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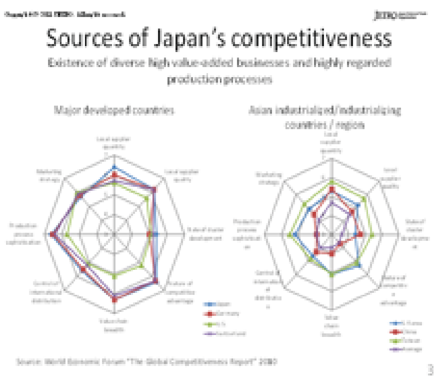
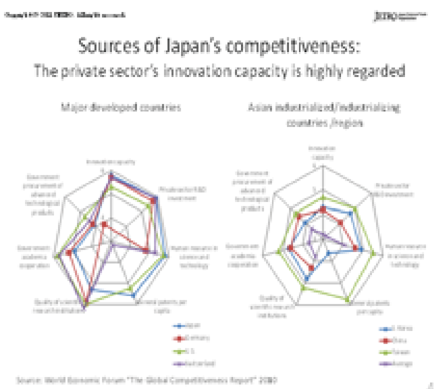
In this issue

Japan holds top rank in competitive strength:

According to a recent study by JETRO, Japan's competitiveness has been gradually rising and has remained in the top ten ranking since 2006. The study was based on finding in the Global Competitiveness Reports 2010-2011 of the World Economic Forum. According to the study, Japan held the 6th rank in competitiveness with a score of 5.4 out of a possible score of 7 from among the 139 counties evaluated by the Global World Economic Forum in 2010. This was an elevation from the 8th rank in 2009.





Several marks have been identified by the researches in support of this high position of Japan. Major among the indicators are the existence of diverse high value-added businesses and highly regarded production processes. According to the study, Japan held top positions in marketing strategy, production process sophistication, local supplier quality and quantity among the major developed nations. The innovation capacity, private sector R&D investment, human resources in science and technology are found to be highly regarded.

Japan's corporate sector is steadily improving as the debt ratio is rapidly dropping. The financial sector of Japan is healthy with a huge foreign currency reserve, cash-rich business and abundant personal financial assets.

Following is Japan's rank/score in the pillars of the Global Competitiveness Index for 2010-2011 of the World Economic Forum.

Particulars	Rank (Out of 139)	Score (1 – 7)
GCI 2010 – 1011	6	5.4
GCI 2009 – 2010	8	5.4
GCI 2008 – 2009	9	5.4
Basic Requirements	26	5.4
1st pillar: institutions	25	5.1
2nd pillar: infrastructure	11	5.7
3rd pillar: macroeconomic environment	105	4.1
4th pillar: health & primary education	9	6.5
Efficiency Enhances	11	5.2
5th pillar: higher education and training	20	5.3
6th pillar: goods market efficiency	17	5.1
7th pillar: labour market efficiency	13	5.1
8th pillar: financial market development	39	4.6
9th pillar: technological readiness	28	4.9
10th pillar: market size	3	6.1
Innovation and Sophistication Factors	1	5.7
11th pillar: business sophistication	1	5.9
12th pillar: innovation	4	5.5

Source: Global Competitiveness Report 2010-2011 World Economic forum

Foreign companies continue to expand their businesses in Japan after the great East Japan Earthquake:

Recent reports from Japan indicate that foreign companies continue to expand their businesses in Japan after the great East Japan Earthquake. Capitalising the government announced 'Subsidy Program for Promoting Asian Site Locations in Japan'; five foreign companies have decided to establish research and development sites in Japan after the East Japan Earthquake. It is found that the foreign direct investment trend remains the same, after the earthquake incident. The subsidy program for promoting Asian Site Location in Japan is intended to sustain and strengthen high-value-added business sites in Japan and achieve sustainable growth of the Japanese economy by supporting the establishment of new high-value-added sites.

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This promotion is expected to enhance the flow of innovative technologies and highly skilled human resources into Japan, making Japan a focal point of Asian economic activities and consequently boosting the Japanese economy.
The five R&D projects approved by Japan's Ministry of Economy, Trade and Industry (METI) are in the fields of IT services (salesforce.com Co., Ltd., - US), pharmaceuticals (Zydus Pharma Japan Co., Ltd., - India), next-generation photovoltaic cells (Dyesol Japan Co., Ltd., - Australia), special-purpose helicopters (Eurocopter Japan Co., Ltd., - France), and liquid crystal displays (Dou Yee Int'l Pvt. Ltd., - Singapore).

Other new FDIs in Japan

Beside the above five projects, several other foreign companies have entered Japan in 2011, or are under the process of setting up their businesses in Japan. Following are some examples.

1) Belgium head-quartered Unicore, the second largest producer of cathode materials of lithium ion batteries in the world, has moved its production facilities and R&D base from Korea to Japan in April 2011.

2) BYD Company, China's top producer of lithium ion batteries plan to enter the Japanese market in June 2011, offering an array of products. The company will first introduce 2.4 kwh and 19.2 kwh storage batteries with the smaller units targeted for homes and offices.

3) Microsoft Corporation and salesforce.com have agreed in May 2011 to a strategic tie-up with Toyota Motor Corporation (TMC) in Global Cloud platform development. Toyota will strengthen services to build a private social network through the strategic alliance for customers and next generation of eco-friendly vehicles starting with their Plug-in Hybrid Vehicles (PHVs) to be launched in 2012. Microsoft and salesforce.com will acquire stakes in Toyota's Yen 1 billion subsidiary, 'Toyota Media Service Corp', and the new company will build a global platform for TMC's next generation telematics services, using the Windows Azure platform.

4) Israel's Teva Pharmaceutical Industries Ltd.,, the world's largest generic drug producer announced in May 2011 that they would buy a 57% stake in Nagoya-based Taiyo Pharmaceuticals, Japan's leading generic drug producer, for about 37 billion yen. Teva has also plans to purchase more shares with the aim of turning it into a wholly owned subsidiary. The value of the deal is expected to be up to 100 billion yen.

5) Through a capital and business tie-up, Chinese optical cable manufacturer Futong Group will become the major stake holder of Japan's SWCC Showa Holdings Co., with a share of 18.54% for about 5.8 billion yen. SWCC Showa will use the proceeds for facility upgrades and factory construction at its two Chinese industrial-wire joint ventures with Futong. The two partners also plan to establish a research and development centre for analyzing and evaluating raw materials available in China.

6) In March 2011, China's Dalian Pengcheng Import & Export Ltd., a company for food and metal processing, manufacturing of electronic components and plastic moulding products has acquired

a 30% share in Japan's Ikuyo Co., ltd., a synthetic-resin processing component manufacturer for vehicles.

7) In the month of April 2011, Amazon Japan Logistics (AJL) which provides logistics services for the orders placed at Amazon.co.jp opened a new logistic centre 'Amazon Tokoname Fulfilment Centre (FC)' in Tokoname City, Japan.

8) US real estate investment firm LaSalle Investment Management is expanding its operations in Japan in 2011, believing that the March 2011 earthquake in Japan will have only a limited impact on the property market of the affected cities. The company is expected to invest 100 –150 billion yen in Japanese properties in 2011, a sharp increase from 70 billion yen in 2011. The company is also constructing a 126,000 sq. meter distribution facility in the Tokyo area this year, with an investment that exceeds 10 billion yen.

9) IBM Japan Ltd., announced on 20th April 2011 the establishment of a joint venture FINS, in Tokyo. with a capital of 70 million yen, with Fujimic Inc., and Nishinippon Computer Co. to build the first cloud computing environments for the broadcasting industry in Japan. While IBM Japan will hold 19% shares of FINS, Fujimic will hold 71% of the shares.

10) Accenture of US, the world's largest consulting company opened its Kyoto office on 1st June 2011. The company established its Japanese arm in 1995 and opened a Kansai office in Osaka in February 2008. The new Kyoto office will respond to the high demand of those companies trying to facilitate their overseas bases for outsourcing.
11) Inditex of Spain, operator of fast-fashion line Zara, launched a new brand shop "Bershka" in Tokyo on 16th April 2011, with plans for another 2 to 4 stores in this year.

12) Toys "R" Us – Japan will open its new store at the Kyoto shopping centre, in July 2011. The company will expand the sale of baby products amid slumping toy demand, and has plan to increase its number of stores in Japan to 57 from the current 45 by the end of this year.

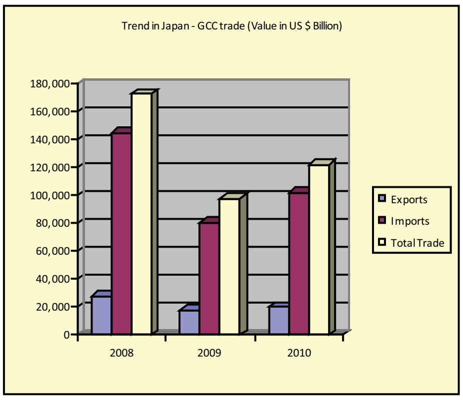
13) Major South Korean Foodstuff Company CJ CheilJedang Corporation will join Japan's Ebara Foods Industry in a 250 million yen joint venture on 50:50 basis. The joint venture company aims at taking the No. 1 position in Japanese chilled food market.

Several Chinese and Korean airlines have started or under the process of starting new flights to different destinations in Japan during the current year. Shanghai based Spring and Autumn Airlines will launch regular chartered flights between Shanghai and Takamatsu from 15th July 2011. The company had already started similar flights between Shanghai and Ibaraki in July 2010. The Easter Jet, a Korean company has started regular charter flights between Seoul and Shin-Chitose in Hokkaido from 5th May 2011. The company is also planning to launch regular chartered daily flights between Seoul and Narita from 1st July. Jin Air of Korea is also set to start regular chartered flights between Shin-Chitose airport and Incheon International Airport from 15th July. Another operator from Korea, Air Busan, has started regular daily chartered flights between Busan and Narita International Airport from 12th June 2011.

Japan - GCC trade during the year 2010

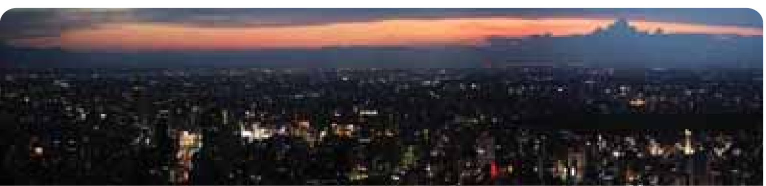
Mineral fuels and passenger motor cars dominate Japan-GCC trade

The value of Japan's trade with the GCC countries surged in 2010, supported by strong growth in Japan's exports and an increase in the price of traditional commodities of Japan's imports. The two-way trade grew by 24.7% to US$ 122.4 billion, compared to US$ 98.2 billion in 2009. Exports grew by 14.4 % to US $ 20.1 billion and imports by 26.9% to US $ 102.3 billion. Recovery in the GCC economies had been stable in 2010 following their worst performances in 2009. Though a strong growth in demand for motor vehicles, articles of iron and steel, rubber, aluminium and chemicals indicated a revival in the consumer and industrial sectors, the construction and real estate sectors were still in stagnation in 2010. The economic recovery in the GCC in 2010 was reflected in their GDP growth. Qatar led the GCC group in real GDP growth with a growth of 16.3%. Oman and Bahrain followed with 4.2% and 4.1% respectively. GDP of Saudi Arabia grew by 3.7%, and for the UAE, the growth was 3.2%. The lowest growth was registered in Kuwait at 2.0%



Mineral fuels dominate Japan's imports from the GCC:

98.9% of Japan's imports from the GCC were comprised of mineral fuels. The surge in the value of imports in 2010 was mainly attributed to the increase in the price of crude oils and petroleum gases. The average import price of crude oils grew by 30.8% to US $ 79.43 per barrel in 2010, compared to US $ 60.72 per barrel in 2009. In terms of volume, Japan imported 991.5 million barrels of crude oils from the GCC in 2010, which was 3.2% less than the volume in 2009.



Japan's mineral fuel imports from the GCC (value in million US dollars)

Particulars	2005	2005	2007	2008	2009	2010
Crude oils	60,372	76,059	76,976	115,658	62,217	78,753
Petroleum Gases	8,776	12,791	14,264	20,752	12,765	15,990
Light oils and oil products	5,041	5,913	6,254	7,508	5,044	6,446

Source: Japan customs, compiled by World Trade Atlas

GCC has also been a major source of petroleum gases to Japan. In 2010, Japan imported 25.18 million tons of petroleum gases from the GCC countries at an average price of US $ 635.10 per ton. The average price of petroleum gases in 2010 increased by 21.9%, compared to the price in 2009. GCC's supply of petroleum gases to Japan covered 30.65% of Japan's total petroleum gases imports in 2010. Qatar was the major supplier of gases to Japan among the GCC countries, followed by UAE, Oman, Saudi Arabia and Kuwait.

Japan's aluminium import from the GCC surged in 2010 by 183.5% to US $ 401.29 million, compared to US $ 141.56 million in 2009. Japan's aluminium import from the world over rose by 81.02% to US $ 6.12 billion in 2010 from US $ 3.38 billion in 2009, indicating a recovery in industrial demand for basic raw-materials in Japan. This increase in the value of aluminium import was also partially attributed to a 29.48% increase in the average price of aluminium in 2010. UAE was the top supplier of aluminium to Japan among the GCC counties covering nearly 82% of Japan's aluminium imports from the GCC. Japan imported a total of 171,980 metric tons of aluminium from the GCC in 2010, which was 6.29% of Japan's total import of aluminium from the world over. Australia was the top supplier of aluminium to Japan, followed by Russia, China, South Africa, New Zealand, Brazil, UAE, Indonesia, Canada etc. in large quantities.

Japan's aluminium imports from major countries (value in million US dollars)

Countries	2005	2006	2007	2008	2009	2010
World total	5,632	7,530	7,999	8,388	3,382	6,122
GCC total	276	361	390	424	142	402
Australia	1,066	1,463	1,672	1,766	728	1,446
Russia	1,371	1,730	1,859	1,871	655	1,012
China	602	874	638	823	287	835
South Africa	303	420	516	593	248	485
New Zealand	425	558	627	528	238	471
Brazil	415	541	624	600	389	436
UAE	212	260	303	343	93	329
Indonesia	282	420	426	415	247	328
Canada	338	410	463	423	146	218

Source: Japan Customs, compiled by World Trade Atlas

Japan's major exports to the GCC

Motor vehicles covered 57.9% of Japan's exports to the GCC, with a value of US $ 11.6 billion in 2010, compared to US $ 8.03 billion in 2009. Export of passenger motor cars surged by 54.8% to US $ 8.6 billion against US $ 5.5 billion. Export of higher capacity passenger motor cars of 3000 cc and above increased by 68.1% to US $ 5.7 billion, compared to US $ 3.4 billion in 2009. Increases were also registered in the export of rubber products (8.2%), precision equipments such as clocks and watches (44.7%), non-alcoholic beverages (33.8%), aluminium products (21.8%) etc.

Machinery exports continued to decline in 2010. While the pace of decline in the export of general machinery was slowed in 2010, that of electrical machinery, it hastened. The value of Japan's general machinery exports to the GCC stood at US $ 2,795.8 million in 2010, against US $ 3,295.1 in 2009. Some of the general machineries that declined in exports were gas turbines (-70.8%), pumps for liquids (-30.9%) and air or gas compressors (-43.8%). At the same time, there were increases in the export of bulldozers /angledozers /graders (33.2%), distilling or rectifying machinery/plant (56.5%) and trucks with fitted lifts (28.8%). The value of electrical machinery exports from Japan to the GCC stood at US $ 1,275.1 million in 2010, against US $ 1,965.5 million in 2009. Major items in this category that saw declines in exports were electric conductors and insulated optical fibre cables (59.8%), liquid dielectric transformers (64.8%) and make or break switches or automatic circuit breakers (53.9%).

Another major item of export from Japan to the GCC was products of iron and steel, such as tubes & pipes, and articles such as sheets, bars, plates and similar, that showed a combined increase of 20.4% in 2010. While Export of tubes and pipes increased by 10% to US $ 888.50 million, export of other iron and steel articles such as flat rolled alloy sheets, angles, shapes and sections etc. increased by 43% to US $ 530.5 million.

Rubber products were another major export item of Japan to the GCC, mostly comprised of new tyres. Export of rubber products increased by 8.2% to US $ 1,107.6 million, compared to 1,023.9 million in 2009. Export of man-made filament fabrics and man-made staple fabrics including yarns and woven fabrics as a whole decline by 16.8% to US $ 314.2 million in 2010 from US $ 377.6 million in 2009. The United Arab Emirates and Saudi Arabia were the leading export markets of Japan for textile materials among the GCC countries.

Japan's major exports to the GCC (Value in million US $)

Major commodities	2008	2009	2010	Growth %
Motor Vehicles	15,240	8,027	11,629	45
Passenger motor cars	11,110	5,543	8,578	55
General machinery	4,946	3,295	2,796	-15
Electrical machinery	2,042	1,966	1,275	-35
Rubber products	1,095	1,024	1,108	8
Iron/Steel products (pipes & tubes)	1,254	808	889	10
Articles of iron & steel	516	371	531	43
Optical goods	216	202	232	15
Plastic goods	224	161	150	-7
Manmade filament fibre	171	153	137	-10
Manmade staple fibres	169	143	130	-9
Stone, plaster, cement etc.	89	94	110	17
Aluminium products	46	75	92	22
Organic chemicals	83	58	85	46
Total exports	27,814	17,545	20,078	14

Source: Japan Customs, compiled by World Trade Atlas

Trend in Japan-GCC trade: - by Country:

Japan- GCC total trade – by country (value in million US $)

Country	2008	2009	2010	G. Rate %	Share %
Saudi Arabia	58,740	34,583	42,374	23	35
UAE	57,646	29,205	36,618	25	30
Qatar	28,454	17,553	22,843	30	19
Kuwait	17,336	10,233	11,708	14	10
Oman	9,513	5,671	7,623	34	6
Bahrain	1,360	962	1,258	31	1.
Total	173,048.6	98,206.6	122,423.2	----	100.00

Source: Japan Customs, compiled by World Trade Atlas

Trend in Japan's exports to the GCC

Country	2008	2009	2010	G. Rate %	Share %
UAE	10,887	6,491	7,333	13	36.52
Saudi Arabia	7,899	5,391	6,483	20	32.29
Oman	3,947	2,354	3,114	32	15.51
Kuwait	2,109	1,244	1,418	14	7.06
Qatar	2,031	1,628	1,141	-30	5.68
Bahrain	941	436	589	35	2.94
Total	27,814	17,544	20,078	----	100.00

Source: Japan Customs, compiled by World Trade Atlas

Trend in Japan's imports from the GCC

Country	2008	2009	2010	G. Rate %	Share%
Saudi Arabia	50,841	29,192	35,891	22.95	35.07
UAE	46,759	22,714	29,285	28.93	28.62
Qatar	26,422	15,924	21,702	36.28	21.21
Kuwait	15,227	8,989	10,290	14.47	10.05
Oman	5,567	3,317	4,509	36.94	4.41
Bahrain	419	526	659	25.43	0.64
Total	145,235	80,662	102,336	----	100.00

Source: Japan Customs, compiled by World Trade Atlas

Saudi Arabia:

Saudi Arabia was Japan's largest trading partner among the GCC countries and the top supplier of crude oils to Japan. Saudi–Japan trade surged 22.5% to US $ 42.4 billion in 2010, mainly due to the increase in the price of mineral fuels and partly due to the increased exports of motor vehicles, general machinery, and iron and steel products. Export of motor vehicles increased by 28% to US $ 3,378.7 million, while machinery export grew by 8.5% to 1,055.8 million. Export of iron & steel and their products rose by 44% to US $ 677.3 million. While many items registered increased exports to Saudi Arabia, items like electrical machinery, plastic and miscellaneous textiles articles had registered different rates of decline. Export of electrical machinery declined by 5.8% to US $ 303.3 million.

Japan imported 409 million barrels of crude oils from Saudi Arabia in 2010, 4.2% less in volume, compared to the volume in 2009. The average price of Saudi crude oil was US $ 79.45 per barrel in 2010 compared to US $ 60.98 per barrel in 2009, an increase of 30.3%. Saudi Arabia was also a major supplier of petroleum gases to Japan. The volume of gas imports from Saudi Arabia declined by 31.9% to slightly above 2 million tons in 2010 from 3 million tons in 2009.

However a 44.2% increase in the average price of gases, kept the value almost at par with the previous year's value. The average price of gas rose to US $ 732.5 per ton in 2010, from US $ 507.8 per ton in 2009. Japan's import of organic chemicals, mainly acyclic alcohols and their halogens, rose by 20.7% to US $ 321.2 million from US $ 266.1 million in 2009.

UAE:- Japan's largest export destination among the GCC countries:

The value of Japan's trade with the UAE increased by 25.4% to US $ 36.6 billion in 2010 compared to US $ 29.2 billion in 2009. Japan's exports to the UAE stood at US $ 7.3 billion in 2010, compared to US $ 6.5 billion in 2009. UAE was Japan's largest export destination among the GCC countries in 2010. Motor vehicles accounted for 47.6% of Japan's exports to the UAE, with a value of US $ 3,849.7 million in 2010, compared to US $ 2,017 million in 2009. The second major category of exports to the UAE was general machinery that declined by 7.7% to US $ 1,201.5 million in 2010, compared to US $ 1,302.3 million in 2009. Export of electrical machinery had also declined by 39.2% to US $ 689.6 million in 2010, compared to US $ 1,115.6 million in 2009. Among electrical machinery, major items that declined in exports were industrial equipments such as electric transformers, static converters, optic fibre cables, electrical appliances for switches, line telephone sets and storage batteries. However, export of consumer electronics like digital video and still cameras grew by 6.6% to US $ 210.4 million and vacuum cleaners by 23.3% to US $ 15 million. Several other products registered increases in exports, such as, rubber products, iron and steel and their products, optical, photographic and cinematographic machinery, beverages and live animals. Export of non-alcoholic beverages including mineral waters, aerated or sweetened/flavoured waters showed an increase of 35.6% in 2010. Similarly export of pasta such as spaghetti, macaroni etc. rose by 24.7%.

The value of Japan's imports from the UAE surged 28.9% to US $ 29.3 billion in 2010, compared to US $ 22.7 billion in 2009. 98.5% of imports from the UAE were consisted of mineral fuels. The value of crude oils alone covered 76% of the total imports from the UAE in 2010, which was 21% of the total value of Japan's crude oil imports from the world. Japan imported a total of 278.1 million barrels of crude oils from the UAE, which was 2.7% lower in volume compared to the volume in 2009. The average price of crude oils surged 30% in 2010, to US $ 80.06 per barrel, compared to US $ 61.57 per barrel in 2009. UAE remained to be the 2nd largest supplier of crude oils to Japan after Saudi Arabia.

Another major and traditional item of Japan's import from the UAE in 2010 was aluminium.UAE has been a traditional source of semi-finished aluminium for Japan, and in 2010 Japan imported aluminium worth US $ 329.8 million, which was 249.4% higher in value compared to the value in 2009. Japan imported 139,641.6 metric tons of aluminium in 2010 at an average price of US $ 2.4 per kg, compared to 51,175.3 metric tons at US $ 1.9 per kg in 2009. UAE was the 10th largest supplier of aluminium to Japan in 2010, covering 4.1% of Japan's total aluminium imports. Other suppliers of aluminium to Japan from the GCC block were Bahrain, Saudi Arabia and Qatar.

Qatar:- Top supplier of liquefied natural gases (LNG) to Japan among the GCC countries:

Japan's trade with Qatar increased by 30.1% to US $ 22.8 billion in 2010, in spite of a steep fall in exports to that country. Except vehicles, export of most other commodities declined in varying rates. While total exports declined by 29.9% to US $ 1,141.2 million, compared to US $ 1,628.4 million in 2009, vehicle exports surged by 58.5% to reach US $ 775.2 million, equivalent to 67.9% of Japan's total exports to Qatar. Export of general machinery and electrical machinery declined by 71.7% and by 74.4% respectively. Similarly, a 72.2% decline was also registered in the export of iron and steel products to Qatar. Export of steam and gas turbines, liquid pumps and electric motor generators and their parts had registered considerable decline in 2010, causing the value of machinery exports to fall. Export of steam turbines fell by 98.9% to just US $ 1 million from US $ 94.8 million in 2009. Similarly export of gas turbines fell by 94.4% to US $ 15.9 million from US $ 282.8 million in 2009.

The increase in the average price of crude oil from $ 59.09 to $ 79.23 per barrel in 2010 has greatly raised the value of two-way trade. A 20.32% rise in the price of petroleum gases had also supplemented the surge in the value of trade. The average price of petroleum gases increased from US $ 556 per ton in 2009 to US $ 669 per ton in 2010. Japan imported nearly 11 million tons of petroleum gases, comprising 7.6 million tons of natural gas, 2.6 million tons of propane gas and 0.8 million tons of butane gas, from Qatar in 2010 compared to a combined total of 10.5 million tons in 2009. Qatar was the 3rd largest supplier of petroleum gases to Japan in the world in 2010, after Australia and Malaysia, and the number one supplier among the GCC countries. Import of light oils and other oil preparations from Qatar surged 160% to US $ 1,706.9 million in 2010 compared to US $ 655.3 million in 2009.

Kuwait:

The value of Japan's trade with Kuwait increased by 14.4% to US $ 11.7 billion in 2010, driven mainly by the surge in the price of mineral fuels, and an increase in Japan's exports of motor vehicles to that country. Export of motor vehicles surged by 38.3% to US $ 951.2 million. While export of general machinery and electrical machinery recorded considerable decreases, export of rubber products - mostly new tyres; iron and steel products and optical instruments showed major increases.

Mineral fuel imports constituted 99.95% of Japan's imports from Kuwait, which showed an overall decline in volume in 2010. Japan imported 101.3 million barrels of crude oils from Kuwait in 2010, 11.3% less, compared to the volume in 2009. The value of crude oil imports in 2010 stood at US $ 7,915.3 million compared to US $ 6,744.5 million in 2009, an increase by 17.36%. The average price of crude oils jumped 32.3%, to US $ 78.1 per barrel in 2010 from US $ 59.0 per barrel in 2009. The value of Japan's import of petroleum gases from Kuwait rose by 19.7% to US $ 953.2 million, in spite of a 14.6% decline in its volume of import. The value of light oil imports from Kuwait increased 1.9% to US $ 1,416.5 million in 2010, whereas the volume of import fell by 24.4% to 17.97 million barrels.

Oman:

Japan - Oman bilateral trade increased 34.4% to US $ 7.6 billion in 2010 from US $ 5.8 billion in 2009. Japan's export to Oman increased by 32.3% to US $ 3,114.0 million, and imports by 36% to US $ 4,509.4 million. Motor vehicles exports that constituted 84.6%

of the total exports to Oman, surged by 38.5% to US $ 2,634.7 million in 2010 compared to US $ 1,902.9 million in 2009. Oman had been a major market for Japanese automobiles, and was the 3rd largest importer of motor vehicles from Japan in 2010 among the GCC countries. Along with the increase in the motor vehicle exports, export of new tyres had also jumped, registering an increase of 24.0% to US $ 53.6 million from US $ 43.3 million. Contrary to most other GCC countries, Japan's export of electrical machinery to Oman showed an increase of 16.3% to US $ 50.9 million in 2010 against US $ 43.7 million in 2009. Advances were made in the export of electrical lighting or signalling equipments and electrical ignition or starting equipments. Export of optical goods, such as, optical fibre cables surged by 64.5% to US $ 24.1 million in 2010, compared to US $ 14.6 million in 2009.

The value of crude oil imports from Oman jumped 44.9% to US $ 3,408.3 million in 2010, contributed by an increase in both the price and the volume of crude oil imports. The volume of crude oil imports increased 16.2% to 43.13 million barrels in 2010, compared to 37.10 million barrels in 2009. The average price of crude oils increased from US $ 60.38 a barrel in 2009 to US $ 79.03 a barrel in 2010. Oman was one of the two GCC countries from which Japan increased its crude oil imports in 2010. Japan's import of petroleum gases from Oman has also increased by 12.59% in value and 10.67% in volume. Japan has also been importing small quantities of fish and vegetables from Oman, and in 2010, fish import decreased 17.2% to US $ 8.5 million from US $ 10.3 million in 2009. However, vegetable imports – mostly fresh beans – increased in both value and quantity. The value of vegetable imports rose by 24.7% to US % 5.2 million in 2010 from US $ 4.2 million in 2009, and the volume increased by 23.13% to 1,265 tons from 1,027 tons.

Bahrain:

Japan-Bahrain bilateral trade surged by 29.9% to US $ 1.25 billion in 2010, compared to US $ 961.5 million in 2009. Japan's exports increased 35.2% to US $ 589.3 million, and imports 25.4% to US $ 659.2 million. As in the case of other GCC countries, motor vehicles dominated Japan's exports to Bahrain, covering 67.9% of the total exports. Most other major commodities of exports, such as, general machinery, electrical machinery, iron and steel products etc. had also registered considerable increases in exports in 2010. While export of general machinery rose by 34.9% to US $ 76.2 million, export of electrical machinery rose by 42.4% to US $ 54.6 million. Export of Iron and steel products jumped 143.9% to US $ 13.6 million in 2010, compared to US $ 5.6 million in 2009.

Mineral fuels constituted 86% of Japan's imports from Bahrain in 2010. Unlike other GCC countries, Japan's import of crude oils from Bahrain was limited to just over a million barrels, valuing at US $ 78.1 million. Majority of mineral fuels imported from Bahrain in 2010 were in the forms of light oils and oil preparations (oil products), with a value of US $ 488.8 million. Japan imported a little over six million barrels of light oils and oil products from Bahrain in 2010, which was 13.4% less in volume compared to the volume in 2009. However, its average price had increased 31.6% to US $ 81.4 per barrel in 2010, compared to US $ 61.9 per barrel in 2009.

Japan has been a traditional importer of aluminium from Bahrain in the form of semi-finished aluminium, and in 2010 Japan imported a total of 30,566.1 metric tons of aluminium from Bahrain, which was 55.8% higher in volume. The average price of aluminium rose by 18.23% to US $ 2.27 per kg in 2010, compared to US $ 1.92/kg in 2009.

Japan's seafood imports from Bahrain – mostly Swimming Crabs- had declined 40.6% in 2010 to US $ 4.3 million from US $ 7.2 million in 2009.

JETRO Updates

Launch of Joint WTO-IDE/JETRO publication:

The Institute of Developing Economies (IDE), JETRO and the World Trade Organisation (WTO) have launched a report on the joint research project on "trade in value-added", a new measurement of international trade.

The recent development of distribution system and new communication technology has brought in a rapid expansion of production networks across borders, and the vertical division of labour between countries became increasingly complex and intertwined. Production processes are fragmented into several stages and countries specialize in each production stage according to their own comparative advantages, for producing just a single final good to consumers. The traditional concept of the "country of origin" became practically irrelevant and outmoded. What we see today are no longer the products 'made in Japan' or 'made in USA'; rather they are truly 'made in the world'.

The "trade in value-added" approach enables us to redefine the relationship between the countries of origin-destination in international trade. In contrast to the orthodox concept of trade balances based on foreign trade statistics, it focuses on the value-added contents of traded goods, and considers the contribution of countries to value-added generation at each stage of production process of a given commodity. For example, it is known that China's exported goods use for their production a large amount of intermediate inputs supplied by neighbouring Asian countries. Accordingly, a significant part of Chinese export is attributed to foreign origins in terms of value-addition.

The concept of "trade in value-added" has already been studied widely at various venues, with a hope of bringing an alternative perspective on the issue of trade imbalances, and thus facilitates trade negotiations among countries concerned. In practice, however, the idea was hardly realised due to the lack of appropriate methodology or database. The evaluation of "trade in value-added" requires a rigorous estimation of value-added generation process, which cannot be captured by the conventional trade statistics that only record physical transfer of commodities across borders.

The international input-output table constructed by Institute of Developing Economies, JETRO, is considered to offer a powerful analytical tool for this problem. This massive dataset combines national input-output tables of various countries at a given point of time. It provides a detailed map of international transactions of goods and services, and thus enables us to trace value-added generation process of every commodity in every country at every production stage.

The report, "Trade Patterns and Global Value Chains in East Asia: From Trade in Goods to Trade in Tasks", is a product of the first-ever joint experiment to measure and analyse "trade in value-added", by integrating IDE's experience in international input-output analyses and the WTO's expertise on international trade.

WTO and IDE hope that analysts and policy makers not only of East Asia but also other region, in particular, in developing world, share the concept of the "made in the world" through this book.

For further information, please contact: The External Relations Division, Research Promotion Department, IDE-JETRO, Tel:0081-43-299-9535, Fax:0081-43-299-9726. Following is the website ID to the publication

http://www.ide.go.jp/English/Press/pdf/20110606_news.pdf

Application for JETRO Zone in "FOODEX JAPAN 2012"

JETRO is now accepting applications for participation in JETRO Zone in the "FOODEX JAPAN 2012" exhibition (March 6-9, 2012), Asia's largest annual food and beverages exhibition held in Tokyo, since 1976.

Application to participate in the exhibition under JETRO Zone is now open to food and beverage firms from developing economies interested in introducing their products to the Japanese market. JETRO Zone booths are available only for countries listed in the Development Assistance Committee (DCA) of the Organization for Economic Cooperation and Development (OECD), who have no national pavilion in the Foodex Japan 2012)

Exhibitors in JETRO Zone can benefit from reduced participation fees, consultation with Japanese market experts as well as other support and services. Participation fee will be US $ 1,025 for upper middle income and lower middle income and other low income counties, and US $ 525 for the least developed countries, as per the classification of OECD Development Assistance Committee. The above fee is per standard booth with basic facilities.

The last date for submitting application forms 1 & 2 is 9th September 2011 (submission deadlines are mentioned on top of each application form). Don't miss this valuable opportunity to exhibit your products at this popular fair, which receives on average 80,000 visitors. For more information on eligibility, application forms, terms and conditions etc., please check the Foodex Japan 2012 JETRO Zone website http://www.jetro.go.jp/en/foodex2012/ Or, contact JETRO Dubai on info_dubai@jetro.go.jp

Masanori Uchida joins JETRO Dubai as Director:

Mr. Masanori Uchida has joined JETRO Dubai as Commercial Affairs Director, in the place of Mr. Taku Miyazaki who left Dubai to take up his new assignment at JETRO Tokyo.

Masanori joined JETRO in 2002 and had worked at the Overseas Research Department of Jetro Headquarters, and in various capacities at regional JETRO offices in Japan, before being assigned to Dubai. Since March 2008 he had been with the Manufacturing and Environment Industry Department at JETRO Tokyo, promoting Japanese infrastructure technologies and systems in the foreign countries, mainly in the field of railway, water and treated water and renewable energy. He was also involved in the industrial cooperation between Japan and the Kingdom of Saudi Arabia. Masanori has also been in Egypt for over a year, as an overseas trainee and learning Arabic language.