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New PAL -Crucial year for medical device regulations Herbert AJ Wilhelm Schenker-Seino

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The Mission of the European Business Council To promote an impediment-free environment for European business in Japan.

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EUROPEAN BUSINESS COUNCIL IN JAPAN THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

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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



Justin McCurry checks in on an EU-sponsored Japanese-language and culture programme, page 8

Justin McCurry is the Japan and Korea correspondent for the Guardian and Observer newspapers in London. He also writes for the Christian Science Monitor, the Lancet medical journal and several other publications in

A Canadian, Benjamin specialises in portraits and still-life images, while working on advertising, corporate and editorial assignments. His clients include Facebook, Ferrari, Casio, United Colors of Benetton, Meiji University and Rolls-Royce. He loves working with clients on all stages of a project: planning, scheduling, casting, storyboarding, shooting, editing, retouching, and everything else.

"My challenge, when shooting for EURObiZ, is to express the humanity, warmth and personality of the movers and



dark cloud on Japan's horizon, page 28

A former newspaper and wire service reporter and copy editor, Geoff has called Japan home for a guarter of a century. He is now a freelance journalist and translator, Japan, the US and the UK, and reports on Japan and the Korean peninsula for France 24 TV

"These are good times for Japan-EU relations. Talks to lower trade barriers have restarted, and Japanese firms are showing more interest than ever in working with their European counterparts. The dozens of European executives who arrived in Japan in January to spend a year in the European Union's Executive Training Programme were upbeat about their prospects. They have every right to be."



Benjamin Parks trains his talented eye on several subjects for EURObiZ Japan

shakers of the Tokyo business world. If I photograph a senior executive, I want to show who they are as a business person and as an individual."

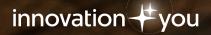
writing mainly about business, the economy and travel.

"Many industry analysts and economists are expressing a new mood of optimism towards Japan's economic outlook. HR professionals, however, generally hold a much more guarded view. As the EBC Human Resources Committee points out, Japan is facing a serious shortage of skilled workers that could well constrain economic growth in the years ahead, unless drastic action is taken soon."



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New Beginnings

Greetings and thanks for reading *EURObiZ Japan*.

It is an honour and a pleasure to introduce myself as the new editorin-chief of this fine publication. I have long admired the quality of the articles, photos and ideas in *EURObiZ Japan*, and I am excited to work with the talented staff here and at the EBC.

Of course, I also look forward to working with as many of you as possible and, in the coming months, I hope to meet with as many members of the Euro business community as I can. I want to hear your ideas about articles, issues and topics for the magazine because, after all, this is your publication.

As I settle into my new chair, I must offer a heartfelt thank you to my predecessor, colleague and mentor David C Hulme. David is not only a terrific writer and editor, but also a fine friend. David set high standards with his work and the quality of his



character. He remains one of the good guys in the often cut-throat world of journalism.

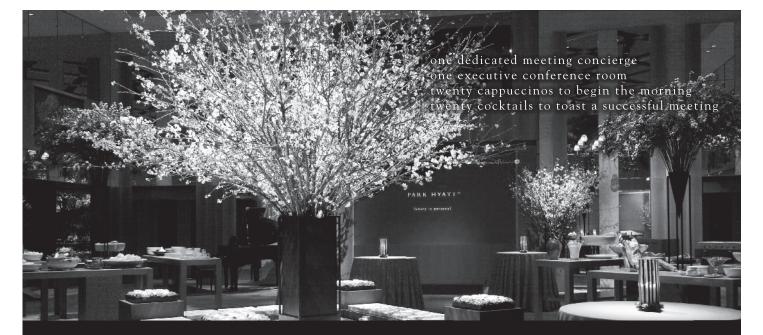
David and I met when I was working on a rival publication. He emailed me out of the blue to say how much he enjoyed our first issue. Imagine that: a rival reaching out to praise a competitor. That doesn't happen often in our business, or most others. But that is the type of person David is. All class. He will be missed.

This month, by the way, marks the 50th issue of EURObiZ Japan and delivers a host of interesting articles. Justin McCurry updates us on an EU-sponsored Japanese culture and language training programme. Jakob Edberg takes a look ahead to year two of Abenomics. Gavin Blair explains why some businesses see decentralisation as a disaster-readiness strategy, while in his final Q&A feature for us, David C Hulme introduces Danish ambassador A Carsten Damsgaard. Yours truly also contributes: an examination of the crucial year ahead for pharmaceutical regulations in Japan.

In all, changing times are exciting times. Thanks for being with us. ⁽⁹⁾

Mike de Jong Editor-in-chief dejong@paradigm.co.jp





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Executive learning

EU sponsors Japanese training programme

Text JUSTIN MCCURRY

 he dozens of European business people who arrived in Japan in January could not have chosen a more auspicious time to participate in the European Commission's Executive Training Programme (ETP).

After two decades of stagnation, Japan – the world's third-largest economy – is showing signs of life. Crucially, the once tortuously unproductive free trade agreement (FTA) talks are finally bearing fruit, with negotiations on the EU-Japan FTA that began in 2013 again underway.

Forty-five ETP participants from 13 European Union states are now in Japan and South Korea for 30 weeks of immersion in language and business culture, followed by a three-month placement with a local company.

"Investment in human resources is a key strategy from the EU side in our policy to enter the Japanese market," Hans Dietmar Schweisgut, the EU's ambassador to Japan, said in a speech to welcome the new intake to Tokyo. "Knowledge of Japanese business practices and committed people are what make the difference when working in this market – a fast-moving consumer market, and also one of the toughest and most advanced in the world."

More than 1,000 executives from about 800 companies seeking better export and investment opportunities have taken part in the programme since its launch in Japan in 1979 and in South Korea in 2002.

In Japan, the ETP is an integral part of the EU's campaign to further open up Japan to European goods and services in the hope of addressing the trade imbalance between two powerful economic blocs, according to Daniel Van Assche, programme manager for the ETP in Japan and Korea at the European Commission's headquarters in Brussels.

The primary objective, says Van Assche, is to "create a pool of EU executives equipped with the specific business, linguistic and cultural skills and knowledge necessary to operate in and with the Japanese and [South] Korean markets."



EUROPEAN UNION

He adds: "The executives trained through the ETP should be able to give effective assistance to their organisations in penetrating or consolidating positions on these markets."

Candidates are chosen based on several factors, including their academic history, professional experience and exposure to international markets. Applicants' prospects improve if their employer can demonstrate a past interest in the ETP and shows a willingness to support a candidate during their year away, with a clearly defined role for them when they return.

During their 30 weeks at Waseda University, participants take five core mandatory courses, including management and business culture, and a primer on Japanese government and economy, and up to four of seven elective courses on topics such as marketing and corporate law. Most participants take up the offer of up to 36 hours of extra one-on-one Japaneselanguage lessons.

By the time they leave the university, participants should have attained basic language skills and an understanding of

ETP participants, class of 2013-14

Japan's business culture, and set about building a professional network that should serve them well when they head their own companies' operations here.

"While we believe that both the language and business components are important, we're giving participants some flexibility in weighting language and business, depending on their individual needs," says associate professor Jusuke JJ Ikegami, the ETP academic coordinator at Waseda.

"Some people can take more elective courses and a full mentoring session in business, while others might choose individual tutorials in language if that's what they feel needs strengthening most."

Waseda has largely stuck with the highly successful teaching and mentoring formula it has developed during its 10-year involvement in the programme, but with one change this year. To give participants added perspective, the university has brought in a European lecturer on Japanese business culture to work alongside the existing local staff.

"We are always reviewing and improving the programme," Ikegami says. "While we keep the same guest speakers and company visits, which have been popular in previous ETP cycles, we are planning to add new visits based on the needs of the current participants."

While some managers no doubt bristle at the idea of "losing" a key employee for a year, many have come to recognise the dividends ETP alumni can bring to their business performance. On average, the Japan-related turnover of ETP participant companies doubles within a decade, while the salaries of those involved rise 350% within 10 years of graduating, according to the European Commission.

In addition, about two-thirds of ETP alumni have gone on to become senior executives at their companies. Most firms remain involved in Japan, and more than 80% of participants retain their connection with the country, even if they switch companies.

"Having a person in Japan can make all the difference," said Joerg Heil, a recent ETP graduate who is head of Japan sales at Aluplast, a German supplier of PVC windows. "You are invited to a lot of events where you usually don't get access and can network. You gain firsthand experience in Japan as well."

Paolo Mattioli, who has risen to become president of the Japan unit of Marposs, an Italian precision equipment maker, says he would have struggled to form a business network without his ETP experience.

"In Japan we have 130 employees and they are all Japanese; English is not used," Mattioli says in an interview on the ETP website. "Without ETP and the consequent learning of the Japanese language, I would not be in my current position."

This year's participants arrived in Japan fresh from a threeweek introductory module at the School of Oriental and African Studies, London University, where they learned about Japan's historical, economic, political, cultural and business background.

The real work begins at Waseda, where they are expected to start reaching out to Japanese companies and put their skills to use during a 12-week internship.

"Participants establish a good business network through



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6 C KNOWLEDGE OF JAPANESE BUSINESS PRACTICES AND COMMITTED PEOPLE ARE WHAT MAKE THE DIFFERENCE WHEN WORKING IN THIS MARKET

Hans Dietmar Schweisgut

their internship, which in turn could prove a useful foundation for setting up a new business here in Japan," Ikegami adds.

And as anyone who has attempted to forge professional relationships in Japan will attest, even minimal Japanese ability is always well received.

Language skills are "extremely important," says Ikegami. "If a European company wants to open up and establish a lasting business relationship with Japanese companies and the market, language is a minimum requirement."

The ETP, which is wholly funded by the EU, would not exist without support from Japan's business leaders. Its roots can be traced to a groundbreaking mission to Europe by the then head of the Japan Business Federation [Keidanren], Toshio Doko, in the late 1970s.

Bilateral relations have blossomed in the three decades since, but they have also been hampered by slow progress on EU requests for Japan to lower trade barriers. Although free trade remains contentious, the co-chair of Keidanren's committee on Europe, Shinichi Yokoyama, pointed to a growing spirit of openness among Japanese companies.

"Today there are growing calls in the Japanese business community for the development and utilisation of global professionals who can work with those of different cultural and social backgrounds, and play an active role in the global business scene," he said in remarks for the ETP pamphlet.

"More and more Japanese companies are adopting human resource policies where personnel reshuffling is conducted regardless of nationality and foreign employees are provided with equal opportunities for promotion. Under those circumstances, the ETP is expected to play a greater role and develop even further."

Yokoyama says the conclusion of the long-awaited freetrade deal would benefit from the presence of "talented global professionals" able to act as a bridge between the two trading blocs." The ETP, he adds, is a "priceless asset for both Japan and the EU." ⁽²⁾

Minimum requirements for EU companies

- Be EU-based/owned, have a global headquarters located in the EU, have a European identity and produce goods or services of EU origin
- Have either (a) exports or investments in Japan or [South] Korea; or (b) plans to develop exports or investments there; or (c) provide support to European companies in developing exports or investments to Japan or [South] Korea
- Employ a minimum of 5 people and have an annual turnover of at least €500.000
- Contribute to the living expenses of the participant throughout the ETP
- Maintain employment of the participant for the duration of the ETP

Minimum requirements for ETP candidates

- Be citizens of an EU member state
- Be employed by a sponsoring company at least 1 year
- Excellent command of English
- Have not previously participated in the ETP
- Hold either (a) a university degree + 3 years' executive experience; or (b) 2 years of higher education + 5 years of executive experience



CLARIFICATION The EU Delegation to Japan would like to clarify a comment attributed to head of Trade Timo Hammaren in the January issue of EURObiZ Japan. The comment should have read: "We have talked clearly to our Japanese partners [and explained] that while we accept that Japan has sensitive basic agricultural products, we cannot accept the logic whereby any processed agricultural product having a sensitive product as an ingredient becomes sensitive as well."

Great Dane

David C Hulme talks to Ambassador **A Carsten Damsgaard**

Photo IRWIN WONG

One might excuse the new Danish ambassador for taking it easy in his posting to Japan. He arrived in Tokyo after serving in world hotspots like Afghanistan, where he spent 16 months. But A Carsten Damsgaard is not ready to relax. He needs to focus on free trade agreement (FTA) talks and on ensuring that Danish business and investment continue to flourish in Japan.

How have you found Tokyo?

Tokyo is fascinating. I like it. It is interesting that the world's largest city is so liveable. That is a very rare combination. Tokyo is relatively quiet, easy to move around in, and it has no air pollution and no major traffic problems.

How does the experience compare with your previous postings in places where there can be some tension, such as Israel and Afghanistan?

Afghanistan is a war zone. I was ambassador there for 16 months and ambassador to Israel for five years. Tokyo is very different because it is also recognised as one of the safest places in the world.

I have been very fortunate to be posted to fascinating places where, professionally, I was never bored.

What did you achieve in Afghanistan?

Afghanistan is a very important embassy for Denmark because of our huge engagement with that country. While I was there we had 750 soldiers fighting in one of the toughest areas of the country, and many Danish police were training Afghanistan police. At that time, Afghanistan became the biggest recipient of Danish bilateral development assistance, amounting to more than \$100 million a year.

Now we are in the process of withdrawing combat troops, but Afghanistan will remain our largest bilateral aid recipient. The role of the embassy is changing, with less political focus and more focus on development cooperation.

Are you happy with progress in the EU-Japan FTA talks?

It was a good EU-Japan Summit [in November 2013]. There will be another this spring. Before that, by April, there will have been a review of progress. Both sides realise the importance of a positive result from that review.

From the Danish side, we will do whatever we can to make sure that is the case.

It is important that the Japanese live up to the promises that they have given us concerning several issues, not least on the long list of non-tariff barriers that the EU has provided.

What are the opportunities for Denmark in an FTA?

We are convinced that there are huge opportunities for European business, including Danish business. Copenhagen Economics, an independent consultancy company, was commissioned by the foreign ministry in Copenhagen to study the impact on the Danish economy of FTAs with the United States, Japan and Canada. The results, published very recently, are a bit different from studies carried out by the EU.

Very significantly, they conclude that for Danish exports, a successful agreement with Japan would mean a potential increase of 70%. The reason for such a high figure is that some of our exports to Japan are especially big in some areas that would benefit, including agriculture and pharmaceuticals.

How are you developing the "Green nation" and "Creative nation" themes?

We can apply "green and creative" to most of our products and our efforts, including the food and pharma sectors. It applies to the medical equipment sector and the shipping industry, which is putting a lot of effort into developing fuel-efficient vessels.

It fits the image that Denmark already has. It also fits well with many of the ambitions of Abenomics, in terms of reforms in Japan. We want to see increased strategic sectorial cooperation between Denmark and Japan in the coming years.

What are welfare technologies?

Those are technologies that help the advanced economies cope with social challenges such as the ageing society. Some Japanese companies are very advanced in robotics for use in elderly care, and several are testing robot technologies at the municipal level in Denmark. They say Danish elderly people are more open to innovation and new technologies. Also, regulations mean it is very difficult to test these technologies in Japan. When technologies developed in Japan can be tested in Denmark, then the data can be used to gain approvals in Japan. The whole hospital sector goes into this category. The question is how to make the system efficient and professional, as well as patient-friendly. Denmark and Japan are both faced with that question.

The health and welfare sector is one of our strongest areas, based on our strong pharmaceuticals industry, which is one of the world's biggest. Over the past 10-15 years we have built up what we call Medicon Valley, which is a cluster of medical device and healthcare industries, concentrated in the greater Copenhagen area and southernmost part of Sweden. Medicon Valley is also strong in R&D, linked to the universities in the area.

Which area has the greatest potential for expansion?

That would probably be energy and green technologies, in which we have developed some of the world's strongest competencies. Japan is now faced with new energy policies and new ways of organising energy distribution.

We see great possibilities for exporting some of our technologies and products, as well as for strategic cooperation between our leading companies and major Japanese companies. A recent example is the announcement of a big joint venture between Vestas and Mitsubishi Heavy Industries for development of offshore wind power systems. Inevitably, Japan will significantly increase investment in, and production of, renewable energy. Denmark has very strong experience in the areas of wind and biomass.

We also have long experience of optimising energy distribution. Japan is making a start on major changes to the situation of having 10 energy islands not really connected to each other. For example, Hokkaido has the best conditions for generating wind power, but it cannot export power to the rest of Japan.

District heating and district cooling is almost unknown in Japan. We see

interesting commercial possibilities for both exports and as an area of cooperation in ways to implement reforms. Then, on the micro level, look at insulation of private houses. Japan has some of the world's most energy-efficient companies, but private houses are not built according to ambitious energy saving standards. For a Dane, today, it is considered natural to be able to walk around the house in a T-shirt in January, without paying a huge energy bill.

What is your take on the state of the Japanese economy?

I have seen the effects of Abenomics during the past 12 months, but like many observers I believe that, for it to be sustainable long term, some basic structural reforms are necessary. The Japanese government recognises this necessity.

For reforming the agricultural sector, we have a lot of experience and technology to offer. Another is the health sector. There is also a need for reforms in the labour market. The prime minister has stressed repeatedly the economic need for integrating more women into the workforce.

This brings us back to the FTA negotiations. If the government sticks to what it has said, and enters into an ambitious Trans-Pacific Partnership agreement and an ambitious, substantial FTA with the EU, then they will have to carry out these reforms.

When you were appointed as Danish envoy to Israel, BBC News described you as a gay role model. How does that work here in Japan?

I would say good role models are relevant everywhere and to everyone. I have also said many times that I do not wish to be known as the gay ambassador, but I do not mind being known as the Danish ambassador who happens to be gay—and who has been legally married to another man for 20 years. That story, both in Israel and Japan, might serve as a positive and relevant role model.

When people from Japanese society are invited to official functions in this house, the invitation comes from the Danish Ambassador and his husband. For us, this is normal. In Japan, for the time being, it is unusual. ⁽²⁾

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For our two countries, these are indeed momentous times, Ambassador A Carsten Damsgaard, and your presence is very much valued. ev appointment to the rotal damish court Royal Greenland

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Abenomics 2.0 What will we see in year two?

February is here and after a month of New Year's celebration parties (*gashi kokankai*) and overseas trips (*gaiyu*), political life in Nagatacho is finally returning to normal (if life in Nagatacho could ever be called "normal").

With the 2014 Ordinary Diet session having started on 24 January, the second year of the second Abe administration is under way. The first succeeded to a degree rarely seen in politics – in Japan or anywhere else – meeting or exceeding the hype in reviving the Japanese economy and renewing spirits.

The economic impact is well known by now, but there is also a political aspect to this remarkable mood change, much of which can be attributed to astute political communication, not seen since the administration of Junichiro Koizumi (2001-2006).

The fact that the three arrows of Abenomics are used whenever anyone evaluates government policies bears witness to the extent that the Abe administration has been able to set the agenda, and its success in communicating a clear vision. Prime minister Shinzo Abe's economic agenda is so clearly defined by his determination to kick-start growth and end deflation that any attempt at opposition is made to look obstructionist and anti-reform.

A less visible factor behind the success of the Abe administration to date is a streamlined decision-making process within the Liberal Democratic Party (LDP). Although the LDP reinstated its Policy Affairs Research Council as the party's top policy-making body, the scope of its authority has been confined more than in the past, meaning that rank-andfile Diet members have not been allowed to take draft legislation or other policies hostage for any length of time. This has helped to maintain the perception of momentum and enhanced the sense of the government being in control, in stark contrast to the endless divisions and contradictions under its Democratic Party of Japan predecessors.

Although his approval ratings did drop at the end of last year, partly due to passage of the Designated Secrets Protection Law, prime minister Abe still has the highest approval ratings one year into office of any premier in modern Japanese history.

The big question now is whether the second year of Abenomics will live up to the first. While his position remains strong, a handful of challenges are surfacing, and the government will have to navigate these carefully in order to maintain the sense of momentum.

The first and most obvious challenge is Abe's ability to focus, or re-focus, on economic policy, and to refrain from spending too much political capital on a conservative agenda that is closer to his heart but not as popular with most of the electorate.

Abe himself was genuinely surprised by the strength of opposition to the Secrets Law when it was debated and passed by the Diet in the final days of the last session. The bill had crowded out discussion on other issues for months.

At the time of this writing, the government has not yet decided what will be the key bills for the current Diet session – besides the obvious initial focus on budgets and the FY2014 tax revisions, and expected bills on corporate governance reform and lifting the ban on casinos. In the absence of other substantial initiatives, there is a possibility that the main theme of this session will be 66 CHALLENGES ARE SURFACING, AND THE GOVERNMENT WILL HAVE TO NAVIGATE THESE CAREFULLY 29

on collective self-defence. However, this would prove to be a dangerous path for the Abe Cabinet.

The streamlined decision-making within the LDP created a certain policy momentum, but it came at the cost of a high degree of involvement by the bureaucracy and, with that, an inability to address contentious reforms.

Thus far, prime minister Abe has leaned on especially the Ministry of Economy, Trade, and Industry to deal with the all-important third arrow of Abenomics (i.e., fiscal reforms to boost competitiveness). He will now have to find a way of leveraging the political capital built up by his administration to go one step further – forcing through some of the crucial changes the bureaucracy will resist. Should he be successful in that daunting task, we could have many more years of Abenomics ahead of us. [©]

> JAKOB EDBERG is Managing Director of GR Japan



C Business Awards Text GAVIN BLAIR

s the Guinness flowed at the Conrad Hotel Tokyo, the largest Japanese employer in Ireland had reason to celebrate. Alps Electric took home the prestigious Commitment to Ireland Award at the annual Ireland Japan Chamber of Commerce (IJCC) Business

Awards Dinner.

The award recognises not only the company's 25-year presence on the Emerald Isle, but also its perseverance in weathering the global financial crisis. Employing a staff of 450 at its factory in Millstreet, County Cork, Alps Electric was originally an Apple supplier, but took over the plant when the US technology giant shifted its sourcing of the computer keyboards to another supplier.

"We wouldn't let the factory close down that easily, so we diversified into automotive electronics parts," said Alps Electric CEO Masataka Kataoka, after receiving the award from Ambassador of Ireland John Neary and IJCC President Matthew Connolly. The award was sponsored by IDA Ireland (Investment and Development Agency), the organisation responsible for attracting foreign investment into Ireland.

Alps Electric made the shift successfully and now supplies major European and Japanese carmakers. However, as Kataoka explained during his acceptance speech, the company made it through the Lehman crisis thanks to the help of IDA Ireland, the Irish government and Alps Electric's local employees.

Financial sector venture FEXCO was honoured with the Innovative Exporter of the Year Award, sponsored by Enterprise Ireland. FEXCO, which was only launched in Japan in November, was founded in Ireland in 1981. It provides Forex information in real time to credit card users and merchants, allowing them to see exactly what rate they are paying and how much the transaction will cost in their own currency.

Manager of operations for Japan Tsuyoshi Ichiji says that the launch came about after four years of negotiations with local partner Mitsubishi UFJ Financial Group.

"For both tourists and business travellers, the technology means they can make payments with complete peace of mind," explained Ichiji.

Derek Fitzgerald, director of Japan operations at IDA Ireland, says Irish exports to Japan now total around €1.7 billion a year.

"Exports to Japan carried on rising even through the downturn, with food, life sciences and IT being the strongest sectors," said Fitzgerald.

Connolly, who turned the chamber's annual Christmas party into an awards dinner three years ago, is optimistic Conrad Hotel Tokyo, 28 November, 2013





Top: HE John Neary, Ambassador of Ireland (left), and IJCC President Matthew Connolly (second from right) congratulate Tsuyoshi Ijichi of FEXCO. Bottom: enjoying the fun at the IJCC Business Awards 2013

that Japan-Ireland business ties will continue to prosper.

"There are more Irish companies coming to Japan, especially over the last 18 months, and the exchange rate has definitely helped," said Connolly, co-founder of Eire Systems. "And there are three or four companies that have been here for a few years that have started doing really well over the past 12 months."

The fact that the event attracted attendees from Japan's Ministry of Economy, Trade and Industry, the Ministry of Foreign Affairs, and the Japan External Trade Organization is a measure of the strength in the relationship between the two countries, said Connolly.

During the prize drawing that followed the awards presentation, it appeared the luck of the Irish was running out, as most of the early winners were Japanese guests. However, the green team made a late comeback to take its share of the goodies, including a night for two at the Conrad Hotel Tokyo, bottles of Bushmills Irish Whiskey and cufflinks in the shape of the Giant's Causeway, the iconic rock formation located a few kilometres from Bushmills in County Antrim. 🥹

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Start Investing!

It's that time of year again when we all assess the future. Where are we going in life? What's the escape plan? How much do I need to retire on? The first quarter of the year is an excellent time to review your life, your goals, what you want to achieve and who with. Whilst this can be a cathartic and enlightening experience, sadly the news with regard to retirement becomes a little less certain - particularly given the state of corporate pension schemes, government interference with the state-sponsored schemes and an ostrich-type mentality from individuals. The reality is that you cannot expect a generous pension from your employer, or an earnings-linked one from the state.

The paradox of a better diet, nutrition, exercise, healthcare and leaps in biotechnology is that we are all living longer. The ever increasingly ageing population is one of the greatest challenges facing the majority of the world's developed nations. Thus, western governments have been raising the retirement age, such as to 67 in Germany from 2029. Spain, France and Italy have followed suit, with the UK recent decision to raise the state pension age to 68. The trend is very clearly set, whereby as the state pension age continues to rise, we will all have to work longer.

So what should you do? Establishing a career, homeownership and raising a family are top priorities for younger people. Whatever they want to achieve, their retirement planning should become an integral part of financial strategies so that the next generation of retirees have the best opportunity for the type of retirement they would like – and when. Starting points include a look at the employer's pension scheme. If the employer will also contribute, it is worth considering. A word of caution is necessary, though, particularly when considering defined benefits schemes (albeit very few around these days).

In terms of how much to save, there are many web-based tools that could help establish how much is needed in the future to live on and if you are on track to achieve your goal. Experience would suggest that many people simply do not save enough. As a general rule, you should be re-directing at least 20% of your income to a wealth management account specifically for your retirement. Anything less is simply not enough, and could leave you with that sickening feeling of not having enough money in the future. A recent survey conducted by Blackrock in the UK found that 49% of the 25-34 year olds polled were concerned they would outlive their savings in retirement.

As you approach retirement, the focus should now be on protecting your assets and ensuring that everything is on track to provide the standard of living desired at your target retirement age. Looking ahead, there appears little conviction that a state pension will be anything other than derisory – meaning, you will have to provide for yourself, using the opportunities provided by wealth management groups.

George Osborne, the UK Chancellor of the Exchequer, argued for the need to control pension costs. "There is not a bottomless pit of money," he told the BBC. "The alternative is a pension system that would collapse." This, we would suggest, is a commonly held fear across the developed world – a pensions disaster not far off.

Will 2014 be the year when you take your financial future into your own hands?



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Sayonara

Decentralisation as a disaster-readiness strategy

Text GAVIN BLAIR

fter the initial shock had subsided, the events of March 2011 focused many minds in Japan on disaster response and preparation. Companies scrambled to re-examine their emergency procedures and business continuity management (BCM) policies, while in private homes, the contents of long-neglected earthquake bags were checked, and often found wanting. The longer-term effect on corporate policy has run the gamut from the establishment of fully operational back-up offices, to strengthening BCM, through to a return to business as usual.

In the immediate aftermath of the triple disaster – and with one eye on the ongoing nuclear crisis – AXA Life Insurance set up a "cold" standby office in Fukuoka, on the southern island of Kyushu, that would be able to house staff relocated from its Tokyo headquarters, if necessary. However, the company decided that if the Kanto region was devastated by a major earthquake, it would face serious difficulties evacuating personnel to Fukuoka.

"Insurance companies can't stop operating, particularly the claims side of the business, which is a high priority after a disaster," says Daisuke Imai, head of the crisis management and business continuity department at AXA.

AXA began examining locations for a secondary headquarters, a "hot" site that would operate full-time, and be able to take on more of the company's operations in the event of a major incident. After analysing 65 Japanese cities based on criteria including the likelihood of natural disasters, nuclear accidents and power outages, Sapporo emerged as the safest practical option.

The firm is moving approximately 120 of its 1,600 regular Tokyo employees to a new building in the Hokkaido capital, which will officially open for business in November this year. In addition to the regular staff who will run important



divisions relocated from headquarters, the move will employ hundreds of locals hired by AXA and outside contractors for call centres and other operations, reports Imai.

As well as the latest in quake-proof architecture, the new office will have an independent power supply that will keep the lights on for up to 72 hours in the event of a powercut.

The Sapporo office is expected to be able to keep up to 50% of AXA's operations in Japan functional in the event of a disaster striking Tokyo, though that capacity is expected to rise in the future, according to Imai.

Although some money will be saved

G THIS IS A STRATEGY BASED ON **RISK MITIGATION** AND CUSTOMER CENTRICITY, NOT COST REDUCTION OR AVOIDANCE

Daisuke Imai

by running operations in Hokkaido, the investment required outweighs any immediate economic benefits.

"This is a strategy based on risk mitigation and customer centricity, not cost reduction or avoidance," says Imai.

However, with the probability of a major quake hitting Tokyo in the next three decades as high as 70%, AXA estimates that its "operational risk exposure" to such a disaster will be lowered from ¥9.9 billion to ¥4.4 billion by the opening of the secondary headquarters.

For companies that operate in the financial markets, there are additional reasons the show must go on.

"In the finance industry, the business continuity plans are reviewed by the regulatory authorities," explains BNP Paribas' Philippe Avril, head of the French bank's operations in Japan. "It is a tightly regulated industry that cannot close down. Market participants have a responsibility to maintain operations in times of a crisis," he adds.

"March 11 highlighted issues that could appear in wide-area disasters and led us to strengthen back-up strategies. In January 2012 we established a BCP/ dual operation site in central Osaka," says Avril.

The Osaka site enables split-team operations for current operations and has enough capacity to sustain business during a major disaster that would affect a large area, according to BNP.

"The split team operations means staff in Osaka are connected to the Tokyo office via a video system and are in constant contact," says Avril.

In addition to the Osaka site and a back-up data centre, BNP's continuity plans include support from overseas offices, based around a regional BCM policy. This is particularly crucial for the company in Japan, which has no offices or retail branches outside Tokyo.

For BNP, March 2011 also confirmed some basic principles of BCM, such as the need for a single line of command. The same is true for technical service provider TÜV Rheinland, according to Gordon Moir, the company's specialist in emergency response, safety and BCM.

"Pre-determined chains of command and processes, and sticking to them in times of disaster, are vital," says Moir, who suggests that "humans are the weakest link" in most disaster response plans.

Although TÜV is a leader in the field of safety testing, BCM consultancy and training, the company found its own procedures lacking after 3/11, leading to a thorough re-evaluation.

"The first evacuation drill we did at our main site, with 200 people, took 35 minutes; last time we did it in eight," says Moir.

The company also found out that its original assembly point was in a liquefaction area, so it set a new location, away from dangers such as power lines and thoroughfares that became crowded on 11 March.

"Internally, we are more systematic about disaster preparation since 3/11," says Tobias Schweinfurter, representative director for TÜV Rheinland Japan. A great business address

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AXA's new secondary headquarters under construction in Sapporo (background). In the foreground is the old Hokkaido Government building.

"For example, we have emergency packs for every employee, with food, water, lights, etc. in rucksacks under their desks. We had some of that before, but we've added to it and plan it more thoroughly now – making sure it's up to date and that everyone has one."

TÜV has found that its clients are also more aware of information security since the disasters.

"We handle a lot of sensitive information for our customers, such as prototypes and plans for new products. If this leaked, it would hurt not only us, but the whole group worldwide, and our customers," says Schweinfurter. "We get questionnaires now, sometimes with 150 questions about whether we have door locks and whether we back up our hard disks."

Partly in response to this, TÜV became certified in information security management systems (ISMSs) last October, verified by an independent agency in Switzerland, which Schweinfurter says puts customers' minds at ease.

Prior to 3/11, TÜV had also been planning to expand its lithium batteries labs in Yokohama, where its Japanese operations are headquartered.



💽 TÜV RHEINLAND JAP

Like many other companies, TÜV Rheinland Japan has supplies ready in case of emergency.

However, the company subsequently decided to open a major new €5 million laboratory in Osaka.

"The probability is not so high that an earthquake will hit both locations at the same time. So we would be able to continue our business and perhaps relocate some of our management there," explains Schweinfurter.

"We can say to our customers that we'll be up and running within two days. They realise that is faster than their other suppliers, so it can help us get more business, too," adds Moir.

The analyses that TÜV has carried out for its own business are equally applicable to many of the clients it advises on BCM issues.

"You need to ask customers, if something was to happen in the supply chain, like a massive disruption caused by an earthquake, what their predicted downtime would be," says Moir.

Setting out concrete goals for restarting operations, including a "Maximum Period of Tolerable Disruption" – the longest a company could survive before it would go bankrupt – is vital, though such discussions can cause panic, Moir adds, saying the focus on disasterpreparedness at many companies has already started falling sharply. ⁽²⁾



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

The Treaty of Friendship established diplomatic relations between Belgium and Japan on 1 August 1866. In 2012, pharmaceutical products represented 17% of all Belgian exports to Japan, making Japan Belgium's second-largest market outside the EU in this sector, followed by transport equipment, then food and drinks. Belgium is the 5th-largest exporter to Japan among EU Member States.

Luxembourg is one of the world's financial centres, and has an innovative steel industry and media/ICT sector.



Paul Wurth IHI Co., Ltd. contact@ihi-pw.jp www.ihi.co.jp/ihipw/

Paul Wurth IHI, founded in November 2012 in Japan, is a 50-50 joint venture corporation in iron- and coke-making. While Paul Wurth Group is a global leader in plant engineering and supply in that field, IHI Corporation has supplied a number of blast furnaces in Japan and overseas, including new projects and relines. Both companies have joined hands to better serve their customers in Japan and South-East Asia through their combined high-end technologies and international networks.



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SCETI MEDICAL LABO

Sceti Medical Labo K.K. contact@scetimedilabo.co.jp www.scetimedilabo.co.jp/english/

Sceti Medical Labo K.K. (SML) was incorporated in 2006 as a joint venture enterprise between Sceti K.K. and Ion Beam Applications (IBA) SA to market unique biomarkers in Japan. Whereas SML's core expertise is the handling of radioisotopes for medical use, SML also provides a wide range of immunoassays, reagents, medical device and services for in-vitro diagnostic, drug screening and radiotherapy segments. SML functions as importer, licensor, distributor and manufacturer operating under QMS compliance.



UCB Japan Co., Ltd. info_ucbj@ucb.com www.ucbjapan.com

UCB, established in 1928 and headquartered in Brussels, is a global biopharma focused on severe diseases, and operates in some 40 countries around the world, which includes UCB Japan Co., Ltd. since 28 April 1988. UCB combines biology and chemistry to achieve major breakthroughs, as well as partners with leaders in the pharmaceutical industry – whereby UCB can play to its strengths and also tap into key organisations with complementary capabilities.

Fabrice Tilot President, Belgian-Luxembourg Chamber of Commerce in Japan

www.blccj.or.jp Text CHRISTOPHER S THOMAS

The Belgian-Luxembourg Chamber of Commerce in Japan (BLCCJ) is one of the smallest chambers in the European Business Council (EBC), but it gains great strength from its association with other chambers. And that strength has been growing nicely over the past year or so, says BLCCJ president Fabrice Tilot.

"All of the EBC chambers have had a difficult time in the aftermath of the Lehman Shock [2008] and the neverending Fukushima nuclear crisis," Tilot notes. "But the Belgian-Luxembourg chamber did very well last year – a year of consolidation, of cost-control, rebirth, new activities and new directors, and so I think we're bouncing back."

In addition, the BLCCJ benefits from dynamic and proactive support from the Belgian-Luxembourg diplomatic mission. "Our new ambassador arrived in 2011 in the midst of the chaos just after the Great East Japan Earthquake and nuclear disaster," Tilot says, "but in spite of the uncertainty and fear, he didn't postpone his assignment. Since then we have had excellent support from him for our chamber."

Membership in the BLCCJ went into a slump after the crises of 2011, but has finally started to turn around, including the all-important corporate sector. "At the time, it was not really politically correct to take a membership to enjoy yourself, and at the corporate level it was a matter of cost control," adds Tilot.

Last year was an exciting one for the BLCCJ, and for Belgium. The biggest event for the nation was Crown Prince Philippe becoming King Philippe on 21 July. Just before his accession to the throne he visited Japan as crown

prince. He is also head of economic missions abroad, so it was a very important mission, accompanied by 300 or more business leaders, academics, politicians and other key persons from Belgium. "The Belgian royal family has close and longstanding relations with the Japanese imperial family," says Tilot. "They know each other personally and this greatly enhances bilateral ties, as well as economic and cultural relations, and we can expect closer relations and another visit from the new king; one of his first official visits is expected to be to Japan in this or the next year."

The chamber also holds a popular series of informal monthly gatherings over beers at a café in Ginza, networking events that are now in their 15th year. "Recently we've been doing events with other chambers at the EBC level, and at the smaller level we started cooperation with other similar sized chambers, such as the Italian and Swiss. So we get a nice critical mass of people, and that also makes it a little more affordable," says Tilot.

Other items on the agenda are the annual golf tournament, which is held jointly with the French chamber, and the BLCCJ's famous moules-frites (mussels 'n chips) event, as well as an August garden party, and an end-ofthe-year gala formal ball, which usually sees 200 people attend.

The trade imbalance with Japan is improving thanks to Abenomics, the cheaper yen and other reasons, says Tilot. "Our trade is more than just exports of chocolate and beer. Those products are doing well, but now it's mostly other things, including financial products, as well as chemicals and



6 Our trade is more than just exports of chocolate and beer 9 9

other industrial materials like cut diamonds. Antwerp was once the world's largest cutting center, and it's still a major business," he adds.

Still, the nation's flagship product is beer, and the largest Belgian beerrelated event is the BLCCJ-sponsored Belgian Beer Weekend. In 2013 it took place in five cities (Nagoya, Yokohama, Osaka, Fukuoka and Tokyo), including a "weekend" event in Tokyo that lasted 11 days at Roppongi Hills, with bands, DJs and 70-80 beers for visitors to sample, as well as Belgian foods and other goods. The event was a roaring success, with some 140,000 people attending, and plans are already afoot for another one. ⁽²⁾

New PAL

Crucial year for medical device regulations

Text MIKE DE JONG

or patients suffering from chronic or debilitating disease, having a wide variety of treatment options can be the best prescription for recovery. However, in some cases, life-saving medical devices are not available to Japanese patients; the devices are classified as pharmaceuticals, and are therefore too costly to register.

Gambro's haemodialysis therapy is one example. The treatment, which increases efficiency by filtering more toxins from the bloodstream, is unavailable here because the fluid used is classified as a drug rather than a medical device. It has yet to receive governmental approval. Gambro – recently purchased by the US-based Baxter International – has found the cost of pharmaceutical registration in Japan prohibitively expensive, so it focuses its dialysis fluids on other markets. In Japan, each product requires new registration and new clinical trials, at a cost of about \$5-10 million. The cost of registering haemodialysis fluid as a medical device would be much lower.

Last November, the government of Japan approved a longawaited revision of the Pharmaceutical Affairs Law (PAL), creating a new category for medical devices. However, the PAL changes will not be finalised until this November, leaving time

G THIS IS A VERY **IMPORTANT PROCESS** TO ASSURE THE NEW REVISED PAL BECOMES A TRULY LIVE, ACTIVE AND MANAGEABLE WAY OF WORKING

Danny Risberg

for industry input on how the law should be defined. The EBC Medical Equipment Committee is working with the Ministry of Health, Labour and Welfare to iron out specific details.

"We have been working with officials and the various industry associations to prepare the proper ordinances," says Danny Risberg, EBC vice-chairman, chairman of the Medical Equipment Committee and CEO of Philips Electronics Japan. "This is a very important process to assure the new revised PAL becomes a truly live, active and manageable way of working."

"We are very happy to divide the two parts [pharmaceuticals and medical devices]," says Kimihiro Murakami, manager of regulatory affairs for Laerdal Medical Japan. "Pharmaceuticals are very different from medical devices.

"Drugs are taken directly into the body and affect things like metabolism. Medical devices are different. Things like tubes and such are safer and should not be related to the same law," he adds.

"Of course there are many ambiguous areas, and we need to wait for concrete notifications and detailed instructions," says Sumio Sugiyama, vice-president and country manager for the Sorin Group Japan and vice-chairman of the EBC Medical Equipment Committee. "But basically we appreciate the separation of devices and drugs."

The industry hopes the new rules will address the lengthy approval process for new products and medical devices. Currently, it can take up to 10 years for foreign drugs and equipment to gain approval; and, with technology moving so quickly, some machines and hardware can be out of date by the time approval is granted. This lengthy process is another factor in keeping potentially life-saving products out of the hands of patients.

"The important thing for us will be the ordinances following the law change," says Takeshi Aizawa, director of process, quality and regulatory affairs for Dräger Medical Japan. "What kind of changes will be implemented in terms of ordinances."

Aizawa says a major positive of the new law will be a streamlining of the quality management system [QMS]. In the past, companies would have to seek approval for each individual medical device. Now, approval will be granted to device categories. "Once you have a device category approved, you don't have to gain approval of each individual device," says Aizawa. "This is a very positive development."

The auditing process is a major reason the approval process is so lengthy. In order to get products or medical devices approved for sale or use in Japan, a foreign company must submit extensive, detailed data on the source of the products, all materials used and the safety of overseas production facilities. The process must conform to Japanese standards and must be carried out by a Japanese auditor at the cost of the company. The industry argues that this type of auditing is unnecessary and that international standardisation (ISO) is a better way to go.

Under ISO, a third party conducts a periodic audit and gives authorisation. No additional audits would be needed when filing for registration in Japan.

Complying with international standards would "reduce the workload and simplify the overall processes," says Risberg. He says this would offer EU companies "more opportunities to bring innovative medical devices to Japan and contribute to the best treatment for the patients that need them."

As the new medical device regulations are determined over the coming months, foreign manufacturers will also be watching for special regulations that favour Japanese manufacturers. Abenomics highlights lifestyle sciences as an area for growth and development, with the medical device sector being a key industry driver. Foreign companies consider this good news as long as the government does not favour the domestic industry over international interests.

Major points of the PAL revision

- Accelerated approval process
- Unique labelling
- Simplified QMS
- Complying with international standards
- Stand-alone medical software

For all of these reasons, the EBC sees this year as crucial to the industry's development.

"Generally, the new PAL is going to be positive for medical device companies," says Sadakatsu Maru, president of Radiometer Japan. "Our only concern is a potential registration fee increase. If this happens, it may be difficult for smaller medical device companies with a variety of new small products [to compete]."

"This is the most important timing because for so many years, medical devices have been regulated under pharmaceuticals," says Takeshi Fujiwara, vice-chairman of the EBC Medical Equipment Committee. "Our dream has come true here. Abenomics focuses on medical devices as a driver of the industry in Japan, so this is the best time to develop the medical device industry," he adds. "So we should focus on setting up the appropriate and best medical device regulations.

"It is very important for us. We are expecting a lot and this is a very important chance, so we are going to put energy into creating a new PAL with the government," he says. ⁽²⁾

Leader in Logistics

Schenker-Seino

Text DAVID C HULME Photo BENJAMIN PARKS



he is president and CEO.

"Many joint ventures fail because there is anxiety and doubt, and sometimes resistance," he notes. Japan Schenker merged with the international division of Seino Transportation in 2002, and Wilhelm credits thorough preparation for the smooth integration.

"We made the announcement early and had a lot of meetings, not only with managers but also with as many people as was practical, prior to actually sitting down to work in the same office," he explains. "We gave people plenty of time to get used to the idea."

Then, in 2007, when BAX Global was bought by DB Schenker's parent company, Deutsche Bahn, another merger was completed in Japan, again almost doubling the scale of operations here.

The result is a JV that Wilhelm regards as very special.

"We are unique in terms of our history and our very international staff," he says. "This is a company with a Japanese mentality, European influence and American spirit. Certainly not a typical Japanese entity or German entity."

The Japanese mentality relates to people from the Seino international division here, who maintain close contact with the Seino headquarters. The European influence is apparent in the company having been founded in Vienna in 1872.

"The American spirit is a matter of the people who came to us from BAX Global," adds Wilhelm.

English has long been the official language of Schenker-Seino, and the company recently decided to provide language training for local staff who need it.

"All meetings will be in English in the future," says Wilhelm. "We will use English more than we have before."

There is a peculiar anniversary

situation here, with the 10th anniversary of the JV having been in 2012 and the 50th anniversary of Schenker operations in Japan being observed this year.

"In this industry you see a lot of companies coming and going," says Wilhelm of the half-century mark. "So we can be quite proud of our success over that period of time." A series of external and internal events is planned, along with a special anniversary book in Japanese and English.

Although DB Schenker is headquartered in Germany, the culture is not particularly German, Wilhelm says.

"Even at headquarters, we have to be an international company. We are globally active, and you have to be international to do that," he reasons. Worldwide, DB Schenker stands out from its competitors, he adds, by being decentralised. "All the country organisations are quite independent, as long as things are going reasonably well."

Schenker-Seino's largest business unit, in terms of both turnover and staff, is airfreight.

"This consists primarily of consolidation services. We can purchase rates in bulk and pass the advantage on to customers who do not have bulk consignments," says the CEO. The secondlargest business unit is ocean freight.

Regarding the third-largest segment, logistics and supply chain management, "that includes warehousing and valueadded services such as re-labelling, repackaging, light assembly, product testing and distribution to the final destination," Wilhelm explains.

Then comes the projects business, in which Schenker-Seino handles bulky and sometimes difficult items weighing as much as several hundred tonnes.

"This means things such as reactors, huge tanks, pipeline segments and locomotives," says Wilhelm, adding that many such jobs are controlled from Japan, but involve shipments to and from other countries. "Our customer may be a Japanese company sourcing components elsewhere for a project in the Middle East, Africa or somewhere else. There are a lot of chemical plants, power plants, transport infrastructure and so on. We are involved in a subway that Dubai is building."

The smallest, very specialised, sector is that for fairs, events and removals.

"They handle materials for things such as the Tokyo Motor Show and the Japan Semiconductor Show, as well as sporting events and big shows outside Japan," Wilhelm says.

> C THIS IS A COMPANY WITH A JAPANESE MENTALITY, EUROPEAN INFLUENCE AND AMERICAN SPIRIT

> > Herbert A J Wilhelm

He says there are several reasons for Schenker-Seino's success, including the combination of two very dense and extensive networks. DB Schenker is active at some 2,000 transport hubs in 130 countries, while Seino's domestic network blankets Japan.

"We also have highly motivated and very knowledgeable staff, who receive regular training to improve their skills," says Wilhelm, adding that the company's state-of-the-art IT infrastructure offers optimal convenience and reliability to the customer.

The future of the company looks bright, even though Wilhelm does not expect Japanese export volumes to expand.

"However, imports will continue to grow. We are prepared for that, and we are investing a lot in our capabilities. Since we are still a fairly small fish in a big pond [in Japan], we have potential to grow our own business," he says.

Logistics and domestic distribution, especially, are the anticipated growth areas – which is why the JV has added a huge new warehouse in Baraki, Chiba prefecture.

"Our goal is to be bigger and stronger, even in difficult conditions," Wilhelm states. "I see all our activities growing." ⁽²⁾

Human Resources//

Dealing with the coming labour shortage Text GEOFF BOTTING

fter a couple of decades of gloom, the outlook for Japan's economy finally appears to be brightening. Confident that the grip of deflation is loosening, experts are forecasting strong GDP growth for 2014.

Yet a dark cloud looms on the not-sodistant horizon: a possible labour shortage. The human resources situation in Japan – the country with the dubious distinction of having the world's most rapidly ageing population – is less than rosy. Japan will simply not have enough workers to sustain its post-recovery growth unless drastic action is taken soon, in the view of many human resources professionals.

"Companies are going to find it harder and harder to hire people," says Steve Burson, chairman of the EBC Human Resources Committee. "We're already seeing this in some markets and in some cities."

The Japan Immigration Policy Institute – an independent think tank – believes Japan will need about 10 million immigrants over the next 50 years to make up for the decline of its working population. In the EBC 2013 white paper,

Human Resources Key advocacy points

- → Immigration policies Authorities should further revise immigration policy to encourage the entry of skilled labour into Japan.
- → Work place diversity The government should encourage more female participation in the workforce and more male participation in household and child-rearing activities.
- → Pensions Mandatory contributions to the Japanese public pension system should be remitted in full to departing expatriates and their employers.

increased immigration is one of the HR committee's recommendations for sustaining economic growth in Japan. Other recommendations include increasing productivity, bringing more women into the workforce and raising the birth rate.

"The EBC believes that policies in all four areas are needed to retain a skilled and competitive workforce," the committee states. Japan's government has expressed similar suggestions. In fact, making it easier for skilled foreign workers to get visas and retaining women in the workforce (or returning them to it after long absences) are among the objectives mentioned as part of the third arrow of Abenomics, which aims to bring structural reform to the economy. Abenomics is the group of ambitious economic policies named after prime minister Shinzo Abe.

Yet Burson says the arrow has so far failed to find its mark. "We haven't heard much about it, and we don't know where it's going," he says. "Abe hasn't made any indication that he's going to step up and do anything radical with immigration. Let's hope he comes up with something in the third arrow and pushes things in the right direction."

As for increasing the number of full-time women in the workforce, the committee chairman says he would like to see the implementation of powerful incentives. The tax system favours single-income households, as spouses can claim tax exemptions if they earn less than ¥1.4 million annually.

"We'd like to have the incentive to earn less than ¥1.4 million removed ... and replace it with something that incentivises women to work for larger annual wages, so that they can actually get back into the workforce," says Burson, president of H&R Group located in Tokyo, Nagoya, Osaka and Kobe.

As stated in the white paper, the committee recommends "more public child care centres and also private child-minding services. Additionally, more needs to be done to support and encourage men to take child care leave."

Committee member Mieko Hirano, manager of human resources at DHL Global Forwarding Japan, notes that the number of career women in Japan has been on a steady rise since the early 1990s. What's more, significant numbers have managed to have both families and promising careers. This is due to flexible maternity leave programmes, although Hirano adds: "Unfortunately, some women after childbirth decide to end their careers due to their family obligations."

So the main challenge is getting mothers to resume their careers and also convincing employers to make productive use of these women's skills and experience.

One of Abe's proposals is to urge

employers to extend maternity leave from one to three years. Yet the EBC HR committee sees that as the wrong approach. While the move might mitigate the demographic problem by raising the birth rate slightly, the extended absence from the workforce could make it more difficult for the mothers to return and resume their careers.

Another area of reform for the committee is Japan's labour legislation. The law was set up under the assumption of long-term employment: that is, the situation where people spend their entire careers working for a single employer. Although the law has seen some degree of reform in recent years, it has yet to fully recognise performance-linked employment practices, which are growing increasingly common in Japan.

"It's very hard for business leaders to deal with the bad performers – in other words, firing someone on bad performance," Burson explains. "We need laws that fairly give employees the opportunity to perform and improve, but also give employers a framework that allows them to base more of their hiring and firing decisions on performance."

Giving employers the ability to let go of underperforming workers – in order

GOING TO FIND IT HARDER AND HARDER TO HIRE PEOPLE

to replace them with stronger performers – would lead to higher productivity in the economy, one of the committee's stated four areas for helping Japan ease the demographic squeeze. And while this is "tough love", in the long run this will also be better for the non-performer.

This issue – and several others tackled by the HR committee – remains among the most critical and challenging for Japanese society. That means when it comes to recording progress in these advocacy points, the EBC Human Resources Committee can expect only incremental progress at best. But given the urgency of Japan's demographic challenges, it's a case where even incremental change can make a big difference. ⁽²⁾

For a better you. Staying at The Westin Tokyo



hining bright in the portfolio of Starwood Hotels & Resorts Worldwide is The Westin Tokyo. An added glow in 2014 is the celebration of the hotel's 20th anniversary – a true milestone in luxury hospitality in Japan.

A high level of personalised service, along with a commitment to excellence, continues to be signature features. The Westin Tokyo has played a significant role in developing the Yebisu area as one of Tokyo's major lifestyle hubs.

"We are thrilled to be celebrating our 20th anniversary," beams Dietmar Kielnhofer, general manager. "We've come a long way since October 1994, when our 22-storey hotel with very unique interior design of European neo-classic was unveiled in the green fields of Yebisu."

The Westin Essence is designed to help guests feel their best – and leave feeling better than when they arrived. The six pillars of wellness are Sleep Well, Eat Well, Move Well, Feel Well, Work Well, and Play Well. One of the pillars, "Sleep Well", guests, for example, can sink into the luxurious Westin Heavenly[®] Bed that cradles and contours to the body – delivering a truly rejuvenating, restorative sleep.

Another pillar "Eat Well" is fulfilled by The Westin Tokyo's SuperFoodsRx[™] menu option at certain locations, using nutrient-rich ingredients to enhance a healthy lifestyle.

To satisfy discerning palates, The Westin Tokyo has five restaurants, two bars and a lounge. On the top level of the hotel, teppanyaki-style Yebisu is proud to present its original branded Yebisu Beef with the highest level of sophistication. The dazzling culinary performances combine with panoramic views, which include the World Heritage Site Mt. Fuji on a clear day. Japanese restaurant Mai offers authentic cuisine beautifully presented with the freshest seasonal ingredients and more than 40 kinds of amazing sake fresh from the brewery.

While the urban skyline dramatically developed during the past two decades, The Westin Tokyo has remained one of the



city's most sterling landmarks. "The hotel is a magnificent structure known far and wide for its European-inspired ambience and distinguished restaurants," adds Kielnhofer. Soothing hues, classic continental décor, luxurious amenities – and suites affording magnificent views of the glistening skyline – enhance The Westin experience.

Leading up to the stellar 20th anniversary, The Westin Tokyo unveiled in 2013 The Westin Garden, a green oasis at the heart of Tokyo. Designed by renowned landscape artist and five-time Chelsea Flower Show gold medalist Kazuyuki Ishihara, the exquisite garden serves as a tranquil retreat for reflection and renewal for guests and local residents alike.

"At the heart of our programming and services is genuine Japanese hospitality at its finest," points out Kielnhofer. "Demonstrated by meticulous attention to detail and an uncompromising commitment to excellence, we provide the best Westin experience possible."

In fact, success at The Westin Tokyo has been spearheading a robust expansion strategy of the Westin brand throughout the Asia-Pacific region.







WELCOME STAY WELL

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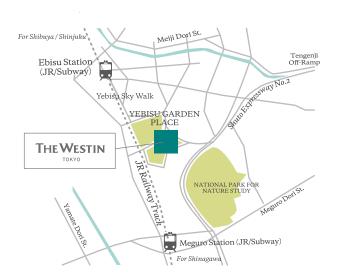
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Start your engines

BMW's new electric car revs into Japan

Text MIKE DE JONG

MW is jumping into Japan's electric car market in April with the introduction of the new i3. Powered by a lithium-ion rechargeable battery, the new eco-Beamer is touted as being light, fast and quiet.

"This was built from the ground up as an electric car," says Rosemary Mitchell, corporate communications specialist for BMW Group Japan. "It's something completely new. A new direction."

Created with a carbon fibre body – 30% lighter than aluminium and stronger than steel – the i3 offers emissionsfree driving of up to 160km per charge. Special drive modes push the range to 200km, while an optional add-on petrol generator extends it up to 340km. Charging with a 200V home plug takes 7-8 hours, but quick-charge at a local electric station takes only 30 minutes.

Zipping from 0-100 km/h in 7.2 seconds, the i3 is quick, while its 170-horsepower engine hits a top speed of about 150 km/h. And it does so gliding through city traffic in near-silence.

"It's not just about using an electric drive-train, but also new materials," adds Mitchell, referring to the new i3's interior. "Rethinking the way a car itself is constructed."

Unique interior features include dashboards and seats made from renewable, naturally treated materials like eucalyptus wood and olive leaf-tanned leather. A GPS navigation system warns drivers when their battery is running low

MoGI 3346

and locates the nearest charging station. On-board electronics connect a driver through a host of one-touch online and smartphone apps.

"Japanese customers are looking for

GIT'S NOT JUST ABOUT USING AN ELECTRIC DRIVE-TRAIN, BUT ALSO NEW MATERIALS. **RETHINKING** THE WAY A CAR ITSELF IS CONSTRUCTED **?**

something innovative. Innovation is a really big point for customers here – and they're very, very discerning. We have higher spec levels in Japan than we do abroad. The people expect a car's capability to be really high tech."

BMW has invested about \$2 billion developing the new vehicle at its main plant in Leipzig, Germany. Already on the road in Europe, i3 sales started slowly but have picked up. Japan is a different market – a country that must import 100% of its automotive fuelling needs. Although there is already competition from Nissan's Leaf, Mitchell believes brand-conscious Japanese consumers will give the new BMW a spin.

"The reaction so far has been really good," she says. "It's been more than we expected. We've got almost 10,000 people who've got their names down for test drives. Over 70% are not existing BMW owners. So that's really interesting and encouraging for us.

"From our headquarters' perspective, we really want this to succeed in Japan," she adds. "Japan is the home of electric vehicles, so there are high expectations of Japan as a market.

"Japan has one of the best electric infrastructures in the world – a lot of charging points around town, a lot of investment from the government and other manufacturers. It's a good environment for this car," Mitchell concludes.

BMW i3 features:

- Carbon-fibre body
- Battery range up to 200km
- Optional petrol generator range up to 340km
- ▶ 0-100km in 7.2 sec
- Top speed 150 km/h
- Quick-charge time 30 minutes (80% charge)
- ▶ MSRP ¥4.9 million

ebruary 2014 EURObiZ (33)

Thanking

Text MARTIN FOSTER Photo BENJAMIN PARKS

cholar, translator, poet and print-maker Peter MacMillan is a multitasking artist committed to spending the rest of his life introducing the Japanese spirit and culture to the world. This transcendent venture did not start at such a lofty level, however. When this Irishman first came to Japan, in 1987, it was to replace someone who drank too much.

The story goes that MacMillan's predecessor at the University of Maryland, University College Asia campus drank a bottle of gin in front of his students, and was fired in the middle of the semester. MacMillan was offered the job, and had to drop everything and pack.

"I had been living in the United States for five years and had to set up everything within the week, and then come to Japan," he says. "I never got to 'thank' that man."

A visiting professor in the Faculty of Foreign Studies at Kyorin University, and Lecturer in the Graduate School of Agricultural and Life Sciences/Faculty of Agriculture at The University of Tokyo, MacMillan credits his Scottish father and Irish mother for his talents.

"My mother is a writer, and my writing comes from her; but my father was an art dealer, and I think the visual sense, the idea of creating visual works to express myself, comes from him," he says.

MacMillan grew up in a "big, old,

country house" in County Kildare, Ireland, surrounded by the paintings in which his father dealt. The business did not suit the younger MacMillan, but he did some courses in print making, and so discovered his milieu.

MacMillan is an admirer of Katsushika Hokusai (1760-1849) who produced a series of woodblock prints, *Thirty-Six Views of Mt. Fuji*, which includes the well-known *The Great Wave off Kanagawa*.

"What is great about Hokusai is that he always asks us to look from a unique perspective," MacMillan says. "The wave is enormous and Mt. Fuji is tiny. He is always turning things on their head, and giving us a totally different perspective from which to look at things. And that, to me, is the ultimate goal of art – to be able to look afresh and look anew at things."

MacMillan has also modelled his pen name on that of the artist.

"I chose as my own nom de plume, Seisai. The Chinese character 'sai' is the same in both my name and Hokusai's, and the other character is that of 'west', instead of the 'north' in Hokusai's name. I am the foreigner from the west who admires Hokusai," he says.

MacMillan's prints are mixed media, employing drawing, lithography, gold and various other media.

He has created the series *Thirty-Six New Views of Mount Fuji*, which includes an ecological message against a contemporary, consumerist backdrop. The works include Tuna Fuji, with a 6 ONCE JAPANESE CULTURE IS UNDERSTOOD, JAPAN WILL BE ABLE TO PLAY A LARGER ROLE IN THE WORLD 9 9

motif that highlights over-fishing. MacMillan rents a room at Lake Yamanaka, where he does most of his writing and works on the prints.

"As soon as I found that place, I fell in love with Mt. Fuji," he says. "The area around Lake Yamanaka is *hinabiteiru* – shabby genteel – and that is a quality I grew up with, in a town of 5,000 people in Ireland, and Lake Yamanaka is a town of 5,000. It is very quiet and rural, and I always feel very much at home there."

MacMillan also penned, *"The 100 Views of Mt. Fuji"*, which focuses on Japan's newest World Heritage Site in literature, and translates the different appearances it makes from the Manyo period (710-794) to modern times.

This endeavour alone took four years,



and followed another four-year period some 10 years ago, when MacMillan translated the *Hyakunin Isshu* (One hundred Poets, One Poem Each).

MacMillan calls this a turning point in his life.

"I was about 44, and I was trying to decide whether I should stay in Japan for the rest of my life," he says. "I decided the way to discover the answer was to translate a book of Japanese poems. By doing that I thought I would discover everything I needed to know about the Japanese spirit, and about Japanese culture."

In the *Hyakunin Isshu*, compiled by Fujiwara no Teika (1162–1241), MacMillan says he found an elevated and marvelous sensibility that determined he would stay in Japan.

He recently finished translating *Ise Monogatari* (*Tales of Ise*), which will be published by Penguin Books this year. Penguin is also set to publish *Hyakunin Isshu*, which means he will have two books sold in more than 100 countries – a major contribution to the dissemination of Japanese culture.

MacMillan is resolved to staying in Japan and introducing works of Japanese literature to the world as an integral part of his life's work.

"That is my social contribution, my ongaeshi – my way of thanking Japan for allowing me to live here," he says.

MacMillan believes that Japanese culture is understood on the superficial level of good products and technology, but not in terms of the Japanese spirit, or the Japanese mentality.

"I think that once Japanese culture is understood, Japan will be able to play a larger role in the world," he says.

MacMillan, 54, has lived in Japan for 27 years, and it is not surprising that he is considering taking Japanese nationality. But, first he had some unfinished family business to complete, and he applied for and received his UK passport in the summer of 2013.

"It was an offering of peace to my Scottish father, who had always wanted me to take UK nationality, and receiving it I realised that I had inherited from my father a whole country and a civilisation," he says.

Shangri-La Hotel, Tokyo

Enjoy luxury dining and entertainment in the heart of the metropolis

S ituated directly above the iconic Tokyo Station, Shangri-La Hotel, Tokyo has established itself as a sumptuous and serene gateway not just to Japan's vibrant capital city, but with the bullet trains on its doorstep, to the cultural landmarks of the country.

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Enjoy a range of delights any time of day, from afternoon teas to exquisite cuisines, seasonal cocktails and canapés – all within the luxurious atmosphere of Shangri-La Hotel, Tokyo.

Piacere

Piacere is the hotel's signature restaurant located on the 28th floor and renowned for its dazzling décor. The Mediterranean blue interior bathes in dramatic light from the glistening Venetian glass chandelier to create a rich, warm environment for contemporary Italian cuisine. Chef de Cuisine Paolo Pelosi has perfected the flavours of Piacere's popular dishes, which are complemented by a selection of 400 top-grade wines stored in its two wine cellars. The wine list includes 100 labels of champagne, including many rare *récoltant-manipulant* champagnes, as well as premier and vintage wines from France, Italy and the New World, stored in beautifully crafted wooden drawers.





Nadaman

Since 1830, the group of restaurants known as Nadaman has been treating royalties and discerning diners in Japan to fine traditional cuisine and Chef Takehiko Yoshida maintains the evolving techniques with his philosophy of "respect the past and look to the future." With a view of the Tokyo Skytree® on the 29th floor, expect elegantly prepared dishes served at the main dining area, teppanyaki counter, or private rooms, including masterpieces such as Foie Gras Chawanmushi, and Kano Eggplant Wrapped in Wagyu Beef.

The Lobby Lounge

The Lobby Lounge at Shangri-La Hotel, Tokyo is elegant with a refined atmosphere, ideal for evening cocktails and wine selected by its expert sommelier. Suspended from the ceiling, the chandelier of 890 crystal gingko leaves seems to float in a graceful atmosphere, completed with ikebana-inspired flower arrangements by Nicolai Bergmann. Partake in the dazzling panoramic view while tasting canapés and an extensive array of seasonal cocktails using fresh fruits, spirits and liqueur.

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Catering's Finest by Shangri-La is Shangri-La Hotel, Tokyo's outside catering service that combines its expertise in the finest of cuisines, the details of refined cutlery, and the subtleties of flower arrangement, to ensure that any event is unforgettable – even away from the hotel. It boasts outstanding chefs not only from Japan, but also from France, Italy and Malaysia, enabling it to offer an array of specially crafted and authentic dishes. Whether it is for a cocktail party, company function, corporate event, business dinner, or private occasion, Catering's Finest by Shangri-La will design the optimal plan tailored to one's needs.



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HR and recruitment are where it all begins Text DAVID UMEDA

ACTOF

he World Economic Forum, which ran from 22-25 January, recognised that "profound political, economic, social and, above all, technological forces are transforming our lives, communities and institutions." The focus in Davos, Switzerland, was to "develop the insights, initiatives and actions necessary to respond to current and emerging challenges." Invited to join in the discussion was Japan's prime minister Shinzo Abe, who spoke on the theme of "The Reshaping of the World: Vision from Japan". Whatever the corporate strategy or government public policy, human resource specialists and recruitment experts are relied upon to bring together the talent and provide the services to get the job done.

There are particular candidate skills that will be in great demand in 2014.

"As Japanese companies continue to internationalise, global mindset and international language skills are still in high demand from our clients," explains David Swan, managing director, Robert Walters Japan and Korea. "Candidates who can show willingness to work internationally with specific skills sets are likely to be in demand."

Within the pharmaceutical industry, the areas of hottest demand are coming from clinical research organisations such as Covance and Icon, according to Morunda K.K. "The demand for clinical research associates and clinical projects managers is far greater than supply, however," points out Philip Carrigan, founder and representative director.

Another area of expertise that has strong demand is specialty care, requiring candidates with backgrounds in oncology, haematology or immunology. "Those candidates possessing product launch experience in specialty care will have numerous opportunities to choose from," continues Carrigan.

In terms of language, more retail sales and marketing professionals with Chinese language skills will be needed, observes Swan, "due to Japan's luxury goods market attracting more Chinese tourists."

Japan continues to map a strategy, both in government policy and private sector initiatives, to remain competitive in a globalised economy. "An increasingly global workforce needs a truly global solution," points out Jonathan Sampson, regional director, Hays Specialist Recruitment, Japan.

Hays has invested substantially in technology to integrate their business across 33 countries and embrace the digital evolution. "This enables us to tap into global best practices whilst creating a much greater pool of quality opportunities for our clients and candidates to leverage from," adds Sampson.

The third arrow of Abenomics aims to increase Japan's competitiveness. More foreign companies will be encouraged to set up operations here, through incentives such as the government's Special Zones.

"With the continued positivity, driven in part by Abenomics, our approach will be critical in addressing the growing talent mismatch in Japan," cautions Sampson.

Indeed, the global economy is facing a severe talent mismatch – some form of skills shortages while unemployment and unfilled vacancies are rising. Fortunately for Japan and the third arrow (boost competitiveness) of the prime minister's economic game plan, HR and recruitment in Japan remain in very good hands. ⁽²⁾

Global Insider Robert Walters Global Salary Survey 2014

obert Walters is one of the world's leading specialist professional recruitment consultancies with 53 offices spanning 24 countries. You can find out what bilingual, experienced talent is worth in this country - and across the firm's global network - with Japan's first comprehensive bilingual review of global recruitment conditions and salary levels by Robert Walters. They place candidates on a permanent, contract and interim basis in areas including accountancy and finance, banking and financial services, human resources, information technology, legal, marketing, sales, secretarial and business support, tax and treasury. Robert Walters Japan has the experience and knowledge to offer salary and recruitment insight at every level.

The 15th edition of the Robert Walters' Global Salary Survey indicates what industries are now more competitive and have the greatest potential for growing the business in the months ahead in Japan.

"As Japanese companies continue to expand their business overseas, a strong demand for Japanese professionals with international language skills is a distinct trend," explains David Swan, Managing Director - Japan & Korea. "As well as being multilingual, candidates with specific professional skills are in demand across various fields."

According to Robert Walters Japan, Information Technology is one busy hiring area, particularly for mobile, gaming and e-commerce. Also, engineers are needed for manufacturing positions, especially within the automotive industry.

Medical services also picked up their recruitment activity, with a focus on MRs (medical representatives), clinical research professionals and regulatory affairs specialists.

"Regarding financial services, regulatory compliance professionals were much sought after, while retail companies required front-line and managerial-level staff," adds Swan. "The field of energy has a great potential for growth for us, as our company has set up an Energy and Infrastructure team to concentrate on this particular industry."

The areas of HR (human resources) and administration are also strong in demand, where junior and temporary staff are wanted.

Abenomics has had an influence on results of our latest survey, especially in regards to Prime Minister Shinzo Abe's third arrow of boosting competitiveness.

"With the pro-business policies of Abenomics, 2013 was a good year for the Japanese job market, returning to levels in hiring activity not seen since 2007," explains Swan. "Throughout 2013, many companies looked to fill business support roles as optimism about the economy led to a loosening of corporate purse strings."

In 2014, firms will be more willing to add headcount and professionals more confident about changing jobs. "So we



David Swan, Managing Director -Japan & Korea

anticipate increased recruitment levels," Swan continues. "Confidence also has been boosted by the 2020 Tokyo Olympic Games' winning bid, which should stimulate the economy and all areas of industry – particularly construction – in the years ahead."

"Companies may need to increase their financial offers if they want to entice top-tier employees, although long-term stability, career development and training will also be critical to recruiting and retaining key staff."

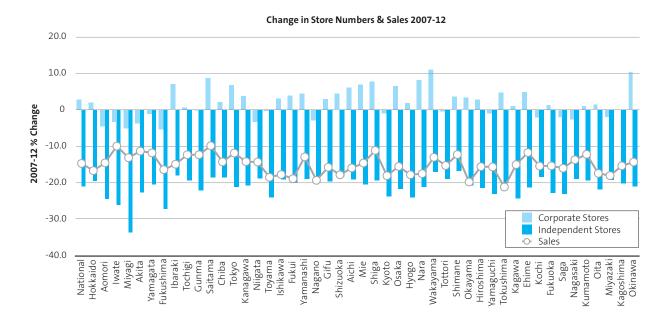


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Tel: +81-3-4570-1500 www.robertwalters.co.jp Corporate retail take-over

Sixty-six small stores closing every day



Even though there are still more than one million retail operations in Japan, the number continues to decline at a rapid rate as larger, more corporate stores take over.

According to the 2012 Economic Census released in November by the Ministry of Economy, Trade and Industry (METI) – which included the first full survey of distribution since 2007 – overall retail store numbers fell 9.2% in the five years to 2012. That pulled down national retail sales 14.7% and sales space 11.2%. Total retail sales in 2012 stood at just ¥114.8 trillion.

In the same period, independent stores declined 21.1%, a fall of 120,000 stores, or a net 66 stores per day going out of business. This is actually a partial slowing of the decline in store numbers since the 2007 survey, but sales at independent retail businesses are now declining much faster – down to ¥7.2 trillion in 2012 – 38.8% lower than in 2007.

In other words, Japan now has a more corporate-led retail industry and fewer independent stores. The number of outlets run by incorporated retail businesses grew 3%, and these stores now outnumber independents for the first time, operating 56% of all stores. They also account for 94% of sales, an increase of two points. Sales per retail store jumped 19.2% to an average of ¥141.1 million per year, while sales densities fell 9.1% on average to just ¥600,000 per square metre per year. Prefectures like Saitama and Shiga – which saw the largest jumps in corporate retail stores – also enjoyed the best sales performances, although sales in Iwate, Ehime, Yamanashi and Kumamoto prefectures also fell slightly less than the national decline. This was again due to the increased pace of corporate retail expansion.

Mergers and aquisitions (M&As) and store closures led to a fall in department store sales alone. Sales for these and the larger general merchandise stores were ¥10.8 trillion, less than a tenth of retail totals and a massive 36% lower than in 2007.

With the switch to larger and more corporate stores, the decline in retail operations will continue, while the fall in store numbers will also be spurred by e-commerce, as it becomes the latest and easiest means of shopping. ⁽²⁾

ROY LARKE

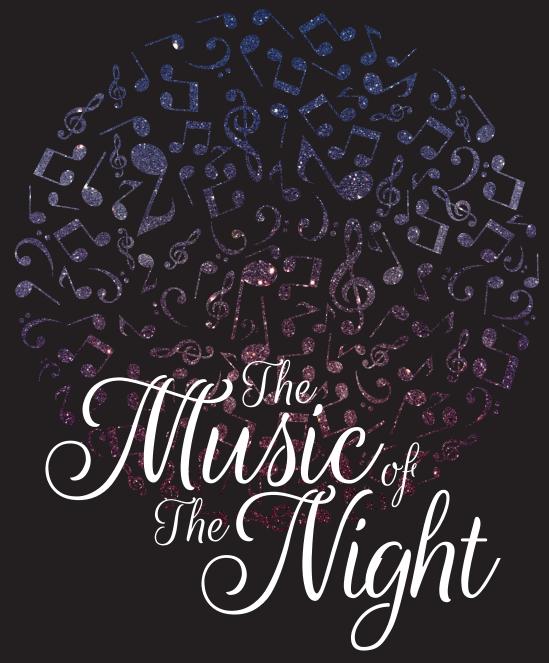
February 2014 EUROb

SHOP WINDOW

JapanConsuming is the leading provider of intelligence on consumer and retail markets in Japan. The monthly report provides news about, and in depth analysis of, current trends.

JapanConsuming

For more information, please see www.japanconsuming.com or contact Sally Bedown at subs@japanconsuming.com



PINK BALL 2014

FRIDAY, MARCH 7 FROM 6.30PM

THE WESTIN TOKYO HOTEL GALAXY BALLROOM 1-4-1 MITA, MEGURO-KU

¥35,000/SEAT, ¥350,000/TABLE

GUEST CHEF ELIO ORSARA



"The Music of the Night" is sure to resonate with guests singing high praise for Elio Orsara, the award-winning celebrity chef and owner of Elio Locanda Italiana, who will be creating our five-course dinner. Through the years, Elio Locanda Italiana remains a favorite dining spot of residents and visitors alike, including celebrities such as the giant of the fashion industry, Giorgio Armani.

www.runforthecure.org

Upcoming events

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

New Year's Party

12 February, Wednesday, from 19:00

Venue: Le Petit Tonneau, Toranomon Fee: to be confirmed Contact: info@blccj.or.jp

Monthly beer gatherings

17 February, 17 March, Monday, from 19:00

Venue: Belgian beer café in Tokyo Fee: Pay for what you drink Contact: info@blccj.or.jp

British Chamber of Commerce in Japan www.bccjapan.com

Luncheon: Inside My Company 27 February, Thursday, 12:00-14:00

Speaker: Sandie Dawe, chief executive, VisitBritain Venue: Palace Hotel Tokyo, 4F, Fuyo Room, Tokyo Station Fee: ¥6,000 (members), ¥8,000 (non-members) Contact: info@bccjapan.com

French Chamber of Commerce and Industry in Japan www.ccifj.or.jp

Soirée "Lys & Canon"*

13 February, Thursday, 18:30-21:00

Venue: French ambassador's residence in Tokyo

Fee: by invitation only Contact: reservation@ccifj.or.jp

* Special event for the release of the book by Christian Polak, edited by the CCIFJ

Luncheon and Conference

21 February, Friday, 12:30-14:00

Speaker: Hisao Taki, founder and chairman, Gurunavi Inc. Venue: Hyatt Regency Tokyo Fee: to be confirmed Contact: reservation@ccifj.or.jp

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

Southern Italian Food, Wine and Oil Mini-Fair*

28 February, Friday, 10:00-18:00

Venue: Italian Chamber of Commerce in Japan Admission: Free (registration required) Contact: promo@iccj.or.jp

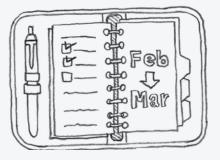
* In collaboration with Southern Italy Agro Food and Tourism (SIAFT)

Swedish Chamber of Commerce and Industry in Japan www.scci.org

Annual Sakura Party 1 April, Tuesday

Venue: Happo-en, Shirokanedai **Contact:** *office@sccj.org*

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



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SCCIJ February Luncheon

25 February, Tuesday, 12:00-14:00

Speaker: Annette Bossler, owner and managing director, Main(e) International Consulting LLC Venue: Conrad Hotel Tokyo Fee: to be confirmed Contact: info@sccij.jp

Compiled by DAVID UMEDA

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Jean-Louis Claudon

High-flying adviser at Arianespace

Text GAVIN BLAIR Photo BENJAMIN PARKS

hree times around the Chinese zodiac," is how long Jean-Louis Claudon says he's been in Japan. That's 36 years for the former head of Asia-Pacific

at Arianespace, who followed his engineering path across three continents before settling in Japan.

And it all started with a letter from a professor.

While doing graduate work in the US, Claudon's interest in his future home was piqued by Japanese students, who recommended he travel to Tokyo. His plans were confirmed when he started corresponding with a University of Tokyo professor who invited him to Japan. Claudon's future was set.

With the aid of a Ministry of Education scholarship, he enrolled at The University of Tokyo, earning a doctorate, before moving on to five years as a junior diplomat at the French Embassy. It was a marked departure from his engineering dream.

"I wanted to be an academic researcher, but it was even harder at that time than it is now to get a job in a completely Japanese environment, especially in a university," he recalls.

In 1986, Claudon was able to return to his first love, when Arianespace recruited him to head up its new Tokyo office, headquarters of its Asia-Pacific operations. He held the position for more than two decades, eventually moving into an advisory role with the French aerospace firm in 2008.

Over his nearly four decades in Japan, Claudon has seen the country, its people and their attitudes, undergo huge shifts.

"To be a gaijin then, even in Tokyo, was to have people coming up to you and trying to practise their English. But nobody thinks it's strange now when I speak Japanese, and sometimes people even ask me for directions."

Claudon was also around during some of the more colourful episodes of the 1980s trade friction.

"When I was in the French Embassy in the early 1980s, we heard that French skis couldn't be imported because Japanese snow was different, according to MITI [Ministry of International Trade and Industry – the precursor to METI]."

During his time as head of Arianespace, Claudon saw the need for an Aeronautics and Space Committee at the EBC, which he set about establishing.

"The problems that European companies were experiencing in the sector weren't on a country-by-country basis, but common to all of them," he explains.

His involvement in the EBC was to continue in various capacities, culminating in his work as Sherpa of the co-chairman to the EU-Japan Business Round Table (BRT) from 2009 until the end of 2013.

"When I arrived more than four years ago as the Sherpa of the EU side co-chair, I thought the BRT was very unwieldy because the EU side had so many different opinions, some completely opposite, while the Japan side was only interested in the FTA [free trade agreement]. However, I've realised over the years that it is possible to achieve things and bring everybody together.

"I expected the automobile sector to block everything related to an FTA, but actually they have been very reasonable and open to compromise," he adds.

"The EBC really has had, and will continue to have, a key role in the negotiations over the FTA that the EU and Japan are working towards. There is general goodwill on both sides," Claudon points out.

One of the topics of the FTA that he is less optimistic about is sustainability, having become increasingly passionate about environmental issues in recent years.

"People find it so impossible to imagine what they hear about in the media, that they think it won't happen: that it will all somehow go in another direction.

"I have no children, but I find myself more worried than people who do – including business people who do irresponsible things that will have consequences in the future for their children and grandchildren," he cautions.

Claudon now believes that sustainable industry should be a central area of future cooperation between the EU and Japan, and an area where the two sides could find common ground.

"The EU has some of the most, if not the most, sustainability-oriented policies in the world, and Japan prides itself on having some of the world's best green technologies," he adds.

"The solutions are industrial, and industry has an obligation to work towards them," he concludes. **Q**

🚺 Do you like natto?

Time in Japan: Three times around the Chinese zodiac.

Career highlight: Mistaken for the Arianespace CEO by former prime minister Toshiki Kaifu.

Career regret: None.

Favourite saying: Money is time (no I am not drunk).

Favourite book: *The New Nelson*. Cannot live without: European and

Lesson learned in Japan: The locals know better.

Secret of success in business: The locals know better.

Favourite place to dine out: La Brasserie (Imperial Hotel). Do you like natto?: Non.

Way of the warrior

Photos and text TONY MCNICOL

The All Japan Kendo Championship is held at the Budokan in Tokyo each November. As competitive spectacles go, it's not an easy one to follow. The strikes are almost too fast to see, never mind anticipate and photograph. What is unmistakable, however, is the raw aggression and exquisite poise of the kendo masters. There is more than just winning and losing on display here. Many Japanese martial arts have become, in effect, sports. But kendo remains close to its origins in the samurai dojo. **Q**









Jens Moesker

General Manager, Shangri-La Hotel, Tokyo

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Photo **BENJAMIN PARKS**





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