

Japan's Fastener Hand Tool Trade with ASEAN

日本與東盟的扣件用手工具貿易

Introduction

By the end of the cold war and the rise of China, Japan started to accept and adopt adjustment measures in international and regional diplomacy. On the other hands, China speeds up its relations with the Southeast Asian region both collectively with ASEAN and bilaterally with each respective country, all putting Japan in severe challenges as one of the significant partners for ASEAN countries. In January 2007, Japanese attention in keeping and strengthening its relation with ASEAN was very visibly reflected at the 10th ASEAN-Japan Summit; therefore, Japan suggested the establishment of a Japan-ASEAN Eminent Persons Group (EPG). In December 2005 the ASEAN-Japan Strategic Partnership was signed in Kuala Lumpur, and the Eminent Persons Group would elaborate the Joint Statement on Deepening and Broadening the ASEAN-Japan Strategic Partnership. In the Joint Statement it has been mentioned that Japan will fully support ASEAN's active contribution toward East Asia regional cooperation, especially in its role as the driving force to advance regional integration.

According to all the explanation above, Japanese companies decided to choose ASEAN region over China as the investment destination as costs

rise and concerns about the environment make Asia's biggest economy less attractive, based on the Japan External Trade Organization. According to the survey of 3,471 Japanese companies, 70% percent of them said that they are taking into consideration the expansion in the ASEAN nations of Singapore, Thailand, Malaysia, Indonesia, the Philippines and Vietnam, based on the organization called Jetro in a report. That's up from 56 percent in 2011. Based on Jetro 's report during the past two years the number of companies that were looking at China dropped to 57 percent last year from 68 percent. The shift coincides with the push by Japanese Prime Minister Shinzo Abe to build stronger ties with Southeast Asian nations as a buffer against China's growing military and economic reach. Since 2012 the tensions between China and Japan have increased as both nations assert claims to an island chain in the East China Sea. According to Jetro, Japanese auto and chemical manufacturers still plan business expansions into China, and firms with Chinese trading, textile and metal processing assets look to transfer these to Vietnam and other Southeast Asian nations. Based on the December survey, half of the respondents said rising costs in China were the main reason for shrinking capacity there, with currency risks and environmental pollution among the other key factors.

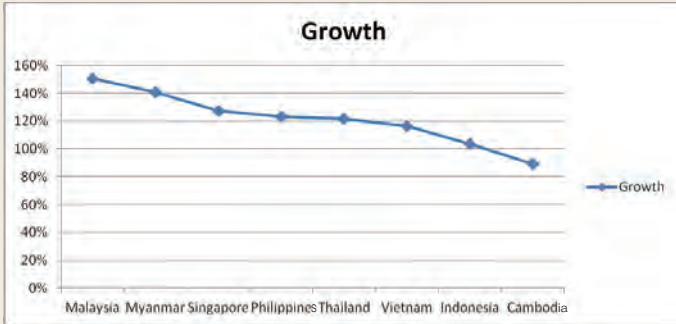
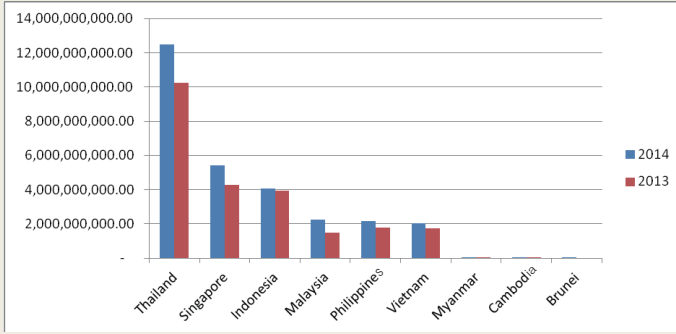
Hardware Statistics

Based on <http://www.customs.go.jp>, the total amount of hardware business between Japan and ASEAN were 101.7 billion Japanese yens. It included 83% (84.4 billion yens) exported hardware to ASEAN and 17% (17.3 billion yens) imported hardware from ASEAN in 2013.

In the first quarter of 2013 the total amount of hardware business between Japan and ASEAN were 29.0 billion Japanese yens. It includes 81% (23.5 billion yens) exported hardware to ASEAN and 19% (5.5 billion yens) imported hardware from ASEAN. Statistics show 20% increasing hardware trading in the first quarter of 2014 compared to the first quarter of 2013. The total amount of this business is 34.9 billion yens in the first quarter of 2014 including 28.5 billion yens (82%) export and 6.4 billion yens (18%) import from ASEAN region.

The details of the statistics are shown in the following tables.

Destination of Export	2014 (JPY)	2013 (JPY)	Growth (%)
Thailand	12,462,947,000	10,227,355,000	122%
Singapore	5,430,795,000	4,264,108,000	127%
Indonesia	4,072,190,000	3,934,026,000	104%
Malaysia	2,261,245,000	1,501,427,000	151%
Philippines	2,173,357,000	1,767,622,000	123%
Vietnam	2,033,851,000	1,748,594,000	116%
Myanmar	44,291,000	31,465,000	141%
Cambodia	9,492,000	10,653,000	89%
Brunei	1,375,000	-	-



Origin of Import	2014 (JPY)	2013 (JPY)	Growth (%)
Thailand	3,928,638,000	3,476,544,000	113%
Vietnam	1,181,637,000	1,019,233,000	116%
Malaysia	364,712,000	136,418,000	267%
Philippines	33,768,000	272,622,000	122%
Indonesia	313,494,000	245,338,000	128%
Singapore	273,313,000	375,032,000	73%
Myanmar	327,000	-	-
Brunei	-	-	-
Cambodia	-	-	-

Conclusion

Based on the growth rate of the first quarter 2014 compared to the first quarter of 2013 we can predict the total amount of hardware business between Japan and ASEAN will increase to 122.3 billion Japanese yens.

References

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