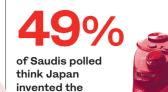


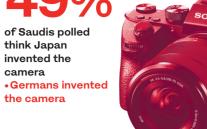
Arab Tour

Arab News-YouGov poll highlights Saudi views on Japanese politics, policies and

Impressions about Japan 36%

of Saudi respondents believe Japan has nuclear weapons Japan does not have





than 4 in 10

think Japan

invented

the mobile

Americans

invented

the mobile phone

do not know Japan's military is aligned with the US • Japan has a military alliance with the US

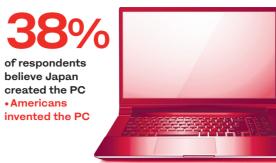


33% believe Japan is a member of the UN **Security Council**

member of the

Security Council

of respondents believe Japan created the PC Americans invented the PC



said Japan invented LED light LED light bulb was

invented by the

of respondents know Softbank is Japanese a Japanese conglomerate

Japan

know Nintendo originated in Nintendo did originate in

24% of respondents know Japan gave the world Japan did build the

first Walkman



YOUGOV STUDY

How Saudis view Japan

Survey suggests high level of understanding and appreciation of Japanese people

ordial business, trading and cultural relations have ong existed between the Arab world and Japan, one of the region's most important economic and diplomatic partners. A major part of Japan's energy imports come from the GCC, and the numerous Arab countries import manufactured goods and

electronic equipment from Japan Japan's commitment to prioritize the peace and stability of the region means that the Arab world is a destination for significant Japanese financial investments.

Against this background, Japanese Prime Minister Shinzo Abe is visiting Saudi Arabia as part of a tour to explain Tokyo's plans to send Self-Defense Forces (SDF) personnel to the region.

Preparations are also underway in Saudi Arabia for the G20 leaders' summit, which will take place in Riyadh in November, following the highly successful event held in Osaka, Japan, in June 2019.

While there may be growing Saudi-Japanese ties at the level of politics and government, how much can Saudis be expected to be familiar with a culture that is



FAISAL J. ABBAS

EDITOR-IN-CHIEF

Faisal J. Abbas

the editor in chief

of Arab News

of things, so foreign to the culture and geography of the Middle East? Arab News recently engaged the marketresearch firm YouGov to conduct a poll in across 18 countries, including Saudi Arabia, to uncover views of Arabs about Japan, its international relations and domestic politics. The study revealed a high level of not only

thousands of miles away and, on the surface

Japan and its people Saudi respondents' first impressions of the Japanese were that they were organized (51 percent,) hardworking (50 percent) and technical (42 percent). Other words used to describe the Japanese culture were punctual, respectful and creative.

understanding, but also appreciation of

More than half of Saudis (51 percent) polled said they view Japan as the most neutral mediator of a possible peace deal between Israel and Palestine

An impressive 64 percent of Saudis also correctly identified Japan as belonging to the G20, while 59 percent said it is a member of

the G7. The survey found that 56 percent of Saudis know that Japan is one of the top five economies of the world, while 31 percent know that the country was in the top 10 globally.

In the survey, 10 percent of Saudi respondents said they had visited Japan, but 77 percent said they intended to travel there in the future. Mount Fuji volcano would top the list of places to visit for most Saudis. The survey also suggested that Saudis were widely familiar with products made by the technologically advanced nation, with many correctly identifying Sony, Sega, LG and Muji as Japanese brands

Our goal at Arab News is to bring a better mutual understanding of both of our rich cultures and become a trusted communication channel where our friends in Japan can rely on us for credible information and insightful analysis. Through Arab News Japan, we are providing a content mix that blends original reporting from both the Middle East and Japan as well as a Japanese translation of some of our most important news and views.

The pan-Arab poll marks the first step in



About the cover

Diaa Allam is a calligrapher, muralist and live art performer based in the United

Arab Emirates.

The rising sun: Go Nagai, the anime artist best known for **Grendizer** and Mazinger Z, hand drew the Arab Mews Japan Rising sun, which features on this cover.

Reporting by Jumana Khamis

and Caline Malek

Tourism Poll finds untapped Saudi interest in Japan

While Japan may be best known in the Arab world for its samurai culture and anime scene, the Mount Fuji volcano would top the list of places to visit for most Saudis. The YouGov poll found that 77 percent of Saudis interviewed felt the 3,776-meter-high peak would be their No.1 attraction if

According to the results of the survey of 3,033 respondents in the GCC, Levant and North Africa regions, 10 percent of Saudis had already visited Japan, and 77 percent intended to travel there in the future

they were to visit Japan.

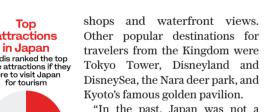
The high-speed bullet train proved to be a popular choice among 61 percent of people questioned, ranking second in the poll's list of top-three Japanese attractions.

For 46 percent of Saudis, sushi was a main attraction, followed by the Japanese manga and cosplay culture (45 percent) and traditional arts such as the tea ceremony (44 percent.) Omar Al-Otaibi, a Saudi living

in Tokyo and studying at Tokyo

University of Technology, said visitors needed to thoroughly explore the Japanese capital to find **27**% Sports- e.g. sumo, judo its hidden gems.

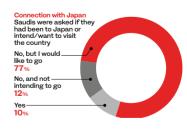
He pointed out that areas such as Odaiba City, Shibuya, and *Percentage figure broadly indicates level of popularity Shinjuku Station were popular with Saudi tourists for their mainstream stores, unique local



"In the past, Japan was not a popular tourist destination because of its distance from Saudi Arabia, the language barrier and the lack of information," Al-Otaibi said. However, thanks to the

growing Otaku culture in the Middle East as well as the travel information shared on social media, the number of Saudis interested in visiting Japan had increased. Noting the shared Saudi-Japan

Vision 2030, Al-Otaibi forecasted easier visa application processes between the two countries and the launch of direct flights from the Kingdom to Japan in the next year.



Food- e.g. sushi, noodles

Traditional Arts- e.g.

Meanwhile, Saudi Arabia is opening its doors to the world with visa policies that promise to change the face of tourism in the Kingdom. The move is expected to lead to an increase in Japanese tourists heading to the country.

"The Japanese people love to travel and explore, and Saudi Arabia as a country has been a mysterious place for most Japanese people who could not visit in the oast due to difficulties in applying

for a visa," said Al-Otaibi. While the total trade volume between the two countries is \$38 billion (SR142 billion), Saudi-Japan Vision 2030 seeks to increase entertainment and tourism's contribution to the Kingdom's GDP, by increasing the number of with anime (Japan

Japanese car brands

animation) being one of the main

Attributes Saudis show admiration for Japanese traditions, customs

Contemporary Japan may be a paragon of sophisticated, cosmopolitan values, but Arabs' impression of the Asian power appears to be more influenced by its traditions, customs and

national character. The YouGov poll showed that Saudis' first impression of the Japanese was that they were organized (51 percent,) hardworking (50 percent) and technical (42 percent).

Other words used to describe the Japanese culture were punctual, respectful and creative. Such perceptions appear to be

significantly shaped by Japanese fictional characters, mainstream media, martial arts and the country's export industries. Out of 3,033 survey respondents in the Arab world, more than

50 percent picked samurai, car manufacturing and sushi as aspects they most associated with Japan. The findings were similar among Saudis

questioned for the poll,

attractions of Japanese culture. This was also reflected in other findings of the study, which the fictional character, Hello Kitty, with Japanese people. The style film and television concept, which creates shared cultural similarities.

human-like characters based on non-human subjects. Fascinated by Japanese history,

Rania Al-Mutairi, a pharmacist showed that 65 percent from Saudi Arabia, described the of Saudis associated country's culture as one with "many wonders," reflected in the writings and poems of its literary masters. She said Japanese people were cartoon was produced "kind, polite and educated," adding by Japanese company that Saudi Arabia and Japan had Sanrio under the gijinka great respect for each other and

Economy A high regard for Japan's strengths

The YouGov poll on Arabs' perception of Japan on a wide range of topics provides a snapshot of how Saudis view the country in the economic context.

the top five economies of the world, while 31 percent know that the country was in the top 10 globally. With regard to energy, 42 percent of Saudi respondents said 40 percent of Japan's oil imports are produced by the Gulf Cooper

The survey found that 56 percent

of Saudis know that Japan is one of

ation Council (GCC), while 37 percent correctly said the figure was 85 percent. Another 7 percent of Saudi respondents said all of Japan's oil imports are produced by the GCC, while 13 percent said that

Japan's oil imports. "These statistics show that Saudis are interested in (Japan as an) economic partner, but sometimes overestimate the total economic power of Japan," said Cyril Widdershoven, director of VEROCY, a Dutch consultancy advising on investments, energy and infrastructure risks and opportunities in the Arab world.

"When looking at the oil import outcome, there is a general Arab overestimation of their position. Yes, Japan — as Asia — is dependent on GCC oil and gas imports, but hydrocarbons are a global market, where other parties are able to enter fully."

GCC gas is under pressure in Japan considerations." as supplies from Australia and others are growing rapidly, with producers willing to underbid to capture the market.

"For crude oil and petrochemical products, the position is still very strong, especially as long as GCC countries such as Saudi Arabia and the UAE are heavily investing in downstream in Asia, and in Japan, to lock in the market and clients."

he told Arab News. As for Japanese-made products, 73 percent of Saudis ranked Japan as number one in terms of quality, followed by the US, South Korea and China

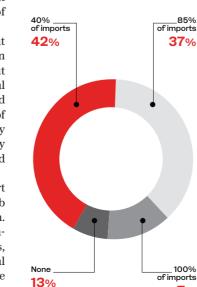
are liked is normal," Widdershoven said "The quality and price of Japanese products is high, so this no doubt plays a role. After years of being overwhelmed by low-cost and low-quality Chinese exports,

Arab markets are more willing to

take higher quality products, in

which Japan leads, and the fact

Energy dependence Saudis were asked how much of Japan's oil imports in 2018 came from the GCC the GCC does not produce any of



Despite Japan's dependence on that US products are second is Gulf exporters, Widdershoven said clearly based on price and political

> According to Albadr Al-Shateri, politics professor at the National Defense College in Abu Dhabi, regional views on Japan are generally positive when it comes to "The people of the region trust

and value Japanese products, which explains the pervasive presence of Japanese cars, appliances and electronic goods in the streets and households of Saudi Arabia and the Arab Gulf countries," he told Arab News.

"Japan is at a disadvantage when it comes to culture. Western and US culture, especially pop culture, "The fact that Japanese products seems to hold sway in Saudi Arabia and the rest of the Gulf countries." With \$5.1 billion in GDP, the third-largest economy after the US

and China and ahead of Germany

Europe's economic powerhouse — Japan's share of the world economy stands at 5.95 percent. Al-Shateri said neither Saudi Arabia nor other countries can said Japan was a member of the UN afford to ignore such an economic giant. "Saudi Arabia's Vision 2030

requires a diversification of the economy away from oil," he said. "Today, oil contributes about 40 percent of Saudi GDP. Japan, which is at the cutting edge of supportive, 20 percent were neutral, 40 percent answered technology, can assist in transforming the Kingdom into a positively and only 1 percent knowledge-based economy."

He said Japan was also well positioned to be a long-term economic partner of Saudi Arabia in terms of trade and investment.

"As per the 2030 Vision plan, the Saudis envision a complete overhaul of their economy, which includes financial schemes, foreign investment, infrastructure development, human capital development, national industrial development and logistics and the entertainment sector," Al-Shateri said.

"Japan can contribute to all these fields," he added.

Politics and policies Most Saudis favor Japan as a mediator

More than half of Saudis polled as part of a recent YouGov survey said they view Japan as the most neutral mediator of a possible peace deal

between Israel and Palestine. Japan, at 51 percent, led the Middle East's former biggest powerbroker and mediator, the US. by a hefty 20 percent.

Among other Saudi Arabiarelated findings, 38 percent believe the emperor of Japan signs the laws, while the numbers who believe that this power lies with the prime minister, the president and the supreme court were 35, 21 and 6 percent respectively.

The results showed that 64 percent of Saudis correctly identified Japan as belonging to the G20, while 59 percent identified it is a member of the G7. However, 33 percent wrongly

Security Council. The majority of respondents were positive about the political relationship between the Gulf Cooperation Council (GCC) and Japan: 38 percent of Saudis were

negatively. According to Cyril Widdershoven, director of VEROCY, a Dutch consultancy that advises on investments, energy and infrastructure risks and opportunities in the Middle East and North Africa (MENA) region, the main takeaway was that Saudis assess the position of Japan on the basis of their own system of the distri-

bution of powers. "As Japan officially is still led by an emperor, Saudis perhaps consider its political system to be royal family led," he said

tend to assess other countries' Familiarity with Japanese policies systems through the lens of their Saudis were asked which of the own cultural, political and economic organizations they believed Japar as a member of structures, and consider them identical if they appear somewhat similar to their own. "Furthermore, a democratic system — such as Japan's — is not a fixed and clear-cut system. It depends on certain arrangements made according to the laws and traditions of the particular country,"

> he told Arab News. "It is normal therefore that people don't take all of this into account. The overall power position of Japan, especially when looking as a Saudi, is somewhat overestimated."

> The main reason for this, Widdershoven says, is that there is a lot of MENA, and especially GCC, media interest in Asian powers such as Japan, and also China and India. because of their status as headline newsmakers.

"Economic and trade relations with these countries are very strong. This produces a general tendency among Arabs to view them as major world powers, something that is not based on facts — except in the case of China — but on information they

have received," Widdershoven said. "Additionally, Japanese products are major attractions in the Arab world. So the perceived role of Japan is influenced by many different factors except the actual global

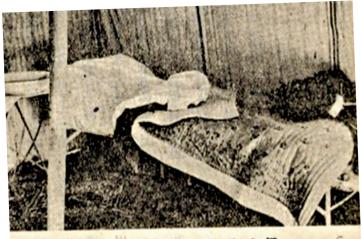
and in general Arabs in the region, are not the same as hard military and to understand the mechanics of geopolitical power." the trias politika system, in which Widdershoven expects the

there is a clean and clear power relationship between Japan and separation between royals, polit- Saudi Arabia to grow stronger ical parties and the judicial system in the coming years, on the — and the implications of this for back of increasing investments the legal and financial systems." in innovation, finance and He said that, in general, people defense technology.



"It is also hard for most Saudis,

geopolitical status of Japan. "Economic power and influence



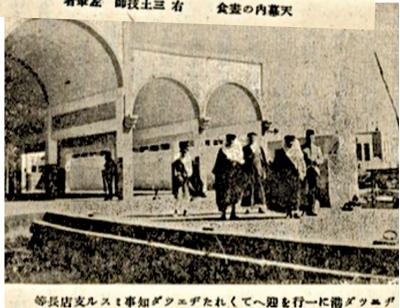


(憲注に停鈍拳) 等ドツメハモ 者從使公 長衛護



Arabia in 1939. Abdul Aziz Foundation for Research and Archives

Nakano's visit to Saudi



JAPAN-SAUDI ARABIA

A time-tested relationship

What began as a Hajj pilgrimage in 1909 has blossomed into a multifaceted partnership

Lojien Ben Gassem Riyadh

The history of Saudi-Japan relations can be traced to a Hajj pilgrimage undertaken by Yamaoka Kotaro in 1909. The Japanese pilgrim was the first to document his visit to the Arabian Peninsula.

Kotaro, who named himself Omar, left from Japan to perform the Hajj with pilgrims from Mongolia. He was the first Japanese pilgrim to reach Makkah.

The second Japanese to perform the Hajj was Tanaka Ipei, also known as Hajj Noor Tanaka Ipei. He visited the Arabian Peninsula in 1924 and again in 1933.

Ipei, who was one of the pioneers of Islamic studies in Japan, published a book about his journey in 1925 called "Junrei Haku Un-Yuki Isramu."

He wrote at length about his desire to strengthen relations between Japan and the Arabian Peninsula.

Two of Ipei's students, Inoumoto Momotaru and Takeshi Sozuki, accompanied him on the Hajj. Both of them later wrote books about their journey.

In 1943 Sozuki published his book, "Pilgrimage to the Place of Seichi Makkah Junrei." This was published in Arabic by the King Abdul Aziz Public Library in 1999.

The book described his meeting with King Abdul Aziz in Makkah and how he admired the king's personality.

When Sozuki met the king he was overwhelmed - and cried as he shook his hand. He stood by the king's side while the king shook hands with the rest of the guests and expressed his appreciation to Muslims who had come from the farthest reaches of Asia to perform the Hajj.

"Abdul Aziz is an invincible man, and victory is his ally wherever he went," Sozuki wrote in his book.

"If Ibn Saud did not exist in the world, the Arabian Peninsula would not have been unified until today ... I still remember Ibn Saud with his strong body, frightening

stature and strong expression that fills his facial features.

Sozuki wrote in his book about how Saudi Arabia was important for all Islamic countries, both geographically and religiously.

The Japanese consulate in Port Said in Egypt was tasked with monitoring the situation on the Arabian Peninsula. Interest surged when King Abdul Aziz entered Makkah and joined Madinah, Jeddah and the Hijaz province to Saudi Arabia.

The Japanese consul in Port Said contacted the Japanese Foreign Ministry in Tokyo to spread the news about King Abdul Aziz and his success in unifying the country and launching reforms and development.

In November 1927, Tokitaro Kuroki, the Japanese vice-consul in Port Said, wrote to Yoshikazu Tanaka, the foreign minister, explaining the economic situation on the Arabian Peninsula after



I have been very pleased to come to Saudi Arabia, which has been taking quick steps to progress.

King Abdul Aziz had unified Hijaz. "Ibn Saud's success is completely a dramatic story, and it's rare to find such rapid progress," he said.

In 1939, the Japanese government sent the minister plenipotentiary to Saudi Arabia with a delegation that included Ejiro Nakano on what was considered the first official visit. He met King Abdul Aziz and offered to work with the Saudi government to implement an economic agreement.

One of the objectives of the visit was to convince King Abdul Aziz to allow the opening of a Japanese commission in Jeddah to strengthen Saudi-Japanese relations and facilitate the arrival of Japanese pilgrims.

Nakano wrote about his trip and published a book in 1941 in Tokyo, "The Kingdom of Saudi Arabia."

In the daily reports of Nakano's trip, he described meeting King

King Faisal bin Abdul **Aziz visits Japan in 1971**; 1981 visit of Japanese **Crown Prince** Akihito to Saudi Arabia: **Crown Prince** Narhito in

Rivadh in

From top:





Abdul Aziz with Japanese minister plenipotentiary in Cairo: "And about the international relations, the king said: We want to have relations good with neighboring powerful countries

Europe, and we respect Japan as a great country in Southeast Asia." When Saudi Arabia announced it

was at war with Germany and Japan in 1945, the Kingdom and Japan stopped working on a treaty of friendship and trade. However, the holy cities of Saudi Arabia remained open to Japanese Muslims.

After the end of World War II, Japan's relations with Saudi Arabia began to develop again, with an increase in Japanese exports to the Kingdom and an influx of Japanese missions to obtain agents for Japanese exports.

The first Japanese mission after the war arrived in the Kingdom in 1945, according to a letter from the head of the horticultural

department at the Ministry of Agriculture.

The undersecretary of the Ministry of Finance, Assistant for Business, Cities and Urban Projects held a ceremony in Jeddah. The event, attended by high-level Saudi government officials, businessmen, agencies, merchants and diplomats in Jeddah, had a significant impact on Japan's trade activities with the Kingdom.

Japanese economic activities and ambitions to expand trade in the Kingdom, as well as the need for Saudi markets for Japanese imports and the improvement in Japanese-Saudi relations in 1953, led to royal approval for the continuation of the Ministry of Finance and National Economy in the establishment of trade between the two countries.

The depth of Saudi-Japanese relations is also mirrored in the relationship between the two countries' royal families.

Crown Prince of Japan Akihito met Prince Fahd bin Abdul Aziz during the coronation ceremony of Queen Elizabeth II in London in 1953. The crown prince of Japan was seated behind Prince Fahd according to English royal palace protocol. Prince Fahd switched places with the crown prince out of respect for Akihito's status.

The Japanese imperial family valued Prince Fahd's action and decided in appreciation that Saudi Arabia would be the first country that the Japanese crown prince visited — and this became a tradition for all reigns in Japan.

The story of Saudi-Japanese diplomatic relations began in 1957 when Toseda Yutaka was appointed commissioner in Saudi Arabia. "I have been appointed as a delegate to his Majesty's Government (King Saud) ... a while ago, but the recent incidents in the Middle East have hindered my arrival at that time, and I have been very pleased to come to your country (Saudi Arabia) that has been taking quick steps to progress, which I've never thought existed," Yutaka said.

"I take this opportunity to thank His Majesty King Saud. Saudi Arabia has been one of the first countries to support Japan and voted for Japan during the negotiation of accepting Japan as a member in the UN," he said.

The Kingdom took further steps when it opened its embassy in Japan the same year. Asaad Al-Faqih was appointed envoy and Saudi commissioner to Japan in 1957.

The Japanese commission in the Kingdom requested permission to open an embassy in Saudi Arabia, and in 1958 Japan opened its embassy in Saudi Arabia.

 $All\ information\ in\ this\ article$ has been sourced from the King Abdul Aziz Foundation for Research and Archives (Darah).

OPINION

Abe will see a transformed Kingdom on historic visit

NAYEF AL-FAHADI

apanese Prime Minister Shinzo Abe's visit to Saudi Arabia this weekend comes at a time of both challenges and opportunities for the Kingdom and Japan.

The Japanese prime minister's visit takes place against a backdrop of rising tensions in the Middle East. During Abe's last visit, in 2013, our two countries agreed to strengthen defense and security cooperation. We welcome Japan's commitment to supporting the freedom of navigation for commercial shipping in the region. Open and safe shipping routes are critical for both our economies.

A stable and secure Middle East is a shared priority. This

year will see Saudi Arabia host the G20 for

the first time. My first year as ambassador in Tokyo coincided with the Japanese presidency of the G20. As the many Saudi visitors to Japan in the last year will testify, Japan did a superb job and set a high standard for future presidencies. Crown Prince Mohammed bin Salman has said he wants to continue Japan's good work, in particular by promoting multilateral consensus.

For the world's media, the main G20 leaders' meeting in November will be the focal point of our presidency. But the G20 program goes well beyond the leaders' meeting and the year presents chances for us to strengthen our wider relationship. The many other G20 events, which will take place across the year in all four corners of the Kingdom — such as the C20 on culture, the Y20 on youth, and the B20 on business — will give Japanese visitors the chance to experience the breadth and depth of Saudi Arabia for the first time. People-to-people connections are vital as we deepen the relationship between our two countries.

I am excited that Prime Minister Abe will have the chance to see for himself a Kingdom that has transformed since his last visit. Under the stewardship of King Salman and Crown Prince Mohammed, Saudi Arabia is undergoing huge change, anchored in our ambitious Vision 2030 reform program. The Kingdom is becoming more economically diverse, socially open, culturally confident, and more welcoming to the world.

Traditionally, the relationship between Saudi Arabia and Japan has been underpinned by energy, with Saudi Arabia supplying 40 percent of Japan's energy needs. And Japan will always be able to rely on Saudi Arabia as a responsible and reliable energy exporter. But we have much bigger ambitions for the relationship. With the changes we have made over the past three years, it has never been easier for a Japanese business to enter the Saudi market, or for a Japanese tourist to visit the Kingdom. Whether Japanese businesspeople want to set up shop in our country or Japanese tourists want to see our incredible world heritage sites, our message is: Come to Saudi Arabia and make the most of the new opportunities. Japanese visitors can be sure of a warm welcome.

Nayef Al-Fahadi is Ambassador of the Kingdom of Saudi Arabia to Japan **INTERVIEW: NOBUO TANAKA**

Saudi-Japan cooperation 'could help solve world's energy problems'

Frank Kane Dubai

Cooperation between Saudi Arabia and Japan in energy could help solve some of the most intractable problems the world faces today, according to one of Japan's leading business thinkers.

Nobuo Tanaka, chairman of the Sasakawa Peace Foundation and former director of the International Energy Agency (IEA), told Arab News that the two countries could help stabilize global energy markets, and also defuse the controversy over nuclear proliferation – two of the big issues facing the region and the world today.

"The demand and supply balance is a crucial issue for Japan, and Saudi Arabia supplies lots of our oil," he said. "The world is well supplied, but there are geopolitical risks to delivery. There has been no reduction in Saudi Arabia's ability to supply us, so there is no credibility issue there"

Japan is the fourth-biggest importer of oil in the world, and the Kingdom is its main supplier,

shipping around 40 percent of its total requirement.

Tanaka, who also served as head of trade at the Japanese economics ministry, was speaking ahead of the trip by Japanese Prime Minister Shinzo Abe to Saudi Arabia.

He added that Abe could be a mediator in the tense relationship between GCC states and Iran, as well as the US. "Abe has good levels of trust with American President Donald Trump, as well as with Saudi Arabia and Iran. He can encourage dialogue between the players, and that may lead the way for a better relationship in the region."

One area where Japan can bring expertise to bear is in nuclear power.

The country has been looking at ways of developing safe nuclear power generation since the 2011 earthquake and tsunami that af-



Abe has good levels of trust with President Trump, as well as with Saudi Arabia and Iran fected the Fukushima plant, causing deaths and economic damage.

Japan is considering employing new nuclear technology — the "integral fast reactor" developed in the US — as a safer option and a viable alternative to fossil fuels, Tanaka said.

Saudi Arabia was also planning to develop nuclear power generation capacity. "Japan, Saudi Arabia and others want peaceful nuclear technology to develop proliferation-free designs."

He pointed out that the new technology could also offer a solution for Iran and North Korea — two of the current geopolitical trouble spots which are at odds with the rest of the world over their nuclear ambitions.

"Japan can help in this because we are a peaceful nuclear nation," he added. "This is visionary. I think it is the only way to solve the nuclear issue in northeast Asia and the Middle East.

"Japan has been talking to the US about it for some time. The next step is to get it adopted by countries that want to use nuclear power, but not for military purposes."



He said that the geopolitical situation in the Middle East was a cause for concern but saw some recent grounds for optimism.

"The retaliation by Iran has happened, but it seems to have been controlled. I hope it's the end of the threat of direct military conflict, but certainly the risk remains of possible attacks."

Amid speculation that Saudi Aramco might follow its recordbreaking initial public offering (IPO) on Riyadh's Tadawul stock exchange with a listing on an overseas market, Tanaka said the Japanese stock market would be a good place for such an IPO to take place.

"We would welcome Aramco in Tokyo. The Saudi-Japan strategic relationship is very important, and a Tokyo listing would take it to another level."

Tanaka noted that there were important areas where Aramco and Japanese energy could cooperate, including in the use of hydrogen as a "clean" fuel that avoided the environmental problems associated with fossil fuels.

INVESTMENT OPPORTUNITIES

Saudi-Japanese Business Council opens door wide for trade

Lojien Ben Gassem, Faris Alrushud Rivadh

The Saudi business sector is ready to offer its Japanese counterpart the chance to enter the Kingdom's vast market and take full advantage of commercial opportunities through partnerships.

Speaking ahead of Japanese Prime Minister Shinzo Abe's visit to the Kingdom, Tariq Al-Qahtani, chairman of the Saudi-Japanese Business Council (SJBC), said the door was wide open for expanding trade relations between the two nations.

According to Al-Qahtani, among the potential benefits for Japanese businesses were access to information about opportunities and the market in Saudi Arabia, presence at conferences, meetings and exhibitions organized with the SJBC.

He pointed out the importance of greater interaction at the private-sector level, support for partnerships and expansion of cooperation between Saudi and Japanese business owners.

The aim is to take advantage of Japanese expertise in sectors identified by Vision 2030 and to forge strategic partnerships aimed at expanding investments.

Al-Qahtani noted that there was a need to speed up implementation of existing cooperation agreements in different fields, including the establishment of direct maritime and air transport links, and to hold exhibitions of Saudi and Japanese products.



Reciprocal visits are an indication that our economic relations have a strong base

Tariq Al-Qahtani Chairman of the Saudi-Japanese Business Council

"We hope that the joint projects will contribute to the growth of economic relations between the two friendly countries."

The business chief praised the attention being paid to the economic dimension of the Saudi-Japan relationship by the two governments.

"The reciprocal visits are an indication that Saudi-Japanese economic relations have a strong institutional base," he said.

Al-Qahtani pointed to the many potential areas of cooperation.

"In light of Saudi Vision 2030 and Japan's strengths, the target areas of cooperation are heavy industry, shipbuilding, air and sea transport, logistics, infrastructure projects, mining, manufacturing, petrochemicals and gas, pharmaceuticals and plastics," he said.

Nouf Alrakan, who became a member of the SJBC's executive committee in 2016, said that both Saudi Arabia and Japan offered opportunities for growth and complemented each other in many ways.

"We have already started seeing results in some areas. I am sure that we will continue seeing more as the understanding of, and work on, the fundamentals of Saudi Vision 2030 continues," she said.

Alrakan's interest in Japan grew over years of visits, especially after she had completed her business research in 2014.

"I was given a unique opportunity by the Japan Foundation to conduct research on Japanese small- and medium-sized businesses. This gave me a whole different level of understanding of the potential we have in the Saudi-Japan bilateral relationship."

Given that Saudi Arabia is looking to diversify its economy away from oil and gas, Japan offered the best example of a country that had built its economy not on natural resources but through determination and resilience, she said.

"Japan is advanced in many fields and also has one of the best small- and medium-sized enterprise (SME) support structures."

"At the same time, Saudi Arabia is working on strengthening and building a strong support system for its SMEs. The two countries do



The SJBC is an indispensable vehicle for the promotion of Saudi-Japan trade

Abdulrahman Aldebel Coordinates SJBC meetings in Tokyo

very good trade in the automotive and oil industries. We want to see the same success replicated in areas like medicine, technology and education."

Al-Qahtani added that the SJBC had contributed to many achievements and joint strategic projects, most significantly deepening relations and increasing the volume of trade and investment between Saudi Arabia and Japan.

The SJBC helped to build "bridges of cooperation between the two sides in the field of SMEs, with the Saudi side benefiting from Japanese experience since the signing of three initiatives in February 2014 during King Salman's visit to



Saudi Arabia is working on building a strong support system for its SMEs

Nouf Alrakan
A member of the executive committee in the business council

Japan as crown prince.

Regarding tourism and the exchange of tourist delegations between both countries, Alrakan said that the Saudi Commission for Tourism and National Heritage (SCTH) was working on specific plans aimed at Japanese visitors.

"We have started seeing Japanese interest. Last week a Japanese woman visited Saudi Arabia looking for opportunities to start special programs for both Saudis and Japanese," she said.

Abdulrahman Aldebel, who joined the SJBC in 2018, noted that there were a number of international bodies, such as the UN World Tourism Organization (UN-

WTO), which aimed to promote sustainable tourism to help the economic development of each region.

"Each country can collaborate

with the UNWTO. Saudi Arabia, for example, can tap into the upcoming 2020 events, such as the G20 summit in November.

"Japan, as a member country, is a driving force for addressing as well as planning at the engagement group level for exchanges involving tourism, education, culture, geo-tourism, et cetera. This is being discussed inside the council."

Aldebel, who coordinates the SJBC's meetings in Tokyo, added: "Since its inception in 1992, our company, GAS Arabian Services Co., Ltd, has continuously fulfilled its mission — namely, providing integrated solutions covering a wide range of products and services in the fields of integrated services for oil, petrochemical, chemical and process industries."

Through the years, Aldebel said, GAS has been well served by partnerships with reputable original equipment manufacturers (OEMs) including Japanese corporations Ebara (Elliott Group), Yokogawa and Eagle Industry.

Looking to the future and noting that the next SJBC meeting was scheduled for May 2020, Aldebel said the SJBC is an indispensable vehicle for the promotion of Saudi-Japan trade, investment opportunities in finance, energy and industry, and support for SMEs.

INTERNATIONAL MARRIAGE

Bridging the cultural divide

A Saudi-Japanese couple embody the new spirit of openness in the Kingdom

Noor Nugali Riyadh

As Saudi Arabia opens its doors and hearts to the world, shifts in tradition are underway. What once might have been taboo is now accepted by society.

Cases of Saudi women who have married foreigners are not as rare as they once were in the Kingdom.

One such case is Dr. Wafa Eid, a university lecturer who, for the past two years, has been married to Dr. Shota Mizutani, also an academic.

"Some Saudis find it hard to believe that a Saudi woman got married to a Japanese," Eid told

"Some of them are happy to see us and started accepting the fact that this is becoming the norm, and that Saudi Arabia is open to cultures more than before. In Japan I have never faced any problems as many Japanese are married to foreigners."

Mizutani said: "We get stared at a lot when we go out in public

"We even once were asked by a mall security guard about our relationship. We understand that our case is rare here, so we try to take it as a positive thing.

"In Japan, people are surprised to know that I am married to a Saudi woman, but international marriages are common in Japan, so we have never faced any problems there."

Love of different cultures is what brought Eid and Mizutani together.

Eid and her family were drawn to events hosted by the Japanese Embassy where they could make new friends. "It was a nice chance to become friends with Japanese people," she said.

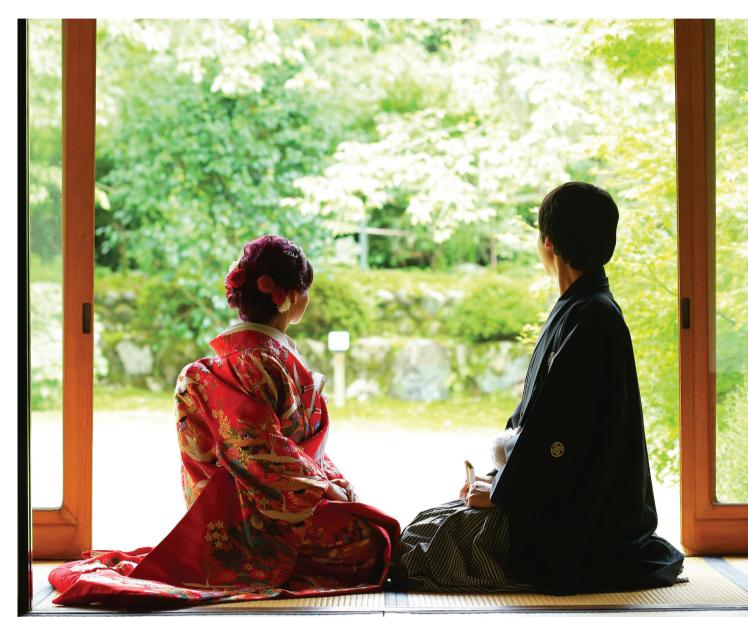
"I met (my husband) for the first time in 2009 at one such an event in the Japanese Embassy."

Eid had always wanted to study abroad and experience being independent, and she was "interested in foreign languages and cultures." Her parents, too, were open to the idea of having foreign friends

Will you

different cultures. "So, at that time my family and I often invited our Japanese friends to our house and introduced them to Saudi food and explain some of the

as a chance to experience



As both societies open up from their traditional roots, marriage between Saudi and Japanese citizens is becoming increasingly frequent. Supplied

cultural aspects of our society," she said. "We even took them

ship and was accepted to study a master's degree starting in April

everyone around me was worried because of the Tohoku earthquake and tsunami," she told Arab News.

around Riyadh. That is how my husband became a family friend." In 2010 she applied for the Japanese government scholar-

"I decided to go even though

Shota proposed to Wafa through her favorite manga artist. Supplied

However, her large network of friends, including her would-be husband, helped her to start a life in Japan and find an apartment.

Because her husband had lived in Saudi Arabia before, he was accustomed to the cultures and traditions. "My husband has lived abroad for more than 10 years (including Saudi Arabia) and has been a Muslim since 2011," she said. "He is open to new cultures and understands Islamic culture.

> "The fact that my husband used to live in Saudi Arabia helped him to understand Saudi customs and culture. Therefore, when it came to marriage, he knew that he had to ask for parents' permission before proposing, so he scheduled a Skype call with them and asked them for my hand

in marriage.

"They also agreed on keeping it a secret from me. He surprised me by proposing to me in Japan. He gave me a manga (caricature) drawing of both of us and my lovely cat by my favorite manga artist in which he is asking for me to say yes."

Eid was surprised when he proposed. Her initial reaction was: "Well, you need to ask for my parents' permission first!" Which was something he had already done.

"I was really shocked when he told me that he had already got their permission and their approval, and they all had kept it as a secret from me," she said.

"I was really happy. My family and I had known him for a long time. He had always been this really kind, sweet person."

There were two weddings, one in Japan and one in Saudi Arabia, she said. "We were happy to see both families and friends getting together for us."

Having lived in each other's countries, they realized that there were cultural differences. "However, we don't find them a problem because both of us understand each other's culture as I have lived in Japan for six years and my husband has lived here (in the Kingdom) for six vears," Eid said.

She also knows two other Saudi women who are happily married and living in Japan with their spouses. This in addition to the Saudi men she knows who are married to Japanese women.

Eid has some advice for Saudi women who are going to marry a non-Saudi man. "Get to know both families; it helps in understanding each other's background and vice versa," she

"Don't worry too much about what other people think. There are always people who are against international marriage everywhere in the world."

OPINION

Ahlan wa sahlan to Tokyo

KOIKE YURIKO GOVERNOR OF TOKYO

s governor of Tokyo I would like to wish you all a wonderful New Year. At the start of 2020, I am very happy to be able to contribute to Arab News.

I first got acquainted with the Middle East when I studied in Cairo during the 1970s, for five years. It was a deeply enriching experience that I will never forget.

It was a chance for me to learn not only my subjects, but also about Egyptian life and Islam.

Since then, I have worked to strengthen ties between Japan and the Middle East through my career as a journalist, member of the Diet, Cabinet minister, and then as the first female governor of Tokyo.

I have a great deal of respect for Saudi Arabia and the important role the Kingdom



plays in the world.

Japan and Saudi Arabia created a strategic partnership through the "Japan-Saudi Vision 2030 2.0," and progress is also being made at the city level, such as with the participation of Riyadh at the U20 Mayors Summit, which was held in Tokyo last

Now, we are less than 200 days away from the start of the 2020 Games in Tokyo.

Tokyo will be the first city to host the Summer Paralympic Games twice.



I have a great deal of respect for Saudi Arabia and the important role the Kingdom plays in the world.

I believe that having the Paralympic venues filled with spectators will determine the success of the Tokyo 2020

The 1964 Games left a legacy of urban infrastructure, such as our highway network and the Shinkansen bullet train.

For these Games, I want to leave a legacy that is intangible, but nevertheless important to our future.

For example, our Tokyo Data Highway strategy which will draw out the potential of Tokyo through the power of digitization, promoting barrierfree measures for a society in which everyone can play an active role, and which is ready for the coming era of a 100-year

My hope is to have the Japanese word "choju," which means "longevity," enter the global lexicon.

During the Games, we will welcome visitors from all over world including athletes, officials and tourists from Islamic countries.

As host city, Tokyo is promoting the creation of a welcoming environment, where a diversity of international tourists including Muslims can enjoy a comfortable stay with peace of mind.

I hope everyone who comes will enjoy Tokyo, where tradition and innovation coexist.

HIGHER EDUCATION

Inspiring story of a Japanese-speaking Saudi student

Faris Alrushud Riyadh

Abd Al-Rahman Al-Fifi, a 33-yearold Saudi man, started his educational journey by learning Japanese at King Saud University in Riyadh (KSU) for three and a half years, obtaining a higher diploma.

After that, he went to Japan and received a bachelor's degree in mechanical engineering from Saitama University. He continued his studies there, going on the obtain his master's degree.

Al-Fifi says Japan's engineering prowess and reputation for technological innovation were things he had admired since his childhood days.

This prompted him apply to join KSU in 2008 to learn more about Japanese culture and to study its language, gaining an advanced diploma in Japanese in 2011.

As soon as Al-Fifi completed the course at KSU, he decided to go to Japan to continue his linguistic

Once there, he joined the Urawa International Institute for Teaching Japanese in Saitama. There he stayed for a year and a half, rubbing shoulders with students from all over world who shared his passion for the country.

After completing his studies at the Urawa International Institute, Al-Fifi chose Saitama University of Industry for the next phase.

Saitama is the most populated city of Saitama Prefecture, and Saitama University is one of the oldest and most reputable Japanese universities as far as engineering education is concerned.

About 10 Saudi students graduate annually from Saitama University, with degrees in such branches as electrical, mechanical and industrial engeineering, as well as in architecture.

Japan does not have many stu-

dents from Arab countries. For many Arab students, the cultural gap is a big deterrent to choosing Japan as their higher-education destination.

The language barrier is no small matter too, as many Arabs consider Japanese difficult to master compared with other widely spoken languages. Saudis constitute the biggest cohort of Arab

students enrolled in Japanese universities, with estimated 100 students of both genders from the Kingdom graduating every year.

At Saitama University,

gineering for four years. During this period he volunteered time and services as part of a distinguished group of students supporting the Embassy of the Kingdom of Saudi Arabia

Al-Fifi majored in mechanical en-

in Tokyo, providing logistical support and simultaneous translation for the royal delegations that have visited Japan over the past few years. These include the Japan visit in September 2016 by Crown Prince Mohammed bin

> Salman (before he appointed crown prince), the visit in March 2017 by King Salman, and the most recent visit, which took place last year, by the crown prince.

Foreign students in any country are known to face many difficulties at the beginning of their academic lives due to differences of culture, language, lifestyles and social practices.

Al-Fifi, though, said he did not experiemce too much trouble on account of his prior knowledge of the country and fluency in the language. What also made a difference, he said, was his decision to take his wife with him, something that acted as a source of stability and self-confidence.

The young Saudi couple had two children while living in Japan, and had them enrolled in local schools so that they could learn Japanese as well as their mother language

Armed with multiple engineering degrees and language diplomas, Al-Fifi is now pursuing a doctorate in chemical engineering in Japan.

JAPAN COOPERATION CENTER FOR THE MIDDLE EAST

JCCME plans strong trade promotion efforts in KSA

Organization aims to be one of the leading contributors to the development of Saudi Arabia's infrastructure

Koki Tomioka,

representative

in Riyadh.

Faris Alrushud Riyadh

Koki Tomioka, chief representative of the **Japan Cooperation** Center for the Middle East (JCCME) in Riyadh, has said several projects are being implemented that will contribute to the development and promotion of trade in the **Middle East and North** African (MENA) region, especially in Saudi Arabia, in line with Saudi Vision 2030.

In an interview with Arab News, Tomioka reaffirmed the JCCME's intention to be one of the leading contributors to the development of infrastructure in the Kingdom through investment promotion and business support, reinforcement of bilateral economic relations, support for water-related business, and support for human resource development information services.

The JCCME was set up in Saudi Arabia in the 1990s with its regional headquarters in Riyadh. Since then, it has expanded in Dammam and the Eastern Province by opening an office for its Investment Desk, while another office for its Water Desk has been opened in Jeddah.

From the outset, the JCCME was mainly engaged in supporting Task Force.

In 2018, the JCCME set up an

On the successes achieved by JCCME as a foreign organization in Saudi Arabia, Tomioka said Japanese companies faced challenges they when they entered the Saudi market, which was different from the Japanese market culturally, socially and

Communication required more effort and some government action took more time in

Tomioka praised the successes

vocational

projects in the Kingdom, Tomkioka said, adding that it operated the secretariat for the Japan-Saudi Arabia Industrial Cooperation The task force had been established in accordance

with the "Joint Statement of the Kingdom of Saudi Arabia and Japan" for 10 years from 2007 to 2017.

investment promotion scheme based on the results of the task force's recommendations with a view to contributing to the realization of Saudi-Japan Vision 2030, within the framework of the Saudi Vision 2030.

commercially.

comparison with Japan.

of the JCCME in supporting companies operating in different fields in the Kingdom. These included Saudi Electronics & Home Appliances Institute, which was established as part of a joint industrial-cooperation effort by the two countries in 2009.

"With the assistance of technical school and



expertise will play a key role in a wide range of projects in the Kingdom.

technical experts, develop educational materials, curriculums, and train Saudi instructors," he said.

"So far, the institute has produced

technical skills they have acquired to repair Japanese-manufactured electronic equipment and home appliances."

Tomioka said the Saudi market

He said the JCCME is looking to sign new agreements in the Kingdom for projects supporting water-related businesses. investment promotion business development.

UNICHARM GULF HYGIENIC INDUSTRIES

Top industrialist foresees 'new bridges of cooperation'

Mahdy Katbe, Unicharm CEO, one of Japan's first consumer-goods investments in KSA, sees a strengthening of bonds

Rashid Hassan Riyadh

The visit of Japanese Prime Minister Shinzo Abe to Saudi Arabia would help to build "multiple new bridges of cooperation" between the two countries, a top industrialist has predicted.

Mahdy S. Katbe, president and CEO of Unicharm Gulf Hygienic Industries, one of the first Japanese consumer-goods investments in the Kingdom, told Arab News: "This visit will serve to advance a strong and long-standing partnership between Japan and Saudi Arabia in diverse fields and industries.

"We strongly believe it will further solidify the strong bond between the two countries and support growth and development of multiple new bridges of cooperation."

Established more than 25 years ago, Unicharm's products have grown to become household names, providing "gentle care for life" to families in Saudi Arabia and countries throughout the Middle

East and North Africa (MENA) region.

"BabyJoy, our flagship baby care product, has become the preferred choice for Saudi mothers for their babies. We also produce Sofy feminine napkins and Lifree adult diapers, with Lifree also commanding the leading share in the Saudi market," Katbe said.

The business leader added that his company was "very proud" of its 27-year record of successful partnership between Arabia and Japan. "Our business strategies, practices and values have been in line with Saudi Vision 2030. Since inception, we have been at home with the six key pillars of the Vision 2030."

Katbe pointed out that one of the Saudi reform plan's main pillars was investment, which to date had reached in excess of SR1.5 billion. On technology transfer, he said state-of-the-art technology from Japan linked with established local research and development resources had resulted in the BabyJoy baby



diaper becoming a leading brand in the Kingdom.

As part of the Saudization pillar, Unicharm had set targets with ongoing programs to recruit and train Saudi human resources, and more than 700 men and women from the Kingdom had been appointed to various positions, making up 30 percent of

the firm's total workforce, he said. With active support for the participation and empowerment of women. Katbe noted that more

than 300 Saudi women actively contributed toward proven value-added functions in manufacturing, sales, marketing, research and development, market research and sales development. Another important pillar of Vision

2030 was export growth, and the chief executive highlighted that Unicharm represented 0.3 percent of total Saudi non-oil exports. He added that the business was also actively engaged in actions and commitments related to the sixth key pillar of social responsibility.

"We support numerous public social welfare initiatives including active engagement in training and human resource development," said Katbe.

In 2014, Unicharm Corporation, Japan, won the Nikkei Social Initiative Award in the corporate category. The award is given to businesses that successfully implement initiatives to overcome social issues or difficulties in the workplace. "The award was in appreciation of our efforts to establish a factory operated by Saudi women," he added.

Katbe stressed that the sustained growth and achievements of Unicharm Gulf Hygienic Industries could not have been realized without the support and effective policies of the Saudi government led by King Salman.

He said that during 2020, Unicharm aimed to continue its journey of long-term partnership with Saudi Arabia supported from Japan by Unicharm Corporation and its president and CEO, Takahisa Takahara.

According to Katbe, the linkup was one of many long-term successful partnerships between Japan and Saudi Arabia. "We strongly believe that many of the 21st-century technologies will, without any doubt, come from Japan. Those will encompass traditional industries and equally high-tech industries including artificial intelligence."

JAPAN EXTERNAL TRADE ORGANIZATION

Japan PM's visit will boost cooperation, says JETRO MD

Hideki Sho: Abe's visit shows how much he values Saudi Arabia as a partner in the global economy

Rashid Hassan Riyadh

Japanese Prime Minister Shinzo Abe's ongoing visit to Saudi Arabia is timely and important, will boost cooperation between the two countries and promote bilateral ties, according to Hideki Sho, managing director of the Riyadh offices of the Japan External Trade Organization (JETRO) and Saudi-Japan Vision 2030.

In an exclusive interview with Arab News, Sho said: "It is the right time for our top leadership to visit. The Kingdom is the leader of the Arab world. The prime minister's decision to put Saudi Arabia at the top of his foreign countries to visit in 2020, reflects the very good relations between Japan and the Kingdom, and how much he values Saudi Arabia as a partner in this global economy."

Saudi-Japan Vision 2030 was first suggested in September 2016 during Crown Prince Mohammed bin Salman's visit to Japan. The Crown Prince and Prime Minister Abe agreed to bolster the two countries' strategic partnership through the creation of the Joint Group for Saudi-Japan Vision 2030, "heralding a new era of partnership between the two countries," according to Sho.

"Six months later, King Salman visited Tokyo and Saudi-Japan Vision 2030 was launched in March 2017," said Sho. "Japan was the very first major economic partner who officially announced its support for Saudi Vision 2030."

Sho said the Kingdom is expected to open its own Saudi-Japan Vision 2030 office in Tokyo in the first quarter of this year, in reciprocation of the Riyadh office that Sho heads, which was opened in 2018.

The joint initiative covers trade, investment, energy, industry, infrastructure, finance, SMEs, sports, culture, entertainment and several other areas. "It's a much broader concept for Japan-Saudi collaboration," he said.

"Before this, Japan's relationship with Saudi was mainly oil-based — Saudi exported oil and Japan exported automobiles. That was



The prospect of Saudi-Japan Vision 2030 was first brought up during Crown Prince Mohammed bin Salman's visit to Japan in 2016. Supplied

very much a monoculture relationship. However, since this joint vision initiative our collaboration area has diversified (greatly)."

Both parties have so far identified 64 projects to work on together as part of the initiative.

Some of the key projects include the dispatch of a Japanese business mission to special economic zones in the Kingdom; cooperation on intellectual property and academic research (King Abdullah University of Science and Technology, or KAUST, has signed a five year agreement with the University of Tokyo); and cooperation in the transport sector (the Saudi Transport Ministry and the Ministry of Land, Infrastructure, Transport and Tourism in Japan has been conducting a study on the transport sector in the Kingdom).

In other deals, the Japanese Ministry of Internal Affairs and Communication and

the Saudi Ministry of Communication and Information Technology have signed an agreement to Since this joint strengthen cooperation in ICT; vision initiative our and the Japan Cooperation Center collaboration area has for the Middle East (JCCME) and diversified (greatly). the General Commission for Audiovisual Media (GCAM) have also been conducting joint activities to promote the development of human resources in the entertainment sector, including games,

animation and graphic design.

On Saudi National Day this year, the Japanese entertainment conglomerate Avex produced the fireworks show "Star Island" in Jeddah. And in the health sector, the Saudi Ministry of Health and the Ministry of Health, Labor, and Welfare in Japan are conducting a one-year endoscopic treatment training program for Saudi doctors in Japan.

"Now our economic, political, social and cultural

relationship is much more diversified, and deeper, with more people-to-people contact," said Sho.

He said that the deepening

of that relationship would be reflected in an increased number of Japanese tourists visiting the Kingdom, particularly since Saudi Arabia changed its tourism visa rules in October.

"The response is good," he said.

"The response is good," he said. "Individual tourists have started visiting the Kingdom already, and major Japanese tourist companies and agents have started organizing Saudi tours. And you can see many Saudi tourism promotions on Yahoo! Japan nowadays."

Sho said he hoped to see Saudi companies increase their presence in Japan in the very near future. Giants like Saudi Aramco and SABIC already have offices in Tokyo, "but what we are trying to do at JETRO is to mobilize more

Saudi companies (to do the same)."

He also stressed the potential of the Middle East market — particularly Saudi Arabia — for Japanese companies, adding that population growth, plus the fact that the average age of the population in the Gulf is so young, means more consumption and more economic activity, with higher spending on food, entertainment and cars. "So for Japanese companies, this area is a growing market," Sho said.

Sho cited Japanese multinational Canon as a good example, saying it had started to invest in Saudi Arabia and aims to hire 300 Saudis as sales executives to expand its business in the Kingdom.

Sho said there were currently 95 joint projects — mostly in the industrial sector — underway between the Kingdom and Japan, worth \$15 billion.

Saudi Arabia is Japan's thirdlargest trading partner and second-largest source of foreign capital, and provides 40 percent of the country's oil requirements, he said.

"Saudi Arabia has a huge trade surplus with Japan," Sho said, adding that Japanese investments have so far created 6,500 jobs for Saudis.

He also praised the Kingdom's preparations for its hosting of the G2O Summit (hosted by Japan last year), adding that the Saudi Arabian General Investment Authority (SAGIA) had already impressed him by reducing the time required for customs clearance from one week to within 24 hours.

He also welcomed the introduction of separate immigration counters at Riyadh airport for G20 delegates.

"The world is recognizing that Saudi is moving in a good (direction)," Sho said, pointing to the Kingdom's ranking in the World Bank's most-recent "Ease of Doing Business" report.

In the study, Saudi Arabia showed the biggest improvement, leaping 30 places up the rankings to number 62 out of 190 countries.

"Prime Minister Abe's visit is kind of a commitment from the top leadership," he said. "It is a very good sign from a foreign investment point of view."

ENTERPRENEURSHIP

How Arab investors can crack the Japanese market

Hala Tashkandi Jeddah

Two Saudis based in Japan share their insights into how business is conducted in the country

As Saudi Arabia begins to move away from an oil-based economy, business ventures are being explored outside the hydrocarbon sector. This means opportunities for both Saudi entrepreneurs and aspiring investors in the Kingdom's economy.

For many Saudis, this is as good a time as any to look to countries that offer business potential and unexplored opportunities. One such destination is Japan.

Running an international business is always a highrisk, high-reward proposition. Unlike other foreign countries, cultural and language barriers make conducting business with Japanese people hard for Saudis.

Luckily, there are several Saudis in Japan working to make the country's market more accessible to the region.

Abdul Aziz Alforieh is a Saudi who has lived in Japan for 12 years. Fluent in Japanese, he put his language skills to good use by working for a real-estate company that helped Arab students and expats find housing in the country.

"Finding suitable housing, especially for foreigners, can be quite difficult in Japan. I would help by translating applications, helping people get in touch with rental companies, and so on," he told Arab News.

He later expanded his activities and worked in tourism, translation and consulting services for Japanese companies interested in working with Saudi firms.

"I work as a kind of liaison between Japanese companies who are looking for business partners or investment opportunities, and vice versa," he said.

He says that the work is very rewarding, but can also be challenging. Language barriers, cultural divides and differences in working attitudes can all provide



Abdul Aziz Alforieh and Furat Bantan, Saudi expatriates living in Japan. Reuters

a myriad of unexpected problems.

Alforieh said there was a crucial difference in Japanese and Arab approaches to business. Arab businessmen are more likely to be lenient in negotiations in order to wrap up a deal quickly, he said. By contrast, the Japanese are less likely to make concessions during

negotiations and prepared to wait for a more agreeable outcome.

"The Japanese are very systematic, which can be both a pro and a con. In most Arab countries, particularly in Saudi Arabia, our operations seem almost easygoing in comparison. Business in Japan is very organized, but can come

across as overly strict to some foreigners," he said.

Alforieh, who sees himself as perfect link between the two cultures, says the Japanese system can seem rigid to outsiders, but becomes easier with time to understand the intricacies of the country's business culture.

"In general, the best advice I can give to anyone who wants to do business in Japan is to be very patient," he told Arab News.

"If you're looking for quick business, or someone who will hand over a contract after a day or two of negotiating, Japan isn't for you. But if you're willing to wait it

out, the rewards can be great."

Alforieh's opinion is seconded by Furat Bantan, who has 13 years of experience in various jobs in Japan. Though currently working as a translator for the Embassy of Lebanon, he has in the past done consultation work for clients similar to that performed by

"The biggest difference between

the Arab world and Japan is that people in Saudi Arabia generally want things done very quickly. In Japan, people are slow and steady in order to ensure that business risk is minimized," he said.

Bantan points out that while relations between the two countries are getting warmer, there is much they need to learn about each other.

"The Japanese don't know much about Saudi culture, so sometimes connecting them to people in Saudi Arabia can be a little tough. But Japan is full of amazing opportunities for any Arab, and there's a lot of business to be done if you know who to contact," he told Arab News.

Bantan looks forward to seeing more Saudi-Japanese business deals in the coming years, and is eager to facilitate them in any way possible.

"I hope that in the future that people like Alforieh and I can be the point of connection for Arabs who are interested in doing business with Japan," he said. **HEGRA AND ALULA**

Prime Minister Abe's visit puts AlUla treasures in focus

Saudi move to open up ancient site restores missing chapter in Arabian Peninsula's history

Arab News Riyadh

The Japanese Prime **Minister Shinzo Abe's tour** of AlUla during his visit to Saudi Arabia casts a spotlight on the ancient Nabataean site, as it prepares to open its doors to the public later this year.

AlUla, the last stop in Abe's visit to the Kingdom before he continues his journey to the UAE and Oman, is full of archaeological treasures nestling amid beautiful desert landscapes.

Saudi Arabia's move to open up Hegra city and the AlUla Valley is restoring a missing chapter in the history of the Arabian Peninsula and the entire world.

Bearing the name Mada'in Salih in the post-Islamic era, the lost city of Hegra was built by the Nabataeans, like its famous twin, Petra, in Jordan. They controlled the profitable trade routes that crossed the Arabian Peninsula from east to west and north to south from about the fourth century BC to 106 AD.

Arab News has created an interactive "The Rebirth of AlUla" arabnews.com/alula — that dives deep into its history, blending compelling storytelling and journalism with stunning video footage, beautiful photography, animated graphics and rare footage and interviews - in both English and Japanese.

"The Rebirth of AlUla" throws light on the work of the Royal Commission for AlUla (RCU), established in 2017, which is working with the French Agency for AlUla Development (Afalula) on "the transformation of the AlUla region into a worldwide cultural and touristic destination."

The site is currently hosting the second Winter at Tantora festival, a spectacular celebration of art, music and heritage that is drawing the world once again to AlUla from Dec. 19 to March 7.

Over 12 weekends of festivities, visitors are being treated to an eclectic mix of performers, including the Gipsy Kings, Lionel



The ancient Nabataean city of Hegra in the AlUla Valley, a center of power at the core of the trade routes across the Arabian Peninsula, dates, like its famous twin city Petra, in Jordan, from around the fourth century BC.

Richie, Enrique Iglesias, Craig David and Jamiroquai.

Returning to Winter at Tantora will be Italian tenor Andrea Bocelli, Greek pianist Yanni and Egyptian composer Omar Khairat.

The festival is also showcasing the newly constructed Maraya Concert Hall in AlUla, which is surrounded by mountains, combining modernism antiquity.

The concert hall was built as an architectural extension of the environment that surrounds it at its site in Ashar, situated in the volcanic foothills of Harrat 'Uwavrid.

In 2007, the Saudi Commission for Tourism and National Heritage, under its Secretary-General Prince Sultan bin Salman, nominated AlUla for listing as a UNESCO World Heritage site.

The application was accepted, and Hegra became the first World Heritage site to be confirmed in the Kingdom.

In an interview with Leaders magazine in February 2019, the RCU's CEO Amr Al-Madani said AlUla was "full of archaeological treasures from the Dadanite, Nabataean, Roman and Islamic civilizations, nestled amongst the staggeringly beautiful desert landscapes."

A cornerstone of Saudi Arabia's Vision 2030 blueprint for the nation's sustainable development, the project aims to create opportunities for the community and boost the local economy in AlUla.

Afalula will support the growth

of infrastructure, archaeology and tourism in the area, with the aim of attracting 2 million visitors per year to the site by 2035, in the process creating 35,000 jobs for the residents of AlUla.

The RCU's task is to contribute SR120 billion (\$32 billion) to the Kingdom's gross domestic product by 2035. It currently employs 374 people, with 134 based in AlUla.

The RCU is also engaging the local community through programs such as Hammaya, in which 2,500 residents will train to be advocates for AlUla's natural and human heritage.

The emphasis on local identity and heritage is unmistakable. About a 45-minute drive from Hegra is the Sharaan Nature Reserve, a territory of 925 square

ARABNEWS DEEP DIVE

The rebirth of AlUla

arabnews.com/AlUla

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kilometers that features some of the region's most striking rock formations and desert habitats. managed by local rangers trained by international specialists.

"We've reintroduced Idmi gazelles, Nubian ibexes and red-necked ostriches into the reserve, and they're thriving and doing well," said Dr. Ahmed Al-Malki, head of the reserve.

The Arabian leopard may soon follow. In April this year, two cubs were born as part of a breeding program to preserve and eventually reintroduce the critically endangered species back into the wild in northwest Saudi Arabia.

Central to AlUla's vision is the incorporation of art and cultural initiatives. The RCU's cultural manifesto says: "AlUla will become known worldwide as a place to dream, where the greatest artists and thinkers of our time gather to stretch their creative capabilities and realize some of their most ambitious artworks and arts experiences — an evolving cultural crossroads for today and the future."

Just as the caravans of antiquity once came to trade in this land, so AlUla, with an ancient Hegra reborn, will once again attract travelers from all corners of

CULTURE

For the love of Arabic

Faris Alrushud Riyadh

Riyo Ishikawa, 28, had completed high school education in Japan when he was spurred by his interest in the cultures of other countries to join the Arab Islamic Institute in Tokyo to teach Arabic to Japanese citizens.

From there, his passion for Arabic led him to travel to Arab countries, notably Egypt and Saudi Arabia, to learn and master the language that seemed to occupy his mind constantly.

Ishikawa taught Arabic at various language institutes in Egypt, thanks to the recommendation

of one of his teachers at the Arab Islamic Institute in Tokyo.

We've reintroduced

ostriches into the

reserve.

Idmi gazelles, Nubian

ibexes and red-necked

Then he moved to Saudi Arabia, where he joined the Arabic-language department of the College of Arts at King Saud University in Riyadh. He embraced Islam and settled down in the Kingdom.

His story is exemplary of the contribution of the Arab Islamic Institute in Tokyo to the strengthening of cultural ties between Saudi Arabia and Japan.

It is the only institution of its kind in Japan, and gives individuals an opportunity to enrol in intensive programs in Arabic by teachers specialized in the language.

The institute also regularly offers introductory lectures and religious seminars on Arab culture and Islam.

Dozens of Japanese students take advantage of this program every year by completing their courses in Arabic studies.

The origins of the Arab Islamic Institute in Tokyo date back to the official visit to Japan by the late King Faisal in 1971, which



Riyo Ishikawa, a Japanese national studying in Saudi Arabia. Supplied

boosted relations between the two

Following the successful visit, the Saudi government decided to present a gift to the Japanese people that could make a lasting

In 1983, the Arab Islamic Institute in Tokyo, affiliated with the Imam Muhammad bin Saud

From the moment he commenced his studies in Egypt, he realized mastering Arabic was no mere academic exercise.

Islamic University in Riyadh, came

Since its inception, the institute has sought to fulfil its foundational goal by conducting courses that offer local people an opportunity to learn Arabic, and about the culture of the Middle East and North African regions, completely free of charge.

Ishikawa claimed that, from the moment he commenced his studies in Egypt, he realized mastering Arabic was no mere academic exercise.

It would require him to engage deeply and regularly with Arab people around him, allowing him to practice and develop fluency in

To Ishikawa, mastering Arabic was a great challenge not just because it is among the languages

considered by the US Foreign Service Institute as "super-hard." He realized that Japanese and

Arabic differ significantly in their

structure of grammar and spelling. But this led him to redouble his effort to master Arabic. He enrolled in three language-education institutes while in Alexandria, before moving on to Saudi Arabia

to perfect his command of Arabic.

During this time, the persistence that Ishikawa had shown in learning Arabic language and literature began to show in his efforts to develop a grasp of classical Arabic poetry.

He said the reason behind his new interest was the fact that Arabic poetry uses classical vocabulary, as opposed to the colloquial Arabic used in daily conversations across the Arab world.

During the course of his journey from Japan to Saudi Arabia via Egypt, he was overwhelmed by the tolerance he saw in the Islamic faith, and by the values it advocated. He decided to embrace Islam and change his name to Osama Ishikawa.



INTERVIEW: MAKOTO KINONE

'Saudi-Japan business links to move beyond oil'

The Middle East head of Nomura bank speaks to Arab News on ways to strengthen the Japan-KSA relationship

Frank Kane Dubai

Makoto Kinone is head of the main Middle East investment banking operations for Nomura International, the foreign arm of one of Japan's biggest and oldest banks.

Nomura has been involved in the region — mainly Saudi Arabia, the UAE and Bahrain — for several decades, and has advised clients on billions of dollars of trade finance and corporate transactions. It also has a big asset management busi-

ness in the region. On the eve of the visit by Japanese Prime Minister Shinzo Abe to the Gulf, Kinone told Arab News how he views the region as a place to do business, and the strengthening relationship between Japan and Saudi Arabia.

Explain the background to Nomura's presence in the Middle East. What projects have you been involved in here, in Saudi Arabia, in particular?

With a presence in the Middle East region since 1974, Nomura has long-standing relationships with Saudi govern-

ment bodies, financial institutions and corporates.

Nomura was licensed as an investment bank by the Capital Market Authority in May 2008 and began operations in July 2009, becoming the first Asian firm authorized to provide investment banking services in the Kingdom.

Nomura Saudi Arabia is focused on arranging and advising on securities, and has delivered a number of customised solutions

to clients.

Most recently, Nomura acted as sole financial adviser to one of the

largest petrochemical companies

in the Kingdom, on a sell-side transaction in the mergers and acquisitions field.

What do you see as the synergies between Japan and Saudi Arabia from a business and financial point of view?

Arabia have some commonalities — the value of long-term relationships, the need for balance and careful deliberation in decision making. This translates into the business and financial world where there has been stable

growth in trade and economic agreements between the two countries.

Japan is a big importer of crude oil from the Kingdom, but does this relationship extend beyond the oil trade?

Although the current busi-

ness relationship is dominated by energy-related trade, there has been a focus on finding ways to promote a balanced relationship (cooperation in areas such as technology, general industry, security and finance) that is mutually beneficial to both countries.

What is Nomura's assessment of the current economic situation in Japan?

Japan continues to face

domestic and international headwinds. An aging population at home, as well as a cyclical global economic slowdown and international political uncertainty, has made an impact.

That said, macro-fundamentals show that Japan's cyclical slow-down, which has continued since 2018, is coming to an end. Domestic economic growth is expected to start gathering pace, but not until the end of this year.

JAPAN NATIONAL TOURISM ORGANIZATION

Japan looks to attract Saudi tourists with its seasonal delights

Daisuke Kobayashi Riyadh

The Japan National Tourism Organization (JNTO) is involved in a broad range of activities to encourage international tourists from all over the world to visit Japan.

In 2013 the number of international visitors to Japan reached 10.3 million. Within five years this number had tripled to more than 31 million visitors, a robust 8.7 percent increase year-on-year.

Last year we identified the Middle East as an important emerging market for travelers seeking unique luxury experiences. The new tourist e-visa system of Saudi Arabia is expected to result in greater numbers of Japanese visitors.

Japan is an archipelago stretching from the north to the south for more than 3,000 km. Each prefecture and region is home to its own



Mount Fuji is one of the best known of Japanese sights. Supplied

unique offerings ready to be discovered, including local culinary delicacies, crafts and festivals.

The JNTO warmly encourages all visitors seeking a total Japan ex-

perience not to limit their visits to Tokyo, Osaka and Kyoto, but to use the opportunity to also venture out to places like Hokkaido, Tohoku, Shikoku, Kyushu and Okinawa. Furthermore, each place should be visited at least four times, because each season provides its own charms and experiences due to the changing landscapes, events, cuisine and seasonal influences.

In the Middle East our focus will be on reaching out to leisure travelers and inspiring them to visit Japan, especially families, young adults, those seeking wellness, luxury, authentic cultural and gourmet culinary experiences.

The JNTO Arabic language website is due to be revamped this year, to ensure up-to-date information is made available to all, which will hopefully help each person to discover their own special Japan.

Daisuke Kobayashi is a senior official of the Japan National Tourism Organization in the Middle East.

INFRASTRUCTURE

Marubeni confirms its hopes to implement new projects in the Kingdom

Faris Alrushdu Riyadh

The Japanese company Marubeni has reaffirmed its intention to implement several development projects in Saudi Arabia.

The company's director of environmental infrastructure Tadashi Matsui said it will help revitalize national trade, industry and infrastructure development.

Marubeni established its first office about 60 years ago in Dammam, and has since expanded to Jeddah and Riyadh.

Jeddah and Riyadh.

The company began its business in the Kingdom in textile materials, and has moved into other commodity trades such as food, steel and petrochemicals.

Matsui said that Marubeni signed an important social contribution contract in the Kingdom in 2019 for independent water production The company signed an important social contribution contract in 2019 for independent water production

with the Saudi Water Partnership Company.

Matsui said there were challenges when the company entered the Saudi market — which is culturally and commercially different to that of Japan — as communication requires more effort and some government measures take more time.

ernment measures take more time.

He said that this is not the case anymore and he praised the successes achieved by Japanese companies working in the Kingdom.

Matsui also praised the country's promising investment opportunities as it realizes Vision 2030.

CUISINE

A Japanese food lovers' society

From sushi to tempura and ramen to teriyaki, the Far Eastern cuisine is very popular in Saudi Arabia

Hala Tashkandi Jeddah

There are no two ways about it: Saudi Arabia loves Japanese food. From deepfried, inauthentic sushi rolls to the most delicate cuts of ootoro and salmon sashimi, you can find them all in the Kingdom.

Despite the popularity of Japanese cuisine, the availability of original ingredients in Saudi markets is sorely lacking, forcing enthusiasts of Japanese food to turn to restaurants for their fix.

While some ingredients — such as sushi rice, tofu and kombu — are available on and off, other ingredients such as wakame seaweed, bonito flakes and kewpie mayonnaise are much harder — if not impossible — to find.

Noura Alajmi, a home cook who often makes sushi, tempura and other delicacies, said she thinks the ingredients are not readily available because of Japanese food's reputation for being hard to make.

"I wouldn't call it difficult, I'd call it finicky maybe. It requires dedication and patience to make good Japanese food. But it's not impossible, it's doable," she said.

Alajmi hopes to see miso paste, kombu, bonito flakes and other ingredients on Saudi supermarket shelves soon.

"I think there's a market for it. People here love Japanese food, and home cooking is so in right now," she said.

"But more than anything, I want Japanese ingredients in Saudi supermarkets so I can stop ordering them online and paying ridiculous shipping prices."

The Kingdom's history with Japanese food goes way back. In October 1985, Tokyo became the first Japanese restaurant in Saudi

A favorite of many a Japanese ambassador, and widely known to serve the most authentic Japanese food in the Kingdom, Tokyo was the go-to place for Japanese food in Saudi Arabia.

But Japanese and Japanesefusion restaurants have popped up all over the Kingdom, from quick and easy options such as Sushi Yoshi, Mee So Hungry and



Japanese food
has proved
immensely
popular in the
Kingdom and
across the Gulf
— but that hasn't
made ingredients
any easier to
come by. Supplied



Samurai, to more sophisticated (and expensive) options such as Shogun, Okku and Nozomi.

Shogun, Okku and Nozomi.

Japanese food is also popular elsewhere in the Gulf. Chef

Masaharu Morimoto owns two restaurants in the region: Morimoto Dubai and Morimoto

Chef Nobuyuki Matsuhisa,

otherwise known as Nobu, also has two restaurants in Dubai and Doha. Rocky Aoki's famous Benihana has outlets in Kuwait and in Riyadh.

Saudi Arabia even boasts a local sushi expert. Chef Khulood Olaqi, who is famous for her home-based business turned gourmet sushi restaurant, is renowned for being the first Saudi woman to open her own restaurant and run the kitchen herself.

Passionate home cooks aside, even restaurants sometimes struggle to find authentic ingredients, often resorting to local alternatives.

Akio Hayakawa, director of Fujiya restaurant in Dubai, said they work hard to ensure that most of what they use in the kitchen is sourced directly from Japan. He does resort to using locally

sourced items, but insists the food's authenticity stays the same.
"We wanted to bring more

"We wanted to bring more authentic Japanese food to Dubai, but we have to adjust sometimes,



like the soy sauce we use in Japan, for example. So we have to search for suitable alternatives," he said.

Hayakawa lucked out, finding a local supplier for wagyu beef. But Olaqi — who often has to resort to frozen hamachi fish and tuna, and is still hunting for bonito flakes at her local supermarkets — has not found her golden ticket yet.

"There are so many ingredients that we don't have: Bonito, wakame seaweed, yuzukosho, just to name a few. We can mostly make do with what's available, but we need more options," she said.

"I'd love to serve fresh ootoro. If I could find a supplier who could guarantee me fresh tuna, decently priced, I'd be so happy."

FOO

Japan's halal market ready for Tokyo 2020

Muslim athletes and tourists need not worry about finding halal food during the Olympic Games

Aseel Bashraheel, Hala Tashkandi Jeddah

Muslim athletes and tourists attending Tokyo's 2020 Olympic Games need not worry about finding halal food in the capital.

Japan is poised to welcome Muslim tourists with halal restaurants in its cities, having been aware of the community's needs since 2013.

According to "We Are Tomodachi," an official Japanese magazine established by the government to educate the world about the country, by 2013, four companies received halal certifications to serve food.

Since then, that number has rapidly increased to 180 halal establishments, including fine-dining restaurants serving traditional Japanese dishes.

Muslim students are also being accommodated. In 2014, Kanda University of International Studies opened Shokujin cafeteria, which is certified by the Nippon Asia Halal Association.

Even popular curry chain Curry House CoCo Ichibanya went halal in 2017, opening its halal Akihabara branch for travelers from around the world.

The restaurant said: "As people of different religions and cultures visit Japan, we wanted to develop a restaurant where Muslims could enjoy meals free from concern."

Although they did not find it easy procuring some ingredients, they said that their experience with the halal Akihabara would enable them to expand even further.

Japanese wagyu beef, which has become a hit in the Arab world due to its rich taste and tenderness, is also being served halal in its country of origin.

ry of origin. Halal Wagyu Yakiniku Panga in



Since 2013, the number of halalfriendly establishments in Japan has shot to over 180 across the country.

"We serve halal and vegan options at Ouska Ramen to help promote mutual understanding." Tokyo's Taito ward branched out to accommodate halal consumers, and to grow the restaurant's "food culture."

Sung Gi Hong from Panga told Arab News where it all started: "My sister worked in Indonesia between 2015 and 2017 and when she asked her Muslim friends in Indonesia to come to Japan, they said there was nothing for them to eat because it is difficult to find halal restaurants in Japan.

"When we heard this, we thought it was sad because when we travel we want to have local food, but Muslims who come to Japan have trouble finding places where they can eat."

The introduction of halal food also allowed the business to show the world the culture of Yakiniku, which is based on Japanese and Korean fusion cuisine turned halal, said Hong.

The restaurant chain has been running since 1999, and gained halal certification in 2015 from the Japan Halal Foundation. Hong said that it gets a large number of Muslim customers from over 30 countries.

"A lot of people come to try our 'A5 Premium Wagyu Platter,' as it allows them to enjoy a variety of different cuts of quality wagyu beef and sirloin steak," added Hong

Shinjuku Gyeon's Ramen Ouka is another place that began cooking halal dishes in one of the busiest areas of Tokyo.

"We serve halal and vegan options at Ouka Ramen to help promote mutual understanding," said owner Niuma Megumi Wachi.

The ramen at Ouka is popular with Muslims and non-Muslima alike, and the restaurant also features vegetarian and vegan ramen options for those who want to avoid the traditional pork-based

However, the unique flavor is still retained: The rich aromas and loving attention to detail make the ramen irresistible to everyone who comes to the restaurant.

Although slightly pricier than the average bowl of ramen, the higher standard of quality makes it a fair trade-off.

Even the locals love the place, as Wachi told Arab News: "Our philosophy allows us to break through all the obstacles that block our way, in order to bring an abundance of happiness to our society through delicious meals."

Other halal restaurants in Tokyo are spread across the city's prefecture, such as Asakusa Sushi Ken, Sumiyakiya Halal Grill in Roppongi and Hanasaka Ji-san in Shibuya for hot pot

Tourists can also try out KO-SO Cafe Biorise in Ebisu for some hidden delights.

MIDDLE EAST

Mitsubishi upbeat on KSA growth as reforms gather pace

Analyst explains that the Kingdom will continue to be regional outperformer in 2020

Frank Kane Dubai

Japanese financiers are taking a cautiously optimistic view of the Middle East, despite recent geopolitical stresses, and believe Saudi Arabia, in particular, is set for a year of financial and economic outperformance, with a revived privatization plan as the centerpiece.

Mitsubishi UFG Financial Group (MUFG), one of the country's biggest investment institutions and a major player on the international financial scene, recently told investors: "Saudi Arabia was the regional outperformer in the Middle East and North Africa in 2019, and we believe this trend will follow in 2020."

According to Ehsan Khoman, head of MENA research and strategist for MUFG: "Investors have moved on from recent 'black swan' events and are taking increasing comfort with the lengths and vigour that the authorities are demonstrating in enhancing the operating environment, enticing foreign investment and implementing structural reforms in accordance with Vision 2030 targets."

MUFG, which opened a Riyadh office just over a year ago and has close links with Morgan Stanley, one of the Kingdom's top financial advisers, gave a vote of confidence to Saudi economic policymakers, on the eve of the visit to the

Middle East by Japan's prime minister Shinzo Abe.

"The Kingdom's ample wealth buffers have offered policymakers options, allowing the authorities to retain an expansionary stance throughout 2019," Khoman said.

"The 2020 budget strikes a more conservative tone, which is in line with the approach wherein the state slowly withdraws and allows the private sector to lead.

"The central cornerstone of the transformation strategy is to structurally change the operating model to make investment, not government spending, the engine of growth.

"The emphasis on diversifying state funding to ensure the private sector is not crowded out, in conjunction with robust corporate confidence readings (which continue to break records), are consistent with this objective."

Last year the Kingdom was a record achiever in the World Bank's annual "Ease of Doing Business" ratings, jumping a record 30 places as the reform accelerated under the Vision 2030 strategy to diversify the economy away from oil dependency.

MUFG believes this will continue. "The momentum from the leadership centered on a KPI performance-based achievement approach is undoubtedly serious, and critical structural reforms are creating the necessary platforms for corporates to evaluate strategic risk-reward opportunities."

The Mitsubishi financial group, which has its headquarters in Tokyo, expects Saudi privatization plans to





Governments in the region have devised wide-ranging reforms; privatization is central to such initiatives

Analysts expect that the historic initial public offering of Saudi Aramco last year will kick-start the privatization program under the Vision 2030 strategy.

The Kingdom has earmarked 162 government businesses for privatization either by IPO, sale to domestic and foreign trade buyers, and public-private partnership, but that program was delayed while the Aramco share sale was being organized.

MUFG expects it will gather momentum this year.

"Privatization, particularly in an volatile oil price environment, is intended to enhance the operations of state-owned enterprises, as well as the efficiency and overall management of the business, and improve the quality of

①三菱東京UFJ銀行

services," Khoman said. "Privatization initiatives are an integral part of regional government's strategies for achieving economic development, structurally adjusting the economy away from not only the reliance on hydrocarbons, but also realigning it away from volatile oil and gas prices.

"As such, governments in the region have devised wide-ranging reform plans, with privatization central to such initiatives."

In conclusion, Khoman said: "We at Mitsubishi believe that the Kingdom as well as the rest of the region will accelerate privatization plans this year, which is in line with the economic transformation strategy wherein the state slowly withdraws and allows the private sector to lead."

Saudi and Japan trade must move beyond oil-for-Landcruisers

he traditional image of Japan-Saudi Arabia trade relations crude oil heading east, Toyota cars heading west — is an oversimplification, but there is enough truth in it to make it more than a cliche.

Crude oil remains the Kingdom's main export, and that will be the case for a long time even as Vision 2030's plans to diversify the economy away from oil dependence evolve; Japan — with no indigenous oil reserves, needs big energy imports to fuel its huge manufacturing capacity.

In contrast, the Kingdom wants those manufactured goods that Japan produces so efficiently — high specification motor cars, electronic goods and other consumer hardware. Oil-for-Landcruisers is not far off the

The challenge for policymakers from the two countries who want to move beyond that template is that there is not much that Saudi Arabia produces that Japan wants, apart from oil.

That is in the nature of commodity-dependent economies and will only change as Saudi Arabia develops new industries and technolo-

gies, as the Vision plan intends. The National Industrial Development and Logistics Plan adopted a year ago is the masterplan for this industrial revolution. It lays out a network of special economic zones across the Kingdom to incubate expertise in industry, driven by the technologies of the Fourth Industrial Revolution and by big foreign investment.

The foreign element is where Japan comes in. What the Kingdom wants is to learn from Japan's innovation-driven economy, and this necessarily involves some form of technology transfer.

Saudi policymakers make no bones about the fact that they want to buy the technology that makes the Toyotas, as well as the cars themselves.

But these ambitions have encountered challenges in the past. It is no secret that Saudi Arabia has been talking to Toyota for some time about the possibility that Japan's premier car manufacturer could set up a production facility in the Kingdom.

That would bring jobs for Saudis, and training in the hi-tech industrial skills the Japanese have perfected, as well as an indigenous base for selling cars in the Saudi and Middle East markets.

But the talks have stalled over Japanese reservations about the efficiency and cost of



Frank Kane is an

journalist based in Dubai

ward-winning business

the local workforce, the relatively small local market, and the unavailability of local supplies and components.

Without a big subsidy from the Saudi government, it simply does not make financial sense for Tovota.

Though that impasse could be broken, or another car manufacturer — from South Korea or China, say — could step in, it illustrates two factors that are holding back Japan-Saudi trade

First, Japan's conservative corporate culture means they do not take risks in overseas investment, and expect to be paid what they think their expertise is worth.

For example, Japanese companies lost out to South Korea in the competition to build nuclear power stations in the UAE. Tokyo gambled once in the region — with the contract to build the Dubai Metro — and got its fingers burned there.

Second, the regional policymakers who decide such things have usually decided on the basis of cost and deliverability.

Japanese products are generally of higher quality compared with Chinese or South Korean equivalents, and therefore are more expensive and take longer to complete.

Nonetheless, there are some high-profile areas where it would be logical for Saudi

Arabia to look to Japanese expertise. The nuclear industry is one, where the Kingdom and Japan could benefit from recent advances in technology to cooperate on the next generation of safer, non-military reactors.

High speed transport is another. The big projects on Saudi's western coast — such as Neom and the Red Sea Developments — would seem natural candidates for the "bullet train" link the Japanese have perfected.

Perhaps the big breakthrough in Saudi-Japan trade relations will come in energy technology. Saudi Aramco is very keen on developing hydrogen as a fuel of the future, where the

Japanese also have advanced plans. If, as some analysts expect, Aramco decided at some point to have a secondary listing of its shares on a foreign market, a Tokyo flotation might be accompanied by big joint venture

investment in hydrogen technology The visit of Shinzo Abe, Japan's prime minister, to the Kingdom, could be the event that helps break the logjam in trade relations with Saudi Arabia. He should tell his corporate compatriots to be less ask averse and more

For its part, perhaps the Kingdom should make a conscious decision to invest in Japanese quality.