

# JFTC News

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## 2014 New Year's Reception

(January 8, 2014)



From left to right; Chairman Utsuda, Vice Chairmen, Okafuji, Karube, Nakamura, Sato, Kokubu, Vice Chairman Representative Nakahara

On Wednesday, January 8, 2014, the Japan Foreign Trade Council, Inc. (JFTC) hosted a New Year's Reception in the Tsuru Room of the New Otani Hotel. Approximately 720 people attended, including Diet members and government officials, ambassadors

from various countries, representatives of chambers of commerce and industry based in Japan, and business leaders.

The reception opened with greetings from Chairman Shoei Utsuda, followed by the introduction of award recipients of the JFTC Essay Competition 2013. This was followed by remarks by the State Minister of Economy, Trade and Industry Mr. Kazuyoshi Akaba and by a toast given by JETRO Chairman Mr. Hiroyuki Ishige. With the venue filled with pleasant conversation, the reception was brought to a successful conclusion.



## 2014 New Year's Reception Address by Chairman



Shohei Utsuda  
Chairman, Japan Foreign Trade Council, Inc.  
Chairman, Mitsui & Co., Ltd.

On behalf of the Japan Foreign Trade Council (JFTC), I wish to extend to all my warmest greetings for a very happy New Year.

Before proceeding, I would like to express my special gratitude to the State Minister of Economy, Trade and Industry Mr. Kazuyoshi Akaba, to the ambassadors of numerous countries, to JETRO Chairman Mr. Hiroyuki Ishige, and the other leaders of Japan's political, governmental, and business circles present today at the JFTC New Year's Reception.

Thank you for joining us, and please allow me to take this opportunity to express my sincere appreciation for your continued understanding and support regarding the activities of the JFTC.

Looking back on 2013, we ushered in the New Year with great expectations for Japan's revival, following the launch of the Abe administration. During the past 12 months, many new policies have been initiated and we have seen some solid progress. Backed by these gains, I feel that we are starting the New Year with even higher expectations than last year.

Turning to global conditions, we see that the US economic recovery is gaining momentum and that Europe has regained positive growth. As for China, while its growth rate has slowed somewhat, it is maintaining what is believed to be an appropriate pace of growth. Although other emerging economies are

showing weakness, viewing the world as a whole, we can say that the economic environment is relatively good.

On the other hand, the political situation is cause for some concern, as political confrontation seems to be intensifying in various countries around the world. In Egypt, confrontation culminated in a military coup d'état. Large-scale demonstrations were seen in Turkey and Brazil, and, toward the end of last year, in Thailand. While in China, it appears that the reform policies of the Xi Jinping administration are meeting with growing resistance from forces supporting the status quo. Finally, in the United States, the two major political parties clashed over the issue of Obamacare, causing the extraordinary, temporary closure of the U.S. government.

We can say recent developments in Japan stand in stark contrast to conditions witnessed in other parts of the world. That is, under the Abe administration, Japan has been able to overcome differences of opinion and political position to formulate and implement various new policies. Notwithstanding considerable opposition, the so-called "new phase of monetary easing" was launched soon after Prime Minister Abe took office. By accelerating the depreciation of the yen and the rise of stock prices, this marked a significant first step toward reversing the deflation that has long gripped the Japanese economy. In another critical move, the decision was made to raise the consumption tax. Finally, the decision was also made to join the Trans-Pacific Partnership (TPP) negotiations. Tough negotiations are moving forward, in an effort to reach an agreement.

In another step forward, policies for deregulation have been formulated in agriculture, medicine, and a wide range of other fields. Certainly, these policies face many obstacles and significant opposition. But we hope that these will be overcome so that solid progress can be made in implementing deregulation.

What kind of year should 2014 be for Japan? Capitalizing on the positive momentum generated last year, Japan must take even bigger and bolder steps toward breaking free of the impasse that has plagued it for many years, and toward delivering the economy

from the forces of deflation and stagnation.

For our part, businesses and enterprises must respond positively to the great changes in the economic environment, such as the strengthening of economic partnerships, the advancement of deregulation, and the heightened expectation for defeating deflation. Our task is to add to the growing momentum by increasing investment and employment and adopting a forward-looking attitude in our business operations, so that we can play a leading role in revitalizing the Japanese economy.

Given their business diversity and business format, shosha, or general trading companies, are in a particularly strong position to respond flexibly to these drastic changes in the economic environment and to find new opportunities. This strength was referred to by many of the participants in the JFTC symposium held last October entitled, "On the Front Lines of Shosha Businesses." Because we are endowed with this strength, I believe that shosha should not only stand at the forefront of creating momentum, but must also act on numerous other industries and businesses to effectively involve them in supporting this positive direction.

Before closing, I would like to briefly mention Action for a Better International Community, or ABIC, a nonprofit organization we have established at the JFTC. The ABIC initiative currently boasts about 2,400 registered members with extensive experience and know-how in international business, most of whom are former shosha employees. ABIC is involved in numerous service projects, including cooperation with both national government agencies and local government organizations, and assisting and supporting small and medium-sized enterprises in their expansion overseas. We believe these activities will play an important role in Japan's revitalization.

We sincerely look forward to your continued advice and support for the activities of the JFTC and ABIC during 2014, and earnestly hope that this will be a fruitful and prosperous year for all.

Thank you.

## Award Winners of JFTC Essay Competition 2013

(January 8, 2014)

**The JFTC who sponsors the "JFTC Essay Competition 2013" is very pleased to announce that we received a total of 186 submissions from 49 different nationalities for the competition this year.**

**After a strict screening of all the essays, the four submissions below have been selected as the winners of the competition in 2013.**

**We would like to express our congratulations to the winners and thank all participants for taking part.**

### Selection Committee :

**Chair:** Mr. Atsushi Nakajima, Chairman, Research Institute of Economy, Trade and Industry, IAA

**Vice Chairs:** Mr. Junichi Abe, Senior Writer, The Yomiuri Shimbun  
Dr. Keiko Ito, Professor, Faculty of Economics, Senshu University



Award Ceremony of JFTC Essay Competition 2013

Back row from left: Vice Committee Chair Dr. Ito, Embassy of Singapore First Secretary Mr. Zheng Yuanjie, Committee Chair Mr. Nakajima, Ms. Lee Yoke Kian (mother of winner Ms. Yong), Vice Committee Chair Mr. Abe

Front row from left: Winners Mr. Izumi and Mr. Ow, JFTC Chairman Utsuda, winners Ms. Yong and Mr. Mizunuma



### Prize for Excellence

- *“Is it possible to replicate Silicon Valley in Japan?”*  
Mr. Tetsuo Mizunuma (Japan, age 34)
- *“Japan as a Revitalised Hub: Industries, Policies and Capacity Building Issues”*  
Mr. Yam Huo Ow (Singapore, age 23)
- *“Two Innovations – When two innovations merge –”*  
Mr. Ryuichiro Izumi (Japan, age 23)

### Selection Committee Chair's Special Prize

- *“Reclaiming Japan – Japan as a Cultural Mecca”*  
Ms. Soo Teng Yong (Malaysia, age 24)

### Remarks by Selection Committee Chair, Mr. Atsushi Nakajima

I have the distinct honor of serving as the new chair of the Selection Committee for the JFTC Essay Competition. I would like to express my deepest appreciation for the efforts made over the years by JFTC, ex-chair Dr. Iwao Nakatani, the vice chair, and the committee members in making this competition an event where many high quality essays on both domestic and international critical issues are submitted not only from Japan but also from all over the world.

The topic for this year's essay was “Japan's policy direction in the global economy - Growth strategy to revitalize the economy and Japan's contribution to the world-,” where we solicited suggestions on the direction Japan should take for a better future under the Abenomics policies. It is my pleasure to inform you that 186 essays were submitted, which, although in terms of number, it ranks second all-time to that submitted last year, but in terms of the ratio of non-Japanese participants, who are mainly in their 20s, it was the highest ever at 71%. Considering the objective of this competition, we are extremely pleased with this new achievement.

What was significant this year was that many young people from abroad pointed out that Japan's competitive edge resides in its culture and spoke highly of the “Cool Japan” culture. In addition, many of them mentioned that what is required to revive and revitalize the economy is a more positive attitude by the Japanese people, which can mean that they are

interested to see if the Japanese people can exercise their power to transform our long-stagnant country. Although no essay was selected for the Grand Prize this year, all of the prize-winning essays presented unique viewpoints, and three essays for the Prize for Excellence and one essay for the Selection Committee Chair's Special Prize were selected. I also would like to thank all of the members of the Selection Committee for their time and effort in reading through so many essays to make the tough decision on selecting the best ones.

### Prize for Excellence

Mr. Tetsuo Mizunuma

#### *“Is it possible to replicate Silicon Valley in Japan?”*

Mr. Mizunuma explains that one of the success factors of Silicon Valley is that its highly advanced technologies were developed through a network in the area during a short period of time and were propelled to be an innovation. Silicon Valley denizens have a strong belief that new technologies and innovation can resolve many social issues. Mr. Mizunuma suggests that, aiming to replicate this Silicon Valley model, the Japanese people should resolve social issues with a clear awareness of each individual that these challenges are his/her own but at the same time building a stronger network for them to collaborate.

His view on the innovation capability of Silicon Valley is unique, and his convincing argument scored highly. Although the ideas on how to combine and integrate the traditional Japanese style and the Silicon Valley model were missing in this essay, his concept of connecting innovation to social contribution on an individual basis is inspiring for Japan's future direction. For this basis, this essay was selected for the Prize of Excellence.

### The Prize for Excellence

Mr. Yam Huo Ow

#### *“Japan as a Revitalized Hub: Industries, Policies and Capacity Building Issues”*

Mr. Ow suggests that Japan should become a hub for the global network and set the direction for the future as a leader and a visionary in various fields such as technology. He describes how Japan should function as a hub in tourism, healthcare, green technology, creative industry— so-called “Cool Japan,”

transport, financial services, and trading.

His analysis is based on solid reasoning, and his suggestions are well-rounded. Furthermore, the term “hub,” which still is not a familiar word in Japan, as a key word to build his argument makes this essay original and interesting. Although further clarification for the relationship between each industry and hub was desired, we found his essay to be astute. The emphasis on Japan’s global contribution was also widely accepted. For this basis, this essay scored highly.

### **The Prize for Excellence**

**Mr. Ryuichiro Izumi**

#### ***“TWO INNOVATIONS – when two innovations merge -”***

Mr. Izumi discusses that by combining the prowess of small- and medium-sized businesses for technological innovation with the expertise of Sogo Shosha in market innovation, Japanese companies will be able to exploit more unmet needs and develop products and businesses to satisfy them.

His viewpoint is clear, and the argument on how Japan can grow and make contributions to the world is convincing based on supporting data. The essay is also well-structured. I would also like to mention that he is very young and is still in school. Considering his situation, it is commendable and scored highly.

### **Selection Committee Chair’s Special Prize**

**Ms. Soo Teng Yong**

#### ***“Reclaiming Japan - Japan as a Cultural Mecca”***

Ms. Yong discusses that for Japan to grow and to improve its “brand image,” the “Cool Japan” strategy is the best way to accomplish this. She describes in detail the ideas for this strategy to succeed by dividing the target population into two groups: otakus and non-otakus. This essay is not only full of original ideas but also enthusiasm in the way she earnestly explains the policies as she classifies herself as an otaku. Although the essay may not be as well-structured as the other prize-winning essays and the discussion may be somewhat naïve, it is exemplary for a person from a younger generation. Therefore, this was selected for the Selection Committee Chair’s Special Prize.

## **A Courtesy Call to Chairman Utsuda from the Ambassador of South Africa to Japan**

**(August 6, 2013)**



On August 6, 2013, Her Excellency Dr. Mohau N. Pheko, The Republic of South Africa’s Ambassador Extraordinary & Plenipotentiary to Japan, paid Chairman Utsuda a courtesy call.

Ambassador Pheko has been engaged for more than 20 years in areas such as economic planning, development, public health, international development, health economics, rural development, and gender development. After serving as a consultant for development assistance programs at various international agencies, Her Excellency Dr. Pheko joined the Department of International Relations & Cooperation of The Republic of South Africa in August 2010 and served as The Republic of South Africa’s High Commissioner to Canada from 2010-11. In 2012, Her Excellency Dr. Pheko began her tenure as The Republic of South Africa’s Ambassador Extraordinary & Plenipotentiary to Japan.

In their talks, Ambassador Pheko and Chairman Utsuda exchanged views on the results of The Fifth Tokyo International Conference on African Development (TICAD V) held in Yokohama in June 2013, and on trade and investment relations between South Africa and Japan, among other topics. The Ambassador explained the numerous business opportunities on the African continent. She also expressed her goal of contributing to developing

economic relations between Africa and Japan by expanding forums for business dialogue between South Africa and Japan, as well as between the Southern African Development Community (SADC) and Japan.

While explaining Shosha (trading companies) businesses on the African continent, Chairman Utsuda emphasized the importance of business dialogue, noting that he would like to extend the fullest cooperation possible.

The meeting was also attended by Mr. Yamagishi, General Manager of the International Affairs Group, JFTC and other Secretariat members.

## The 38th Japan Cooperation Forum for the Middle East

(August 25-26, 2013)



The 38th Japan Cooperation Forum for the Middle

East, which was hosted by the Japan Cooperation Center for the Middle East (JCCME) and the Ministry of Economy, Trade and Industry (METI), was held in Dubai, United Arab Emirates over a two-day period from August 25 to 26, 2013.

The Forum was attended by approximately 400 participants, representing the Japanese government, government-related institutions, the local Japanese embassy, the private sector, related organizations, academic associations and the news media, among others. Lively discussions were held on the theme of “Japan’s Growth Strategies and Business Opportunities in the Middle East and North Africa.”

The participants actively expressed their views on the nature of the cooperative relationship between Japan and the Middle East and North Africa (MENA) region from their respective standpoints. They also exchanged opinions on a variety of approaches to bring this relationship to fruition.

The JFTC has actively participated in the Japan Cooperation Forum for the Middle East since 2010. As a panelist in panel discussions, the JFTC has reported on the status of the initiatives and activities of Shosha (trading companies) in the MENA region.

In 2013, the JFTC was represented at the Forum by Mr. Yasuyuki Fujitani, Managing Officer, Mitsui & Co., Ltd., and President, Mitsui & Co., Middle East Ltd., from Mitsui & Co., Ltd., the chair company of the International Market Committee. Based on the theme of “Private-sector Initiatives in Infrastructure Export,” Mr. Fujitani discussed the positioning of the MENA region within the Strategy of Global Outreach of the Japan Revitalization Strategy, the region’s importance, and the functions and roles of Shosha in conducting business with Middle Eastern countries. He also discussed his expectations for the Japanese government and government-related institutions in regard to bolstering the competitiveness of infrastructure/systems exports.

The Forum was attended by Mr. Nishikawa, Director of Board, International Affairs Group & Public Relations Group, of the JFTC Secretariat.

## The 51st Japan-Australia Joint Business Conference

(October 20-22, 2013)



The 51st Japan-Australia Joint Business Conference, which was hosted by the Japan-Australia Business Co-operation Committee (JABCC) and the Australia-Japan Business Co-operation Committee (AJBCC), was held in Tokyo, Japan (Hotel Chinzanso Tokyo) from October 20 to 22, 2013. The Conference was the first to be held since the inception of new governments in both countries. With 292 participants in attendance, including government and business representatives from both countries (159 Japanese delegates, 133 Australian delegates), the Conference proved to be a gala event second only to the 50th anniversary conference in 2012. Representatives from the JFTC were also in attendance. They strove to gather information on political, economic and other conditions surrounding Japan and Australia, as well as to exchange information and to expand personal relationships with those involved in Japan-Australia economic relations.

The Conference began with opening remarks by the Co-Chairmen, specifically Dr. Mimura, Chairman, JABCC, and Sir Eddington, President, AJBCC, and a reading of a message from the Australian Prime Minister Tony Abbott by H.E. Mr. Miller, Ambassador of Australia to Japan. There were welcome remarks by Mr. Okamura, Chairman of the Japan & Tokyo Chambers of Commerce and Industry, and a congratulatory address by H.E. Mr. Mitsuya, Parliamentary Senior Vice-Minister for Foreign Affairs. This was followed by

eight plenary sessions. The plenary session agenda explored crucial themes concerning Japan-Australia relations, such as economic partnership, trade and investment, food security, and resources and energy.

### October 21 (Monday)

Plenary Session One: "Japan & Australia in the Asian Century"

Plenary Session Two: "Opportunities and Challenges presented by Economic Partnership Agreements"

Plenary Session Three: "Diversifying the Japan-Australia Relationship in Trade and Investment, and Technological Innovation"

Plenary Session Four: "Food Security as a critical global issue"

### October 22 (Tuesday)

Plenary Session Five: "Japan and Australia – Collaboration Initiatives"

Plenary Session Six: "Human Resources for the Asian Century"

Plenary Session Seven: "Resources and Energy – Global Demand and Supply, Government Policies and Business Responses"

Plenary Session Eight: "Australia's Engagement with Asia"

In the Closing Session, Chairman Mimura summarized the Conference by noting the following three points:

1. New signs of collaboration with a 50-year horizon have begun to emerge in many different fields and in large numbers. We now have a brighter outlook, highlighted by collaborative opportunities in numerous fields, such as education, healthcare, tourism, agriculture, and finance, in addition to progress on infrastructure-related activities.
2. Political and economic conditions surrounding both Japan and Australia are providing an immense positive stimulus and driving force for business circles in Japan and Australia. The establishment of pro-business governments will provide a tailwind for the committee. If an Economic Partnership Agreement between Japan and Australia (Japan-



Australia EPA) and the Trans Pacific Partnership (TPP) are successfully concluded, this will provide even stronger momentum going forward.

- Reforms in Japan are extremely important. Japan is now attempting to break free of deflation by raising the banner of economic revitalization. I was strongly reminded of the need to transform Japan into an even more appealing country.

Finally, a Joint Statement concerning the conclusion of a Japan-Australia EPA and the TPP at the earliest possible date was adopted, bringing the Conference to a close. The JFTC holds high hopes for strong leadership from the two countries' Prime Ministers, Japanese Prime Minister Shinzo Abe and Australian Prime Minister Tony Abbott.

## The 3rd Japan-Arab Economic Forum

(December 16-17, 2013)



The 3rd Japan-Arab Economic Forum, which was hosted by the Ministry of Economy, Trade and Industry (METI), the Ministry of Foreign Affairs (MOFA),

and the League of Arab States (LAS), was held in Tokyo (Location: The Prince Park Tower Tokyo) from December 16 to 17, 2013.

On the Japanese side, the Forum was attended by around 1,000 participants, among them officials from the Government of Japan and government-related institutions, such as the Minister of Economy, Trade and Industry and a Parliamentary Secretary for Foreign Affairs; and representatives of private-sector companies, private organizations and other groups. On the Arab side, the Forum was attended by around 500 participants, among them heads of international institutions, including the Deputy Secretary General of the League of Arab States, and ministers from the LAS member countries. There was a lively exchange of opinions among the participants for the purpose of enhancing the mutual economic relationship between Japan and Arab states.

Since the 1st Japan-Arab Economic Forum in December 2009, the JFTC has actively cooperated with holding the Forum. At ministerial-level talks, the JFTC has lectured on the future roles of Shosha (trading companies), and its expectations for the governments of Arab states and the Government of Japan, among other matters. The JFTC was represented at this Forum by Mr. Toshihiko Kita (Managing Executive Officer, Sojitz Corporation), chairman of the JFTC Economic Cooperation Committee. In a plenary session on the theme of “Cooperation in Energy, Environment and Infrastructure,” Mr. Kita gave a presentation on the importance of the Middle East and North Africa (MENA), roles of Shosha in the infrastructure business, projects for Arab states by Shosha, requests and expectations for Arab states and the Japanese government and government agencies, and Shosha’s vision for Arab states.

## Symposium: “Frontlines of the Shosha (Trading Companies) Business

— the Functions and Roles of Shosha as a ‘Producer’ of Industry —  
(October 10, 2013)

On October 10 (Thursday), 2013, the JFTC held a



symposium titled “Frontlines of the Shosha (Trading Companies) Business—the Functions and Roles of Shosha as a ‘Producer’ of Industry” at the TOSHO Hall. “The functions and roles of the Shosha business” are generally held to be difficult to understand. To provide visitors with an opportunity to deepen their understanding of this subject, the symposium was held in a two-part format. That day, the event drew a large audience of around 900 visitors. TOSHO Hall (capacity: 600), the originally scheduled venue, and the International Convention Hall (capacity 300), which served as a satellite venue, were both filled to capacity, and the symposium proved to be a very lively event to the very end.

The symposium kicked off with opening remarks by the JFTC Chairman Shohei Utsuda, followed by Part 1, titled “Global Economic Trends and Japan’s Course, Shosha’s Roles.” Three panelists explained the roles that Shosha have fulfilled in Japan’s economy as well as the global economy, along with the changes that Shosha have experienced over the years, from an expansive perspective. This was followed by Part 2, which was titled “The Evolving Shosha Business.” Four Shosha professionals working around the world gave compelling, first-hand accounts of power generation, infrastructure, brand marketing, industrial park and finance projects.

An outline of the presentations given on the day of the symposium are posted on a TOYO KEIZAI ONLINE special website. For details, please visit the website (Japanese only).

**URL:**

<http://toyokeizai.net/sp/131218jftc/index.html>  
<http://www.jftc.or.jp/library/index.html>



## Tokyo Clinches Winning Bid to Host the 2020 Olympic and Paralympic Games!



Tokyo was selected as the host city for the 2020 Olympic and Paralympic Games at the International Olympic Committee (IOC) Session held in Buenos Aires, Argentina on September 7, 2013 local time.

The campaign to bring the 2020 Games to Tokyo was undertaken by an all-Japan team involving political, business, and sports circles as well as municipalities nationwide. The JFTC made a concerted effort by member companies to support and cooperate with the campaign in a variety of ways. It is therefore extremely pleased with the IOC’s decision to select Tokyo as the host city for the 2020 Games.

Hosting the 2020 Tokyo Games will mean that numerous people from various overseas countries will be visiting not only Tokyo, but a variety of regions across Japan, leading to vibrant personal interaction. In addition, Japan will develop infrastructure such as athletic and sports facilities, and transportation networks. The 2020 Games are anticipated to provide a highly positive stimulus to Japan in terms of social and cultural dimensions as well.

Particularly noteworthy is the fact that the Tokyo Games will provide dreams and hope to the children who will lead the way for Japan’s future. The Games will accelerate the reconstruction of the earthquake-hit areas and should restore health and good cheer to all of Japan.

For its part, the Shosha Industry will continue to extend its fullest cooperation to ensure the success of the Tokyo Games.

## FY 2014 Outlook for Japan's Trade Balance and Current Account

The JFTC released on November 28, 2013 the "FY 2014 Outlook for Japan's Trade Balance and Current Account". One of the most unique features of the JFTC Outlook is the methodology employed for the forecast. The Outlook was conducted by compiling trade forecast of major categories of commodities which were gathered and analyzed by hearing with industry specialists. The Trade Research Committee of the JFTC has been working on forecast of trade balance and current account since 1974. The full document (in Japanese) can be downloaded from the JFTC website (<http://www.jftc.or.jp>).

### Overview

#### 1. Outlook for Trade by Commodity (Customs-Cleared Basis)

- **FY 2013: Exports increase due to weak yen and bottoming out of world economy, Imports jump sharply on weak yen and a rush in demand ahead of the increase in the consumption tax rate**

Total exports will in comparison with the previous fiscal year increase by 9.8% to 70,180 billion yen. Breaking the figures down, export volumes will increase by 0.7% in comparison to the previous fiscal year and export values will increase by 9.1% during the same period. This will be the first total export increase in three years, as the decline in export volume is arrested as the global economic slowdown comes to an end, in addition to rising prices across a broad range of export items due to the onset of a substantially weaker yen.

Total imports will in comparison with the previous fiscal year increase by 14.1% to 82,279 billion yen. Import volumes will increase by 0.9% in comparison with the previous fiscal year, and import values will increase by 13.2% during the same period. Most

of the rise in import values will be attributable to the weakening of the yen while import volumes will be supported by a rush in demand ahead of the increase in the consumption tax rate.

- **FY 2014: Exports will continue to rise atop the global economic recovery, Imports will increase slightly due to stagnant domestic demand**

Total exports will increase by 4.1% over the previous fiscal year to 73,033 billion yen. During the same period, the global economic recovery will push up export volumes by 2.0%, while the yen's continued weakening will lead to a 2.1% increase in export values.

Total imports will increase by 1.8% over the previous fiscal year to 83,740 billion yen. During the same period, import volumes will remain mostly unchanged, increasing by only 0.1%, due to stagnation in domestic demand caused by the increase in the consumption tax rate. In contrast, import values will increase by 1.7% due to the weakening of the yen.

#### 2. Outlook for the Current Account

- **FY 2013: Current Account sees its first surplus expansion in three years due to growth in the income amount surplus, despite a burgeoning deficit in the balance of trade in goods**

The Current Account will see a surplus of 5,069 billion yen. The surplus will expand for the first time in three years, exceeding the surplus of 4,353.6 billion yen in the previous fiscal year.

Breaking the figures down, the balance of trade in goods will see the deficit increase to 10,532 billion yen, as growth in imports outstrips exports. On the other hand, the deficit in the balance of trade in services will contract to 1,376 billion yen, mainly due to an increase in receipts from transportation and travel, along with patent usage fees. The income amount surplus will expand to 17,945 billion yen, due to an increase in foreign assets and the weakening of the yen.

- **FY 2014: Current Account sees further surplus expansion, helped by contraction in the deficit in the balance of trade in goods**

The Current Account will see a surplus of 7,582 billion yen, with the surplus recovering to a level on a

par with FY 2011.

Breaking the figures down, the balance of trade in goods will see the deficit contract to 9,172 billion yen due to export growth outstripping imports, while the balance of trade in services will see the deficit

contract to 1,217 billion yen due to continued growth in receipts from services. The income account will see a surplus expansion to 18,950 billion yen, mainly due to tailwinds such as the weakening of the yen.

## Summary Data

### ● Customs-Cleared Trade

	FY 2012 Results		FY 2013 Forecast		FY 2014 Forecast	
	Billions of yen	Year-on-year change (Rate)	Billions of yen	Year-on-year change (Rate)	Billions of yen	Year-on-year change (Rate)
Customs-Cleared Trade Balance	▲ 8,176	-3,754	▲ 12,099	-3,923	▲ 10,708	+1,391
Exports	63,941	(-2.1%)	70,180	(-9.8%)	73,033	(4.1%)
Quantum		-5.8%		0.7%		2.0%
Unit Value		4.0%		9.1%		2.1%
Imports	72,117	(3.5%)	82,279	(14.1%)	83,740	(1.8%)
Quantum		1.5%		0.9%		0.1%
Unit Value		2.0%		13.2%		1.7%

Note: Monetary figures may not sum to their respective totals due to rounding.

### ● Current Account Balance

	FY 2012 Results		FY 2013 Forecast		FY 2014 Forecast	
	Billions of yen	Year-on-year change (Rate)	Billions of yen	Year-on-year change (Rate)	Billions of yen	Year-on-year change (Rate)
Goods and Services Balance	▲ 9,434	-4,137	▲ 11,907	-2,474	▲ 10,389	+1,519
Trade Balance	▲ 6,892	-3,422	▲ 10,532	-3,640	▲ 9,172	+1,360
Exports	61,583	(-1.7%)	67,592	(9.8%)	70,339	(4.1%)
Imports	68,475	(3.6%)	78,124	(14.1%)	79,511	(1.8%)
Service Balance	▲ 2,542	-715	▲ 1,376	+1,166	▲ 1,217	+159
Income	14,745	+738	17,945	+3,200	18,950	+1,005
Current Transfers	▲ 958	+135	▲ 968	-11	▲ 979	-11
Current Account	4,354	-3,264	5,069	+716	7,582	+2,513

Note: Monetary figures may not sum to their respective totals due to rounding.

### ● Assumptions

	2012	2013	2014
Global Trade (CY)	2.5%	2.8%	4.6%
Global Economy (Real growth rate/CY)	3.2%	2.9%	3.5%
United States	2.8%	1.6%	2.5%
Eurozone	▲ 0.6%	▲ 0.4%	0.9%
Asia Emerging Countries	6.4%	6.2%	6.5%
Japanese Economy (Real growth rate/FY)	1.2%	2.8%	0.8%

#### Notes

- Asian Emerging Countries are defined here, in accordance with IMF definitions, as "Developing Asia."
- In addition to the assumptions above, the following assumptions are also factored in on the basis of developments in the foreign exchange markets and the crude-oil market in mid-November: Yen/dollar exchange rate of 100 yen/US\$1 in FY 2013 and 104 yen/US\$1 in FY 2014; a CIF crude-oil price of US\$106/barrel in FY 2013 and US\$106/barrel in FY 2014.



## Foreign Trade 2014

We are pleased to announce that in April 2014, the JFTC will publish "Foreign Trade 2014", with full coverage of Japan's foreign trade statistics on a customs-cleared basis for the previous year.

"Foreign Trade 2014" marks the 39th edition of this publication since it was first released in 1976. Improvements have been added over the years, such as the inclusion of English for bilingual publication, the introduction of figures, and the addition of new information to the data chapter.

We hope you will find this volume useful for example, as a reader for new employee education, as a pocket reference when traveling abroad on business, or as a reference for local employees in foreign countries.



Now  
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