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REPORT  JAPAN



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## 1. General information: Japan

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### 1.1 Geography

- Area: 377,975 km<sup>2</sup>

**Japan** is an [island country](#) in [East Asia](#). It is situated in the northwest [Pacific Ocean](#), and is bordered on the west by the [Sea of Japan](#), while extending from the [Sea of Okhotsk](#) in the north toward the [East China Sea](#), [Philippine Sea](#), and [Taiwan](#) in the south. Japan is a part of the [Ring of Fire](#), and spans [an archipelago](#) of [6852 islands](#) covering 377,975 square kilometers (145,937 sq mi); the five main islands are [Hokkaido](#), [Honshu](#) (the "mainland"), [Shikoku](#), [Kyushu](#), and [Okinawa](#). [Tokyo](#) is the [nation's capital](#) and largest city, followed by [Yokohama](#), [Osaka](#), [Nagoya](#), [Sapporo](#), [Fukuoka](#), [Kobe](#), and [Kyoto](#).

- Capital: Tokyo

### 1.2 Population

- Total Population: The current population of Japan in 2022 is 125,626,997
- Density: The population density in Japan is 347 per Km<sup>2</sup> (899 people per mi<sup>2</sup>)
- Urban Population: 91.8 % of the population is urban (116,099,672 people in 2020)
- Ethnic Origins: Japanese 97.9%, Chinese 0.6%, Korean 0.4%, other 1.1% (includes Vietnamese, Filipino, and Brazilian).
- Religion: (48.5%) for Shinto, (46.3%) for Buddhism, (1.0%) for Christianity, (4.0%) for other various religions
- Population of main cities: Tokyo (8,336,599), Yokohama (3,574,443), Osaka (2,592,413), Nagoya (2,191,279), Sapporo (1,883,027), Kobe (1,528,478), Kyoto (1,459,640)

### 1.3 Language

- Official Language: Japanese
- Other languages: Bonin English, Japanese-English, Matagi, Nivkh, Orok, Sanka, Zainichi Korean
- Business Language(s): English

### 1.4 Government: Unitary parliamentary constitutional monarchy

- Emperor: Naruhito
- Prime Minister: Fumio Kishida

### 1.5 Currency: National Currency: Japanese yen (¥)

### 1.6 Time zone: UTC+09:00 (JST)



### **Japan Market Overview:**

Japan is the third largest economy in the world, with its services sectors contributing about 70% of GDP. The mature services sectors in Japan are well-diversified, and are renowned for its wholesale and retail trade, real estate services, as well as professional, scientific and technical activities. However, Japan is facing structural challenges, especially regarding its aging society and shrinking population. Since 2012, Japan adopted a three-pronged strategy (widely known as Abenomics), which comprises an expansionary monetary policy, a flexible fiscal policy and structural reforms in the economy to reinvigorate the economy. The Prime Minister Kishida promulgated the “New Capitalism” plan to invest in human capital, technology and innovations, start-ups green and digital initiatives to support a long-term sustainable growth.

The Japanese economy rebounded in 2021, yet the re-current COVID-19 waves, as well as the recent rise in energy and food prices due to the Russia-Ukraine conflict, continue to shadow its economic performance. The Japanese Government is expected to maintain loose monetary and supportive fiscal policies to support investment, structural reforms and economic growth.

## **2. Economy**

### **2.1. Economic and Political Overview**

Japan, the world's third-largest economy, is highly exposed to external impacts due to its heavy reliance on exports. This vulnerability has manifested itself in recent years, as its economy has experienced periods of recession alongside the global economic slowdown. Likewise, the global economic crisis caused by the Covid-19 pandemic has had a significant impact; however, the country's economy rebounded in 2021, with an estimated growth of 2.6% (IMF), on the back of strong exports and public consumption and investment. The IMF forecast a GDP increase of 3.2% this year (underpinned by the entry into force of the Regional Comprehensive Economic Partnership trade agreement) followed by 1.4% in 2023, although uncertainty remains due to the surge in global Covid-19 cases. Private consumption growth will remain subdued given sluggish wages.

Japan has the highest debt-to-GDP ratio in the world: estimated at 256.9% in 2021, it is expected to follow a downward trend over the forecast horizon (252.3% in 2022 and 250.8% in 2023 according to the IMF). Public finances have been affected by the measures taken to contain the Covid-19-induced crisis (about 16% of GDP in 2020-2021), which included the Employment Adjustment Subsidy, cash benefits to SMEs and concessional loans. As a result, the general government deficit stood at 8% in 2021 (down from a record level of 9.2% one year earlier). By the end of 2021, Kishida's cabinet approved a larger-than-expected JPY 55.7 trillion fiscal stimulus package that includes more funding for universities and digitalization of rural areas, as well as financing to raise semiconductor manufacturing capacity, aimed at improving the country's economic security. As the economy rebounds and the global situation normalizes, the IMF projects a deficit of 3.6% this year followed by a further

decrease in 2023 (2%). Inflation was negative by 0.2% last year; nevertheless, inflationary pressures are building relatively quickly and the IMF expects the inflation rate to turn positive in 2022 (0.5%) before picking up to 0.7% in 2023.

Moving forward, budgetary consolidation will remain a key issue for the country as it tries to bring its debt levels under control. The demographic troubles faced by Japan are getting more serious. An ageing society causes a big challenge for the country, as the government's expected spending on pensions and health care is set to keep on rising. Additionally, a declining birthrate leads to a significant decrease in the population, and as a result a decrease in the number of taxpayers. Japan's working-age population has been declining for a few decades, but that has been offset by rising participation, helping in employment growth and maintaining a low unemployment rate. Elevated debt levels on business balance sheets could restrain employers' ability to hire more and offer stronger wage gains. Unemployment was stable at 2.8% in 2021 but is expected to decrease marginally to 2.4% this year and 2.3% in 2023.

*Table 1: (Japan- Economic Forecasts - 2019-2023 Outlook)*

| Main Indicators                             | 2019     | 2020      | 2021 (e) | 2022 (e) | 2023 (e) |
|---------------------------------------------|----------|-----------|----------|----------|----------|
| GDP (billions USD)                          | 5,135.90 | 5,045.10e | 5,103.11 | 5,383.68 | 5,735.34 |
| GDP (Constant Prices, Annual % Change)      | 0.0      | -4.6      | 1.6      | 3.3      | 1.8      |
| GDP per Capita (USD)                        | 40,690e  | 40,089    | 40,704   | 43,119   | 46,138   |
| General Government Balance (in % of GDP)    | -2.6     | -9.2e     | -8.0     | -3.6     | -2.0     |
| General Government Gross Debt (in % of GDP) | 235.4e   | 254.1     | 256.9    | 252.3    | 250.8    |
| Inflation Rate (%)                          | 0.5      | -0.0      | -0.3     | 1.0      | 0.8      |
| Unemployment Rate (% of the Labour Force)   | 2.4      | 2.8       | 2.8      | 2.4      | 2.3      |
| Current Account (billions USD)              | 176.54   | 164.40    | 176.88   | 178.47   | 185.01   |
| Current Account (in % of GDP)               | 3.4      | 3.3       | 3.5      | 3.3      | 3.2      |

Source: IMF – World Economic Outlook Database, October 2021



## 2.2. SWOT Analysis

### Strengths

- Robust external position (current account surplus, low public external debt etc.)
- JPY considered safe-haven currency
- Innovative industries and high-quality products
- Large financial surplus of non-financial corporations
- Developed country in a dynamic region

### Weaknesses

- Vulnerable to natural disasters
- Aging population
- Huge public debt and large public deficit
- Highly dependent on energy imports

## 2.3. Main sectors of industry

Even though Japan has some deposits of gold, magnesium, coal and silver, the country has very limited natural resources overall and, as a result, is highly dependent on imports to meet its raw material and energy needs. On the other hand, thanks to its large maritime area, the country is one of the world's largest producers of fishing products. However, given that only 11% of Japan's surface is suitable for cultivation, the agricultural sector is small in Japan. Tea and rice are the country's two largest crops, though the sector as a whole is highly subsidized and protected. Agriculture contributes marginally to GDP (1%) and employs only 3.4% of the workforce.

The industrial sector is highly diversified, manufacturing products ranging from basic goods (such as steel and paper) to sophisticated technology. Japan dominates the automobile, robotics, biotechnology, nanotechnology and renewable energy sectors. Japan is home to several of the world's largest manufacturers of electronic products, which is why the country's industrial sector is often associated with technological sophistication. The country is the world's third-largest producer of cars and the second-largest producer of ships. Its industrial sector represents 28.7% of GDP and employs 24.2% of the workforce.

The service sector accounts for 69.3% of GDP and employs 72.4% of the workforce. Major services in Japan include banking, insurance, retailing, transportation and telecommunications. The country also has a significant tourism sector, which has seen substantial growth in recent years. Due to the crisis and the travel bans triggered by the Covid-19 pandemic, tourism has dropped to record levels (-87.1% y-o-y in 2020 – Japan National Tourism Organization). 2021 numbers were even lower, with only 213,063 foreign arrivals, despite the Olympic games that took place in Tokyo.



Table 2: Breakdown of Economic Activity By Sector (World Bank, (2021))

| Breakdown of Economic Activity By Sector        | Agriculture | Industry | Services |
|-------------------------------------------------|-------------|----------|----------|
| Employment By Sector (in % of Total Employment) | 3.4         | 24.2     | 72.4     |
| Value Added (in % of GDP)                       | 1.0         | 28.7     | 69.3     |
| Value Added (Annual % Change)                   | 1.4         | -1.2     | -0.0     |

## 2.4. Investment

FDI flows to Japan remain low compared to most other developed nations across the world and are relatively unstable. According to UNCTAD's 2021 World Investment Report, FDI declined by 30% to USD 10 billion in 2020, reflecting a 25% decline in FDI from MNEs in the United States. Japan's FDI stock was estimated at about USD 243 billion in the same year. The country is also one of the main investors worldwide, with an estimated stock of outward investments of USD 1,982 billion. In 2020, investment by Japanese multinationals fell 49% to USD 116 billion from a record USD 227 billion in 2019, partly due to the economic crisis triggered by the Covid-19 pandemic. The United States, Singapore, France, the Netherlands, and the United Kingdom were the main investing countries and represented nearly two-thirds of the FDI inflows. Investments are mainly oriented towards finance and insurance, transportation equipment production, electric machinery, communication, and chemicals and pharmaceuticals. According to the latest figures from OECD, in the first semester of 2021 FDI inflows to Japan totaled USD 16.8 billion, up by 215% year-on-year. In the same period, Japan recorded increases in FDI equity outflows of more than USD 15 billion, partly influenced by some large M&A transactions, such as the acquisition of the entire share capital of Nipsea Pte Ltd, a Singapore-based manufacturer of coatings, by Nippon Paint Holdings Co Ltd.

Japan ranked 29<sup>th</sup> out of 190 countries in the World Bank's latest Doing Business report, an increase from the previous edition when it ranked 39<sup>th</sup>. The country has a solid net foreign creditor position and external indicators are generally robust. Japan is actively opening its doors to foreign business, as it's aiming to create the best possible environment for overseas investors. The country's key strengths are its position as a leader in advanced technology and R&D, the fact that it is the third-largest economy in the world, a big internal market with high purchasing power and a highly skilled workforce. The potential barriers to investment are essentially demographic, linguistic and cultural; with international competition restricted by a very insular local business culture. Moreover, the Foreign Exchange and Foreign Trade Act (the Forex Act) was amended, lowering the ownership threshold for pre-approval notification to the government for foreign investors from 10% to 1% in sectors that could pose a national security risk, and introducing a new prior

notification exemption scheme for share acquisitions. Nevertheless, Japan remains a key market for investors.

*Table 3: Foreign Direct Investment, UNCTAD, Latest available data*

| Foreign Direct Investment                     | 2019    | 2020    | 2021    |
|-----------------------------------------------|---------|---------|---------|
| FDI Inward Flow (million USD)                 | 13,755  | 10,703  | 24,652  |
| FDI Stock (million USD)                       | 223,810 | 232,313 | 256,966 |
| Number of Greenfield Investments*             | 242     | 216     | 196     |
| Value of Greenfield Investments (million USD) | 8,427   | 7,718   | 21,598  |

### Strong points for FDI:

The main advantages of Japan are:

- In addition to having the third largest economy in the world, Japan has very strong purchasing power and therefore strong domestic demand.
- As a leader in high technology, research and development (with the largest number of patents in the world), Japan has had a steadily growing economy and rock-solid stability for several decades.
- Because of its geographical location, any foreign investor operating in the Japanese market has a facilitated entry to other Asian markets.
- The business environment is clearly favourable and reinforced by a stable political system.
- The workforce is highly skilled and the Japanese are known as great workers dedicated to their company.
- The ageing of its population opens up great opportunities for products and services geared towards older age groups (health care technology, medical devices, entertainment, pharmaceuticals, etc.).
- Japan has signed Trade agreement with the EU and Transpacific Partnership (December 2018).

### Weaknesses:

- Excessive regulation that hinders economic growth as it increases the cost of starting activities.
- The difficulties the country faces in restoring public finances and deflation.
- International competition restricted by a very insular local business culture: Japanese prefer to do business (especially M & A transactions) with known partner companies. In the same way, it is preferable to establish networks and alliances with companies and national professional organizations.
- Cultural and linguistic challenges that can be complicated to overcome for an SME.
- Low productivity of Japanese SMEs.



- Still insufficient female labor participation, lack of childcare.
- Ageing population at risk of jeopardizing the social security system.

### **Government Measures to Motivate or Restrict FDI:**

Japan offers a number of national and local tax incentives that are available to foreign investors in Japan. These incentive schemes have been created for the benefit of both foreign investors and all Japanese companies. These incentives include the following:

- Tax incentives for comprehensive special zones - The government offers tax benefits in the form of special depreciation rules and other deductions related to investment in equipment and plant related to special sectors.
- Tax incentives for strengthening local business.
- Tax incentives for wage and productivity improvement. These programmes offer tax incentives to increase employees' salaries and for investing in information technology.
- Local tax incentives.

## **2.5. Taxation**

### **Company Tax: 23.2%**

**Tax Rate for Foreign Companies:** Resident companies are taxed on their worldwide income whereas non-resident companies are taxed only on Japanese-source income at standard corporate rates. A foreign corporation with a permanent establishment in Japan is liable for corporate income taxes only on the income attributable to such permanent establishment.

**Capital Gains Taxation:** Capital gains are taxed as ordinary income at the standard corporate tax rate, with capital losses generally available as a full tax deduction. Capital duty is included in the local inhabitant tax and local enterprise tax. The recognition of capital gains or losses from the transfer of certain assets between group companies are to be deferred until the asset is transferred to another group company or a non-group company.

**Main Allowable Deductions and Tax Credits:** In order to file for tax privileges - including deductions for business expenditure, tax loss carryforwards and accelerated depreciation - companies must apply for a "blue form" tax return at the beginning of a fiscal year.

Reserves for doubtful receivables and return of goods not sold are deductible for corporate tax purposes. Deductions are also available for charitable contributions (up to certain limits). Corporations can deduct 50% of the entertainment expenses for food and drink; while expenses for entertainment are only deductible for SMEs (paid-in capital of up to JPY 100 million), up to the smaller of JPY 8 million or the actual disbursement for the entertainment expense. Start-up expenses are allowed to be amortised on a voluntary basis. Interest expenses are generally deductible in the calculation of taxable income.

The remuneration paid to directors is deductible only in specific cases. Enterprise tax and business premises tax are deductible in the calculation of the taxable income.

SMEs may carry back losses for one year. Following the COVID-19 crisis, the NTA announced that corporations with stated capital up to JPY 1 billion may also carry back losses generated between 1 February 2020 and 31 January 2022 from COVID-19 and claim refunds.

95% of dividends received by a company from a foreign company in which it has held at least one-fourth of the outstanding shares for an uninterrupted period of at least six months can be excluded from the company's taxable income.

**Other Corporate Taxes:** Other taxes include: stamp duty (JPY 200 to 600,000), municipal fixed assets tax (levied at 1.4%), a real estate acquisitions tax levied at 3%-4% (reduced temporarily to 1.5%-2%) and inheritance tax (progressive rates from 10% to 55%).

Registration and license tax is levied where certain property is registered, at a rate from 0.1% to 2% of the taxable basis or at a fixed amount. A share registration tax is assessed at 0.7% on the registration of new or additional share capital.

A business premises tax is levied in some cities, including Tokyo, Osaka, Nagoya, Fukuoka, etc. Companies with more than 100 employees in a designated city and/or with business premises in excess of 1,000 square metres are subject to the tax based on the usage of the business (JPY 600 per square metre) and gross payroll (0.25% of gross payroll).

Social security contributions paid by the employer amount to maximum 16.23%.

Family corporations are liable for an additional tax on their undistributed current earnings in excess of specified limits, with rates as follow: first JPY 30 million 10%; next JPY 70 million 15%; over JPY 100 million 20%.

### 3. Consumer Behavior and Characteristics

#### 3.1. Consumer Behavior and Characteristics

**Consumer Profile:** The Japanese population is the oldest in the world, with a median age of 49.2 years in 2022 (Data Reportal). According to the latest data by World Bank, some 12% of the population is under 14 years of age, 59% between 15 and 64 years old and 29% over 65 years old. The population is decreasing (-0.39% in 2022, CIA World Factbook). The number of people per household is declining continuously and reaching 2.21 in 2020 while the number of households should continue to increase despite the decline in the population (Statistics Bureau of Japan). About 60% of households are couples with or without children. One-person households are increasing and represent nearly 35%. The Japanese population is 51.2% women and 48.8% men. Japan is one of the most densely populated countries and 92% of its population is urban (Data Reportal, 2022). Tokyo, followed by Kanagawa, Osaka, Aichi, and Saitama, account for 37.4% of the population (Statistics Bureau of Japan, 2021). The level of education is high, almost all the population has secondary education. In 2020, 61.5% of 25–34-year-olds had a tertiary degree in Japan compared to 45.5% on average across OECD countries. About one-fifth of the workforce is made up of office workers, 18.8% of professionals and engineers, 12.9% of people working in manufacturing processes, 12.6% of sales people, 12% of people working in services, 7.3% of people working in carrying,



cleaning and packaging activities, while 4.2% are construction and mining workers. Workers in administration, security, transport and agriculture, forestry and fisheries each account for less than 3.5%.

**Purchasing power:** In Japan, GDP per capita reached about USD 39,285.2 in PPP in 2021 (World Bank). Japan is a high-income society but looking at the average annual wages of member countries in 2021 published by the OECD Japan ranked 24<sup>th</sup>, with 40,849 US dollars, lower than the average of all OECD countries, which was 52,436 US dollars. In Japan, the average household net-adjusted disposable income per capita is USD 28,872 a year, lower than the OECD average of USD 30,490 a year. There is a considerable gap between the richest and poorest – the top 20% of the population earn more than six times as much as the bottom 20%. The country suffers from inequalities, especially between the sexes. Although the gender wage gap in the country has decreased over the last 15 years, it remains large (22.1%), and Japan is fourth to last in the ranking compiled by the OECD. People under 20 are the least paid. Half of consumers believe they are more environmentally conscious about shopping than they were a year ago, yet very few are willing to pay more for it.

**Consumer Behaviour:** Japanese consumers have long tended to prefer quality consumption over mass consumption. However, the economic slowdown has led some consumers to seek out lower prices and lower quality products. This is especially true of the Yutori (Millennial) generation. Nearly 50% of people under the age of 25 work part-time and earn around \$100–500 a month (Statistics Bureau of Japan, 2021). They are generally willing to visit malls and specialty stores if they offer entertaining shopping experiences. Discount stores and own-label products, which once struggled to break into the Japanese market have gained market share. Quality standards and service expectations (sales process, delivery, packaging, after-sales service, etc.) are high in Japan. The average basket in Japan, relatively high compared to Western countries, is down because of the change in consumption modes (cheaper products in particular). Due to the economic situation in Japan consumer confidence is eroding. Online shopping is attracting an increasing number of consumers though while the country is largely connected, e-commerce is less present than in Eastern Europe or the United States. Japanese consumers are very open to buying international brands for everyday consumer goods and are generally attracted by products imported from countries perceived as "specialised" such as Swiss watches and French wines. Japan is the third largest luxury goods market in the world after the United States and China. LVMH Group's global revenue share from Japan was 7% in 2021 (Retail in Asia).

Consumers in Japan are generally very brand loyal, however, the older population is more so than the younger generation. There is a strong desire for new products and generally consumers adopt brand innovations though loyalty is declining. Half of the population uses social media regularly. The Japanese mainly watch videos and follow influencers for opinions on products. Also, nearly three quarters of consumers

inquire with social networks before buying certain products, especially cosmetics and fashion. In general, the Japanese are not worried about big data, thanks to the legislation in force. However, most believe that the counterpart to the accumulation of personal data is to receive regular tailored and promotional offers.

Since the economic crisis, the Japanese are moving towards lower priced consumption. According to a McKinsey study, while they were willing to spend more to save time, the trend is reversed for some Japanese consumers who prefer to take time to spend less. This is reflected in particular with diets. Part of the population now prefers to cook at home rather than eat out at a restaurant. Also, while the population spends most of the time outside the home even with small houses and long working hours there is an increase in the time spent at home. Regarding the environment, more than half of the population is more interested in it than the previous year. However, very few are willing to pay more for consuming environmentally responsible products. The collaborative economy, such as Airbnb, is struggling to attract more clients.

### 3.2. Internet and Ecommerce

**Internet access:** Internet penetration in Japan is currently 82.1% and should reach 83.2%. Smartphone penetration is a lot less (47.8%) but is projected to grow to 54.4% in the next four years. There were 103.89 million internet users in Japan in 2017, and this figure is projected to reach 104.27 million. Japan has the 7<sup>th</sup> fastest internet connection speed in the world (20.2 Mbps) – average internet speeds are higher in developed Asian countries. Japan had the third largest rate of high broadband connectivity (73%). The most popular search engines are Google (69.79%), Yahoo! (25.92%), Bing (3.53%), Baidu (0.44%), Never (0.1%) and DuckDuckGo (0.08%).

**E-commerce market:** There were nearly 89 million online shoppers in Japan in 2017. That same year, the Japanese B2C e-commerce turnover grew by 16% to US\$ 79,247 million. Japan had an online population of 116.8 million people who were aged 15 and older. While Japanese consumers have been rather reluctant to buy foreign products in the past, they have become progressively more open to them over time. Japanese consumers are highly diverse in their interests and tastes, which range from traditional needs to more westernised desires. User penetration is at 66.6% in 2018 and it is expected to hit 72.6% in 2022. Revenue in the e-commerce market is expected to amount to US\$ 105.1 million. The market is expected to show an annual growth rate of 6.2% resulting in a market volume of US\$ 133.6 in 2022.

**E-commerce sales and customers:** In 2017, 79.5% of the population in Japan had purchased products online. This figure is expected to grow to 80.3%. In 2017, retail e-commerce sales amounted to US\$ 111.33 billion and are projected to grow to US\$ 122.46 billion. In 2017, e-retail sales accounted for 8.2% of all retail sales in Japan, and this figure is expected to reach 9.7%. In 2018, 80.3



million people in Japan are expected to buy goods and services online. Electronics and media are currently the leading product category in Japan, accounting for US\$ 23.73 billion market share, followed by fashion, which generates US\$ 22.28 billion in sales. Japan's e-commerce payment options are many: Credit card and debit card payments account for 66% of payments for e-commerce transactions. A variety of other "eWallet" and E-Payment options are also proliferating. In addition, cash payments for online purchases are accepted at convenience stores (Konbini). About 17% of such payments are made in cash at Konbini after products are delivered, a popular option for many teens without bank accounts or credit cards. 48% of consumers purchase online on a monthly basis. The preferred device to access online retailers is PCs (82%), followed by smartphones (43%), which have been gaining popularity when it comes to online shopping. Still, 92% of online shoppers in Japan buy using desktops, a stark contrast to the amount of smartphone (6%) and tablet (1%) shoppers.

**Social media:** 52.56 million people in Japan are active monthly social network users, with the most popular ones being Facebook (39.32%), Twitter (29.08%), Pinterest (13.73%), YouTube (10.62%), Tumblr (2.58%) and Instagram (2.29%). Their growth is low and there are signs of little time being spent on the social networks. Facebook is showing stagnation in Japan. On the other hand, Instagram is taking off, pushing beyond 10 million users in Japan this year.

## 4. International Trade

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### 4.1. Customs

#### International Conventions

Member of World Trade Organisation

Member of OECD

Party to the Kyoto Protocol

Party to the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora

Party to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

Party to the Montreal Protocol on Substances That Deplete the Ozone Layer

Party to the Wassenaar Arrangement on Export Controls For Conventional Arms and Dual-Use Goods and Technologies

Party of the International Coffee Agreement 2007

**International Economic Cooperation:** Japan is a member of the following international economic organizations: Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (dialogue partner of ASEAN Plus Three), G-5, G-7, G-8, G-10, G-20, IMF, OECD, among others. For the full list of economic and other international organisations in which participates Japan click [here](#). International organisation membership of Japan is also outlined [here](#).

**Non-Tariff Barriers:** Non-tariff barriers are common in Japan. Factors such as exclusively Japanese standards, the importance of personal relations in doing business and a regulatory policy with a preference for national products may inhibit entrance of foreign products into the Japanese market. Quotas exist for certain marine products, organic chemical products, explosives, pharmaceutical and medical products, animals and plants (in respect of the Washington Convention). An import license is necessary for all products subject to quotas, products deemed dangerous and perishable goods. See the [list of goods prohibited from importation into Japan](#).

**Customs Duties and Taxes on Imports:** Japan applies a customs tariff that is among the lowest in the world (on average, 2.5%). For a summary of Japanese customs tariffs, please see the following [sheet](#) provided by the WTO.

**Customs Classification:** Japan uses the Harmonized Commodity Description and Coding System, generally referred to as the 'Harmonized System,' developed by the World Customs Organization.

**Import Procedures:** Any person wishing to import goods must declare them to the Director-General of Customs and obtain an import permit after examination (if necessary) of the goods concerned. The formalities start with the lodging of an import declaration and end with issuance of an import permit after the necessary examination and payment of Customs duty and excise tax. In this way, measures are taken to ensure the fulfillment of the requirements for the control of foreign exchange and other regulations concerning the importation of goods. More than 90 percent of import procedures is currently computerized. All steps and required documents are available on the [website](#) of Japan Customs. The [Customs Counsellor System](#) assists companies with import procedures.

**Importing Samples:** Japan acceded to the ATA Convention in 1973. Goods imported from contracting countries and territories can generally be subject to a procedure on the basis of the ATA Convention and be exempted from Customs duty and excise taxes payable. To find out more, please visit the [Japan Customs website](#)

## 4.2. Imports - Exports

Foreign trade is an essential element of the Japanese economy, but the country is not fully open and imposes extensive non-tariff barriers, especially in the agricultural sector. Japan is the world's 4<sup>th</sup> largest exporter and fifth-largest importer of goods, and foreign trade accounts for 31% of the country's GDP (World Bank). Japan mainly exports motor vehicles (12.6%) being the second exporter of cars worldwide, electronic integrated circuits and microassemblies (4.5%), auto parts and accessories (4.2%), and ships and boats (1.7%). The country's main imports include petroleum oils (6.8%), petroleum gas and other gaseous hydrocarbons (5.4%),

transmission apparatus for radio-telephony (3.9%), automatic data processing machines (3.1%), and electronic integrated circuits and microassemblies (3%). Japan's main partners are China (22%), the United States (18.5%), South Korea (7%), Hong Kong (5%), and Thailand (4%). The country mainly imports from China (25.8%), the U.S. (11.3%), Australia (5.6%), South Korea (4.2%) and Thailand (3.7%).

Japan is the EU's second-biggest trading partner in Asia after China, and together they both account for about a quarter of the world's GDP. The two parties signed an Economic Partnership Agreement, which entered into force in 2019. Moreover, Japan signed the Regional Comprehensive Economic Partnership (RCEP), arguably the largest free trade agreement in history (its signatories include China, Australia, South Korea, etc., cumulating about 30% of global GDP). The RCEP agreement entered into force on 1 January 2022. The country traditionally has a large trade surplus; however, in recent years the balance turned null. That was mainly due to plummeting shipments to China and regional markets, as the global pandemic-induced crisis took its toll on the trade-reliant economy. According to WTO, Japan's exports of goods reached USD 641.3 billion (-9% year-on-year) in 2020, while imports amounted to USD 635.4 billion (-11.8% y-o-y).

Concerning the service sector, exports decreased 22.9% to USD 156.3 billion, whereas imports lost 10.5% (USD 201.7 billion). According to figures from the Ministry of Finance, in the first six months of 2021 Japanese exports reached USD 346.2 billion, with imports totaling USD 337.7 billion.

*Table 4: Japan Foreign Trade Indicators, World Bank; Latest available data (2021)*

| Foreign Trade Indicators                        | 2016   | 2017   | 2018   | 2019   | 2020   |
|-------------------------------------------------|--------|--------|--------|--------|--------|
| Foreign Trade (in % of GDP)                     | 31.3   | 34.4   | 36.6   | 34.8   | n/a    |
| Trade Balance (million USD)                     | 51,163 | 43,836 | 10,587 | 1,361  | 28,806 |
| Trade Balance (Including Service) (million USD) | 40,444 | 37,636 | 1,405  | -8,615 | -6,200 |
| Imports of Goods and Services (Annual % Change) | -1.2   | 3.3    | 3.8    | -0.4   | n/a    |
| Exports of Goods and Services (Annual % Change) | 1.6    | 6.6    | 3.8    | -1.4   | n/a    |
| Imports of Goods and Services (in % of GDP)     | 15.3   | 16.8   | 18.3   | 17.4   | n/a    |
| Exports of Goods and Services (in % of GDP)     | 16.1   | 17.6   | 18.3   | 17.4   | n/a    |

*Table 5: Japan Foreign Trade Values, World Bank; Latest available data (2021)*

| Foreign Trade Values              | 2016   | 2017   | 2018   | 2019   | 2020   |
|-----------------------------------|--------|--------|--------|--------|--------|
| Imports of Goods (million USD)    | 19,207 | 20,498 | 20,310 | 19,170 | 17,011 |
| Exports of Goods (million USD)    | 7,509  | 7,511  | 7,750  | 8,317  | 7,943  |
| Imports of Services (million USD) | 4,438  | 4,627  | 4,732  | 4,710  | 2,903  |
| Exports of Services (million USD) | 6,233  | 6,389  | 7,082  | 7,718  | 2,322  |

*Table 6: Japan Foreign Trade Forecasts, IMF, World Economic Outlook; (2021)*

| Foreign Trade Forecasts                                   | 2021 | 2022 (e) | 2023 (e) | 2024 (e) | 2025 (e) |
|-----------------------------------------------------------|------|----------|----------|----------|----------|
| Volume of exports of goods and services (Annual % change) | 13.2 | 7.7      | 2.7      | 2.2      | 1.9      |
| Volume of imports of goods and services (Annual % change) | 9.5  | 9.1      | 2.7      | 2.3      | 2.1      |

### 4.3. Greece – Japan Trade Relations

In 2021 exports showed a drop of -30.2% rising to almost €248 million from €355 million compared to 2020, while imports from Japan amounted to €168 million, increasing by 16%, resulting in the reduction of the trade surplus in favor of our country to €79.7 million (from almost €210 million in 2020). The volume of bilateral trade, in 2021, decreased by 17%, compared to 2020 and amounted to € 416 million. In 2021, the main exported products were: medicines, tobacco, cotton, nuts and fruits, aluminum foils/tapes, aluminum sheets and thin strips, olive oil etc. Accordingly, the main imported products, were passenger vehicles, parts for internal combustion piston engines, motorcycles and bicycles, internal combustion engines, cars, trucks, pneumatic tires, etc.

The spectacular increase in exports in 2020 was mainly due to the explosive growth of pharmaceutical exports (65.7% of the total), which amounted to €233.7 million, from €5.57 million in 2019. Tobacco followed with a 20% share of the total, a smaller percentage, however, compared to 2019 and 2018 (the year when tobacco was exported to Japan for the first time, accounting for 54.5% of all exports after the takeover by the multinational company Japan Tobacco of the Cooperative Tobacco Industry of Greece S.A. -SEKAP. Regarding the bilateral balance of services, in 2021 Greek service receipts amounted to €243.1 million, while the corresponding service payments amounted to €60.7 million.

*Table 7 : Value of Greek Imports from Japan 2020-2021 (Eurostat, 2022)*

| IMPORTS - Value in Euro (€)                                       | 2020               | 2021               |
|-------------------------------------------------------------------|--------------------|--------------------|
| Food and Live Animals                                             | 179.194            | 627.494            |
| Beverages and Tobacco                                             | 12.907             | 122.288            |
| Crude Materials, Inedible, Except fuels                           | 1.280.488          | 1.399.902          |
| Mineral Fuels, Lubricants and Related Materials                   | 9.314              | 175.292            |
| Animal and Vegetable, Oils, Fats and Waxes                        | 14.904             | 4.903              |
| Chemical and Related Products, N.E.S.                             | 7.886.284          | 12.228.686         |
| Manufactured Goods Classified Chiefly by Material                 | 12.500.417         | 19.637.725         |
| Machinery and Transport Equipment                                 | 109.655.546        | 121.888.432        |
| Miscellaneous Manufactured Articles                               | 13.824.629         | 12.108.240         |
| Commodities and Transactions not Classified Elsewhere in the SITC | :                  | 5.828              |
| <b>Total</b>                                                      | <b>145.363.683</b> | <b>168.198.790</b> |

Table 8: Value of Greek Exports to Japan 2020-2021, (Eurostat, 2022)

| EXPORTS - Value in Euro (€)                                       | 2020               | 2021               |
|-------------------------------------------------------------------|--------------------|--------------------|
| Food and Live Animals                                             | 12.606.468         | 13.268.548         |
| Beverages and Tobacco                                             | 71.920.657         | 67.801.227         |
| Crude Materials, Inedible, Except fuels                           | 7.585.959          | 16.648.190         |
| Mineral Fuels, Lubricants and Related Materials                   | 1.127.193          | 415.527            |
| Animal and Vegetable, Oils, Fats and Waxes                        | 3.424.003          | 3.434.024          |
| Chemical and Related Products, N.E.S.                             | 234.272.897        | 122.098.355        |
| Manufactured Goods Classified Chiefly by Material                 | 13.637.195         | 13.213.615         |
| Machinery and Transport Equipment                                 | 6.499.459          | 5.968.224          |
| Miscellaneous Manufactured Articles                               | 4.168.688          | 4.333.026          |
| Commodities and Transactions not Classified Elsewhere in the SITC | :                  | 748.034            |
| <b>Total</b>                                                      | <b>355.242.519</b> | <b>247.928.770</b> |



### 4.3. Distribution

**Evolution of the Sector:** According to the latest USDA Foreign Agricultural Service report, in 2021, the total value of all retail food and beverage sales in Japan was \$467.20 billion an overall decrease of 2.3% from the previous year. The food processing industry produced \$216 billion in food and beverage products in 2021. Supermarkets account for the majority of food retail sales, at 74%, but the fast-growing convenience shop sector now accounts for 14.4% of sales. Ready-to-eat (REM) or take-away food products represent a growing area. Although Japan is a huge market, it is highly fragmented. The Japanese Food and Beverage (F&B) retail industry includes supermarkets, general merchandise stores, department stores, convenience stores, drugstores, and the internet.

Japan's general merchandise stores (GMS), offer shoppers the convenience of one-stop shopping for groceries, perishables, clothing, household goods, furniture, and electrical goods. GMS's are operated by major national chains that have nationwide networks with hundreds of outlets and typically rely on centralised purchasing. They often purchase foreign products via trading companies.

Supermarkets (SM) stores are smaller in size than GMS's and are more specialised in food and household goods. Supermarkets are facing higher purchasing costs than GMSs. They are seeking ways to stay competitive through product/service differentiation, private brand development, and global sourcing. To gain economies of scale, regional supermarkets are forming alliances through joint merchandising companies with non-competing retailers.

Department store sales have been slowly declining in recent years due to increasing competition with other retailers.

Convenience stores (CVS) are an extremely important sales channel in Japan. They have limited floor space, about 100 m<sup>2</sup> on average, and typically stock about 3,000 products. Convenience stores derive their competitive advantage from high turnover and efficient supply chains. Convenience stores are notably competing strongly by offering attractive consumer food service options, particularly as fast food offers high potential profits.

**Market share:** Retailers with the highest food retail sales in 2021 (USDA, latest data available):

Supermarket: 345.59 billion dollars – 74% share of sales

Convenience Store: 67.18 billion dollars - 14.4% share of sales

General Merchandise Store: estimated at 24.78 billion dollars

Department Store: 13.98 billion dollars - 3% share of sales

Drugstore: 20.34 billion dollars - 4.4% share of sales

Internet: 20.70 billion dollars in 2020 (latest data available) - 4.3% share of sales

The largest retail outlet is Aeon Co. Ltd, leading player in supermarkets. The second largest retailer in terms of overall sales value is Seven & I Holdings,



which operates Ito-Yokado, which is a convenience store business. The well-known U.S. brand retailers Costco and Walmart are also successful in Japan.

#### 4.4. Leading Sectors for Exporters

**Agroindustry:** Until recently, Japanese agriculture experienced a long period of contraction. Since 1990, the value of Japan's agricultural production has decreased by more than 25% and the number of commercial farm households and agricultural workers by more than 50%. The agricultural sector continues to be under pressure to raise its productivity, primarily to improve international competitiveness and thereby contribute to economic growth, in particular in rural areas, but also to ensure food security in the territory and face the difficulty that are now impacting agriculture, such as climate change. Japan has a severe shortage of arable land, covering only 11.3% of Japan's total territory. The country's self-sufficiency rate currently stands at 39%.

**Agriculture Technology:** Japan has a shrinking agricultural sector, marked by workforce and skills shortages due to the lack of young people becoming farmers. The country is also facing growing concerns regarding water shortages. In this perspective, the Japanese government and researchers are investing in agricultural technology as a way to increase productivity, improve quality and availability, lower costs, and use less resources. The solutions range from robot tractors and water management system operated by smartphones to indoor agriculture techniques.

Even though nowadays, smart agriculture represents only a small portion of farm output, it is considered to be a growing sector, since it provides solutions to the issues that Japanese's agriculture is facing. In a decade, it is estimated to become a normal form of agriculture which makes it a market to keep an eye on.

The Ministry of Agriculture, Forestry and Fisheries (MAFF) is the main public player concerned with agricultural issues.

**Automotive industry:** The automotive sector currently employs over 5.45 million people in Japan and is worth some 47.3 trillion yen. Both its exports and imports (mainly from the EU) are currently increasing despite Japanese consumers' strong preference for "buying Japanese". The sector is heavily influenced by new environmental standards, which are the most stringent in the world.

**Automotive sector:** The Japanese automotive industry represents the core of the Japanese manufacturing sector: 8.2% of the population employed in automotive-related jobs in 2021 and automotive shipments (both domestic and export shipments, including motorcycles, auto parts, etc) reached 60 trillion yen in value terms in 2019. Further, the investment in equipment by the industry totaled 1.4 trillion yen and R&D expenditures stood at 3.1 trillion yen in 2019.

The automotive sector is now fully aware of the environmental challenge ahead. For this reason, the Government of Japan has been promoting legislative modifications and technological advancement in order to tackle this problem. The future is looking electric.

Autonomous cars, commonly known as self-driving cars, aren't new to the Japanese automotive industry. There will be more cars in the coming decades but fewer drivers



on the road. In the Japanese case, national factors like an ageing population, persistent labour shortages in the transport sector, and food deliveries, are promoting the development of this new type of vehicle. However, social acceptance of autonomous cars is not high enough, even when Japan, already in Level 4 in the autonomous control, is one step closer to total independence.

The Japanese automotive sector accounts for 18% of the total emission amount of Japan's economy. Even though the trend of reducing such level is uncontested, Japanese manufacturers still have not reached the CO2 emission levels of 1990. In 2019, the total amount of CO2 released in Japan was 1.11 billion tons. Both the government and the industry are striving to implement new policies while increasing the degree of technological innovation.

**Biotechnology:** Japan has one of the most developed biotechnology sectors in the world, as evidenced by the high number of patents filed. Although the number of bio venture start-ups peaked in 2006, several foreign firms are now trying to enter the market. Moreover, the government is supporting the sector's development and has passed several laws to assist it; it is being viewed as a national strategy

**Bioinformatics:** Digitalization is at the heart of Japan's objectives for the future (Moonshot Program, Strategic Innovation Program). With Asia's largest bioinformatics database located in Japan, the sector will be of an increasing importance, especially with its application to the medical and pharmaceutical industries.

**Biopharmaceuticals:** With the world's highest proportion of the elderly (nearly 30% in 2020), the number of patients with cancer and other diseases is expected to increase in Japan. It is the third largest pharmaceutical market in the world, and the biologically active substances (biopharmaceuticals) are considered to be the driving force behind innovation in this industry. In 2021, the Japanese biopharmaceutical market value was estimated at 2,1 trillion yen. Even though the pharmaceutical market growth is projected to be negative, the biopharmaceutical sector is expected to grow.

**Biotechnology in Agriculture:** In 2020, the Japanese agricultural biotechnology market was valued at about 615 billion yen. Japan remains one of the world's largest per-capita importers of food and feed produced using modern biotechnologies. In 2019, Japan imported 16 million metric tons (MT) of corn, 3,2 million MT of soybeans and 2,4 million MT of canola in which genetic engineering is predominantly used. Japan also imports huge amounts of processed foods containing biotechnology-produced ingredients.

**Construction:** The outlook of the Japanese construction sector is brighter than it has been for years. The Japanese Government has pledged to stimulate the domestic economy through numerous public works projects, particularly in the Tohoku region, which was heavily damaged by the 2011 tsunami and earthquake. However, access for foreign construction companies has never been particularly easy, and this remains a difficult market for foreigners to penetrate.



**Electronics:** Japan used to be one of the biggest worldwide manufacturers of electronics and represented the wealthiest and most innovative sector in the global electronics market. Today, however, the global presence of Japanese firms in this sector has been greatly diminished with the rise of other Asian countries' companies. Even more so considering the ongoing worldwide shortages of semiconductors, the novel coronavirus pandemic, and a society with many seniors and a smaller population.

Because of this situation, Japanese companies are outsourcing to other countries, investing in new IoT developments, and bringing together companies from a broad spectrum of industries using digital technologies to lead the realization of "Society 5.0" to compete in the market. Japanese electronics sector remains especially strong in components and devices, creating key technologies, such as all-solid batteries and medical cameras. Looking ahead, efforts will step up to create new value by developing functions geared to factory automation and telework-led work-style reforms, as well as government moves toward decarbonization.

**Robotics:** In the robotics market, Japan uses cutting-edge robotic technologies in various fields besides manufacturing, including service and care-giving robots for the older generation, showing that robophilia has become handy. In 2015, the Japanese government announced the "New Robot Strategy" (2016-2020) to encourage the use of robots and accelerate automation in the economic sectors with low labour productivity like agriculture, infrastructure and healthcare. As a result, Japan leads the world in robotics; by 2020, the country was manufacturing 47% of global robots, with highly competitive research, development and applied technologies. This progress also is being made toward artificial intelligence (AI), so Japan can become a creator of new values and services.

Moreover, the model of "Society 5.0", where everyone and everything is connected and integrated through technology, is being implemented faster due to Japan's population grey and shrinking workforce, plus the effects of the pandemic. This situation has driven rapid growth in service robots, developing a new generation of robots more suitable for areas like hospitality, transportation, and domestic tasks.

**Semiconductor:** In the semiconductor market, Asian countries dominate 72.9% of it, where Japan (15.8%) is ranked third behind Taiwan and South Korea. Nowadays, the Japanese industry approaches the consequences of a market that has been shrinking for three decades, a global chip shortage because of COVID-19 and global geopolitical tensions. Therefore, the Japanese government has been strengthening its national economic security by trying to reduce geopolitical competition to avoid losing access to items essential to semiconductors, which are qualified as the "rice of the industries". In its strategy for economic security, according to Institute Montaigne, Japan is searching for partners to secure this industry, among which Europe has already been named.

**Energy:** Japan relies heavily on imports to meet its energy requirements because of a scarcity of natural resources. It is estimated that imports cover 80% of Japan's



primary energy needs. In terms of domestic energy resources, it is only 16% self-sufficient. Prior to the Fukushima Daiichi nuclear disaster of 11 March 2011, Japan had relied heavily on nuclear energy with around 30% of electricity originating from this source. Renewable energy, natural gas and oil are projected to take the market share previously occupied by nuclear fuel in the coming years.

**Fossil Energy:** According to the US Energy Information Administration (EIA), Japan was the fifth-largest oil consumer and fourth-largest crude oil importer in the world in 2019. Japan also ranked as the world's largest importer of liquefied natural gas (LNG) and the third-largest importer of coal behind China and India. Japan has limited domestic energy resources that have met less than 10% of the country's total primary energy use each year since 2012. Japan's domestic energy resources met more than 20% of the country's total primary energy use before the removal of nuclear power following the Fukushima plant accident. Although Japan is now investing heavily in renewable energy sources and hopes to significantly reduce its reliance on fossil fuels in the coming years, it is clear that in the medium at least term Japan is going to be a significant consumer and importer of fossil fuels.

**Renewable Energy:** Japan has a variety of renewable energy resources, including geothermal, hydropower, wind and solar energy as well as biomass. However, the country's high population density and mountainous geography constrain available land for developing renewable energy projects, leaving good and available resources often in locations that are far away from population centres.

**Smart Grid & Smart City:** Grid stability has traditionally been one of the top priorities in Japan, and smart grids are considered a key measure that can contribute to grid resiliency. The Japanese government is currently working with the IEC standard called the Smart Energy Grid Architecture Model (SGAM), as a model for a three-dimensional framework that enables the exchange of information among the various components in an energy system. Therefore, it is extending this conventional model to enable an overall understanding of the energy system, taking into account the interactions between the heat and electric systems and between the gas and electric systems.

**Fishing:** With nearly 30.000 km of coastline, Japan's geographical conditions are very favourable for fishing. Its 2020 fishery production totalled 4,18 million tonnes. However, the industry is on the decline and production is falling. As a result, Japan has had to increase its imports to meet demands for consumption. This opens up opportunities for foreign businesses to export to Japan.

**Food & Beverage:** Japan's status as a cultural superpower is perhaps best exemplified by the global popularity of Japanese cuisine. In addition to its international popularity, Japanese food also enjoys a reputation for promoting health and longevity, with its traditional emphasis on rice, fish, and seasonal ingredients. In 2013, UNESCO added "washoku – traditional dietary cultures of the Japanese" to its Representative List of the Intangible Cultural Heritage of Humanity.



It is important to note, however, that diets in Japan are evolving rapidly, shifting from traditionally rice-based meals to increasingly western-style meals featuring greater quantities of meat, eggs, milk, milk products and fats. Other notable shifts in consumption habits include an increasing preference for eating out or buying packaged food at the expense of home cooking and fresh foods, respectively.

**Alcohol:** The Japanese liquor market is one of the largest in the world with an estimated annual sale of 3,5 trillion yen and growing consumption in several categories. Nevertheless, foreign liquor imports in 2020, accounted only for the 9% total of the Japanese liquor market with a value of 256 billion yen (according to Japan Customs). Alcohol in Japan is influenced by a number of social and economic factors. One factor is the resurgence in popularity of traditional alcohol and another is the fact that Japan is characterised by geographical differences in the type of beverages consumed.

**Cereals:** Japan is a small-scale producer of grain, with a relatively large population, making it an important import customer. Japan's cultivated acreage shrank year after year from 6.09 million hectares in 1961 to 4.37 million hectares in 2020. After 1989, the cultivated acreage has continued to decrease due to diversion into residential land and continuously ruined land resulting from natural disasters.

**Dairy:** In 2020, Japan's total demand for dairy products was equivalent to approximately 12.42 million tons of raw milk, from which about 7.43 million tons were domestically produced, while around 4.99 tons were imported. This means that the country needs to import a little more than 40% of its dairy products. Imported dairy products consist primarily of cheese, non-fat dry milk and ice cream, while fluid milk for direct consumption is domestically produced. As the number of farmers active in the dairy sector has been decreasing because many of them do not find a successor, dairy products are likely to become more and more imported.

**Meat:** The Japanese population is a traditional consumer of seafood, but meat consumption has increased gradually over recent years, especially among the younger generations. In 2019, Japan was rated as the second-largest meat importer, after China. Despite Japan's rapidly ageing and declining population, the Japanese meat production industry is expected to experience growing sales due to the ongoing Westernisation of the typical Japanese diet. In particular, it is expected that younger generations of Japanese people continue regarding meat as a staple of their increasingly modern and less traditional diet.

In addition to younger generations, older generations show a tendency to continue with their meat diet as they get older. Other factors influencing the decline in seafood consumption are the lack of knowledge and skills to cook seafood among the younger generation and the price gap between meat and seafood.

In 2019, pork, poultry and beef were the top three meat categories in terms of retail sales value. Pork meat, bovine meat, poultry and meat preparations account for 90% of the volume of imported meat products.

**Frozen Foods:** The Japanese processed food market has traditionally been regarded as difficult to enter as regulations are very strict. However, it has enormous potential. Frozen foods consumption has doubled over the past two decades and



continues to grow. At-home cooking has been gradually declining, and there is a growing demand for convenient ready-to-eat meals. The COVID-19 pandemic also influenced consumers as they have increasingly sought foods and drinks to prepare at home that are as delicious as restaurants, easy-to-prepare and healthy. This trend has opened up the market for foreign investors. Several factors influence the growth of the frozen foods market in Japan: the growing elderly population, a large number of single-member households, increased participation of women in the labour force, and so on.

**Soft Drinks:** The Japanese soft drink industry appears to have decreased as a consequence of the covid pandemic. In fact, in 2019, the output decreased for the first time in five years. Nevertheless, the specific market drivers of the consumers are still the same. In Japan the buyers are very health-conscious, therefore they try to drink beverages with low or zero sugar addition. Japanese consumers, at the same time, are concerned with the environmental impact of their purchases. Great attention has been put in the last few years on PET bottles, thanks to their nature of recyclable recipients.

### **Healthcare & Medical:**

The Japanese health care system strives to achieve a society where everyone, including the elderly and people with intractable diseases and disabilities can live long, happy lives in an active manner. Japan's life expectancy was highest across OECD countries, at 84.7 years in 2021. While the number of elderly people in Japan increases, the number of patients with cancer and other diseases is expected to increase and the size of the life science market, including pharmaceuticals and medical equipment, is flourishing. The universal healthcare system in Japan is constantly reformed and government agencies involved in health care are, for example, the Ministry of Health, Labour and Welfare (MHLW), the Social Security Council, the Central Social Insurance Medical Council (Chuikyo) and the Pharmaceutical and Medical Devices Agency (PMDA).

**Hospital Procurement:** In recent years, due to the outbreak of the COVID-19 virus and its consequences on the health care system, strategic priorities and purchasing behaviours have shifted. According to the 2020-21 survey from L.E.K., there are multiple demographic, financial, and social pressures that challenge Japan's medical management. In light of the low birth rate and ageing population, Japan finds itself with the problem of having to pay for health care expenditure, while having difficulties in providing this budget due to an imbalance in the working-age group and the majority non-working population. In light of these difficulties, it is important to analyse the situation and new priorities of the health care system in Japan.

**Medical & Dental Devices:** Japan is one of the largest producers and import markets of medical devices in the world and the majority of the device manufacturers in Japan are small and medium-sized enterprises. The rapidly aging Japanese population, increasing number of patients with chronic and life-style diseases, universal health insurance coverage and regulatory measures will continue to drive demand in the medical device market.



**Pharmaceuticals:** Japan has the third-largest pharmaceutical market in the world although the changing demographics are creating a challenging business landscape. Because of Japan's aging population and the falling birthrate and the resulting financial difficulties for Japan's medical system, the Japanese government has taken various measures to cut healthcare spending, which in turn has led to very complex reimbursement and pricing rules. However, the pharmaceutical sector offers substantial opportunities for growth given Japan's ageing population is likely to increase demand for pharmaceuticals from EU countries.

**Quasi – Drugs:** Quasi-drugs are medicines for the purpose of prevention of symptoms and hygiene: they have a weaker effect on the human body than medicines. Some products, such as nutritional drinks, shampoos, and hair-growth products, are considered “quasi-drugs”, whereas skincare products that are less effective than “quasi-drugs” are classified as cosmetics.

This different category of products, which doesn't have an EU counterpart, imply vastly different standards and regulations than other pharmaceutical products. Pre-marketing approvals, registration of ingredients and means of manufacturing are highly regulated for these over-the counter products. Thus, EU companies need to consider a variety of new aspects for their implementation on the Japanese market.

**Telemedicine and e-Health:** Japan's ageing population, the shortage and uneven distribution of doctors, the steady depopulation of some areas, the development of communication tools and the increasing demand for physicians drives the telemedicine and e-Health market in Japan. Through the implementation of Artificial Intelligence (AI) and Internet of Things (IoT) technologies, the government intends to replace some of the traditional tasks in healthcare and therefore to reduce costs. In the near future, Japan will become increasingly dependent on to utilizing data and ICT in the health, medical, and nursing care fields (Healthtech) to provide health support for every citizen. This sector offers numerous opportunities for EU SMEs in providing AI and IoT solutions in the medical domain.

**Vitamins & Supplements:** As of 2022, the Japanese Dietary supplement market accounted for a total of roughly 10 billion euros. Over the past years, one of the single largest selling supplements was vitamin C, and the market is also composed of 53 other products. As of 2022, the market is adapting to newer circumstances and the effects of the COVID-19 pandemic, thus witnessing a 2,6% drop of growth. However, the market remains full of potential as some consumer categories are growing and experts such as Tomoyoshi Kaijura - vice-director of Pharma solution, nutrition, health for BASF - still consider Japan as the "best place to supply functional food that consumers can consume every day without feeling that they're taking a pill."

**IT industry:** The Japanese IT industry is a key driver of global economic growth. Although Japan has lost its once-dominant position in the global IT industry and is facing increasing competition from foreign firms, Japanese companies still have a significant global presence and respected reputation. Efforts are being made by Japanese IT giants and by the government to make the necessary reforms to Japan's IT sector in order to restore it to its former glory. Technological advances



have brought about a change known as the fourth industrial revolution that today is driving the digitalization. In this context, Japan has developed the initiative of Society 5.0, a super-smart society that merges the physical and digital spaces with the contribution of innovations in science and technology.

From economy to social structures, every aspect of the human society will be deeply affected by the ramping digitalization. For example, Augmented Reality will change the perception of what we see in the real world, or payment will be made outside of bank authority thanks to blockchain technology. With the introduction of all those new technologies in society, Japan is assessing the possibility provided by those developments.

The 2021 G20 Digital Ministerial Meeting emphasized this idea that digitalization is occurring in all areas, even public entities, and that the future society will be human centered but with data flow ensure by new technologies emerging around the world.

**Artificial Intelligence:** AI is an indispensable tool for business success these days. In Japan, the demand for AI in business has been growing year by year, and it is positioned as an essential technology tool for society 5.0, which is the goal of the Japanese government. The rise in research and public investment in AI over the past few years can be attributed to the tremendous potential of the AI industry. More active business cooperation between the EU and Japan is expected.

**Big Data & Blockchain:** Big data and blockchain technology will play an important role in the further economic development of Japan. With a receptive domestic market and a leading role in blockchain technology, opportunities are present in many areas. In this sense, Japanese authorities see these two pillars of digitalization as crucial for future economic growth. Big data and blockchain technology will be indispensable in creating a society in which no one is left behind and that meets the needs of citizens as formulated by the Japanese government.

**Financial Technology – Fintech:** Financial Technology, can be defined as a IT-based technology that works to move financial products and services into innovative spaces. The innovations of this technology can be seen not only in how the financial services are carried out, but also the evolution of the services themselves

**Internet of Things:** The number of lines for IoT is growing rapidly as the use of smartphones, tablets, and other devices continue to increase and Japan's ICT market is the world's third-largest market and holds a 6.4% share of the global market. The Japanese government expects that the automation of IoT could replace some of the traditional tasks in healthcare, maintenance, and asset management and therefore heavily promotes new wireless technologies for IoT, Intelligent Transportation Systems (ITS) and 5G. The shortage of workforce and the increasing sophistication of analytics tools and Artificial Intelligence (AI) infrastructure is driving the IoT market in Japan.

**Online Education:** Japan may enjoy an international reputation for innovation, but this does not extend to the educational sector at large. Digital education technology has remained a backup in Japan, which lags most of the developed world when it comes to adapting technology to meet the needs of a modern classroom.

Nowadays, facing a pandemic, the Japanese government has introduced several measures to modernize its education system for public elementary and junior high schools as well as for international students. Indeed, we can say that the use of advanced information technology enhances the potential to trigger a restructuring of the educational system 'post-corona.' Therefore, Japan's online education is a market to keep an eye on.

In addition, the e-learning language sector, especially English and Japanese, is also promising. The first is due to the economic privileges and status associations inside Japanese business and society; the second is for Japanese culture's vast popularity and attractiveness.

**Virtual/Augmented Reality:** The Virtual and Augmented Reality Industry has been expanding rapidly in recent years due to the enormous potential for business and economic growth. Japan has long been a forerunner in developing gaming hardware and software and is regarded as a global leader in VR/AR technology. Now that gaming and entertainment companies and a wide range of industries such as healthcare, retail, manufacturing and tourism have been entering the VR/AR market for its application to their businesses. JETRO estimates that the VR/AR technology spending will double in 2023 from 2018.

**Materials & Chemicals:** The materials sector is wide and diverse, as it encompasses countless other areas such as the steel industry, nanotechnology, chemistry and optical networks. Cooperation among different actors and fields in order to obtain new products and to develop the market is common. Japan invests a significant amount in materials science and has a specialised development plan for each material.

Japan's chemical industry has traditionally been regarded as an uncompetitive, weak industry. However, in the field of high value-added, functional, chemical materials (e.g. protective films for LCDs, polarisers, compound semiconductors and carbon fibres) Japanese firms have a far larger global market share than in cars and electronic goods. Japan's chemical sector therefore has the potential to become a leading global industry.

**Chemicals:** The chemical sector is the second largest manufacturing sector in Japan, incorporating a wide range of subsectors from pharmaceutical products to synthetic resin production. After having recovered from the economic stagnation provoked by the Covid-19 pandemic, the industry must now endeavour to take action in order to comply with the government's goal for carbon neutrality in 2050 as well as adapt to the current rise in raw material and fuel prices.

**Metal:** The use of metals has been expanded and perfected in the Japanese industry, which is searching for materials that allow the capabilities of the IoT and its Society 5.0 to be developed; at the same time, compliance with pollution reduction measures will make the government take new steps to protect its resources and, at the same, time trying to reduce the use of them towards a greener economy.

**Plastics & Polymers:** Japan is one of the largest producers of plastics in the world. The plastics industry takes up a significant share in the manufacturing landscape of



Japan. Japan also produces a large share of the global plastic waste. The Chinese and Southeast Asian bans on plastic waste imports have shifted Japan's strategy towards the development of environmentally sustainable alternatives to generic plastics and the renewed focus on developing high-grade materials for machinery applications. In the global polymer market, Japan is a leading rubber and carbon fibre manufacturer. Rubber is an essential material for Japan's automotive industry, used for its tyre production, one of the top products exported worldwide. Regarding carbon fibre, mainly in the lightweight market, industries such as aerospace, automotive, building and civil engineering, electronics, sports, etc. are the ones where Japan has kept its place as a world leader producer, accounting for 70% of the global production, and manufacturer in terms of quality and quantity.

**Machinery:** The machinery industry encompasses a broad variety of industrial applications for different sectors. Among the subsectors in this industry are the machine tools sector, industrial robot manufacturing, and construction machinery.

After a decline of the industry in recent years due to the impact of Covid-19 aggravated by frictions between China and the US, the Japanese market is very likely to be on a recovery path. Japan ranks among the top production and export countries in the global machinery and equipment industry, especially in the high-end machinery and equipment industry. Decrease in Japan's total workforce will continue to stir demand for advanced industrial and automated machinery in the future. The current Japanese industry generally trends toward automation, semi-conductor manufacturing machinery, processing machinery using lasers and industrial robots.

**Security & Insurance:** Article 9 of the Japanese Constitution prohibits the existence of Japanese military forces. Japan has a treaty of mutual cooperation and security with the United States, which commits the US to defending Japan. Because of an ongoing moratorium on the export of weapons abroad, Japan's defence industries are suffering under the effects of limited collaboration opportunities and limited markets for their products. However, the Japanese Government is exploring ways of opening up new markets for Japanese defence companies as well as loosening the constitutional restrictions on Japan's military.

**Cybersecurity:** Japan is one of the leading countries in the commercial application of information and communications technologies since the early 1980's, but today they are considered one of the weaker countries out of 15 global powers when it comes to cybersecurity. Japan does have some (potential) strengths in some categories, but significant weaknesses in others. In the last decade, Japan has been making efforts and now has a well-developed approach to the governance of cyberspace. The 2020s will be important for Japan as the world enters an era of the "new normal" and digital society.

**Defense Industry:** Until April 2014, Japan's export policy prevented the export of military goods to any foreign country. Similar restrictions were applied to military technology, such as that associated with the design, production, and use of arms. The security environment in Japan has become increasingly stressed as international



challenges arise. They are changing their defense strategy, and thus defense capabilities at a rapid pace. A window of opportunity presents itself in Japan's aerospace and defence industries, which could both increase the nation's security and improve Japan's economic outlook.

**Private Insurance:** Overall, private insurance is relatively small in Japan compared to other countries. Due to an aging population and a low birth rate, Japan's public health care system may have to reduce their total coverage. This in turn, could allow more market manoeuvrability for private insurers.

**Safety Equipment:** Safety equipment in areas such construction and manufacturing, firefighting, and disaster management is driving market growth in Japan. In addition, the Covid-19 outbreak has led to increasing global demand for personal protective equipment. The Ministry of Health, Labour and Welfare is making efforts to reduce occupational fatalities, injuries and are battling the pandemic to create a safer work and living space.

**Nanotechnology:** When it comes to the global market, nanotechnology has had a significant impact as an innovative and informative technology across a variety of industrial sectors, including healthcare, energy, transportation, materials, manufacturing, and consumer products. Key players focus on strategies such as product launches, innovations, and M&A to maintain themselves in fierce competition. The growth of the nanotechnology market is due to the increasing adoption of nanotechnology in medical diagnostics and image processing, as well as technological advances in nanotechnology devices.

In addition, government support, increased R&D funding, and the emergence of self-powered nanotechnology devices are expected to drive market growth.

Japan's strengths in the nanotechnology market relies mostly in the field of materials in basic and applied research. This is due to its long engagement of many years with the research of materials, bringing to light inventions like Neodymium magnets, lithiumion batteries, blue LEDs, photocatalysts, and carbon fibers. While Japan used to have global dominance in the electronics industry in the past, today the market lives through a downward trend due to the increasing global competition. However, Japan remains active in the nanotechnology field through the identification of present and future issues and challenges in a rapidly changing world.

## 5. Accessing to the local market

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**Doing business in Japan:** Exporters will need to establish and maintain a strong business relationship with local partners to succeed in Japan. Companies hoping to enter the Japanese market should visit the country frequently to cultivate contacts and to better anticipate business conditions.

Most exporters entering Japan begin by finding a local partner to serve as an agent, distributor, and/or representative. Agents and distributors are the most common partnerships used by foreign firms to gain their initial foothold in Japan. Foreign firms may also consider establishing a branch sales office.



**Franchising:** Popular franchise chains in Japan include 7-Eleven convenience stores and general merchandise stores Ito Yokado (which are both held by parent company Seven & I Holdings Co., Ltd.), fast food chains KFC and Subway, coffee shop Starbucks, DVD rental shop Tsutaya, and second hand shops Book Off and Hard Off.

**Direct Marketing:** Direct marketing in Japan includes mail order, telemarketing, direct response television and internet sales. According to the World Federation of Direct Selling Associations (WFDSA), Japan is the 5<sup>th</sup> largest direct selling market in the world, at \$15.6 billion in 2019, behind the United States, China, Korea and Germany. The largest categories are cosmetics and personal care (39%), wellness (24%), and household goods and home durables (19%). While direct selling sales in Japan have dropped slightly since 2016, the sector still counts almost 2.9 million independent representatives, more than 87% women. According to the Japan Direct Marketing Association, the most popular way of gathering product information was the internet via a computer, followed by the internet via mobile devices, and hard copy catalogs. Young people are particularly adept at gathering product information via mobile devices. Japanese direct marketers use websites optimized for both PC and mobile devices to reach consumers. U.S. exporters wishing to sell products targeting young Japanese will need to optimize their platforms for mobile access. Although ecommerce is growing rapidly, catalog shopping is also still popular in Japan. Major Japanese catalog shopping brands, which also operate online shopping sites, include Belluna, Senshukai-Belle Maison, Dinos-Cecile, Nissen, Scroll and Cataloghouse-Tsuhana Seikatsu.

**Joint Ventures/Licensing:** Foreign companies often consider joint ventures or licensing agreements when looking to enter the Japanese market. For the latest information on regulations and procedures for establishing an operation in Japan, please visit the [JETRO website](#) and consult with experienced and reputable legal and tax counsel. Licensing Agreements can cover issues such as Copyright, Know-how, Patent, Service mark, Trade secrets, and Trademarks. Business practices such as franchising, technology transfer, publication and character merchandising entirely depends on the licensing of intellectual property.

**Express Delivery:** In Japan, there are multiple options for express delivery for domestic and international shipping. Both U.S. firms FedEx and UPS operate within Japan and offer overnight shipping between Japan and the United States. Cost and delivery time will depend on the type and size of the package as well as the delivery location. Amazon Prime Japan members receive domestic overnight shipping services; however, international shipping rates can vary.

The Japanese postal system has approximately 24,000 post offices nationally, and consistently ranks among the world's finest for service and reliability. Due to Japan's compact size, most domestic packages tend to arrive using standard shipping within



1-2 days. Same-day special express delivery service starts at roughly ¥800 and is available within each of the 5 major cities in Japan. Postage fees of international shipments using Japan Postal Service are set based on size, weight, and destination and starts at roughly ¥1400.

## 6. Business Culture and Communication

**The Fundamental Principles of Business Culture:** Although it is extremely advanced in terms of technology and infrastructure, Japan has still a traditional cultural approach to business relations. Some of the distinctive characteristics of Japanese corporations are strict hierarchical structures, risk aversion and obsession for detail. The sense of belonging to a group, teamwork, and the pursuit of a consensus are also fundamental. Japanese society is strongly hierarchical: hierarchy is defined by age, position, company and social status, and it affects all aspects of corporate life, including how people are placed in a meeting or at a table, the order of speaking, the office floor in corporate headquarters, etc. Thus, a great importance is given to personal relations. The decision-making process does not follow a top-down model; it is based on consensus and co-operation instead. Therefore, decisions can be slow and have to be based on deep analysis and information. Senior management often have a supervisory rather than direct-action approach. As a result, policies are often originated at the middle-levels of a company before being passed upwards for ratification, which means employees will be usually implementing decisions to which they gave their direct contribution. Personal relationships are overwhelmingly important in order to create profitable business relations. In fact, many consider Japan to be the country in which personal relations most influence the business sector.

**First Contact:** In Japan, it is considered impolite to introduce yourself, even during a large gathering. Therefore, it is always better to be introduced by a third person. The intermediary must be chosen with care as your business contact will feel obliged to remain loyal to him. It is preferable to choose a person of the same rank as the person you want to get in touch with. If you don't have a connection, a personal call will be more effective, whereas a letter requesting an appointment might go unanswered.

**Time Management:** Punctuality is important, as it is also considered a way to show respect (or disrespect) for the attendees. Therefore, it is advisable to arrive 5 minutes early for an appointment.

Appointments are required and should be made several weeks in advance. Due to the consensus nature of decision-making in Japan, it can often be difficult to determine in advance a finish time for meetings. Hence, when planning multiple meetings on the same day it is better to leave sometime between each.

**Greetings and Titles:** Greetings in Japan are very formal and ritualised. Japanese people usually greet one another with a bow which is held for a longer or shorter time according to social rank and respect due. However, Westerners are usually greeted



with a handshake (though sometimes they may choose to bow the head slightly to adapt more to the hosting country). It is important to show the due respect and deference to someone based upon their status. While the first name is used only for friendship relationships, in business relations Japanese use the last name followed by "san".

**Gift Policy:** Gift giving is an integral aspect of Japanese business life, and it is not linked to notions of bribery and corruption. Every opportunity to give a gift should be seized. Nevertheless, do not do so at the very first contact, but wait till the end of the meeting. Gifts should not be too lavish but should always be of good quality and should be wrapped. If the gift is given in public, ranks and hierarchies must be respected. Japanese are accustomed to refuse a gift several times before accepting it and to state that it is of less importance than the relation itself. The gift will only be opened in private, in order to avoid comparison with those of other people.

**Dress Code:** Appearance is vitally important in Japan and people are often judged on their looks and the way they are dressed. Traditionally, the Japanese dress code is formal: dark suit, white shirt, dark tie. Nevertheless, foreign businessmen may dress as they usually do in their home country. It is often the custom to take off one's shoes (at home, at a restaurant, etc.). Therefore, it is necessary to have clean, conservative style socks. For women, business dress should be restrained and formal. As the weather in the country is very varied through the seasons, it is important to be prepared for the specific climate conditions one will find in the period of the visit.

**Business cards:** It is important, when doing business in Japan, to have a plentiful supply of business cards – with information printed on the back in Japanese. Cards are presented at an early stage in a formal manner. Present and receive the card with two hands, with the Japanese side up. Make sure your business card includes your title. Japanese believe that one should treat the business card they receive as they would the person, hence treat your Japanese contacts' card with respect: examine any business card you receive very carefully, do not write on it or leave it behind. During a meeting place the cards carefully in front of you, with the senior persons' cards on top.

**Meetings Management:** The initial part of meetings often consists of long, polite conversation on non business-related topics. This initial getting-to-know time is crucial to laying the foundation for a successful business relationship. It may take several meetings for Japanese to become comfortable with their counterparts and be able to conduct business with them.

Since Japan is a group society, be prepared for a group meeting. The most senior Japanese person will be seated furthest from the door, with the rest of the people in descending rank (junior persons are seated closest to the door). English could sometimes be hard to understand completely, so it can be good to have an interpreter to make sure the messages are conveyed properly. Factual data and statistics are always well received. Always provide a package of literature about your company including articles and client testimonials. Never refuse a request, no matter

how difficult or out-of-topic it may appear, and consider that if you respond quickly and exhaustively, you prove your ability and trustworthiness. The concept of “wa”, which can be described by the English word harmony, is an integral part of the Japanese approach to meetings: individuals will not express strong opinions or go directly against a proposal.

In any case, the language and communication style have to be clear and precise. In Japanese culture, what one publicly states (“tatemae”) and what one really thinks (“honne”) are often different and can even be contradictory, hence it is recommendable to check back several times for clarification of anything that remains unclear. Sometimes Japanese can entrust you with a small amount of business to see if you are worth their trust. Humour should be avoided during serious business meetings. Patience is essential. During a meeting, the Japanese will often resort to silence, especially in case of stress or tension. Japanese body language is minimal, with people sitting in a formal upright posture. It is rare for any reaction or emotion to be visible. Staring into another person's eyes is considered disrespectful, in particular in case of elder people or senior managers.

Business meals are a crucial part of the business culture in Japan. Therefore when invited out for lunch or dinner, it is important to accept. The person who invites will pay the bill and offering to pay when invited can be seen as impolite. If using chopsticks, never point them at anybody and do not leave them sticking into your plate. It is considered polite to leave some food on your plate at the end of the meal to show that the food that was provided is enough. When taken to a traditional Japanese restaurant, it is customary to remove your shoes when entering. It is not likely to be invited to someone's house, as it would show a very high level of intimacy.

## 7. Useful contacts

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### **Embassy in Tokyo**

Address : 3-16-30 Nishi-Azabu, Minato-Ku Tokyo 106-0031

Tel. : (00813) 34030871-2

Fax : (00813) 34024642

E-mail : [gremb.tok@mfa.gr](mailto:gremb.tok@mfa.gr)

Web Site : [www.mfa.gr/tokyo](http://www.mfa.gr/tokyo)

Head of Mission : Dimitrios Caramitsos- Tziras

### **Consular Office in Tokyo**

Address : 3-16-30 Nishi-Azabu, Minato-Ku Tokyo 106-0031

Tel. : (00813) 34030871-2

Fax : (00813) 34024642

Emergency Tel. : (0081) 070-1568-9375

E-mail : [grcon.tok@mfa.gr](mailto:grcon.tok@mfa.gr)

Web Site : [www.mfa.gr/tokyo](http://www.mfa.gr/tokyo)

Head of Consular Office: Mr. Kyriakos Akpapas

### **Commercial Office in Tokyo**

Address : 3-16-30 Nishi-Azabu, Minato-Ku Tokyo 106-0031

Tel. : (00813)34045853, 34041195

Fax : (00813) 34045845

E-mail : [ecocom-tokyo@mfa.gr](mailto:ecocom-tokyo@mfa.gr)

Web Site: <http://www.agora.mfa.gr/en/offices-of-economic-and-commercial-affairs>

Head Of Commercial Office: Mr. Athanasios Karapetsas

### **Mercantile Marine Office in Japan**

Address : 3-16-30 Nishi-Azabu, Minato-Ku Tokyo 106-0031

Tel. : (00813) 34089635

Fax : (00813) 34089872

E-mail : [hma.tokyo@hcg.gr](mailto:hma.tokyo@hcg.gr)

Head of the Mercantile Office: Commander HCG Georgios Katsoulis

### **Honorary Consulate General in Ashiya**

Address : Daiichi Kogyo Building, 1-3 Nangu-Cho, Ashiya City, Hyogo Pref., Japan 659-0024

Tel. : (0081797) 233206

Fax : (0081797) 233205

## 8. Sources

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- European Commission
- Euromonitor International

- IMF
- OECD
- The World Bank Group
- TradingEconomics
- UNCTAD
- U.S. Department of Commerce, International Trade Administration
- World Economic Forum

#### Financial Institutions

- Eurobank: Export Gate

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