



ASEAN & Japan

Fastener Trade & Analysis

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Introduction (Japan – ASEAN Relationship)

The 40th anniversary of relationship between Japan and ASEAN region was in 2013. All ten ASEAN member states were visited by Japanese Prime Minister Shinzo Abe to adapt "Vision Statement on ASEAN-Japan Friendship and Cooperation" this year. This vision declared the strengthening of ASEAN-Japan cooperation in the fields of "Partners for Peace and Stability", "Partners for Prosperity", "Partners for Quality of Life" and "Heart-to-Heart Partners".

The cooperation between Japan and ASEAN was carried out through 2014. Supporting the Myanmar government on its first-time ASEAN Chairmanship, a visit of members of ASEAN Intergovernmental Commission on Human Rights (AICHR) to Japan and etc. are the samples for this cooperation.

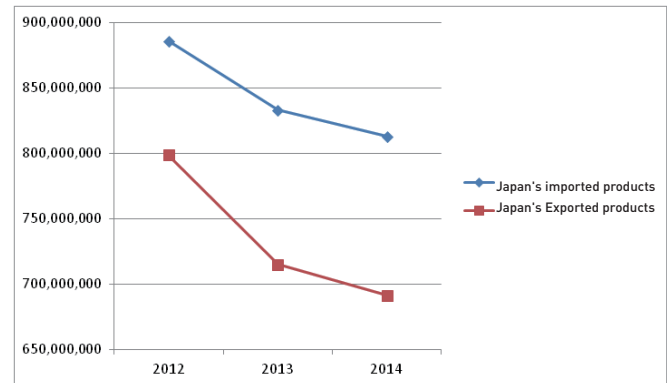
The year 2015 is a key turning point for both ASEAN and Japan.

ASEAN is Japan's second biggest trade partner after China and its third investment destination. Japanese companies have established more than 8,100 bases in the ASEAN region. The government of Japan will continue to support the efforts for ASEAN integration, bearing in mind their close economic and trade relations and Japan's being a long-term strategic partner to ASEAN.

Total Values of Trading Between ASEAN and Japan

Table 1. The following table shows Japan's trading values.

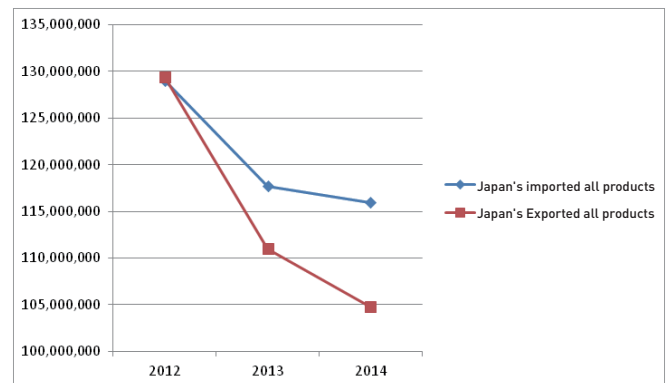
World (1,000 USD)	2012	2013	2014
Japan's Imported Products	885,843,335	833,166,061	813,092,643
Japan's Exported Products	798,567,588	715,097,244	691,232,339



The statistics show that Japan's trading has decreased between 2012 and 2014. Japan's economic recession is the main reason of trading reduction from 2012 to 2014. This recession also hit the trade between ASEAN and Japan.

Table 2. The following table proves this claim.

ASEAN (1,000 USD)	2012	2013	2014
Japan's Imported Products	129,037,587	117,719,214	115,938,963
Japan's Exported Products	129,428,294	110,969,526	104,790,858



If we compare the ASEAN situation with the global circumstance trading between the ASEAN and Japan is worse than trading between Japan and the world (Check the following table).

Table 3.

		2012-2013	2013-2014
Japan's growth trade with World	Import	-6%	-2%
	Export	-10%	-3%
Japan's growth trade with ASEAN	Import	-9%	-2%
	Export	-14%	-6%

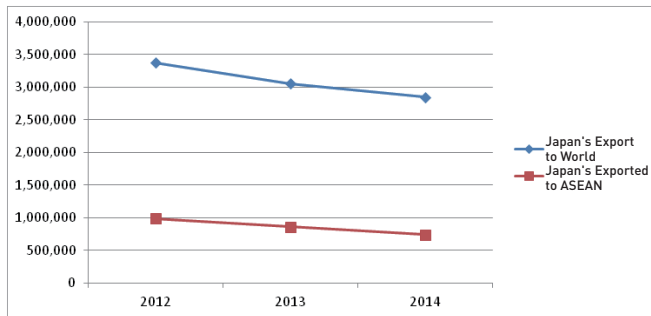
Although the trend of trading reduction in the above table shows that the recession will be over, the speed of Japan's economic recovery is slow and there is no sign that it will fully recover in 2015.

Fastener Market Between Japan and ASEAN

Japan exported more than 2.8 billion USD worth of fasteners (HSC7318) to the world in 2014 and 26% of them were dispatched to the ASEAN region.

Table 4.

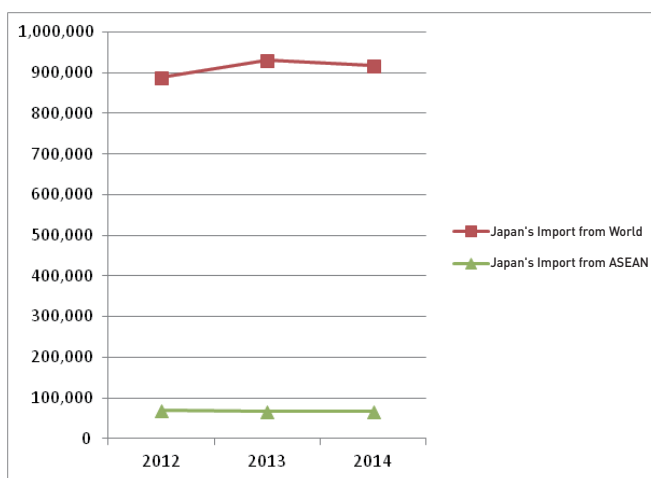
(1,000 USD)	2012	2013	2014
Japan's Export to World	3,374,997	3,056,492	2,848,817
Japan's Export to ASEAN	989,842	860,927	740,998



Japanese fastener users imported less than 1 billion USD of fasteners (HSC7318) each year from 2012 to 2014 and only 7% of them came from the ASEAN region.

Table 5.

(1,000 USD)	2012	2013	2014
Japan's Import from World	887,578	930,771	917,697
Japan's Import from ASEAN	68,266	65,928	65,991



The following table shows that although the recession also hit the fastener market, the market trend did not reflect the global trend!

Table 6.

		2012 - 2013	2013 - 2014
Japan's growth fastener business with World	Import	5%	-1%
	Export	-9%	-7%
Japan's growth fastener business with ASEAN	Import	-13%	-14%
	Export	-3%	0%

If we analyze the above tables (**Table 3 and 6**), following points are highlights in Japanese fastener market:

Based on this reality that the most industries use fasteners in their production and the Japan's trade with the world decreased 6% by recession, the main question is; why Japan's imported fasteners have grown 5% in the same period. The main reason is Japanese fastener producers were hit more than the other industries, therefore, Japanese fastener users covered this lack of fasteners by importing. Japanese exported fasteners decreased 10% during 2012-2013, which also proves the above claim.

Statistics show that the ASEAN business damaged more than the world trend, in a simple word, during the recession Japanese suppliers and buyers prefer to reduce their businesses with ASEAN companies!

The third point is the relationship of Japanese exporters and importers with their ASEAN partners! The statistics in this sector show different behaviors! It means although Japanese imported fasteners reduced 14% and 13% but in the same periods their exported fasteners reduced 3% and 0% to the ASEAN region.

These statistics show a problem in the ASEAN producers, it can be attributed to the non-competitiveness of their prices, the poor products' quality or even their delivery time.

Last Word

ASEAN has very strong potential, therefore, it is highly recommended that ASEAN fastener producer union sign a memorandum with the Japanese party to transfer the knowledge of manufacturers for reducing costs and improving quality, and on the other hand, this memorandum will help ASEAN producers know more about the Japanese industry and culture which can increase sales of goods exported to Japan so as to achieve the goal of learning from each other and the strategy of complementary advantages. The Japanese side also remarked that the memorandum can be helpful for Japanese industry manufacturers and related service sectors to better learn from ASEAN experiences. ■