Trade Council.

Thank you.

## Reception to Introduce Nobuo Katsumata as the New JFTC Chairman

The JFTC held a reception to introduce its new chairman, Nobuo Katsumata, at the Ho-oh Banquet Room of the Hotel New Otani in Tokyo on May 30, 2008. Approximately 350 people from member companies and organizations, including government offices, foreign embassies, and chambers of commerce in Japan, attended.

Following opening addresses by JFTC Honorary Chairman Mikio Sasaki and Chairman Nobuo Katsumata, Liberal Democratic Party Acting Secretary-General Hiroyuki Hosoda, and New Komeito Chief Representative Akihiro Ota gave addresses as guest speakers. The reception opened with a toast by Kenyu Adachi, director-general of the Trade and Economic Cooperation Bureau of the Ministry of Economy, Trade and Industry. After the toast, participants enjoyed a time of informal conversation.



## Launch of the Special Research Committee on “Food Security in the Era of Soaring Resource Prices”

During FY2008, the JFTC will convene a Special Research Committee to address the theme “Food Security in the Era of Soaring Resource Prices.”

The sharp increases in resource and energy prices in recent years reflect the tight supply-demand structure under the continuing robust global demand for limited resources accompanying increasing population and the rapid economic growth of developing nations.

Food is no exception. For Japan, which depends on imports for much of its food, establishing a system to stably secure and supply food resources is becoming an important issue, especially now that it has become common for Japanese buyers to fail in efforts to buy food on international markets as they are outbid by buyers from other countries. The time has come for Japan to seriously examine and address “Food Security in the Era of Soaring Resource Prices.”

The Special Research Committee will gather Shoshas’ abundant knowledge and experience of the global market to (1) examine the current conditions of food problems and rising resource prices, (2) analyze future food supply and demand scenarios, (3) introduce examples and the potential of Shosha efforts to contribute to supply-demand stability, and (4) draft proposals on securing stable food supplies, and present measures for Japan to stably secure food as a resource.

- Composition of the Special Committee
  - (1) Committee members:
    - Member Shoshas (9 companies)

(2) Secretariat: Planning Group

- Activity Period

June 2008–July 2009

March 2009    Compile proposal

June 2009    Publish report

July 2009    Hold symposium

## The JFTC's Environmental Activities

### Masayoshi Amano Executive Managing Director, JFTC

Global warming and other environmental problems are urgent issues for all of us who live on earth. Shoshas are developing businesses in all possible fields, from daily living necessities to the most advanced science and technologies. Their business activities are not limited to the trading of physical goods, and include resource and energy development projects. Shoshas have a global perspective as well as abundant local know-how concerning regions throughout the world. Global environmental preservation must transcend national boundaries, and requires the cooperation of all nations. Taking advantage of their distinctive characteristics, Shoshas have addressed environmental issues from an early stage in regions across the world. Their environmental businesses include development of renewable energy, afforestation, recycling, and introduction of resource and energy efficient equipment.



The JFTC, whose leading members are Shoshas, recognizes the importance of environmental problems, and has been conducting diverse environmental activities for many years. The following outline introduces the environmental

activities of the JFTC.

### 1. Environmental Code of Conduct

In July 1999, the JFTC revised the former Code of Conduct for General Trading Companies and established the Shosha's Corporate Code of Conduct to confirm a common ideology and the mission of Shoshas in response to a drastically changing management environment. The Shosha's Corporate Code of Conduct stipulates response to environmental problems in its opening section "Management Philosophy."

To directly address environmental problems, the JFTC set up an action plan for foreign trade industries in November 1996, and established the Environmental Code of Conduct to advance that plan in February 2002.

As its basic philosophy, the Environmental Code of Conduct states that amid the growing importance of environmental issues, Shoshas will "make social contributions in a number of ways—specifically by making efforts to achieve sustainable development with the aim of harmonizing the maintenance of the earth's healthy environment and economic growth." As basic policies, the Environmental Code of Conduct stipulates the following seven items to be observed by Shoshas within Japan and overseas in providing diverse products and services, advancing resource and energy development, and carrying out business investment activities: (1) basic stance for management, (2) compliance with environment-related laws and regulations, (3) countermeasures against global warming, (4) contributions to the formation of a recycling-oriented society, (5) establishment of environment management systems, (6) consideration of the environment in overseas business development, and (7) social contributions.

## 2. Voluntary Action Plan on the Environment

Interest in global warming has been on the rise as the Kyoto Protocol's first commitment period begins from 2008, and there are demands for Japanese business circles to take active measures toward reducing greenhouse gases. JFTC member companies, led by members of the Global Environment Committee, have participated in the Nippon Keidanren (Japan Business Federation) "Follow-up to the Keidanren Voluntary Action Plan on the Environment" since FY1998, and in government follow-ups since FY2007. The FY2007 goal is to work toward reducing carbon dioxide emissions to 35,000 tons by FY2010. This goal constitutes a 40 percent reduction from FY1998, the first year in which it was possible to compile data. JFTC member companies are working to attain this goal through such measures as (1) introducing energy efficient equipment, (2) advancing energy conservation activities, and (3) implementing employee environmental education.

## 3. Cooperation with Environmental Courses at Universities

Since FY2002, the JFTC has been providing "environment lectures on demand" to universities and graduate schools. To date these lectures, which are all given by current Shosha employees, have been presented at Yokohama National University Graduate School, Musashi Institute of Technology, Hosei University, and other institutions. The lecturers present efforts by Shoshas to address the environment, and introduce their environmental businesses. This program provides an excellent opportunity for students to learn about actual examples from the real business world.

## 4. Shosha Environment Month

The JFTC has designated the month of June each year as "Shosha Environment Month" considering the recent growing worldwide concern regarding

global environmental problems and in respect of the G8 Hokkaido Toyako Summit in July, which adopts the environment as one of its main themes. During this annual Shosha Environment Month, the JFTC will promote efforts by Shoshas to address the environment, carry out educational activities to increase the environmental awareness of member companies, and actively disseminate information outside the organization as well.

While JFTC member companies have been actively developing diverse environmental businesses, advancing environmental protection, and otherwise contributing to society in countries throughout the world, the JFTC will hold environmental seminars and other educational activities during Shosha Environment Month to further raise awareness of global environmental issues among the employees of member companies and to encourage more member companies to implement related activities.

Incidentally, Japan as a nation has been pursuing various campaigns to enhance recognition of the importance of environmental preservation nationwide and encourage action, including the designation, by what was then the Environment Agency, of an Environment Week beginning June 5 each year from FY1973 through FY2000, and of an Environment Month (the month of June) in FY 2001.

The JFTC successfully implemented the following main initiatives as FY2008 Shosha Environment Month activities:

- (1) Display at the Integrated Exhibition of the Environment in Celebration of the Hokkaido Toyako Summit
- (2) Presentation of environmental seminars
- (3) Promotion of environmental preservation activities by member Shoshas

This concludes this summary introducing some of the JFTC's environmental activities. It is the duty

of those of us who are alive today to use limited resources effectively and hand down an abundant earth to the next generation. Consequently, the JFTC will continue to actively develop activities in this field under the lead of the Global Environment Committee, and we ask for your cooperation and support.

A more detailed report on the FY2008 Shosha Environment Month Activities appears in the following article. Also, a Japanese-language video entitled “Chikyu wo mamoru—Shosha no kankyo purojekuto” (Protect the Earth—Shoshas’ Environmental Projects), which summarizes efforts by the JFTC and Shoshas to address environmental problems, is available at the JFTC website:  
<http://www.jftc.or.jp/environment/eco/index.html>.

## FY2008 Shosha Environment Month Activities

### FY2008 Activities

#### (1) Display at the Integrated Exhibition of the Environment in Celebration of the Hokkaido Toyako Summit

The JFTC had a display at the Integrated Exhibition of the Environment in Celebration of the Hokkaido Toyako Summit, which was held in Sapporo June 19–21. More than 300 enterprises and organizations from inside and outside Hokkaido participated in the exhibition, which drew about 84,000 visitors over three days, far surpassing the projected attendance of 60,000.

This was the JFTC’s first participation in an environmental exhibition. A large number of visitors came to our booth, and 800 filled out a questionnaire that we distributed.



JFTC booth

In preparation for the exhibition, the Global Environment Committee formed a task force for the Integrated Exhibition of the Environment, which considered the display contents and decided to appeal to the importance of environmental problems by disseminating information. The task force prepared footage, pamphlets, and panels on environmental efforts by Shoshas, introducing the diverse environmental businesses being developed by Shoshas worldwide and presenting information on their afforestation, coral reef conservation, and other social contributions in the environmental field. These presentation materials were prepared by compiling content provided by companies that are members of the Global Environment Committee.

The JFTC's booth activities included a quiz competition entitled "Have Fun Learning to be an Eco-PhD" with questions and answers on such topics as new energy sources, recycling, and environmental protection. A large number of children participated on Saturday, the last day of the exhibition, deepening their interest in environmental problems.



Children participating in a quiz competition

## (2) Environmental Seminars

The JFTC held two environmental seminars as activities to educate executives of member companies about environmental problems, with lectures by environmental experts who are making steady efforts and realizing definite results in their respective fields. Approximately 60 executives attended each seminar.

### a. Regarding Water (June 6; 6:30–8:00 p.m.)

Theme: "A Strategy for Sustainable Water by Utilization of Sky Water"

Lecturer: Dr. Makoto Murase, Part-time Lecturer, Kyoto University Disaster Prevention Research Institute; Secretary General, Nonprofit Organization People for Rainwater

### b. Regarding Forests (June 24; 6:30–8:00 p.m.)

Theme: "Forests with Their Own Life Force that Coexist with Corporate Development: Conveying Japan's Experience to the World"

Lecturer: Dr. Akira Miyawaki, Professor Emeritus, Yokohama National University; Director, IGES-Japanese Center for International Studies in Ecology

## (3) Promotion of Environmental Preservation Activities by Individual Shoshas

The JFTC promoted diverse activities by member companies during Shosha Environment Month. Individual companies held environmental seminars, participated in the CO<sub>2</sub> reduction/"lights down" campaign (sponsored by the Ministry of the Environment), called for the introduction of environmental household account books, presented e-learning "Environmental Lectures" and implemented various other activities.

## Welcome Luncheon Reception for His Excellency Hu Jintao, President of the People's Republic of China

To celebrate the occasion of the state visit of H.E. Hu Jintao, president of the People's Republic of China, to Japan, a welcome luncheon reception was held on May 7, 2008 at the Keidanren Kaikan jointly hosted by the following five organizations: Nippon Keidanren (Japan Business Federation), the Japan Chamber of Commerce and Industry (JCCI), KEIZAI DOYUKAI (Japan Association of Corporate Executives), Japan-China Economic Association, and the JFTC.

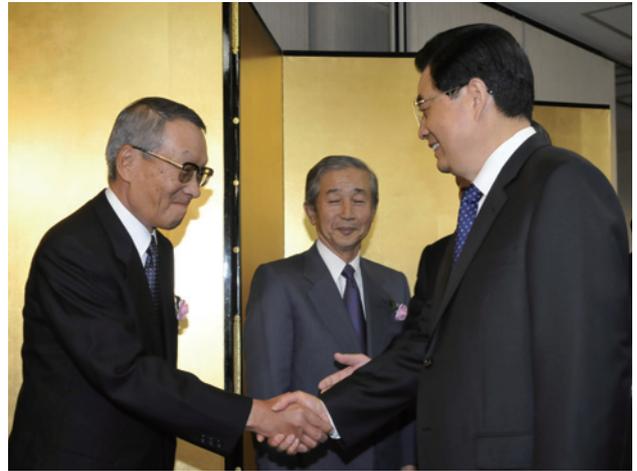
Along with President Hu, the 40 members of the Chinese delegation attended the reception. There were 138 Japanese attendees, bringing the total number of participants to 179. Former JFTC Chairman Mikio Sasaki represented the JFTC at the event.

After opening remarks by Nippon Keidanren Chairman Fujio Mitarai, President Hu took the podium and discussed his desire to further develop a mutually beneficial relationship based on common strategic interests between China and Japan.



His Excellency Mr. Hu Jintao,  
President of the People's Republic of China

Former Chairman Mikio Sasaki also attended the state banquet for President Hu held the same day.



Mr. Sasaki (left)  
and President of the People's Republic of  
China (right)

## Welcome Dinner for His Excellency Kevin Rudd, the Prime Minister of Australia

The Japan-Australian Business Cooperation Committee (JABCC) hosted a dinner to welcome H.E. Kevin Rudd, the prime minister of Australia, at



(from left to right) JFTC Chairman Nobuo Katsumata,  
JCCI Special Advisor to the Chairman Yorihiro  
Kojima, Prime Minister Rudd, JABCC Chairman  
Takashi Imai and Nippon Keidanren Chairman of the  
Board of Councillors Hiromasa Yonekura

the Imperial Hotel on June 11, 2008. The dinner was jointly hosted by the Japan Chamber of Commerce and Industry (JCCI), Nippon Keidanren (Japan Business Federation), and the JFTC.

There were 170 attendees including members of the Australian delegation, Japanese businesspeople, and government officials. Chairman Nobuo Katsumata represented the JFTC at the event.

After a welcome speech by JABCC Chairman Takashi Imai, Prime Minister Rudd took the podium and expressed his desire to further strengthen ties between Japan and Australia, starting with the completion of a Japan-Australia Economic Partnership Agreement.

## Welcome Luncheon for His Highness Sheikh Nasser Al-Mohammed Al-Ahmed Al-Jaber Al-Sabah, Prime Minister of the State of Kuwait

On the occasion of the visit to Japan of His Highness Sheikh Nasser Al-Mohammed Al-Ahmed



His Highness Sheikh Nasser Al Mohammed Al Ahmed Al Sabah, the Prime Minister of the State of Kuwait

Al-Jaber Al-Sabah, Prime Minister of the State of Kuwait, as an official guest of the Japanese government, a welcome luncheon party was held on July 29, 2008 at the Imperial Hotel under the joint auspices of four organizations: KEIZAI DOYUKAI (lead organization), Nippon Keidanren (Japan Business Federation), the Japan Chamber of Commerce and Industry (JCCI), and the JFTC. The luncheon party was attended by a total of 143 guests—25 guests from Kuwait including Prime Minister Nasser and 118 guests from Japan. The JFTC was represented by Vice-Chairman Yutaka Kase.

After a welcoming speech by Chairman Masamitsu Sakurai of KEIZAI DOYUKAI, Prime Minister Nasser spoke about his hopes for the development of economic relations and friendship between Kuwait and Japan, particularly the promotion of investment in Kuwait.



(from left to right) JCCI Special Advisor to the Chairman Hiroyuki Yoshino, Nippon Keidanren Chairman Fujio Mitarai, Prime Minister Nasser, KEZAI DOYUKAI Chairman Masamitsu Sakurai and JFTC Vice Chairman Yutaka Kase

## REGULAR MEMBERS OF JFTC

### Companies (Total 45)

ASSOCIATED LUMBER & TRADING CO., LTD., CARGILL JAPAN LIMITED, CHORI CO., LTD., CBC CO., LTD., D. NAGATA CO., LTD., HANWA CO., LTD., HITACHI HIGH-TECHNOLOGIES CORPORATION, INABATA & CO., LTD., ITOCHU CORPORATION, IWATANI CORPORATION, JFE SHOJI HOLDINGS, INC., KANEMATSU CORPORATION, KINSHO CORPORATION, KOWA COMPANY, LTD., KYOEI SHOJI CO., LTD., KYOKUTO BOEKI KAISHA, LTD., MARUBENI CORPORATION, MEIWA CORPORATION, METAL ONE CORPORATION, MITSUBISHI CORPORATION, MITSUI & CO., LTD., MORIMURA BROS., INC., NAGASE & CO., LTD., NIPPON STEEL TRADING CO., LTD., N. I. TEIJIN SHOJI CO., LTD., NOMURA TRADING CO., LTD., NOSAWA & CO., LTD., OGURA TRADING CO., LTD., OKAYA & CO., LTD., SANKO MEDICAL SYSTEM CO., LTD., SANKYO SEIKO CO., LTD., SEIKA CORPORATION, SHINYEI KAISHA, SMILE CORP., SOJITZ CORPORATION, SUMIKIN BUSSAN CORPORATION, SUMITOMO CORPORATION, T. CHATANI & CO., LTD., THE TOSHO CO., LTD., TOKYO BOEKI LTD., TOHO BUSSAN KAISHA, LTD., TOYOTA TSUSHO CORPORATION, Y. NISHIDA & CO., LTD., YAGI TSUSHO LTD., YUASA TRADING CO., LTD.

### Associations (Total 24)

COSMETIC IMPORTERS ASSOCIATION OF JAPAN, FUKUOKA FOREIGN TRADE ASSOCIATION, INTERNATIONAL DEVELOPMENT ASSOCIATION OF THE FURNITURE INDUSTRY OF JAPAN, JAPAN AUTOMOBILE IMPORTERS ASSOCIATION, THE JAPAN BANANA IMPORTERS ASSOCIATION, JAPAN CHEMICAL EXPORTERS' ASSOCIATION, JAPAN CHEMICAL IMPORTERS' ASSOCIATION, JAPAN EEL IMPORTERS ASSOCIATION, JAPAN ELECTRONIC PRODUCTS IMPORTERS ASSOCIATION, JAPAN FISH TRADERS ASSOCIATION, JAPAN FOREIGN TRADERS ASSOCIATION, INC., JAPAN MACHINE TOOL IMPORTERS' ASSOCIATION, JAPAN MACHINERY CENTER FOR TRADE AND INVESTMENT, JAPAN OVERSEAS ROLLING STOCK ASSOCIATION, JAPAN PAPER IMPORTERS' ASSOCIATION, JAPAN SHEEP CASING IMPORTERS ASSOCIATION, JAPAN SHIP EXPORTERS' ASSOCIATION, JAPAN TEXTILE EXPORTERS ASSOCIATION, THE JAPAN TEXTILES IMPORTERS ASSOCIATION, JAPAN WATCH IMPORTERS' ASSOCIATION, JAPAN WINES AND SPIRITS IMPORTERS ASSOCIATION, KOBE FOREIGN TRADE ASSOCIATION, KYOTO FOREIGN TRADE ASSOCIATION, THE YOKOHAMA FOREIGN TRADE ASSOCIATION

### CHAIRMAN

Nobuo Katsumata (Chairman, Member of the Board, Marubeni Corporation)

### HONORARY CHAIRMAN

Mikio Sasaki (Chairman of the Board, Mitsubishi Corporation)

### VICE CHAIRMEN

Shoei Utsuda (President & CEO, Mitsui & Co., Ltd.)  
 Eizo Kobayashi (Chairman of the Board, President & CEO, ITOCHU Corporation)  
 Susumu Kato (President & CEO, Sumitomo Corporation)  
 Yutaka Kase (President & CEO, Sojitz Corporation)  
 Yoriehiko Kojima (President & CEO, Mitsubishi Corporation)  
 Junzo Shimizu (President, Toyota Tsusho Corporation)

### EXECUTIVE MANAGING DIRECTOR

Masayoshi Amano

### MANAGING DIRECTOR

Toshio Sampei