

Foreign Chambers Business Confidence Survey Fall 2011

The Foreign Chambers in Japan (FCIJ) has been conducting Business Confidence surveys online twice a year since 2002 among foreign-affiliated companies in Japan. This, the twentieth, survey was conducted between October 11 and 22, and received 302 valid responses from members of 17 foreign chambers of commerce.

This survey shows clearly that the problems and uncertainties caused by the 3/11 disaster are now to a large extent behind. All indicators, from views on the Japanese economy to the performance of the companies as well as their strategies for the future are more or less back to normal.

The Japanese economy for the next 6 months is expected to rebound from the disaster, the index (on a scale from +2 to -2) was now +0.31 (compared to -0.93 in spring 2011), and looking 12 months ahead, the companies see an even stronger turn for the better and the index was now +0.55, a significant improvement from the +0.08 in the previous survey.

The reported sales performance in the past six months was inevitably, because of the disaster, lower than in the previous, but not as much as expected, now +0.44 compared to +0.61 the spring survey. The strategies of the foreign-affiliated companies in Japan continue to be rather bullish. 68% are looking for further growth and 29% expecting to sustain their current level. 2% are planning to downsize, but only 1% (four companies out of the surveyed 302) are considering withdrawing from the market.

This time the survey included two alternating questions: one about the effects of the strong yen, the other on current influence of the 3/11 disaster, were 54% reported that business was back to normal, 24% still saw some difficulties while 13% reported that the disaster actually had improved their business from the level prior to 3/11.

The next survey will be conducted in April 2012.

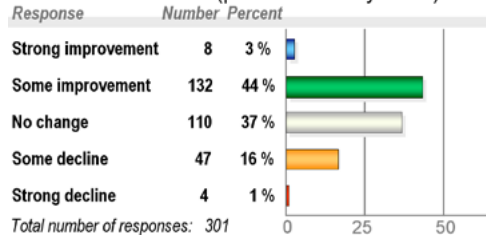
For the full report, go to:

<http://www.fcc.or.jp/fcij/bcs.html>



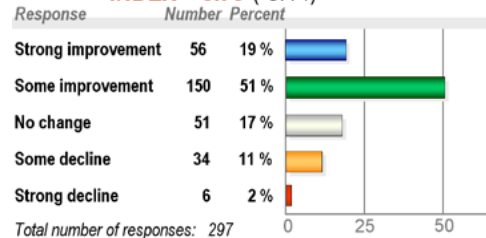
Economy next 6 months

INDEX +0.31 (previous survey -0.93)

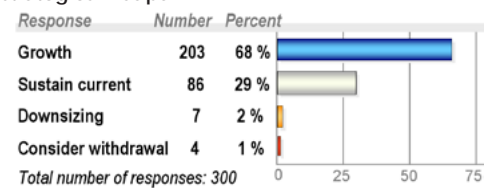


Sales next 6 months

INDEX +0.73 (-0.14)



Strategies in Japan



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<http://www.fcc.or.jp/fcij/bcs.html>

North America takes Mercedes Benz Japan Cup!

The North-American Team won the 9th North America - Europe Golf Challenge in Japan, the Mercedes-Benz Japan Cup, played on Friday, 30 September at the Atsugi Kokusai Country Club in Kanagawa prefecture. The average net score for team North-America was 75.60, team Europe's net score was 75.91, the margin between the two was only 0.31 strokes. Team averages are based on the net scores for the top 80% of golfer's in each respective team.

D'UnYX' Jb' UbY' UbX' j Yfm k Ufa ' k YUH.YF' H.Y' Yj Ybfg' attracted 135 participants, 73 representing the North American Team, 62 the European. FCCJ had 13 participants, the largest group in the European team together with the German Chamber.

For more about the event, go to:
www.dccgolf-japan.com



NA Co-Team Captains Jeff Bernier (Delta) and James Mueller (United) receive the trophy from Kintaro Ueno (Mercedes-Benz Japan).



www.dccgolf-japan.com

from the boardroom

Russian Window, Japanese-Finnish Bridge



The columnist, FCCJ Board Member Pekka Laitinen at the Golden Horn with Anna Nikina of the Finnish Russian Chamber of Commerce and two Japanese participants.

"Seeing" should be "believing", but most of us participating in the recent Vladivostok Study Tour early October are still wondering, what to believe - such a massive scale is the ongoing restructuring project in the (unofficial) capital of the Russian Far East. The project budget amounts to USD 23 billion. It was originally inspired by the decision to let Vladivostok host one of the most important annual regional events, APEC (Asia-Pacific Economic Cooperation) Summit in November 2012. The project eventually spans now at least until 2020 and aims to put Vladivostok visibly into the map of Asia as one of the regional cooperation centers.



FCCJ's Timo Varhama at Vladivostok port with FESCO's (Far East Shipping Company) port manager.

Touring the construction sites for bridges (one of the "big three" will be a cable-stayed bridge with the longest span in the world), expressways and industries, brings into mind the story of the birth of the city of St. Petersburg. Peter the Great, for few to believe and against all the odds, ordered a new metropolis to be built on uninhabited marshlands in the northwestern corner of his empire. The chosen spot just happened to be

the closest he could get to the global economic powerhouse of that time, Europe. The city became Russia's "Window to the West".

Vladivostok is exactly on the other end of the empire, but similarly next to the *current epicenter* of the global economy: China is 60 km west of the city as well as the Korean Peninsula, even Tokyo is only 1,000 km away. Whether the opening of the "Window to the East" will be as successful as the previous case, remains to be seen, but at least it won't be stopped by a lack of funding.

Bridge building remains as a strong image in mind after coming back. Our trip was also symbolically "bridge building" as our group of 30 members attended the local program arranged by the Finnish-Russian Chamber of Commerce and included representatives also from Keizai Doyukai's Russian Working Group and ROTOBO, Japanese Trade Association for Russia and CIS. Finnish companies could easily find a good position to "bridge" Russian and Japanese companies as we have extensive Russian management know-how and well-tested product solutions for the Russian markets.

There are already good business prospects in the logistics in Vladivostok, where the Finnish company "Itella" manages the only A-class logistics centre in the region. With the considerable port investments and upgrade of the Vladivostok Airport into a transcontinental hub, there is definitely much more to do.

After the APEC Summit, the development plan focuses on industrial projects, e.g. a oil refinery and related chemical industries to be built up. A Russian car manufacturer "Sollers" will start assembling Toyota Prada (and likely other Japanese brands) soon, and there is a need to build up component manufacturing. Wood processing and mineral extraction are to follow as well.

Japanese-Russian-Finnish cooperation should not be limited to the Far East, but would work also in the areas close to Finland - or for that matter anywhere between Vyborg and Vladivostok. As the representative of ROTOBO said in his speech to the Russian audience during our trip (citing an old Japanese proverb): "one arrow is easily broken, but three arrows together cannot be broken". That is a good platform to build on.

Pekka Laitinen

FCCJ Board Member

Representative Partner, Japan, Septem Partners

event reports

Wednesday, 24 August - Special Event Finnair AY4159 - Finn Tour FT4120 Yakatabune Cruise



The Chamber started off the Autumn season in style and with some great fun with the Finnair AY4159 - Finn Tour FT4120 Code Share Yakatabune Cruise on Wednesday, 24 August.

We had chartered our own Yakatabune boat which departed from at Asakusa touring down Sumida River to Odaiba and back in 2.5 hours. During the cruise we enjoyed great Japanese tempura-sashimi dinner and drinks in the "all-you-can-eat & drink".

The event attracted 57 participants and was made affordable by the support of our sponsors, Finnair and Finn Tour.



FCCJ President Marko Saarelainen



Finnair's Sakari Romu



Finn Tour's Hiroaki Sugawara

Wednesday 28 September - Joint Chamber Event European Chambers Cocktail Party



About 200 members and guest from 12 European Chambers enjoyed a delightful evening at the ANA Intercontinental on Wednesday, 28 September.

The event gave the participants an opportunity to meet new contacts, develop business leads and catch up with friends and business partners. The evening featured drinks, a delicious buffet and networking to celebrate the rentrée.

The event was organized by CCIFJ (French Chamber), in cooperation with BCCJ (British), BLCCJ (Belgian-Luxembourg), DCCJ (Danish), FCCJ (Finnish), ICCJ (Italian), NCCJ (Dutch), NeCCJ (Norwegian), SCCIJ (Swiss) and SCCJ (Swedish). The European Business Council in Japan also supported the event.

13 members from the FCCJ participated



FCCJ President Marko Saarelainen being interviewed.

JMEC (Japan Market Expansion Competition)

NEED A BUSINESS PLAN FOR YOUR JAPAN ACTIVITIES?

The Japan Market Expansion Competition (JMEC) is a business training program in Japan, which is centered on a business plan competition. The dual objectives of the program are to strengthen the skills of up-and-coming executives, while paving the way for foreign companies doing business in Japan.

JMEC 18, the next program year, is scheduled to begin in November of 2011, with participant applications due on October 31. (Project Client applications are due on November 18.)

JMEC was initiated by the Australian & New Zealand Chamber of Commerce in Japan in 1993 and is based on the New South Wales Enterprise Workshop. Currently, the program is supported by sixteen foreign chambers of commerce in Japan, representing the countries of America, Australia & New Zealand, Austria, Belgium & Luxembourg, Britain, Canada, Denmark, Finland, France, Germany, Ireland (represented by Enterprise Ireland), Italy, the Netherlands, Norway, Sweden and Switzerland. The program also receives corporate sponsorship from members of the business community in Japan.

PROJECT CLIENTS are those companies or organizations requiring a business plan for some aspect of their business in the Japanese market. Project clients get a high-quality, professional business plan at a fraction of the cost of hiring professional consultants, while participants get invaluable hands-on experience.

JMEC is also a practical business training program for English speaking young professionals living and working in Japan. It is centered on a competition to write the best business plan for project client companies. The purpose of the program is to strengthen the skills of young business executives while fostering the development of foreign businesses in Japan.

PARTICIPANTS

JMEC accepts English-speaking Japanese and Non-Japanese individuals living and working in Japan. They must hold, at minimum, a primary degree from a recognized university and have a genuine interest in improving their business skills and in broadening their business network.

For more about JMEC go to their web site at: www.jmec.gr.jp



First Place Team in JMEC 18: Sumitomo 3M Ltd.
L to R: Marc Nyhan, Asami Okusawa, Mary Fidler, Kyoko Mikami, Soichi Koshikawa



Third Place Team in JMEC 18: Honka Japan Inc.
Back L to R: Nic Swindler, Kevin Meek, Kentaro Blumenstengel, front L to R: Mieko Miura, Kyoko El Mahgiu

FCCJ President **Marko Saarelainen**, Project Client for third placed team Honka Japan Inc.:

"A good and educating experience which made you see your own company from a bit different perspective. The Business Plan the team prepared was useful a) because of the strategic recommendations, b) for the background data and c.) from feedback from the interviews with our dealers. The cost was really a bargain, especially if you consider it in comparison to a consultant, The more you give of your time and background information to the team members, the more you get from them, a real win-win situation. Generally, everything worked smoothly because of the clear guidelines. The participation of the mentor and team consultant is a great thing because that guarantees that the project does not get out of hand and stays on the right track.

In conclusion i would recommend the JMEC program to companies of all sizes, who have some business area that they would like to focus on and get external views and alternatives for problem solving."

member news

Finpro

FCCJ Board Member Kaj Forsell, Head of the Trade Center in Tokyo from 2007 until this summer, has been appointed Head of Finpro Taiwan in Taipei.

A successor to Forsell as Head of the Trade Center in Tokyo is under recruitment. We will inform as soon as we have the information.



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The Finnish Institute in Japan

Dr. **Kauko Laitinen** has been appointed new Director for The Finnish Institute in Japan. He will take up his new position on 1 November.

Currently Laitinen is the Director of the Konfutse Institute. He is also docent for East-Asia Culture Studies at the University of Helsinki.

Laitinen served as Counsellor for Press & Culture at the Embassy of Finland in Tokyo from 1996 to 2000.

Kauko Laitinen succeeds Dr. Heikki Mäkipää, who has served the Institute for 7 years since 2004. Mäkipää will return to Finland at the end of November.



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Konfutse Institute

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Tumlare Corporation

Tumlare has moved, new contact information:
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3-8-10, Shibaura, Minato-ku, TOKYO 108-0023
Phone: 03-6809-4320 Fax: 03-6809-4321:



For latest information on our members, please check the members list on our web site.

