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## 1. WELCOME RECEPTION HELD PRIOR TO G20 OSAKA SUMMIT BY LOCAL COUNCIL



On June 27, preceding the G20 Osaka Summit, a welcome reception was held at a hotel in Osaka City under the auspices of a local council (established by the Osaka Prefectural and City Governments and business circles). The reception was attended by

180 people from abroad, including Prime Minister of Vietnam Nguyen Xuan Phuc and other representatives of 25 countries and international organizations. They were warmly received by administrative and business circles in Osaka-Kansai, including Osaka Prefectural Governor Hirofumi Yoshimura, Osaka City Mayor Ichiro

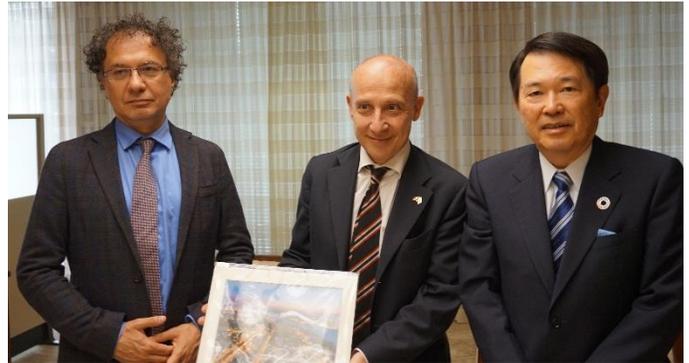
Matsui, and Osaka Chamber of Commerce and Industry (OCCI) Chairman Hiroshi Ozaki. Minister of Foreign Affairs Taro Kono also attended the reception on behalf of Japan. A total of 350 participants strengthened mutual exchange, enjoying local dishes of the Osaka-Kansai region.

At the venue, a display booth was set up to introduce the 2025 World Expo, with various performances such as a dance using flags adorned with LED lights. This helped demonstrate the state-of-the-art technologies and attractiveness of the Kansai region.

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## **2. VICE MINISTER OF ITALIAN MINISTRY OF ECONOMIC DEVELOPMENT AND ITALIAN AMBASSADOR TO JAPAN MAKE COURTESY VISIT TO CHAIRMAN HIROSHI OZAKI**

On June 11, Mr. Michele Geraci, Under Secretary of State of the Italian Ministry of Economic Development, and Mr. Giorgio Starace, Italian Ambassador to Japan, made a courtesy visit to Hiroshi Ozaki, Chairman of the Osaka Chamber of Commerce and Industry (OCCI) at the OCCI Building. Hiroshi



Ozaki stated, “Japan and Italy have enthusiastically interacted with each other through trade of food and fashion goods as well as culture. When Milan Expo 2015 was held in Italy, we sent a delegation to introduce Japanese food and culture. We would like Italy to participate in the World Expo 2025 Osaka, Kansai. With effectuation of the EPA, we also would like to expand our business relationship in the fields of industrial products and energy.”

Under Secretary of State Mr. Michele Geraci responded, “I have visited Osaka twice during the past several months. This reflects my passion for Osaka. Since I believe that Japan is a very important partner in commerce, I have relayed to Italian companies the importance of the Japanese market. The effectuation of the EPA has helped promote trade relations between Italy and Japan. I would like to ask you to cooperate with the Italian government-driven project “High Street Italy,” in which excellent products produced by Italian small and medium-size companies will be exhibited in Osaka to introduce them to people in Japan.”

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### 3. OCCI SENDS STARTUP COMPANIES TO WORLD ECONOMIC FORUM'S ANNUAL MEETING OF NEW CHAMPIONS 2019 HELD IN DALIAN



The Osaka Chamber of Commerce and Industry (OCCI) sent representatives of six startup companies to the World Economic Forum's Annual Meeting of New Champions 2019 held on July 1 to 3 in Dalian, China. At the forum, Chinese Premier Li Keqiang delivered remarks at the opening ceremony, and Ms. Satsuki Katayama, Minister of State for the Promotion of Overcoming Population Decline and Vitalizing Local Economy in Japan, and Mr. Heizo Takenaka, former Minister of Economic and Fiscal Policy took the platform as speakers from Japan. The forum was

attended by a total of 1,800 innovators, corporate leaders, and national representatives from 85 countries.

Since we support the globalization of startup companies located mainly in Osaka, we participated in sessions aimed at discussing how to resolve issues surrounding the world as well as space in order to help Japanese startup companies create their future visions, and worked to build a network at receptions. The startup companies that participated in the Annual Meeting seemed to have been stimulated by learning how Japan is seen from overseas and what common issues Japan and foreign countries are facing in creating future innovation. We have received views from them, such as: “We would like to use this opportunity to vitalize the Kansai region,” and “We would like to energize Japan.” We are expecting that they will expand their businesses globally.

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### 4. RESULTS OF THE 74TH BUSINESS AND ECONOMIC TREND SURVEY

The results of the latest Business and Economic Trend Survey were disclosed. This quarterly survey is conducted jointly by the Osaka Chamber of Commerce and Industry (OCCI) and the Kansai Economic Federation to grasp the business sentiments of member companies and the status of their corporate management. For the 74th survey, the questionnaire was sent to 1,616 companies from mid to late May, with

responses received from 387 companies (valid response rate: 23.9%).

The survey results show that the 2019 April-June business sentiment index (BSI ?Business Survey Index?: the percentage of companies answering that the present business conditions are improving, minus the percentage of companies answering that the present business conditions are getting worse) concerning the domestic economy is ?20.7, a negative figure for two consecutive quarters. The BSI concerning the business conditions of individual companies during the same quarter is ?8.8. This score fell into negative territory for the first time in 11 quarters since the 2016 July-September survey.

Next, asked about the impact of the slowdown of the Chinese economy, the largest number of respondents (46.8%) answered that they were slightly suffering from negative effects. When combined with respondents (5.4%) answering that they are suffering from significant negative effects, more than half of respondents (52.2%) replied that China’s economic slowdown had impacted them badly. For specific effects on the companies answering that they are suffering from negative effects, the largest number of respondents (38.1%) indicated decreased exports from Japan to China, followed by 30.7% of respondents and 15.3% of respondents indicating decreased orders received from domestic business partners and decreased production in local subsidiaries (production bases) in China, respectively.

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## **5. RESULTS OF THE ISSUANCE OF TRADE-RELATED CERTIFICATES (TRADE-RELATED CERTIFICATES AND PREFERENTIAL CERTIFICATES OF ORIGIN) IN FY 2018**

The Osaka Chamber of Commerce and Industry (OCCI) issues trade-related certificates, such as invoices and certificates of origin. It also issues preferential certificates of origin to countries that have signed an Economic Partnership Agreement (EPA) with Japan, as the Osaka Office of the Japan Chamber of Commerce and Industry. OCCI has summarized the results of issuance of these certificates from April 2018 to

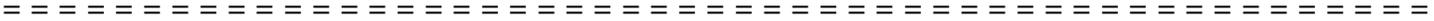
March 2019 (FY 2018) as shown below. The total number of issued certificates was 157,959, a decrease of 2.6% compared to the previous fiscal year. Among them, the number of issued preferential certificates of origin increased year on year, while that of issued trade-related certificates decreased. The details are as follows.

#### Results of the issuance of trade-related certificates

- The number of issued trade-related certificates, mainly certificates of Japanese origin, was 105,108, a decrease of 5.7 points year on year.
- In terms of destinations, the issuance of certificates for exports to Latin America, Europe, and North America decreased in general, but for exports to Asia, which comprises a large portion of the total issuance, decreased by only 4.1 points.
- In terms of items, the issuance of certificates for electric devices increased by 0.2 points. Meanwhile, issuance for transport equipment and sundry goods decreased by 16.9 points and 16.7 points, respectively.

#### Results of the issuance of preferential certificates of origin

- Since more and more companies aimed to enhance their price competitiveness for exports and develop their supply chain capacity due to reduced customs duties, the issuance of preferential certificates of origin continued to increase although the rate of increase slowed down. In FY 2018, the number of issued certificates was 52,851, a rise of 4.5 points year on year.
- In terms of destinations, the issuance of preferential certificates of origin for exports to Thailand (17,631), India (10,123), and Indonesia (8,938) based on EPAs accounted for approximately 70% of the total issuance, followed by those for exports based on the ASEAN-Japan Comprehensive Economic Partnership Agreement, then the EPA with Vietnam, and the EPA with Malaysia.
- In terms of products, the issuance of preferential certificates of origin for metal products, chemical products, machinery, and transportation-related products including vehicles, amounted to 33.8%, 21.9%, 21.3%, and 10.8% of the total issuance, respectively.



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