

# Japan

## Opportunities in Japan

Japan is Virginia's 8th largest export destination. The top opportunities for U.S. exporters in Japan include:

- Electronic Components
- Computer Software
- Safety & Security
- Telecommunications
- Education & Corporate Training
- Cosmetics
- Travel & Tourism
- Medical Equipment
- Pharmaceuticals
- Renewable Energy
- Engineering Services

For further information, download the Japan Commercial Guide in our [Salesforce Content Pack](#).

## Map of Japan



(Source: CIA)

## Total U.S. Exports to Japan



## Top Virginia Exports to Japan

Export Category	2011	Change 10/11
Total Exports	\$ 487.7	-3%
Plastics	\$ 95.5	-18%
Electrical Machinery	\$ 42.6	-8%
Paper & Paperboard	\$ 38.0	-36%
Nonwovens & Special Yarns	\$ 34.2	34%
Manmade Staple Fibers	\$ 31.6	20%
Mechanical Machinery	\$ 30.6	27%
Organic Chemicals	\$ 29.5	38%
Medical Instruments & Optical	\$ 25.5	25%
Mineral Fuels	\$ 24.9	1915%
Misc. Chemical Products	\$ 24.3	13%

US\$ millions (World Trade Atlas)

## Opportunities in Japan for Exporters

### Healthcare Information Technology

The adoption of electronic medical records is a major healthcare priority for the Japanese. The Japanese government formed a medical IT task force to discuss the advancement of the technology in the industry. The focus areas include implementation of a nationwide medical records database, seamless regional medical cooperation, reimbursement utilization, and information databases for drug safety. The U.S. online and mobile healthcare technologies companies should enjoy success in the Japanese healthcare sector.

Top opportunities for U.S. exporters include:

- IT security
- Mobile applications
- Data integration solutions

### Education & Corporate Training

In 2010, several high-profile Japanese companies declared English as their official corporate language. There is a market for U.S. programs if they are unique, have a strong track record, and have been customized for the Japanese market. As a result, U.S. firms wanting to succeed in Japan must have high-quality materials and content. Large Japanese firms are hesitant to purchase from overseas suppliers, and U.S. companies may wish to consider partnering with consulting and placement firms located in Japan.

Top opportunities for U.S. exporters include:

- IT & computer certificate tests
- Educational software technology
- Short-term, adult-oriented programs

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

### Aerospace

Japan continues to be a lucrative market for imported aircraft and aircraft parts, including aircraft engines. Also, Japanese manufacturers in the space industry are hoping to achieve commercial success in coming years. Japanese companies are seeking to expand their space industry business and need imported goods to complement their own technologies. Though Japan's economy has been heavily impacted by the global economic slowdown, aerospace demand is projected to increase over the long run.

Top Opportunities for U.S. exporters include:

- Commercial aircraft engines and parts
- Helicopter parts and supplies
- Avionics technology and equipment

### Renewable Energy Technology

Renewable energy technologies are expected to be a high growth industry in Japan over the next several years. As Japanese power companies promote smart grid technology, demand is expected to grow for technologies that can stabilize the distribution network when a large amount of solar electricity is introduced into the grid. These developments, will create opportunities for U.S. firms offering innovative and problem-solving technologies.

Top Opportunities for U.S. exporters include:

- Related components of photovoltaic production
- Consulting for complex industry problems
- Solar cells and inverters
- Smart grid technology

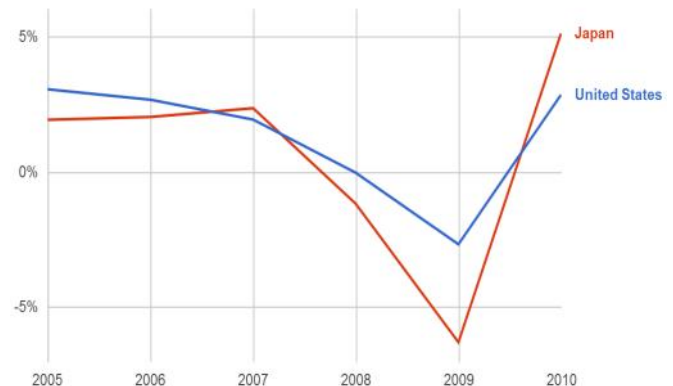
## Economic Overview

Japan's is the third-largest economy in the world. Japan is highly efficient and competitive in areas linked to international trade, but productivity is far lower in protected areas such as agriculture, distribution, and services. Its reservoir of industrial leadership and technicians, well-educated and industrious work force, high savings and investment rates, and intensive promotion of industrial development and foreign trade produced a mature industrial economy. Japan has few natural resources, and trade helps earn the foreign exchange needed to purchase raw materials for its economy.

The 9.0-magnitude earthquake and ensuing tsunami on March 11, 2011, devastated the country and the economy. In order to ensure stability, the Bank of Japan injected more than \$325 billion in yen into the economy. Estimates of the direct costs of the damage--rebuilding homes and factories--range from \$235 billion to \$310 billion. In August 2011, Japanese government plans called for massive spending on reconstruction efforts in disaster-affected areas to stimulate economic growth.

(Source: GlobalEdge - Michigan State University)

GDP Growth Rate



## Cultural Guide

- Perceived indifference to local business practices and social etiquette may be interpreted as a lack of commitment on the part of the exporter, and may lead to misunderstandings and a loss of business.
- Gift giving is expected on many business occasions in Japan. The packaging of the gift is as important as the gift itself and should be done professionally.
- Do not be alarmed if you have given a gift and not received one, and do not open the gift until you've left the meeting.
- In Japan, sets of four are considered unlucky because the number four is pronounced the same as the word for death. Gifts that can be shared among a group are appropriate.
- Recognizing that it takes a longer time to cultivate business relationships in Japan than in the United States, U.S. business executives should not expect to make a deal in just a few days. Consistent follow-up is vital.
- Bring a large supply of business cards (with job title) and printing bilingual cards is a nice touch.
- Despite the high costs, bringing an interpreter shows that a visiting firm is serious about the Japanese market.
- Do not be afraid of silences. It is a common flaw when in the Far East to feel that silences have to be filled.
- Personal posture is important. Sit straight in chairs at meetings even if they are armchairs. Do not slump, don't cross your legs and maintain a fairly formal style. Don't blow your nose noisily. Don't drink tea offered to you before your host has invited you to do so. Shake hands at the beginning and at the end of meetings.

To build a relationship with a Japanese client, U.S. companies should emphasize confidence, trust, loyalty and a commitment to the long-term

(Sources: United Kingdom Trade & Investment, U.S. Commercial Service)

# Japan



Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including group market visits 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: [www.exportvirginia.org](http://www.exportvirginia.org).

## Additional Resources

### Market Reports

[Japan Country Commercial Guide](#)

[Doing Business in Japan](#)

[Ease of Doing Business Report](#)

[Sector Opportunities in Japan](#)

[Profiled Industries in Japan](#)

[Japan Country Overview](#)

U.S. Commercial Service

United Kingdom Trade & Investment

World Bank

United Kingdom Trade & Investment

Australia Government - Austrade

GlobalEdge - Michigan State University

### Website Links

[Japan External Trade Organization](#)

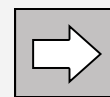
[Japan Times News Paper](#)

[Japan Today News Paper](#)

[Ministry of Economy, Trade and Industry](#)

[Visit Japan](#)

Click here to access market reports and data in our custom Salesforce Content Pack for Japan.



**Last Revised: February 17, 2012**

*Information provided by VEDP Fast Facts is intended as advice and guidance only. The information is in no way exhaustive and the VEDP is not a licensed broker, banker, shipper or customs agency. VEDP shall not be liable for any damages or costs of any type arising out of, or in any way connected with the use of, these Fast Facts.*