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Japan

Export Opportunities in Japan

In 2016, Japan ranked 4th among U.S. export destinations and 9th among Virginia export destinations. Some of the top opportunities for U.S. exporters in Japan include:

- » Aircrafts
- » Cloud Computing
- » Healthcare IT
- » Pharmaceuticals
- » Renewable Energy
- » Safety and Security
- » Smart Grid
- » Education and Training

Map of Japan



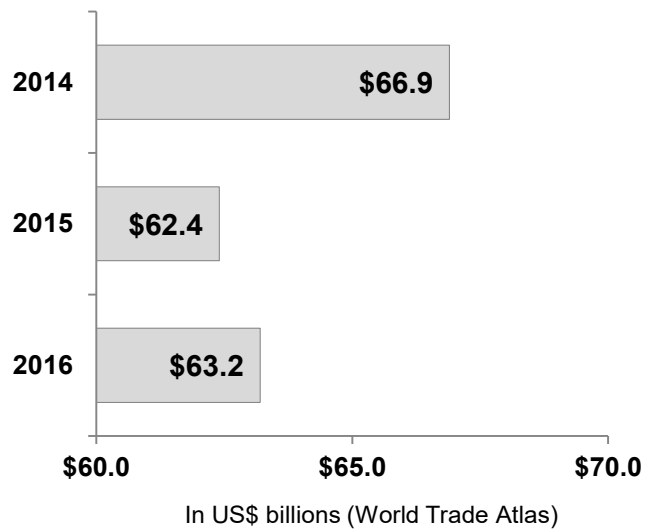
(U.S. Central Intelligence Agency)

Top Virginia Exports to Japan

Export Category	2016 Value	Change 2016/2015
All Commodity Chapters	\$ 458.3	-21%
Plastics	\$ 92.4	-3%
Paper & Paperboard	\$ 45.3	13%
Industrial Machinery	\$ 36.1	1%
Electrical Machinery	\$ 35.1	12%
Misc. Chemical Products	\$ 33.7	25%
Wadding, Felt, Nonwovens	\$ 27.6	-8%
Fibers And Fabrics	\$ 25.6	9%
Meat	\$ 25.2	-83%
Medical Instruments	\$ 15.9	-8%
Pharmaceuticals	\$ 14.7	-14%

In US\$ millions (World Trade Atlas)

U.S. Exports to Japan



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Opportunities in Japan for Exporters

Aircraft

Japan continues to offer a lucrative market for imported aircrafts, aircraft parts, and engines. U.S. firms have an overwhelming presence in the market due to long-standing relationships, some spanning over 50 years, with domestic manufacturers and trading firms. Top prospects for U.S. aircraft exporters in Japan include:

- » Commercial aircraft
- » Aircraft engines
- » Helicopters
- » Aircraft parts
- » Avionics

Pharmaceuticals

Japan continues to be one of the largest pharmaceuticals market in the world, despite the more challenging business landscape due to demographics. More than 90% of the total market consists of prescription pharmaceuticals. Imports of foreign pharmaceuticals accounted for about 31% of the total Japanese market in 2013.

Japan's total imports of U.S. pharmaceuticals totaled \$7.3 billion in 2013, a 6% market share. A New Premium pricing system has led foreign pharmaceutical companies to bring their pipelines to Japan faster. Top prospects include:

- » Therapeutics (anti-tumor agents, biologics)
- » Vaccines
- » Generics

This information is adapted from the U.S. Commercial Service. [Click here for more export opportunities.](#)

Safety and Security

With the planned 2020 Tokyo Olympic Games, investment in new technologies for security equipment and disaster prevention management will be a main driving force for the physical security market. Japan aims to double the size of its information security market by 2020. The best prospects for U.S. exporters in Japan include:

- » Government procurement & anti-terrorism
- » Airport security
- » Surveillance (video analytics applications)
- » Replacements/upgrades of existing systems
- » Cloud computing
- » Security to combat cybercrime, cyber terrorism, and identity theft

Renewable Energy

Today, Japan is one of the world's largest renewable energy markets with significant growth projected well into the future. With few domestic resources, Japan has historically relied on imported fossil fuels for about 80% of its energy, with nuclear power supplying most of the rest until the 2011 earthquake and tsunami. The Government calls for Japan to surpass its previous target of 13.5 percent power generation from renewable sources by 2020 and 20 percent by 2030. The best prospects for U.S. exports include:

- » Solar Energy (residential / non-residential)
- » Wind
- » Hydroelectric

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Economic Overview

Over the past 70 years, government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (1% of GDP) have helped Japan develop an advanced economy. Two notable characteristics of the post-WWII economy were the close interlocking structures of manufacturers, supplies, and distributors, and the guarantee of lifetime employment for a substantial part of the urban labor force.

Scarce in many natural resources, Japan has long been dependent on imported raw materials. For three decades, overall real economic growth has been impressive - a 10% average in the 1960s, 5% in the 1970s, and 4% in the 1980s.

Measured on a purchasing power parity (PPP) basis that adjusts for price differences, Japan (in 2015) stood as the fourth-largest economy in the world.

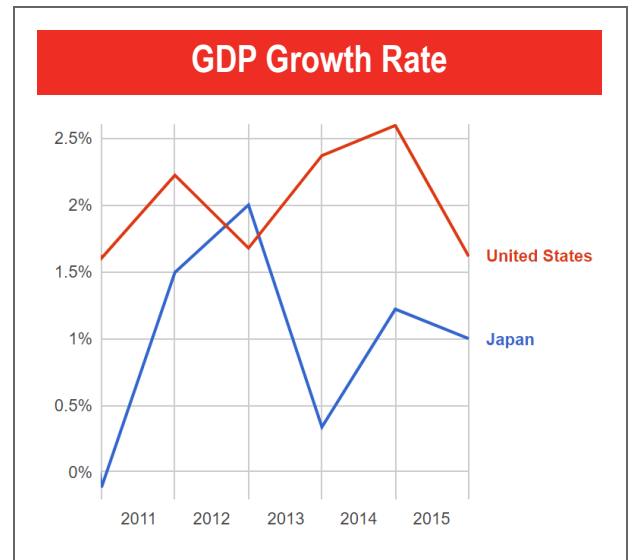
Led by the Bank of Japan's aggressive monetary easing, Japan is making progress in ending deflation

(U.S. Central Intelligence Agency)

Cultural Guide

- » Since this is a group society, even if you think you will be meeting one person, 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 until the most junior person is seated closest to the door.
- » You may be awarded a small amount of business as a trial to see if you meet your commitments. If you respond quickly and with excellent service, you will prove your ability and trustworthiness. Never refuse a request, no matter how difficult or non-profitable it appears. They are looking for a long-term relationship.
- » Always give a small gift, as a token of your esteem, and present it to the most senior person at the end of the meeting. Your Japanese contact can advise you on where to find something appropriate.
- » Invest in quality business cards and keep them in pristine condition. Give your business card with the Japanese side facing the recipient. Make sure your business card includes your title, so your Japanese colleagues know your status within your organization. Business cards are given and received with two hands and a slight bow. During a meeting, place the business cards on the table in front of you in the order people are seated. When the meeting is over, put the business cards in a business card case or a portfolio.

(Kwintessential)



Provide a package of literature about your company including articles and client testimonials.

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Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

Additional Resources: Market Reports

[Japan Country Commercial Guide](#)

[Ease of Doing Business Report](#)

[Doing Business in Japan](#)

U.S. Commercial Service

World Bank

United Kingdom Trade & Investment

Online Resources

[Japan Overview](#)

[American Chamber of Commerce - Japan](#)

[U.S. Embassy - Japan](#)

[Japan Times Newspaper](#)

[Kwintessential Culture Guide to Japan](#)

Global Edge - Michigan State University

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