



JAPAN

Cyber Security Market



WHY JAPAN?

- \$58 billion defense budget 'fifth largest in the world and second largest in Asia'
- Cyber security threat from China, N Korea
- Upcoming expend of \$122 billion on infrastructure
- Niche market for cyber security; demand for innovative, environmentally friendly, low cost products or services

Strengths

- Strong political and defense relationship with the US
- Open market access
- Member of WTO's Government Procurement Agreement

Weaknesses

- Regulatory burdens
- Major cultural, language differences
- Need for agents or partners

Opportunities

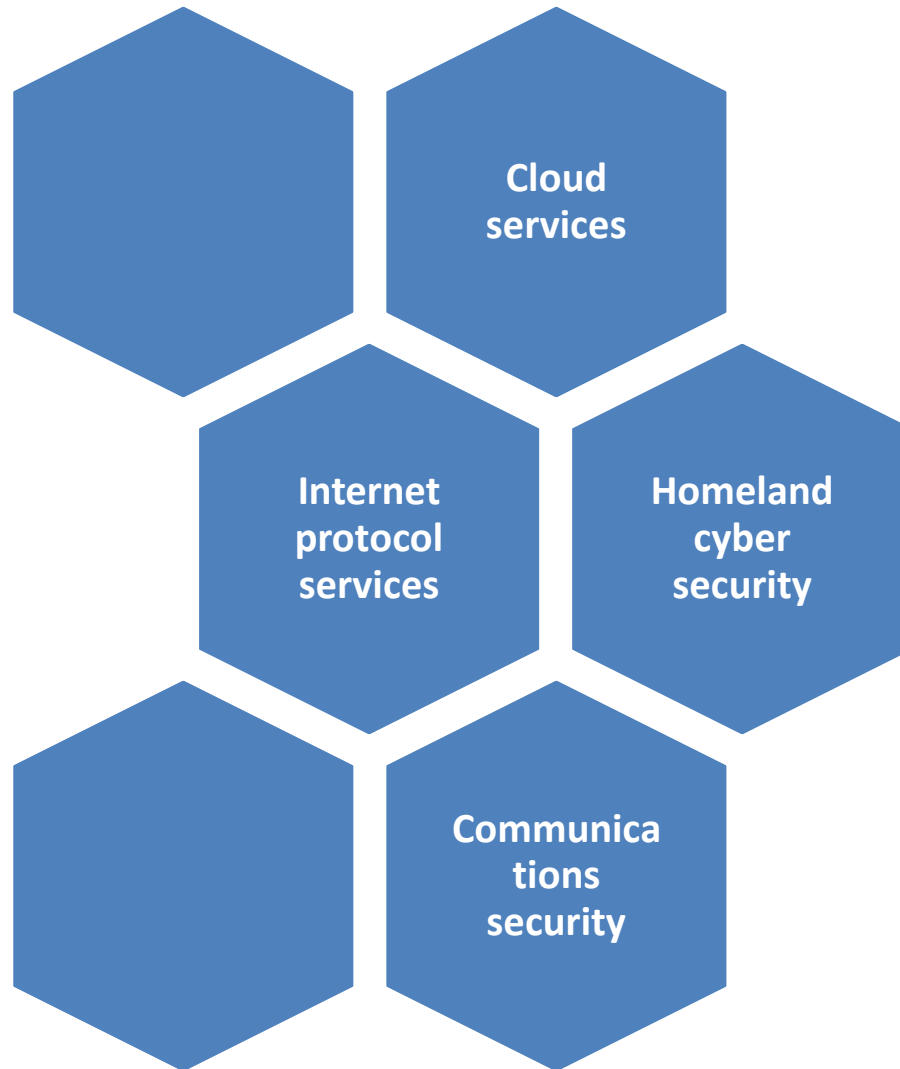
- Niche market with demand for innovative, environmentally friendly products
- Cloud computing, Internet protocol systems, cyber security software
- Private sector opportunities

Threats

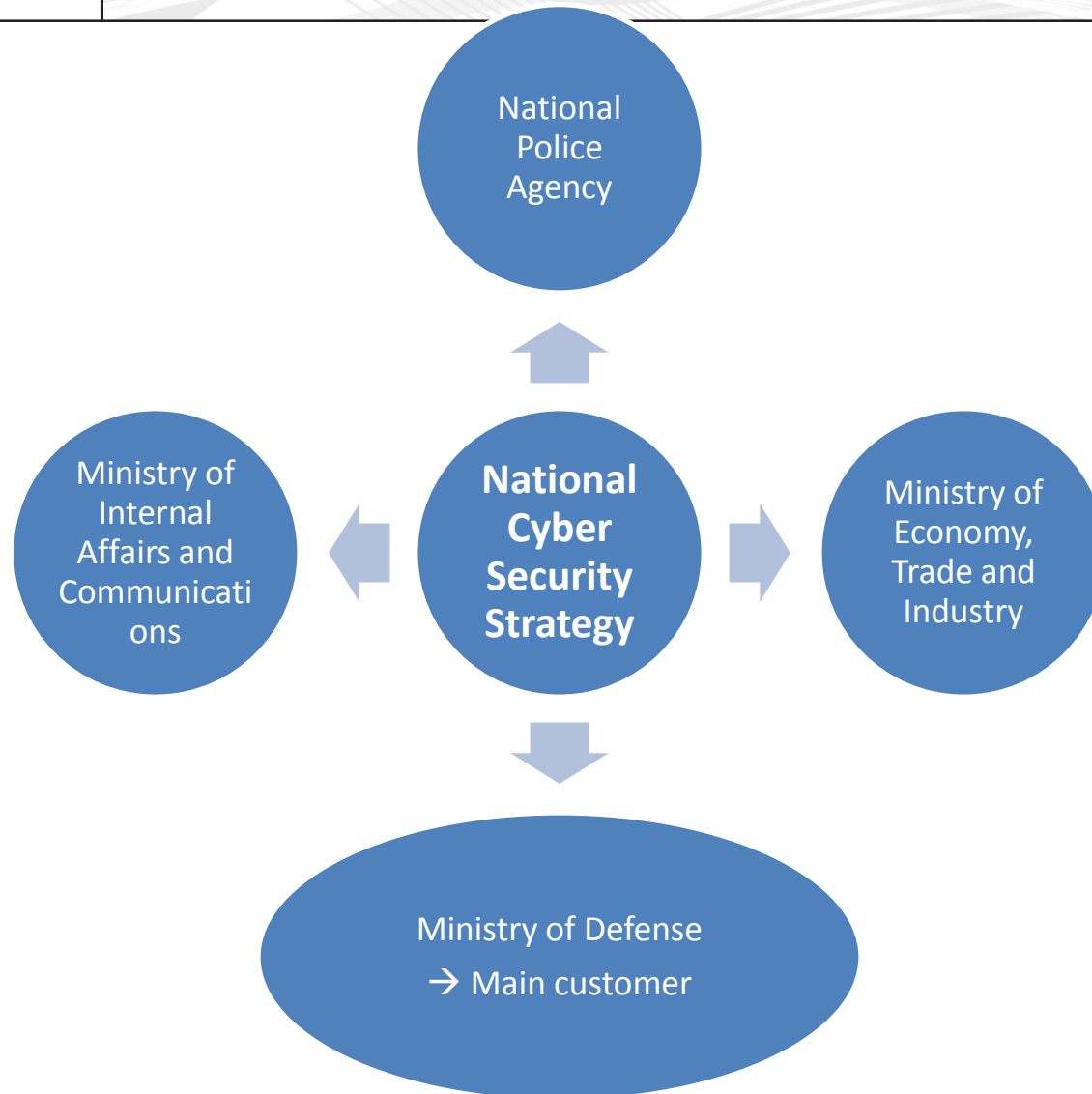
- Significant competition from other domestic and foreign companies
- Close relationships between domestic business and government

- Demand for cyber security
 - Cloud services market which was worth around \$4.5 billion in 2010 to grow to \$28 billion by 2015
 - Recent change to digital technology in broadcasting
 - Market for broadly defined security products and services worth \$6.3 billion; expected to grow at 3% a year

MARKET OPPORTUNITIES



CYBER SECURITY STRATEGY



- Strong, dependent defense relationship with US
- Collaboration with US on cyber security
- Party to [World Trade Organization's Government Procurement Agreement \(GPA\)](#).
- In negotiations for Trans-Pacific Partnership trade pact