



DOING BUSINESS IN JAPAN

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Market profile

Japan is a member of **G7**, **APEC** and **ASEAN Plus Three** and Japan has **EPA** agreement with **EU**.

Economy and business structure

Japan is the fourth largest national economy in the world (2023 GDP: 4.2106 trillion USD).

Japan's domestic market, particularly service business sector is big but in fact, the national economy is very much depending on export businesses. Japanese big trading houses can offer good partnership possibilities to the domestic market and to third countries in the Pacific area or globally thru their global business networks.

Key industries and their trends

Japan's main exports are motor vehicles, machinery iron and steel products, electronics and ICT/IT and Japan imports mainly machinery products and equipment, fossil fuels, food, chemicals and raw material for its industries.

Digitalization of the society is one of the key topics in Japan. This development is heavily pushed both by the government and local governments and this will offer many new business opportunities for years to come for private sector companies. Impacts of the digitalization will reach most of the business sectors including service sectors health and wellbeing, manufacturing logistics etc.

Other big trends in Japan are green transition and bio & circular economies. The CO2 neutrality target has been set to year 2050 but one has to remember that today Japan produces about 85% of all its energy by fossils and around 11% by nuclear and there is a big political pressure not to increase nuclear power production. This will offer room for all innovative renewable energy sources, energy saving innovations, hydrogen and ammonia solutions etc.

Japan is the second biggest consumer per capita of single use plastics and the target is to reduce the consumption of plastics dramatically and fast. This offers good opportunities for many types of bio based new materials in e.g. in packaging industry. Japanese consumer market is big and very competitive. In order to succeed in this market one needs reliable local partners (B2B) or huge marketing budget to access the

FACTS

- Finland's export to Japan in 2023 was 1,7 billion EUR (71% goods, 29% services)
- Import from Japan to Finland in 2022 was 381 million EUR
- Capital: Tokyo
- Official language: Japanese
- Area: 378,000 sq km
- Population: 124.3 million

B2C market channels. Finland has a very positive country image in Japan and it may help in getting the attention and finding right kind of partners.

Important things to consider when doing business in Japan

- “Finland” as a brand is extremely strong in Japan – use it without any hesitation!
- Finland and Japan have already high-level research co-operation ongoing, and more is coming!
- Japan alone can be a great market for you, but Japanese companies might become a great partner for you also a third market in Asia - Pacific!
- Japan is moving forward rapidly in digitalization and is willing to learn from Finland!
- When starting business in Japan, be patient but active. Japanese decision making is not the fastest process in the world but when the decision is made, it holds!
- For success you need a reliable partner in Japan or strong and permanent own local presence in Japan

Market data sources and other useful links

Statistical Handbook of Japan <https://www.stat.go.jp/english/data/handbook/index.html>

MOFA Diplomatic Bluebook 2023 [2023 all.pdf \(mofa.go.jp\)](https://www.mofa.go.jp/public/affair/2023/2023_all.pdf)

Japan National Tourism Organization, yleistä matkustus- yms. Informaatiota Japanista
<https://www.japan.travel/en/uk/>

JETRO: Japanese Trade and Investment Statistics <https://www.jetro.go.jp/en/reports/statistics.html>

Statistics Bureau of Japan <https://www.stat.go.jp/english/index.html>