Overview:
The Economic Relationship between Japan and Latin America

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Purpose of the Presentation

• Fact-based presentation
• Provide snapshot of economic relationship between Japan and Latin America in advance of experts’ discussions
• Encourage discussions with/among experts
Contents

1. Data regarding:
   • Exports-Imports
   • Investments
   • Presence

2. Examples of Initiatives
1. Data
Japan’s Exports in 2017

- Asia: 54.8% ($28.1B)
- North America: 20.7% (4.0%)
- Europe: 11.1% (0.9%)
- Middle East: 3.0% (1.1%)
- Africa: 1.1% (0.9%)
- Oceania: 2.9% (0.9%)

World Total: $698B

Source: Ministry of Finance, Japan “Trade Statistics of Japan”
Breakdown of Japan’s Exports to Latin America

**$ 28.1B**

- **MEXICO** 40.1%
- **PANAMA** 19.5%
- **BRAZIL** 12.1%
- **COLOMBIA** 3.6%
- **CHILE** 6.2%
- **PERU** 2.7%
- **ARGENTINA** 2.6%
- **Others** 13.3%

Source: JETRO, Ministry of Finance, Japan “Trade Statistics of Japan”

**Motor cars (designed for transport of persons);**
**Petroleum oils other than crude oils;**
**New pneumatic tires (rubber);**
**Motor vehicles for the transport of goods;**

**Parts and accessories of motor vehicles;**
**Motor cars (designed for transport of persons);**
**Flat-rolled products (other alloy steel);**
**Flat-rolled products (iron);**
**Parts of engines**

**Cruise ships, excursion boats, ferry boats, cargo ships;**
**Motor cars (designed for transport of persons);**
**Ball or roller bearings;**
**Parts and accessories of motor vehicles**

**Parts and accessories of motor vehicles;**
**Motor cars (designed for transport of persons);**
**Parts of the engines;**
**Parts of airplanes, spacecraft etc.**
Japan’s Imports in 2017

World Total $ 672B

- Asia (49.1%)
- North America (12.7%)
- Europe Union (11.6%)
- Oceania (6.6%)
- Middle East (10.9%)
- Africa (1.2%)
- Russia (2.1%)
- Latin America (4.2%)

Source: Ministry of Finance, Japan “Trade Statistics of Japan”
Breakdown of Japan’s Imports from Latin America

$ 28.1B

**BRAZIL** 25.5%
**CHILE** 23.3%
**MEXICO** 20.6%
**PERU** 7.4%
**ECUADOR** 6.5%
**ARGENTINA** 2.6%
**PANAMA** 2.6%

**Others** 5.5%

Source: JETRO, Ministry of Finance, Japan “Trade Statistics of Japan”

**Iron ore and concentrates;**
**Meat and edible offal (poultry);**
**Corn (maize);**
**Coffee;**
**Unwrought aluminum**

**Copper ore and concentrates;**
**Fish (frozen);**
**Fish (fresh and chilled, excluding fish fillets);**
**Fuel wood;**
**Molybdenum ores;**
**Wine**

**Petroleum oils other than crude oils;**
**Parts and accessories of the motor vehicles;**
**Instruments used in medical sciences etc.;**
**Meat of swine (fresh, chilled, or frozen);**
**Telephone sets including for other wireless networks**
Large Presence in Imports of Natural Resources

**Copper Ore**
- Chile: 42%
- Peru: 13%
- Indonesia: 14%
- Others: 11%

**Iron ore**
- Brazil: 28%
- Australia: 59%
- South Africa: 3%
- Others: 6%

**Zinc Ore**
- Mexico: 12%
- Bolivia: 26%
- Peru: 23%
- United States: 14%
- Australia: 23%

**Molybdenum ore**
- Vietnam: 3%
- Korea: 3%
- Mexico: 6%
- United States: 9%
- Others: 3%
- Chile: 76%

Data: 2016

Source: JOGMEC “Mineral Resources Material Flow 2017”
Japan’s Direct Investment Position (Assets) as of the end of 2017

- Europe
  - European Union: 398 B$  
- Middle East: 9.2 B$  
- Africa: 7.8 B$  
- Asia: 427 B$  
- Oceania: 79 B$  
- North America: 508 B$  
- Latin America*: 66 B$ (4.3%)  
- World Total: 1,551 B$

* Cayman Islands are excluded.

Source: JETRO, Ministry of Finance, Japan “Statistics of Oversea Assets”
Numbers of Japanese Companies (As of Oct 2017)

- **Asia**: 52,860
- **North America**: 9,417
- **Latin America**: 2,836 (3.8%)
- **Western Europe**: 5,833
- **Russia**: 456
- **Middle East**: 877
- **Africa**: 795
- **Oceania**: 1,300

World Total: 75,531

Breakdown of Japanese Companies in Latin America

<table>
<thead>
<tr>
<th>Rank 1</th>
<th>Manufacturing (672)</th>
<th>Manufacturing (264)</th>
<th>Wholesale/Retail (117)</th>
<th>Wholesale/Retail (23)</th>
<th>Wholesale/Retail (34)</th>
<th>Manufacturing (27)</th>
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</thead>
<tbody>
<tr>
<td>Rank 3</td>
<td>Transport/Postal (89)</td>
<td>Finance/Insurance (38)</td>
<td>Hotels/Eating &amp; Drinking (18)</td>
<td>Mining (11)</td>
<td>Transport/Postal (11)</td>
<td>Hotels/Eating &amp; Drinking (12)</td>
</tr>
<tr>
<td>Rank 4</td>
<td>Construction (34)</td>
<td>Hotels/Eating &amp; Drinking (33)</td>
<td>Service (miscellaneous) (17)</td>
<td>Agriculture/Forestry (8)</td>
<td>Fisheries (8)</td>
<td>Living-related Service (6)</td>
</tr>
<tr>
<td>Rank 5</td>
<td>Service (miscellaneous) (33)</td>
<td>Transport (30) Professional Service (30)</td>
<td>Agriculture/Forestry (15)</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Note: Definition of a “Japanese company” in the statistics
➢ A company invested by a company/s in Japan or Japanese citizens, which is classified into the following two types.
(Type1): A branch or representative office of a company/s in Japan.
(Type2): A company invested by a company/s in Japan or Japanese citizen(s) which is locally incorporated.

2. Examples of Initiatives
Development of Japan’s FTA/EPA networks

EU
Signed (Jul. 2018)

Switzerland
In force (Sep. 2009)

Turkey
Under Negotiation

GCC
Negotiation Postponed

GCC: Saudi Arabia, Kuwait, UAE, Bahrain, Qatar, Oman

Mongolia
In force (Jun. 2016)

China-Japan-Korea
Under Negotiation

Canada
Under Negotiation

TPP
Signed (Feb. 2016)

TPP11
Signed (Mar. 2018)

United States
Declared a withdrawal from TPP (Jan. 2017)

Mexico
In force (Apr. 2005)
Revised (Apr. 2012)

Peru
In force (Mar. 2012)

Chile
In force (Mar. 2012)

Australia
In force (Jan. 2015)

New Zealand
In force (Sep. 2007)

Indonesia
In force (Jul. 2008)
Revised (Sep. 2007)

Philippines
In force (Jul. 2006)

Singapore
In force (Oct. 2009)

Brunei
In force (Jul. 2008)

Viet Nam
In force

Vietnam
In force (Oct. 2009)

Malaysia
In force (Dec. 2008)

Thailand
In force (Nov. 2007)

Cambodia
In force (Dec. 2008)

Laos
In force (Aug. 2011)

India
In force (Aug. 2011)

ASEAN
In force (Dec. 2008)

China
In force (Aug. 2004)

South Korea
In force (Mar. 2005)

RCEP
(10 ASEAN countries + Japan, China, Korea, India, Australia and New Zealand)
Under Negotiation

Source: Ministry of Economy, Trade and Industry (METI), Japan
Examples of Initiatives to Strengthen Economic Relationship

**Japan-Argentina Joint Committee on Promoting Trade and Investment**

- Agreed to establish the Joint Committee in 2016
- First meeting was held in 2017 and the second meeting in April 2018.
- Both sides formulated the Roadmap for the Cooperation on Enhancement of Trade and Investment between Japan and Argentina 2018.

**Joint venture survey**

- Japan Oil, Gas and Metals National Corporation (JOGMEC) actively carries out joint mineral exploration with overseas national corporations and non-ferrous metal companies.
- Through this framework, copper and gold deposits were discovered in the region between Chile and Argentina.

Source: JOGMEC Corporate Report

Source: Ministry of Economy, Trade and Industry (METI), Japan
Thank you for your attention!