

# **EBC E-NEWS BULLETINS**

**JULY 2002 (No. 11)**

*This e-News Bulletin is available on the EBC website and printouts are displayed in the EBC office.*

*Please direct queries and comments to:*

Alison Murray

Executive-Director, European Business Community in Japan

Sanbancho POULA Bldg. 2F, 6-7 Sanbancho, Chiyoda-ku, Tokyo 102-0075

Tel: 03-3263-6222; Fax: 03-3263-6223; E-mail: [ebc@gol.com](mailto:ebc@gol.com)

*The EBC thanks Ms. Femke Janssen for her assistance with the production of this issue of the bulletin*

---

## **Summer**

Although many people are enjoying their summer holiday, the EBC would like to inform you of past events, upcoming events and other topics that might be of interest to you or your company.

The EBC would also like to use this opportunity to thank EBC and Chamber members for their enthusiastic support for the EBC Breakfast with EU-Trade Commissioner Lamy. With 160 participants the EBC showed that it is an important player in relations between Europe and Japan.

If all goes well with our White Paper funding outreach, we plan to launch this year's publication in November, and we look forward to your ongoing support at that time.

## **Another JIL Briefing on Labour Issues**

On Wednesday, July 31, 2002 from 15:30-17:00, Ms. Norie Honda, Deputy Director of the Statistical Information and Analysis Department of the Japan Institute of Labour will be the speaker on: "Recent trends of Corporate Restructuring and Employment in Japan". Ms. Honda will explain the results of a survey on corporate restructuring and Employment conducted by JIL this year. She will also explain the circumstances of the employees who have found new jobs this year.

If you would like to attend this briefing, or more information, please visit:

<http://www.jil.go.jp/laborinfo-e/what/briefing/htm> or contact Kono/Imaizumi, International Affairs Dept., JIL, Phone 03-5321-3084

Admission is free of charge

A copy of the latest edition of the Japan Labor Bulletin is available in the EBC Office, and articles can be viewed at:

<http://www.jil.go.jp/index/htm>

Contents of the latest issue:

- Working conditions and the labor market (Wages and working hours)
- Human Resources Management
  - Major supermarkets institute similar conditions for regular and part-time employees
  - Many companies monitor Internet access without informing employees
- Public Policy
  - Employees` pension funds return responsibility for administration to government
- International Relations
  - Number of overseas trainees increases
- Special Topic
  - Increase in the number of young non-regular workers: situation and problems
- Opinion
  - A review of the 2002 Shunto from Labor and Management

## **EBC Breakfast with EU-TradeCommissioner Pascal Lamy**

On July 9th, an EBC Breakfast was organized with Pascal Lamy. Mr. Lamy presented his views on trade relations between the EU and Japan, and among many other topics, the worldwide trade-issue on steel. A few EBC Chairmen explained their view on

Japanese regulations and problems they encounter in Japan. The breakfast was very well attended: 160 people attended the event, thanks to active participation of EBC Members and support from the National Chambers of Commerce. Pictures of the event can be viewed on the EBC's website, by clicking the tab "Events" and then "The EBC Breakfast with EU-Trade Commissioner Lamy": <http://www.ebc-jp.com>

Some of the journalists present reported the event and we are currently collecting the articles.

### ***e-Commerce Meeting on Methods of Payment***

On July 10th the EBC e-Commerce Committee organized a successful meeting on the "Change in Methods of Payment".

Two high-level speakers, Mr. Akio Kokubu, Director, New Media Development Association (NMDA), and Mr. Makoto Kira, President of Trade Card Japan, explained how Japanese cities will be equipped with advanced smart card systems and how companies will settle their online transactions.

### ***US-Japan Deregulation Report and US-Japan Investment Initiative report: "US-Japan Economic Partnership for growth"***

Japan and the United States unveiled two reports describing deregulation measures being undertaken by both countries and outlining ways to promote American business investment in Japan. Both reports can be obtained from the EBC office. The deregulation report, which covers the telecommunications and information technology sectors and other key areas, was the first of its kind issued under the US-Japan Regulatory Reform and Competition Policy Initiative. In the latest report, the U.S. expressed hope that Japan will promote deregulation under its newly adopted economic and fiscal policy package. The U.S. government notes recent talks in Japan to establish structural/regulatory reform zones and looks forward to exchanging views with the Japanese government on this issue as developments unfold. The report was referring to special structural reform zones mentioned in a list of policy pledges adopted by Koizumi's Cabinet. Regulations in these zones would be drastically eased or abolished. Regarding deregulation measures within the Japanese telecommunications sector, where the U.S. is seeking cuts in interconnection rates, Japan simply listed the measures to date. The investment report, meanwhile, outlines ways to facilitate the participation of foreign companies in bilateral mergers and acquisitions (M&A) and the purchase of bad loans in Japan. After compiling their first report, panel members agreed to modify Japan's restrictions on M&As and nonperforming assets to allow foreign companies greater access. The U.S. side stated that changes are needed to allow the use of broad range of M&A methods, including cross-border stock swaps along the lines currently allowed in Japan, cash mergers and short-form/squeeze-out mergers. Under a 1998 revision of the Commercial Code and associated tax reforms, Japan provides tax incentives to promote share exchanges between Japanese companies. Foreign companies are barred from taking part in the system. The U.S. strongly urged immediate and bold action for liquidating nonperforming assets in the market giving foreign capital the opportunity to purchase the debts.

### ***EBC White Paper Support***

As was the case in 2001, the EBC has limited operating funds and all projects, including our hallmark publication - the EBC "white paper" - must be conducted on a cost-recovery basis. This means that funds must be raised to cover the cost of producing the English and Japanese versions of the report and launching it an event (scheduled for November 18).

So far, we have received many generous pledges for sponsorship and orders (please refer to the appendix below for details). However, the amount promised so far (as of July 26) still only represents about 70% of the target, which based on prudent financial considerations, is barely sufficient for us to proceed with this project at this stage. If a decision is not taken before the end of this month, we may not have adequate time to prepare the publication.

We would like to remind you about the request and urge those of you who have not yet responded, to support this project either as a sponsor or by placing an advance order for copies. If you have forgotten to respond (or have not responded because the date has passed our original deadline for responses) or if you are kind enough to reconsider, please fax your reply form to the secretariat (or send an e-mail to [ebc@gol.com](mailto:ebc@gol.com)). We would appreciate your response as soon as possible in order to determine whether or not we will have sufficient funds to produce and launch the white paper this year and to provide adequate time to complete the project once sufficient funds have been raised.

We look forward to your high valued support of the White Paper.

### ***Chiba Prefecture: Briefing and Reception with Governor Domoto, September 9, 2002***

There has recently been an increase in foreign direct investments in Chiba Prefecture, following continued deregulation in many fields and the decline in real estate prices.

At the briefing session on September the 9th, Chiba Governor Domoto and EBC Chairman Richard Collasse will address the gathering on this topic.

If you would like to attend this event, which will be held in the Hotel Okura from 4:00-5:30 p.m., please contact Tokyo Research International no later than August 26: [k-okano@triltd.co.jp](mailto:k-okano@triltd.co.jp)

### ***Message from the Hyogo Prefectural Government***

Four commercial districts have been designated as International Economic Zones as of May 31, 2002:

- Sannomiya (approx 350 ha.) between Sannomiya and Kobe Stations
- Port Island, 1st Stage (approx. 55 ha) in the center of Port Island
- Rokko Island (approx 50 ha) in the center of Rokko Island
- Port Island, 2nd Stage (approx. 420 ha) aal of Port Island

Hyogo Prefecture offers major support measures for companies setting up business in these areas, such as: Subsidizing rent of offices for foreign and foreign-affiliated companies (in some cases up to 50% of total office rent); offering subsidies to job-creating businesses (up to 600,000 yen per employee for small companies with more than 10 local workers and 1.2 million yen for large companies); and various additional subsidies to companies utilizing renewable energy.

For further details, please contact:

Mr. Keiichi Tanaka, Director, Hyogo Prefectural Government Business Support Center, Tokyo

Hyogo Club Tokyo, Sakuragofukubashi Bldg 8F

1-3 Yaesu, Chuo-ku, Tokyo 103-0028

Phone: 03-6202-0951, Fax: 03-6202-0952

E-mail: [hiat01@oak.ocn.ne.jp](mailto:hiat01@oak.ocn.ne.jp)

### ***Revival of the EBC Food Committee***

As a result of the meeting on June 3 to revive the Food Committee, Mr. Andrew Mankiewicz, President of the Tozai Group, kindly agreed to serve as Chairman of the Committee, and Mr. Robert Marti, President of Roquette Japan K.K. also kindly agreed to serve as the Vice- Chairman. Mr. Torben Henriksen, the EBC Vice-Chairman for Denmark, is serving in the role of liaison between the Food Committee and the EBC Council.

Since the food sector is large and is still faced with a substantial number of issues to be resolved with the Japanese government, regular meetings of the Committee are planned and a section on Food will be included in the EBC's 2002 White Paper. If you would like to join this Committee, please contact the EBC Office ([ebc@gol.com](mailto:ebc@gol.com)).

### ***EU-Japan Business Dialogue Round Table***

On the 8th and 9th of July the EU-Japan Business Dialogue Round Table (EUJBDRT) was successfully completed. The EBC Chairman Richard Collasse served as the co-chair of Working Group 1; "Creating an Open Environment for Trade and Investment". The Japanese counterpart of Richard Collasse was WG1 co-chair Mr. Yoichi Numata, of NEC

There were 5 working groups altogether in the EUBDRT, and their papers can be viewed at:

<http://www.eujapan.com/roundtable/workinggroup.htm>

The EBC's WG1 paper can also be found on the EBC's website (<http://www.ebc-jp.com>)

Click on the tab - Position Statements - at the bottom of the homepage.

### ***Formation of Human Resources Committee***

The EBC will establish a Human Resources Committee and the first meeting will probably be held in late August or early September- we have already identified a member of the BCCJ who is willing to chair this committee and companies who are interested in participating.

The human resources sector is addressed in Working Group 1 (co-chaired with the Japanese side by the EBC) of the EU-Japan Business Dialogue Round Table. So far, our submissions in this paper have been restricted to the issues of visa and reentry permit requirements, but the EBC would be interested in addressing these issues in greater depth and human resources on a broader scale such as; benefits, compensation, monitoring Japanese labour laws and other issues similar to those handled by the ACCJ.

If you or a member of your company would like to join a start-up EBC Human Resources Committee, please indicate your interest by e-mail ([ebc@gol.com](mailto:ebc@gol.com))

### ***Look Japan Articles***

The Magazine "Look Japan" recently published articles on two member companies of the EBC. The latest article can be found in August's edition, an interview with Gary Bennett, President and CEO of PCA Life, member of the EBC Insurance Committee.

The July edition features an interview with Richard Collasse, President and Representative Director of Chanel K.K., Chairman of the EBC and member of the EBC Cosmetics Committee. These articles can be found on the website of Look Japan: <http://lookjapan.com>

Look Japan editors occasionally visit the EBC as they write a few articles each year on European Companies in a specific field of business.

### ***Roundtable on Healthcare Reform on September 19th, Hotel Okura Tokyo***

***- EBC to Receive One Free Seat -***

Economist Conferences are holding their "Third Roundtable on Healthcare reform in Japan" on September 19th at the Hotel Okura Tokyo. Confirmed speakers include Yoshiki Otake, Keizai Doyukai, Chairman, America Family Life Assurance Company, Dr. Eitaka Tsuboi, President, Japan Medical Association, Anthony A. Butler, Pharmaceutical Research and Manufacturers of America Japan Representative. The content will include patient access, competition of delivery, deregulation, patient-centered care standards, transparency and accountability in healthcare services, cost-effective provision of highest quality, cutting edge medical equipment and many more. For more details, a separate e-mail (from the EBC) will be circulated subsequently, but for further information and registration see [http://www.economistconferences.com/Roundtable/Public/search\\_content.asp](http://www.economistconferences.com/Roundtable/Public/search_content.asp)

Under an agreement with Economist Conferences, one company nominated by the EBC can send a representative to this Healthcare Reform roundtable free of charge.

Any company interested in attending as the EBC-nominated participant, please notify Alison Murray at [ebcam@gol.com](mailto:ebcam@gol.com) as soon as possible. A name will be "drawn out of a hat" by the EBC Chairman at the next Executive Operating Board meeting (September 10th) from those submitted.

### ***Economist Conferences Annual Economic Forecasting & Planning Meeting on September 4, Tokyo American Club***

***- EBC Members to Receive Discounted Entry -***

The Economist Conferences will hold a morning meeting on September 4 (Tokyo American Club, 7:45-10:30 a.m.) at which delegates can hear predictions from the Economist Intelligence Unit and the Economist Corporate Network on:

- The shape of the global recovery and risks of another recession
- Policy shifts and their impact on Asia's outlook
- Economic performance and corporate priorities across Asia - China, Japan, Hong Kong, India, Korea, Taiwan, Southeast Asia.

Speakers will include Mr. David Satterwhite, Managing Director, Economist Corporate Network Japan, Mr. Robin Bew, Chief Economist London, Economist Intelligence Unit, Mr. David Atkinson, Managing Director, Goldman Sachs Japan, Mr. Jesper Koll, Chief Economist, Merrill Lynch Japan, and Mr. Keikichi Honda, Chairman, Sun Microsystems.

Under an agreement with The Economist Conferences, EBC members will receive a 15% discount (42,500 yen instead of 50,000 yen) if they register for this event. The fee for a second delegate from the same company is 25,000 yen.

When you register for this event, please indicate that you are a member of the EBC.