

E-MAIL MAGAZINE

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1. DISPATCH REPORT OF THE MYANMAR, CAMBODIA, THAILAND ECONOMIC MISSION

The OCCI jointly dispatched a mission with the Japan External Trade Organization (JETRO) to Myanmar (Yangon), Cambodia (Phnom Penh and Poipet), and Thailand (Bangkok) from February 7 to 13. Twenty-seven people from 21 companies, mainly SME, participated in the mission.



In Myanmar, the mission visited the Thilawa Industrial Park, which has attracted attention for its joint opening with a Japanese trade company union and

the local government in September last year. At the industrial park, several Japanese staff members are stationed to provide support in the One Stop Service Center, which promises Japanese companies a quick procedure before and after their establishment of a company in the Industrial Park. Furthermore, a generous incentive of exempting corporate taxes for seven years & reducing taxes for five years is prepared for companies entering the Industrial Park.

The mission confirmed information from the Park, which has already received applications from as many as 60 companies, about the



infrastructure facilities and future development, such as the second-term development and construction of rental factories, and visited a factory of a company that had just started operating in the Industrial Park to learn about the actual situation and problems of setting up a business and business management from the company's manager. Mission members also received a detailed explanation about Myanmar's current political and economic situation, investment climate, and legislative system from local JETRO members and specialists, and visited a human resources development organization to explore Myanmar's future possibilities.

Next, mission members visited Phnom Penh in Cambodia. They learned about the region's development using its location next to Thailand and Vietnam, and about the region's investment attraction policy with very few restrictions on foreign capitalization. Mission members also visited a Japanese manufacturer that has entered Cambodia with an eye on sales in the ASEAN market, and learned there about problems in that region and their future prospects. Furthermore, mission members took a study tour at a local popular AEON Mall that had entered the region the year before last, deepening their understanding of circumstances of local consumers based on the increasing number of people in the middle- and high-income classes.

After that, mission members traveled to Siem Reap in Cambodia, and took an eight-hour bus ride from there through the Southern Economic Corridor to Bangkok. On the way to their destination, they visited a special economic zone that was developed using its location on the border with Cambodia. Furthermore, they received an explanation about a techno-park, which is scheduled to be developed in the special economic zone in the future by a Japanese company, and, from a person in charge at a Japanese company that entered the border area before others, heard about how the techno-park could be used as part of Thailand Plus One. Mission members listened enthusiastically to the explanations, and engaged in active Q & A session.

After their arrival in Bangkok, mission members gained an opportunity to learn in detail about Thailand's actual situation as a hub of Southeast Asia, future trends toward industry sophistication, and about the roads and distribution network connecting surrounding countries such as Vietnam and Laos.

The study tour provided an opportunity for mission members to gain more understanding of future businesses from a broad perspective looking toward ASEAN's economic zones, such as the China Plus One and Thailand Plus One, while visiting countries expected to be locations for future new development.

2. DISPATCHING THE KANSAI & ISRAEL BUSINESS EXCHANGE MISSION

The Kansai Bureau of Economy, Trade and Industry and the Osaka Chamber of Commerce and Industry dispatched the Kansai & Israel Business Exchange Mission under the leadership of Mr. Seki, the director of the Kansai bureau of METI from March 5 to 9 in cooperation with the Embassy of Israel in Japan and the Embassy of Japan in Israel. Joined by nine Kansai companies mainly from the electrical machinery & electronics and machine-related industries and related organizations, the mission visited Israel together with members of JETRO's Osaka headquarters.

In Israel, mission members visited companies having deep connections to Japan, and companies and research centers with world-class advanced technologies; held a business matching session and a business forum attended by 200 participants, and where information was introduced on such topics as Kansai's economy, participating Japanese companies' business needs, and foreign capital attraction policies; and engaged in business exchanges with local economic organizations. Furthermore, aiming for further business exchanges between Kansai and Israel, the Kansai Bureau of Economy, Trade and Industry and the Israeli Ministry of the Economy signed a Memorandum of Cooperation.



Last year, the Israeli Ministry of the Economy established the Western Japan Israeli Trade Office in Osaka, and created a system to promote business cooperation with Kansai. Taking such a move, the Osaka Chamber of Commerce and Industry held a business matching session and the business forum, as well as promoted further exchanges by visiting Israel through this dispatch. In the future, the OCCI also plans to implement projects toward strengthening corporate exchanges with Israel, a country with a high concentration of high-tech and cutting edge companies.

3. OSAKA CHAMBER OF COMMERCE AND INDUSTRY'S LATE FIRST CHAIRMAN, TOMOATSU GODAI, IN THE SPOTLIGHT BOTH IN JAPAN AND OVERSEAS!

Amid the increasing number of visitors to the Entrepreneurial Museum of Challenge and Innovation in Osaka, operated by the Osaka Chamber of Commerce and Industry, the number of visitors last fiscal year exceeded 20,000 for the first time since the Museum opened in 2001. The Entrepreneurial Museum of Challenge and Innovation in Osaka was established to commemorate the 120th anniversary of the founding of the Osaka Chamber of Commerce and Industry, and is a very unique and unprecedented facility that introduces the lofty ambitions and challenging spirits of 105 entrepreneurs who played active roles in the Meiji period and after through their achievements.



At this Museum, a special exhibition started on August 4, 2015 as a project to commemorate the 130th anniversary of the death of Tomoatsu Godai, founder and first chairman of the Osaka Chamber of Commerce and Industry. Since September, Tomoatsu Godai's life and success had been depicted in *Asa ga kita* (Morning has Come), NHK's morning serial drama. Thanks to this program, the special exhibition gained popularity from women as well as businessmen and students, and the number of visitors increased to 1.4 times that of last year.

Tomoatsu Godai founded not only the Chamber of Commerce and Industry, but also a stock exchange, universities, and many private companies, and later established the basis of Japan's economy.

Although the special exhibition ended on February 13, even in March people who hoped to see Mr. Godai's achievements continued to visit the Museum. Therefore, the Museum recently established a special section about Tomoatsu Godai. The Osaka Chamber of Commerce and Industry also set up a website about Tomoatsu Godai. <http://www.osaka.cci.or.jp/godai/what/#godai> (in Japanese)

Many people have visited the statue of Tomoatsu Godai standing in front of the Osaka Chamber of Commerce and Industry.

4. RESULTS OF THE 61ST BUSINESS & ECONOMIC TREND SURVEY

The Osaka Chamber of Commerce and Industry and the Kansai Economic Federation announced the results of the Business & Economic Trend Survey, which they have jointly conducted every quarter of the year in order to understand member companies' assessments of the economic conditions and the actual condition of their corporate management. This survey was conducted from mid-February to early March targeting 1,675 companies, receiving responses from 428 (valid response rate: 25.6%).

According to this survey, the number of responses for "Expanded" from the previous term for the question on the domestic economy in the January-March 2016 term accounted for 10.3% of the total, and "Downturn" at 38.4%. As a result, the BSI (Business Survey Index) value("Expanded" – "Downturn") was -28.1, showing a drastic decline from 4.9 of the previous term. Marking three consecutive falls, the value dropped into the negative zone for the first time in the past seven terms from the April-June 2014 term where the value was positive due to the consumption tax increase (from 5% to 8%).

Meanwhile, for the question on their own company's business conditions, the number of responses for "Improved" from the previous term was 26.0% of the total, and "Worsened" at 28.8%. The value dropped into the negative zone for the first time in the past three terms from the April-June 2015 term. As for future prospects, the BSI values for April-June and July-September terms are expected to improve to 4.3 and 8.4, respectively.

With regard to capital investment, 64.5% of responding companies answered "Planning for capital investment in FY 2016" (an increase of about five points from the previous year). Among these companies, those planning to increase their investment amounts compared to the previous year accounted for 40.9% (an increase from 34.6%), and those planning to invest nearly the same amount accounted for 39.9%, which indicates member companies' high desire for capital investment.

According to areas implementing capital investments, the Kansai region showed the highest number of companies (81.2%), followed by the Tokyo metropolitan area (31.2%), and Southeast Asia (16.7%).

5. OCCI INTERNATIONAL DIVISION REPORT ON VIP VISITORS

February 23 (Tue.) His Excellency H.E Mr. Francisco XAVIER ESTEVES, Embassy of Portugal in Japan

February 24 (Wed.) Mr. Marco LOMBARDI, Consulate-General of Italy in Osaka

February 25 (Thu.) Mr. Allen S. GREENBERG, Consulate-General of the United States of America
in Osaka-Kobe

March 1 (Tue.) Mr. BROSSEAU Charles-Henri, Consulate-General of France in Kyoto

March 11 (Fri.) Ms. Maria Teresa L. TAGUIANG, Consulate-General of the Republic of the Philippines
in Osaka

March 14 (Mon.) Atty. Adrian Soriano Cristobal Jr. Secretary, Department of Trade and Industry,
Republic of the Philippines

March 18 (Fri.) Mr. TRAN Duc Binh, Consulate-General of the Socialist Republic of VietNam in Osaka

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