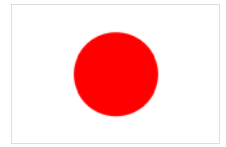


FAST FACTS



JAPAN

Capital: Tokyo

Population:

Japan: 127.07 million

Virginia: 7.77 million

Government Type: Constitutional Monarchy

Chief of State: Emperor Akihito

Head of Government:

Prime Minister Taro Aso

Language (Official): Japanese

Land Size:

145,883 square miles

(Slightly smaller than California)

Currency: (www.oanda.com)

Japanese Yen (¥)

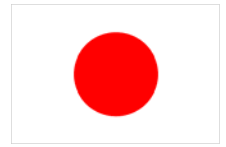
1US\$ = 96.73 Yen (April 2009)



(Japan Map. CIA)

Did You Know?

- U.S. exports to Japan increased 6.18% in 2008 and were valued at more than \$66 billion. Japan consistently ranks among the United States' top five export markets, and is the second largest foreign investor in the U.S.
- The United States' top export to Japan in 2008 was industrial machinery, led by gas turbines, machines for the manufacture of semiconductors, computer components, and centrifuges. (World Trade Atlas)
- Japan is the world's third largest economy, with economic output (GDP) valued at approximately \$4.5 trillion in 2008.
- China is Japan's largest source of imports, while the United States is Japan's largest export market. (CIA)
- Japan is at the forefront of the world's most cutting-edge technologies. The maglev (magnetic levitating) train, developed by Japan Railways Group, can attain speeds of 360mph.
- Japan has had six Prime Ministers since the year 2000. The party of the current Prime Minister –the Liberal Democratic party– has dominated politics in Japan since the 1950s. (Wikipedia)
- When exchanging business cards in Japan, make sure to accept the other person's business card with both hands, study the card briefly, then file it away in a special place (i.e. not in a stack of other business cards, for example).



JAPAN

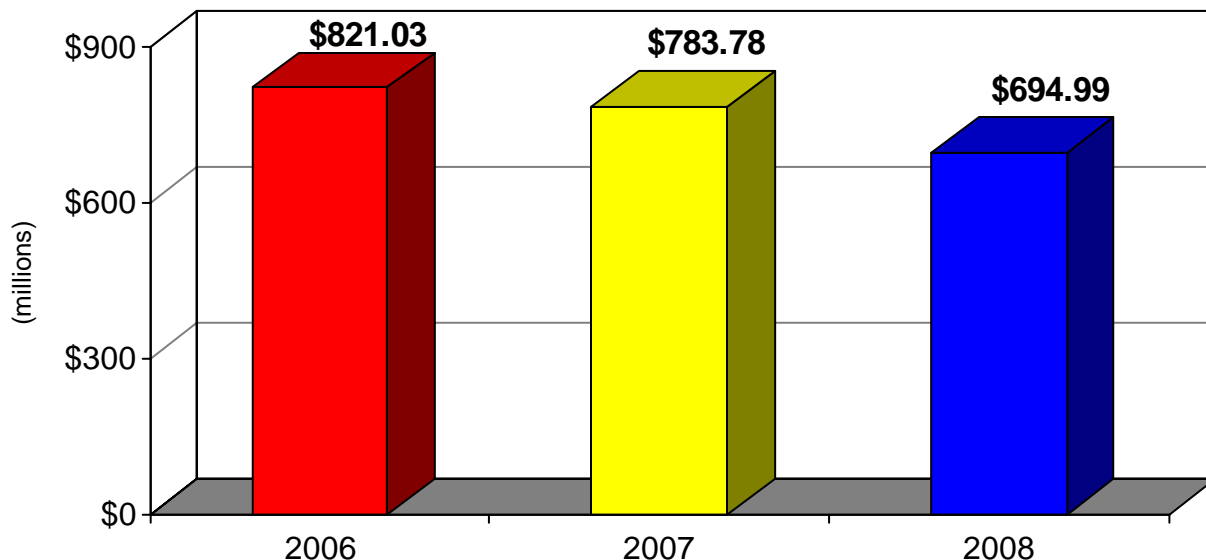
ECONOMIC OUTLOOK

Japan's economy is heavily dependant on exports for growth. Since Japan must import so much of its commodities and raw materials, exports are crucial to sustaining a trade balance. Until the end of Japan's fiscal year in March of this year, the country had posted consecutive trade surpluses for twenty-eight straight years. As a consequence of Japan's reliance on its export sector, the collapse in global demand resulting from the current financial crisis has hit Japan particularly hard, throwing the country into its worst recession since World War II. (Wall Street Journal)

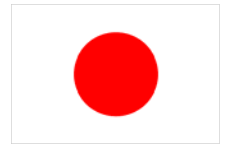
Japan's economy can be characterized by a cooperation between government and industry, a strong work ethic, mastery of high technology, and a comparatively small defense budget (1% of GDP). Manufacturers, suppliers, and distributors have worked together in closely-knit groups called *keiretsu*. Historically, there has been a guarantee of lifetime employment for a substantial portion of the urban labor force, but this benefit is quickly disappearing. Japan's tiny agricultural sector is highly subsidized and protected, particularly rice production. Japan maintains one of the world's largest fishing fleets and accounts for nearly 15% of the global catch.

Japan's huge government debt (182% of GDP) and the aging of the population are two major long term economic challenges. In the short to medium term, the country's fortunes hinge on global demand rebounding, which will in turn reinvigorate Japan's export-oriented manufacturing base. (CIA)

VIRGINIA EXPORTS TO JAPAN



(Source for Graph: World Trade Atlas)



JAPAN

VIRGINIA EXPORTS TO JAPAN

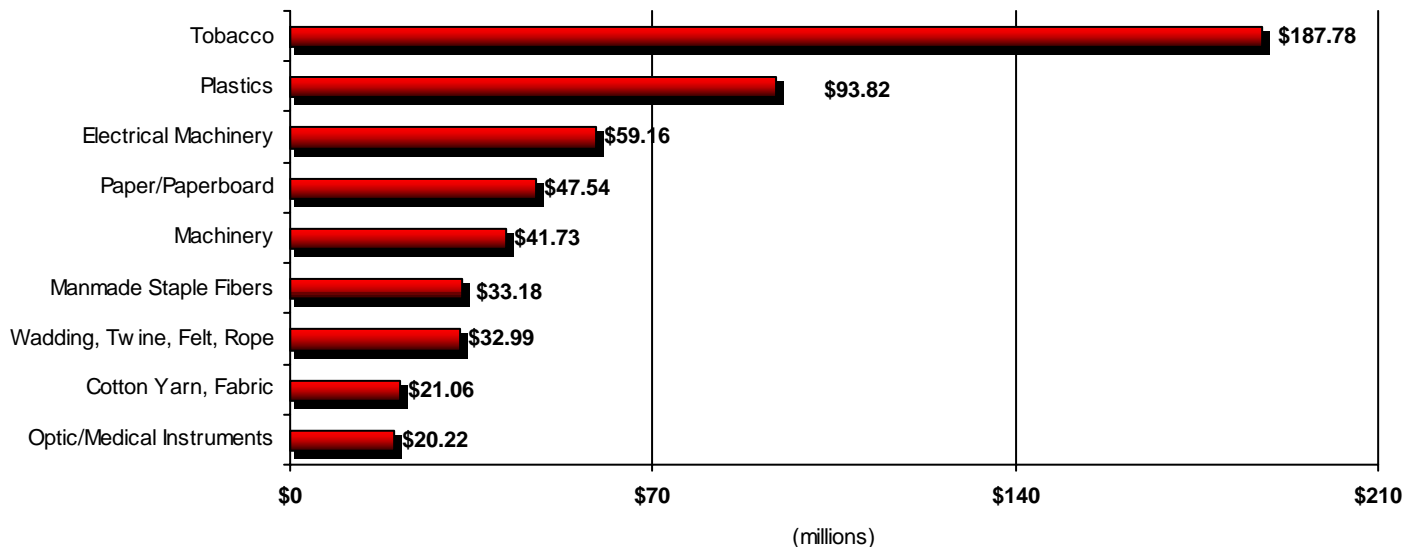
Japan has been a top ten market for Virginia exports for many years. Over the last decade, tobacco has consistently been the top U.S. export via Virginia to Japan, peaking at over \$1 billion in sales in the year 2000. In 2008, Japan ranked as Virginia's eighth largest export destination, with merchandise sales of over \$690 million.

Plastics continue to be a strong export to Japan, especially polyamides in primary form, cellulose, plastic containers, and plastic plates/sheets/film. Electrical machinery exports consisted of telephony apparatus; tubes (thermionic, cathode, and photocathode); integrated circuits; and switches. 2008 exports of industrial machinery included machinery for working rubber and plastic; computer components; engine parts; and temperature-changing machinery.

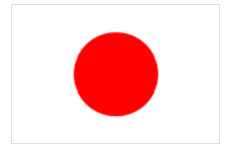
Virginia's fastest growing export commodity groups to Japan in 2008 included pharmaceutical products (antibiotics and other medicaments), perfumery/cosmetics (skin preparations and perfume), and manmade staple fibers (synthetic filament tow and synthetic staple fibers).

Coal exports from Virginia to Japan continue to plunge, falling from almost \$7 million in 2006 to barely \$500,000 in 2008.

VIRGINIA'S TOP EXPORTS TO JAPAN - 2008



(Source for Text and Graph: World Trade Atlas)



JAPAN

VEDP TRADE EVENTS

Trade Mission to Japan: September 14-18, 2009.

For more information contact Knox Hubard, Senior International Trade Manager, (804) 545-5758, or email at KnoxHubard@yesvirginia.org.

For a complete listing of VEDP's international trade events, please visit the "Events" tab on our website: www.ExportVirginia.org

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ADDITIONAL RESOURCES

American Chamber of Commerce in Japan: <http://www.accj.or.jp>

Japan External Trade Organization: <http://www.jetro.go.jp>

METI—Ministry of Economy, Trade & Industry: <http://www.meti.go.jp/english/index.html>

Japan Ministry of Foreign Affairs: <http://www.mofa.go.jp>

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Publication Date: May 2009

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