

## Family Office Service: Global Economics and Markets Newsletter

### Are we entering a new phase of the US-China Trade War?

June 2020

#### This Month's Big Themes

##### Outlook for the global economy

The OECD and the World Bank have released their latest annual forecasts after the period where most countries have implemented lock-downs and the outlook suggests the recovery will be slow after a large contraction in economic activity in 2020.

##### Economic Outlook (year-on-year percentage change)

	OECD	World Bank	OECD/WB Average
2018	3.4	3.0	3.2
2019	2.7	2.4	2.6
2020	-7.6	-7.0	-7.3
2021	2.8	4.2	3.5

Source: OECD Economic Outlook, June 2020, World Bank Global Economic Prospects, June 2020. Note: Differences exist in 2018 and 2019 numbers as these are still based on forecasts as some countries are slower to collect, compile and publish economic data than others.

The reason why economic activity will be slow to return to normal is because sectors which require close personal interaction such as tourism, travel, entertainment, restaurants and accommodation will be hindered. Some sectors will be able to bounce back very quickly but because the virus has not been eradicated, or it is unknown when it will be eradicated, borders will remain closed and mobility will be limited which will hinder the economic recovery.

The OECD pointed to several negative side effects from the current crisis such as further de-globalization, a breakdown of global supply chains, rising debt, and an increase in income inequality.

The World Bank offered the sobering view that the current global downturn will be the fourth most severe in the last 150 years, the first three being after the two world wars and during the Great Depression of the 1930s.

Source: <http://www.oecd.org/economic-outlook/june-2020/>

Source: <https://www.worldbank.org/en/publication/global-economic-prospects>

##### The renminbi and US-Chinese Relations

The exchange rate of the Chinese renminbi is a hybrid currency which moves due to the impact of market forces and interventions by the People's Bank of China (PBoC). On a normal day, the PBoC sets the reference rate which the currency will fluctuate around based on economic fundamentals but other times the PBoC will adjust the reference rate in order to implement changes in policy. The market has taken the view that this is what the PBoC has been doing since late May 2020 because the reference rate is now at its lowest level since 2008. The general view is that the Chinese authorities have done this to send a message to the US administration.

The US administration has threatened to walk away from the US-China trade deal which was signed in January 2020, which will see the US impose tariffs again on Chinese imports. The administration has threatened to seek reparations from China for alleged complicity in the coronavirus crisis, has increased friendly communication with Taiwan, and has

threatened sanctions related to China's alleged interference in Hong Kong. These actions have led to fears of a further decline in cross-border trade as well as increased capital flight.

By forcing the renminbi lower, this makes Chinese goods more competitive relative to US goods which will boost Chinese exports relative to US exports. China has already hinted at a willingness to sell some of its portfolio of US Treasury securities, which would likely lead to higher bond yields in the United States which will also make the USD more expensive as investors rush to buy higher-yielding US securities.

The US can also label China a currency manipulator which will see even more tariffs imposed on Chinese goods. There is even fear that the US may impose sanctions on China such as those imposed on Iran. Although the economic cost would be significant to both economies as well as others around the world. This would actually go a long way toward undermining the dominant role of the US dollar in global commerce, something that would hurt US capital markets and possibly lead to higher US bond yields. Meanwhile, US Treasury Secretary Mnuchin said that the US is considering restrictions on US capital flows to Hong Kong as retaliation for China's imposition of a new national security law in the territory.

Source: <https://www.forbes.com/sites/eriksherman/2020/06/15/us-china-hong-kong-hang-seng-investors/#453a945e419f>

Source: <https://thediplomat.com/2020/06/for-the-us-and-china-thucydides-trap-is-closing/>

### **Global Automotive Market**

With consumers forced to stay at home due to the lockdown measures imposed by governments, automotive sales collapsed around the world. Many countries imposed lockdowns in late March and April 2020, causing sales to collapse in April but rebounded a little in May. In the US the number of new vehicles sold in May increased 42% above the level in April but remained more than 30% y/y. Likewise, sales in Europe were down sharply in May, although not as much as in April. In Germany, May sales were down 49.5% y/y compared to 61.1% in April. In the UK, sales in May were down 89% y/y compared to a drop of 97.3% in April. In Japan, there was a worsening of performance in May. After falling 28.6% y/y in April, Japanese automotive sales fell 44.9% in May. Meanwhile, automotive sales in China were up 11.7% in May versus a year earlier. This makes China the only major market to experience increasing sales. For the global industry, the situation is better but troubles remain.

Source: <https://www2.deloitte.com/us/en/insights/economy/global-economic-outlook/weekly-update/weekly-update-2020-05.html>

### **New demand for suburban homes**

Deloitte's global chief economist, Ira Kalish recently noted that one of the reasons that New York City was such a hotspot for the virus earlier this year is the high population density which makes it difficult to engage in social distancing. Now there is evidence that New Yorkers have grown concerned about this. It is reported that demand for suburban homes outside of New York has increased significantly recently as professionals wish to swap their small Manhattan apartments for larger homes that come with home office space. This move is likely driven, in part, by the need to work from home given that it is highly difficult to enforce social distancing when traveling to and from office buildings, and especially when attempting to populate tall office buildings by riding in elevators. This suggests that there could be a sharp decline in the demand for office space as companies re-evaluate their needs in the age of Zoom.

It is possible that this will extend beyond New York City. In the first 40 years after the Second World War, there was a big population shift from urban to suburban areas in the United States, partly driven by construction of highways as well as favorable mortgages for single family homes. Then, starting in the 1990s, there was a reversal in which young people especially opted for urban living, leading to a revival and strengthening of many US cities. Is it possible that we are about to see another reversal? And will the result be a weakening of urban economies which, again, creates fiscal stress for urban governments? Interestingly, a survey recently found that 66 % of people now telecommuting would consider moving if their jobs allowed them to continue working from home once the crisis abates. On the other hand, if a vaccine or treatment are available soon, then this issue might simply go away.

### **Country/Regional Updates**

#### **1. Japan**

The recent publication of monthly data suggests that the Japanese recession may be deeper than initially expected. For example industrial production in Japan fell 15% in April y/y, the most since 2009 and fell more than anticipated by private sector economists. Output was down 9.8% month-on-month. And motor vehicle production was down 36.6%

m/m. Retail sales were down 9.6% m/m as consumers held back spending on general merchandise, apparel, and motor vehicles. Weakness likely persisted in May as well as the government placed the country in a state of emergency, and the last of the prefectures, which includes Tokyo, were only given the green light to reopen on 25 May.

Source: <https://www.japantimes.co.jp/news/2020/05/29/business/economy-business/coronavirus-factories-retail/#.XugzcEUzaUk>

Japan remained the world's largest creditor at the end of 2019, with the net balance of external assets held by the Japanese government, companies and individual investors hitting a record JPY 364.53 trillion (USD 3.40 trillion), according to the finance ministry. This figure is up 6.8% y/y and the highest since comparable data became available in 1996, reflected increased direct investments abroad by Japanese firms and a rise in prices of foreign stocks held by domestic investors. Japan was the world's largest holder of overseas net assets for the 29th consecutive year, the ministry said.

Source: <https://mainichi.jp/english/articles/20200526/p2g/00m/0bu/058000c>

A new concern for both the Bank of Japan and the government to worry about is the return of deflation. In April 2020, the nationwide core-consumer price index which includes oil prices but excludes fresh food declined 0.2% y/y. Then prices slipped again in May by 0.2% y/y. There are two driving forces behind the decline in prices. One domestic and one external. The external reason is related to declining oil prices. As the global economy slowed, the demand for oil fell, causing prices to fall. The domestic reason is linked to travel. With the sudden stop to tourist inflows and the national measures taken to restrict movement of citizens, the demand for travel services and hotels fell and with them, prices for such services.

With the Bank of Japan's (BoJ) monetary policy arsenal already pushed to the limits, it will be difficult for the BoJ to try and stimulate prices at a time when the Japanese economy is most likely in its worst recession since World War II.

Source: <https://uk.reuters.com/article/uk-japan-economy-inflation/japans-deflation-gathers-momentum-as-prices-extend-declines-idUKKBN23Q03X>

## 2. United States

The National Bureau of Economic Research (NBER) which dates US recessions announced on 8 June 2020 that the US economy entered recession in February 2020 which put an end to the 128 month expansion, which began in June 2009. The expansion lasted 128 months, the longest in the history of U.S. business cycles dating back to 1854. The previous record was held by the business expansion that lasted for 120 months from March 1991 to March 2001.

Source: <https://www.nber.org/cycles/june2020.html>

## 3. China

Several monthly data series have been published that portrays a mixed picture of China's current economic environment whilst the COVID-19 pandemic rages on. Although China has seen a number of days through the last couple of months with no new cases, Chinese authorities revealed a significant increase in the number of new cases in Beijing in the middle of June 2020 largely related to a food market. In response, the government implemented new lockdown measures. The government is keen to stifle any new outbreak and has been willing to reverse economic reopening orders in various geographic locations.

Industrial production was up 4.4% in May y/y, implying that overall activity is close to the pre-crisis path. Manufacturing output was up 5.2%, including a 12.2% increase in output for the automotive sector. There was also strong growth in the production of construction equipment. This was related to increased government spending on infrastructure. However, the US space agency NASA reports that, based on satellite imaging technology, nitrogen dioxide emissions in China were down 12.3% in early June compared to a year earlier. This is seen as a proxy for overall production as it reflects the burning of fossil fuels.

Retail sales fell 2.8% y/y in May 2020 versus a year earlier. Prior to the crisis retail sales had been rising at an annual rate of between 7 and 8%. Retail sales remains 10-11% lower than it would have been if pre-crisis growth had continued.

In the first five months of this year, fixed asset investment was down 6.3% compared to the same five months in 2019. Considering that investment had been growing at a rate of about 5.5% pre-crisis, this means that investment spending is about 12% below the level that might have taken place absent the coronavirus crisis. The public sector helped to offset the overall weakness of investment, with public sector investment falling only 1.9% y/y while private sector investment was down 9.6%. Investment in manufacturing fell sharply, but investment in public infrastructure increased strongly, up 10.8% in May versus a year earlier. The latter was largely funded by a massive issuance of bonds by local governments. In fact, such issuance was about USD 183 billion in May, with most of that money flowing into infrastructure projects.

Public spending on infrastructure led to a surge in the demand for construction-related vehicles and cement. As such, it appears that China's government is once again turning to fiscal stimulus to boost the economy.

Source: <https://www.reuters.com/article/us-china-economy-activity/chinas-factory-output-perks-up-but-consumers-stay-cautious-idUSKBN23M0FL>

#### 4. European Union and the Eurozone

European Union industrial production was down 27.2% y/y and 17.1% m/m in April 2020. This was the largest annual decline on record. Output of capital goods was down 40.8% and output of durable consumer goods fell 45.4%. On the other hand, production of non-durable consumer goods was down only 12.5% and production of energy was down 12.4%. Germany, saw a 30.2% fall in industrial output y/y. The second and third biggest, France and Italy, showed production shrinking even more - 34.9% and 42.5% respectively. The fourth biggest economy, Spain, had a 34.3% fall.

Source: <https://www.reuters.com/article/us-eurozone-economy-production/euro-zone-april-industrial-output-plunge-worst-on-record-recovery-seen-idUSKBN23J1KK>

The European Central Bank (ECB) has increased program size of asset purchases by an additional EUR 600 billion. This will be on top of the original plan to purchase EUR 750 billion in government bonds, bringing the total to 1.35 EUR trillion. The purchasing program, known as the Pandemic Emergency Purchasing Program (PEPP), is being expanded because the ECB is concerned about the depth of the downturn and the risk of a weak recovery. ECB President Christine Lagarde said that a high degree of uncertainty has taken a toll on consumer and business spending. As a result, the ECB forecasts Eurozone real GDP will contract 8.7% in 2020 compared to 2019.

Source: <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.mp200604~a307d3429c.en.html>

Today, just like the aftermath of the Global Financial Crisis there is concern about the solvency of Euro-member country finances. In the latest ECB Financial Stability review it is said that sovereign debt of its member countries will rise from a level of 86% of GDP in 2019 to over 100% in 2020, with debt reaching especially high levels in Italy and Greece. This stems from running very large budget deficits in 2020 of approximately 6 to 8% of GDP. It also stems from a very sharp decline in real GDP in response to lockdowns. Moreover, the ECB noted that several member states face large debt refinancing requirements in the coming year. Naturally, the debt to GDP ratio will decline once economies start to grow. Still, early indications suggest a slow return to normal. This comes, in part, from the propensity of European consumers to save an unusually large share of their income. In fact, the European Commission estimates that the household savings rate will rise from 12.8% in 2019 to 19% in 2020. That, in turn, reduces the scope for consumer spending growth even as governments ease restrictions on consumer-facing businesses. Saving has risen due to reduced opportunities to spend, declining asset values, fear about social interaction, and fear about the future.

The worry comes from the fact that a sharp rise in sovereign debt might be unsustainable. Since the Eurozone debt crisis in 2011, whenever there has been a question of a country's solvency, investors have sent bond-yields on government bonds soaring, putting extra pressure on the refinancing of the debt. The severity and the length of the economic crisis will put more pressure on debt sustainability. The report states that "such a development could reactivate the negative feedback loops of the sovereign-bank nexus, especially for Italy and Portugal, as well as for Spain, where bank ratings are closest to non-investment grade." The ECB warning comes despite the fact that the ECB itself is engaged in massive purchases of member state sovereign debt. It also comes despite the possibility that the EU will soon borrow money to provide grants to member states. Evidently, the ECB worries that, even with large central bank purchases of debt, governments will struggle to service these debts, possibly leading to a seizing up of financial markets.

Source: <https://www.ecb.europa.eu/pub/financial-stability/fsr/html/ecb.fsr202005~1b75555f66.en.html>

Germany, since the Eurozone debt crisis has been the Eurozone's champion of fiscal orthodoxy and conservatism, particularly driven by Chancellor Angela Merkel and her former finance minister Wolfgang Schäuble. For a number of years the ECB, IMF and other Eurozone member country leaders have asked for Germany to undertake a loosening of fiscal policy and spend some of its fiscal surplus. Before this crisis Merkel resisted ECB and IMF entreaties to boost spending in order to stimulate the Eurozone economy. Yet during this crisis, orthodoxy has been thrown out of the window. Already Germany has significantly boosted spending and availability of credit. On 3 June, the government announced that it will increase spending and will reduce the value added tax (VAT) by three percentage points, measures that will cost about EUR 130 billion. Germany is already in recession and there is a concern the path to recovery will be slow.

Source: <https://www.dw.com/en/germanys-angela-merkel-unveils-stimulus-package-to-kickstart-economy/a-53677420>

Now that most European governments have eased economic restrictions, activity in Europe is starting to recover, albeit slowly. Still, it is useful to see how far things fell. We learned about that today when the European Union released data on industrial production in April, which was the height of the crisis. For the EU, industrial production was down 27.2% in April versus a year earlier. This was the largest annual decline on record. Output of capital goods was down 40.8% and output of durable consumer goods fell 45.4%. On the other hand, production of non-durable consumer goods was down only 12.5% and production of energy was down 12.4%.

## 5. United Kingdom

The UK's Office for National Statistics which compiles monthly GDP data, announced that the British economy shrank by a quarter over March and April 2020 as entire sectors were shuttered by the coronavirus lockdown, in what looks likely to be the bottom of a "catastrophic" crash before a long and slow recovery. The economy contracted by 20.4% in April from March. The economy shrank by nearly 6% m/m in March. The economy shrank 24.5% y/y in April 2020.

Source: <https://www.reuters.com/article/us-health-coronavirus-britain-economy/uk-economy-takes-25-hit-from-covid-recovery-seen-slow-idUSKBN23J0V0>

Britain's government formally rejected an extension of negotiations concerning a final disposition of the Brexit relationship. The legal deadline for the UK to request an extension from the EU comes at the end June 2020. This means that, absent an unlikely resolution of the differences between the UK and the EU, there will be a no-deal Brexit at the end of the year. This means that businesses will need to prepare for a likely radical transition. It also means that, in the midst of the worst downturn in memory, the British economy will face yet another hit. Moreover, the government has been actively planning for a no-deal Brexit. This would entail Britain reverting to World Trade Organization (WTO) rules and trading restrictions. It would mean that Britain's participation in the EU regulatory apparatus would end and that the requirements for moving goods between the UK and EU would be uncertain, and likely disruptive. Many analysts believe that a no-deal Brexit would have a severe negative impact on Britain's economy, at least temporarily. Perhaps the middle of a pandemic is the best time to do this. After all, the economy will already be in poor shape, so perhaps no one would notice if there is additional economic stress. If a no-deal Brexit looks likely to be the case, then there is a chance that it can worsen the recession in Europe and in the UK as well generate significant volatility, especially in GBP.

## Capital Markets

### 1. Equities

Equities have surged since late March 2020, with the NASDAQ reaching record highs and the S&P 500 climbing over 40% from its March lows as the number of coronavirus cases in the US declined modestly.

On Monday 8 June, the NASDAQ, rose to 9,924.75, closing above 9,000 for the first time ever. On the same day other US equity markets rose in excess of 1% helping the S&P 500 to turn positive for the year of 2020. This happens despite the NBER announcing on the same day that the US entered a recession in February 2020. However, it is not unusual for investors to take a bullish, risk-on position shortly after a recession has been announced as it is anticipated that the economy is moving back towards a positive growth environment. Although this cannot be confirmed until economic data - which is published with a lag - can confirm this. Therefore, immediately following a recession, despite bullish sentiment, investors will remain cautious and sensitive to economic news, which is likely to cause further volatility in financial markets.

On Tuesday 9 June 2020, the NASDAQ then closed above 10,000 for the first time. Such milestones (typically 1,000 index point markers) are important for investor sentiment but should always be treated with caution as the excess volatility in times like these can see equity markets snap down very quickly and then slowly return to record highs. The S&P 500 for example, after making positive gains for the year on 9 June, quickly fell back into negative territory by 10 June and on Thursday 11 June the S&P 500 slumped 5.9% in its steepest one-session loss since 16 March 2020, following renewed fears of a coronavirus resurgence as U.S. states gradually reopen their economies. Investors also reacted to dour economic forecasts from the U.S. Federal Reserve. The Dow Jones Industrial Average fell 6.9%, or 1,861 points. The S&P 500 fell 5.3%, while the Nasdaq Composite slumped 5.27%.

Source: <https://www.reuters.com/article/us-usa-stocks/sp-500-dow-ease-as-focus-shifts-to-fed-tech-pushes-nasdaq-to-closing-record-idUSKBN23G1FC>

Source: <https://www.investing.com/news/stock-market-news/dow-slumps-on-fears-rising--covid-cases-could-trigger-second-wave-of-pain-2199691>

By 12 June, equity prices in Europe fell sharply alongside those in the US, reportedly due to fears that a second wave is now under way in the United States. The number of new infections and hospitalizations is rose rapidly in many US states that reopened despite not meeting the Federal government's guidelines. The recent protests in multiple cities are

likely to exacerbate this trend. Evidently investors now view this as potentially negative for the economy, either because it will lead to a renewal of lockdowns or because people and businesses will engage in more social distancing.

## 2. Interest Rates

The Federal Reserve held its June policy meeting leaving its stance of monetary policy unchanged and stated that it did not expect to raise the policy interest rate until the end of 2022. The Federal Reserve also pledged to maintain the pace of asset purchases in the coming months in order to “smooth (financial) market functioning.” The current asset purchase program is by far the largest conducted by the Federal Reserve. The goal has been to unplug financial markets and prevent a seizing up of credit markets which happened during the global financial crisis twelve years ago. So far, the policy has been a success in that indicators of financial stress have improved significantly since the Fed initiated action. Today’s announcement comes as the government reports that core (non-food, non-energy) inflation fell to the lowest level since the end of the global financial crisis. Thus, an exceptionally easy monetary policy does not appear to be creating any inflation risk.

Where there was cause for concern for investors was the Federal Reserve’s first official forecast change for GDP during the current crisis. Real economic growth projects for the US economy in 2020 is a contraction of 6.5% y/y before recovering to 5% y/y in 2021. Such a bounce up in GDP growth is normal following such a large contraction.

Source: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200610a.htm>

Source: <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200610b.htm>

Investors were surprised at the Federal Reserve’s outlook and sent equity prices and the US dollar lower as the view was taken that the Fed will help to stabilize the economy but this will lead to some businesses going bankrupt. US Treasury yields fell on the promise that the Fed will continue to purchase USD 80 billion of US Treasuries and USD 40 billion of agency and mortgage-backed securities every month for the foreseeable future.

Source: <https://www.ecb.europa.eu/press/pr/date/2019/html/ecb.mp191212~06d84240ae.en.html>

## 3. Foreign Exchange

Safe haven currencies such as the Japanese yen and the Swiss franc have been rather volatile over the past 5 months as investors adjusted their views on the global economy. For example, the USD/JPY, fell from 112.12 on 21 February 2020 to 102.39 on 10 March (a fall of almost 9%). Then as investors started to believe that the economic crisis would be over as quick as it started the yen started to depreciate again. By 5 June, the USD/JPY reached 109.75 despite appalling economic data being published, investors believed many economies were going to rebound but as it became clear that new virus cases were appearing in countries that had already re-opened their economies, investors started to panic and by 22 June, the yen appreciated to 106.32.

In the past month, the Swiss franc has shown similar dynamics, especially against the Euro as there is growing concerns for the state of the Eurozone and the fiscal solvency of some of its members. On 5 June 2020, the EUR/CHF sat at 1.09 but has since appreciated to 106.49.

Such volatile prices movements, as well as the rapid appreciation will be a massive headache for central bankers, especially the Bank of Japan, because a stronger yen makes imports cheaper, which is deflationary. And with domestic core inflation in Japan already in deflationary territory, the yen will exacerbate the problem. On the flipside, a stronger yen is a headache for Japanese exporters because their goods, and other Japanese exports become more expensive which will further reduce demand.



## Useful Resources

Investing	Economic Data	Economic Analysis
<ul style="list-style-type: none"> <li>investing.com</li> </ul>	<ul style="list-style-type: none"> <li>United States: Bureau of Economic Analysis</li> </ul>	<ul style="list-style-type: none"> <li>Deloitte Insights: Economics</li> </ul>
<ul style="list-style-type: none"> <li>MarketWatch</li> </ul>	<ul style="list-style-type: none"> <li>United States: Bureau of Labor Statistics</li> </ul>	<ul style="list-style-type: none"> <li>Deloitte Weekly Global Economic Update</li> </ul>
<ul style="list-style-type: none"> <li>Yahoo! Finance</li> </ul>	<ul style="list-style-type: none"> <li>Cabinet Office of Japan</li> </ul>	<ul style="list-style-type: none"> <li>International Monetary Fund</li> </ul>
Central Banks	<ul style="list-style-type: none"> <li>European Commission: Eurostat</li> </ul>	<ul style="list-style-type: none"> <li>Project Syndicate</li> </ul>
<ul style="list-style-type: none"> <li>Federal Reserve Board</li> </ul>	<ul style="list-style-type: none"> <li>United Kingdom: Office for National Statistics</li> </ul>	<ul style="list-style-type: none"> <li>Organization of Economic Cooperation and Development</li> </ul>
<ul style="list-style-type: none"> <li>Bank of Japan</li> </ul>	<ul style="list-style-type: none"> <li>National Bureau of Statistics of China</li> </ul>	<ul style="list-style-type: none"> <li>Central Intelligence Agency: The World Factbook</li> </ul>
<ul style="list-style-type: none"> <li>European Central Bank</li> </ul>	<ul style="list-style-type: none"> <li>Federal Reserve Economic Database</li> </ul>	<ul style="list-style-type: none"> <li>Aon: Political Risk Heatmap</li> </ul>
<ul style="list-style-type: none"> <li>Bank of England</li> </ul>	News	
<ul style="list-style-type: none"> <li>People's Bank of China</li> </ul>	<ul style="list-style-type: none"> <li>Reuters</li> </ul>	

All of resources presented above are publically available. The inclusion of these resources is not an endorsement, nor a guarantee of their accuracy made by Deloitte Touche Tohmatsu Limited.

## About Deloitte Private Japan and Family Consulting

Deloitte helps private companies, their owners, and individuals with substantial assets apart from businesses they operate to understand, plan and execute effective business and tax strategies — adjusting course when needed to respond appropriately to potential tax consequences of new legislation and evolving market conditions.

To this end Family Consulting offers four services directly to families who own and manage business and family assets:

- Family governance;
- Contingency planning;
- Family successor training service;
- Family office services.

For more information, visit our website at: [www.deloitte.com/jp/family-consulting-en](http://www.deloitte.com/jp/family-consulting-en)

The Family Consulting team eliminates the question "I don't know who to ask..." by acting as the relationship manager of our clients, supporting the prosperity of their families through a unified contact point for inquiries, no matter how complicated the matter may be and to do this Family Consulting works closely with our colleagues across Deloitte Private domestically and globally to assist families and their businesses with:

- Income tax advisory and compliance services;
- Owner and family wealth planning;
- International tax and estate consulting;
- Family enterprise consulting;
- Succession Advisory Services
- Cross-border Succession and Reorganization Support
- Family Governance and Council Support for Owner Family

## Newsletter Archives

This is a free newsletter. To see past issue, visit our website. [www.deloitte.com/jp/family-consulting-newsletter-en](http://www.deloitte.com/jp/family-consulting-newsletter-en)

## Contact

### Deloitte Tohmatsu Tax Co.

Family Consulting, Deloitte Private Japan

Emi Kono, Partner

Marunouchi Nijubashi Building, 3-2-3 Marunouchi, Chiyoda-ku, Tokyo 100-8362, Japan

Tel +81 3 6213 3800

email [tax.cs@tohmatu.co.jp](mailto:tax.cs@tohmatu.co.jp)

Corporate Info.

[www.deloitte.com/jp/en/tax](http://www.deloitte.com/jp/en/tax)

Tax Services

[www.deloitte.com/jp/tax/s/en](http://www.deloitte.com/jp/tax/s/en)

Family Consulting Services

[www.deloitte.com/jp/family-consulting-en](http://www.deloitte.com/jp/family-consulting-en)

Deloitte Tohmatsu Group (Deloitte Japan) is a collective term that refers to Deloitte Tohmatsu LLC, which is the Member of Deloitte Asia Pacific Limited and of the Deloitte Network in Japan, and firms affiliated with Deloitte Tohmatsu LLC that include Deloitte Touche Tohmatsu LLC, Deloitte Tohmatsu Consulting LLC, Deloitte Tohmatsu Financial Advisory LLC, Deloitte Tohmatsu Tax Co., DT Legal Japan, and Deloitte Tohmatsu Corporate Solutions LLC. Deloitte Tohmatsu Group is known as one of the largest professional services groups in Japan. Through the firms in the Group, Deloitte Tohmatsu Group provides audit & assurance, risk advisory, consulting, financial advisory, tax, legal and related services in accordance with applicable laws and regulations. With more than 10,000 professionals in over 30 cities throughout Japan, Deloitte Tohmatsu Group serves a number of clients including multinational enterprises and major Japanese businesses. For more information, please visit the Group's website at [www.deloitte.com/jp/en](http://www.deloitte.com/jp/en).

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organization") serves four out of five Fortune Global 500@companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

All of the contents of these materials are copyrighted by Deloitte Touche Tohmatsu Limited, its member firms, or their related entities including, but not limited to, Deloitte Tohmatsu Tax Co. (collectively, the "Deloitte Network") and may not be reprinted, duplicated, etc., without the prior written permission of the Deloitte Network under relevant copyright laws.

These materials describe only our general and current observations about a sample case in accordance with relevant tax laws and other effective authorities, and none of Deloitte Network is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. The opinions expressed in the materials represent the personal views of individual writers and do not represent the official views of Deloitte Network. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

Member of  
**Deloitte Touche Tohmatsu Limited**

© 2020. For information, contact Deloitte Tohmatsu Tax Co.

