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LEGISLATION AND POLICY NEWS

Plans on Competitiveness Improvement for Metallic Materials

The Ministry of Economy, Trade and Industry (METI) raised the subject of competitiveness improvement in the metallic materials industry, consisting of the iron and steel industry and the nonferrous metals industry, at a research conference for the first time. METI also revealed its directions in their report "Plans on Competitiveness Improvement for Metallic Materials".

According to METI, there are four common issues in the metallic materials industry: (a) the sophistication and diversification of user needs; (b) the threat of competitors overseas catching up; (c) limiting factors in business, such as the rise of energy costs; and (d) responses to digitalization.

METI said that it would proceed with the following three strategies in order to solve the issues above.

(1) Strategy for technology development, (2) Strategy for strengthening domestic manufacturing infrastructure and (3) Global strategy

http://www.meti.go.jp/english/press/2015/0619_03.html

SURVEY AND BUSINESS DATA

Limited Number of Companies Make Efforts for Competitive IT Strategies

According to the annual survey on IT use by the Ministry of Economy, Trade and Industry (METI), information technology use in the creation of new business models and expansion of business fields is limited. Among the 5,222 enterprises which responded to the survey, 19.3% used IT practically for the entire enterprise, and 3.5% of the enterprises used IT practically in interactions between companies and industries, which means that the enterprises that could undertake Competitive IT Strategies were only 22.8% of the total.

http://www.meti.go.jp/english/press/2015/0604_02.html

Cases of SMEs' Overseas Business Restructuring Compiled

The Small and Medium Enterprise Agency (SMEA) collected and examined examples of Japanese overseas affiliates that have made efforts to restructure their businesses in order to overcome challenges and issued the report titled “Case Examples of Overseas Business Restructuring for Small and Medium-Sized Enterprises (for Stable Continuity of Business).”

In addition to the introduction of twenty-eight specific case studies of business restructuring, SMEA analyzed the current status of SMEs regarding their overseas expansion, and described the status of their overseas business development, the issues surrounding overseas business operation, and trends in business contraction and pullout.

http://www.meti.go.jp/english/press/2015/0616_01.html

Website Visualizing “Keys to Success” for SMEs

As part of the initiative to visualize growth strategies and assist SMEs and mid-ranking companies to expand, the Ministry of Economy, Trade and Industry (METI) launched a website titled “Mieru ☆ Hint (Visible Hints),” in which it has compiled examples of keys to success that enabled 200 companies to grow significantly.

http://www.meti.go.jp/english/press/2015/0713_01.html

<http://www.meti.go.jp/interface/php/honsho/mieruka/> (in Japanese)

White Paper Analyzes the Competitiveness of Japanese Industry

The Ministry of Economy, Trade and Industry (METI) released the 2015 version of its annual White Paper on International Economy and Trade, which was reported to the Cabinet on July 3, 2015.

This year METI analyzes (a) Competitiveness in exports, (b) Competitiveness in attracting people and enterprises and (c) Competitiveness of Japanese multinationals. METI also refers to Japan's international economic policy, including economic partnerships, global rulemaking, strategies on emerging economies, and promotion of foreign direct investment.

[Outline of the White Paper on International Economy and Trade 2015\(PDF:766KB\)](#)

STATISTICAL INFORMATION

Japan's January-June Trade Deficit Diminishes 77% on Year

Japan's commodity trade deficit in the January to June period diminishes 77.4 percent from the previous year to 1,725.1 billion yen (\$14.6 billion), due partly to smaller imports reflecting declining crude oil prices.

The smaller deficit, which followed a record-high deficit of 7,628.2 billion yen in the corresponding period of the previous year, is also attributable to increased exports of automobiles to the United States and semiconductor parts to Asia as well as the yen's depreciation.

During the first half of 2015, the value of exports increased 7.9 percent from the previous year to 37,808.0 billion yen, while imports dropped 7.4 percent to 39,533.0 billion yen, the Finance Ministry said in a preliminary report.

http://www.customs.go.jp/toukei/shinbun/trade-st_e/2015/201525ce.xml

Record Breaking Number of Foreign Visitors in the First Half of the Year

According to the Japan National Tourism Organization (JNTO), the number of foreign visitors in the first half of the year was estimated at 9.14 million which is an increase of 46% over the past record of January-June of 2014.

By country/area of origin, Chinese visitors were most numerous (2.18 million), followed by Republic of Korea (1.82 million) and Taiwan (1.79 million).

As for European country, the UK (121,800 visitors), France (101,000 visitors) and Germany (77,000 visitors) were top three, all of which renewed the past record.

In order to cope with a surge of foreign visitors, the Japanese government decided to increase the number of officials of customs, immigration and quarantine section at the end of June.

It is reported that hotel booking situation is getting tight especially for reasonably priced rooms.

http://www.jnto.go.jp/jpn/news/press_releases/pdf/20150722.pdf

COMPANY NEWS

JOGMEC is to Make Investment in Geothermal Resource Exploration

The Japan Oil, Gas and Metals National Corporation (JOGMEC), an organization under the jurisdiction of the Ministry of Economy, Trade and Industry (METI), concluded in July a basic contract related to an exploration project for geothermal resources in the Matsuo Hachimantai area in Iwate Prefecture by Iwate Geothermal Power Co., Ltd.

JOGMEC has proceeded with support projects such as providing subsidies for research related to geothermal resources and a liability guarantee since September 2014, but this is the first time it has provided support for a project through investment.

http://www.meti.go.jp/english/press/2015/0727_02.html

Tohoku Electric and Tokyo Gas to Jointly Run New Electric Power Retailing Company

Tohoku Electric Power Co., Inc. and Tokyo Gas Co., Ltd announced on July 30 that they have agreed to establish a new electric power retail sales company through joint investment in the Kanto area which includes large cities such as Tokyo and Yokohama. The new company is scheduled to be established in October 2015.

According to their press release, the two companies will make the maximum use of their accumulated business experience and competitive power sources for the stable supply of

electric power to high-voltage and extra-high-voltage customers in the Kanto area through the new company. It is a new development aiming at the full-scale liberalization of electric power retailing from April 2016,

https://www.tohoku-epco.co.jp/english/press/_icsFiles/afieldfile/2015/07/30/press150730_2.pdf

Nuclear Power Supply Restarted

Kyushu Electric Power Company Inc. announced that their Sendai Nuclear Power Unit No.1 located in the southwestern part of Japan restarted generating electricity on August 14. It is the first case of nuclear power generation since almost two years. By September 2013, all of Japan's nuclear power stations were shut down, in order to clear the enhanced safety regulations imposed after the Fukushima nuclear accident in March 2011.

http://www.kyuden.co.jp/en_information_150814.html

Successive UK Deals for Hitachi Rail

Hitachi Rail Europe (HRE) held a ceremonial event at its Global Headquarters in London on July 27 to mark the awarding and signing of the Thameslink contract for Traffic Management (TM) in partnership with Network Rail Infrastructure Limited ("Network Rail").

HRE will supply Network Rail with a traffic management solution with options for the South East and London North Eastern programme, which will provide the framework for a blue print to support the roll out of a full digital railway.

Three days later, according to HRE, the U.K. Government gave the go-ahead for the deal that First Great Western put forward in March, which would see Hitachi deliver and maintain 29 high speed trains for the new franchise.

The fleet of AT300 trains will run primarily from London Paddington to Plymouth and Penzance, replacing the 40-year-old trains currently serving this key intercity route.

Made up of 7 nine-car and 22 five-car bi-mode trains, the mixed fleet will allow for flexible use, including 10-car formations (two five-cars coupled together) for through-services to and from the capital.

<http://www.hitachi.com/New/cnews/month/2015/07/150727b.html>

<http://www.hitachi.com/New/cnews/month/2015/07/150730a.html>