

Embassy of Japan in Israel
Newsletter January 2013

Dear friends & colleagues,

We are pleased to send you the 43rd Economic Newsletter.

The government will decide whether Japan will join free trade negotiations on the controversial Trans-Pacific Partnership (TPP) before the July House of Councilors election.

There are currently 11 countries including the United States, Canada, Australia, Vietnam and South Korea in TPP talks, which aim to create almost a completely tariff-free trading zone. Much of the manufacturing sector wants Japan to join the talks, but many in the country's agricultural sector are strongly opposed.

We are now waiting to see carefully what will happen in the next six months.

Embassy of Japan
Economic Section

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The Japanese Economy

Monthly economic report – Cabinet Office

While the Japanese economy shows weakness recently, signs of bottoming out can be seen in some areas.

- * Exports are moderately decreasing recently. Industrial production is showing signs of bottoming out.

- * Corporate profits are in a weak tone, mainly among manufacturers. Business investment shows weakness.

- * While firms' judgment on current business conditions shows cautiousness, signs of improvement can be seen in some areas.

- * The improvement in the employment situation appears to be pausing while some severe aspects still remain.

- * Private consumption holds firm recently.

- * Recent price developments indicate that the Japanese economy is in a mild deflationary phase.

<http://www5.cao.go.jp/keizai3/getsurei-e/2013jan.html>

The cabinet approved the FY2013 GDP growth rate

The Japanese cabinet has approved (Jan. 28) the FY2013 GDP growth rate, as well as additional national accounts, trade figures. The expected GDP growth rate for FY2013 is 2.5% (constant prices) and estimates the current FY to reach 1%.

<http://www5.cao.go.jp/keizai1/2013/0128mitoshi-e.pdf>

The Bank of Japan's Monthly Report of recent economic and financial developments

Japan's economy remains relatively weak.

Exports and industrial production have decreased....Business fixed investment has shown some weakness on the whole, although resilience has been observed in nonmanufacturing. In contrast, public investment has continued to increase, and housing investment has generally been picking up.

http://www.boj.or.jp/en/mopo/gp_2013/gp1301b.pdf

Government – BOJ reach an operating agreement

The cabinet and the central bank have reached a co-operation agreement aimed at tackling the current deflation. The main article of the agreement is a 2% inflation target to be achieved by the central bank.

“The Bank recognizes that the inflation rate consistent with price stability on a sustainable basis will rise as efforts by a wide range of entities toward strengthening competitiveness and growth potential of Japan's economy make

progress. Based on this recognition, the Bank sets the price stability target at 2 percent in terms of the year-on-year rate of change in the consumer price index”.

http://www.esri.cao.go.jp/jp/sna/data/data_list/sokuhou/gaiyou/pdf/main_1.pdf

Jetro annual White Paper on trade & investment

Jetro has published its annual White Paper on global trade and investment. The title says it all – “Companies and People Move Forward towards Globalisation”. The report covers the topics of trade, FDI, Japanese SMEs overseas and more.

http://www.jetro.go.jp/en/reports/white_paper/trade_invest_2012.pdf

Japan plans to reach ¥1t in exports of food by 2020

The Japanese government has put itself a target of boosting its exports of the food & beverage industry. As part of these efforts, for example, were the sake promotion events held in Israel during the last year.

The following report, prepared by Jetro, focuses on two unique Japanese beverages – sake and tea. The global markets for these products are growing at a fast pace.

The Japanese sake and tea are very unique in taste – we recommend you to try them.

http://www.jetro.go.jp/en/earthquake/pdf/201301_jp_food.pdf

Foodex Japan

Japan’s largest food & beverages’ exhibitions will take place in Makuhari Messe, Chiba City (near Tokyo) during March 5-8, 2013. With 2,400 booths and around 75,000 visitors, it’s one of the world’s largest of its kind.

If the Japanese food industry is in your business line, or you simply love Japanese food, that’s the place to be!

<http://www.jma.or.jp/foodex/>