

JAPANESE INDUSTRY AND POLICY NEWS

January 2017

LEGISLATION AND POLICY NEWS

A Study Group on Competition Policies in Relation to the Fourth Industrial Revolution Established

The Ministry of Economy, Trade and Industry (METI) has established a Study Group for Ideal Approaches to Competition Policies for the Fourth Industrial Revolution in January. The study group aims to examine competition among enterprises and the relationship between accumulation and utilization of data, which is an important element in bringing the fourth industrial revolution to fruition.

The study group will undertake necessary discussions to conduct the following initiatives:

- (1) Collecting cases of data accumulation and utilization from broad areas and categorizing them;
- (2) Streamlining policies related to data accumulation and utilization by focusing on competition policy issues; and
- (3) Presenting approaches to realize continuous innovation through fair and free competition, while bearing in mind the results of the discussions in Western countries.

The study group will hold its meeting approximately once a month and produce a report on their research and findings as a final effort.

http://www.meti.go.jp/english/press/2017/0112_002.html

The Working Group for the Standardization of Credit Card Data Compiled a Report

The Ministry of Economy, Trade and Industry (METI) established a Working Group (WG) for the Standardization of Credit Card Data to standardize necessary data involved in credit card settlements. The WG held eight meetings from July 2016, and compiled the discussion results into a report, an outline of which was published in English on 13 January.

As an immediate output, the WG decided to set the goal of ascertaining trends in consumption by overseas visitors to Japan. As a specific use of the data, it decided to improve the accuracy of public analysis of data, including enhancing

the quality of credit card data involved in trends in consumption by overseas visitors to Japan, which is stored in the Regional Economy Society Analyzing System (RESAS) provided by the government of Japan.

Among a variety of data traded in credit card settlements, the WG mentioned sales data sent from acquirers to international credit-card brands, i.e., so-called “off-us transaction,” and among the data, it discussed the standardization of information on locations and sectors of credit-card affiliated stores whose data formats are not organized.

As a reference, the report contains information on the diffusion of credit card use in Japan. It is reported that credit cards are used at retail outlets more often in big cities such as Tokyo (19.8%) and Osaka (15.6%) but less in other parts of Japan (12.7%). And, while 71% of supermarkets accept credit card settlement, only 51% of taxis are ready to accept credit card payment.

http://www.meti.go.jp/english/press/2016/1226_004.html

SURVEY AND BUSINESS DATA

Industrial Production is Expected to Increase in January and February

According to the Survey of Production Forecast in Manufacturing of the Ministry of Economy, Trade and Industry (METI) published on 31 January, industrial production is expected to increase in January and February.

Major industries which contribute to the production increase in January are “General-purpose, production and business oriented machinery”, Electronic parts and devices and Information and communication electronics equipment, in that order. As for February, Transport equipment, Electronic parts and devices and Chemicals will contribute to the increase, in that order.

<http://www.meti.go.jp/english/statistics/tyo/iip/index.html>

MAFF Published the First Wood Biomass Energy Report

Ministry of Agriculture, Forestry and Fisheries (MAFF) published the first study report on wood biomass energy on 31 January. The report was compiled from questionnaire responses of 1,316 business entities.

According to the report, volumes of wood biomass which were used in 2015 for energy production were 6,900,000 dry tons (hereinafter, “tons”) of wood chips, 160,000 tons of wood pellet, 50,000 tons of fire wood and 370,000 tons of saw

dust. Among wood chips, 17% (1,170,000 tons) were originated from thinned wood. Total number of generators which use wood biomass as fuel was 232 and the number of boilers was 1,945.

<http://www.rinya.maff.go.jp/j/press/riyou/170131.html> (Japanese language only)

Tourism Industry: Annual Foreign Visitors Reached a Record High of 24 Million

The number of foreign visitors to Japan in 2016 reached 24.04 million which is an increase of 21.8% from the past record of 2015, the Japan National Tourism Organization (JNTO) announced on January 17. The Japanese government's target of welcoming 20 million foreign visitors by 2020 has already been accomplished.

JNTO attributes the rise in the number of foreign travelers to relaxed visa requirements and an increase of cruising ship visits and enhancing international flight networks.

By Country/area of origin, Chinese tourists were most numerous with 6.37 million, followed by South Korean (5.09 million) and Taiwanese (4.17 million). As regards Europe, all of British (292,500 persons), French (253,400), German (183,300), Italian (119,300) and Spanish (91,800) tourists renewed their past records.

http://www.jnto.go.jp/jpn/statistics/data_info_listing/pdf/170117_monthly.pdf

Foreign Workers Exceeds One Million for the First Time

According to the statistics that the Ministry of Health, Labour and Welfare released on 27 January, the number of foreign workers as of end-October 2016 was 1,083,769. It is an increase of 19.4% as compared to the previous year and it is the first time that the number of foreign workers exceeded one million. The total number of entities which employ foreign nationals were 172,798, an increase of 13.5%.

By country of origin, Chinese were most numerous with 344,658 persons, followed by Vietnamese (172,018), Philippines (127,518), Brazilian (106,597) and Nepalese (52,770).

<http://www.mhlw.go.jp/stf/houdou/0000148933.html> (Japanese language only)

Sales of Foreign-brand Cars Increased by 3.4% in 2016

According to the Japan Automobile Importers Association (JAIA), sales in Japan

of new imported cars, including those built abroad by Japanese automakers, increased by 4.6% in 2016 from the previous year to 327,607 units. Sales of foreign-brand vehicles also recorded an increase of 3.4% to 294,060 units. By brand, Mercedes-Benz ranked first with sales of 67,378 units, up 3.4% from a year earlier. BMW came in second with 50,571 units (+9.4%), exceeding Volkswagen (47,233 units) which recorded a drop of 13.8% from the previous year.

The market share of foreign-brand cars was calculated at 5.9% since the total number of new car sales including smaller cars of up to 660 cc engines were 4.97 million units in 2016,.

<http://www.jaia-jp.org/wp-content/uploads/private/201612NewCarNews.pdf>

<http://www.jada.or.jp/contents/data/type/type00.html>

Beer Market Remains Stagnant

According to the statistics which the Brewers Association of Japan published on 16 January, shipment of Japanese beer* in 2016 was 2,662,496 Kilo Liters (KL). It is a decrease of 1.9% as compared to the previous year. Canned beer registered an increase of 0.3% while beer in bottle and bigger barrel/tank both registered a decrease. *A total of five big makers

Japanese beer market remains stagnant since 2009 when shipment reached more than 3 million KL. Shipment of imported beer in 2016 was 4,993 KL which is a 31.8% decrease from the previous year.

In addition to beer, “beer-like” taste sparkling drinks which do not correspond to the definition of beer are popular in the Japanese market. In 2016, about 2.6 million KL of such drink was marketed in Japan.

<http://www.brewers.or.jp/data/doko.html> (Japanese language only)

COMPANY NEWS

Effectiveness of “HAL” Labor Support Robot Suits to be Verified at Narita Airport

Trial use of “HAL for Labor Support” suits started on January 24 at Narita International Airport, near to Tokyo in order to reduce the workload of its staff members. All Nippon Airways Co., Ltd. (ANA) and Japan Airlines Co., Ltd. (JAL) let their luggage handling staff wear the suits to verify its effect on reducing the

stress on the lower back and also on improving productivity.

HAL for Labor Support (Lumbar Type) and HAL for Care Support (Lumbar Type) are developed by Cyberdyne Inc. According to the company these are the worlds' first robots which contribute to significant reduction of the stress on the lumbar part through scientific analysis.

<http://www.cyberdyne.jp/english/>

<http://www.naa.jp/jp/press/pdf/20170120-robotsuits.pdf> (Japanese language only)

Weathernews Buys French Metnext

Weathernews Inc. announced on January 17 that they acquired all stocks of French Metnext S.A. According to an executive of Weathernews Europe, the merger with Metnext is a result of their vision of being industry's leading provider of secure, next generation software solutions, business forecasting and decision making tools in climate business intelligence technology.

Weathernews has developed as a service provider against weather-related risks, centering around transportation industries. More recently, they are targeting at energy, manufacturing-retailing and agriculture sectors as potential clients.

<https://jp.weathernews.com/news/15227/>

ADDITIONAL TOPICS

World's First Success in Long-distance Air Freight Shipment by a Fully-Autonomous Drone

On January 12, the Ministry of Economy, Trade and Industry (METI), New Energy and Industrial Technology Development Organization (NEDO), Fukushima Prefecture, Minamisoma City, and Autonomous Control Systems Laboratory Ltd. (ACSL) jointly conducted a demonstration test of long-distance air freight shipment by a fully-autonomous, rotary-wing drone in Minamisoma City, Fukushima Prefecture, and succeeded in the test for the first time in the world.

The demonstration test was a part of the NEDO project for the development of performance evaluation methods for drones used in delivery services, and led by ACSL. The demonstration test was performed along the seashore line in Minamisoma City, taking advantage of the Fukushima Hama-Dori Robot Test

Zone project, an initiative in which Fukushima Prefecture and Minamisoma City offer demonstration sites for robot or drone tests.

A base model of drones to be used in Sora Raku delivery service by Rakuten Inc., flew along the seashore line for around 12 km in Minamisoma City and succeeded in delivering a hot drink to a surfer on the beach.

The test results are expected to be utilized in freight shipment not only during peacetime but also during disaster and other emergencies.

http://www.meti.go.jp/english/press/2017/0112_003.html

NEXI Changes Its Status as a Special Stock Company

Pursuant to the Act for Partial Revision of the Trade and Investment Insurance Act and the Act on Special Accounts, which was established at the 189th ordinary session of the Diet, the form of Nippon Export and Investment Insurance (NEXI) will change from an incorporated administrative agency to a special stock company, and the Trade Reinsurance Special Account will be abolished. In line with this change, the Cabinet approved a Cabinet Order for developing necessary provisions on 17 January.

http://www.meti.go.jp/english/press/2017/0117_002.html