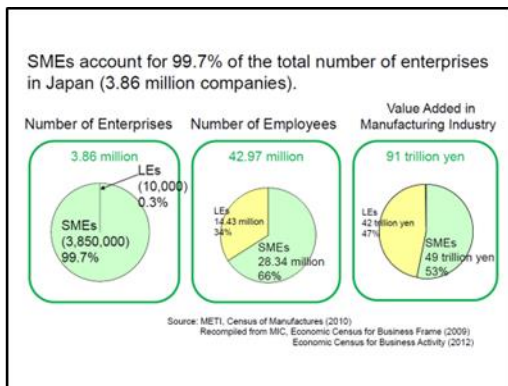




Why SMEs in Japan matter with regard to the trade in the region now?

SHIOTA Makoto

President, SME support, Japan (Organization for Small & Medium Enterprises and Regional Innovation, JAPAN)



How are the attitudes of the SMEs in Japan vis-à-vis doing business abroad?

It depends on types and business model of SMEs

- Focus on "local to local" business
- Outward bound: "local to global" business
- Combined style

The SME's export value remains around 10%

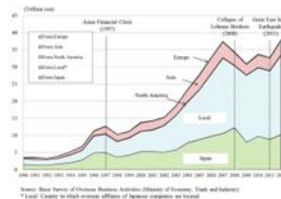
Why regional trade matters?

Depends on wide-range of Business models:

- Finished goods made in China, Korea, export to Japan
- Parts/components made in Japan, exported to/assembled, sold in China, Korea
- Parts/components imported from Japan, assembled in China, Korea and exported to the 3rd market
- Parts/components exported from China, Japan, Korea, assembled in other countries than CJK, reimported to China, Japan, Korea
- Parts/components imported from China, Korea, assembled in other countries than CJK, and exported to the 3rd market

How about the relevant companies in recipient countries? Can they have advantages by inbound investments?

Chart: Purchases by Japanese Manufacturing Affiliates in Asia



How can SMEs in the region deal with any difficulties which might occur abroad?

- Advantage:
 - "Global niche top"
 - Quick, prompt in decision
 - Resilient
- Disadvantage:
 - Resource constraint in money, human resources and information

What kinds of viewpoints are important/crucial for the SMEs' trade/investment in the region?

- Keen on Trade/Investment/IPRs rules, Security/Transparency such as
 - Burdensome process on Rule of origin HS(Harmonized Commodity Description and Coding System) application
 - Insufficient level of IPR protection
 - Lack of detailed information on the process/Need for the information hub etc.