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1. SURGE IN THE NUMBER OF OVERSEAS TOURISTS VISITING OSAKA IN FY 2015: KANSAI INTERNATIONAL AIRPORT (KIX) BECOMES JAPAN'S BUSIEST AIRPORT IN FEBRUARY, SURPASSING TOKYO-NARITA INTERNATIONAL AIRPORT KIX COMPLETELY PRIVATIZED IN APRIL 2016

According to a report released last month by the Ministry of Justice of Japan, more than 500,000 overseas tourists entered Japan through Kansai International Airport (KIX) in February, making KIX the busiest airport in Japan and surpassing Narita International Airport (NRT) for the first time since KIX's opening in 1994. One of the reasons is assumed to be its closer location to Asian destinations such as China, Korea, and Taiwan. In addition, the increased number of flights by LCC airlines, easing of visa requirements and lower exchange rate have contributed to the sharp rise in the number of foreign tourists. At present, 18 LCC airlines provide flights between KIX and 26 cities mainly in Asia. This is the largest network between Japan and Asian countries, surpassing the one offered to and from NRT.

In FY 2015, the number of overseas tourists traveling through Kansai International Airport increased by 57% compared to the previous year. The number, 11 million travelers, is the largest ever for a single fiscal year, exceeding 10 million for the first time since the opening of the airport. Moreover, the number of overseas tourists visiting Osaka increased drastically from 3.76 million in 2014 to 7.16 million (of which 2.72 million from China) in 2015.



Meanwhile, a ceremony was held on April 23 to celebrate the establishment of a new company with OCCI chairman Ozaki in attendance, Kansai Airports. Kansai Airports succeeded the rights of operating Kansai International Airport (KIX) and Osaka International Airport (ITM) from New Kansai International Airport Company, which had been in charge of the two airports' operations until the end of March, and commenced its business as a fully privatized company in April 2016. Kansai Airports was established by a consortium made up of core members ORIX Corporation and VINCI Airports S.A.S., a leading French airport operating company. The two companies are planning to expand and improve various services in the two airports, such as shopping facilities, targeting overseas tourists. It is hoped that their expertise in airport operations accumulated through businesses in Europe and other regions, combined with their flexible business policies as private firms will contribute to the revitalization of both Osaka and the Kansai region.

2. OSAKA BUSINESS AND INVESTMENT CENTER (O-BIC) ACHIEVEMENTS IN FY 2015

The Osaka Business & Investment Center (O-BIC) was established in 2001 jointly by the Osaka Prefectural Government, Osaka Municipal Government and the OCCI as a one-stop support center to promote foreign direct investment in Osaka (Secretariat: International Division, OCCI).



In fiscal 2015, O-BIC continued to step up public-private efforts to attract foreign companies for investment in the Osaka region in collaboration with the Osaka International Business Promotion Center and JETRO Osaka. In fiscal 2015, O-BIC received 137 inquiries from foreign companies regarding possible investment in the Osaka region.

The number of foreign investment cases in the Osaka region totaled 46 in fiscal 2015, registering an all-time high for the second year in a row.

Investment cases by Asian companies, including those from China and South Korea, accounted for 40 (nearly 90% of the 46 cases) in the Osaka region in fiscal 2015. Chinese companies investing in the region, including Hong Kong firms, made up the largest group at 31, followed by five(5) companies from South Korea and two(2) companies from the United States.

Of the 46 investment cases in fiscal 2015, the number of import businesses targeting Japanese markets came to 14 while the number of export businesses involving high-quality Japanese products also totaled 14. These import /export together represented 60% of the total foreign investment cases for the year. The number of investments for the recently booming cross-border electronic commerce (EC) market, including use of the Osaka region as a goods procurement location for online shopping and the launch of goods distribution businesses, came to an impressive 11 against the backdrop of booming Japan-bound tourism and the growing

popularity of Japanese products in Asian countries, especially China, and the yen's depreciation against other currencies.

The number of investment cases in the Osaka region by foreign companies totaled 426 during the 15-year period between 2001, when O-BIC was established, and fiscal 2015. Chinese companies which invested in the region numbered 148, the largest group, followed by 71 companies from South Korea and 42 companies from the United States.

3. CHINA BUSINESS SUPPORT OFFICE'S ACHIEVEMENTS IN FY 2015

The China Business Support Office of the Osaka Chamber of Commerce and Industry (OCCI) offers consultations to support small and medium-size companies in developing their business with China, according to their individual needs on a wide range of issues varying from introductory to specialized topics. The Office also provides information regarding business in China through seminars and other events.

In FY 2015 the OCCI offered 22 information seminars, focusing on two issues, risk management and market development in China, based on the needs of member companies.

In FY 2015, 109 individual consultations were provided free of charge on twice a week by specialized staff (15.5% decrease compared to the previous year). According to the business sector of consulted companies, the service sector accounted for 14.7% of all consultations, increasing from 8.9% in the previous year. As for the content of consulted issues, the percentage of matters regarding establishment of a new company/office decreased from 8.3% to 3.7%. On the other hand, issues on domestic sales in China and Chinese policies and systems increased from 8.3% to 11.9% and from 2.4% to 10.1%, respectively. Since the Office's opening, more than 3,000 consultations have been offered.

Furthermore, the China Business Support Office has established the "Japan-Asia "Silver" (elderly-related) Industry Collaboration Promotional Platform" in 2013 in order to seek business opportunities relating to demands in rapidly growing aging societies in China and other Asian countries. Through this platform, the Office arranged business matchings for more than 170 member companies. Also, to introduce high quality products and services of Japanese senior care business companies, the Office published the Japan Senior Care Business Directory printed in both Japanese and Chinese. In FY 2015, the Japanese-English version of the directory (in which 29 companies are introduced) was published, targeting ASEAN markets.

4. OCCI INTERNATIONAL DIVISION REPORT ON VIP VISITORS

April 22 (Fri.) Mr. Thongkhomang Armstrong CHANGSAN, Consul-General, Consulate-General of India
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