

## Abstracts

### Agricultural Trade Liberalization and Food Security in Japan

*Hitoshi Matsuo*, Kanagawa University

Many concerns over food and agricultural problems are produced. For example, there are abnormal weather, global food price rise, expanding population, rapid economic growth of developing countries, and biofuels. They give serious impacts on people's livelihood, because food and agricultural problems are indispensable for our life. Food security has been very important to every country.

Japan is net importer of agricultural products and the long-term food self-sufficiency ratio has decreased. Japan depends on foreign countries for food too much. It is necessary for Japan to secure enough food. It is necessary to import food and increase domestic agricultural production. Food security is main policy for agricultural policy. And international trade and food security have been tied and food security has been an important trade policy.

Agricultural trade liberalization and food security face many challenges in Japan. This paper discusses Japanese food security on the basis on global food situation and trade negotiation of agriculture product in global economy.

### A Study on Trends in Usage of Domestic L/C

*Yasunobu Inoue*, Sumitomo Mitsui Banking Corporation

Most of the domestic L/C is internationally used at global business. They are mainly used by the trading companies and the foreign-affiliated companies, who use it in trading schemes that are well devised.

This report is to consider the continuous uses of the domestic L/C by examining those cases. Also the report would be a reference for those companies having an advance into overseas market, and farther more to give many hints to banks' policies.

## The Revision of URDG758 and Its Influences upon the International Bank Guarantee Business.

*Masataka Hanaki*, Sumitomo Mitsui Banking Corporation

“ICC Uniform Rules for Demand Guarantees (URDG) 2010 revision (ICC Publication No.758)” (commonly called “URDG758”) came into force on July 1 2010. The revised rules apply to every demand guarantee, an independent undertaking for guarantors. However, it is often pointed out that application of this revised rule has not widely prevailed yet.

In this paper, the following four points are studied. First, the history of URDG is reviewed and some problems involved are discussed. Second, the contents of revision are overviewed. Third, the following two controversial issues are examined through scrutinizing some cases of issuance of the letter of guarantee. One issue is whether the letter of guarantee is a demand guarantee or not. The other issue is what the applicable law is and where the jurisdiction place is. Based on the previous researches, the present conditions on the bank guarantee business and its problems are considered. Finally, the author would offer some proposals for the bank guarantee business in Japan, considering the influence of this revision.

## A Study on the Overseas Loan Asset Securitization Scheme by Bulk Assignments

*Takashi Masuyama*, Mitsubishi UFJ Trust and Banking Corporation

This paper deals with the Japanese banks' external finance, especially a new type of international project finance securitization scheme by utilizing asset based lending (ABL). The ABL insured by NEXI 1) was originally designed to create more loans to meet Japanese banks' funding needs in 2010. This presentation discusses the recent external finance trend from Japanese banks' viewpoints. In addition, I will present a brand-new type of bulk assignments of packaged loans to meet the clients' needs, and state my own views.

## An Analysis of the Determinants of FDI of Chinese Firms: Empirical Analysis by Gravity Model

*Tomoe Yasuda*

In this study, I analyze the determinants of foreign direct investment of Chinese manufacturing and service industry firms in 145 countries by using panel data from 2003 to 2008. The results show that economic scale and exchange rate have the positive effect on the FDI and distance has the negative effect on FDI in both industries. Additionally, it indicates that population size has positive effect on FDI in manufacturing industry and per capita income has the positive effect on FDI in service industry.

## A Research on the Production Fragmentation and Flying Geese Pattern of Development: Theory and Evidence

*Tadashi Watanabe*

The aim of this paper is to try to organize a reply to the criticism against the flyinggeese theory by providing a new flyinggeese model. In this model, a unit of the international division of labor is not being treated as an industry but as a production process. Specifically speaking, focusing on the formation of agglomeration and the relocation of the function of research and development, this model can explain the slowdown, compression and stratification, as well as leapfrogging pattern of the flyinggeese pattern of development.

Moreover, it is argued that this model is also effective in explaining the development of machinery industry in East Asian countries in recent years by analyzing of international competitiveness.

## Structural Analysis of Export Diversification in East Asia: Focusing on Changes since the Late 1990s

*Jingfei Yu*

This paper measures the export diversification level of 9 countries in East Asia

during 10 years from the levels of nation, industry and purpose. The measurement is conducted from two perspectives: intensive margin (quantity distribution) and extensive margin (number of new product lines and active product lines). The result suggests high level of simultaneous horizontal and vertical diversification in all the 9 countries of East Asia during the process of hump-shaped diversification. Also, the regional production network in East Asia plays an important role in the formation of this structure.