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### 2021 New Year's Remarks by Chairman KOBAYASHI Ken

(January 4, 2021)

Happy New Year everyone.

The year 2020 was an unprecedented one, with the COVID-19 pandemic delivering a huge economic and social blow to the world. Countries have taken various measures to prevent the spread, including lockdowns and stay-at-home orders, yet the virus has been relentless. Here in Japan, it forced us to postpone the Tokyo Olympic and Paralympic Games. Against this backdrop, the Japanese government has mobilized all available resources to contain the spread of the virus, whilst continuing social and economic activities. Despite these efforts, our economy has suffered its sharpest contraction in decades due to national restrictions on the cross-border flow of goods and people. The pandemic meanwhile has shed new

light on problems that have long plagued our country, including a large-scale rural-urban migration, supply chain vulnerability, and the digital transformation challenges.

Amidst the chaos of 2020, the Suga administration was inaugurated in September last year, and declared that it would work with a sense of speed on various measures, including the establishment of a digital agency, and its aim to achieve carbon neutrality by 2050. In terms of trade, the Japan-UK Comprehensive Economic Partnership Agreement was agreed upon in a very short period of time, thanks to the efforts of both government officials, and went into effect on January 1st this year. In addition, the Regional Comprehensive Economic Partnership (RCEP), which had been negotiated for many years, was finally signed by the leaders of 15 Asia-Pacific nations in November last year. The RCEP is expected to stimulate the region's trade and investment and ensure a more resilient and efficient supply chain.

In the United States, a presidential election was

held in November last year, and the incoming administration appears likely to shift the country's focus back to emphasizing international cooperation and relations with its allies. Policy-wise, President-elect Biden has stated that he intends to place greater emphasis on the environment, including the return to the Paris Agreement, and this should be seen as a new opportunity to proceed with various initiatives. The pandemic aside, much of the world's focus over the past few years has been on the tensions between the US and China, and the majority consensus is that this will continue. Under these circumstances, Japan needs to work with other countries and regions to lay the groundwork for new international collaborations and continue to demonstrate leadership in its aim to achieve a Free and Open Indo-Pacific.

This year will be a pivotal one, as we work to return peace and stability to the world and continue to build sustainable economies and societies. But in order for those things to happen, there needs to be global distribution of safe and effective COVID-19 vaccines. COVID-19 vaccinations have already begun in the UK and elsewhere, and its efficacy is promising. It will be a year in which the trading sector will strengthen its efforts to build new, post-COVID-19 business models, review supply chains, and reinforce efforts to solve the problems facing modern society. The forefront of which is decarbonization. Furthermore, with digitalization picking up speed, digital transformation must be leveraged to bring about sweeping structural reforms. To support corporate initiatives, the Japan Foreign Trade Council (JFTC) will continue to be proactive, whether that means promoting more joint research and discussions or making proposals to the government.

Last year, we celebrated the 20th anniversary of Action for a Better International Community (ABIC), a private non-profit organization that the JFTC established in April 2000. It now has close to 3,000 registered members who are engaged in a broad array of activities. Our council is committed to continuing its work with ABIC to address numerous societal challenges.

For half a century, the JFTC was headquartered in Hamamatsucho, but as of this year it was relocated to new offices in Kasumigaseki, a district in Tokyo's

Chiyoda Ward. The Kasumigaseki office is equipped with a number of new facilities where its members can communicate effectively in a secure, relaxed setting. We will practice our catch phrase "Pioneers of a New Era", and set forth into the uncharted waters of a post-COVID-19 world.

In conclusion, I hope that the JFTC will continue to receive ever more of your consideration and cooperation in 2021, and I wish all of you a very healthy, happy and prosperous new year.

## Policy Recommendations and Proposals

### FY2021 Proposal for Tax Reform

#### First Policy Proposal Group

Each fiscal year, the Japan Foreign Trade Council, Inc. (JFTC) proposes tax measures and reviews for Japanese companies to flexibly adapt to the changing business environment and further expand into the global market with maintaining international competitiveness.

In FY2020, JFTC submitted "FY2021 Proposal for Tax Reform" consisting of 93 items to the government, the ruling coalition, relevant government agencies, and other related organizations on September 30, 2020. This proposal included 23 critical articles. Two of them were centerpiece both during and after the COVID-19 crisis: (A) Breaking away from the traditional reliance on paperwork, seals, and face-to-face contact (changes to tax compliance procedures and abolition of stamp duties), and (B) Measures to address the impact of the pandemic on business performance (revisions to the deduction limit for loss carryforwards).

For future discussions on digital economy taxation, the proposals stressed the need for well deliberated building an international consensus and systems that would not create disadvantages for Japanese companies relative to foreign enterprises.

JFTC, together with other industry associations that

share concerns, intends to lobby the government, ruling coalition, and relevant government agencies, to ensure a “level playing field” in tax systems for global expansion of Japanese companies.

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### **FY2020 Proposal for Security Trade Control**

Second Policy Proposal Group

Each fiscal year, the Japan Foreign Trade Council, Inc. (JFTC) submits a request to the Ministry of Economy, Trade and Industry (METI) detailing legal, systematic, and operational practice reform to address the issues regarding security trade control faced by our member companies. In FY2020, we submitted five requests to the Trade Control Department of the METI on October 2, 2020, and also submitted a proposal on the exemption and simplification of diplomatic procedures to the Nuclear Energy Policy Planning Division at the Agency for Natural Resources and Energy.

There is an urgent need for the internationalization of Japan’s classification numbering system in particular, and we are continuing to exchange opinions with the METI in conjunction with the Center for Information on Security Trade Control (CISTEC) and the Japan Machinery Center for Trade and Investment (JMC). With the movement from the Suga government for eliminating dependence on documentation, seals, and the culture of meeting face-to-face, we expect that the requirement of seals on attachments for digital applications to be quickly abolished. JFTC intends to help achieve our proposals via the further exchange of opinions.

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### **Addressing the Tax Challenges Arising from the Digitalisation of the Economy through the OECD/G20 Inclusive Framework on BEPS**

#### **Submission of Statement to the Organisation for Economic Co-operation and Development (OECD)**

First Policy Proposal Group

On December 14, 2020, the Japan Foreign Trade Council, Inc. (JFTC) submitted a statement on the “Reports on the Pillar One and Pillar Two Blueprint” published by the OECD. The document mainly raised concerns about the excessive increase in tax

compliance burden on multinational enterprises and asked solutions.

- (A) Carefully design the process of narrowing the scope and the order of calculations and ensure a ample lead-up time, to reduce the burden of tax compliance on enterprises and transactions which are extremely likely to ultimately be exempted from the scope of taxation.
- (B) Pillar One (rules on profit allocation, others.): Limit the scope of each control and design the efficient system, to reduce disputes between taxpayers and tax authorities and the administrative burden on businesses.
- (C) Pillar Two (the adoption of minimum taxation): Simplify the various system as much as possible and set the generous filing return due date. Ensure the member jurisdictions of this taxation framework adopt the rule in step with each other to realize a level playing field.

JFTC will keep watching international debates at the OECD or G20 and actively deliver opinions to establish fair and appropriate international taxation rules in harmony with the business reality.

## Chairman's Comments

### **Chairman Kobayashi's Comments on the Announcement of Prime Minister Abe's Resignation**

August 28, 2020

Amid the unprecedented domestic and international crisis caused by the COVID-19 pandemic, I sympathize with the challenges that Prime Minister Abe faced and both understand and respect his decision to resign. I wish him a speedy recovery to full health.

During Prime Minister Abe's term of office, the longest in the history of Japan's constitutional government, his administration provided stability in addressing important policy issues. I would like to take this opportunity to once again express my gratitude for his steadfast commitment to Japan's growth.

In spite of our increasingly protectionist world, Prime Minister Abe determined to realize multilateral trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the Japan-EU Economic Partnership Agreement, and the Japan-US Trade Agreement.

I look forward to a swift decision by our government on Prime Minister Abe's successor, and I remain optimistic that our state leaders will make good progress in addressing the many issues facing our nation, the most pressing of which will be overcoming the pandemic and ensuring economic recovery.

### **Chairman Kobayashi's Comments on Agreement in Principle on Japan-UK Comprehensive Economic Partnership Agreement**

September 11, 2020

It is welcome news that an agreement in principle has been reached on the Japan-UK Comprehensive Economic Partnership Agreement (EPA). Negotiations officially started this June, and I would like to express my utmost respect to the governments of Japan and the United Kingdom for working tirelessly to reach this

agreement in just three months' time. The fact that this was achieved during the unprecedented challenges of a global pandemic makes it all the more praiseworthy.

Japan's annual trade with the UK is approximately 2.4 billion yen. Many Japanese enterprises operate in the UK, and a closely-linked supply chain connects our country with the UK and EU. As part of the agreement, tariffs for certain products will be eliminated earlier than scheduled under the Japan-EU EPA, and more advanced rules in areas such as e-commerce will take effect. I believe that this agreement will contribute to the further expansion of trade and investment between Japan and the UK, and promote economic prosperity for both.

Hopefully this will provide the impetus needed for our government to approve the Japan-UK EPA within the year. I think I can speak for businesspeople across Japan when I say that we are counting on our country's elected officials to demonstrate the kind of leadership needed to maintain and promote free trade. We hope that for the benefit of both our business communities, the UK and EU will move swiftly to sign a tariff-free EPA.

### **Chairman Kobayashi's Comments on Inauguration of Suga Cabinet**

September 16, 2020

Prime Minister SUGA Yoshihide's cabinet is a lineup of talented individuals who are well-versed in their respective areas. I am confident that it will maintain the policies of the previous administration and work diligently to implement them.

My first expectation of the new cabinet is that it make every effort to balance our COVID-19 precautions and economic recovery. The cabinet must also be effective in communicating Japan's economic and social vision to its citizens, along with its role within the broader international community. There are many challenges facing Japan in both internal and foreign affairs. Some are immediate concerns, while others are longer-term issues, but all must be addressed boldly and decisively.

The global pandemic and resulting economic downturn have only exacerbated a worrying trend of protectionism. It is therefore vital that Japan and its allies work hard to maintain and expand international economic partnerships and systems of free trade that are based on impartial rules. Prime Minister Suga has extensive diplomatic experience, which I will be counting on him to demonstrate. His administration must lead Japan forward and ensure that it plays an even greater role in uniting the world's economies as a champion of free trade.

### **Chairman Kobayashi's Comments on the US Presidential Election**

November 9, 2020

Allow me to first congratulate Joe Biden and Kamala Harris on becoming the projected winners of the election.

The alliance between the US and Japan contributes to the peace, stability, and prosperity of the Indo-Pacific region and the entire world, and I expect it will be made stronger under the incoming Biden administration.

I look forward to the US moving away from the "America First" policy, strengthening its alliances with other countries, and getting back on the track of international cooperation. President-elect Biden has suggested that the US may return to the Trans-Pacific Partnership (TPP) after renegotiating it. The TPP plays an important role not only in economic prosperity, but also in the peace and stability of the Asia-Pacific region, so I hope the US returns.

I also hope that the US will rejoin the Paris Agreement and invest heavily in clean energy, as President-elect Biden has pledged. If this comes to fruition, it will dramatically accelerate the global trend of carbon emissions reduction and decarbonization. And I believe the *Shosha* industry will need to roll out businesses in response to that trend.

### **Chairman Kobayashi's Comments on the Signing of the RCEP Agreement**

November 15, 2020

I warmly welcome the recent signing of the Regional Comprehensive Economic Partnership (RCEP) agreement. I would like to pay tribute to the representatives of the Japanese government and the governments of the other 14 countries who have dedicated themselves so tenaciously to building consensus over the eight years since negotiations began in November 2012.

I rate the agreement highly because it establishes a wide-reaching economic bloc encompassing around 30 percent of the world's GDP and trade, and it facilitates free and fair trade and investment, as well as the formation of robust, efficient supply chains across the Asia region through measures such as reducing or eliminating tariffs, setting rules for e-commerce, and easing restrictions on foreign investment. I believe that it is also extremely significant for Japan that we have, for the first time, entered into an economic partnership agreement with China and South Korea, our key trading partners.

I hope the RCEP agreement will come into effect soon, and look forward to continued, persistent efforts on the part of the Japanese government to appeal to India, whose participation in the agreement would be desirable.

### **Chairman Kobayashi's Comments on the Ruling Coalition's Tax Reform Outline for FY2021**

December 10, 2020

I welcome the inclusion in the tax reform outline for FY2021 of measures requested by JFTC and other sections of the business community. I highly appreciate this decision, which I am sure was the result of painstaking deliberations by the government and ruling coalition aimed at putting in place a tax system which will help improve the competitiveness of companies, considering the impact of the coronavirus pandemic on the global economy.

Looking ahead to a period of living "with COVID-19"

and then beyond that to the “post-COVID-19” era, JFTC had two main priorities in its requests to the government: (1) Breaking away from the traditional reliance on paperwork, seals, and face-to-face contact (changes to tax compliance procedures and abolition of stamp duties), and (2) Measures to address the impact of the pandemic on business performance (revisions to the deduction limit for loss carryforwards).

Regarding the first of these, I welcome the substantial relaxations that will be made to requirements for the scanner storage system and other aspects of the Act concerning Preservation of Electronic Books, and the inclusion of provisions for the digitalization of various tax-related documents, as steps to promote teleworking.

In relation to the second, the Outline includes provisions that will relax the deduction limit for loss carryforwards for losses incurred in FY2019 and FY2020 only, and with the condition that funds be invested in innovations, including digital transformation and carbon neutrality. I believe this relaxation of the deduction limit for loss carryforwards, which have been stricter in Japan than in many other countries, will help to make companies more competitive.

Further, with regard to the tax challenges arising from the digitalization of the economy, I welcome the inclusion in the section “Basic Concept of Tax Reforms for FY2021<sup>(\*)</sup>” that states “Solutions... must give due consideration to avoiding an excessive burden on Japanese companies, must help to put a level playing field in place, and must contribute to maintaining and improving the international competitiveness of Japanese companies.”<sup>(\*\*)</sup>

Discussions continue toward an international agreement on digital economy taxation, centered on the OECD. We count on those responsible in the government and the ruling coalition to collaborate closely with the business community and to do everything in their power to build a new framework for international taxation that will reflect Japanese opinion.

(\*)(\*\*): tentative translation by JFTC

### **Chairman Kobayashi's Comments on the Japan-UK Comprehensive Economic Partnership Agreement Taking Effect**

January 1, 2021

I welcome the coming into effect of the Japan-UK Comprehensive Economic Partnership Agreement (Japan-UK EPA) today. I would like to reiterate my appreciation for the efforts of all those in the Japanese and UK governments and legislatures who were involved in successfully concluding the negotiations within an extremely short timeframe and bringing the agreement into effect as quickly as possible.

The Japan-UK EPA will ensure the continuity of Japanese companies' UK operations and contribute to further expansion of trade and investment and economic prosperity for both our countries. Amid a rise in protectionism spurred by the coronavirus pandemic, this agreement also sends a powerful message to the world that Japan is committed to promoting free trade.

I hope that the Japanese government will continue its efforts to expand free trade, including displaying leadership as the 2021 chair of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and supporting UK membership of the CPTPP.

Given that Japan, the UK, and the EU have built closely interlinked supply chains, I also welcome the agreement reached on free trade between the UK and the EU, which has taken provisional effect.

### **Chairman Kobayashi's Comments on Government's Declaration of Second State of Emergency**

January 8, 2021

Due to the spread of the novel coronavirus, a second state of emergency has been declared for four prefectures: Tokyo, Kanagawa, Saitama, and Chiba. The virus has been relentless, and it has now plunged the entire country into a state of crisis. The greater Tokyo area has been particularly hard hit. Declaring a second state of emergency was no doubt a difficult decision for the authorities to make, but it was necessary to avoid placing an even greater strain on

Japan's already stressed healthcare system.

The situation remains dire across the globe. Many countries and regions are facing second or third waves of infections, and new variants of the virus that are more transmissible have been detected. The Japanese government must act quickly to counter the spread, and its possible options include revising the pandemic influenza special measures act and creating a program to rapidly administer vaccinations.

Collaboration between the government, business community and public will be essential to preventing further transmission of the virus. Together with its member companies, the JFTC will do everything in its power to assist both the national and local authorities as well as all other concerned organizations in stopping COVID-19. The JFTC also remains dedicated to encouraging work-from-home policies, digitalization and other efforts aimed at sustaining Japan's socioeconomic activity during these challenging times.

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### **Chairman Kobayashi's Comments on the Inauguration of US President Biden**

January 21, 2021

I would like to congratulate President Joe Biden and Vice President Kamala Harris on their inauguration.

In addition to serious political divisions, the United States faces critical challenges such as the spread of COVID-19, the need for economic reconstruction, and racial issues. The new administration will have to steer a very difficult course, but I expect the experienced President Biden to display the skills needed to restore domestic harmony and stability.

Many of the persons appointed to major posts in the Biden administration have deep connections with and knowledge of Japan. I hope that the Japanese government will quickly forge a relationship of trust with the new administration and work to strengthen the Japan-US alliance. This alliance not only continues to be the cornerstone of Japan's diplomacy and security, but is now also the foundation of peace and prosperity in the Indo-Pacific region.

I expect the Biden administration to shift the course of US diplomacy toward international cooperation and to show leadership in its response to global issues such as the economy, security, and climate change while cooperating with the countries concerned.

In close coordination with the new administration, the Japanese government will aim to expand the free and fair economic zone it has promoted and to maintain and strengthen the rules-based multilateral trading system. The JFTC will support both the US and Japanese governments in these efforts.

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### **Chairman Kobayashi's Comments on the Appointment of Dr. Ngozi Okonjo-Iweala as Director-General of the World Trade Organization**

February 16, 2021

I wish to extend my congratulations to Dr. Ngozi Okonjo-Iweala, the former Finance Minister of Nigeria, on her appointment as the new Director-General of the World Trade Organization (WTO). This is extremely welcome news, considering the WTO's significance in supporting free trade. It was vital that it not be left functionally leaderless for too long, particularly with the world economy still struggling with the COVID-19 pandemic.

The WTO serves as the foundation for both fair and multilateral free trade, and I am confident that its new Director-General will provide the kind of leadership needed to address its impending reforms. These include reviving the Appellate Body's system for resolving trade disputes, establishing or modernizing international trade rules, including those governing activities in the digital space, reviewing the qualification criteria and preferential treatment for developing countries, and ensuring compliance with WTO agreements.

I call on the Japanese government, as a flag bearer of free trade, to cooperate with the United States and other countries concerned in supporting reforms that will restore and strengthen the functions of the WTO. The JFTC will provide full cooperation in these endeavors.

## FY2021 Outlook for Japan's Trade Balance and Current Account

(December 3, 2020)

- Exports and imports will recover slowly, but the trade balance will improve and current account surplus will expand -

On December 3, 2020, JFTC published the "FY2021 Outlook for Japan's Trade Balance and Current Account." This outlook is characterized by its unique method of accumulating forecast for each commodity allotted to the eight companies of the Trade Outlook Working Group, under the Trade Trend Research Committee. Having started in 1974, this year marks the 47th year of this outlook.

### Overview

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

- FY2020: Exports and imports will greatly decrease due to the global economic slowdown caused by COVID-19

Total exports are forecast to decrease by 10.9% to 67.6 trillion yen from FY2019. This consists of a 10.0% decline in export volume, and a 1.0% decline in export value. Export volume will decline in a wide range of commodities due to the global impact of the COVID-19 crisis on both supply and demand.

Total imports are forecast to decrease by 14.4% to 66.1 trillion yen from FY2019. This consists of a 6.6% decline in import volume, and an 8.3% decline in import value. Declining imports of Mineral Fuels will suppress total imports due to the falling market for resources and materials.

As a result, the trade balance will achieve a surplus of 1.5 trillion yen, which is the first surplus in three years.

- FY2021: Exports and imports will recover but not to the level before the COVID-19 crisis

Total exports are forecast to increase by 8.5%

over FY2020 to 73.4 trillion yen. This consists of a 7.0% increase in export volume, and a 1.5% increase in export value. Exports of Transport Equipment, Machinery, and Manufactured Goods, etc., will increase once again.

Total imports are forecast to increase by 6.5% over FY2020 to 70.4 trillion yen. This consists of a 3.2% increase in import volume, and a 3.2% increase in import value. Imports of Mineral Fuel will increase by almost 20% over FY2020 due to rising prices for crude oil and coal.

As a result, both imports and exports will recover compared to FY2020, but not to the levels seen before the COVID-19 crisis. The trade balance will achieve a surplus of 3.0 trillion yen, which is a surplus for the second consecutive year.

#### 2. Outlook for the Current Account

- FY2020: Current account surplus will decrease due to a decline in consumption by foreign visitors to Japan and decline in interest and dividends received from overseas

The current account surplus is forecast to decrease to 16.5 trillion yen. Due to the great decline in consumption by foreign visitors to Japan (so-called "inbound consumption"), the services balance deficit will increase from 478 billion yen in FY2019 to 3.5 trillion yen. The surplus in the primary income balance including dividends and investment income received from overseas will also decline from 21.4 trillion yen in FY2019 to 18.9 trillion yen.

- FY2021: The current account surplus will recover to the same level as FY2019

The current account surplus is forecast to expand to 20.7 trillion yen, which is the same level as in FY2019. Assuming that the Tokyo Olympics/Paralympics is held with measures for preventing the spread of COVID-19, the services balance deficit including inbound consumption will decrease to 2.1 trillion yen. The surplus in the primary income balance will increase to 19.9 trillion yen due to global economic recovery.



## Summary Data

## • Customs-cleared Trade

	FY2019 Results		FY2020 Forecast		FY2021 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)
Trade Balance	▲ 1,291	+319	1,519	+2,810	2,986	+1,467
Exports	75,880	(-6.0%)	67,612	(-10.9%)	73,389	(8.5%)
Quantum Index		-4.4%		-10.0%		7.0%
Unit Value		-1.6%		-1.0%		1.5%
Imports	77,171	(-6.3%)	66,092	(-14.4%)	70,403	(6.5%)
Quantum Index		-2.3%		-6.6%		3.2%
Unit Value		-3.8%		-8.3%		3.2%

## • Current Account Balance

	FY2019 Results		FY 2020 Forecast		FY2021 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 & Services	189	+489	▲ 308	-497	2,619	+2,927
Goods	667	+32	3,163	+2,497	4,720	+1,557
Exports	74,943	(-6.7%)	66,777	(-10.9%)	72,482	(8.5%)
Imports	74,277	(-6.8%)	63,613	(-14.4%)	67,762	(6.5%)
Services	▲ 478	+457	▲ 3,471	-2,994	▲ 2,101	+1,371
Primary Income	21,421	-212	18,914	-2,507	19,854	+940
Secondary Income	▲ 1,469	+272	▲ 2,090	-621	▲ 1,740	+350
Current Account	20,141	+549	16,516	-3,625	20,734	+4,218

Note: Due to rounding some amounts may not add up precisely to the totals provided.

## • Preconditions

	2019	2020	2021
Global Trade (CY)	0.2%	▲ 7.9%	7.6%
Global Economy (Real growth rate /CY)	2.8%	▲ 4.4%	5.1%
USA	2.2%	▲ 4.6%	3.3%
Euro zone	1.3%	▲ 8.7%	5.3%
Emerging and Developing Asia	5.5%	▲ 1.3%	7.7%
Japanese Economy (Real growth rate / FY)	0.0%	▲ 6.2%	3.4%

Note1: Emerging and Developing Asia is defined by the IMF.

Note2: In addition to the above preconditions, based on the foreign currency exchange market and crude oil market trends in mid-November, calculations were performed using a yen/dollar exchange rate of 106 yen/dollar for FY2020, 106 yen/dollar for FY2021, and a CIF crude oil price of 41 dollars/barrel for FY2020 and 50 dollars/barrel for FY2021.

## “SHOSHA: Creating Value Globally” Shosha Handbook 2020

JFTC publishes “Shosha Handbook” annually to foster greater understanding of the activities of *Shosha*.

The latest English version of this “Shosha Handbook” was published in July 2020.

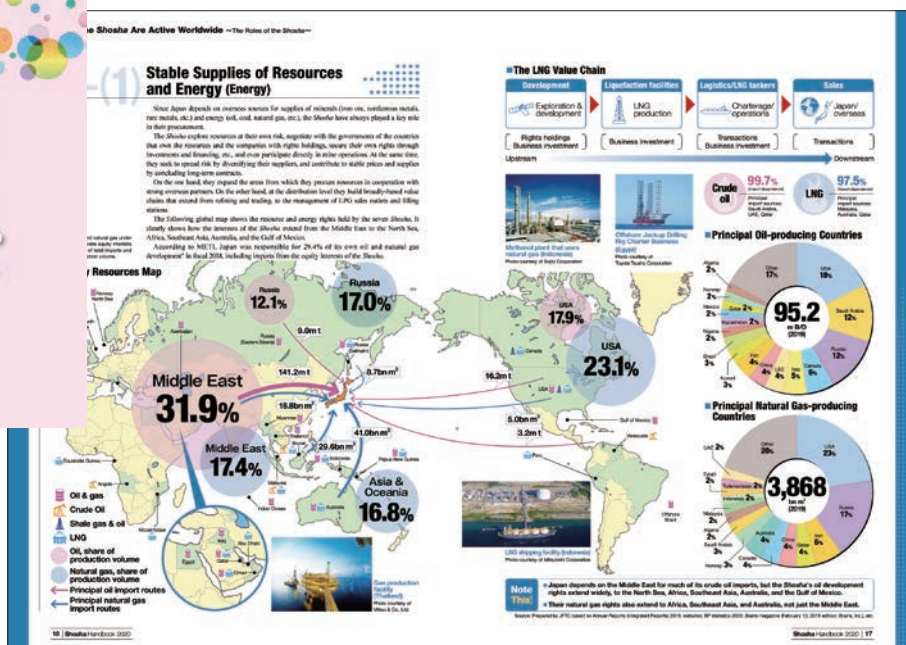
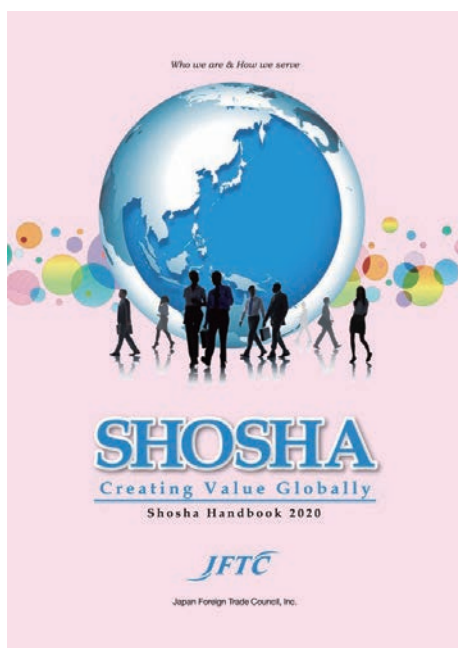
The contents are identical to the Japanese version of “Shosha Handbook 2020” published in March 2020, abundant with figures and photos. We hope that it serves of widespread use.

A4 format. English. Price:550 yen (tax included). Free of charge for JFTC members.

2021 edition will be published in July.

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- Attached Table: The World Economy and Trade
- *Shosha*'s Corporate Code of Conduct



“Shosha Handbook 2020” (¥550 including tax) is available for purchase at large book stores and government book centers. Any inquiries concerning this book should be addressed to [chosa@jftc.or.jp](mailto:chosa@jftc.or.jp) (Research Group).

## Foreign Trade 2021

We are pleased to announce that in March 2021, JFTC will publish “Foreign Trade 2021”, with full coverage of Japan’s foreign trade statistics on a customs-cleared basis for the previous year.

“Foreign Trade 2021” marks the 46th edition of this publication since it was first released in 1976. Improvements have been added over the years, such as addition of English printed to the side, addition of graph and charts, as well as expansion of new information to the data chapter.

We hope you will find this volume useful, as educational material for new employees, as a handy reference for overseas business trip, or as a reference material for employees in overseas offices.



“Foreign Trade 2021” (¥550 including tax) will be available for purchase at large book stores and government book centers. Any inquiries concerning this book should be addressed to [chosa@jftc.or.jp](mailto:chosa@jftc.or.jp) (Research Group).

## What is JFTC ?



## About Japan Foreign Trade Council, Inc. (JFTC)

Japan Foreign Trade Council, Inc. (JFTC) was founded in 1947 as a core economic organization of private sector companies engaged in international trade. In 1986, it was reorganized to become what it is, a trade-industry association consisting of trading companies and trade organizations.

JFTC aims to contribute to the prosperity of the Japanese economy and the development of the international community through trade and investment, and is engaged in a wide range of activities. Most importantly, the JFTC develops a consensus within the industry on various trade issues and submits policy recommendations and proposals to the government and related authorities in order to help resolve those issues. Such role and functions of the JFTC have been highly regarded by those concerned.

In addition to promoting and expanding investment and trade as we have done to date, the *Shosha* sector needs to come up with bold new approaches that go beyond conventional thinking, including by creating new businesses that make full use of the digital transformation. Reestablishing close connections in a fracturing world, reinvigorating the stagnant economy, and working to bring about a more prosperous world: these too are part of our mission. As an industry association representing the Japanese *Shosha* sector, the JFTC will work to fulfill its role in helping to pioneer the full potential of this new era, working in close cooperation with the Japanese government and with trade bodies worldwide to make increasingly proactive policy proposals. Our continuing mandate will be to maintain and develop the free trade system and to work toward putting in place comprehensive systems and a business environment conducive to free corporate activities.

## Principal Officers of JFTC

### Chairman

KOBAYASHI Ken (Chairman, Mitsubishi Corporation)

### Vice Chairmen

YASUNAGA Tatsuo (President and CEO, MITSUI & CO., LTD.)  
 FUJIMOTO Masayoshi (President and CEO, Sojitz Corporation)  
 SUZUKI Yoshihisa (President and COO, ITOCHU Corporation)  
 KASHITANI Ichiro (President and CEO, Toyota Tsusho Corporation)  
 KAKINOKI Masumi (President and CEO, Marubeni Corporation)  
 HYODO Masayuki (President and CEO, Sumitomo Corporation)

(in order of assumption)

### Executive Managing Director

KAWAZU Tsukasa

### Managing Director

IWAKI Hirotoshi

## Regular Member of JFTC

### Companies (Total 41)

ALL NIPPON AIRWAYS TRADING CO., LTD.	KYOKUTO BOEKI KAISHA, LTD.	SHINSHO CORPORATION
CBC CO., LTD.	MARUBENI CORPORATION	SHINYEI KAISHA
CHORI CO., LTD.	MARUBENI-ITOCHU STEEL INC.	SMILE CORP.
D. NAGATA CO., LTD.	MEIWA CORPORATION	SOJITZ CORPORATION
HANWA CO., LTD.	METAL ONE CORPORATION	SUMITOMO CORPORATION
HITACHI HIGH-TECH CORPORATION	MITSUBISHI CORPORATION	T. CHATANI & CO., LTD.
HONDA TRADING CORPORATION	MITSUI & CO., LTD.	TEIJIN FRONTIER CO., LTD.
INABATA & CO., LTD.	MORIMURA BROS., INC.	TOHO BUSSAN KAISHA, LTD.
ITOCHU CORPORATION	NAGASE & CO., LTD.	TOKYO BOEKI HOLDINGS CORPORATION
IWATANI CORPORATION	NIPPON STEEL TRADING CORPORATION	TOSHO ASSOCIATE CORPORATION
JALUX INC.	NOMURA TRADING CO., LTD.	TOYOTA TSUSHO CORPORATION
JFE SHOJI TRADE CORPORATION	NOSAWA & CO., LTD.	YAGI TSUSHO LTD.
KANEMATSU CORPORATION	OKAYA & CO., LTD.	YUASA TRADING CO., LTD.
KOWA COMPANY, LTD.	SEIKA CORPORATION	

### Associations (Total 20)

COSMETIC IMPORTERS ASSOCIATION OF JAPAN	THE JAPAN SHEEP CASING IMPORTERS ASSOCIATION
FUKUOKA FOREIGN TRADE ASSOCIATION	JAPAN SHIP EXPORTERS' ASSOCIATION
JAPAN AUTOMOBILE IMPORTERS ASSOCIATION	JAPAN TEXTILES EXPORTERS ASSOCIATION
THE JAPAN BANANA IMPORTERS ASSOCIATION	THE JAPAN TEXTILES IMPORTERS ASSOCIATION
JAPAN CHEMICAL EXPORTERS AND IMPORTERS ASSOCIATION	JAPAN WATCH IMPORTERS' ASSOCIATION
JAPAN FOREIGN TRADERS ASSOCIATION, INC.	JAPAN WINES AND SPIRITS IMPORTERS' ASSOCIATION
JAPAN MACHINERY CENTER FOR TRADE AND INVESTMENT	KOBE FOREIGN TRADE ASSOCIATION
JAPAN MACHINE TOOL IMPORTERS' ASSOCIATION	KYOTO FOREIGN TRADE ASSOCIATION
JAPAN OVERSEAS RAILWAY SYSTEM ASSOCIATION	THE OSAKA FOREIGN TRADE ASSOCIATION
JAPAN PAPER IMPORTERS' ASSOCIATION	YOKOHAMA FOREIGN TRADE ASSOCIATION

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