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### LEGISLATION AND POLICY NEWS

#### Promotion of Global Alliances for Japanese SMEs

The Ministry of Economy, Trade and Industry (METI) announced on September 29 that it would develop a new scheme where relevant organizations support the forming of investment alliances between Japanese mid-ranking companies or small and medium enterprises (SMEs) and foreign companies in order to promote overseas expansion by utilizing potential technologies owned by the Japanese companies.

The source of the competitiveness of Japan's *Monodzukuri* (manufacturing) is believed to be the technologies that reside in mid-ranking companies and SMEs. However, according to the METI, in some cases, they are not sufficiently utilized. In order to promote the overseas business expansion of mid-ranking companies and SMEs by exploring such potential technologies of Japanese companies, as well as by utilizing the excellent business resources which foreign companies have, the Japan External Trade Organization (JETRO) will serve as a coordinator to convey foreign companies' requests etc. to relevant organizations including the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (hereinafter referred to as SME Support, JAPAN), the Central Bank for Commercial and Industrial Co-operatives (hereinafter referred to as Shoko Chukin Bank), the Small and Medium Business Investment & Consultation CO., LTD. (hereinafter referred to as SBIC) and thereby support investment alliances with foreign companies.

As the first step, in 2015, METI will establish Global Alliance Promotion Offices (tentative name) for SME Support, JAPAN, the Shoko Chukin Bank, and the SBIC respectively and develop a matching system for foreign companies and Japanese mid-ranking companies and SMEs in collaboration with JETRO. For cases where foreign companies' participation in investment or management will likely lead to the expansion of overseas sales channels and the

promotion of open innovation, the utilization of the SME Growth Support Fund (with which SME Support JAPAN participates in investments) will be encouraged.

[http://www.meti.go.jp/english/press/2015/0929\\_01.html](http://www.meti.go.jp/english/press/2015/0929_01.html)

### **Winners of the FY 2015 Awards for Resources Recirculation Technologies and Systems Announced**

The Ministry of Economy, Trade and Industry (METI) announced the winners of the FY 2015 Awards for Resources Recirculation Technologies and Systems on October 9.

This year, METI Minister's Awards\* were accorded to the following two projects.

(1) Self-circulation recycling for mixed resin that recovered from used home appliances.

Appliances Company, Panasonic Corporation (Kusatsu City, Shiga Prefecture), Production Engineering Division, Panasonic Corporation (Kadoma City, Osaka Prefecture), Panasonic Eco Technology Center Co., Ltd. (Kato City, Hyogo Prefecture)

(2) Development and commercialization of technology for zero emissions in the integrated steelworks.

Nippon Steel & Sumitomo Metal Corporation Nagoya Works (Tokai City, Aichi Prefecture)

In addition, Award of the Director-General of the Industrial Science and Technology Policy and Environment Bureau were accorded to the following two projects.

(a) Development of technology for effective use of porcelain insulator scraps.

Office of Environment Considerations, the Kansai Electric Power Co., Inc. (Osaka City, Osaka Prefecture), Faculty of Science and Engineering, Kinki University (Higashiosaka City, Osaka Prefecture), the Kanden L&A Limited. (Osaka City, Osaka Prefecture)

(b) Establishment and operation of used business machines exchange system.

Reverse Logistics Committee, Japan Business Machine and Information System Industries Association (Tokyo)

\*This awards program was launched in 1975 with the aim to recognize outstanding projects and efforts by companies and other industrial groups with excellent technologies that contribute to waste reduction, reuse and recycling, thereby encouraging and fostering such efforts and creating new business. The program is organized by the Japan Environmental Management Association for Industry (JEMAI), with the support of METI.

[http://www.meti.go.jp/english/press/2015/1009\\_02.html](http://www.meti.go.jp/english/press/2015/1009_02.html)

## **Agreement in Principle under the TPP Negotiation Announced**

Cabinet Secretariat of the Japanese Government published on October 20, an outline of the agreement in principle under the Transpacific Partnership (TPP) agreement. The Ministry of Economy, Trade and Industry (METI) has compiled the results of an agreement in principle regarding tariffs on industrial products (those related to METI) under the TPP Agreement. Both information is available only in Japanese for the moment.

Earlier on October 5, Ministers of the 12 TPP countries – Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Vietnam – announced the conclusion of their negotiations.

<http://www.cas.go.jp/jp/tpp/index.html>

[http://www.meti.go.jp/english/press/2015/1020\\_01.html](http://www.meti.go.jp/english/press/2015/1020_01.html)

## **SURVEY AND BUSINESS DATA**

### **Regional Economic Situation in the Third Quarter Remains the Same as the Previous Quarter**

According to the quarterly survey of the Ministry of Economy, Trade and Industry (METI), the Japanese national economic situation in July-September remains the same as that in the previous quarter. It is “improving moderately,” although some businesses show weakness.

Compared to the previous quarter, the assessment of regional economic conditions has been revised upward in the Hokkaido region, while it has been revised downward in the Kinki and Shikoku regions in the West, and remains the same in other regions.

As for production in the automobile industry, international automobile sales, particularly to North America, have shown steady performance. Meanwhile, domestic sales continue to maintain a weak tone due to the effects of the light vehicle tax hike. Production of smartphones has shown a weak tone due to the effects of Chinese economy, whereas production for foreign markets in the general-purpose, production, and business-oriented machinery sectors remain steady.

Quarterly regional economic and industrial research report is compiled with the results of the research conducted by the regional Bureaus of Economy, Trade and Industry.

[http://www.meti.go.jp/english/press/2015/1021\\_01.html](http://www.meti.go.jp/english/press/2015/1021_01.html)

### **Imported vehicle sales in Japan rise 8% in 1st half of FY 2015**

According to the Japan Automobile Importers Association (JAIA), sales in Japan of new imported vehicles, including those built abroad by Japanese automakers, rose 8 percent from a year earlier in the April-September period to 156,656 units. Sales of foreign-brand vehicles grew 9.7 percent to 136,897 units, while those of Japanese-brand cars dropped 2.4 percent to 19,759 units..

By brand, Mercedes-Benz ranked first with sales of 30,839 units, up 18.4 percent from a year earlier. It was the first time in 10 years that Mercedes-Benz outnumbered Volkswagen in the first six months of the year.

[http://www.jaia-jp.org/wp-content/uploads/2015/10/2015FY1sthalf\\_NewCarNews\\_e.pdf](http://www.jaia-jp.org/wp-content/uploads/2015/10/2015FY1sthalf_NewCarNews_e.pdf)

## **COMPANY NEWS**

### **Toyota eyes commercializing automated highway driving cars**

Toyota has been testing a new automated driving test vehicle called Highway Teammate, with the aim of launching related products by around 2020. In addition to demonstrating the capabilities of next-generation safety technologies, Toyota says that the vehicle represents their view of the evolving driver-car relationship in the age of artificial intelligence.

<http://newsroom.toyota.co.jp/en/detail/9753831>