

JFTC News

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Welcom Luncheon Reception for Tuanku Syed Sirajuddin, The King of Malaysia, March 7

Mikio Sasaki, the chairman of Japan Foreign Trade Council, Inc. (JFTC) hosted a welcom luncheon reception at the Hotel New Otani on Monday, March 7 for His Majesty Tuanku Syed Sirajuddin, the King of Malaysia, who visited Japan as a state guest.

Other co-hosting organizations were Nippon Keidanren (the Japan Business Federation), the Japan Chamber of Commerce and Industry (JCCI), Keizai Doyukai (the Japan Association of Corporate Executives) and the Japan Malaysia Economic Association (JAMECA).

Representing Japan, some 70 top executives from business circles attended the reception, and JFTC Chairman Mikio Sasaki gave a welcoming speech.

Following Chairman Sasaki, Honorable Datuk Dr. Leo Michael Toyad, Minister-in-Attendance made the following speech on behalf of the Malaysian delegate.

Mr. Mikio Sasaki
Chairman, Japan Foreign Trade Council

On command of His Majesty, I would like to thank the Host today for the gracious luncheon and the wonderful opportunity to have fruitful exchange of ideas on economic matters affecting both countries. Japan has always been an important trade and investment partner for Malaysia and it is our fervent hope that the visit of His Majesty would further strengthened the existing relations.

We value Japan’s contribution in the development of our economy and we believe that the potential for greater economic interaction is always there. Malaysia’s total trade with Japan in 2004 was US\$26.66 billion and among ASEAN, Malaysia was Japan’s second biggest source of imports. Such imports increased by 4.6% last year.



It is also encouraging to note that for approved investments last year, 2004, Japan was the top three investor in Malaysia. At present, we have more than 1,300 companies operating in our country. We hope to see this number increase in future despite the current strong competition. However, we still maintain that Malaysia is an attractive place to invest or do business with. As influential economic institutions in Japan, your continued engagement with Malaysia and the region would be of immense benefit to all.

Today, our relationship has entered a new chapter when both countries have decided to undertake

negotiations on the Economic Partnership Agreement (EPA). I believe that upon its conclusion, our two countries could further enhance trade and investment relations.

With those words, Mr. Chairman and members of the Organization once again on behalf of His Majesty thank you very much.

Promoting the Conclusion of International Social Security Agreements

Necessity for international social security agreements

Japanese people who stay abroad for a long time are required, in some cases, to participate in the pension systems both in Japan and the country where they live, having to pay premiums to the both governments.

In case they are corporate employees overseas, the premium payments required for the pension system of the country where they live are born by the company that they work for, some of which annually shoulder as much as several hundred million yen in total for a company. However, as most of these employees eventually come back home, the insurance policies do not virtually bring about maturity refunds and the paid-up premiums are wasted. Foreigners who live in Japan for a long time are being faced with similar problems.

The problems of such double payments need to be solved in order to facilitate international personal interchanges and to avoid extra burden for companies engaging in global business.

For the purpose of solving such common difficulty, Japan needs to promote to conclude social security agreements with other countries to authorize some exceptional rule to avoid the double payments.

In September 1999, Japan Foreign Trade Council, Inc. (JFTC) requested the government of Japan for early conclusion of social security agreements with foreign countries. Since then, JFTC has been playing an active role in realization of such agreements – in collaboration with Nippon Keidanren and the Japan Overseas Enterprises Association.

Current situation of international social security agreements

Social security agreements with other countries took effect in 2000 with Germany, 2001 with the U.K. and in April 2005 with South Korea. A similar treaty, which was concluded in February 2004 with the U.S., where many Japanese business men are working, is expected to come into force soon.

Japan made similar agreements with France and Belgium in February 2005 respectively. Currently, the legislative processes for approval in the both countries are under way respectively. JFTC chairman Mikio Sasaki visited the chairman of the LDP Diet Affairs Committee and the chairman of the Committees on Rules and Administration of the House of Representatives to request that the current session of the Diet launch discussions on this issue. As result, relevant bills were put on the agenda for discussion in the Diet in March this year.

To date Japan has reached social security agreements only with a total of six countries including those of waiting for approvals in the Diet. Meanwhile, the U.S. has concluded similar treaties with more than 20 countries and Canada has already concluded with over 40 countries.

Avoidance of double payments

In Japan, all citizen are required to participate in the National Pension and or the Employee's Pension Insurance regardless of their nationality. For foreigners who lived in Japan for a short period of time and returned home without receiving any pension benefits, a special exemption scheme is prepared under which "a withdrawal lump sum" can be received on request.

However, once such international social security agreements are concluded, foreigners in Japan will be exempted from participating in Japan's social security system if they stay in Japan for shorter than five years, keeping them from having to pay premiums to both Japan and their home countries.

For the purpose of further promotion of economic interchanges with other countries, Japan needs to conclude social security agreements with as many countries as possible. JFTC is determined to keep on working on this issue actively in collaboration with other relevant organizations concerned.

Bilingual “Japan’s Foreign Trade 2005”

Japan Foreign Trade Council, Inc. published “Foreign Trade 2005” (Nihon Boeki no Genjo 2005) at the end of March this year. This is the latest edition of the booklet published annually since 1976 and marks 30 years anniversary.

Foreign Trade 2005 is written bilingually in Japanese and English for the first time. JFTC hopes that the new booklet will be useful for a variety of peoples including foreign businessmen, government officials, etc.

* “Foreign Trade 2005” (¥1,000 including tax) is available for purchase at large book stores and government book centers. Inquiry for mail order should be addressed to mail@jftc.or.jp or by phone: 03–3435–5959, by Fax: 03–3435–5979.



JFTC MONTHLY REPORT ON-LINE — Titles

JFTC publishes monthly reports covering wide variety of topics for the members and subscribers.

The following contents are available from the website (<http://www.jftc.or.jp/>) though written in Japanese.

From April 2005 issue

1. Foreword – “Corporation gathering individual knowledge & intelligence”
... Shigeru Shimazaki, Executive Director of JFTC, Chairman, Tomen Corporation
2. Special Articles – Economic Partnership Agreements (EPAs)
 - Promotion of EPAs and Future Challenges
... Masashi Kinoshita, Director, Economic Partnership Division, Trade Policy Bureau, Ministry of Economy, Trade & Industry
 - Expectations on Promotion of Bilateral and Regional EPAs
 - Movements on EPAs Between Japan and ASEAN ... Michio Mizoguchi, Acting Chairman, The ASEAN-Japan Economic Council, Special Advisor to the Chairman, The Japan Chamber of Commerce & Industry, (Standing Advisor, Kajima Corporation)
 - Expectations on EPA between Japan and Thailand
... Tsuyoshi Noro, President, The Japanese Chamber of Commerce, Bangkok, (President, Mitsubishi Company (Thailand), Ltd.)
 - Investment Environment of Indonesia and Expectations on EPA between Japan and Indonesia
... Kenta Mishima, Former President, Jakarta Japan Club, (Former Chief Officer for Indonesia, ITOCHU Corporation)
 - Expectations on EPA between Japan and Philippines ... Ryukichi Kawaguchi, President, The Japanese Chamber of Commerce and Industry of the Philippines, Inc., (Chairman, Marubeni Philippines Corporation)
 - Expectations on EPA between Japan and Korea and Japanese Companies
... Nobuya Takasugi, President, Seoul Japan Club, (Chairman, Fuji Xerox Korea Co., Ltd.)
 - Necessity of prompt conclusion of EPA between Japan and Chile
... Osamu Sasaki, Vice President, The Japanese Chamber of Commerce and Industry of Chile, (President, Mitsubishi Chile Ltda.)
 - Wide Area Cooperation, from FTA to Community ... Shujiro Urata, Professor, Asia-Pacific Studies, Graduate School of Waseda University
 - EPA and Japan’s Food and Agriculture ... Nobuhiro Suzuki, Professor, Faculty of Agriculture, Graduate School of Kyushu University
 - Expectations from Industry
 - Machinery Industry’s Expectations on EPA promotion
... Osamu Morimoto, Executive Managing Director, Japan Machinery Center for Trade and Investment
 - Automobile Industry’s Expectations on EPAs
... Toshihiro Iwatake, Senior Director General, Japan Automobile Manufacturers Association, Inc.
 - Points and Schedule of EPAs under negotiation
 - 3. International Letter – Report from Philippines ... Tetsuya Miyoshi, General Manager, Manila Branch, Mitsui & Co., Ltd.

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From March 2005 issue

1. Foreword - "Tsunami" ... Takeo Inabata, Executive Director, JFTC, President, Inabata & Co., Ltd.
2. Special Articles – EXPO 2005 AICHI JAPAN & Chubu Region's Economy
 - Toward a Opening of the EXPO 2005 Aich Japan ... Masaaki Furukawa, President, Toyota Tsusho Corporation
 - Round-table talk – "Shosha's Function for EXPO 2005"
 - ... Sumitomo Corporation, Mitsui & Co., Ltd., ITOCHU Corporation, Mitsubishi Corporation, Toyota Tsusho Corporation
 - Chubu Region's Economy after EXPO 2005 ... Hideki Ogawa, Director-General, Chubu Bureau of Economy, Trade & Industry
 - Japan's Vitality brought by Toikai Region
 - ... Sokichi Minoura, Chairman, Nagoya Chamber of Commerce & Industry, Vice Chairman, Japan Association for the 2005 World Exposition
 - Invitation of Foreign Pavilions (Jordan Pavilion, Andean Amazonian Pavilion, Caucasus Pavilion)
 - ... Japan Association for the 2005 World Exposition
3. International Letter – "Changes in Dubai, Middle East" ... Yasuhiko Okaguchi, President, Chori Middle East FZE

What is "SHOSHA"?

SHOSHA is consistently changing to meet the requirements of each era. Its function, activities and vision are explained in detail in English at <http://www.jftc.or.jp/shosha/english/index.html>

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 THE JAPAN BANANA IMPORTERS ASSOCIATION, JAPAN CHEMICAL EXPORTERS' ASSOCIATION, JAPAN CHEMICAL IMPORTERS' ASSOCIATION,
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 JAPAN SHIP EXPORTERS' ASSOCIATION, JAPAN TEXTILE EXPORTERS ASSOCIATION, THE JAPAN TEXTILES IMPORTERS ASSOCIATION,
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