

JFTC News

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Bilingual "Japan's Foreign Trade 2007" published on March 22.

Japan Foreign Trade Council, Inc. published "Foreign Trade 2007" (Nihon Boeki no Genjo) on 22nd of March this year. A series of this handy booklet, a kind of the latest "Mini-White Paper on Trade" has been widely used among those interested in Japanese economy and trade since the first edition in 1976.



Foreign Trade 2007 is written bilingually in Japanese and English. Booklet (¥1,000 including tax) is available for purchase at large book stores and government book centers. Inquiry for mail order should be addressed to jar@jftc.or.jp or by phone: 03-3435-5959, by Fax 03-3435-5979.

— Introduction —

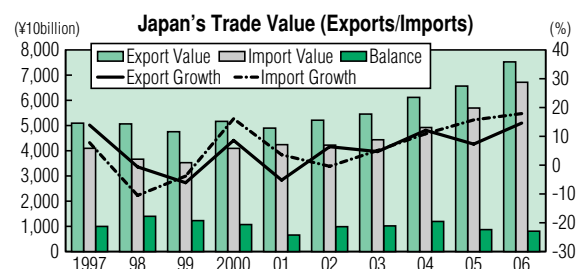
In 2006, Japan's trade was favorable in both exports and imports. The total value of exports reached some ¥7.5 billion due mainly to growth in volume, establishing an all-time high for the fifth consecutive year. That of imports totaled ¥6.7 billion, hitting a new record for the fourth consecutive year, against the background of rising prices. Consequently, the combined value of exports and imports broke the ¥140-trillion line to reach ¥142 trillion, a record high for the fifth consecutive year. Since imports increased greater than exports as seen in 2005, Japan's trade surplus (on a Customs-cleared basis) fell to ¥8.1 trillion.

Japan's 2006 trade was characterized by the following:

- 1) As observed the previous year, Japan's trade with each BRIC (Brazil, Russia, India, and China) nation grew around 20 percent against the background of an expanding world economy, with prices of crude oil

and natural resources hovering at high levels. Furthermore, trade was robust with the new economies of VISTA (Vietnam, Indonesia, South Africa, Turkey and Argentina) and Mexico, with which Japan had concluded an economic partnership agreement (EPA). Due to sharp increases in prices of import crude oil until the beginning of fall, trade with the Middle East maintained double-digit growth.

- 2) Trade with other countries and regions of Asia, approximately ¥65 trillion in value, accounted for nearly half of Japan's total external trade, according to the growth in horizontal trade. Among others, China (including Hong Kong) enhanced its presence as Japan's leading trade partner, taking a 20-percent share of Japan's total external trade.
- 3) By commodity, Motor Vehicles contributed significantly to total growth in exports as one of Japan's major export items. Notable increases in exports were also reported for machinery for capital investment and resource development (e.g., Metalworking Machinery and Construction Machines), Electrical Machinery (including Semiconductor etc), and raw materials (e.g., Iron & Steel products and Chemicals). Growth in imports was registered for Machinery & Equipment in general and high growth was observed, particularly in import of natural resources such as Petroleum, Iron Ore & Concentrates, and Ore of Nonferrous, as their prices remained high during 2006.



Note: Export and import growth is up/down from a year earlier. Figures in the table represent growth in value. Value indexes divided by unit value indexes make quantum indexes.

Source: Compiled from MOF's Trade Statistics on a Custom-cleared Basis

By carefully reading this booklet, along with the Data Chapter in the second half, you will find a number of changes in the structure of Japan's trade—such as changes in the destination of major export items. We hope this booklet will help you understand various trends in Japan's trade economy.

As was last year, this booklet has been written in both Japanese and English. It is our hope that you will find extensive use for it both in Japan and abroad.

Welcome Luncheon inviting the King of Sweden

KEIDANREN (Japan Business Federation), JCCI (The Japan Chamber of Commerce & Industry), KEIZAI DOYUKAI (Japan Association of Corporate Executives) and JFTC (Japan Foreign Trade Council, Inc.) jointly hosted a luncheon on March 26th 2007 at the Imperial Hotel in Tokyo welcoming H. M. King Carl XVII Gustaf of Sweden who visited Japan as a state guest.

On behalf of four co-hosting organizations, Mr. Mikio Sasaki, the chairman of JFTC, made a welcome speech followed by a return speech from King Gustaf expressing a hope of further expansion of Sweden-Japan friendship and business relations.

The Fuji Room in Imperial Hotel was filled with some



190 participants including 100 Japanese and 90 Swedish businessmen and academic delegation who visited Japan together with King's delegation.

Welcome Luncheon with the Prime Minister of Australia

The Japan-Australia Corporation Committee, chaired by Mr. Takashi Imai, hosted a luncheon welcoming H. E. John Howard, the Prime Minister of Australia, at the Tokyo Kaikan on March 13th, 2007. The luncheon was jointly supported by KEIDANREN, JCCI and JFTC. Some 120 participants including Japanese businessmen and government officials attended to the luncheon.

Mr. Kenji Miyahara, chairman of Sumitomo Corporation, hosted the Prime Minister and other government officials from Australia in the head table representing Japan Foreign Trade Council, Inc as the former and honorary chairman of JFTC.

The luncheon started with a welcome speech by Mr. Imai followed by a return speech by Mr. John Howard Prime Minister and a closing speech by Mr. Fujio Mitarai, the chairman of KEIDANREN.



Welcome Luncheon inviting the Premier of the State Council of China

KEIDANREN, JCCI, KEIZAI DOYUKAI and JFTC jointly hosted a luncheon on April 12th 2007 at the Hotel New Otani in Tokyo welcoming H. E. Wen Jiabao, the Premier of the State Council of China who visited Japan as an official guest. JFTC Vice Chairman Mr. Nobuo Katsumata

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>

attended to the luncheon as a representative from JFTC.

Mr. Fujio Mitarai, Chairman of KEIDANREN, gave a welcome speech as a prime host followed by a return speech from H. E. Wen Jiabao expressing a hope of further expansion of business relationship between Japan and China. There were about 380 participants including 260 Japanese and 120 Chinese businessmen.



JFTC MONTHLY BULLETIN ON-LINE — Titles

JFTC publishes monthly bulletin 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 March issue

1. Foreword: "Gratitude (Okagesama) and Usefulness (Oyakudachi)"
... Yoshihiro Miwa, Executive Director of JFTC, President, Kanematsu Corporation
2. Special Articles: "Japanese SOX law and internal control"
 - "Outline of reporting system on internal control in Financial Instruments Transaction Law"
... Shinji Hatta, Professor, Professional Accountancy Dept., Aoyama Gakuen University
(Chairman, Internal Control Committee, Business Accounting Council, Financial Services Agency, Government of Japan)
 - "Internal control for improving corporate value and risk management" ... Hiyou Kanbayashi, President, Protiviti Japan Inc.
 - "Attention to be paid on reporting system of internal control" ... Keiichi Kubo, General Manager, Tohatsu Research Institute of Corporate Risks
 - "Importance of IT system on internal control and requirements for business enterprises"
... Satoshi Uchiyama, President and senior analyst, ITR Corporation
 - "Standard practices in viewpoint from companies sides" ... Takatsugu Ouchi, General Manager, Financial Dept, Sumitomo Corporation
(Member of Internal Control Committee, Business Accounting Council, Financial Services Agency, Government of Japan)
 - "Shosha's challenges to establish internal control systems" ... Mitsui & Co., Ltd., Marubeni Corporation
 - "Movement of establishing evaluation systems for internal control in major countries"
... Sayaka Sumida, Representative Partner, Chartered Accountant, KPMG AZSA & Co.
 - "Japanese SOX law to start from April 2008" ... Masayuki Horie, Professor, College of Commerce, Graduate School of Nihon University.
3. International letter: "Letter from Vietnam" ... Hiroyuki Furubayashi, General Manager, Hanoi representative office, Inabata Singapore Ltd.
4. Zoom-up "Business of *Suppon* (soft-shelled turtles), traditional healthy food known from ancient days"
... Takashi Niwano, General Manager, Healthy Industry Dept., Natural Industry Div. Iwatani International Corporation.

From April issue

1. Foreword: "Japanese Shosha known to the world" ... Keishiro Saito, Executive Director of JFTC, President, Chori Co., Ltd.
2. Special Articles: "Japan-Australia Partnership"
 - Interview
"Current issues and future prospects of Japan-Australia cooperation"
... Hideaki Ueda, Ambassador extraordinary and plenipotentiary to Australia
 - Special contribution
"Challenges and future outlook for establishing multilayered relationships between Japan and Australia"
... Minoru Murofushi, Adviser, Itochu Corporation, Honorary Advisor of JFTC, Vice Chairman of The Japan-Australia Corporation Committee
 - Round-table talks: "Roles of business companies in the development of Japan-Australia relationship."
 - Column
"R&D business of Cannon Group"
"The first Japanese company launched in Australia." ... Kanematsu Corporation
 - Special Contribution
"The outlook of Australian Economy" ... Hiroshi Higaki, General Manager, Sydney Branch, Mizuho Corporate Bank, Ltd.
 - JFTC News
"Welcome Luncheon with the Prime Minister John Howard of Australia" ... International Affairs & Research Group, JFTC
"Social security agreement between Japan and Australia" ... General Affairs Group, JFTC
3. The Angles: "A thinking came out from the recovery of Japanese economy"
... Miyoshi Kamijo, Manager, Market Research Group, Corporate Planning Department, Toyota Tsusho Corporation
4. International Letter: "Shenzhen Now" ... Tetsuya Uchiyama, General Manager of Material Dept., Western Japan Affiliate, Hitachi High-Technologies Corporation (Former President of Hitachi High-Technologies (Shanghai) Co., Ltd.)

REGULAR MEMBERS OF JFTC

Companies (Total 45)

ASSOCIATED LUMBER & TRADING CO., LTD., CHORI CO., LTD., CBC CO., LTD., D. NAGATA CO., LTD., HANWA CO., LTD.
 HITACHI HIGH-TECHNOLOGIES CORPORATION, INABATA & CO., LTD., ITOCHU CORPORATION, IWATANI INTERNATIONAL 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., TOSHOKU LTD., TOHO BUSSAN KAISHA, LTD.
 TOYOTA TSUSHO CORPORATION, Y. NISHIDA & CO., LTD., YAGI TSUSHO LTD., YUASA TRADING CO., LTD.

Associations (Total 25)

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 EXPORTERS' ASSOCIATION,
 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 RUBBER TRADE ASSOCIATION OF JAPAN, THE YOKOHAMA FOREIGN TRADE ASSOCIATION

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