

CONFINDUSTRIA



ITALY-JAPAN BUSINESS GROUP

Rome, October 28th 1996

Speech of the President, Mr. Fossa

Commercial relations between Italy and Japan have strongly recovered during the last year; the difficulties caused by the recession that struck Italian and Japanese markets have been solved.

It is very important that this trade has grown; the growth has been at high rates as far as imports from Japan are concerned (+ 15%) and at higher levels for our exports (+33%). A positive signal seems to come from the investment sector, that has represented the weak point of Italian-Japanese relationships.

The relations between Italian and Japanese industry have had, during the last years, a significant momentum, also thanks to the intervention of the Italy-Japan Business Group and to the personal engagement of its Presidents, Mr. Umberto Agnelli and Mr. Yoshitoki Chino.

Confindustria has played , since the creation of the Business Group, an active role both inside and outside the working group.

In the first case, taking part in its initiatives with members of the Presidency, vice-presidency, General Direction, territorial and category Associations and entrepreneurs, giving a constant contribution to the Secretary's office with its own experts.

In the second case, as a follow-up of the Business Group's activity, Confindustria has carried out its own projects in order to develop the relations between the enterprises of the two countries.

Here, today, I would just like to remind you some of the initiatives that we are carrying on together with Jetro.

These initiatives have a twofold goal: giving the possibility to the Japanese experts who are in Italy to have a wider knowledge of the Italian industrial system and at the same time offering the small and medium enterprises of our country, new points of reference to enter the Japanese market and create new contacts with Japanese enterprises.

We worked according to two guiding principles and with a Task Force composed by experts from Jetro and Confindustria:

- the first guideline consists in meetings with the enterprises, taking place in the territorial industrial Associations; they aim at illustrating the current situation of economic relations between Italy and Japan

and the possibilities that the Japanese market offers to Italian enterprises.

These meetings, taking place at the presence of the Japanese trading-companies operating in Italy, used to end with industrial meetings among the trading companies themselves and Italian small and medium enterprises, in order to open new possibilities of export in Japan and new alternatives of supplies to the trading companies.

There have been positive results and the cycle of meetings-seminars is still operative.

- The second guideline, which is taking place in these days, concerns the institution of a Japan Desk at the peripheral organisations of Confindustria, both territorial and sectorial ones.

In this case too we availed ourselves the opportunities that Jetro offered us. I personally thank Jetro for putting at our disposal an expert that will offer his advice to small and medium enterprises all over Italy.

We hope to reach, in this way, another important outcome, which is already partially carried out with the organisation of seminars at the different peripheral units of Confindustria offering Jetro the unique opportunity of knowing the Italian industrial situation in all its forms and expressions, the way it appears on the national territory.

In this way, we are trying to go beyond that image of Italian industrial and technological situation, which is not yet well perceived in other countries, particularly in Japan.

All this has to be done with the conviction that economic and industrial relations between our countries have to be increased, in our mutual interest.

In recent years, Italian enterprises have been more and more interested in Japanese market, and a big number of them is there at the moment.

Operating in Japan is of vital importance for every entrepreneur who has an international view of the market.

In fact, Japanese market is an area in which there are many strong Japanese enterprises, with high levels of competitiveness, which force them to offer the Japanese consumer new high quality and high technology products .

For this reason, Japanese consumers are accustomed to very sophisticated products, not easily available in other markets; Japanese consumers are extremely demanding, both in terms of quality and in terms of delivery and post-selling services.

This is what makes the difference. The difficulties that many European enterprises have to enter the Japanese market are due not only to problems concerning tariffs and non tariff barriers, but also to the difficulty of competing with

quality products and high technological content, those supplied by Japanese firms.

This has determined a selection among those who have tried to enter the Japanese market and has allowed just a few of them, obviously the best ones, those who have been able to offer good products, to settle there.

This means that the enterprises who are able to win the challenge of Japanese firms on their markets, have practically no adversaries in other parts of the world.

So, it is of vital importance for every enterprise that has a global view of the market not to forget the experience of the Japanese one, which offers enormous possibilities at a quality, technology, organisation and trading level.

Confindustria wishes to keep acting in this sense both inside the Italy-Japan Business Group and autonomously as a follow-up of its activities.

In thanking again both Presidents, Mr Agnelli and Mr Chino, I wish to confirm our contribution to their important action, in the mutual interest of entrepreneurial sectors of the two countries.