

EURO BIZ JAPAN

JUNE 2019

ASH ELFADELI,
CEO

BACK TO BASICS

*JAC International strives
to change the image of
recruiting in Japan*

➔ Slurring their words

*Concerns over Japan's loose
definitions of wine and whisky*

➔ Sustaining Swissness

*Ivo Kaufmann, head of Economic and
Financial Affairs at the Embassy of
Switzerland in Japan*

➔ Looking beyond trade

The 2nd EU-Japan EPA Forum



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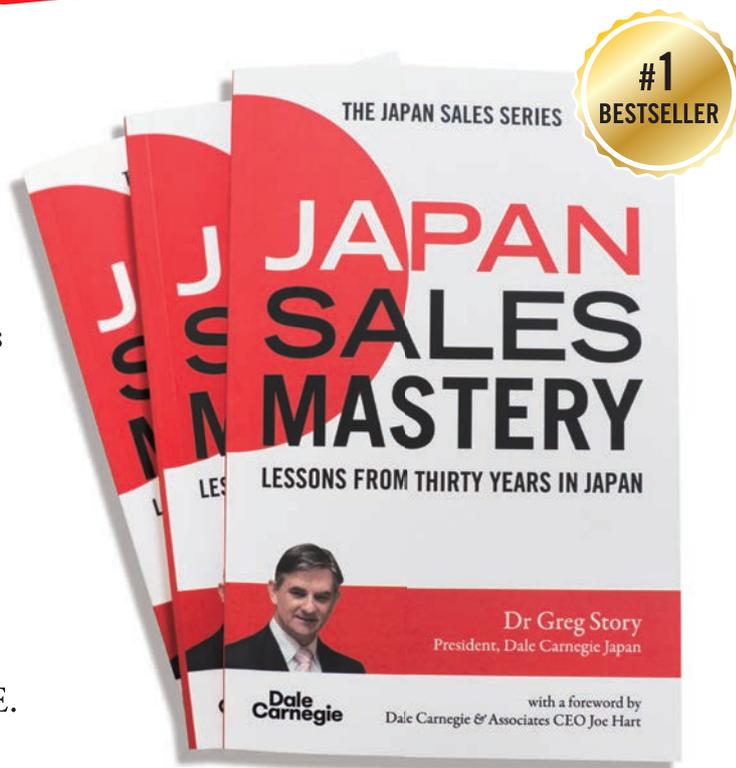
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Back to basics

By Toby Waters





First Focus

The rainy season is here again. The uptick in downpours began in Tokyo on 8 June and is expected to end on 21 July.

Tokyo has an average precipitation in the month of June of nearly 200mm. With overcast skies, a lingering dampness, and variations of rain ranging from pattering to pelting, it can make even the most stoic of us feel miserable.

Rain, rain, go away.

Photo by Vitor Fontes
[📷 unsplash.com](https://unsplash.com)



Writing in and about Japan since 2000, **Gavin Blair** contributes articles to magazines, websites and newspapers in Asia, Europe and the US on a wide range of topics, many of them business related.

➔ *“It’s interesting that Japanese whisky — which is now so popular that it can’t be produced fast enough to meet demand, and rare bottles fetch hundreds of thousands of dollars at auction — has a surprisingly loose definition, and almost no protection as a brand. Though that all may be about to change. Meanwhile, the definition of wine depends on whether or not it’s Japanese.”*



A former newspaper and wire service reporter, **Geoff Botting** has called Japan home for over a quarter of a century. He now works as a freelance journalist and translator, writing mostly about business, economics and travel.

➔ *“Famous European cosmetic products seem to be available everywhere in Japan, including local shopping arcades and discount stores at bargain prices. Yet in nearly every case, the products at such establishments have expired or been otherwise improperly handled. The EBC wants the Japanese government to discourage such imports, not just for the sake of the products’ brands — but for consumers as well.”*



Tom Elliott is deVere Group’s international investment strategist. He produces videos, blogs on a wide range of topical investment issues, and regularly speaks at seminars for clients at deVere offices around the world.

➔ *“The huge increase in tourists from China over the past several years is helping to narrow the country’s current account surplus with deficits looking to become the norm next year. In this month’s Executive Notes, I examine the implications of this for China, its trading partners and global investors.”*



Shihoko Fujiwara founded Lighthouse: Center for Human Trafficking Victims in 2004. She previously worked at the anti-trafficking organisation Polaris in the United States.

➔ *“Today’s human traffickers are businesspeople who prey on the vulnerable in society. I set up Lighthouse to ensure that as many victims as possible could be given back their freedom, as well as to prevent others from being trafficked. Our mission is to eliminate human trafficking in Japan and, together, realise a world without slavery.”*

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Subscription is free for members of the EBC and national European chambers of commerce. Subscription rates are: one year ¥9,000; two years ¥15,000; three years ¥22,000; ¥800 per copy. Rates include domestic postage or surface postage for overseas subscribers. Add ¥7,500 per year if overseas airmail is preferred. Please allow two weeks for changes of address to take effect. Subscription requests should be sent to eurobiz@paradigm.co.jp

If you prefer not to receive this magazine, and for all matters related to distribution, please send an e-mail to eurobiz@paradigm.co.jp

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Meaningful discussions

The annual, student-led St. Gallen Symposium was started in Switzerland in 1969 to promote intergenerational debate on economics, politics and society following the student protests of 1968. Today, leaders in government, business and academia from around the world gather to discuss current issues with the leaders of tomorrow. Held last month, this year's conference was titled "Capital for Purpose", which was defined by the organisers as being "more than doing good; [capital] should serve to unlock win-win solutions ... [for] economic, social and environmental goals".

The Embassy of Switzerland in Tokyo holds a follow-up to the symposium as a way to continue the dialogue. In "Sustaining Swissness" (page 20), Ivo Kaufmann, head

of Economic and Financial Affairs at the embassy, speaks about this event and other ways Switzerland is making an impact in Japan.

The EBC was busy last month, with Michael Mroczek, chairman, and Francesco Formiconi, executive director, attending two important events in Europe that convened to discuss the strengthening of EU-Japan relations. In "Bucking regressive trends" (page 31), Formiconi writes about the discussions at this year's EU-Japan Business Round Table and some of the recommen-

ations that businesses put forward to the governments of the EU and Japan.

They also sat in on the 2nd EU-Japan EPA Forum in Milan, where important figures from both economies discussed how society at large could potentially benefit from the EU-Japan Economic Partnership Agreement. Find out more in "Looking beyond trade" (page 18).

Debate is important and discussion informative, but what matters most is that the words spoken and ideas developed are put into practice to realise positive and meaningful change for business and society. ●

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THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN



BACK TO BASICS

JAC International strives to change the image of recruiting in Japan





“We always need to think from a client’s perspective ... [and] to give them that extra mile of service”

Self-improvement is one thing. Improving your company is another. But it’s something else entirely to try and improve the image of the industry you work in. Ash Elfadeli, CEO at JAC International, a subsidiary of JAC Recruitment, is aiming to do just this — and as with any lofty ambition, he’s making sure to get the small things right.

Founded in the UK in 1975, JAC Recruitment initially recruited for Japanese firms as they expanded overseas. Today, it has grown to become the third-largest recruitment firm in Japan for fulltime placements, with 800 employees. It is also the largest 360 recruitment firm — that is, one responsible for all aspects of the hiring process — with global coverage. The firm is listed on the first section of the Tokyo Stock Exchange. It specialises in hiring for mid-career roles, and caters to a wide range of sectors, including medical devices, IT and fashion.

JAC Recruitment has offices all over the world, most of which are in Asia, and it recently opened an office in Germany. This cross-border network is an advantage when it comes to having the right mindset for recruitment, according to Elfadeli.

“Since we have UK roots, I believe we are naturally conscious of having a global mindset in Japan,” he says. “If we only focus on the domestic market, we may tend to become closeminded and forget about the big picture.”

One element in that big picture is Elfadeli’s goal to improve the image

of the recruitment sector in Japan. Many businesses — especially older, established Japanese ones — don’t have much experience working with outside recruiters, and so don’t understand the finer points or advantages of doing so. For example, there is a world of difference between temporary and permanent recruitment solutions, but many clients might not be aware of them. Worse, their inexperience might mean that they think lower-quality service is the norm.

“The average expectation of recruiters may not be so high,” Elfadeli explains, “which means companies would not be so surprised to encounter recruiters with less quality or professionalism.”

But it doesn’t have to be this way — Elfadeli believes that this industry can develop a positive reputation among clients, candidates and the general public in Japan, just as it enjoys in other countries. Change, he believes, will come when recruitment firms take the time to do the basics well, but this is not happening here at the moment.

“What other firms are doing is looking at one key performance indicator [KPI] for all when it comes to managing recruiters’ performance” he explains. “They go to one Excel sheet and say, ‘This recruiter didn’t do well, fire him; she did, she’s good’. We don’t want that type of management.”

Instead, JAC International evaluates its employees using smart KPIs, which take into





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account a consultant's seniority, coverage and specific role. The employees also undergo special customer service training, both internally and externally, to improve the quality of service that the clients and candidates receive.

"We are conscious of always thinking a step ahead and anticipating our clients' and candidates' needs," Elfadeli says. "It may sound basic, but management and the employees are so close to each other that everyone in the company is committed to always being professional, providing the best service and becoming better human beings."

Elfadeli's theory is that by managing JAC's recruiters on a person-by-person basis, their own satisfaction and sense of accomplishment will increase their motivation to provide superior service to clients and to candidates. His goal is, in turn, to instil in his employees the desire to take a personalised, individual approach to everyone they work with.

"I want to build a company where the client is the priority," he says. "We always need to

think from a client's perspective, about what they want, to give them that extra mile of service."

As part of its goal to get the best result for all parties, the team dig deep into what the clients are looking for, as well as what the candidates' goals are, and give honest feedback. Elfadeli will sometimes tell prospective candidates — after hearing the full details of their goals and current role — that they are actually already in

"We want more hands-on management"

the perfect position.

This upfront attitude follows the company's philosophy of fairness, freedom and discipline, executed through the values of speed, sincerity and attitude. These policies are carried out to ensure there is no regret on either side of the hire.

For candidates, JAC International doesn't take for granted how profound an experience getting a new job can be.

"Like marriage or sending your kids to university, changing jobs is a big life event," says Elfadeli. "Our passion is to make the process of finding a new opportunity memorable."

The firm takes a similar approach with clients.

"In order to expand in this fast-growing market and find the right talent within a certain time limit, we

act fast using tailor-made solutions," he says.

Elfadeli also actively encourages companies to place more women in higher-paid positions. He notes with pride that JAC Recruitment was co-founded by a woman, Hiromi Tazaki, who currently serves as chairman. This, he believes, is an illustration of the positive example his company is setting for other recruitment agencies — and companies in other sectors across Japan.



"If I were a Japanese woman, I'd look at our example and think *gambarimasu* — I can do it," he remarks.

These simple yet effective strategies are what Elfadeli believes can elevate the Japanese perception of the recruitment sector, and help to impress on clients why it benefits Japan as a whole, and their business in particular.

"My main mission would be to contribute to our clients and candidates by providing committed service of the highest quality, so that they will understand the importance and value of having a career consultant," he says.

Elfadeli is optimistic, but he has a long road ahead. JAC International is just one consultancy, and this means that his mission to improve the reputation of the recruitment industry — by getting back to basics, as well as improving existing methodology and team management, and being upfront with candidates — is going to take significant time and effort to bear fruit. But when it does, that really will be something. ●



SLURRING THEIR WORDS

Concerns over Japan's loose definitions of wine and whisky

Producers, retailers and imbibers of alcoholic beverages are some of the biggest beneficiaries of the removal of tariffs since the EU–Japan Economic Partnership Agreement (EPA) came into force on 1 February. Yet while many are toasting the lower prices and higher exports, not everyone is fully satisfied. The definitions of wine and whisky in Japan are surprisingly flexible and do not conform to international specifications, something the European Business Council in Japan (EBC) has long been pushing to have reformed. But the relatively recent spike in the popularity of Japanese whisky means a solution may be on the way, at least for half the problem.



“**Japanese wine** has a strict definition: it must be made in Japan with Japanese grapes,” notes Yoko Maki, a member of the EBC Liquor Committee. “But in the supermarket, you can find lemon wine, strawberry wine, peach wine — any fruit.”

As long as no claims are made to its being Japanese, any fruity variation of the drink can be sold here and called wine. This stands in stark contrast to Europe’s insistence on vino coming only from grapes. Japan’s domestic wine industry has thus far shown little interest in modifying this loose definition. But if, in the future, wine’s status begins to mimic the meteoric leap of domestic whisky, that may change. There are early signs this could be more than a pipe dream.

Kirin’s winemaking subsidiary Mercian announced in March it would begin exporting two of its Château Mercian varieties to the UK, a decision made in light of the EPA. The two wines are made with grapes from Yamanashi, the only Japanese wine region recognised with a geographical indication (GI) under the EPA. And in late May, Mercian said it will open a third winery in Nagano later this year, where it will produce 10 types of Château Mercian.

Meanwhile, Japanese whisky has well and truly established

“Japanese wine ... must be made in Japan with Japanese grapes”

its brand. The record-breaking \$343,000 paid at a Hong Kong auction last August for a 50-year-old bottle of single malt Yamazaki is testimony to this. The first edition sold for a less pricey, if not exactly cheap, \$9,000 (¥1 million) when it went on retail sale in Japan in 2005.

“The whisky market is continuing to grow in terms of volume and value for both domestic and imported whisky,” says Maki, who also suggests that many consumers are unaware of the difference in definitions between the two.

Led by brands such as Yamazaki, Hibiki and Hakushu,

which are all part of the Suntory portfolio, Japanese whiskies have been finding fans far and wide. This popularity, which includes a doubling of domestic sales over the past decade, as well the export boom, have seen stocks running short and even sales of some brands suspended.

When asked about the prospect of selling more whisky in the EU, a Suntory spokesperson said, “Demand outweighs supply and we’re limiting supply at the moment. We’ve been making investments in capacity expansion of whisky and will continue our efforts to meet future market demand.”

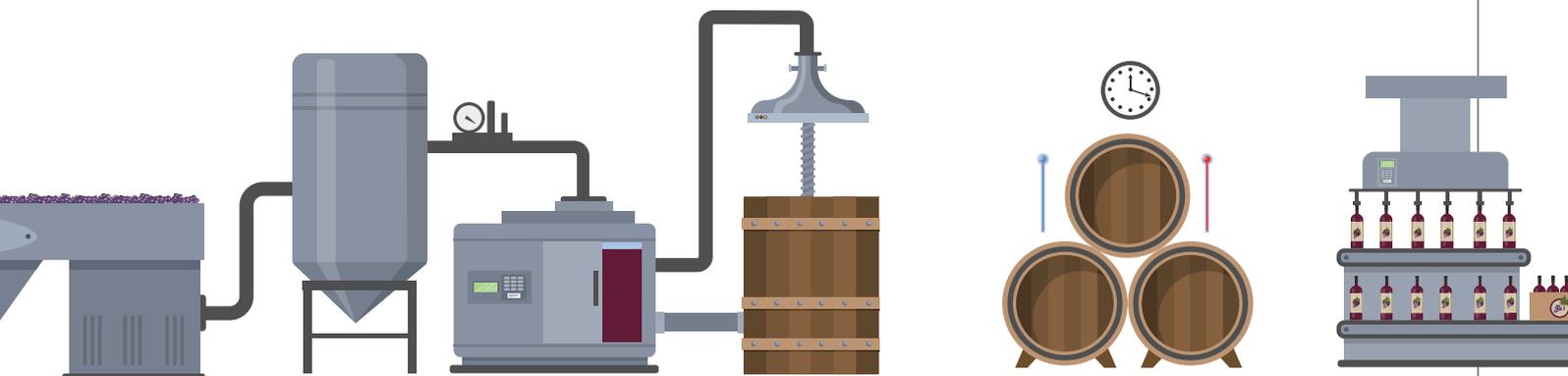
Yet there are, in fact, few restrictions on what can be labelled “whisky” in Japan, certainly compared with those for Scotch, which, along with Irish whiskey, has been given GI protection under the EPA. Stipulations for Scotch include being made in Scotland, from water and malted barley, to which only whole grains and caramel colouring may be added, using a strictly defined process. It must also have a



A 50-year-old bottle of single malt Yamazaki was bought for

\$343,000

at a Hong Kong auction last August





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“The whisky market is continuing to grow in terms of volume and value for both domestic and imported whisky”

minimum alcohol content by volume of 40% and be aged in oak casks for at least three years.

In contrast, the Suntory spokesperson declined to even confirm the age or the alcohol by volume of its various whiskies.

One of the reasons for this difference in attitude is the history of alcohol production in Japan. Until now, the government has looked at it as merely a source of revenue rather than an industry with valuable brands, according to Osaka-based Brian Ashcraft, co-author of *Japanese Whisky: The Ultimate Guide to the World's Most Desirable Spirit*.

“Traditionally, Japanese whisky has never been something that anyone wanted to copy or that needed protection,” says Ashcraft. “There was never a thought to that — it was just something to be taxed.”



Scotch is required to have a minimum alcohol content by volume of

40%

Although there are companies that have taken advantage of the lax regulations by importing whisky and putting it on sale with ambiguous labels, most are upfront about the composition and origin of their products, according to Ashcraft.

“It has also led to a lot of creativity: for example, using woods other than oak,” explains

Ashcraft. “There are casks made from sakura. It’s a new flavour; the whisky smells like *sakuramochi*,”



which are sweet rice cakes wrapped in pickled cherry blossom leaves.

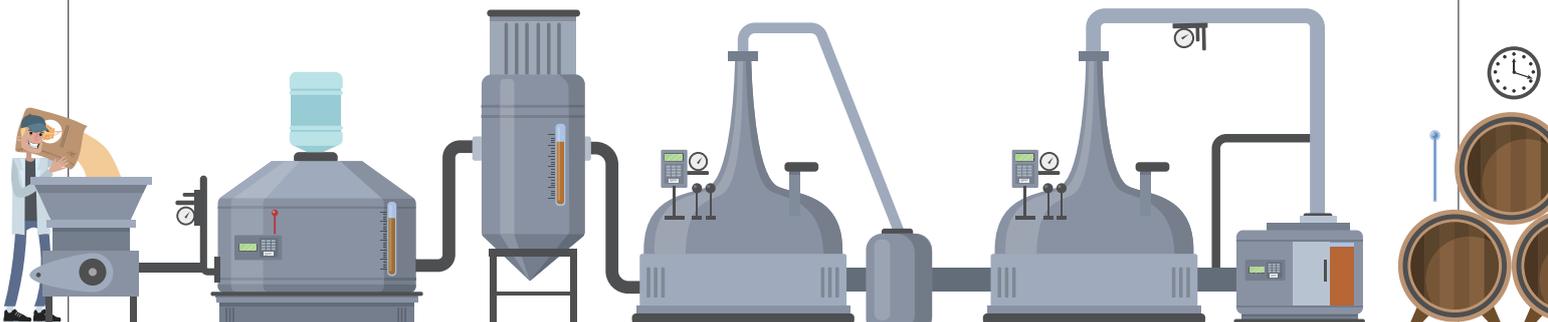
Nevertheless, the international importance of Japanese whisky is now being realised, and a definition was included in the Trans-Pacific Partnership (TPP) agreement, points out Ashcraft.

“It’s a brand now,” he adds.

The EBC Liquor Committee’s Maki notes that it is “urging the adoption of a stricter definition of whisky in Japan.”

Discussions are already underway between the major Japanese producers of whisky and the Japan Spirits & Liquors Makers Association over how to define the tipples. Though no official statement has been made, the Japanese whisky industry — cognisant of the value of a product that can now fetch hundreds of thousands of dollars for a single bottle — is reportedly pushing for stricter regulation.

The impact of tighter rules isn’t easy to predict. Japanese whisky is so popular it is struggling to meet demand, while imported whiskies are also benefiting from the booming local market. The most likely result may be the disappearance of local varieties that weigh in at less than 40% alcohol by volume, and it’s unclear whether that would boost the brand image of Japanese whisky. ●





Looking beyond trade

The 2nd EU–Japan EPA Forum

It has only been a few months since the EU–Japan Economic Partnership Agreement (EPA) came into force – lowering or removing tariffs on a wide range of goods – but the benefits are already being seen.

“According to statistics published by the Japanese customs authority, the imports of cheese, wine and pork – just three examples – from the European Union this February and March, significantly increased, by 14%, 32% and 10% respectively, compared with the same period last year,” reported Ambassador of Japan to the European Union Kazuo Kodama at the 2nd EU–Japan EPA Forum. “There was an increase in [Japanese] auto exports to the EU in February and March, by 14.3%, compared with the same period last year.”

Held at Milan’s Hotel Principe Di Savoia on 16 and 17 May, the two-day conference brought together diplomats, politicians, business leaders and academics from Japan and the EU to discuss this historic

agreement and its applications beyond trade.

One of the keynote speakers, European Commissioner for Trade Cecilia Malmström, focused on “what [the EPA] means for people ... what it means for Europe as an economic boost and strategic alliance, and what it means for the world – because the world today is changing a lot.”

She highlighted how the EPA allows EU companies to bid for more public contracts in Japan; how Japan has recognised more than 200 certified European food and drink items, ensuring Japanese customers “get the real thing”; and how it will provide high labour standards for workers. Malmström also spoke about the larger effects of increased trade on both societies.

“Trade with Japan supports 740,000 jobs [in the EU],” she noted. “Job creation is one of the most important benefits of trade.”

Malmström acknowledged that the EPA has come into force amidst tensions in the global trading system, referencing the ongoing trade war between the US and China. In this context, she stressed the value of the multilateral system, while also noting the need for systemic reform at the World Trade Organization. Agreements such as the EPA send “a very powerful message” to the world that free trade works.

“Open trade has helped to transform the world”



In 2017, Japan invested

\$400

billion in the EU

“Open trade has helped to transform the world, particularly in the last decades: we have seen the world come together, connections between people strengthened, and millions of people lifted out of poverty,” Malmström said. “We have a special responsibility with partners such as our Japanese friends ... to make sure that future generations can get these benefits within our borders and beyond.”



CECILIA MALMSTRÖM, EUROPEAN COMMISSIONER FOR TRADE



KATHY MATSUI, VICE CHAIR OF GOLDMAN SACHS JAPAN

Another keynote speaker was Kathy Matsui, vice chair of Goldman Sachs Japan. She began her presentation by informing any sceptical Europeans in the audience of the opportunities in Japan today.

“The size of the Japanese economy is almost 12% larger today than it was at the end of 2012 [when Shinzo Abe became prime minister],” Matsui reported. “And Japanese corporate profits have more than doubled.”

The EPA could help to boost Japan’s growth, she believes. Currently, exports make up only 16% of the nation’s economy.

“While there are some obvious areas, like manufacturing and automobiles, that will benefit from this new relationship, we think there are other areas – life sciences, financial services, digital industries – that could also benefit,” she said. “Frankly,

this cooperation with the EU could reap many, many benefits more broadly over the long term.”

Another important area of potential growth highlighted by Matsui is foreign direct investment (FDI). In 2017, Japan invested \$400 billion in the EU, but the EU put only a quarter of that into Japan.

“I think Japan needs to consider the obstacles for FDI into the Japanese market,” she said. “Trade tends to follow investment, and I think there’s huge scope and potential for greater mutual investment into both markets.”

Matsui was optimistic about Japan’s future, thanks, in part, to the EPA.

“Japan is on the cusp of a very exciting time of change,” she said. “There’re some very exciting, unique opportunities, particularly for European companies.”

Over both days of the conference, several panels were held on topics such as “The EPA in the Geopolitical Context”, “Agri-business”, and “Brexit – An Opportunity for Many”.

During the “Digital Innovation and Artificial Intelligence” panel, Lorena Dellagiovanna, country manager for Italy at the Hitachi Group, noted that the EPA could potentially help to improve her firm’s technology and products.

“The more you keep trade open, the more you have opportunities for innovation,” she said. “We work [at our open innovation lab] with any kind of partner: universities, governments – and competitors, as well. With the EPA, because you are opening the market, you get the possibility to have more competencies, more expertise, even

“this cooperation with the EU could reap many, many benefits more broadly over the long term”

more patents to share with everybody.”

Another panellist, Adriaan Scheiris, EU public affairs manager at UPS Europe, spoke about how technology is already helping to expedite trade under the EPA.

“The customs and trade facilitation elements of [trade agreements] are hugely important to make the trade actually flow,” he said. “You lower the tariffs, which is great, but if there’s still a lot of paperwork that you need to fill in or collect from different agencies, the trade will not happen because the cost is still there. The more it’s paperless, the better.”

When required information about a shipment can be sent to customs authorities easily, quickly and efficiently, goods can move more smoothly. UPS sends 3% of global GDP through its network of 220 countries every day, according to Scheiris, and the firm has developed systems to make this process as simple and straightforward as possible for customs and customers alike.

Scheiris concluded that, “If the EPA delivers everything the studies have calculated, that is great news for consumers, and for European and Japanese businesses.” ●



Trade with Japan supports

740,000

jobs in the EU



Sustaining Swissness

Ivo Kaufmann, head of
Economic and Financial
Affairs at the Embassy of
Switzerland in Japan



advantages are provided, such as access to new public procurement markets. Of course, we always try to avoid comparative disadvantages for our companies. After 10 years, we think it's quite natural to update a free trade agreement, so this is something we are working on.

Could you tell me about the second Switzerland–Japan Economic Forum?

It's an event organised in partnership with the Swiss Chamber of Commerce and Industry in Japan and the IMD Business School based in Switzerland. This year, the topic was Sports Values for Business in the context of the run-up to the 2020 Tokyo Games. The concept of the forum is to exchange experiences, mainly between top business representatives and high-level government representatives, on issues where it might be interesting for a Japanese audience to hear about Swiss experiences and vice versa.

For instance, ABB told us about their experiences getting into sports sponsoring. They recently became a main sponsor of Formula E – like Formula One, but for electric cars – which is now taking off. Another aspect was timing and sports. Since 1932, Omega has been the official timekeeper for the Olympic Games, and we had one of the legends of Swiss watchmaking, Jean-Claude Biver, talking about the relationship between watchmaking and sports.

What are some other events you've organised recently?

Every January, the World Economic Forum [WEF] – a private, Switzerland-based organisation – holds its main annual event in Davos, Switzerland. Japan has



“our companies have internationalised well over time”

traditionally been an active participant and attends with very important people, including Prime Minister [Shinzo] Abe this year. At the embassy, we host a post-Davos event in cooperation with the WEF. This year, we had the founder of the WEF, Klaus Schwab, at this event. So, this is an excellent opportunity for us to bring people together and connect them.

Another event that happens annually in Switzerland is the St. Gallen Symposium. St. Gallen is a Swiss university town and is considered to have one of the leading business schools in Europe. Interestingly, the forum is organised by the students, the leaders of tomorrow, who invite leaders of today. There is a high-level group of Japanese personali-

ties who all have participated in previous symposiums and help in recruiting top-level speakers from Japan. This year's theme was Capital for Purpose – goals beyond just the return on investment and the share price.

The embassy invites participants from previous forums for a dialogue with the leaders of today and tomorrow. It's just another example of how we can support and leverage the different links Japan has with Switzerland. ●



Switzerland

Home comforts

Home is where the heart is, and, while the Swiss love the great outdoors — as anyone living in such a picturesque land would — they naturally treasure the small world inside their own four walls. Swiss businesses have developed valuable innovations that are helping to make people's homelives more comfortable, not just in their own land but all over the world, including in Japan.

"Switzerland is an innovation powerhouse with an obsession for quality and sustainability," says Ambassador of Switzerland to Japan Jean-François Paroz. "For all those who enjoy luxury in life, we offer products of our famous jewellers and watchmakers; for design lovers, Swiss firms offer a wide range of products."

It's no coincidence that Swiss household products are popular in Japan, according to Paroz: there is a shared mindset between both peoples that make it easy to sell Swiss goods in the Japanese market.

"I think it's the blend of functionality and neat beauty that characterises Swiss product design," Paroz says. "Japanese designers, too, know how to combine both. Both cultures cherish modesty and practicality, together with a sense of aesthetic restraint."

One excellent example of this combination of style and functionality is the high-end furniture created by Vitra. Based in Birsfelden, and with a showroom in Shibuya, the firm caters to the homeowner looking to add a touch of sophistication to their

living space. Vitra regularly works with renowned designers and architects — having done projects with Sori Yanagi (1915–2011), Isamu Noguchi (1904–1988) and Pritzker Prize winner Tadao Ando (1941–) — and operates its own design museum.

In addition to distinctive furniture, Swiss companies are bringing carefully crafted home appliances



“it’s the blend of functionality and neat beauty that characterises Swiss product design”

and tableware to the Japanese kitchen. Jura sells specialist automatic coffeemakers, as well as high-quality coffee cups, glasses, frothers and foamers, through its Japanese distributors Brewmatic and Contrasto. The firm’s coffee machines can be operated remotely using a smartphone app, so you don’t even need to get off the sofa to make a perfect cup of *café*.

Good drink should be accompanied by good food, and Bamix has a six decade-long track record of manufacturing electrical kitchen equipment to help you make the best dishes you can. Its range of blenders, whisks and beaters are the preferred tools of both amateur home cooks and professional chefs. Bamix’s products are distributed in Japan through Shibuya-based Cherry Terrace.

A relaxing hobby is another good sign of a happy homelife. Bernina, from Steckborn, occupies Japanese families’ time with its sewing machines, thread and accessories. It also sells longarm quilting machines to assist you in making quilts that will keep you cozy in the bedroom.

Despite having adopted so many first-rate products from Switzerland that make life more comfortable, one import item that has yet to take off in Japanese homes is the raclette oven.

Restaurants around Tokyo – including the Tokyo Swiss Inn, Cheese Tavern CASCINA and Yushima One’s Raclette Cheese No-mise – are beginning to serve raclette, the beloved Swiss dish, where melted cheese is poured over potatoes, ham and other food. But many Swiss people prefer to enjoy their raclette at home. Traditionally melted around a fire, the raclette oven gained popularity in the 1970s and is now a fixture in many Swiss kitchens.

While it might be a long time before most Japanese households have a raclette oven, Swiss businesses are continuing to warm hearth and home throughout the nation. ●



**JEAN-FRANÇOIS PAROZ,
AMBASSADOR OF SWITZERLAND**



Population

8,292,809 (July 2018, estimate)
Urban population: 73.8% (2018)
42.88% are 25–54 years of age (2018).

Main exports

Pharmaceutical products, clocks and watches, pearls and precious stones, optical and photo apparatus

Did you know...?

- Switzerland has enough fallout shelters to protect every single citizen in the event of a nuclear war.
- Switzerland is a favourite destination for Indian film companies when creating Bollywood films, and there is a statue of the late director Yash Chopra in the town of Interlaken.



Trade with Japan

Exports to Japan: **7.75 billion Swiss francs**
Imports from Japan: **4.67 billion Swiss francs**

SOURCE: SWISS CUSTOMS ADMINISTRATION, 2018



BUSINESSES FROM ...

SWITZERLAND

A look at some companies from the region



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Weaving a brilliant tapestry

Andre Zimmermann

It was at a liquidation sale in Switzerland that Andre Zimmermann, representative director of Lindt & Sprüngli Japan, bought his first Persian rug. After bringing it over to Japan, he showed it to a dealer who told him that he'd bought a lemon. He had paid \$6,000 for a \$500 carpet.

Surmising that the last person to trust when buying a carpet is a carpet dealer, Zimmermann hit the books and read up extensively on the subject. He now has a collection of — authentic — Persian rugs to be proud of.

What is especially impressive to him is how mistakes made during the weaving process are simply accepted. It takes such a long time to create these carpets that, rather than discard the whole piece, accidental alterations in the colours or patterns are incorporated into the design.

"It's not about perfection," he says. "It's about how something evolves."

Zimmerman's first stay in Japan was a milestone in

his own personal evolution. It wasn't spent in a carpeted apartment, but mostly on a bare *dojo* floor. On finishing his military service, he travelled to Osaka to learn the martial art Shorinji Kempo, a combination of judo, karate and Shaolin Kung Fu.

He was excited to make a study of this discipline because, as a skinny kid, he had been beaten up and had, at times, to run away from bullies.

"I didn't like doing either of those things," Zimmermann states.

The training he underwent conferred more benefits than knowing how to kick effectively. He discovered that the mental preparation and meditation aspects helped him to increase his endurance, including an ability to tolerate physical fatigue — and the sticky heat of the small *dojo* at the height of summer.

"You start out thinking 'Oh, this is fun', but the important thing is the *zazen* meditation that goes with it," he explains. "It's about calming and preparing yourself. And you realise that mental strength is more important than physical strength."

After three years, Zimmermann earned his black belt and returned to Switzerland

Do you like natto?

Time spent working in Japan:
About 34 years, altogether.

Career regret:
None.

Favourite saying:
Sumeba miyako, a Japanese saying that means "Home is where the heart is".

Favourite book:
I was really touched by Eri Hotta's work, including *Pan-Asianism and Japan's War 1931-1945*. They are very important books to understand how Japan went down that infamous path in history.

Cannot live without:
My friends and family. They keep me going.

Lesson learned in Japan:
Listen, and don't judge too quickly.

Secret of success in business:
Reading people, not jumping to conclusions, and looking at it all as a bit of a game.

Favourite place to dine:
Gonpachi in Nishiiazabu. It's a very lively place.

Do you like natto?:
I love it! How can people say they like cheese but they don't like natto? Maybe it's a kind of cultural blockage, but I think it's great stuff.



where he worked as a car mechanic by day and studied computers at night. During the 1980s, computers were entering public consciousness, but what they were and how they worked was still alien to many people. He soon landed a job with a



“It’s not about perfection ... It’s about how something evolves”

Japanese securities company, thanks to his knowledge of both Japanese and computers.

“Well,” he says, “I knew how to format a floppy disk.”

Now that he was in the financial industry, he decided to return to night school for a finance degree. On completing this, he got a job managing the new Tokyo office of the world’s largest financial market data provider, which was Swiss-bank owned. It was his

responsibility to get real-time data from Japan during its prosperous decade.

Following two more job changes – one of which was jumpstarting the Swiss promotion and investment section in the Swiss Embassy – he was hired in 2009 by Lindt & Sprüngli to advise them on how to expand their business in Japan, and he offered them an out-of-the-box solution.

“I told them that they can’t go into the luxury chocolate segment because they’re not artisanal,” Zimmermann explains. “And, at the time, the supermarket segment was filled with cheaper or low-quality brands.”

Instead, he told them they should open their own retail locations. While initially hesitant, Lindt & Sprüngli eventually agreed. Perhaps predictably, Zimmermann completed an MBA to gain the skills to help him better initiate the launch. Today, the firm runs nearly 50 shops and cafés throughout Japan.

“You really have to keep being curious, learn, and always try to find something that excites you,” he says. “Your work life and intellectual life have to go together.”

Weaving together these strands of our interests and experiences creates the unique tapestry of our lives. Like making a fine Persian rug, the best results come when you don’t seek perfection but allow for some mistakes along the way. The important thing is to keep challenging yourself to improve. ●

Andre Zimmermann is representative director of Lindt & Sprüngli Japan and represents Switzerland on the EBC’s Board of Governors.

Cosmetics and Quasi-drugs

Smoothing out the wrinkles

Cosmetics and quasi-drugs can improve the way people look and feel. Few know that better than the Japanese, who comprise the world's second-largest market. European products here enjoy a reputation for high quality and efficacy. However, the EBC says restrictions and complex procedures continue to make life difficult for foreign producers.

By contrast, life is relatively easy for local parallel importers — companies that bring goods into the country without the permission of the brand owners. They handle around 15% of all cosmetics sales in Japan, with about half of their stock sold online.

Parallel importing raises a host of problems: the products have not been formulated for the Japanese market, some may have passed their expiration date, and others may have been improperly stored, making them unsafe for consumers.

Tackling the situation can be difficult, according to the EBC Cosmetics and Quasi-drugs Committee. Philippe Archambault of Nihon L'Oreal K.K. says action can be taken only if there's "concrete evidence" that laws

illegal parallel imports," he explains, adding that the government should hold seminars and other PR events to warn of the dangers of illegal imports of cosmetics.

Even when the parallel importing is legal, the sellers can effectively skirt the regulatory process required of the brand holders.

"Presently, the requirements for major companies are more demanding than for the minor companies who act as parallel importers," says Norbert Leuret of LVMH Cosmetics.

Another committee member, Antoine Bourgeois of Clarins, believes part of the regulatory problem is that inspection and licensing are often in the hands of numerous prefectural departments. Having a centralised office, he believes, would be a more effective way of reviewing, authorising and auditing importers.

"The ministry could also create a clear and detailed handbook of procedures and tools to help implement and enforce the same rules everywhere," he says.

have been broken, such as when legally required labels are missing from the products' packaging.

"Under Japanese laws and regulations, there are no legal actions we can take to prevent

according to the EBC. Importers are now required to submit a paper document showing product registration to clear customs.

"The paper procedure should be dropped by implementing an online registration system," Leuret says.

A further problem is a lack of connectedness among prefectural authorities, the Pharmaceutical and Medical Devices Agency (the central government's regulator) and Customs when it comes to approving imports of cosmetics and quasi-drugs. This means the companies need to submit separate paperwork.

In March, the MHLW started soliciting for opinions on upgrading the process for pharmaceuticals, quasi-drugs and cosmetics.

"Progress should be accelerated," Leuret says.

One long-standing advocacy issue for the committee is over efficacy claims. Japan maintains a list of what kind of specific claims are permissible for products, for example, the ability of a cream to improve the appearance of wrinkled skin. However, Japan's list is relatively short, the requirements are strict, and the claims are not in line with those of the EU.

"The current system doesn't allow us to mention efficacy even when we have a full set of clinical test results," Bourgeois says. "This means less clarity for consumers and lower quality of service. The authorities should at least open the door to claims that are backed by serious clinical testing."

Liberalising this process, says the committee, can better inform Japanese consumers, giving them better access to products that can improve their health and, ultimately, their quality of life. ●

Advocacy issues

➔ Parallel imports

All parties who conduct the sale of cosmetics and quasi-drugs should have to comply with the same legal requirements on safety and quality.

➔ Product approvals

An online notification and application system linked to the Customs clearance system should be established.

➔ Efficacy claims

Advertising claims related to health and prevention of illness should be liberalised.

One area that has seen limited improvement is in product approvals. Since 2016, the Ministry of Health, Labour and Welfare (MHLW) has not required importers to submit an import notification document.

"Thanks to this abolishment, we have gained one to two weeks," says Archambault, referring to time saved bringing products to the Japanese market.

But more bureaucratic streamlining needs to be done,



Bucking regressive trends

The 21st EU–Japan Business Round Table

The 21st annual meeting of the EU–Japan Business Round Table (BRT) took place on 15 May in Brussels, bringing together business leaders and politicians from Europe and Japan. This year was indeed different from past meetings, given the fact that it was held just three and a half months after the historic EU–Japan Economic Partnership Agreement came into force. It was, therefore, no surprise that four EU commissioners attended, including the Vice President of the European Commission Jyrki Katainen. The theme of this year's BRT was "The EU and Japan – Acting Together in a Global World".

This year, the meeting was co-chaired by Rolls Royce and Mitsubishi Electric Corporation. EU-side members included Volkswagen Group, Dassault Systèmes, Lego and Siemens. Also in attendance were representatives from BusinessEurope, which advocates for some 40 European business federations, and the EBC, representing European business interests in Japan. The BRT was organised by the EU–Japan Centre for Industrial Cooperation through both its Brussels and Tokyo offices.

The objective of the BRT is to come up with a set of joint recommendations from the point of view of EU and Japanese businesses, which are then delivered to leaders of the EU and Japan who have the authority to

"the EU and Japan are on the same side of the table"

implement them and improve the business environment. This year's recommendations were handed to Katainen on the EU side, and, this month, will be given to Prime Minister Shinzo Abe.

The focus of many recommendations was on the effective implementation of the EPA. There were also those on increasing the participation of SMEs, and "enforcing a strong regulatory cooperation between the EU and Japan both in terms of harmonisation and mutual recognition of existing standards, as well as the joint development of new standards," said Ben Story of Rolls Royce in his opening remarks.

Michael Mroczek, chairman of the EBC, gave recommendations on how to further boost trade and investment, including a call to ensure that the letter and the spirit of the EPA is honoured by both sides.

"The BRT recommends that the authorities jointly publish a handbook on Rules of Origin and pay extra attention to certifying issues, as this will ultimately decide whether a product can benefit from the lower or zero duties," he said.

Other topics discussed throughout the day included the digital economy and the protection of data flows; bilateral cooperation through investments in third countries; concerns about the Brexit

process and how it should not be allowed to undermine the economic environment; and the goal of further developing the circular economy and sustainable development in response to the challenges posed by global environmental threats.

On this last point, Mauro Petriccione, director general for climate action at the EU Commission, told the BRT that, "in spite of all the good cooperation foreseen, the gravity of climate change is the issue, since simply being compliant with current agreements will not make those changes disappear".



MICHAEL MROCZEK (RIGHT), CHAIRMAN OF THE EBC
© IMAGINYOU/E.CHARNEUX

The BRT took place on the heels of the G20 meeting of agricultural ministers in Niigata, Japan, which Phil Hogan, European commissioner for Agriculture and Rural Development, had just returned from.

"While some in the world still look reluctant," Hogan said, "the EU and Japan, with the EPA, have shown the world that they are open for business."

Katainen, in his address to the BRT, stated that "the EU and Japan are on the same side of the table when talking about the rule-based trade order, and they work together to defend it." ●



The face of joy

Martin Nydegger, CEO of Switzerland Tourism

“The success of Swiss tourism is based on the [nation’s] strong brand ... Practically everyone in this world knows about Switzerland,” said Martin Nydegger, CEO of Switzerland Tourism, at a luncheon held by the Swiss Chamber of Commerce and Industry in Japan.

like Basel ... We have 300 castles and forts that are open to the public.”

But it isn’t all smiles. Nydegger noted that there was a downturn in visitors from other European countries following the financial crisis of 2008, as the Euro fell in value relative to the Swiss franc. Switzerland has always been a more upscale location, but now it was even more pricey for neighbouring Europeans to visit.

“We have to get those Europeans back,” he stated.

A potential problem area for the entire industry, which Nydegger identified, is the risk of over-tourism — the phenomenon where being too popular can cause damage to the local environment, over-dependence on tourism in local economies, and problems for local residents.

It’s a well-known issue in Japan. Kyoto, for example, has experienced the downside of becoming an over-subscribed destination.

Nydegger was pleased to report, however, that his nation has so far successfully kept this from becoming an issue. The very thing that saw the number of European visitors drop has kept Switzerland’s countryside pristine and its towns uncrowded.

“If you’re not a cheap destination, you have a bit of a firewall and can manage your tourism smartly to avoid over-tourism,” he explained.

Being a premium destination doesn’t mean that everyone who visits needs to break the bank, though. According to Nydegger, one of the major attractions of Switzerland is the ability to travel across the country cheaply.

“If you travel by train, I recommend a travel pass you can get for three, four, eight or 15 days, which gives you free travel ... on public transport,” he notes. “It includes

access to museums, and even mountain railways give you a 50% discount.”

The Swiss are so keen to attract visitors that Switzerland Tourism has even created a “stopover programme”. Zurich’s airport is a popular hub for transfers and, under this programme, layovers for up to five days can be scheduled without paying any additional airfare, allowing you to leave the airport and experience the country — if only for a short time. This serves not only to give holidaymakers a bit of an extra treat, but also plants in their mind an idea for their next trip.

In the final video of Nydegger’s presentation, the narrator, speaking over a man weeping with joy, gives a tongue-in-cheek warning that



Nydegger’s talk, given on 20 May at the ANA InterContinental Hotel Tokyo, was titled “Challenges and Opportunities for Tourism in Switzerland”.

As the friendly face of the Swiss economy, Nydegger believes that his position is enviable. His job is to talk about all the good things Switzerland has to offer as a holiday destination, and also for business trips. With its stunning natural beauty, inspiring hikes, and picturesque towns, promoting his homeland is enjoyable and something to be proud of.

“We have 29 winter ski resorts that go above 2,800m altitude,” he said. “We have very beautiful boutique towns



PHOTO BY MARTIN FRITZ FOR THE SCCI

a visit to Switzerland “may trigger strong emotions”. Like this man, Nydegger’s passion for his homeland were evident at the luncheon. But to truly understand why he feels this way, you may have to visit Switzerland yourself. ●



The Agenda

JUNE
27IRELAND JAPAN CHAMBER OF
COMMERCE

Thursday Networking Event

TIME: 19:00
VENUE: AnSolas, Yoyogi
FEE: Free
CONTACT: secretariat@ijcc.jp

JULY
9GREEK, ITALIAN AND SPANISH
CHAMBERS OF COMMERCE

Mediterranean Night

TIME: 19:00 to 21:00
VENUE: Lubina Hibiya
FEE: ¥6,500 (for members), ¥8,500 (for
non-members)
CONTACT: info@spanishchamber.or.jp

JUNE
28ITALIAN CHAMBER OF COMMERCE
IN JAPAN

How to retain and motivate your Japanese sales team

TIME: 9:00 to 10:30
VENUE: ICCJ
FEE: ¥1,000 + 8% VAT (for members),
¥3,000 + 8% VAT (for non-members)
CONTACT: projects@iccj.or.jp

JULY
16THE BELGIAN-LUXEMBOURG CHAMBER
OF COMMERCE IN JAPAN

Monthly beer gathering

TIME: 19:00 to 22:00
VENUE: Belgian beer café in Tokyo
FEE: Pay as you go
CONTACT: info@blccj.or.jp

JULY
2, 3GERMAN CHAMBER OF COMMERCE
AND INDUSTRY IN JAPAN

Additive Manufacturing Forum

TIME: 13:00 to 19:30 on July 2;
9:30 to 17:30 on July 3
VENUE: Belle Salle Kanda 2F
FEE: Free of charge
CONTACT: de-events@dihkj.or.jp

JULY
19SWISS CHAMBER OF COMMERCE AND
INDUSTRY IN JAPAN

Japan's threatened technology and innovation leadership

TIME: 12:00 to 14:00
VENUE: Shangri-La Tokyo,
The Pavilion, 27F
FEE: One SCCIJ voucher,
or ¥6,500 (for members),
¥8,000 (for non-members)
CONTACT: info@sccij.jp

JULY
5SWISS CHAMBER OF COMMERCE
AND INDUSTRY IN JAPAN

Swiss Young Professionals' Gathering, Kansai

TIME: 18:30 to 21:00
VENUE: Nescafé Sannomiya, Kobe
FEE: Free of charge (registration
required); cash bar
CONTACT: info@sccij.jp

JULY
6, 7ITALIAN CHAMBER OF COMMERCE
JAPAN

Italia, amore mio!

TIME: 10:00 to 20:00
VENUE: Akasaka SACAS
FEE: Free of charge
CONTACT: italiamoremio@iccj.or.jp

JULY
24BRITISH CHAMBER OF COMMERCE
IN JAPAN

Great British Summer Bash

TIME: 18:30 to 20:30
VENUE: Lumiveil Tokyo (Shiodome City
Center)
FEE: ¥6,000 (for members), ¥8,000 (for
non-members)
CONTACT: info@bccjapan.com



ARE YOU LOOKING TO INVEST IN THE NEXT DISRUPTIVE PRODUCT?

Euro-Far East Co., Ltd. (EFE) — based in Yokohama — supports Japanese companies interested in investing in start-ups. EFE specialises in the AI, robotics and industrial fields with a focus on small and medium-sized Switzerland-based enterprises and startups.

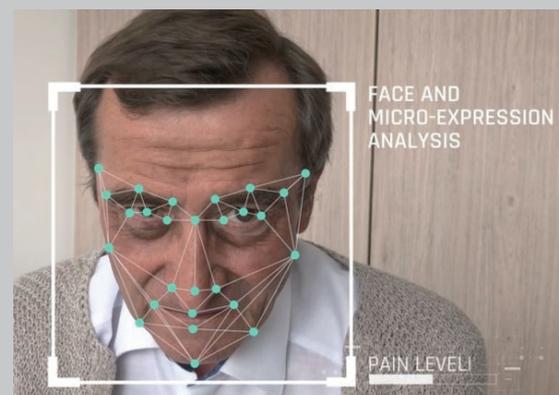
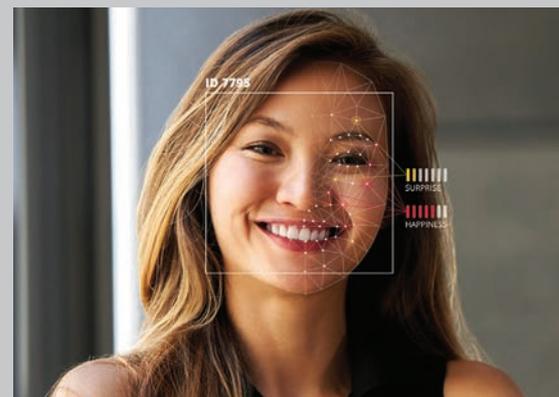
Switzerland is known as one of the most innovative countries in the world and abounds with creative startups. Switzerland's success and reputation are founded on startups and innovations coming from the Swiss educational system (including EPFL, ETHZ and other

Applied Science universities). Furthermore, since Switzerland itself is a relatively small market, these Swiss startups are born global, with a built-in vision of internationalisation. Thus, a major focus at EFE for the past three years has been the promotion of Swiss startups in Japan.

As an example, EFE has been helping NVISO, a spinout company of the Swiss Federal Institute of Technology in Lausanne, to introduce its unique software components for human-machine interfaces to the Japanese market. NVISO employs leading experts in artificial intelligence and deep learning who have developed products to accurately detect and predict human behaviors using Visual Intelligence.

Globally, NVISO is engaged in a number of industries, such as fintech and medical, with its primary focus in the Japan market being the

automotive and robotics sectors. As it continues to grow, NVISO is seeking additional investment, and EFE is well positioned to partner with interested Japanese investors who would like to participate in this thriving business.





Consequences for all

A look at China's looming current account deficit



China is changing. Its current account is about to turn negative, meaning its economy will be increasingly dependent on foreign capital to continue growing. This has potentially far-reaching implications, not just for China but for the US, Japan and the rest of the world.

There will be further downward pressure on the renminbi and continued effort by Beijing to open China's capital markets to foreign investors – irrespective of the outcome of the US–China trade talks. China will need to attract more foreign direct investment (FDI), and make the investment environment more foreigner friendly.

Meanwhile, a global glut of savings that has helped keep global borrowing rates low may turn into a shortage, putting upward pressure on borrowing costs for everyone.

China's current account – which combines the trade and services account with investment income flows – began running strong surpluses after the country joined the WTO in December 2001. The surplus stood at 10% of GDP in 2007, enabling China to become a significant exporter of household savings and corporate and official investment.

Recycling the trade surplus has led to China currently owning \$1.13 trillion of the \$22 trillion US Treasury market (compared with Japan, which holds \$1.07 trillion). By being a willing buyer of treasuries, it has helped keep their prices higher, and the yields lower, than they would otherwise have been.

If this changes in any way – for example, if China becomes a seller of treasuries as it repatriates capital – it could upset prices of financial assets everywhere, since yields on the US Treasury market provide

an important reference point for global interest rates. Other asset classes, notably property in chic cities around the world, have been similarly affected by Chinese purchases.

But the days of China as an exporter of capital appear to be numbered. The consensus forecast is for a Chinese current account surplus of just 0.2% of GDP this year, with deficits expected to begin next year – making China reliant on foreign capital to drive its growth.

The two main drivers of this change both reflect the fact that China has become wealthier, and that a growing middle class has cash to spend. First, the growth in the export of goods has not kept pace with the growth of consumer imports. China's deficit in traded goods with Japan and South Korea has grown. Second, a huge increase in Chinese tourism abroad over the past decade has raised the persistent deficit in services. In 2018, Chinese spent \$240 billion more abroad than foreign visitors spent in China. Tourists from China made up 27% of the 31 million tourists who visited Japan last year, more than those from any other country.

Domestically, the Chinese authorities have responded to the change in the current account by opening China's capital markets to foreign

investors, to help boost inflows of foreign capital.

Meanwhile, the Bloomberg Barclays bond index began admitting Chinese bonds in April, and the MSCI is soon to quadruple the weighting of mainland Chinese stocks, to 3.3%, in its key Emerging Markets stock market index.

Earlier this year, new laws were passed making it easier for foreign companies to own majority stakes in Chinese subsidiaries and to protect their intellectual property. This should encourage more FDI – if the new laws are seen to be enforced.

The renminbi-dollar exchange rate is slowly adjusting, as classical economics says it should, with a weaker currency making imports more expensive and exports more competitive.

Analysts who have accused Beijing of devaluing the renminbi in recent weeks as part of the trade war with the US appear to be oblivious to the shift in the current account. Indeed, it is the deficit – as much as any pressure from Washington – that will prise open a reluctant China to foreign investment and competition. ●

Tom Elliott is an international investment strategist with the deVere Group in London





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Our consumer goods business unit draws on the long-lasting experience and operations in Asia to provide high-quality services for outstanding global brands. We have steadily built businesses' brand profiles and increased their market share. In Japan, we represent prominent Swiss watch brands, such as Maurice Lacroix and Bovet, and stationery, for example, by Faber-Castell and Lamy from Germany. Most recently, we partnered with Bellroy, a well-known Australian lifestyle brand.



Maurice Lacroix "Aikon Automatic"



Bovet "Récital 22 Grand Récital"

Ingredients and specialty chemicals that meet the needs of our business partners

Our performance materials business unit sources, develops, markets and distributes a wide range of ingredients, such as frozen fruit, and specialty chemicals, including active pharmaceutical ingredients (APIs), cosmetics ingredients and polymers. Recently, we increased sales for Beneo — a leading Belgium-based manufacturer of functional ingredients — by introducing their product Orafit® (inulin delivered from chicory root fiber) for use in yoghurt and other products, which is now distributed in many supermarkets in Japan. We were also the first company in Japan to sell premium chocolate raw materials, working in partnership with high-quality Swiss couverture chocolate manufacturer, Felchlin, since the early 1970s.



Inulin delivered from chicory root fiber

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Our technology business unit offers customers a wide range of integrated solutions from leading brands in Europe, Asia and the US. Our expertise lies in advanced precision machinery, high-tech instruments, consumables and specialised metal. We received the "Distributor of the year — Asia Pacific 2018" award from a key client, Setaram Instrumentation, a France-based company, for our continued efforts to successfully increase sales in the Japanese market.



"Distributor of the year 2018" award from Setaram Instrumentation

In the 1950s, what percentage of imported watches in Japan were the Omegas we sold?

We started importing timepieces to Japan in 1890, far earlier than any other trading company. By the mid-1950s, Omega — with which SiberHegner had a long-standing partnership agreement — was by far the best-selling Swiss watch brand ever, and almost 30% of watches imported into Japan were Omegas. We represented the firm for almost 100 years, until it was sold to Swatch Group.

For more information, visit our website at: www.dksh.jp/en or contact us at: info.jp@dksh.com

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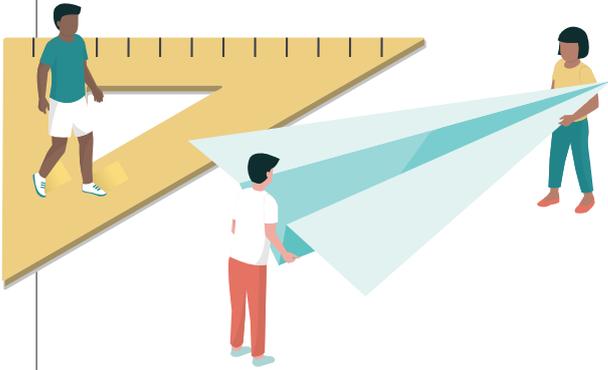
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A very special environment

Japan's first primary boarding school opens next year



When you think of a boarding school, what comes to mind might be ancient dining halls, subdued uniforms and old-fashioned educational methods. But these are just the Hogwarts-influenced stereotypes. A boarding school and its staff provide the structure and fulltime support that can be the making of a profoundly successful child.

Although some schools in Japan have dormitories, educators Rob Gray and John Baugh believe that there is a significant difference between the existing system here and a transformative boarding school experience. As advisors to Next Educational Environment Development Japan (NEED Japan), they are currently preparing to open the Jinseki International School (JINIS), Japan's first boarding school for primary students.

"Boarding schools have a very special sort of environment," Gray says. "You get a wonderful education. The classes are small and the teachers are committed. It's also a 24/7 environment: it's not as though

you go to school and then go somewhere else — the education continues."

Baugh adds: "The children and teachers live together in a close-knit, supportive society."

It is this ethos of exceptional education combined with individual care that Baugh and Gray are seeking to establish with JINIS, located in the picturesque Jinsekikogen, Hiroshima Prefecture.



ROB GRAY

Gray, who is the headmaster of Institut Le Rosey, Switzerland, and Baugh, the executive director of St. Andrew's in Turi, Kenya, have more than 70

"The teachers there don't count the hours"



“JINIS wants to be Japanese, but a Japanese school looking to the outside world”



JOHN BAUGH



they were considering opening a school. Instantly, he saw that it would be an ideal location.

“Apparently, Jinsekikogen was a holy place in ancient times,” he says. “We could see a school taking shape there — and it’s also a very good place for a summer camp.”

The JINIS boarding school is still under construction and is scheduled to open next April. However, since 2017, children and parents have been able to get a preview of the school, its grounds, and what it will offer through the JINIS Summer School. Held over a period of two weeks, children spend time learning and working together under the supervision of expert educators, including many brought in from overseas.

At the summer school, the children also engage in activities that take advantage of the area’s natural beauty, including hiking and stargazing. Each year, the programme has attracted more than a dozen boys and girls, looked after by teachers around the clock.

This year, NEED Japan has enlisted the United Sports Foundation to teach the children as part of its summer school. Under the slogan ‘One World. One Team.’, the organisation promotes unity, enjoyment and the challenge of sports through the guidance of a top athlete.

The experiences gained through the JINIS Summer School have boosted Gray and Baugh’s confidence in the success of their fulltime boarding school.

“I suppose it was testing the water,” says Gray. “A summer camp is a bit like a boarding school in miniature; kids come and live with other kids, monitors and teachers. They both have the same atmosphere.”

The summer school has grown in its scope and in the number of children taking part each year, and the two educators plan to see JINIS itself expanding in a similarly consistent way.

Last month, the school held an on-site briefing, which allowed parents who are con-

sidering enrolling their children at JINIS to get a feel for the location and surrounding environment. They were also given a detailed explanation of the school’s philosophy as a truly Japanese boarding school with European characteristics.

“JINIS doesn’t want to be a UK or a US boarding school in Japan,” Baugh says. “JINIS wants to be Japanese, but a Japanese school looking to the outside world.”

While acknowledging that it can be difficult for a parent to decide to be separated for a period of months at a time from their child, Gray explains that the experience can help the child mature and come into their own. He believes that the relationship children have with their parents can also change for the better.

“The children appreciate the love and care that their parents give them even more, and parents learn to appreciate children as young people,” he says. “When you’re a parent, you often see your child as they were two or three years ago, and you don’t see that they’ve moved on. In a way, the time apart makes the relationship more natural.”

The boarding school experience may be new in Japan, but Gray and Baugh, together with NEED Japan, are certain that JINIS’s pupils will work hard, thrive in this new environment, and reach great levels of success. ●



years of experience educating children between them. They believe deeply in the ability of boarding schools to bring out a child’s true potential.

“I boarded from the age of seven,” Baugh says. “First in Uganda and then in the UK. And I am currently Director of Kenya’s largest international boarding school. I guess boarding is in my blood.”

Gray, though not educated at a boarding school, is convinced of the system’s efficacy.

“When I went to Cambridge, I had friends who had been to Eton,” he says. “I had the chance to visit with them, and it struck me that a boarding school would be a great place to work. The teachers there don’t count the hours.”

Gray was persuaded by Minako Suematsu, the managing director of NEED Japan, to take a look at the area where



Tackling human trafficking in Japan

Lighthouse is rescuing children and teens from commercial sexual exploitation

Did you know that people are being trafficked in Japan today?

In 2004, the US Department of State gave Japan the rank of Tier 2 Watchlist, the second-lowest ranking on its Trafficking in Persons Report, noting that the nation “does not fully meet the minimum standards for the elimination of trafficking”. It was the same year Lighthouse: Center for Human Trafficking Victims opened in Tokyo.

Lighthouse started Japan’s first hotline for victims of human trafficking and began rescuing children and young people forced into prostitution. Our initial aim was to help young foreign women, but we soon discovered that many of the calls we received on our hotline were from Japanese children and teenagers, so the focus of our work shifted accordingly.

The Global Slavery Index 2018 estimates that in 2016 some 37,000 people in Japan were trafficked for sex work or forced labour.

Over the past 15 years, politicians have gradually moved from indifference to action. They have now recognised the issue and launched the Action Plan to Combat Trafficking in Persons. In 2017, the government took steps to begin tackling a newer form of trafficking, namely, human rights abuses in the pornography industry.

Many victims find Lighthouse through online searches, but we also conduct street outreach every week in Tokyo. In 2018, we provided emergency rescue to 103 victims of human trafficking and took them to shelters. We also accompanied them to law enforcement and social services, and ensured they have access to long-term mental health

support. Of those 103 people, 40 had been trafficked in pornography in Japan, 14 in prostitution and 10 were minors forced into pornography and prostitution.

We recently assisted a 13-year-old girl who ran away from home because her parents were physically abusive, financially unsupportive and generally neglectful. Since there is no public support network

— governmental or otherwise — that exists in Japan to take her in, she became a target for prostitution. To feed and clothe herself, she sold herself over a period of a few months. Lighthouse also helped a 14-year-old girl who had been bullied into selling herself on a dating site. At the time she found us, she had been sexually exploited by more than 60 men.

In another case, we found support for an 18-year-old girl who had been held against her will and forced to appear in an adult video. Her captors told her she was being taken to a photo shoot; when she found out what they were planning, she was unable to escape. Lighthouse is the only source of support for people like these who cannot ask for help from their friends or family, or

because unsympathetic public service providers have not given them the assistance they needed.

In addition to confidential consultation and rescue services, we educate law enforcement on how to recognise victims of human trafficking, lobby the government to introduce a comprehensive anti-trafficking law, and organise awareness campaigns and seminars.

In 2015, we published a manga, called *Blue Heart*, which depicts the experiences of some of the survivors Lighthouse has assisted. It has become an important awareness tool — used by parents, teachers, social workers and government officials — and has been translated into English and Chinese.

Last year, the US Department of State upgraded Japan to Tier 1 status, meaning Japan is now sufficiently equipped to tackle the problem of trafficking. But our work is, of course, still far from over.

In 2018, we provided emergency rescue to 103 victims of human trafficking

Lighthouse was recently awarded funds from the Tokyo Metropolitan Government to assist young people, but this only covers one quarter of our budget. Our funding primarily comes from individual donations and private foundations.

We are committed to eliminating human trafficking in Japan. Visit our website (lh.jp/english) to learn how you can support us. ●

Shihoko Fujiwara founded Lighthouse: Center for Human Trafficking Victims in 2004.





The indoor alternative

Simulators provide the most comfortable round of golf

When it's too hot, too cold or too rainy, trekking out to the countryside for a game of golf is not a popular option. But for days like those, there's always an indoor alternative.

Golf simulators have been around for decades, but if your idea of one includes fuzzy images and primitive graphics projected onto an imprecise plastic screen, you're in for a shock. The new wave of golf simulators are super-high-tech. Today, you can play a round of golf on one of their many courses, practice your game in various modes and have your swing analysed.

"The best thing about the simulators is that they can be used 24/7, 365 days a year and they are time efficient," says Tom Fielding, resident golf pro at the Tokyo American Club, which has two HD Golf simulators. "For golf improvement, the 'block' method needs a constant environment — no wind, no sand, no mosquitoes buzzing around you — as well as mirrors and cameras to help you acquire skills. The application of these skills requires a random method where you never hit the same ball to the same target twice in a row and, for this method, you can use the inbuilt courses."

One country where golf simulators have had the biggest impact is South Korea, partly because golf is expensive there and partly because the weather can be brutal. Winters are long and very cold while the summers are hot and sometimes wet. As a result, "screen golf" boasts more rounds than outdoor golf in South Korea and there are even professional tournaments.

"It's a bit like golf karaoke"

At the forefront of South Korea's indoor revolution is GOLFZON. The simulator manufacturer boasts nearly 6,000 outlets, which is five times more than Starbucks has. It was voted Best Golf Simulator by Golf Digest in April. The company recently opened a showcase facility in Higashi-shinjuku boasting nine screens and the latest GOLFZON technology.

And that technology is stunning. There are a number of courses you can choose to play, including Scotland's St. Andrews, California's Pebble

Beach and Shizuoka's Fuji Course at the Kawana Hotel. Of course, you play off a mat, but if you go in the

rough you play off a small area of synthetic rough and there is even an imitation sand bunker mat. If you land on a slope, the ground will move accordingly, and you can even change the course conditions, such as direction and speed of the wind and green speed.

Each shot can be tracked on the screen, you can view the position of your body and video

of your swing, and the unit analyses data such as clubhead speed, ball speed, club face angle, swing angle, ball spin and shot elevation. Download the app and you can keep a record of all your rounds and individual shots, and also bring up video of how you played a shot.

Some public venues install simulators in party rooms so customers can drink and entertain themselves while waiting for their turn.

"It's a bit like golf karaoke," says GOLFZON Japan CEO Akihiro Konno.

GOLFZON is expanding rapidly in Japan. Its simulators can be found in Rizap golf schools, and it is selling to individuals, companies and even golf courses.

Simulators now are coming closer and closer to the real thing; you play real golf shots on (simulated) real-world courses. Your slice is still a genuine slice and your hooked drive is still a disaster. But if you get a hole-in-one, is it real? ●





Winning the war against oxygen

A brief history of wine preservation

While the delicate nuances of wine have long been celebrated, this fermented drink is also very fragile. A bottle can be ruined by the very air we breathe. Oxygen is an essential element in winemaking, but a detriment to the finished product.

Oxygen plays a key role in enabling yeasts to begin fermenting sugars into alcohol. It also allows for maturation to take place in the barrel, softening tannins and reducing acidity. But once a wine is bottled, it's a tightrope walk. Too little oxygen entering a bottle results in low acidity and a flabby texture. Too much oxygen creates a loss in both colour and flavour, and ultimately turns wine into vinegar.

The ancients battled with how to best preserve wine using rudimentary techniques. Before glass bottles and corks became prevalent in the 17th century, wine was stored and transported in large earthenware containers. The *kvevri*, used by the Ancient Georgians as far back as 6,000 BCE, is the oldest wine storage vessel found to date. These large earthenware pots were



once a wine is bottled, it's a tightrope walk

often lined with beeswax and were used in every stage of a wine's life, from production to transportation to storage.

During Roman times, the *amphora* — a more slender form of the *kvevri* with handles, a long neck and a tapered bottom — was widely used. These were often lined with pine resin and beeswax to help prevent oxidation. Resin

was also used to prevent oxygen from entering through the cap, a marked advancement from sealing a *kvevri* with a stone. The wooden barrel

was popularised when Roman and Gaul cultures mixed.

Wine preservation today is approaching a science. The most common way for someone to lengthen a bottle's lifespan is with a simple wine pump, which allows oxygen to be pumped out of a wine bottle. But there are also more sophisticated technologies available to the masses.

The Coravin is perhaps the most popular of these modern instruments. It allows the wine enthusiast to insert a needle into the cork, without removing it from the bottle, and then extract wine using argon gas. This way oxygen cannot get in, and Coravin claims you can enjoy the same bottle of wine for weeks, months, or even a year. It's becoming increasingly popular for the wine connoisseur who wants to enjoy a single glass of Domaine de la Romanée-Conti at a time, and for restaurants wishing to pour such expensive wines by the glass for their customers. It's pricey, though — the introductory package costs \$200 and the most elite package is around \$1,000.

For those who aren't interested in holding onto a bottle for months, the EuroCave Wine Art is another solution. This system acts like a wine fridge and oxygen remover in one. It's a petite wine storage cooler that keeps two bottles of wine, held in separate cooling sections, at proper cellar temperatures. It also acts as an oxygen extractor and can preserve an opened bottle of wine for up to 10 days. This countertop friendly solution starts at \$500.

Today's wine-preserving devices may not come cheap, but in combatting the notorious influence of oxygen, they might be worth it. ●





Emmanuel Petitjean

Company: Amundi

Title: COO

Originally from: Abbeville, France

Time in Japan: 17 years, and still enjoying it

Hungry? Where do you like to go for a bite?

Any good ramen shop.

What do you do to stay in shape?

A bit of running, a bit of cycling and regular dog walking.

Name a favourite movie: It's

either Clint Eastwood's *The Bridges of Madison County* or *The Dinner Game* by Francis Veber.

Favourite musician: Keith Jarrett.

Favourite album: *The Köln Concert* by Keith Jarrett.

Favourite TV show: *Zettai ni*

Waratte wa Ikenai, the programme shown every New Year's Eve where comedians are put in funny situations but punished for laughing.

Favourite book: *Chance and Necessity* by Jacques Monod.

What's something a lot of people don't know about you?

I think it's important to know some things that others don't.

Cats or dogs?

Labradors!



Summer or winter?

If we're talking about Japan, then winter, of course.

What's your ideal weekend?

To stay at a *ryokan* with an *onsen* and go for a walk in the forest or the mountains.

Where do you go for a drink after a busy week?

A bar named Vapeur in Shimbashi. I love standing on the crowded terrace with a glass of good French wine.

"I think it's important to know some things that others don't."



Nikolaus Boltze

Company: thyssenkrupp Japan K.K.

Title: CEO and Country Representative

Originally from: Hamburg, Germany

Time in Japan: I stopped counting after 20 years

Hungry? Where do you like to go for a bite?

Since I come from a harbour city, I like Bond Street in Tennozu Isle. There are several great places to eat on the waterfront.

What do you do to stay in shape?

I ride my bicycle to the office.

Name a favourite movie: *Lost in Translation* by Sofia Coppola.

Favourite musician/band: The Beach Boys.

Favourite album: My favourites these days are the playlists on my iPhone.

Favourite TV show: *The Office*.

Favourite book: *Cometh the Hour* by Jeffrey Archer.

What's something a lot of people don't know about you?

I am a member of the only bilingual Rotary Club in Japan (RC Tokyo-Hiroo). I enjoy our lunch meetings every Thursday.

Cats or dogs?

Dogs.

Summer or winter?

Summer in Europe, winter in Japan.

What's your ideal weekend?

To explore the countryside in Japan since Tokyo is not representative of Japan — and to prepare a meal with friends.

Where do you go for a drink after a busy week?

In the summer, Canal Cafe is a great place that's not too far from my office.



"Since I come from a harbour city, I like Bond Street in Tennozu Isle."



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