

# EURObiz JAPAN

## Up on the farm

**Stephan Titze**  
Syngenta Japan



### **Megalopolis -**

What makes Tokyo tick, tick, tick

### **Lobbying the world -**

Q&A with Pascal Kerneis,  
managing director of the  
European Services Forum

### **Briefing HQ -**

When the bosses in Europe  
just don't get Japan

### **Pay us a visit -**

Promoters are upbeat about  
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**The European (EU) Chamber of Commerce in Japan**

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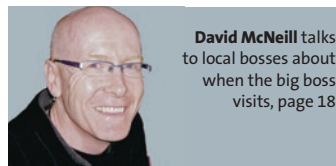
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EUROBiZ Japan welcomes story ideas from readers and proposals from writers and photographers. Letters to the editor may be edited for length and style.

## Contributors



**David McNeill** talks to local bosses about when the big boss visits, page 18

David is a freelance writer and author who holds a doctorate in sociology and has taught at universities in Ireland, the UK and

China. He currently teaches media and politics at Sophia University in Tokyo and lives in Tokyo with his wife and young son.

"It is not always easy to get CEOs to talk about what happens behind closed doors when the bosses arrive from head office. Luckily, my interviewees were quite frank, speaking openly about the gap that sometimes opens up between Tokyo and Europe; and where they go to wind down after the corporate wrinkles have been smoothed out."

Geoff, a former newspaper and wire service reporter and copy editor, has been living in Japan for the past quarter of a century. He is now a freelance journalist and translator, writing mainly about business, the economy and travel.

"Foreign medical-device manufacturers in Japan have long been subject to duplicate testing and other barriers. Finally, a bright light has appeared on the horizon. Changes to the Pharmaceutical Affairs Law, says Danny Risberg, chairman of the EBC's



**Geoff Botting** gets a solid grip on medical devices, page 26

Medical Equipment Committee, are a breakthrough for the industry, as they reflect many of the issues for which his committee has been fighting."



**Alena Eckelmann** tells us how to get a box of the best organic food, page 13

Alena underwent business training in Tokyo on the Executive Training Programme, then began to write about business, culture, travel and people in Japan. A researcher at heart and by profession, she enjoys

on-the-ground investigation and observation. She contributes articles to magazines and websites in Japan and in Europe.

"Organic, or not organic – this is the question! Third-party certification of organic produce is not as common in Japan as it is in Europe. The *teikei* system, a partnership between farmers and consumers that establishes trust and links the two groups directly, replaces costly checks and paperwork, and consumers and farmers seem to be happy with their part in the game."



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# Somewhere special

During my early stints in Tokyo, beginning around 1980, I used to remark that it was a great place to work, but not really a place to live. I compared the place unfavourably with cities in which I had previously spent slabs of my career, such as Sydney, London, New York and even Hong Kong. Now, back here after a break of several years, I find Tokyo is having a completely different effect on me. I have changed, of course, but so has the city. Grand new developments are no longer merely big, demanding and confusing. There is more green, better access (and escape), far more friendly space and a more amenable blend of commerce, retail, leisure and public facilities. Eager to find out whether this was all some colossal accident, I consulted several experts and was pleasantly surprised by what they revealed. I hope you will find Megalopolis (page 8) as fascinating as I did.

Our Q&A (Lobbying the world, page 14) this month is with Pascal Kerneis, a man who knows the EU inside out. As managing director of Brussels-based lobbying organisation the European Services Forum, he has an uphill battle convincing government and business players that agreements on trade in goods mean little without including detailed agreements on trade in services. He knows his topic, and he gets excited about it.

For a company with a solid and synergistic stake in Japan's future, look no further than Syngenta Japan (Investing in Japan, page 24). Over the coming decades, as farmlands are consolidated under government policy, Syngenta will be introducing technologies that make farming attractive to younger generations. Stephan Titze, head of operations for north-east Asia, fully expects that more efficient, larger-scale and more mechanised farming will also lead to

greater crop diversity and a reversal of Japan's worrisome decline in food self-sufficiency.

EURObiZ Japan senior editor David Umeda (Pay us a visit, page 22) takes a fresh look at another industry full of promise for Japan, inbound tourism. His story shows the importance of paying close attention to social and economic trends. Nations and regions compete hotly for the tourist dollar, demographics and customer tastes vary from season to season, while social media and new technologies heighten the importance of effective up-to-date strategies. Only one thing does not change: Japan is such a great place to visit! 

**David C Hulme**  
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# MEGACITIES

## *What makes Tokyo tick, tick, tick*

Text **DAVID C HULME**

**K**oji Oishi waves an arm as if to sweep away half a dozen large buildings in Tokyo's Nihombashi district.

"In a few years we will tear down all these and redevelop the whole area," he says. The gesture by Oishi, a senior associate in the office building division of Mitsui Fudosan, sums up the breakneck speed at which Tokyo, through good economic conditions and bad, evolves and reinvigorates. The high replacement rate for buildings is partly due to a 1981 upgrade to earthquake-resistance standards in Japan's building codes.

"But it's the price of land more than anything else," says John Mader, senior

project manager of Lend Lease Japan and chair of the EBC Sustainability Committee. "Having land that is worth more than the building that goes on it is a huge incentive to rebuild when a building is obsolete."

The Tokyo Metropolitan Government (TMG), moreover, is able to substantially boost the incentives.

"We utilise the developers' willingness to compete against each other with new ideas," says Yuko Nishida, an official of the TMG Bureau of Environment who is known as a tireless promoter of initiatives intended to improve the energy performance of buildings in Tokyo.

One such initiative is Japan's (and Asia's) first mandatory emissions trading scheme, known as the Tokyo

Cap-and-Trade Program, launched in April 2010. The EU implemented a similar scheme in 2005.

"TMG is on the leading edge. Few other governments are so keen to have carbon-cap-and-trade policy in place," says Mader. "Landlords like it because it reduces operating costs. Tenants also like it. Energy efficiency goes straight to the bottom line." It took a while to get developers on board, however.

"We failed at first because we did not have enough data to prove our case for feasibility and opportunity," says Nishida. "Keidanren [the Japan Business Federation] and the developers were all opposed to it."

With compulsory reporting of carbon emissions, in place since 2002, along





# POPOLIS

with feedback, benchmarking and transparency for building owners, the argument was eventually clinched. Attitudes changed once the system was in place.

“Now it is working well,” says Nishida.

Central to any developer’s plans in Tokyo is floor area ratio (FAR), which is the total floor area within a building divided by the area of the site upon which it stands. Zoning regulations set the ratio, but there is flexibility, in the form of “bonuses” that can be won by including such things as extra greenery, childcare facilities and access ramps.

Bonuses, usually in the form of permission to build beyond the regulation FAR, are more generous in areas targeted for development or redevelopment.

Nishida, explains that regulations were relaxed during the high-growth 1980s and again under reformist prime minister Junichiro Koizumi (2001-2006).

“Our planning regulations are very loose,” she states. “I didn’t like it, but in the end we found that the developers could compete with regards to design. They could propose projects that exceed the limits as long as they had something special to offer in terms of benefits to the community or the environment.”

Nishida points to the 41-storey Waterras Tower near Awajicho, which includes commercial offices, a supermarket and other retail shopping, and apartments.

“It is huge, but the developers put in a proposal that included quite good prices

for young people. Also, applicants were selected according to their willingness to participate in community activities,” she says.

“I worried about big bonuses,” she reiterates. “But those interesting, lively propositions came in. It’s fun.”

Even so, Mader warns against the worldwide trend toward bigger, fatter buildings.

“Many people regret the loss of fine-grained fabric in-between the larger-scale districts of Tokyo,” he says.

Many areas have been altered radically since the TMG launched its decentralisation policy for the 1980s and early 1990s. At the time, around the main Tokyo rail hub were the three main sub-nodes of Shibuya, Shinjuku and Ikebukuro. In





Cross Air Tower is a 3D puzzle in Ikejiri-ohashi



“WE UTILISE THE DEVELOPERS’  
**WILLINGNESS TO COMPETE**  
 AGAINST EACH OTHER WITH NEW  
 IDEAS”  
 Yuko Nishida

shifting the massive city administration to overcrowded Shinjuku, in the name of decentralisation, the imperative was to relieve overconcentration around Tokyo station and the nearby national government district in Kasumigaseki.

“The Urban Planning Bureau also decided to develop new sub-centres – Odaiba, Kinshicho and Osaki – each with a role to relieve the density of the central area,” Nishida explains.

Guido Tarchi, representative director of Permasteelisa Japan and head of the EBC Construction Committee, notes an early example of broad-area redevelopment in the 1994 opening of Yebisu Garden Place, replacing the sprawling Sapporo Brewery with a “cultural mall” of upscale condominiums and retail outlets, public services and leisure centres, including Tokyo’s biggest beer garden. The ¥295 billion project took 10 years to complete.

“There was a lull after the economic bubble (1986-1991) burst,” recalls Tarchi, a 20-year resident of the city. “Then came several dramatic redevelopments, starting with the huge Shiodome freight depot.”

In 2000, constructing façades for grand Shiodome buildings became Permasteelisa’s entrée into the Japanese market.

Tokyo still has room for smaller single buildings, but the trend is clearly towards multipurpose complexes that mesh with the surrounding infrastructure to provide convenience and aesthetic appeal as well as functionality.

“We need comprehensive development in order to create a globally competitive city,” says Naoki Yoshida, general manager of the corporate customer leasing and marketing department in the office building division of Mitsui Fudosan. Indeed, the city’s magnetism is strengthening.

“Tokyo offers more than other megacities. International developers want to be here,” says Tarchi. “The question of how well Tokyo can compete with Hong Kong and Shanghai will be resolved over the next 10 years or so.”

The best strategy for international developers, he adds, is to “stay concentrated on the prime locations”.

An example of public-private cooperation is Cross Air Tower, at the intersection of Tamagawa dori and Yamate-dori in Ikejiri-ohashi.

“Mindboggling!” declares Mader. “When I first saw the artist’s rendering, it blew my mind.” The most impressive feature of the structure is its four curved vehicle access ramps, linked aerially to

the upper level of Tamagawa dori in both directions.

The site was on Nishida’s list of areas in urgent need of renewal when she worked for the TMG Urban Renewal Department.

“That intersection was the worst air pollution point in Tokyo,” she points out.

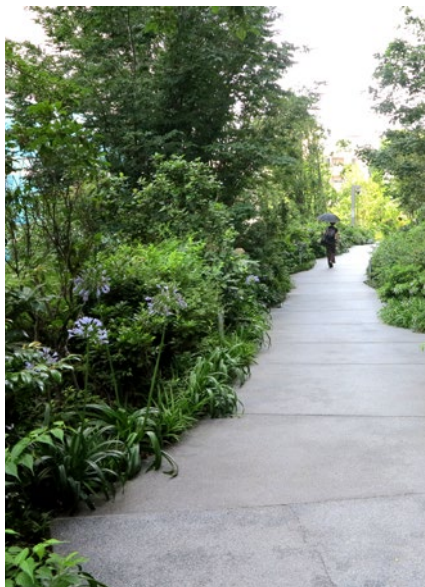
Negotiations with the Japan Highway Public Corporation over connecting a building to the road began in the late 1990s. The idea of enclosed access ramps is claimed by Mitsui Fudosan and its co-developer, railway operator Tokyu Corporation. TMG accepted.

“I thought it was disgusting,” says Nishida. “But the pollution was so high that ramps were a practical solution. It was better not to have vehicles having to start and stop.”

The project was completed early this year, with an expansive and varied sloping garden, laid out atop the access ramps, becoming instantly popular with neighbourhood families. The complex contains a sports ground, a large public library, a health and welfare centre and childcare facilities.

“In return for these things, we got bonuses,” says Yoshida happily. He agrees with Nishida that the current system promotes imaginative solutions





DCH

Pleasant spaces and vertical gardens win developers extra points for greenery

to such issues as energy efficiency, neighbourhood-friendliness and robustness.

It is apparent that the 1981 upgrade to earthquake-resistance standards makes Japanese buildings relatively safe, but clients do not want 'eighties-vintage reassurance.

"That's just the standard. We have to go beyond that," says Ooishi.

A similar attitude pertains to the carbon-cap-and-trade system.

"It's a matter of pride for us to come up with new ideas for reducing carbon emissions," says Yoshida, who points out that the carbon emissions of today's energy efficient buildings are 34% below the levels of 20 years ago.

Nishida and her colleagues continue to push for improvement, gaining information and leverage by delving into the lower basements of tall towers.

"We go where the engineers and facility managers are. Building owners tell us they have done everything possible, but the engineers know that more can be done and they have the solutions," she says.

The biggest developers have a special contribution to make, according to Yoshida.

"Only Mitsui Fudosan, Mitsubishi

Estate and Mori Building are capable of creating multipurpose projects," he claims. "The others provide mainly single-purpose buildings, without taking responsibility for overall management of the area. For Tokyo Midtown, we created a company for town management."

Such subsidiaries organise activities and events for residents, office workers and visitors.

"Movie nights, for example. And things that keep growing and refreshing the area as a town," says Ooishi. In Nihombashi also, the company manages festivals and community projects, and this summer will install an aquarium "to make people feel cooler".

Plans for extensive renovation of the Nihombashi area, target year 2019, include retention of historic structures wherever possible. Yoshida outlines, though vaguely, a far-reaching scheme to include cultural influences from around the globe, in cooperation with a European institution that he is unwilling to name.

Roof gardens were added to the ground level greenery requirement in 2001. Developers often exceed the minimum by a long way in order to get FAR bonuses. Vertical gardens such as are now common around Marunouchi


and Osaki add to horizontal areas of green, increasing the bonus as well as improving the image.

"If you must be green you might as well be seen to be green," quips Nishida, who points out that technologies for urban gardens have matured rapidly in recent years.

All well and good, but the bigger picture reveals a distortion. Current redevelopment policy factors in population growth for Tokyo only until about 2020.

"We worry that out-of-the-way places will be hit hard by population decline, because only prime locations draw investment," says Nishida, noting that the Tama area, west of the city, already faces the problem of numerous elderly citizens stuck in large, ageing residential projects, with neighbourhood shops closing and bus frequency on the decline.

While the big three are capable of huge developments aimed at the upper end of the market, Ooishi says the same companies must respond to outlying local governments looking for redevelopment and revitalisation ideas.

"We have drawn so many people to the inner areas," he says. "It will not be easy, but the big developers can rebuild suburban apartment areas." 





# Positive? uncertainty

## Considering competing scenarios

With regard to Abenomics, the question on everyone's lips at the moment seems to be "is all this going to work?" While there is no shortage of pundits who would argue otherwise, unless one is in possession of a crystal ball the correct response to this question should be "who knows?"

To illustrate the value of this advice, consider the Foreign Chambers in Japan Business Confidence Survey undertaken in October 2012, which reported that just 4% of respondents expected the Nikkei average to top 10,000 within six months and only 3% forecast the dollar exceeding ¥85. For the record, the Nikkei had climbed to 13,200 six months after the survey with another 2,000 or so to go before peaking in May, while the yen was worrying the 100 mark.

Respondents to the survey, like most of us I suspect – even hedge fund managers – were clearly caught off guard, but with the information available at the time, their conclusions would have seemed reasonable and valid.

Budgets, of course, need to be set and decisions taken on, among other things, whether or not to invest in new assets or take on new workers. Managers must therefore work with the available information even if in hindsight their forecasts may be spectacularly off. Here in Japan the comfortable assumptions of yesteryear (slow or no growth, persistent deflation, shrinking markets, slow but constant relative decline) may have lulled some into a false sense of continuity, but now look increasingly shaky. Yes, some key fundamentals remain the same (huge public debt, a shrinking and ageing population and persistent competitive challenges in key industrial sectors such as consumer electronics), but there is now clearly a greater degree of (positive) uncertainty over the mid- and

longer-term prospects for the Japanese economy.

What to do? One tactic is to construct competing scenarios and consider what these might mean for business strategy. This approach has the attraction of being neutral in that projected outcomes are neither "good" nor "bad" but "realities" to grapple with. Scenario planning is nothing particularly new, but given that optimism has somehow crept back into Japan, it is an approach well worth considering in these positively uncertain times.

A mere 12 months ago, for instance, a scenario that posited a return to power for Shinzo Abe, a radical experiment at the Bank of Japan, a considerably devalued yen and a raft of positive economic indicators emerging from the real economy would, perhaps, have strained belief. Today, however, constructing competing scenarios across a broader spectrum of outcomes is not only feasible but highly recommended. In short, we don't know whether Abenomics is all a bit flash-in-the-pan or whether we are at a genuine inflection point. Clear reason, then, to consider alternative realities.

With this in mind I recently sat down with the senior management team of a foreign multinational as part of an off-site budget planning process. These managers know their business inside out and I certainly wasn't there to teach Grandma how to suck eggs. Rather, my role was to provide some context for their deliberations by reviewing the past and present of the Japanese economy before posing questions and challenging assumptions around a number of scenarios. What would Japan look like in April 2014 if mild inflation had returned, real wages were modestly increasing and the government went ahead with the planned rise in the consumption tax?

“WE DON'T KNOW WHETHER ABENOMICS IS **ALL A BIT FLASH-IN-THE-PAN** OR WHETHER WE ARE AT A GENUINE INFLECTION POINT”

What if the increase were postponed? What if the yen went beyond 110 to the dollar? What if the corporate tax rate is reduced by 5%?

Considering competing scenarios goes beyond simple speculation and requires what might be described as a holistic and multidisciplinary approach. Politics, economics, demographics, geopolitics and technology are all thrown into the mix, as are directors of sales, marketing, finance and human resource management. Doing so presents an opportunity to look around and ahead as an organisation – something that is all too often crowded out by short-term focus and the necessity of responding to immediate concerns. This is all about defining alternative pathways that might exist in the near future and then considering the implications of these possible paths for your business.

So, next time you're asked by head office "is it all going to work?" consider relaying the results of your scenario planning sessions rather than reaching for the crystal ball. ☺

**ANDREW STAPLES**  
Director of the Economist  
Corporate Network, Japan





# Make mine organic

## *Deliveries compensate for thin pickings in stores*

Text **ALENA ECKELMANN**

When you can't find the right organic products in the shops, or don't have time to waste searching, how about trying home delivery?

Radish Boya, Daichi o Mamoru Kai and Oisix are Japan's leading home delivery services for organic and low-pesticide vegetables and additive-free processed foods. Their combined annual sales add up to more than ¥50 billion.

Radish Boya (2012 sales of ¥22 billion) sends weekly deliveries to over 108,000 member households. Consumers can choose from about 7,000 food items sourced from 2,600 farmers and producers. Established in 1988, the company formed a business alliance with NTT Docomo and the Lawson Group last year.

"We are able to use Docomo shops all over Japan to introduce our delivery service. As of today, 920 Docomo shops are introducing Radish Boya to their customers. We now also sell through NTT Docomo's d-market shopping site", states Radish Boya PR official Takahiro Eki.

"Right now our service depends on catalogue sales, but in the future we will shift to using NTT Docomo's smart phones and tablets as new channels, not just to sell but also to introduce the stories behind our products and bring the producers' voices to our customers," says Eki.

At Oisix (¥14.5 billion) fruit and vegetables make up 36.9% of sales. The balance is processed foods. Products are sourced from nearly 1,000 locations across Japan. The company was set up in 2000 and went public in March this year. Its Club Six delivery subscription service counts over 75,800 members. Oisix's business partners include Yahoo Japan, Recruit Lifestyle and internet mail order firm Nissen.



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Daichi (¥14.2 billion) is one of Japan's long-established and largest consumer cooperatives. Set up in 1977, it counts 166,000 members, including 95,000 members for home delivery. Products are sourced from around 2,500 farmers and producers.

In addition to nationwide services, many regional consumer cooperatives also have home delivery services. Pal System only delivers in Tokyo and the prefectures of Kanagawa and Saitama. Green Coop is active in Kyushu as well as in Yamaguchi and Hiroshima prefectures.

Membership is not necessary, though the majority of recipients are members subscribing to a weekly delivery plan. Subscription plans vary. Radish Boya's eight-item basic vegetable box costs ¥1,575 per delivery. The company ships for free in Tokyo, Kanagawa, Nagoya, Osaka, Kyushu, Sendai and Sapporo. Deliveries elsewhere carry a charge of ¥630 for using the Yamato delivery service.

Consumers should be aware that many of the products sold as "organic" are not certified, warns Martin Frid, a policy expert at the Consumers Union of Japan (CUJ). "Consumers who seek certified products should look out for the JAS logo, or third-party certification logos."

The Japan Agricultural Standard (JAS) is the certification programme of the Japanese Ministry of Agriculture, Forestry and Fisheries. Since 2001, all farmers, manufacturers, re-sellers and

“WE STRICTLY WATCH THE TRACEABILITY OF OUR PRODUCTS”

importers in Japan wishing to label their products organic should be certified as organic by JAS. However the system has not been wholly accepted.

"Many consumer cooperatives in Japan support community-assisted agriculture (CSA), called *teikei*. CSA promotes direct sales and close contact between farmers and consumers. People involved in *teikei* know and trust each other, and they regard certification as complicated and costly," says Frid.

This is why the food delivery services' products are generally not "certified organic", he explains, even though they are "according to their own voluntary standards, not using agrochemicals."

The delivery services are aimed at the mass market, not only at fans of organic food.

"There are customers who have not enough time for cooking. Our smaller vegetable set boxes, aimed at singles, are selling more than the larger boxes for this reason," says Eki of Radish Boya.

He explains that rising awareness of food safety issues favours the delivery services.

"News items related to camouflaging the identity of food production areas, and food contamination, have brought consumers to companies like ours, as we strictly watch the traceability of our products," says Eki. "We have established our own radioactive cesium standards and we have been releasing the results of tests done by a third-party analysis agency on our home page. Our customers now expect us to sell vegetables from western Japan, which is likely to have a lower risk of radiation contamination."



# Lobbying the world

*David C Hulme talks with **Pascal Kerneis**, managing director of the Brussels-based European Services Forum (ESF).*

Photo **DAVID C HULME**

Following the launch of EU-Japan free trade negotiations, Pascal Kerneis visited Tokyo at the end of May for a series of meetings organised by the EBC. As a lobbyist, Kerneis often has the task of explaining trade in services to people whose thoughts on trade seldom stray beyond trade in material goods.

## **What is the ESF, and who are the members?**

It is a lobby organisation created in 1999 to defend the interests of the European services industry in international trade and investment negotiations. I am trying to open service markets outside the EU.

Our members are of two types. First, there are Europe-wide, sector-specific trade associations such as associations representing the banks, engineering firms, insurance companies, lawyers, shipping companies, telecommunications and ICT companies, tourism businesses, retailers and so on. In addition, we have national confederations of industries. Business Europe is also a member of the ESF.

The second category of member is comprised of 25 or so multinational companies.

It is important to note that services cover 77% of the GDP of the EU, and more than 65% of total employment in the EU. The service sectors make up 25% of EU exports, and if we measure trade in value-added terms this share goes up to 55%.

## **What are the issues on your agenda?**

The ESF was created to deal exclusively with the World Trade Organization [WTO] negotiations on trade and services. I signed a four-year contract, covering one year to prepare for

the Seattle Round [Third WTO Ministerial Conference] and three years to conclude it. However, the Seattle Round was never launched.

Then the Doha Development Agenda [DDA] was launched in 2001, with three pillars being trade in services, agriculture and non-agricultural market access [NAMA]. Services became hostage to the other two because some negotiators insisted that nothing could happen with services before agreement on agriculture and NAMA, and the DDA was never concluded. So, we expanded our mandate to include all international free trade negotiations, both bilateral and multilateral.

In 1999, Commissioner for Trade Pascal Lamy had decided to focus on the DDA and place a moratorium on all FTA talks. The DDA went nowhere, but many countries undertook bilateral negotiations. It became difficult to understand who was doing what with whom. Commissioner for Trade Peter Mandelson decided to end the moratorium and go into bilateral negotiations, in addition to WTO negotiations.

This led to a large number of new agreements.

The first was with CARIFORUM [the Forum of the Caribbean Group of African, Caribbean and Pacific (ACP) States]. The second – which is probably the existing benchmark for an agreement with regard to trade in services – was implemented two years ago with South Korea. Then came





“FROM 2001 TO 2008 THE TRADE MINISTERS HAD SPOKEN ABOUT SERVICES FOR **LESS THAN FOUR HOURS** IN THE WTO FRAMEWORK”

Columbia, Peru and Central America. These have all been implemented.

An agreement with Singapore has been concluded but not yet signed. Near the finish line is an FTA with Canada. That will be the next benchmark, far ahead of the Korean one, especially for trade in services and public procurement.

Yet to come are FTAs with Thailand, Vietnam, Malaysia and India. Talks with Mercosur are still on, but are not going anywhere. The EU is also conducting talks on deep and comprehensive FTAs with countries like Georgia, Moldova and Armenia as well as with Morocco.

The success with Korea encouraged us to negotiate FTAs

with developed countries that are willing to do something with us. We entered into negotiations with Canada. Then Japan came to us, essentially as a response to EU/South Korea.

It was difficult to persuade EU member states of the value of dealing with Japan because there had been discussion of things like certification, testing and standards for 10 years already and nothing had moved.

Also, Japan focused exclusively on car tariffs. We said that we wanted a deep and comprehensive FTA, including standards, rules of origin, services liberalisation, public procurement, investment protection, regulatory cooperation and competition policy. Tariffs are just a tiny part of it.



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EBC members can not only learn about important changes taking place in Japan, but also play a critical role in influencing change themselves.

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Alison Murray, EBC Executive Director.  
Tel: 03-3263-6222. E-mail: [ebc@gol.com](mailto:ebc@gol.com)



## Cem Hasan Aldemir

Regional Commercial Manager  
Turkish Airlines Inc. / Tokyo Japan

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**eURObizZ** JAPAN



So I am here to tell the Ministry of Foreign Affairs and the Ministry of Economy, Trade and Industry, and the negotiators, that the EU is serious when it says it wants to talk about trade in services. I am also meeting bankers, asset managers, lawyers, logistics companies and other EBC members.

### **Please explain the Geneva talks about a Trade in Services Agreement [TISA].**

At the last WTO ministerial conference, in Geneva in 2011, ministers of trade identified the need for an alternative to the DDA. From 2001 to 2008 the trade ministers had spoken about services for less than four hours. Developed countries knew that services were a victim of a lack of progress under the DDA.

It took one year to prepare the new initiative. It now includes almost 50 countries, including the 28 EU member nations. That is a good start, covering nearly 70% of the world's trade in services. However, it is still below the point where it would make sense to multilateralise the deal, which would then benefit the whole WTO membership.

Unfortunately, emerging countries, essentially BRICS [Brazil, Russia, India, China, South Africa] and members of ASEAN [Association of South-East Asian Nations], are not yet taking part in this exercise. They are developing fast, but we cannot afford free riders. We hope they will join us in TISA, but the process is not going well. There is a perception of it as a tussle between developed and less-developed countries – which is totally wrong.

TISA is very important for the ESF and takes a lot of my time.

### **Who else do you have to lobby?**

The Lisbon Treaty [in force since 2009] increased the power of the European Parliament with regard to trade policy. The International Trade Committee [INTA] is the smallest committee in the current European Parliament. When the committees were constituted at the beginning of the legislature, it was somewhat neglected. But INTA has gained the largest part of new power, and it can say yes or no to an FTA. So, that has become an important part of my job.

In addition to the negotiators of the European Commission, we also lobby the services negotiators of the member states of the EU, through the Trade Policy Committee on Services and Investment. We also cooperate with the Global Services Coalition, which is the global counterpart of the ESF.

### **What do you expect from the FTA negotiations with Japan?**

Japan is relatively open, but I can summarise most of what we need in two words: Japan Post. Banking is a problem, although few European banks are interested in retail banking here, but the situation is clearly discriminatory for Japan Post insurance products. There is no reason for the biggest insurance company in the world not to be supervised properly as an insurance company. Japan Post also has privileges relating to express delivery services, which affects carriers such as DHL and TNT.

For law firms, it is too much of a hassle to establish a limited partnership. Why should Japan be different from the rest of the world?

We want changes to residency requirements. We would like to have a framework to allow mutual recognition of diplomas and qualifications for professional services providers, as we negotiated with Canada.

There has been progress, but now we want to legally bind reforms that have already been done. For example, the current Japanese government placed a moratorium on Japan Post issuing and distributing new insurance policies, notably in the healthcare sector, until it is properly supervised. However, it is only a moratorium. This government, or a new government, could lift the moratorium at any time. European insurance companies cannot afford that risk.

We also want a commitment to transparency. All domestic regulations should be properly listed, properly explained and translated into English. We should also be able to comment prior to the adoption of a new regulation, or appeal afterwards and get an explanation of why a license has not been granted.

The criteria to obtain a license or sell a product must be clear. For example, it should be simpler and easier to open new stores. As it is, regulations vary between municipalities and provinces, and everyone tells you something different. It should be clear: Where are the rules?

### **What is there to offer in return?**

We want to use these negotiations to further open the EU market. We have often been told that to move anything in the Japanese market requires political pressure from outside. The same applies to the EU. Even though some countries are very wary of interference, if there is pressure from outside the EU we have a better chance of moving faster.

Japan is very interested in having the rules softened for visas and work permits for people moving across borders as service providers on a temporary basis.


We want the same, so there is mutual pressure, but we have to de-politicise this issue. It has nothing to do with migration or employment. It is about business.

Overall, Japan must not ignore trade in services.

### **Do they understand?**

They are beginning to get the message.

If they say they are not interested in trade in services, it means they still have to learn about global value-added chains and where the interests of Japanese companies are in terms of profitability. They are interested in cars, but a car is much more than steel, glass, rubber and plastic. To have a car you must start with research and development and design. Then you need branding, advertising, sales, marketing, logistics and transportation. These are all value-adding services. The high-value jobs are in services. The comparative advantages of the companies are in services.

You can negotiate a tariff line so that you can import a car, but what if regulations make it tricky to establish a distribution network or deliver after-sales service? Manufacturing companies are not aware that services have to be negotiated into a trade agreement. It seems to me that Japan Keidanren does not make a clear link between trade negotiations and the need for an agreement on services. 



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# Briefing HQ

## *When the bosses in Europe just don't "get" Japan*

Text **DAVID MCNEILL**

**F**or some European businesses in Tokyo, it's an increasingly familiar story: Dazzled by booming China and India, the bosses back home seem to have forgotten the original Asian miracle economy. The European chairman's packed Asian itinerary includes a stopover in Beijing, Delhi and Seoul but not Tokyo. When he does arrive, once every couple of years, he no longer understands the Japanese market, if he ever did.

"When they're here, you can talk and explain and show. When they're not, Japan tends to drift off their radar screen," laments Jean-Marc de Royere, Asia-Pacific Chairman and CEO of Air Liquide, a leading French producer of oxygen, nitrogen and other gases mainly for the semiconductor and health industries. Until this summer, the company's chairman had not been to Tokyo since 2010, de Royere points out. When the bigwigs arrive from Paris, he sees his mission as making sure they know "this is not a lost country," he says, laughing. One of his secret weapons is a visit to the Panasonic Museum in Kyoto (see sidebar). "We feel that we need to show them that Japan is not China: The technology, the tradition, the quality, the spirit are so different."

The gap in perception can run both ways. French cookware maker Le Creuset was frustrated for years by the inertia of its Tokyo branch so it sent someone in to shake things up.

"The company had given clear

instructions in Japan about how to develop, and the staff was totally resistant," recalls then-Tokyo managing director Monica Pinto, blaming a slavish adherence to the status quo. She quadrupled sales in six years.

Part of the problem is that European executives who have not been exposed to Japanese business life do not understand local problems, says Pinto, who is now the Le Creuset Group commercial director. Some who have been here too long start becoming a bit too familiar with these problems, and block the chain of command. The key ingredient, she insists, is "good communication flow with the head office, based on trust."

Without smart, perceptive local CEOs with strong communication skills, some European companies start blaming Japanese cultural barriers and alien business practices.

"The danger you can get into is a perception that Japan is always different," says David Swan, Japan/Korea managing director for Robert Walters, a London-based recruitment firm with 53 offices in 24 countries around the world. "You've got to be careful not to use that as a crutch or excuse."

Anne Lanigan, senior development adviser to the enterprise software solutions department of Enterprise Ireland and formerly head of the organisation, agrees.

"If our business people are professional, the different culture shouldn't be an issue," she says.

With new Japanese regulations in

industries—such as biotech and pharmaceutical and medical devices—mirroring European [rather than US] rules, she adds, "there is a huge opportunity for growth of trade with Europe."

Lanigan chides the European companies that are just not trying hard enough.

Still, there can be genuine difficulties, as British companies Tesco and Boots have found out. Both were forced to withdraw from Japan's hyper-crowded consumer market, despite significant investment. The reasons for failure are complex but one factor is the gap between the head office and the local branch. Ikea, for example, famously returned to Japan in 2006 after having pulled out two decades before, armed with much better local research and a CEO—Tommy Kullberg—who understood the market and its problems.

The size of the perception gap depends, of course, on the type of firm. Air Liquide has been operating in Japan for over a century, so its bosses know the country well, points out de Royere. Many of his conversations with head office are about reducing costs, general expenses and headcounts in a mature market. "Not a fascinating discussion," he admits.

When the executives are here, he must convince them there are still plenty of opportunities for growth. Japan is still well ahead of the technical curve in some areas of the semiconductor industry, he points out. That means strong markets for Air Liquide gasses used in chip-making. Then



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there is home health care: “We see a very big business in Japan. My pitch to the bosses has been that Japan is still a country of the future.”

One problem that commonly tries the patience of the European head office is the length of time needed to get off the ground in Japan.

“The key thing here is that it takes years to make relationships,” points out Mark Slade, president and representative director of DHL Global Forwarding Japan. That creates frustrations related to business projections and sales cycles, he says.

“But the beautiful thing is that once you do get business, it’s sustainable, and our company understands that.”


Slade, too, says China increasingly preoccupies top management. However, serving an important market for a huge (475,000 employees) global company that wants steady if unspectacular growth is not a bad place to be.

“The stage of market growth is different, and we have our own role in contributing to the company,” he says.

Perhaps because of its reputation for being a tough market to crack, many European firms now rotate managers

through Japan on their way up the corporate ladder.

“Most of our managers have been to Japan over a dozen times,” says Swan. Robert Walters himself comes to Tokyo every year, he adds, so the company is “open to listening to what I have to say.” The approach is clearly successful, as Japan is the company’s largest international office and second-largest business globally.

“There’s an understanding that it’s a very different market,” says Swan. “But there is still enormous opportunity for us to grow.” 

## Kicking Back

Where do local executives bring their European bosses when they arrive in the Big Mikan? Here are the top tips.

**Gonpachi** ([www.gonpachi.jp](http://www.gonpachi.jp)) Edo-themed culinary landmark in Nishi-azabu, Tokyo, with a line in fusion Japanese food (camembert tempura, anyone?), Gonpachi was a favourite haunt of visiting executives long before Uma Thurman splattered its walls with fake blood in the *Kill Bill* swordfight scene. “I’ve never taken a foreigner there that didn’t love it,” says Mark Slade of DHL. “Great atmosphere.”

### Panasonic Konosuke Matsushita Museum

(<http://panasonic.net/history/museum/>) Dedicated to the legendary Panasonic founder and entrepreneur, this Kyoto museum documents Panasonic’s remarkable climb into the global corporate league tables. But its biggest lesson may be corporate Japan’s unique blend of tradition and ambition. “It’s an incredible place for understanding the spirit of Japan,” says Jean-Marc de Royere.

**Tokyo Shiba Tofuya-Ukai** ([www.ukai.co.jp/shiba/](http://www.ukai.co.jp/shiba/)), situated near Tokyo Tower and surrounded by lush greenery, is another firm favourite with visitors. Pricy dishes of fish, tofu and steamed rice are served in private rooms by kimono-clad waitresses, to the gentle splashing of a water wheel in the garden. “Beautiful, refined and exquisitely Japanese,” says one CEO.

### Tokyo American Club

([www.tokyoamericanclub.org](http://www.tokyoamericanclub.org)) Another landmark, recommended by Tokyo-based CEOs for elite visitors who prefer steak, chops and wine to sashimi, rice and sake. If they want Japanese food, they can have that, too, in one of the seven restaurants and bars. “Most of our visitors are not super-keen on traditional Japanese food,” says Swan of Robert Walters. “Tokyo does Western food amazingly well, too.”

# Italy

*In line with its main purpose to deepen bilateral commercial exchanges between Italy and Japan, and counting on a strong network of professionals, during the past 40 years the Italian Chamber of Commerce in Japan has been providing Italian and Japanese companies with a wide range of services ranging from market research, mission planning, event organisation, seminars and courses.*

**Major cities:** Rome (capital), Milan, Naples, Turin and Palermo.

**Population:** 61,482,297 (July 2013 est.). Urban population: 68% (2010).

**Area:** 301,340 sq. km. Coastline: 7,600km. Highest point: Mont Blanc (Monte Bianco) de Courmayeur, 4,748m.

**Climate:** Predominantly Mediterranean, alpine in far north. and hot and dry in south.

**Natural resources:** Coal, mercury, zinc, potash, marble, barite, pumice, fluorspar, feldspar, pyrite (sulphur), natural gas and crude oil reserves, and fish.



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# Francesco Formiconi

President, Italian Chamber of Commerce in Japan

[www.iccj.or.jp](http://www.iccj.or.jp)

Text **CHRISTOPHER THOMAS**

Despite the difficult economic environment in the EU, Italy has a comfortable trade surplus with Japan. With Italy-Japan trade relations continuing to be solid, and the strong Japanese interest in Italy getting stronger, the Italian Chamber of Commerce in Japan (ICJ) is keeping busy.

Besides, “Japanese people love Italian culture!” notes Francesco Formiconi, president of the ICJ.

The ICJ’s recent activities revolve mainly around two things that Italy does very well – food and fashion. An example was Japan Olive Oil Day, in March, with a public exhibition and contest in which more than 80 types of olive oil competed.

“Olive oil is a product in which Italy has the uncontested leadership and for which Japan, as a market, offers incredible potential for development,” says Formiconi.

The ICJ is spearheading a new initiative, “Traceability and Fashion,” a project to ensure that people who buy “Made in Italy” merchandise get what they’re paying for. The ultimate goal is to include a kind of “traceability passport” that guarantees a completely genuine Italian product, which, as Formiconi notes, “embeds all the added value that we usually associate with Italian fashion, including craftsmanship, originality, design, quality and history.”

The traceability initiative complements the “Italian Hospitality Mark,” a seal of approval granted to truly Italian restaurants in Japan, aiming, Formiconi says, “to eliminate those grey cases of not-really-Italian food presented to the Japanese consumer.”

Upcoming events are also heavily

on the culinary side. One of these is ACCI Gusto 2013 in November, a fair dedicated to Italian food and agricultural products as well as food-related machinery, kitchen tools and furniture. Other important events are the third annual chef contest, which pits Japanese chefs of Italian cuisine against each other, and the annual gala dinner for Japan’s entire Italian community in December.

Since taking a hit following the tragic events of March 2011, the ICJ’s membership has once again been experiencing a steady uptrend. One reason, Formiconi speculates, could be the outgoing missions to Italy that the chamber organises for Japanese business operators, sponsored by the ICJ and other Italian institutions and associations. These events are well-attended, and “when we select the participants for those missions, we give priority to our members,” he says. Members also enjoy discounts and ad-hoc events and, given the number of events the chamber organises every year, there is a definite added value to ICJ membership, as long as the member is willing to participate in the events.

The Italian chamber puts a lot of effort into cooperative events with other chambers. “Communication is the key here,” Formiconi notes. “When European chambers of commerce work together, the results are impressive. We have a lot of areas where we can cooperate and combine resources.” The chamber president considers these events to be invaluable. “The more we get business people from different European countries together, the more we realise that we face the same issues in Japan



“When European chambers of commerce **work together**, the results are impressive”

and we can easily develop best practices and share them among ourselves.”

For example, the ICJ held a joint networking event together with the Belgium-Luxembourg and Swiss chambers of commerce earlier this year, and the result was so positive that another one is planned for Osaka in October.

“European chambers of commerce do not really compete against one another,” Formiconi says. “On the contrary, we become stronger by sharing our strengths and overcoming our weaknesses. Our European Union is based on the same principle.” [e](#)



# Pay us a visit

## *Japan-related government promoters are upbeat about who's travelling*

Text **DAVID UMEDA**



According to a 14 May message posted by the Japan National Tourism Organization (JNTO) on their website: "Using the Web and Social Networking Services [SNSs], it is our role to introduce Japan to the people of the world, and to highlight the country's uniquely attractive qualities, which can be enjoyed in safety and in comfort".

JNTO London says they utilise social media such as Facebook, Twitter and YouTube, along with their own website. "We post the latest information about Japan to promote Japan tourism," says Alisa Nojima. "We also sometimes invite media to Japan in order to produce articles about Japan [in the UK]."

Naoko Marutani, assistant director at JNTO France in Paris, describes the aim of the office as to raise awareness of, and interest in, Japan as a travel destination among the French travel markets.

"We provide information through our own website and Facebook page, as well as attend Japan or travel-related events in France." They increase exposure in

the media by supporting trips, she adds. "And doing joint promotions with our partner airlines or tour companies through online media and metro advertisements, etc."

The major activities of JNTO Germany in Frankfurt are three-fold: business-to-business (B2B), business-to-consumer (B2C), and market analysis. "In our intermediary role regarding B2B and B2C, we co-operate with the mass media for public relations," says Hideaki Nakazawa, director. "As for B2C activities, JNTO uses social network tools like the website and Facebook to provide up-to-date information on travel to and from Japan." JNTO Germany is also involved in supporting the local German travel industries in regard to new tour development and sales promotion. "Last fiscal year, for example, we carried out a joint advertisement with tour operators [in Germany]," adds Nakazawa.

The JNTO's New York office covers the eastern half of the United States. To address the characteristics of their key targeted travellers, they promote Japan in a number of specific ways.

"We provide support for press trips of high-end travel media, advertisements in those media, and support for high-end travel agents and tour operators by arranging seminars and offering familiarisation trips," says Takuya Nishimatsu, marketing specialist at JNTO New York.

The Netherlands Board of Tourism & Conventions (NBTC) in Tokyo, which is focused on leisure travellers from Japan, has a partnership agreement with Holland, Flanders and airline carrier KLM for joint promotions in the Japanese market.

"We mainly use intermediaries – distribution channels, media – and go online to get our message across," explains Harue Nakagawa, director Japan.

Switzerland Tourism in Tokyo (STT) promotes Switzerland as a leisure destination through the Japanese travel trade, media and events, as well as e-marketing.

"For the travel trade, we make suggestions to create attractive group packages and support their sales activities by, for example, providing







“FOR E-MARKETING, WE SEND OUT E-NEWSLETTERS AND CONDUCT AN **ONLINE SWEEPSTAKES** CAMPAIGN”

Masayo Oshio, Switzerland Tourism in Tokyo



lectures and promotional materials,” says Masayo Oshio, deputy market manager Japan. STT makes proposals and organises trips for photo-shoots in Switzerland, and participates regularly in travel fairs. “For e-marketing, we send out e-newsletters and conduct an online sweepstakes campaign,” she adds.

JNTO London targets three demographic groups.

“First, the generation of adults in their 30s and 40s who have a strong academic background, and are FITs [free independent travellers, not part of a package tour],” says Nojima. “The second group is comprised of people in their 50s to 60s who earn an upper-level income and are retired or have grown-up children,” she continues. And the third targeted demographic? “Winter sports players,” Nojima adds.

The first key targeted travellers for JNTO France are also FITs in their 30s and 40s, both female and male, according to Marutani. The next targeted age group are in their 50s to 60s, travelling either as FITs or in a group. “They are more likely to make arrangements through travel agencies,” she adds.

Tradition, culture and history are leading motivations for Germans to visit Japan, according to Nakazawa of JNTO Germany.

“This is different from what motivates vacationers in Germany in general,” he continues. “Some 70% of Germans visiting Japan are FITs.” The main target of JNTO in Germany is people with high incomes and education, and above middle age, “who can afford to come to Japan,” says Nakazawa. “It is important to meet the needs of FITs, as well as that of group tourists.”

According to Marutani of JNTO France, overall statistics on foreign travellers indicate the average length of stay in Japan as 10 days. “But it is said that French people are more likely to stay

longer than Asian people, and make the most of the trip,” she continues. “As for number of destinations, normally five cities are visited on a trip, which are [usually] Tokyo, Kyoto, Hakone [Mt. Fuji area], Osaka and Nara.”

The main targets in the US market are FITs who are residents in the country’s top metropolitan areas, according to the New York Office of JNTO, which, along with JNTO in Los Angeles, covers the entire United States. “Annual household income is \$120,000 or above, and they are 40 years old or older, and have a strong interest in unique cultural experiences,” adds Nishimatsu. “Based on the facts that we have seen, our main target in the US market also has a preference for using travel agents and tour operators specialising in luxury travel.”

In terms of travellers from Japan to the Netherlands, the primary target for the NBTC is what they call “active seniors”. Nakagawa puts it this way: “They often travel in full-packaged tours for about a week, and love to see the classic icons – such as tulips, museums, windmills, etc.”

Heading to Switzerland from Japan, the key targeted travellers for the STT are senior people who are nature lovers. “Most of them travel in a group, and the most popular Swiss mono-tour packages are eight-day tours,” says Oshio. The highlights are focused on mountains and train rides, covering the Jungfrau region, Zermatt, St Moritz, and the Glacier Express, Bernina Express and GoldenPass scenic panoramic trains during the summer to view the flora.

“If the visits are planned for the shoulder season [between high and low season], visits combine mountain resorts and cities,” she adds, “including UNESCO World Heritage Sites, such as in the Lake Geneva region and Berne.”

JNTO London sees the number of tourists gradually recovering since the

Tohoku earthquake in March 2011. “So we aim to achieve 190,000 inbound tourists [to Japan] for 2014,” says Nojima.

Marutani of JNTO France explains about their operations in Europe. “For us, we cover not only France, but also Spain, Italy, Belgium, Portugal, Switzerland [French-speaking area] and some other areas”, she says. “Yet, when considering the market, our activities are mainly in France.” As for the other markets under their wing, she adds, “We try to promote Japan in cooperation with the embassy or consulate general of Japan, or Japan-related associations in those countries.”

Nakazawa of JNTO Germany has been encouraged by what began to happen in 2012 in the Japan market. “Since the middle of last year, Japanese tourism has finally emerged from the damage caused by the Great East Japan Earthquake [in March 2011],” he points out. “In addition, the extraordinary appreciation of the yen ceased last December.”

On his own turf, he is also upbeat. “Moreover, Germany has been enjoying for the last few years a good economy, unlike other European countries,” says Nakazawa. “Thanks to these facts and events, we are sure the number of German tourists to Japan will grow consistently, and Japan can continue on its recovery from the triple disaster on condition that there won’t be any more ‘bad’ incidents in Japan.”

Based on their SWOT (strengths, weaknesses, opportunities, threats) analysis, NBTC “targets a 10% increase in travellers from 2013,” says Nakagawa. “Although it depends very much on air capacity to Amsterdam and the Japanese economic situation.”

In 2014, Japan and Switzerland will celebrate 150 years of diplomatic relations. “We’ll put our efforts into highlighting Switzerland even more with various promotional activities both in Japan and Switzerland,” says Oshio. 





# Up on the farm

## Syngenta Japan

Text **DAVID C HULME** Photo **BENJAMIN PARKS**

A steady stream of new products and technologies flows from the world-wide R&D network of agribusiness Syngenta. When the company introduces something new to Japan, local farmers stand to benefit from as much as a decade of research costing hundreds of millions of dollars.

“Promising products, whether chemicals or seeds, then have to be tested in the multiplicity of Japanese climates

and soil conditions,” says Stephan Titze, Tokyo-based head of operations in north-east Asia for Syngenta. “It can take years for a particular seed strain to be tested by selected growers and introduced to food processors, or wholesalers and retail chains.”

“It is not quite IT pace,” he adds with a laugh. The painstaking process is serious business for growers, he points out, as seeds are the fulcrum of the entire growing strategy.

Syngenta, focusing exclusively on agribusiness, was created in 2000 through a merger between the agribusinesses

of Novartis of Switzerland and Astra-Zeneca of the UK. It is based in Basel, Switzerland, and employs over 27,000 people in 90 countries.

The 2001 acquisition of Tomono Agrica, based in Shizuoka prefecture, broadened the local presence of Syngenta in Japan. Among the 330 Syngenta Japan staff, about one-third work at one or the other of its two research stations, one near Narita, in Chiba prefecture and the other in Shizuoka prefecture. Another one-third is in sales.

“The main task of our sales staff is to





educate farmers and retailers. They have a market development function,” says Titze. Sales reps are always on a steep learning curve, he adds. “We introduce novel products all the time.”

Titze, from Switzerland, studied tropical agriculture and marketing in Brisbane, Australia. He later joined the global marketing operation of British chemicals giant ICI, forebear of Zeneca (created in 1993) and Astra-Zeneca (1999). For Syngenta, between the merger and his arrival in Tokyo, he successively headed operations in Australia, Indonesia and China.

One of his main tasks here, as well as in South Korea and Taiwan, is to implement Syngenta’s worldwide strategy of integrating the crop-protection and seed areas, so that sales representatives become consultants, bringing each grower a comprehensive crop-development plan. Crop protection (rice tops the list here for Syngenta) products include insecticides, herbicides and fungicides.

“We also develop biological controls for integrated pest management, called IPM” says Titze. “One of the examples is artificial pheromones, that attract or repel insects.”

This science is in its infancy, he notes, and most known techniques are difficult to apply on a large scale.

Syngenta also targets Japan’s 2,400 golf courses.

“We are the leader in this area,” says Titze, “Our experts deal directly with golf course superintendents to help them achieve those perfect fairways and greens.”

The “flower and ornamental” sector is also important.

“Globally, we are the third-biggest breeder and supplier of seeds, and perhaps number one when it comes to flower seeds,” says Titze.

With Japanese consumers being extremely fussy about the quality of their vegetables, he says, the vegetable seed business gets extra attention from Syngenta. Speciality fruits are also of particular interest (Titze is fascinated by the Japanese apple industry), as are herbs and tea plantations.

An example of the integrated approach is a small, sweet snack tomato called Angelle. Teaming up with some of Japan’s ubiquitous agricultural cooperatives, Syngenta helps farmers grow the tomatoes under contract.

“We supply the inputs and provide the advice, then the cooperative sells Angelle to the supermarkets. This way the quality is guaranteed,” says Titze. The aim, by varying climatic zones and using the latest greenhouse and hydroponic systems, is for Japanese farmers to be able to supply the branded tomatoes year-round.

“We are not quite consistent 100% of the year, but almost.”

Titze says the company strategy of bringing new ideas, products and

“WE ARE DEVELOPING  
**LABOUR SAVING  
TECHNOLOGIES THAT  
ALLOW FARMERS TO FARM  
BIGGER AREAS**”

technologies to the ageing owners of Japan’s many pocket-handkerchief farms is in sync with the government policy of dramatically increasing average farm size.

“We are developing labour saving technologies that allow farmers to farm bigger areas,” he says. “The consolidation process is slow, but accelerating.”

An example of technological adaptation is the use of remote-controlled helicopters, developed in Japan, for crop protection. Some 2,000 of the machines are already in use. It is even possible to plant rice from the air. Rice seeds are coated in iron so that they sink to the correct depth when dropped from above, and birds cannot eat them before they germinate.

Despite Japan’s ageing and shrinking population, Titze anticipates an eventual increase in food production here and an improvement in food self-sufficiency, currently a mere 39%. With total worldwide calorie consumption increasing and available farmland area slowly shrinking, crop prices inevitably trend upwards.

“We may see, as global shortages arise, a motivation for Japan to grow more rice, soy beans and corn, and to export high quality fruits, fresh vegetables and processed foods,” he says, noting that significant areas of abandoned farmland can be brought back into production. Of necessity, the new farms will be large-scale, high-tech, efficient, highly mechanised operations that suit Syngenta.

“Productivity improvements and sustainability are necessary, so we try to address those challenges with our technology,” says Titze. “We can help larger farmers to be more competitive.”

# Medical Equipment //

## *Advocacy breakthrough at last*

Text **GEOFF BOTTING**

Spring is the season of new beginnings, a time of renewal and looking ahead to a brighter future. In 2013, this idea rang especially true for the EBC Medical Equipment Committee.

On 24 May, Japan's cabinet adopted revisions to the Pharmaceutical Affairs Law (PAL), a development closely watched by the committee, as the changes – which among other things would speed up and clarify the approval process for medical equipment – reflect many of the committee's advocacy points over the years. The amendments have since been sent to the Diet for deliberation, and are expected to be approved in October.

"This is the start," says committee chairman Danny Risberg. "This is the transitional phase of all the various things that we've been lobbying for and requesting."

The committee has long complained of regulatory barriers – as well as an inflexible reimbursement regime – that have made it costly and time-consuming to introduce the latest and

### Medical Equipment Key advocacy points

→ **Mutual recognition** – The government should work on shortening the approval process for medical equipment by accepting clinical data produced overseas.

→ **Reimbursement** – The government should set reimbursement prices at levels that accurately reflect a product's technological sophistication and the various research and development costs incurred by the manufacturer.

most advanced medical technologies. In too many cases, the manufacturers give up introducing products into the Japanese market, as they see little financial incentive.

Risberg, CEO of Philips Electronics Japan, calls the new amendments a "potential breakthrough", and he says that, in spirit, they reflect many of the recommendations the committee submitted shortly before free trade agreement (FTA) negotiations got under

way between the EU and Japan.

"The big driver for us is that it seems to be in line with the FTA scoping document," he says. The PAL amendments followed discussions between industry groups, including the EBC, and the Ministry of Health, Labour and Welfare (MHLW).

One particular issue for the committee has concerned the alignment of the quality management systems (QMSs) between the EU and Japan. Each system is aimed at ensuring the safety and effectiveness of medical devices, from the time they are first designed to when service life ends, through clinical testing. The problem is that Japanese regulators can order additional testing to be conducted in Japan if they deem that the data from overseas is insufficient. For the original equipment manufacturers, this means added time and expense.

"They really need to be more open to the data," Risberg says, although he adds that the PAL amendments hold the hope that the practice here of ordering duplicate testing will become a thing of the past.

The committee's other advocacy concern is reimbursement, which refers to





the prices that the MHLW sets for medical equipment, based on the devices' respective functions.

A long-standing issue concerns recognition of innovation, particularly in the case of existing products that receive minor upgrades, according to Sumio Sugiyama, vice chairman of the EBC Medical Equipment Committee.

Equipment makers routinely improve their products. But the ministry doesn't always recognise such changes as true innovations, so it refuses to pay any reimbursements.

"The question for us is whether we can receive incentives on these small and regular improvements of existing devices," Sugiyama says. "[The ministry] will often say 'no, this is not real innovation, this is just a small improvement'. So the industry has been trying to persuade government officials to accept the small innovations and to give us a small premium price."

Then there are groups of different products that have the same basic functions, and which are put into the same category, Sugiyama explains.

"Products A to D will be put into the same functional box, say 'box X', and

all are given the same reimbursement price," he says. "But if I add an additional feature to product A, the product still can't get out of box X and the price still can't be revised."

And so the industry – which includes not just the EBC but also the American Medical Devices and Diagnostics Manufacturers' Association and the Japan Federation of Medical Devices Associations – is proposing that the government consider "bifunctional category boxes".

"We would be able to create a new box, let's say 'box X slash', to accommodate the revised product. And then if product B received a similar improvement in the near future, then it would also be moved to the new box," says Sugiyama, vice-president at Sorin Group Japan.

The interested parties are now in discussion with ministry officials – with the aim of having the bifunctional boxes introduced in time to be incorporated in a new reimbursement price schedule to go into effect on 1 April of next year.

As for the probability that further proposals will succeed in the near future, Sugiyama shares Risberg's optimism.


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**Danny Risberg**

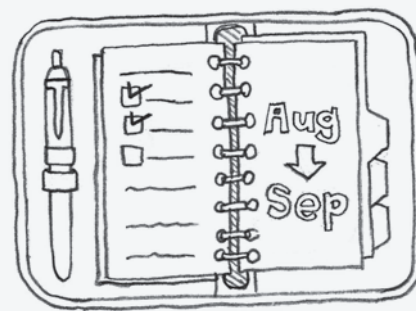
The MHLW, as well as Japanese politicians, recognise now that innovative medical hardware is an investment rather than an expense.

Recent documents published by the Japanese government make clear the importance of innovative products in improving the quality of healthcare service. "And they make clear that the products should be paid for by incentives," Sugiyama adds.

The Council for Regulatory Reform also states in a report released 5 June: "It will be necessary to reform the system to reflect the features of medical devices."

For the medical equipment industry in Japan, which for so long had called for its innovation efforts to be recognised, this government attitude seems as refreshing as a spring breeze. 

# Upcoming events



► **Austrian Business Council**  
www.abc-jpn.org

## The Business of Soccer: Visiting the Management of J-League Team Kawasaki Frontale\*

26 September, Thursday, 16.00-18.00  
(18.00-20.00 networking reception)

**Venue:** Kawasaki Stadium (optional bus from Shinagawa Station)

**Fee:** ¥5,000 (members), ¥6,000 (non-members). Fee includes networking reception.  
**Contact:** tokio@advantageaustria.org

\* Learn about the economics of a Japanese soccer team: income, costs, new stadium construction, etc.

► **Belgian-Luxembourg Chamber of Commerce in Japan**  
www.blccj.or.jp

## Pool & BBQ Summer Party

31 August, Saturday, exclusive pool use: from 15.00 to closing

**Venue:** Hilton Tokyo Bay, Maihama, garden pool area

**Fee:** ¥10,000 (members), ¥12,000 (non-members), children half-price  
**Contact:** info@blccj.or.jp

## Belgian shop @ Belgian Beer Weekend Tokyo

6-16 September, first Friday to third Monday, 11:00-22:00

**Venue:** Roppongi Hills Arena, Roppongi

**Fee:** Pay for drinks and goods  
**Contact:** info@blccj.or.jp

► **British Chamber of Commerce in Japan**  
www.bccjapan.com

## Luncheon: National Trust in Japan

10 September, Tuesday, 12:00-14:00

**Speakers:** from Association of National Trusts Japan and Sumitomo Mitsui Trust Bank

**Venue:** Grand Hyatt Tokyo, 2F, Anise Room

**Fee:** ¥6,500 (members), ¥8,500 (non-members)  
**Contact:** info@bccjapan.com

► **Finnish Chamber of Commerce in Japan**  
www.fcc.or.jp

## FCCJ Yakatabune Cruise Finnair AY4159 - Honka HJ4169

29 August, Thursday, 18:30-21:00

**Embarkation:** Funayado Miuraya, Asakusabashi, Taito ward

**Fee:** ¥8,000 (members), ¥10,000 (non-members)

**Contact:** fccj@gol.com

## Joint Nordic Luncheon Meeting organised by the FCCJ

25 September, Wednesday, 18:30-21:00

**Speaker:** Pekka Vauramo, CEO, Finnair

**Venue:** to be confirmed

**Fee:** ¥6,000 (members), ¥8,000 (non-members)  
**Contact:** fccj@gol.com

► **German Chamber of Commerce and Industry in Japan**  
www.japan.ahk.de/en/

## Joint Luncheon Meeting

“Euro-zone debt crisis: Unsolved, ignored – but still there”

9 September, Monday, 12:00-14:00

**Speaker:** Dr Jörg Krämer, chief economist & divisional board member for research, Commerzbank AG

**Venue:** Grand Hyatt Tokyo, Coriander Room

**Fee:** ¥6,500 (members)  
**Contact:** events@dihkj.or.jp

► **Italian Chamber of Commerce in Japan**  
www.iccj.or.jp

## Fashion fair: “istanze di moda: Italy@rooms27”

11-13 September, Wednesday-Friday

**Venue:** Yoyogi National Stadium, Shibuya

**Contact:** promo@iccj.or.jp

► **Netherlands Chamber of Commerce in Japan**  
www.nccj.jp

## Aperitif – Welcome Back Drinks

26 September, Thursday, 19:30-21:30 (doors open 19:00)

**Venue:** Restaurant bar Amusement, Shibuya

**Fee:** ¥4,000 (members), ¥5,000 (non-members)  
**Contact:** nccj@nccj.jp

► **Swedish Chamber of Commerce and Industry in Japan**  
www.sccj.org

## AUGUST

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## SEPTEMBER

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29	30					

## Back to Tokyo Evening

10 September, Tuesday, 19:00-21:00

**Venue:** Swedish Embassy

**Fee:** ¥4,000 (members)

**Contact:** office@sccj.org

## All-day Beach Day

22 September, Sunday

**Venue:** Chigasaki beach

**Fee:** to be determined

**Contact:** office@sccj.org

► **Swiss Chamber of Commerce and Industry in Japan**  
www.sccij.jp

## SCCIJ August Luncheon

27 August, Tuesday, 12:00-14:00

**Speaker:** Markus Binkert, chief commercial officer, Swiss International Air Lines Ltd.

**Venue:** Grand Hyatt Tokyo, 2F, Basil Room

**Fee:** ¥8,000 (members and non-members)

**Contact:** info@sccij.jp



# Joint celebration for Croatia and Lithuania

Europa House, 1 July, 2013

Text **JENNIFER ZYLINSKI-SPARGO**

**O**n the first day of July, EU Ambassador to Japan Hans Dietmar Schweisgut invited the ambassador of Croatia to Japan, H.E. Mrs Mira Martinec, to officially hoist the flag of her country among the 27 other national flags already flying over Europa House in Tokyo's Minato ward.

The country code for Croatia is HV (Hrvatska), so the national flag now flies proudly between those of France and Italy.

That evening, the EU Delegation hosted a joint event to welcome Croatia as an EU member state and to congratulate Lithuania on succeeding Ireland in the six-month rotating presidency of the Council of the EU.

About 150 guests paid close attention to speeches by Schweisgut, Martinec and Lithuanian ambassador H.E. Mr Egidius Meilūnas.

"Today, we enjoy and value the possibility to be a part of the Union, which brought reconciliation, peace, respect for human rights and freedom to Europe. At the same time, we realise our responsibility to contribute to the further development and consolidation of the EU," said Meilūnas. "Therefore the motto of the Lithuanian presidency of the Council of the European Union is, 'Focus Europe: credible, growing, open'."

Martinec joined Meilūnas in thanking Schweisgut as host of the event, and congratulated Lithuania.

"The EU is about common values, dialogue, shared identity, diversity and mutual respect. I am happy that Croatia has become a part of it," she said.

The ambassador was candid in describing Croatia's road to becoming the EU's 28th member as "long and



Croatian ambassador Mira Martinec

challenging". While EU membership has been a stated goal of all Croatian governments since June 2004, when the nation was granted the status of a candidate country, public support was unconvincing.

"Up to the December 2011 signing of the Croatian Accession Treaty in Brussels, numerous demanding steps of the process have been successfully implemented," Martinec explained. "Finally, at the national referendum held in January 2012, two thirds of the Croatian citizens (66.27%) voiced their support for Croatia's joining the EU."

She added that a key word for Croatia in joining the EU is "stability".

"I believe that the added value of my country's membership in the EU lies in the possibility of bringing additional stability to the Balkans region," she said, noting that Croatia's accession has already been dubbed an "enlargement with a mission".

Regarding future enlargements, she said, "the position of the Croatian government is clear – all Balkan nations have a place in the EU, and Croatia gladly offers its negotiating experience and know-how to all our friends and partners in the region which have an aspiration to join."

The prospect of EU-membership, she said, represents "an incentive for both internal reform processes and regional cooperation", and that integration remains a key guarantee of stability



Lithuanian ambassador Egidius Meilūnas

and sustainable development of the region.


Croatia has completed a remarkable transition, from the socialist system of the former Yugoslavia, Martinec said, to become a society that "fully embraces today's democratic values".

After 22 years of autonomy as a state, she concluded, "Joining the EU is about binding one's country to a strong and proven system of values".

The Japanese government was represented by Justice Minister Sadakazu Tanigaki, who proposed the toast.

Following the formalities, guests also enjoyed a joint Croatian-Lithuanian exhibition of more than 70 photographs, which was to open to the public the next day and remain open for almost three weeks.

The Croatian segment, "Splendour of the Deep Blue Sea" was an exhibition by award-winning photographer Kazuko Inoue and organised by the Embassy of the Republic of Croatia in Japan. Inoue has visited Croatia every year for the past 10 years.

The other part, titled "Unseen Lithuania", was the work of Marius Jovaiša, a Lithuanian documentary filmmaker and aerial photographer. It was organised by the Embassy of the Republic of Lithuania in Japan. Jovaiša, sometimes drifting aloft in a lighter-than-air balloon, captured landscapes, cities, villages, monuments and natural phenomena across Lithuania. 

# Meeting of the minds

## *Continuing to find ways to stand out*

The Sakura Group offers a full range of services through their Sakura House and Hotels; Business Garden; and Hotel Continental, Fuchu. Masayo Namiki, sales manager at Sakura House and Hotels, has been in a management position for 10 years. "I have witnessed a drastic increase in the numbers of our 'professional' guests," she states. "Professionals on a short business trip, or part of a business educational exchange programme that requires a stay of over a month."

Business Garden first launched their Shimbashi Business Garden in 1995 with 24 small-sized offices. Since then, they have started up five more locations in central Tokyo to meet rising customer needs, including a new floor with 37 new offices at their Shinjuku Business Garden location on 16 July.

Business Garden has expanded their target customer of domestic users to include overseas customers. "We provide all services in English by bilingual Japanese and English staff who are on-site," points out staff member Miki Kimura. "We are sharing information with English-speaking customers by using Facebook and Twitter on a daily basis."

Their improved services now include setting up social and business gatherings for entrepreneurs who just started their own business to facilitate connecting with other tenants in the same line of business. "We also assist clients in finding reliable

lawyers and tax accountants to help them through the steps necessary to start a business," Kimura adds.

### **Space considerations**

According to Keisuke Uno, general manager at The Gate Hotel Kaminarimon, "The hotel rooms are where guests spend the longest hours of a day." The hotel takes pride in the guest rooms being quiet, clean and relaxing. "The bathrooms also must be clean and pleasant," he continues. "From the beds, towels, nightwear to showerheads, we have pursued maximum comfort and usability in our selections."

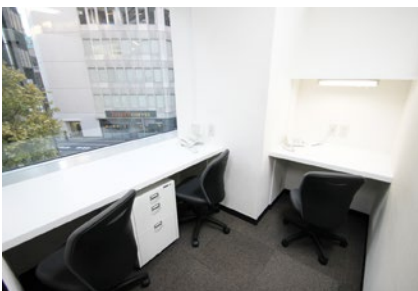
At The Westin Tokyo, the guest room experience also is emphasised. "The quality is very important because our guests spend one-third of their day in their room," explains Shinichi Koshikawa, director of business development.

"MICE guests are no different in this sense." The size of the rooms and bed create a comforting experience for MICE participants. "Functionality of Wi-Fi, as well as easy access to banquet space, is critical for a successful event," he adds.

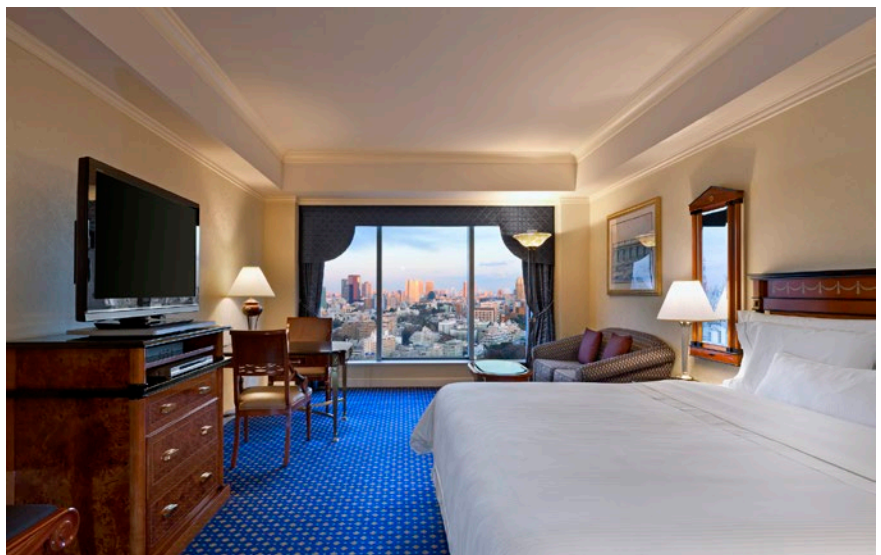
There are many sizes and décors in banquet rooms catering to all needs and requests at The Westin Tokyo. "Each banquet room has its own kitchen, guaranteeing quality and hot food," says Koshikawa. Their grand Galaxy Ballroom has the facility to handle automobiles and heavy-duty vehicles for display in the foyer, as well as the function room.

According to Jens Moesker, general manager of Shangri-La Hotel, Tokyo, "Guest rooms can themselves inspire and enhance the experience of a foreign trip for every delegate, so elements such as the size of the room, to providing hi-tech equipment, can directly contribute to any successful MICE." The rooms offer free Wi-Fi, a technology kit, stationery, high-quality Sealy beds, and ample space starting from 50 sq. metres. "Together with sweeping, unobstructed views of Tokyo city, it creates a restful atmosphere to revive each guest," he adds.

Shangri-La is located adjacent to Tokyo Station, and walking distance to Ginza and Imperial Palace. "Our hotel has unbeatable access from all over Japan," adds Moesker.



Business Garden



The Westin Tokyo





Hotel Continental, Fuchu



Shangri-La Hotel, Tokyo



Hotel &amp; Residence Roppongi

The fully equipped function rooms are all on one floor, and the 27th-floor Sky banquet floor is filled with natural daylight. “This floor is directly accessed from the guest rooms,” he continues. “The entire hotel has free Wi-Fi.”

The Hyatt Regency Tokyo is proud of their 18 elegantly designed banquet rooms suitable for any style and any size MICE. “Our Sky Room on the 28th floor has a dome-style ceiling with elegant chandelier, and our Excellence on the 27th floor has a modern Japanese feel to the décor,” says Tsukasa Nomura, director of event sales. “Both offer impressive views.” To accommodate larger gatherings, the Century Room on the first basement level serves like a ballroom, handling up to 1,000 guests for cocktails.

“It is rare for hotels around the major business district and Ginza to have large banquets or many guestrooms like us,” says a spokesperson of the Imperial Hotel Tokyo. “Our facilities and appointments are renowned, and can easily be adapted for everything from small meetings to large conferences.” There are 26 banquet halls, and the capacity of the Peacock hall, the biggest one, is 2,000 people for a cocktail buffet. “We offer complimentary, ultra-secure, 1Gbps Wi-Fi to registered guests so they can immediately access the Internet from the moment they check in, and continue to use it throughout their stay,” he adds.

As explained by Ayumi Sanada, chief manager of public relations at Hotel Chinzanso Tokyo, “Serious business calls for a seriously relaxing setting.” Among the 36 function rooms are the Orion, the largest meeting room in Tokyo, with panoramic

views of the garden and accommodating up to 2,000 guests; and the tiered-seating Amphitheatre, designed to meet requirements of international conferences.

“Meetings always seem to be more productive here,” adds Sanada. “And it has to do with the natural wonders on constant display outside.” She cites the glorious bursts of *sakura* in spring, whimsical lights of fireflies in summer, defiant blaze of maple leaves in autumn, and the hushed landscape of winter bedecked with bright camellias. “When you are surrounded by nature, things somehow fall into perspective, putting you in a more receptive and focused state of mind,” says Sanada.

At the Chinzanso are beautifully decorated staying rooms, 12 varieties of restaurant that have unique private dining rooms, relaxing Spa with the latest workout equipment, swimming pool and elegant treatment rooms. “And the spirit of Japanese hospitality,” she adds.

Located in Japan’s second-largest city, the St. Regis Osaka presents 160 exquisite guest rooms, which include 12 luxuriously appointed suites. “The guest-room experience and the quality is very important for our MICE guests,” explains Makoto Yamashita, director of sales & marketing. “Our rooms provide an eloquent expression of comfort in a residential atmosphere.” There are bathrooms with Japanese-style bathtub and a shower booth, and the finest finishes and Kyoto silks of the interior. “All these features express in detail fine Japanese tradition,” he adds. The rooms also have high-definition 42-inch flat TV screens, audio equipment and walk-in closets.

The meeting space and banquet room

on the 11th floor cover more than 622 sq. metres. The Astor Ballroom accommodates a number of functions. “The floor is full of natural light, and the rooms are ideal for meetings, parties, cocktail receptions and exhibitions,” Yamashita points out. “Also, all your business needs can be tended to at our business centre on the same floor.”

The Hotel Continental, Fuchu, part of the Sakura Group, is located in a suburb of Tokyo. “The best business hotel near the Tama district offers the perfect line-up of meeting and conference rooms in Fuchu,” explains a member of the staff. “Our KAEDE Hall is the largest and most elegant of the banquet rooms with space for formal dinners up to 100 guests and buffets for up to 230 guests.” Other features include a full-sized preview screen, sparkling chandeliers, audiovisual equipment, double partitioning and more. KAEDE Hall can host any type of conference and convention. “A full staff of professionals is available to help with all planning, staffing, catering, and preparations for your special event,” he adds.

Complementing the Restaurant Coconoma’s three banquet rooms – part of, and directly managed by, the Hotel & Residence Roppongi – are the Salon (13F) and the VIP Lounge (1F, also in the restaurant). The banquet rooms have a capacity of four to 25 persons for small, friendly venues ideal for meetings, receptions and parties. “The design of the main banquet room is modern Japanese with an image of Kyoto, such as the genuine technique of traditional architecture used on the impressive lattice,” says Toru Yamamoto, assistant general manager. “A sense of nostalgia and modern comfort are key, using natural materials of wood, soil, slate [stone] and

iron – such as the walls plastered with natural soil and plant fibres by the well-known craftsman Naoki Kusumi.”

The facilities are at a very high standard – from great sound system, visual equipment including projectors and TVs, to Internet capabilities. “The food served in Coconoma is Italian, cooked with a touch of Japanese ingredients and technique,” Yamamoto adds. “The restaurant offers 500 bottles of wines from all over the world, including a special collection of vintages produced by Japanese winemakers.” In addition, there is a Sushi bar, Teppanyaki, Organic Grill, and Virgin Café, which all can be used as banquet rooms.

The Hotel Granvia Kyoto has deluxe facilities, from function spaces, dining, fitness, entertainment, to ample shopping outlets – and all on-site. They can cater to 10- to 500-person groups for incentives and a variety of functions. “We are a full-facility hotel with the largest number of meeting spaces available in Kyoto,” says Yuka Murata, manager of overseas marketing.

An important consideration is the hotel’s convenient location within the central Kyoto Station complex, “which plays a pivotal role in the commercial, business and cultural life of the city, and also only a few minutes away from Kyoto’s most famous tourist sights,” Murata adds. “We’re the choice for busy business people and professionals.”

At the Okinawa Marriott Resort & Spa, each banquet room with ocean views offers an impressive, totally different atmosphere for meetings and after-party gatherings, according to Akio Izumi, director of sales & marketing. “For those who want to relish an open-air BBQ party by our beautiful garden pool, you will be admiring an amazing sunset while

enjoying a wide variety of food.” The Okinawa Marriott also offers catering service to Bankoku Shinryoukan, which is the premiere international resort-style convention facility just five minutes away by car.

At Compass Offices, no two businesses are alike, and their clients all have different wants and needs. “We pride ourselves in the range of our facilities and the flexibility with which we offer them,” says Laura Schmelling, business development manager, Tokyo. “Consistency in services and quality is what has made us Asia’s fastest-growing serviced office provider.”

Their free-address Habitat co-working environment is perfect for casual meetings or collaborative workspace. Private rooms of all sizes are for confidential meetings, and seminar and event spaces with flexible furniture layout to accommodate large presentations, training, workshops, marketing or networking events. “It’s important that when we receive a request, we can always respond with ‘No problem, we can do that for you,’” Schmelling adds. “We have a high standard of quality in our fit outs and IT infrastructure throughout all the Compass locations regionally, which is essential to our branding and the trust we build with our clients.”

#### Local touch

The multilingual staff at Sakura House and Hotels offers a casual and friendly environment where guests can easily interact with each other, meet new people, and make new friends. “We see ourselves as an international community where anyone can expand their personal knowledge and network,” says Namiki. “An important consideration is how our wide range of accommodations in numerous Tokyo locations allows professionals to be close to their work/meeting place.”

According to Uno of The Gate Hotel Kaminarimon, guests cannot experience the real charm of Asakusa in a short-time stay. “Our entire staff, therefore, become ‘Asakusa concierges’ and help the guests to truly appreciate their stay.” Each employee is fully immersed in the life of Asakusa and shares the information they have discovered. “They provide in-depth information adapted to the period of our guests’ stay,” he adds. “We strive to enable our guests to actively explore the town of Asakusa.”

Hotel Okura Tokyo continues to do their best to lay claim to the reputation of Japan’s leading hotel, according to Koji Sakamoto, public relations manager. “We offer the best quality available in the world through unfailing attention to the tiniest detail.”

At Compass Offices, what makes their staff exceptional is simple. “We are entrepreneurs, just like the majority of our clients,” says Schmelling. “Our staff are trained to treat our clients’ businesses like it were their own.” Their CEO’s entrepreneurial philosophy is passed down to every level of the company, “meaning our staff don’t just work for our clients, but think like them too,” she adds.

At the Imperial Hotel Tokyo, 13 extraordinary dining choices include sumptuous Michelin-starred French, an authentic brasserie, internationally acclaimed Japanese specialty restaurants, teppanyaki steaks, unforgettable all-day dining, plus four cocktail lounges – including the exclusive Old Imperial Bar with 1923 Frank Lloyd Wright designs.

As explained by Hotel Chinzanso Tokyo’s Sanada, “Our professional planners are on hand throughout the process to ensure a flawless event, down to the last detail.” As a special option, the hotel also is the perfect place to share Japanese culture. “The



Compass Offices



Okinawa Marriott Resort & Spa





Kyoto Convention Bureau culture programme

traditional tea ceremonies in our gardens in historic teahouses – recognised as a national cultural asset – deliver unforgettable experiences,” she adds.

The Kyoto Convention Bureau (KCB) and the city of Kyoto have teamed up to support meeting events that take place in the city by offering a subsidy towards the use of the region’s cultural heritage. Eligibility is restricted to companies and organisations that are arranging a convention, meeting, incentive travel or like event in Kyoto and meet some basic conditions related to duration in Kyoto, number of participants, percentage of accommodations within the city, etc. The event itself cannot be profit-making, nor political or religious.

The programme contents, in principal, should be traditional arts such as involving *maiko* and *geiko*, *taiko* drums, tea ceremony, kimono dressing performances,



The Gate Hotel

etc. Suggested occasions include reception parties or ceremonies since all participants must be present. The event organiser is responsible to cover costs for preparations, which can include staging and lighting or participant transportation, etc. Products covered under the subsidy must be ordered through the KCB-designated supplier, and be presented free-of-charge to the participants.

“Smile, empathise, respect, and genuine care,” points out Izumi of Okinawa Marriott. “We anticipate each guest’s needs, and treat our best guests with the best – at the same level of Marriott service around the world.”

**Pleasing the palate**

At The Gate Hotel Kaminarimon, the private rooftop terrace offers a magnificent view of the old and new Asakusa,

according to general manager Uno. “While the terrace is reserved for registered guests of the hotel, we take reservations for private parties.”

At the Hotel Okura Tokyo, you savour meals, says Sakamoto – from the essence of French cuisine to the subtlety of Japanese *wa*, and the dynamism of Chinese food. “We have the mettle and professional technique to ‘host the world’ through dining experiences.”

The Hyatt Regency Tokyo has a French restaurant, Cuisine[s] Michel Troisgros, which has been awarded two Michelin stars for six years; and a Chinese restaurant, Jade Garden, whose chef is famous on a TV programme, explains Nomura. The all-day dining café is very popular with guests and visitors alike. “The quality of restaurants and bar will fix the hotel grade and brand in some way,” he adds. 

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# For a Better You

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The Westin Tokyo is located within Yebisu Garden Place – an upscale complex of corporate offices, shopping and entertainment facilities – and includes a green oasis in the heart of Tokyo, The Westin Garden. Every aspect of the Westin is carefully designed to indulge all of the senses – we educate our guests in their wellbeing before, during and after their stay – so they leave feeling better than when they arrived. The 22 storeys and five basement floors provide 438 guest rooms including 20 suites, Westin WORKOUT® gym, Le Spa Parisien, five distinct restaurants, two bars and a lounge, banquet facilities, and chapel.

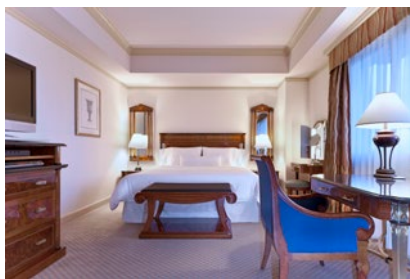
The Westin Tokyo's lead in deluxe rooms are a generous 42-square-meters in size. All rooms are equipped with the Westin Heavenly Bed®, their industry-leading innovation which promises guests heavenly sleep like no other.

Nine function rooms and meeting rooms of various sizes meet the needs of any social or business occasion. Banquet facilities include the 1,020-square-metre main banquet room, three medium-scale banquet halls, five small-scale banquet halls, and three meeting rooms of various sizes.

To satisfy discerning palates, the hotel has five restaurants, two bars and a lounge – from European Continental, Teppanyaki, Chinese, Japanese, and Deli to a sky lounge and executive bar. The menu choices are extensive and

delightful, the ambience diverse and sophisticated, and the service discreet and attentive.

Le Spa Parisien offers a European spa experience in an apartment setting à la Paris. In addition to a workout routine in the hotel's gym, guests can enjoy experiencing the fresh air and local scenery. The hotel provides a running map, or a group run in spring and autumn with a Westin Running Concierge, who will lead guests on a refreshing trek through Tokyo while imparting interesting facts about the area.



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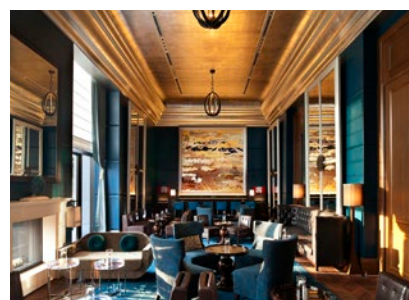
The 160 luxurious rooms and suites are complemented by two world-class specialty restaurants, bar & lounge, banquet rooms, business centre, aesthetic salon and exercise room.

The unique charm of the hotel is expressed in the décor evoking the culture and history of Osaka, and in the St. Regis Butler Service with an emphasis on Japan's renowned hospitality.

The elevator doors open at the 12F Lobby with its magnificent vistas and an ambience filled with natural sunlight reaching the nearly 6m-high ceiling. The guest rooms and suites are the most expansive and luxuriously appointed living spaces in Osaka. The motifs of the suite rooms are of various kinds of

plants and flowers that offer a unique design concept specific to each suite. The 43-square-meter Deluxe Rooms provide an eloquent expression of comfort in a residential atmosphere – an unparalleled refuge of timeless splendour. The bathrooms with Japanese-style bath tub and a shower booth, the finest finishes and Kyoto silks of the interior, the headboards of beautiful Kawashima silk showing motifs of ginkgo and cherry blossoms – all express in detail fine Japanese tradition. High-definition, 42-inch flat TV screen, audio equipment and walk-in closet – some of the luxurious contemporary amenities.

The meeting space and banquet room on the 11F cover more than 622 square meters. The 210-square-meter Astor ballroom accommodates 100 people for dinner service or 160 theatre-style. The floor is full of natural light, and the rooms are ideal for parties, weddings, cocktail receptions and meetings.



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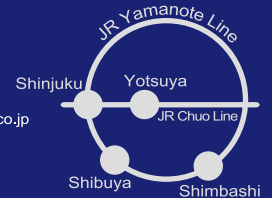
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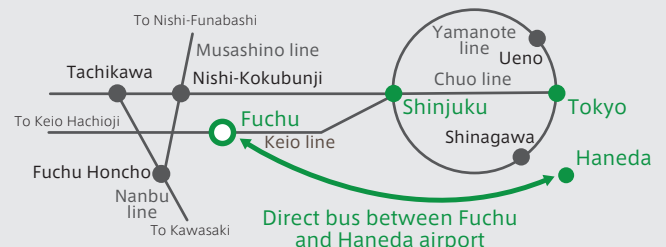
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Compass Offices was founded with an entrepreneurial spirit in mind. Their CEO, Andrew Chung, was in a Serviced Office with another business and decided he could learn from the shortcomings of other providers – and so Compass Offices was born. That insight into client needs is a focus that's driving their rapid expansion plans and creative workspace solutions.

With 2 locations in Tokyo to date and 20 centres in the Asia-Pacific region, this is just the start of what will become a global company aiming to retain its core values.

Their first location was at Toranomon 40 MT Bldg., with its direct access to Kamiyacho station on the Hibiya line – providing convenient access to all parts of the capital city. Their new Meguro facility, covering 8 floors of the MG Meguro Ekimae Building, truly fills a gap in the serviced office market in Japan. There is a shift in the way that companies are now operating, from teams fixed to locations and specific desks, to a growing mobile workforce. Compass Offices saw this shift ahead of the curve, and at Meguro created Compass Habitat, a co-working environment that enables these road warriors to use a space as their own. It's perfect for people looking to meet clients or simply catch up on emails. Being a shared space it also means entrepreneurs get to meet other like-minded individuals, so it's also ideal for networking – making Habitat an ecosystem designed to drive productivity and collaboration.



Reception & boardroom (Toranomon)



Compass Habitat (Meguro)

Compass Offices is reaching further than anyone else into the mind-set of companies big and small – going far beyond being just another Serviced Office provider. If you are interested in experiencing it for yourself, Compass Offices is offering a free 1-day pass to their Habitat facility.

Laura Schmelling

Business Development Manager - Tokyo

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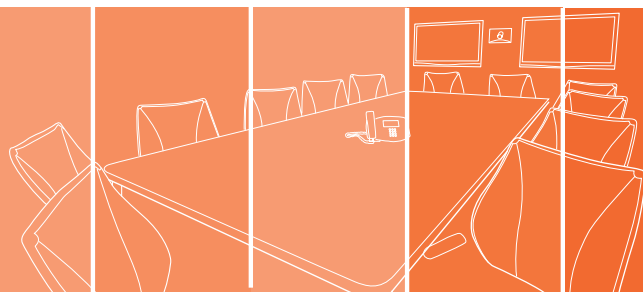


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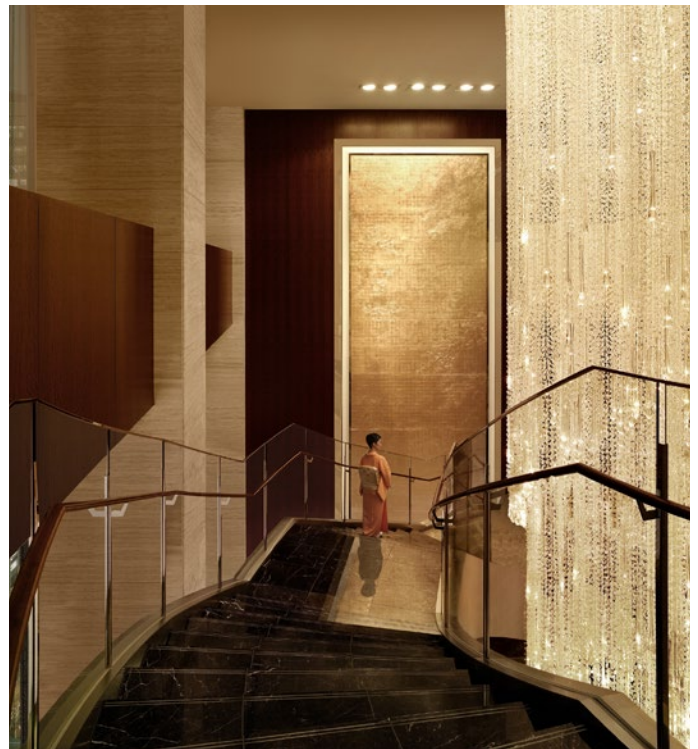
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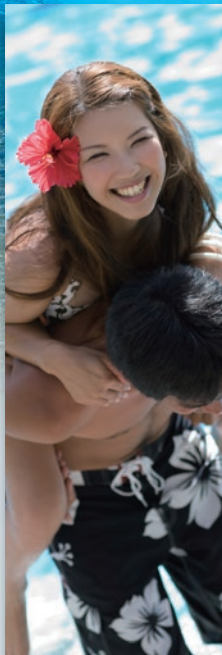
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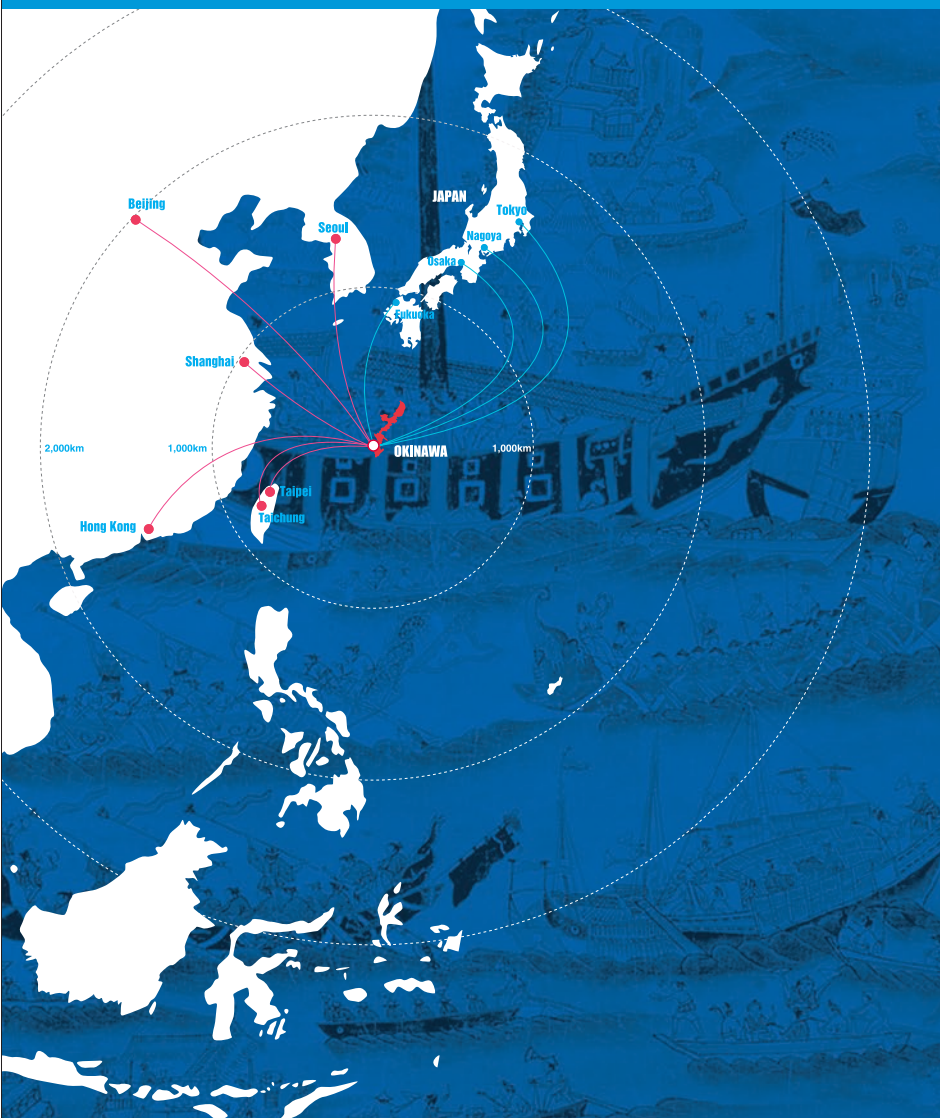
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## An inconvenience for supermarkets

### Convenience stores closing the gap

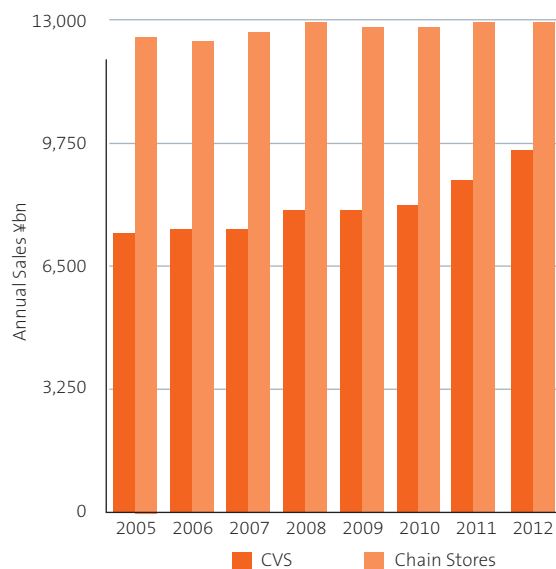
Convenience stores (CVSs) offer what their name suggests: quick, convenient shopping, but until recently they did not compete with supermarkets on price. Now, along with the growing prominence of lower-priced own brands, the biggest chains have begun to reduce prices on major manufacturers' brands to a significant degree, bringing them into direct competition with supermarket and general merchandise store (GMS) chains.

In terms of total sales, the CVS sector overtook department stores in 2009. While other sectors have struggled over the past three years, CVS chains have continued to grow. In 2012, total sales reached ¥9.5 trillion, up 4% for the year. Chain stores (supermarkets and GMS chains) remain the biggest sector for now, but sales were flat at ¥12.9 trillion last year. The largest convenience store chains continue to expand store numbers by 10% or more every year. They also diversify into new formats, such as Lawson's discount fresh food chain Lawson 100. Given the ongoing sales decline in the GMS sector, there is even a possibility that the CVS sector may become the largest of all sometime around 2020.

To counter saturation in store numbers, the biggest CVS chains are looking for ways to improve sales at existing stores by negotiating new price discounts, not only for own-branded items, but also for manufacturers' brands. Given their high margins and dominant market shares in products like drinks and prepared foods, the potential for further price competition in the CVS sector is significant.

In May, for example, Circle K Sunkus, the number four chain, announced price reductions of 5-20% on 200 common brands. Seven-Eleven has been reducing prices for the past 12 months, by as much as 50% on some brands. FamilyMart and Ministop have added another twist, offering additional loyalty points on major brands from earlier this year.

The shift to lower prices makes CVS shopping an even more attractive option for particular customer segments.



SOURCE: METI; JAPANCONSUMING

Notable is the busy, young singles segment that continues to grow in urban areas, along with the increasing number of older singles everywhere else. The change comes as the CVS sector seeks to end a rare 12-month decline in same-store sales, but shows the maturity of the sector and how it is now ready to compete with other mainstream formats. ☺



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# Nikolaos Zaimis

## *The seed of Ulysses*

Text and photo **DAVID C HULME**

**B**eing a partner in a law firm is fine, says Nikolaos Zaimis, but after six or seven years the balance of work shifts from legal practice to bringing in new clients.

“I was not so keen about that aspect,” he says. “That’s when a friend suggested that I try taking the exam to enter the European Commission. I decided to do it just for the experience.”

The odds against success, he says, were “crazy . . . there were 300 places and 55,000 applicants.” The first of three phases tested general knowledge as well as legal matters. Well-travelled, well-read and with a strong interest in history, Zaimis says he was “lucky enough” to pass. With expectations still low and a relaxed mind, he also got through phase two.

“Then there were just 1,200 applicants left for the oral exams. At that stage I decided to take it seriously,” says Zaimis, and describes a “brutal” test in which applicants are required to develop, in just a few minutes, a presentation on some randomly chosen aspect of EU policy or law. Again, he says, he was lucky.

“I drew EU industrial policy. That was a general enough topic,” he says. The final step that leads to employment was taken without complication.

Representing a British law firm in its Brussels office, Zaimis had worked in opposition to the EC on behalf of Japanese clients facing EC anti-dumping investigations. He knew well the anti-subsidy personnel under the EC Directorate-General (DG) for Trade.

“One of them called me and explained that his office was dealing with US anti-dumping investigations against EU companies,” Zaimis recalls. “He said: ‘I want you to do to them [the Americans] what you were doing to us’”

That was in 1995. Following the anti-dumping work, he dealt with the investigation of trade barriers in third countries, meaning everywhere outside the EU, then focussed on multilateral trade disputes as deputy head of the WTO Dispute

Settlement Unit in DG Trade. In 2005, he was posted to Washington DC as head of the trade section of the EC delegation there.

“Suddenly, I was a diplomat,” he says. The experience was valuable as a study in politics and communications, he adds, since the communication of political messages to the public is far superior in the US than in the EU.

Zaimis was posted to Tokyo four years ago, with his wife Deppie and their young son and daughter, Andreas and Anna, as head of the trade section of the EU delegation in Tokyo. The family is preparing to move again, this time back to Brussels.

They will take with them an extensive photographic record of trips to various parts of Japan, plus Thailand, Laos, Cambodia, Vietnam and China, and a collection of Buddhist artifacts.

Ecumenism comes naturally to Greek Orthodox Zaimis, whose grandfathers were both Greek but whose grandmothers contrasted culturally, one being an extroverted Italian Roman Catholic while the other was a conservative and austere Dutch-American Protestant.

“Mix them and you get me,” he laughs, adding: “I am a Libra and I studied law, so my life is about balance.”

As to the discipline his work demands, he quotes the ancient Greek phrase:

“**παν μέτρον ἄριστον**” (“*Pan métron áriston*,” or “Moderation is best in all things”).

“You should know the measure of things,” he says. “Be strict with yourself without being monastic.”

Choosing to study law in Athens was easy enough, though Zaimis says his first preferences were history and archaeology.

“Unfortunately, my Latin and Ancient Greek were not good enough,” he recalls.

He was better, perhaps, at the “Greek national sport” of backgammon. “We often had all-night games at university. You are not respected unless you are good at it,” he states.

After gaining his law degree and completing two years of military service, Zaimis sought to broaden his horizons.

He won a scholarship from the British Council in Athens to study for a Master of Laws degree at the University of Exeter.

“Those were some of the best years of my life. Devon is beautiful and the town is perfect for student life,” he says, noting that a plentitude of good pubs made up for the brevity of the British menu. A former high school chess champion, he also relished playing for the Exeter chess team.

“Chess relaxes me,” he says, “It is good for discipline and imagination, as well as appreciation of risk.”

“The only thing I regretted was not failing. I wanted it to go on longer.”

When it did end, Zaimis served an internship with, and then joined, British law firm Clifford Chance, thus beginning his career in Brussels. With the US and Japan postings under his belt, a new role awaits in the Belgian capital. He is not bothered by the moves from one country to another.

“Greeks have the seed of Ulysses,” he laughs. “We are travellers.” **E**

### **i** Do you like natto?

**Title:** Minister-Counsellor, Head of the Trade Section of the EU Delegation in Tokyo

**Time in Japan:** Four years

**Career highlight:** “I like to think it is still ahead of me”

**Career regret:** “Maybe I should have studied ancient Greek and Latin harder”

**Favourite saying:** “Μηδενί δίκην δικάσης πριν αμφοίν μύθον ακούσης”

(“Mjdení díkjin dikásjs prin amfoín mýthon akóúsjs”)

“Never judge before hearing both sides”

**Favourite book:** “*À la recherche du temps perdu* (Remembrance of Things Past), by Marcel Proust”

**Cannot live without:** “My family”

**Lesson learned in Japan:** “Attention to detail and quality”

**Secret of success:** “A happy family”

**Do you like natto?:** “I tried it once, but I don’t remember”









# Hiroataka Isshiki

## *ON design partners*

Fika, in Toshima ward, Tokyo, is a house containing a unique collection of Scandinavian decorative goods and day-to-day items, most of which are on sale when the owner opens the door on Saturday morning. Fika means “coffee break” in Swedish. Architect Hiroataka Isshiki led the ON design partners team that designed the tiny dual-purpose space.

“I try to bring new value to society through my design,” says Isshiki. “Rather than merely designing forms, an architect’s job is to generate new roles for architecture, based on relations between people. I expect users to discover something new through places that are designed this way.”

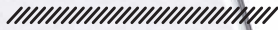


Photo **BENJAMIN PARKS**





“The reduction of ventilation times is bringing down length of stay on the ICU.”

Jim, 46, chief doctor

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