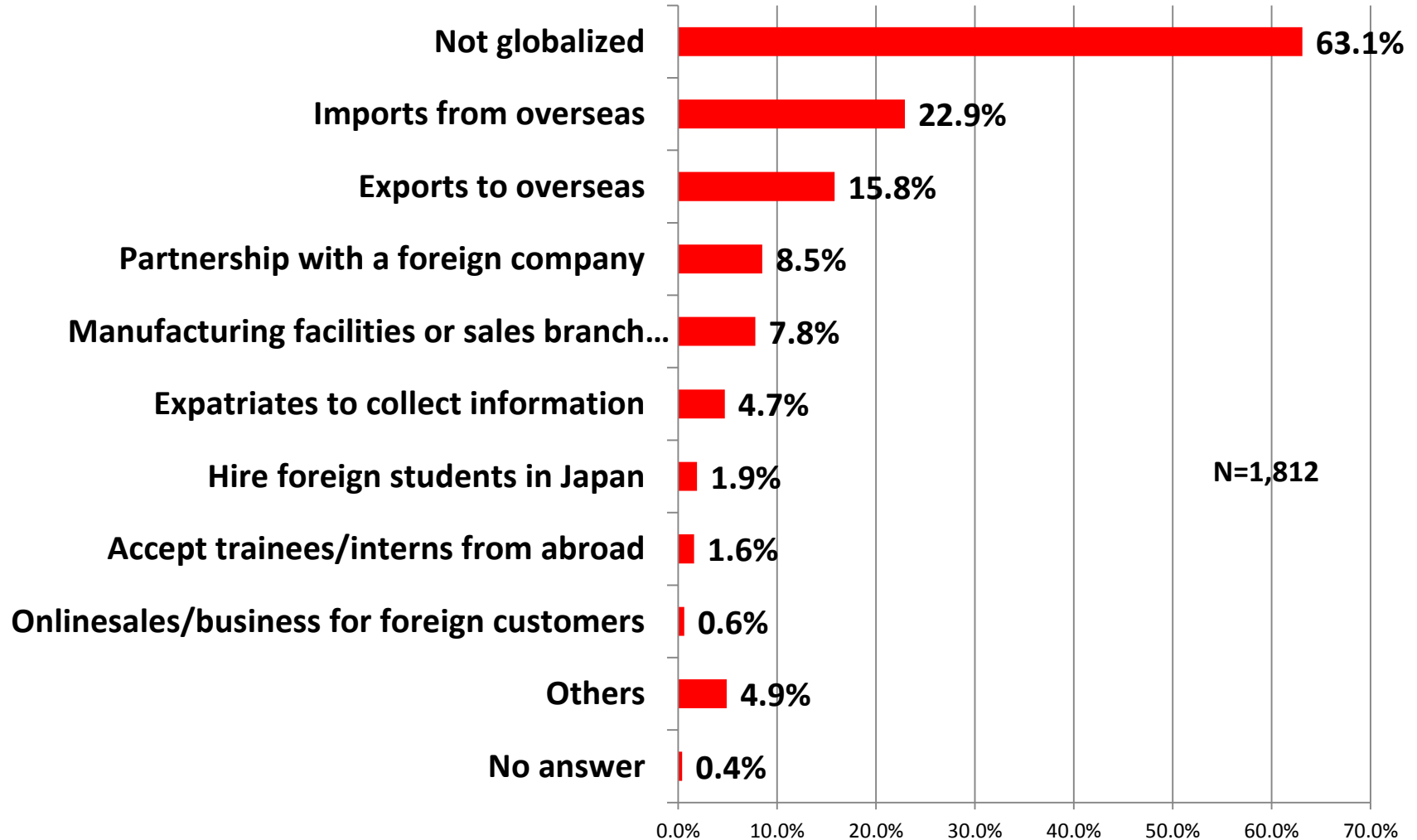


EU-Japan FTA/EPA JETRO's perspective



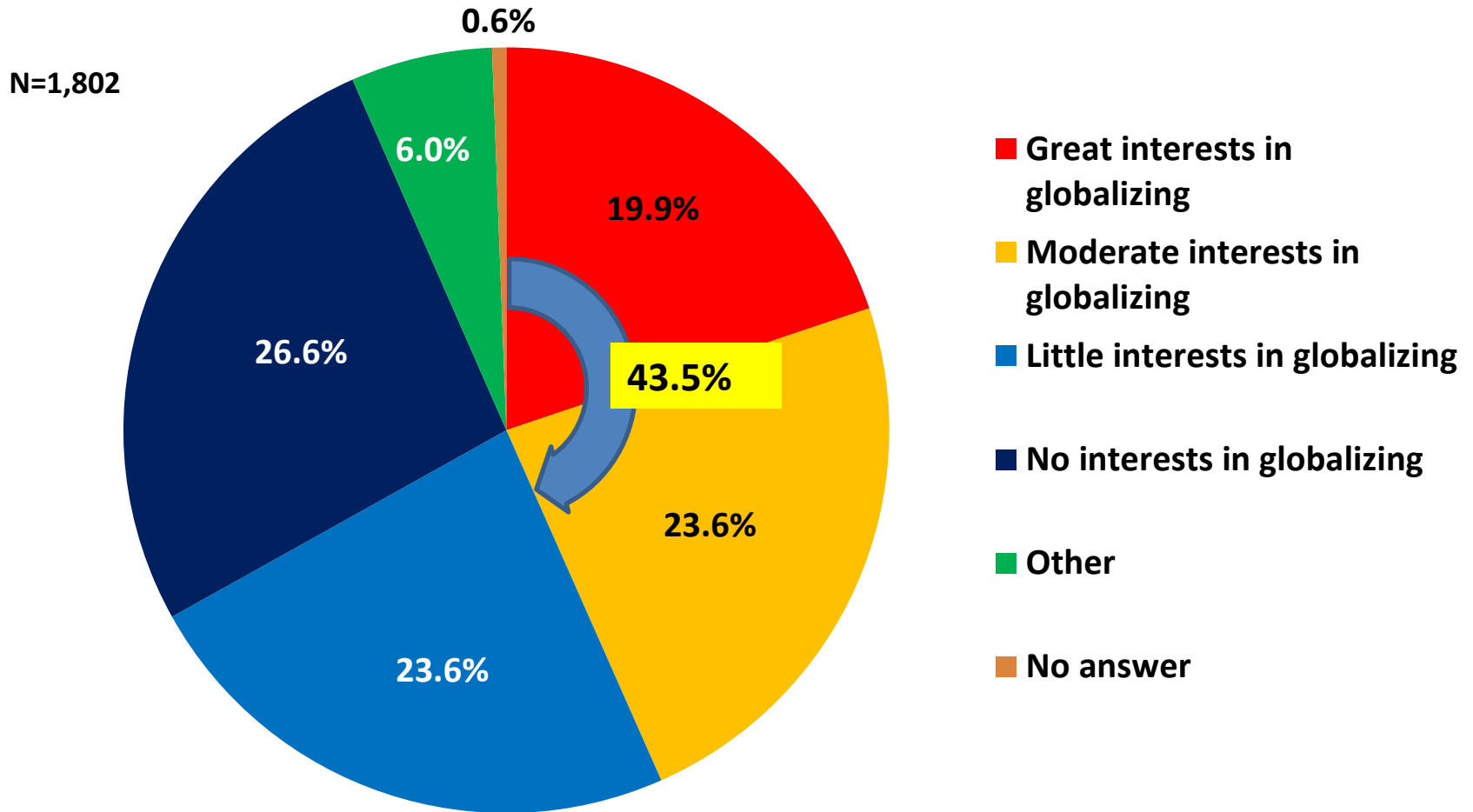
**Jan 2015
Jun ARIMA
Director General, JETRO London**

Globalization Status of Japanese SMEs



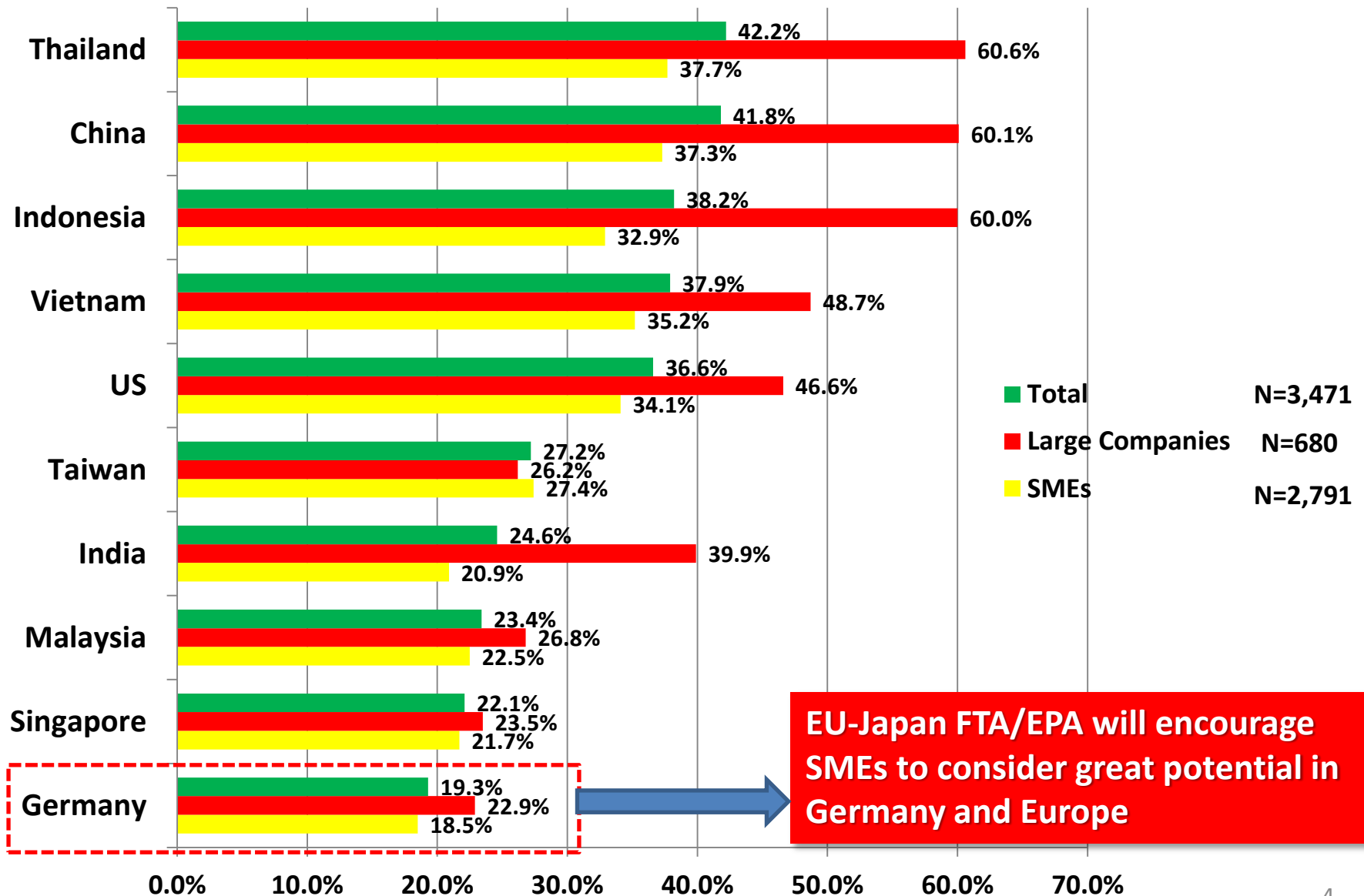
Source: Survey on SME's Globalization: Tokyo Chamber of Commerce and Industry (2012)

SME's Interests in Globalizing



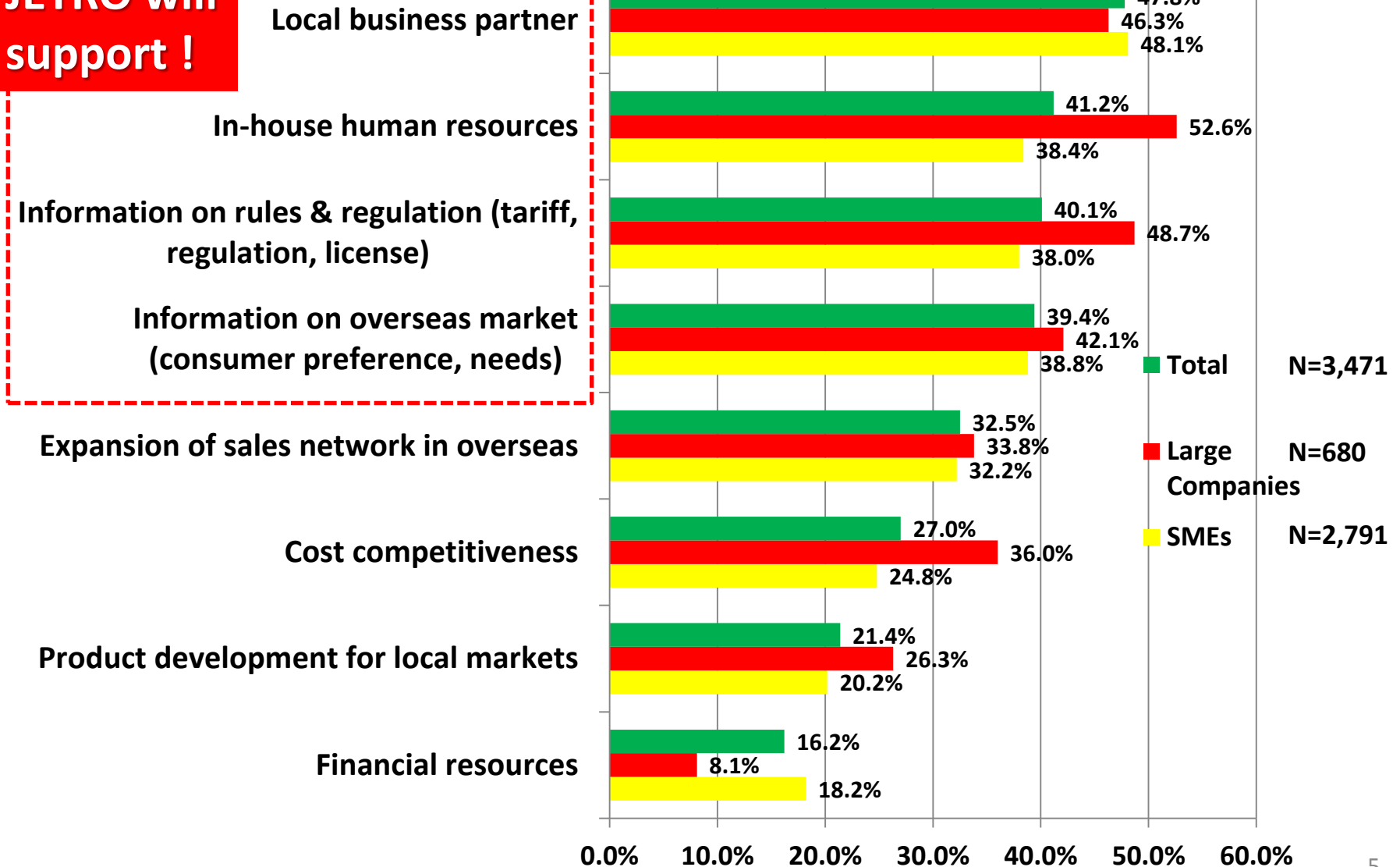
Source: Survey on SME's Globalization: Tokyo Chamber of Commerce and Industry (2012)

Top 10 Promising Markets for Japanese Companies



Challenges in Exports and Overseas Development

JETRO will support !



Source: 2013 JETRO Survey on Japanese Companies' Overseas Business Development

Successful German-Japanese Companies Collaboration

Nittoku Engineering and EUTECT GmbH

Jan 2012 First meeting through JETRO's RIT Program

May 2012 Sales and service agreement

- ◆ Nittoku Engineering purchase of EUTECT's soldering equipment
 - => Enabling bonding of specific electric parts
 - => Response to diverse customer needs through broader product lineup combining excellence of Nittoku Engineering and EUTECT
- ◆ EUTECT utilize Nittoku's distribution network in Asia
- ◆ Planning personnel exchange program for enhancing production technologies



High-speed part conveyance equipment

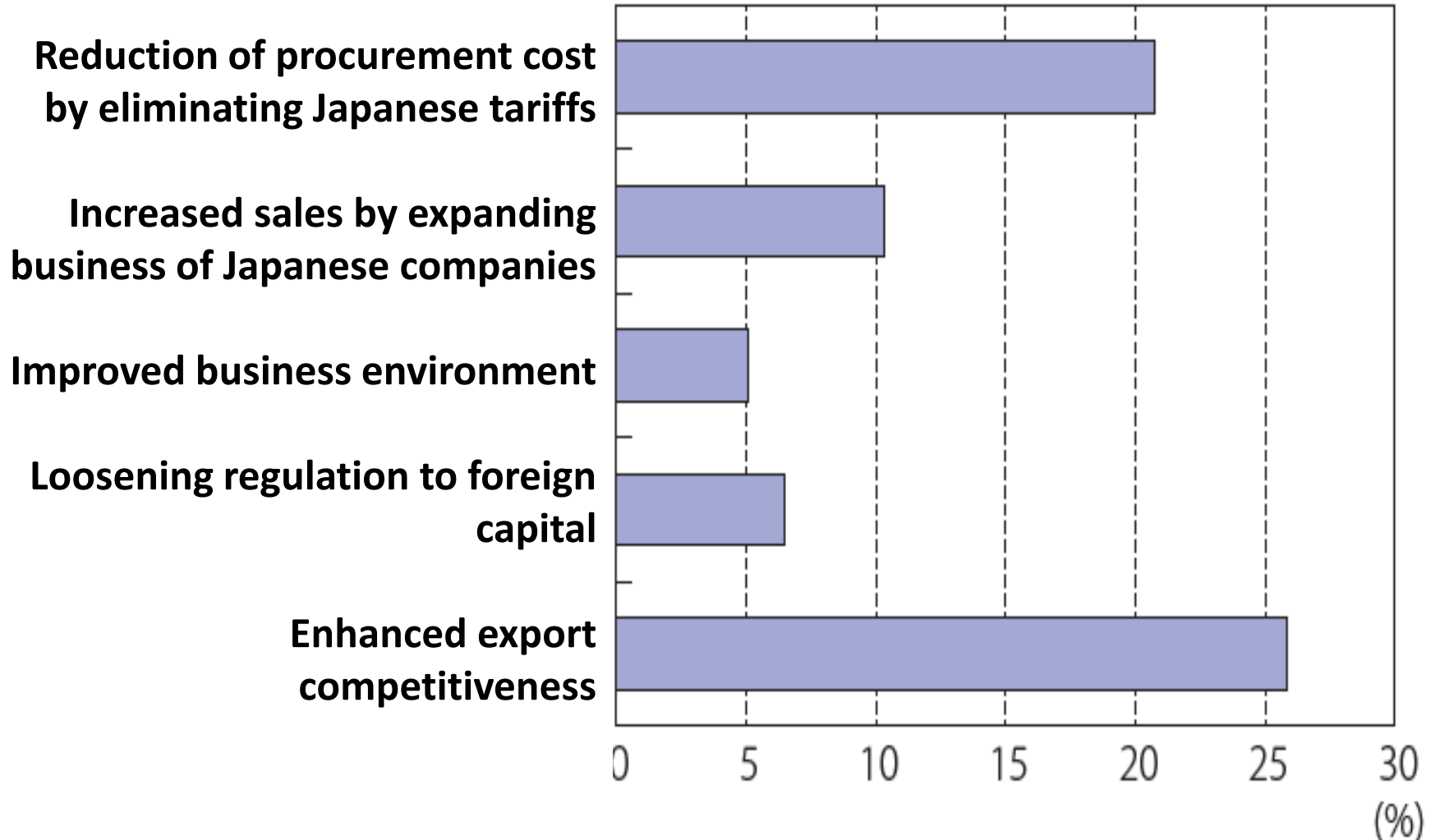


Joint development products with EUTECT

 More success cases will come from EU-Japan EPA!

Japanese Companies' Expectation to FTA/EPA

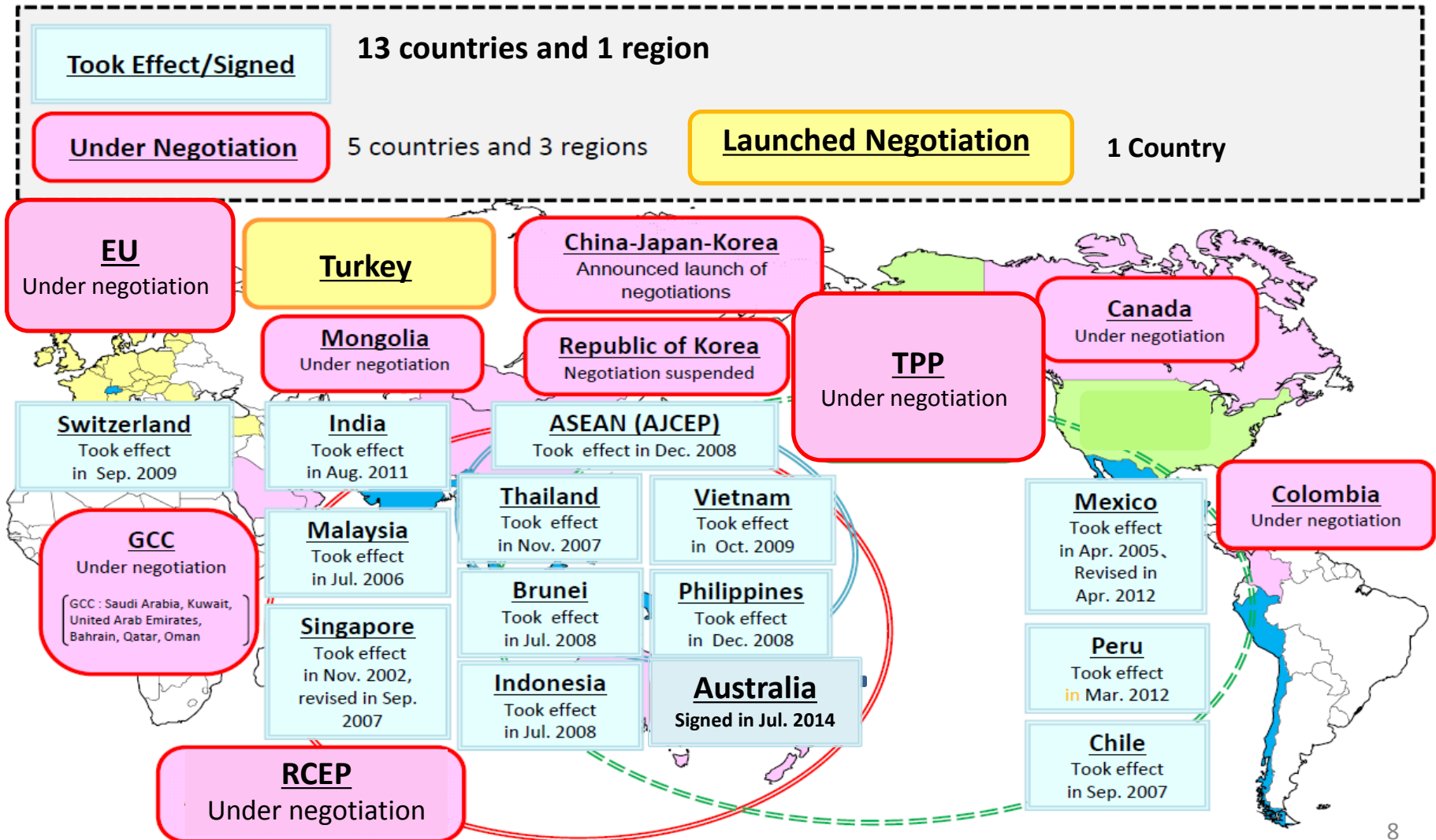
Multiple answers n=2,018



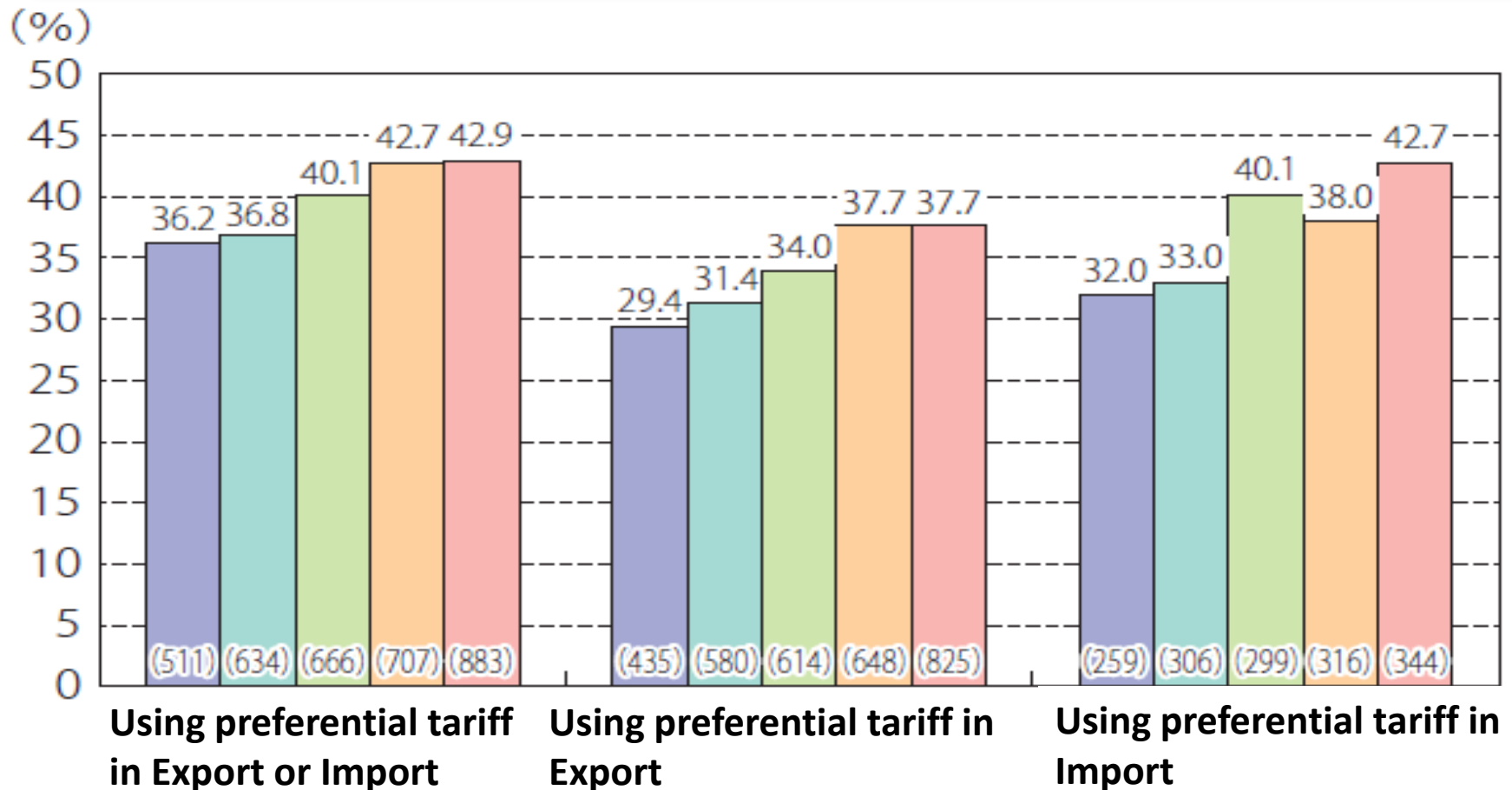
Source: Teikoku Data Bank "Survey on Japanese Companies' Overseas Operation and Impact on Domestic Operation" (2014)

Development of Japan's EPA/FTA Networks

Aiming at FTA Coverage from 22.6% to 70%+ in 2018



Utilization of Preferential Tariff under FTA/EPA



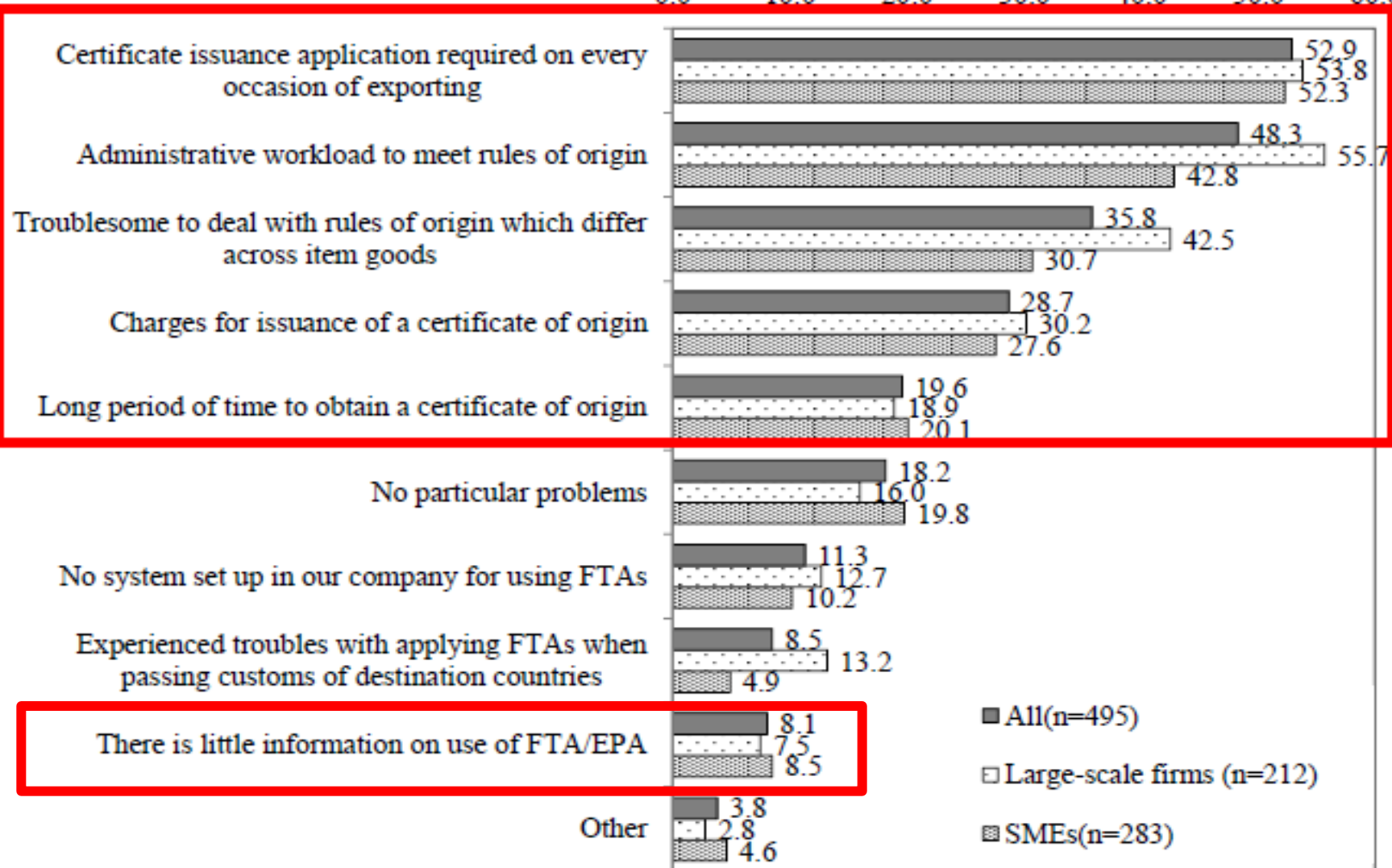
Source: JETRO "Survey on Japanese Companies' Overseas Operation" (2013)



Problems faced by Exporters Using FTA/EPA

(%)

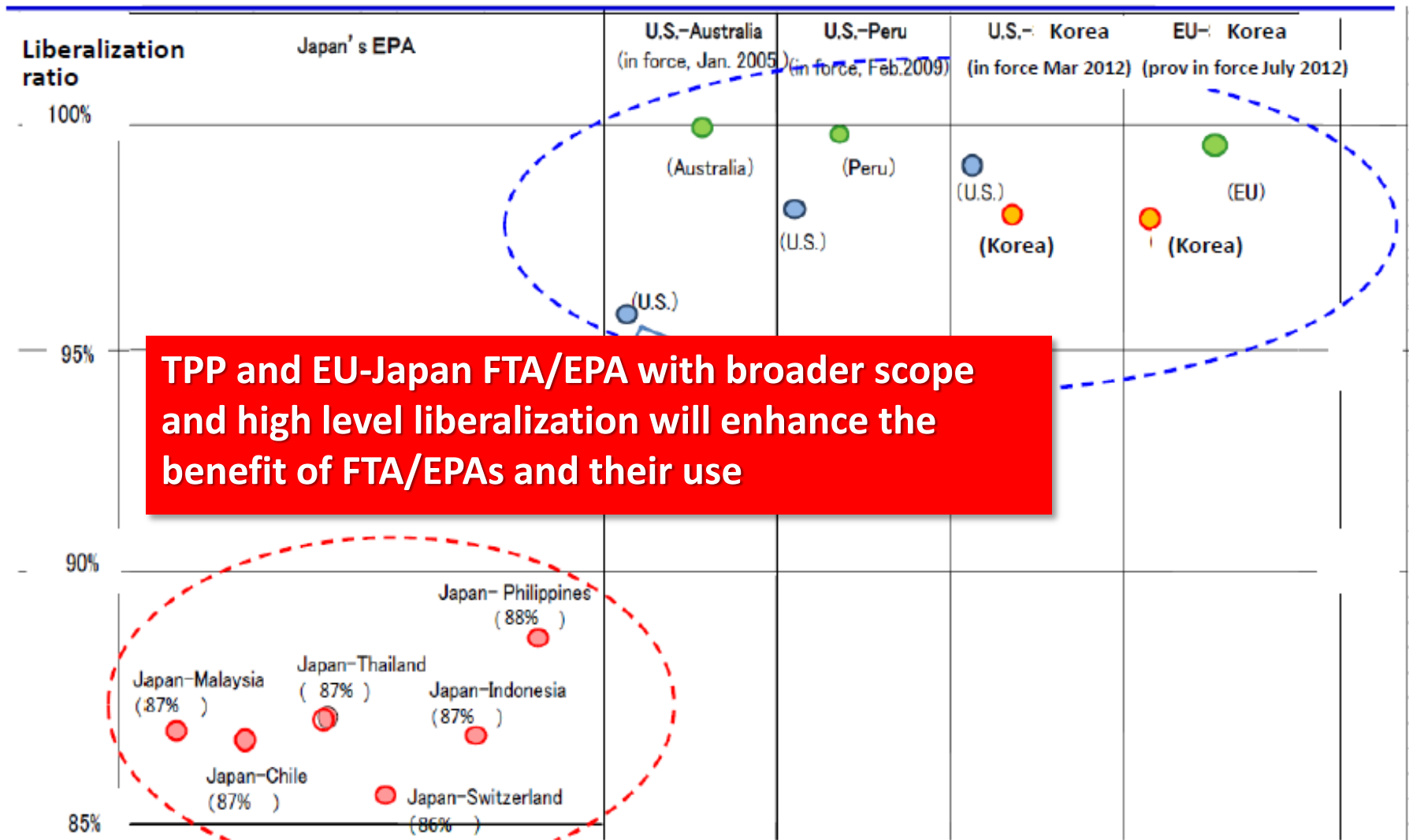
0.0 10.0 20.0 30.0 40.0 50.0 60.0



Note: Companies utilizing FTAs for exports from Japan were surveyed.

Source: "FY 2013 Survey on the International Operations of Japanese Firms" (JETRO)

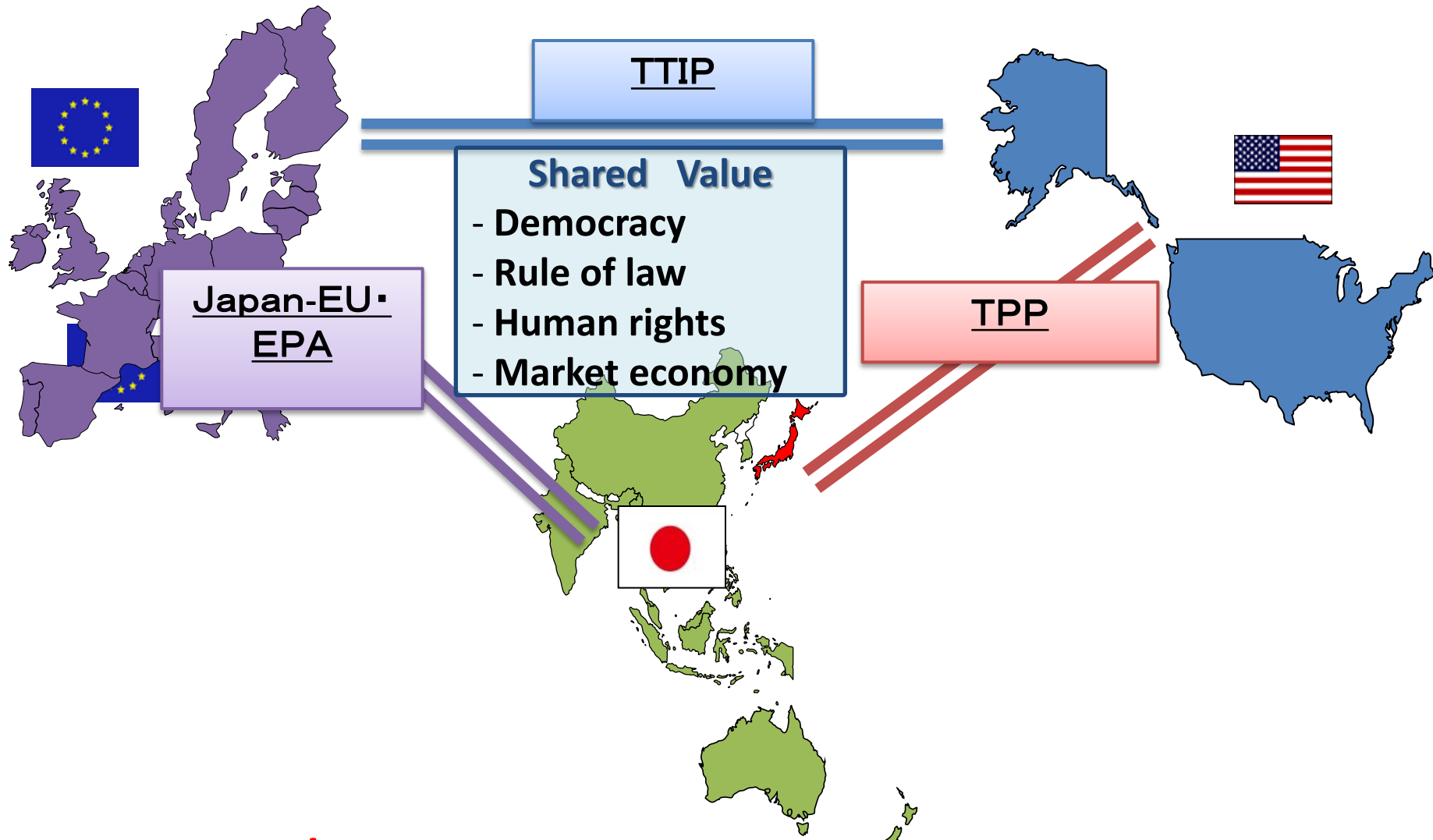
Broader Scope/Higher Liberalization => More Benefit



TPP and EU-Japan FTA/EPA with broader scope and high level liberalization will enhance the benefit of FTA/EPAs and their use

Note: Liberalization ratio = number of items of which tariff will be removed within 10 years/ total number of items. As for trade value based liberalization, Japan has achieved more than 90% liberalization.

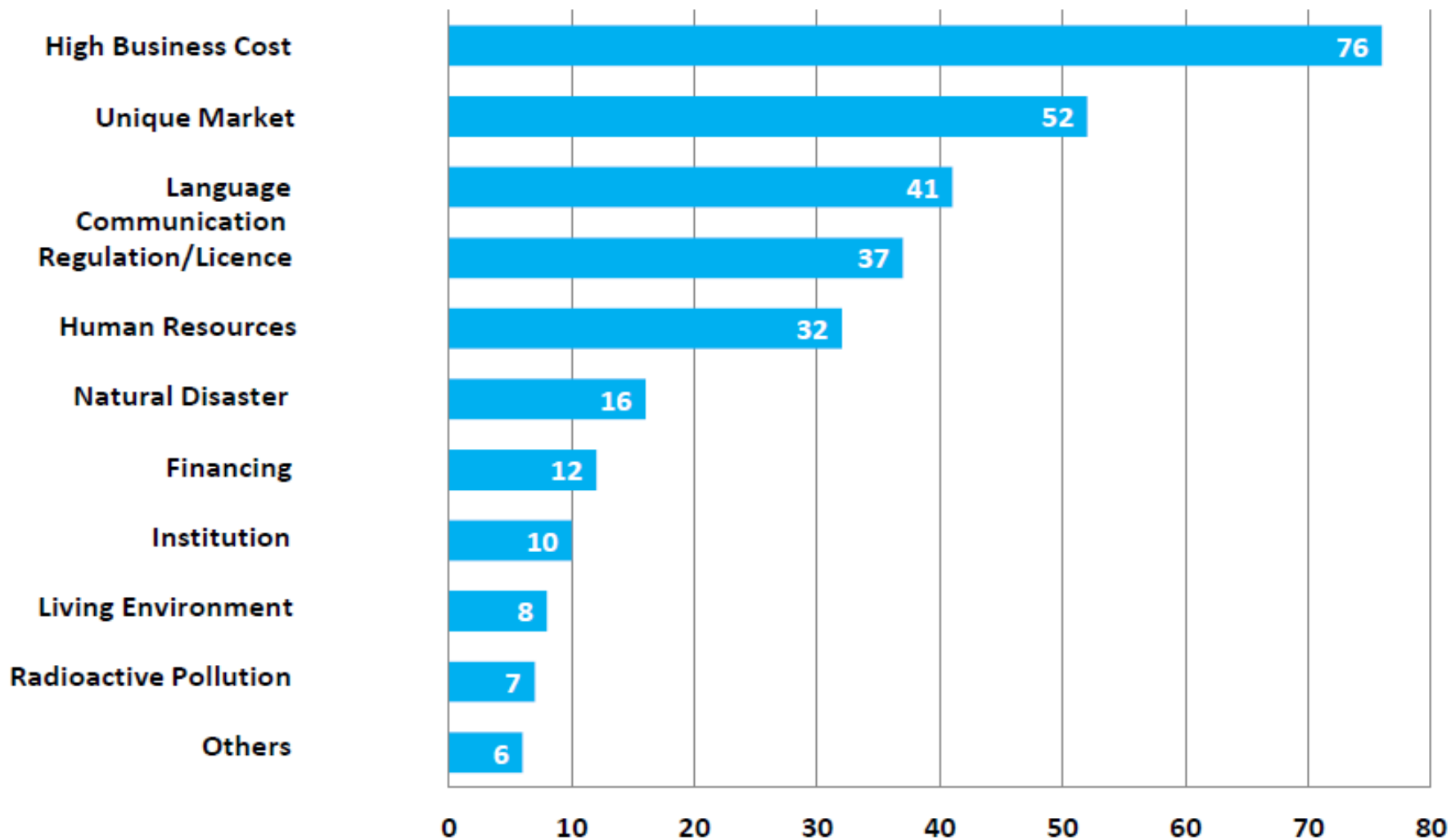
Forming Mega FTA Triangle



High-level EPA/FTA among developed countries sharing common values => Rule making for global trade and investment

Addressing NTM will facilitate foreign business in Japan

Difficulty in Doing Business in Japan



Source: JETRO Survey (March 2013)

EU's Business Environment needs improvement as well

Challenges in Management for Japanese Companies Operating in Europe



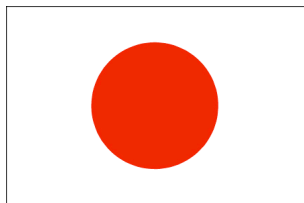
Source: 2013 JETRO Survey Business Conditions of Japanese Companies in Europe (March 2014)

EU-Japan Regulatory Cooperation – “Win-Win for Both”

- “Behind the border issues” are influential in determining business environment
- Various new regulations/standards responding to evolving economic/social development on both sides => need of close collaboration from initial stage
- EU’s strong power in setting standards and disseminating them to non-EU region
- Regulatory cooperation => win-win solution for EU and Japan



- ◆ Penetrate into growing Asian market utilizing Japan’s FTA link in the region
- ◆ Disseminate EU’s standard in the region



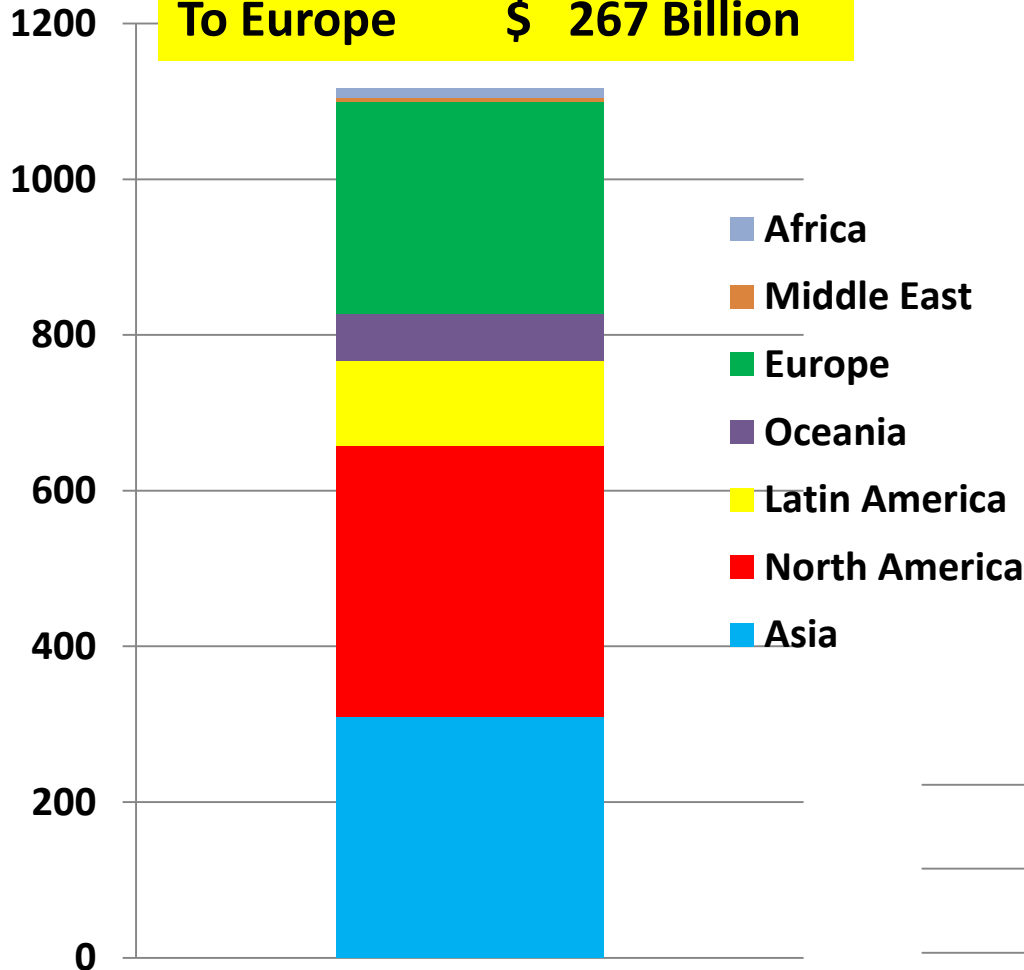
- ◆ Penetrate into global market combining Japan’s strength in technology and EU’s strength in standard setting/dissemination

EPA will boost two way FDI between EU and Japan

Japan's Cumulative Outward/Inward FDI (end of 2013)

Billion \$

**Outward Total \$1,117 Billion
To Europe \$ 267 Billion**



**JETRO strongly support
foreign companies
interested in FDI to Japan**

- Free incubation office
- Information service
- Consultancy service



**Inward Total \$ 171 Billion
From Europe \$ 79 Billion**



Vielen Dank !

