

Monthly Report August 2018, Commercial Section Tokyo Pakistan Embassy, Japan.

1. Overview of Bilateral Trade

Trade US\$ Million	June 2017	June 2018	% Change
Pak Exports	39.747	40.218	1.20
Pak Imports	176.724	194.558	10

Source: JETRO

- Pakistan's exports to Japan during the month of June 2018 has shown decrease of 1.18 % as compared to same month of previous year. Japan's overall imports from the world has increased from US\$ 55.632 (Billion) in June 2017 to US\$ 57.662 (Billion) in June 2018 which marks 11.70% increase.
- The main products where there was increase in export during the month of June 2018 as compared to June 2017 are yarn and thread of cotton which increased from US\$ 3.080 (Million) to US\$ 3.659 (Million), Cotton fabric from US\$1.096 (Million) to US\$ 2.608 (Million), Clothing and Accessories from US\$2.888 (Million) to US\$3.624 (Million) and Metalliferous ores scrape from US\$ 1.052 (Million) to US\$ 3.550 (Million),. Whereas main products where there was decrease in export are Chemical which decreased from US\$25.167 (Million) to US\$ 20.685 (Million).

2. Trade Promotion Activities

Activity	Date	Remarks	Follow up Action
Meeting with Mr. Miyake Director South Asia and Mr. Okazawa Assistant Director METI	02 nd August 2018	<ul style="list-style-type: none"> • As a follow up of the previous interaction with METI, met with new director South Asia • To discuss the date of next Joint government business dialogue. He told that Japan will like to have next round of JGBD in the first week of December the final date can be finalized mutually with MoC. • The next round of JTC he stated that for now no date has been finalized but METI will also like to have the next meeting of JTC • He further told that for moving further on the agenda items discussed during the last JGBD and JTC for the joint feasibility study, METI already has commissioned a survey on the Economy of Pakistan has hire consultant who would visit Pakistan in end of August 2018 and will submit his report which will be utilized for further discussion with Pakistan. • Feedback from METI on TORs for joint feasibility study shared by MoC 	<ul style="list-style-type: none"> • Continuous Interaction.

		Pakistan	
Arranged UNIQLO's team visit to Pakistan for selection of potential partners	6 th to 9 th August 2018	<ul style="list-style-type: none"> Coordinated first ever visit of UNIQLO to Pakistan. The specialty retailer UNIQLO has enjoyed strong growth by offering high-quality casual wears at reasonable prices using its SPA (Specialty store retailer of Private label apparel). The company has 236 manufacturing factories, all located in Asia. Out of these several are located in China and Bangladesh. UNIQLO, has 3370 sales outlets all across the world. Its total annual revenue/turnover is Japanese Yen 1,858 Billion (almost equal to US\$17 Billion). Fast retailing is considered world's third largest apparel manufacturer-retailer company. In Japan, UNIQLO is a household name and is known for very high quality products at low price. In the industry, Uniqlo is known for maintaining substantial on ground presence for quality control. Therefore, any significant move by Uniqlo into Pakistan for investment and procurement will generate a ripple effect on the interest for not Japanese Companies but also its competitor's across the world to Pakistan. More importantly, it will boost Pakistan's textile export as from 	<ul style="list-style-type: none"> The Embassy through Commercial Section is in contact with Fast Retailing for second visit and to obtain feedback after its visit/ Also in contact with TDAP for arrangements requested by UNIQLO for the second visit.

		<p>its factories it supplies apparels to its more than 3,000 sales outlet all across the world.</p> <ul style="list-style-type: none"> • UNIQLO initially selected five Pakistani companies in Lahore, Faisalabad, and Karachi and sent its two member team to meet the representatives of the company and also to visit the factory to assess the potential of these companies. • The initial visit of the UNIQLO team has been successful as communicated by the company which itself is a big breakthrough. UNIQLO in its feedback told that they have picked up three Pakistani companies for joint venture in Pakistan. However, they requested for some more companies for shirt fabric and some companies for circular cutting and sewing. • It was further told that the company now intends to undertake another trip to Pakistan in the end of September in which its Vice President of Production Division will visit Pakistan to visit the factories selected by UNIQLO team in its visit in August. 	
<p>Meeting with Mr. Akira Shimbo Manager International Center SME Support Japan</p>	<p>08th August 2018</p>	<ul style="list-style-type: none"> • As a follow up from the last meeting and to pursue the agenda items discussed during the 05th high Level Economic Policy Dialogues and part of our efforts to promote business links between Small and Medium Enterprises of Japan 	<ul style="list-style-type: none"> • Keep a continuous interaction with SME Supports Japan for further engagement between SMEs of Pakistan and Japan. • To follow up with the SMEDA Pakistan on the proposed MOU.

		<p>and Pakistan.</p> <ul style="list-style-type: none"> • Presently, linkages between SMEDA Pakistan and SME Support Japan has already been made and communication between the both organizations have been going on. • He told that it has been decided that both organization should have a business conference online to discuss the areas of cooperation. • He also told that SMRJ organizes an exhibition “New Value Creation Exhibition” wherein Small and Medium Enterprises showcase their products. In this exhibition more than 600 SMEs from Japan and from other Asian Countries like Indonesia, Thailand, Myanmar and Taiwan will participate. The exhibition is going to be held from 14-16 November 2018. The SME Support offered Embassy of Pakistan a booth (4.5 m X 2 m) free of cost where SMEDA can promote SMEs of Pakistan This Exhibition is being held under three themes—Industry & Technology, Health & welfare, Green and Community Environment. • This is a great opportunity for SMEDA to showcase Pakistan’s SMEs and their products to create linkage with Japanese SMEs. • The information was shared with Ministry of Industry Production and SMEDA and for 	<ul style="list-style-type: none"> • To include the MOU between SMEDA and SME Support Japan in the agenda items for the next round of High Level Economic Policy Dialogue.
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		<p>consideration for participation is the said exhibition and alongwith two/three Pakistani companies after going through the above mentioned web link. SMEDA can also bring their brochures and advertisement material to be distributed among the visitors during the exhibition.</p>	
<p>Mr. Jun Hasagawa, General Manager Hirose Shokai Co., Ltd.</p>	<p>06th August 2018</p>	<ul style="list-style-type: none"> The company is the one of the main importers of the textile items such a bed sheets, towels, table napkin etc. Also participated in the expo 2017. He told that during expo he had good negotiation in respect of towels, bed sheets and glass towels, and have procured samples in this respects which have been gone through washing test which have been successful. Now for the further negotiation he will visit Pakistan in the end of August to meet M/s Asian Tex Corporation—a Multan based company for glass towels, Maheen Textile Mills—a Faisalabad based company for bed sheet and M/s Ferooze 1888—a Karachi based company for towels. 	<ul style="list-style-type: none"> Continuous interaction as this is a major importer of bed sheets, towel, table napkin and break through with it would substantially increase Pakistan's bed sheet, table napkin export to Japan
<p>Mr. Mr. Yoshiyuki Matsumoto President Marubeni Fashion Planning Corp</p>	<p>31st August 2018</p>	<ul style="list-style-type: none"> Met with him to take feedback on his visit to Expo. He told that he could not start business with Pakistan right now. He further told that he would look forward to another opportunity to visit Pakistan in future if there is some opportunities. 	<ul style="list-style-type: none"> Continuous interaction and follow up with the company.

		<ul style="list-style-type: none"> • He was briefed about the upcoming delegation of Pakistan Sports Goods Manufacturers and Exporters Association in November 2018 and shared the list and profiles of the companies comprising the delegation. • He told that he would check the profile and will give the feedback on his decision for the meeting with the Pakistan companies. 	
<p>Ms. Yoshiko Ota General Manager of Merchandising Mr. Daisuke Maseguchi General Merchandise Manager Fresh Foods Costco Wholesale Japan Ltd.</p>	<p>09th August 2018</p>	<ul style="list-style-type: none"> • As a follow up of the previous meeting and the meetings between Costco and Pakistani companies for export of Mangoes, denim Jeans, and towels. • Costco has been connected with M/s Roomi Foods for procurement of mangoes from Pakistan for Costco Japan. Initial discussion has already been made and sample were exchanged which have already been passed by Costco and both the parties have agreed on price and packaging. • He told that for any food items to be supplied to Costco by any company it is mandatory that the company has to pass the audit requirements of Costco and this audit is done by a Costco Audit team based in USA. • Earlier, Pakistani exporter also sought the help of the Mission to request Costco for earlier audit of the premises by Costco audit team. During the 	<ul style="list-style-type: none"> • To have continuous interaction for future cooperation.

		<p>discussion, it was requested to him to have the audit done at the earliest.</p> <ul style="list-style-type: none"> • Later, the Pakistani exporter told that audit was done in end of August and it has also confirmed by Costco that Pakistani exporter has passed the audit and Pakistani mango will be available in Costco Japan next year • Mission also arranged meeting for Pakistani denim fabric and jeans exporter—M/s Master Textile with Costco for procurement of Denim Jeans from Pakistan. • Similarly another meeting for procurement of towels from Pakistan was arrangement between Costco and ferooze 1888. • Representative of Costco textile and apparel told that sample were taken during the meeting and were shared with its Headquarters which will decide. She further told that she will take a feedback from the headquarters and will inform mission. 	
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3. Investment Promotion Activities

Activity	Date	Remarks	Follow up Action
Finalization of date for Seminar on Emerging Trade and Investment Opportunities in Pakistan in Nagoya.	All the month	<ul style="list-style-type: none"> • In continuation of the efforts to apprise the business community of Japan about the trade and investment opportunities in Pakistan, finalize the date of seminar under the banner of “Emerging Trade and Investment Opportunities in Pakistan”. 	Keep a continuous interaction with JETRO, NCCI and MUFJ and dissemination of information on seminar.

		<ul style="list-style-type: none"> • The seminar is one of the series of seminars in different parts of Japan in coordination with Japan External Trade Organization and MUFJ Bank of Japan. • Also for this seminar, the Seminar Hall will be provided by Nagoya chamber of Commerce and Industry free of cost. 	
Meeting with Mr. Saleem Javaid Director M/s Shine Autos.	30 th August 2018	<ul style="list-style-type: none"> • Met with him and briefed about the Government of Pakistan's Auto Policy 2016-21 and the incentives offered to the New Investors under the said policy. • The Company is interested in set up an Auto Assembly Plant with Joint Venture with King Long, their counterpart in China near Lahore • He further told that initially they will produce three types of commercial vehicles— Commercial vehicle with capacity of 15 passengers, Buses with capacity of 58 Passenger and mini truck of different capacities. • He further requested that for this purpose, the company requires 100 acres of land near Lahore and requested to ask the concerned authorities in Pakistan to help them in this regard. • He was told to send a written request so that we may communicate to the concerned authorities in Pakistan. 	Continuous interaction and communication with the company.

<p>Accompanied Ambassador in Meeting with Mr. Kinji Saito Executive General Manager, Global Automobile Operations Suzuki Motors Corporation</p>		<ul style="list-style-type: none"> • During the meeting he told that Suzuki Motors Corporation is ready to bring in substantial new investment but requires the level playing field as is being offered under the Auto Policy 2016-21 to the new entrants. He stressed that Government of Pakistan should also give some kind of incentives in the form of reduction in the tariff duty and other tax benefits, if the existing auto manufacturer brings in new investment for manufacturing of new models. He further told that Suzuki Motors intends to take up the issue with new Government in Pakistan. Suzuki is interested to install new plant to assemble new models—a 7-seater motor vehicle. He stated that Pakistan is the second largest market for Suzuki Motors after India and Suzuki is ready to bring in new investment if the level playing field is offered to them. • He further showed his reservations with respect to the new amendment in the Income Tax Ordinance 2001 effective from 01 July 2018 according to which no non-filer of Income Tax can apply for the new motor vehicles in Pakistan. He said that this condition will further decline the sale of new motor vehicles in Pakistan. 	<p>Continuous interaction and communication with the Company.</p>
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		<ul style="list-style-type: none"> • He also told that though some restrictions imposed on import of used cars but still the facility is being misused. The Government Authorities should take the cognizance of the fact and stop this misuse which is adversely impacting their business in Pakistan. • He further told that Mr. Osamu Suzuki—Chairman of Suzuki Motors intends to visit Pakistan in November 2018 to discuss with the government authorities on the new investment of Suzuki Motors. • He also informed that Suzuki Motors is going to replace Suzuki Mehran (800 cc) with Suzuki Alto (660 cc) which is presently being manufactured in Japan. The design of the car will be the same as in Japan but due to local content restriction it is difficult to procure some components locally so the facilities in the new model will be different than what are available in the Alto in Japan. • His point of view has been communicated to BOI Pakistan and EDB. 	
<p>Meeting with Mr. Osama Director JETRO, Mr. Kitami and Ms. Akiko Tomita Of JETRO</p>	<p>13th August 2018</p>	<ul style="list-style-type: none"> • Discussed about the Seminar to be held in Nagoya and finalized the date and schedule of the seminar. • During the discussion, it was told that the Chairman of JETRO plans to visit Pakistan in early next year. JETRO is 	<p>Continuous interaction with JETRO as well as follow up with Pakistani authorities for information to be shared with JETRO.</p>

		<p>working on the dates on which Mr. Hiroyuki Ishige will visit Pakistan;</p> <ul style="list-style-type: none">• It was also told by them that JETRO also plans to take a delegation of Japanese companies alongwith Chairman JETRO;• It was offered to the JETRO that the delegation can be planned jointly by the Embassy and JETRO.• They also told that JETRO had undertaken a research on IT startup sector of Pakistan to find opportunities for Japanese investment in this sector of Pakistan. JETRO requested to share information on the IT startups of Pakistan, number of the companies, names of the companies, kind of services provided by them, detail of those IT startups companies of Pakistan which converted into unicorns.• In this regard, this mission already requested the requisite information highlighting opportunities in the IT start ups of Pakistan from Ministry of Information Technology and Communication and Pakistan Software Export Board.• In this regards can bring in ample investment from Japan in the Information Technology sector (startups) of Pakistan.	
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4. Trade Diplomacy

Activity	Objectives	Follow up Action
Meeting with Mr. Miyake Director South Asia METI	<ul style="list-style-type: none"> • As a follow up of the previous interaction with METI, met with new director South Asia • To discuss the date of next Joint government business dialogue. He told that Japan will like to have next round of JGBD in the first week of December the final date can be finalized mutually with MoC. • The next round of JTC he stated that for now no date has been finalized but METI will also like to have the next meeting of JTC • He further told that for moving further on the agenda items discussed during the last JGBD and JTC for the joint feasibility study, METI already has commissioned a survey on the Economy of Pakistan has hire consultant who would visit Pakistan in end of August 2018 and will submit his report which will be utilized for further discussion with Pakistan • Feedback from METI on TORs for joint feasibility study shared by MoC Pakistan 	Follow up through continuous interaction.
Meeting with Mr. Akira Shimbo Manager International Center SME Support Japan	<ul style="list-style-type: none"> • As a follow up from the last meeting and to pursue the agenda items discussed during the 05th high Level Economic Policy Dialogues and part of our efforts to promote business links between Small and Medium Enterprises of Japan and Pakistan. • Presently, linkages between SMEDA Pakistan and SME Support Japan has already been made and communication between the both organizations have been going on. • He told that it has been decided that 	<ul style="list-style-type: none"> • Keep a continuous interaction with SME Supports Japan for further engagement between SMEs of Pakistan and Japan and also for discussing the modalities for future cooperation. • To follow up with the Ministry of Industry Pakistan and SMEDA on the proposed MOU.

	<p>both organization should have a business conference online to discuss the areas of cooperation.</p> <ul style="list-style-type: none"> • He told that SMRJ organizes an exhibition “New Value Creation Exhibition” wherein Small and Medium Enterprises showcase their products. In this exhibition more than 600 SMEs from Japan and from other Asian Countries like Indonesia, Thailand, Myanmar and Taiwan will participate. The exhibition is going to be held from 14-16 November 2018. The SME Support offered Embassy of Pakistan a booth (4.5 m X 2 m) free of cost where SMEDA can promote SMEs of Pakistan This Exhibition is being held under three themes—Industry & Technology, Health & welfare, Green and Community Environment. • This is a great opportunity for SMEDA to showcase Pakistan’s SMEs and their products to create linkage with Japanese SMEs. • The information was shared with SMEDA and Ministry of Industry and Production for consideration for participation in the said exhibition and alongwith two/three Pakistani companies after going through the above mentioned web link. SMEDA can also bring their brochures and advertisement material to be distributed among the visitors during the exhibition. 	
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5. Market Information and Intelligence

- Market Report on the Sport Industry of Japan prepared to be shared with Pakistani companies.

6. Business Networking

Meeting with	Category	Objective	Outcome	Follow Up
<p>Mr. Mr. Yoshiyuki Matsumoto President Marubeni Fashion Planning Corp</p>	<p>Company</p>	<ul style="list-style-type: none"> • Met with him to take feedback on his visit to Expo. • He told that he could not start business with Pakistan right now. • He further told that he would look forward to another opportunity to visit Pakistan in future if there is some opportunities. • He was briefed about the upcoming delegation of Pakistan Sports Goods Manufacturers and Exporters Association in November 2018 and shared the list and profiles of the companies comprising the delegation. • He told that he would check the profile and will give the feedback on his decision for the meeting with the Pakistan companies. 	<ul style="list-style-type: none"> • He agreed to assess the profiles of the PSGMEA companies and also to assess the possibility of next visit to Pakistan. 	<ul style="list-style-type: none"> • Follow up to be done in the following months.

<p>Mr. Jun Hasagawa, General Manager Hirose Shokai Co., Ltd.</p>	<p>Company/Buying house</p>	<ul style="list-style-type: none"> The company is the one of the main importers of the textile items such a bed sheets, towels, table napkin etc. Also participated in the expo 2017. He told that during expo he had good negotiation in respect of towels, bed sheets and glass towels, and have procured samples in this respects which have been gone through washing test which have been successful. Now for the further negotiation he will visit Pakistan in the end of August to meet M/s Asian Text Corporation—a Multan based company for glass towels, Maheen Textile Mills—a Faisalabad based company for bed sheet and M/s Ferooze 1888—a Karachi based company for towels. 	<p>Company is visiting Pakistan for business meetings.</p>	<ul style="list-style-type: none"> Follow up through continuous interaction for the next meeting.
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<p>Ms. Yoshiko Ota General Manager of Merchandising Mr. Daisuke Maseguchi General Merchandise Manager Fresh Foods Costco Wholesale Japan Ltd.</p>	<p>Company</p>	<ul style="list-style-type: none"> • As a follow up of the previous meeting and the meetings between Costco and Pakistani companies for export of Mangoes, denim Jeans, and towels. • Costco has been connected with M/s Roomi Foods for procurement of mangoes from Pakistan for Costco Japan. Initial discussion has already been made and sample were exchanged which have already been passed by Costco and both the parties have agreed on price and packaging. • He told that for any food items to be supplied to Costco by any company it is mandatory that the company has to pass the audit requirements of Costco and this audit is done by a Costco Audit team based in USA. 	<p>Mangoes have already been approved and will be available in Costco from the next year. For denim jeans and towels, further communication will be made.</p>	<ul style="list-style-type: none"> • Follow up through continuous interaction for the next meeting.
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		<ul style="list-style-type: none">• Earlier, Pakistani exporter also sought the help of the Mission to request Costco for earlier audit of the premises by Costco audit team. During the discussion, it was requested to him to have the audit done at the earliest.• Later, the Pakistani exporter told that audit was done in end of August and it has also confirmed by Costco that Pakistani exporter has passed the audit and Pakistani mango will be available in Costco Japan next year• Mission also arranged meeting for Pakistani denim fabric and jeans exporter— M/s Master Textile with Costco for procurement of Denim Jeans from Pakistan.• Similarly another meeting for	
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		<p>procurement of towels from Pakistan was arrangement between Costco and Ferooze 1888.</p> <ul style="list-style-type: none"> • Representative of Costco textile and apparel told that sample were taken during the meeting and were shared with its Headquarters which will decide. She further told that she will take a feedback from the headquarters and will inform mission. 		
Meeting with Mr. Saleem Javaid Director M/s Shine Autos.	Company	<ul style="list-style-type: none"> • Met with him and briefed about the Government of Pakistan's Auto Policy 2016-21 and the incentives offered to the New Investors under the said policy. • The Company is interested in set up an Auto Assembly Plant with Joint Venture with King Long, their counterpart in China near Lahore 	He will send formal request which will be shared with BOI Islamabad	<ul style="list-style-type: none"> • Follow up through continuous interaction.

		<ul style="list-style-type: none"> • He further told that initially they will produce three types of commercial vehicles— Commercial vehicle with capacity of 15 passengers, Buses with capacity of 58 Passenger and mini truck of different capacities. • He further requested that for this purpose, the company requires 100 acres of land near Lahore and requested to ask the concerned authorities in Pakistan to help them in this regard. • He was told to send a written request so that we may communicate to the concerned authorities in Pakistan. 		
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7. Field Visits

Visit	Date	Objective	Follow up Action
Japan Chamber of Commerce and Industries	08 th August 2018	<ul style="list-style-type: none"> • Met with the JCCI to explain the potential of Pakistan's export and requested for 	Keep a continuous interaction with JCCI to continue the good relations.

		<p>support for PSGMEA delegation which will be visiting Japan from 12th to 16th November 2018 and would be visiting Tokyo and Osaka.</p> <ul style="list-style-type: none"> • JCCI agreed to cooperate for the dissemination of the information and give its name as a supporting organization for the B2B events and also agreed to have meeting during its visit to Japan. • Also sought support for the efforts for JGBD. JCCI told that presently Japanese side is expecting the dialogues to be held in December and will discuss among themselves to finalize the date of the dialogue in discussion with Japanese business people. 	
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8. Support requested from Pakistan

Date	Action Required	Organization	Deadline (If any)
July 2018	Animal Husbandry Commissioner/CVO, Ministry of National Food Security and Research, Pakistan to provide information requested by MAFF Japan.	Animal Husbandry Department M/o National Food Security and Research Pakistan	At the earliest.
February 2018	M/o National Food Security and Research Pakistan to send formal request to Ministry of Agriculture, Forest and Fisheries Japan for adding new varieties of mangoes, adopting Hot Water Treatment for treatment of Pakistani mangoes side by side with Vapour Heat Treatment and Fresh Flowers	M/o National Food Security and Research Pakistan	At the Earliest