

Embassy of Japan in Israel
Newsletter October 2012

Dear friends & colleagues,

We are pleased to send you our 40th Economic Newsletter.

At the very beginning, we'd like to inform you about some gratifying news. Prof. Shinya Yamanaka has won this year's Nobel Prize in Physiology or Medicine for the discovery that mature cells can be reprogrammed to become pluripotent cells.

"His findings have revolutionized the understanding of how cells and organisms develop," the Nobel Assembly said. The iPS cells are believed to have great potential for regenerative medicine and the development of new drugs.

Embassy of Japan
Economic Section

Yoshinori Omi, Commercial Attaché
Masayuki Azemi, Commercial Attaché
Hideki Kamiya, Agriculture Attaché
Oded SCHAFFER, Economic Advisor

The Japanese Economy

Monthly economic report – Cabinet Office

Japanese economy is in a weak tone recently due to deceleration of the world economy, although some components still show steady movements.

- Exports are in a weak tone while industrial production is decreasing.
- Corporate profits which have been picking up show signs of leveling off recently. Business investment as a whole is picking up slowly while some weak movements are also seen recently.
- Firms' judgment on current business conditions shows cautiousness, mainly among manufactures.
- The employment situation shows signs of improvement, although some severe aspects still remain.
- Private consumption is almost flat while some weak movements are seen lately.
- Recent price developments indicate that the Japanese economy is in a mild deflationary phase.

<http://www5.cao.go.jp/keizai3/getsurei-e/2012oct.html>

BOJ regional report

In its regional report the Bank of Japan analyses the recent economic developments in Japan's 47 regions.

From the report "Compared with the last assessment in July 2012, eight regions (Hokkaido, Hokuriku, Kanto-Koshinetsu, Tokai, Kinki, Chugoku, Shikoku, and Kyushu-Okinawa) reported that the pick-up or the recovery in economic activity observed at the time of the last assessment had come to a pause or that the pace had moderated, mainly because overseas economies had moved somewhat deeper into a deceleration phase.

The Tohoku region, meanwhile, reported that the recovery in economic activity observed at the time of the last assessment had continued to date. Although there seemed to be some signs of weakness, the economy had been recovering as a whole, aided mainly by a significant increase in public investment."

<http://www.boj.or.jp/en/research/brp/rer/rer121022.htm/#header>

The Bank of Japan's Outlook Report

In its October 'Outlook for Economic Activity and Prices' the central bank of Japan presents the outlook for Japan's recovery through FY2014. The report covers the global and local economic situation, and describes its scenario for the Japanese economy.

<http://www.boj.or.jp/en/mopo/outlook/gor1210a.pdf>

Promotion of Japan as an Asian business centre

Following the enactment by the Diet of the 'Act on Special Measures for Promotion of Research and Development by Certified Multinational Enterprises', the Japanese cabinet determined (on Oct. 26th) the effective date to be November 1, 2012, and also made a decision on the Order for Enforcement of the Act for Promotion of Japan as an Asian Business Center, which stipulates matters necessary for the enforcement of that Act.

From the Act: "The purpose of this Act is to facilitate creation of new businesses and contribute to the expansion of work opportunities by taking special measures to promote the activities of the Certified Multinational Enterprises that intend to conduct new Research and Development Businesses and Supervisory Businesses in Japan".

http://www.meti.go.jp/english/policy/external_economy/investment/asian_center201104.pdf

"Farming Frontier 2012"

During December 1-2 the Japanese MAFF and METI will hold the concluding event of a year-long effort of presenting Japan's food and agriculture, with the aim at showcasing the attractiveness of Japanese food and agricultural products, including those produced in the areas hit by the Great East Japan Earthquake, to people at home and abroad and reconstruct the value of the products. Entrance is free of charge – you are welcome!

http://www.meti.go.jp/english/press/2012/1018_01.html

Event website - <http://agri-frontier.com/english/>

The US-Japan Innovation and Entrepreneurship meeting

The U.S.-Japan Innovation and Entrepreneurship Council was formed in 2011 under the umbrella of the U.S.-Japan Dialogue on Innovation, Entrepreneurship, and Job Creation. By promoting cooperation among representatives of government agencies and the business, venture capital and scientific communities of the United States and Japan, the purpose of the Council is to help cultivate a bilateral ecosystem of innovation and entrepreneurship. Among the Council's primary objectives is to develop recommendations concerning policy options and prevailing practice in the field of innovation and entrepreneurial activities.

<http://www.meti.go.jp/press/2012/10/20121025001/20121025001-6.pdf>

White Paper on Labour & Economy

The Japanese Health Ministry has published its annual report on labour and economy. Here is a summarised page of this report.

<http://www.mhlw.go.jp/english/wp/l-economy/2012/summary.pdf>