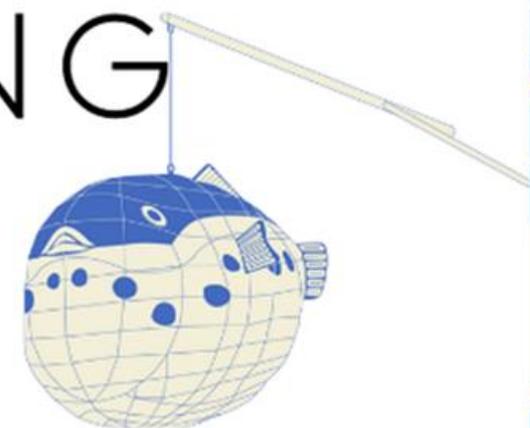


WORLD EXPO
2025
OSAKA

KANSAI, JAPAN
PROGRAMME

TRADING
WITH
JAPAN





Trading with Japan Webinar

Hosts Introduction

Anne White

Head of International Trade

Thames Valley Chamber of Commerce





Guest Speaker

Richard Lyle

Vice President & Deputy Managing Director, Intralink Japan

President, British Chamber of Commerce in Japan



Trading with Japan

Webinar

25 Sep 2024



Overview of webinar

This webinar will provide attendees with:

- A brief overview on trading with Japan
- Opportunities open to UK Business
- A UK traders perspective
- Information on Expo 2025, Osaka



Introduction

International Trade professional & specialist in Japan

- MSc Imperial College in Environmental Technology (1990-91)
- 32 years in Japan, mostly in international trade
- Worked at MHI, British Government & Intralink
- At Intralink involved in energy, industrial & sustainability-related projects
- President of the British Chamber of Commerce in Japan
- Love the outdoors



The UK-Japan Relationship

UK has a long history with Japan

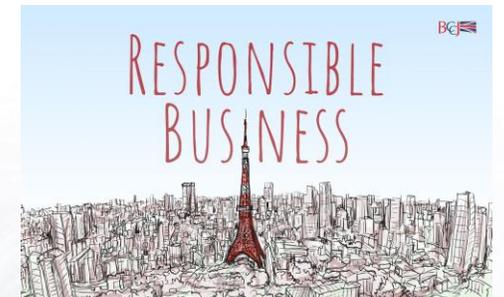
- William Adams arrived in 1600 & establishment of first “trading house”
- Trade in goods & services total GBP 28bn (14bn each way)
- FTA signed in 2020 & CPTPP 2023
- Some other recent agreements:
 - Hiroshima Accord
 - UK-Japan Digital Partnership
 - GCAP future fighter jet programme



Overview of the BCCJ

Established in 1948 (76 years)

- Membership-driven organisation focused on the UK-Japan commercial relationship
- 220 corporate members & 100 individuals
 - Overall membership 1,000+ people
- 40+ sectors represented - large corporates through to small SMEs/Entrepreneurs
- Special projects focused on helping businesses tackle key issues
- Help & support to members, networking & events, access to government etc



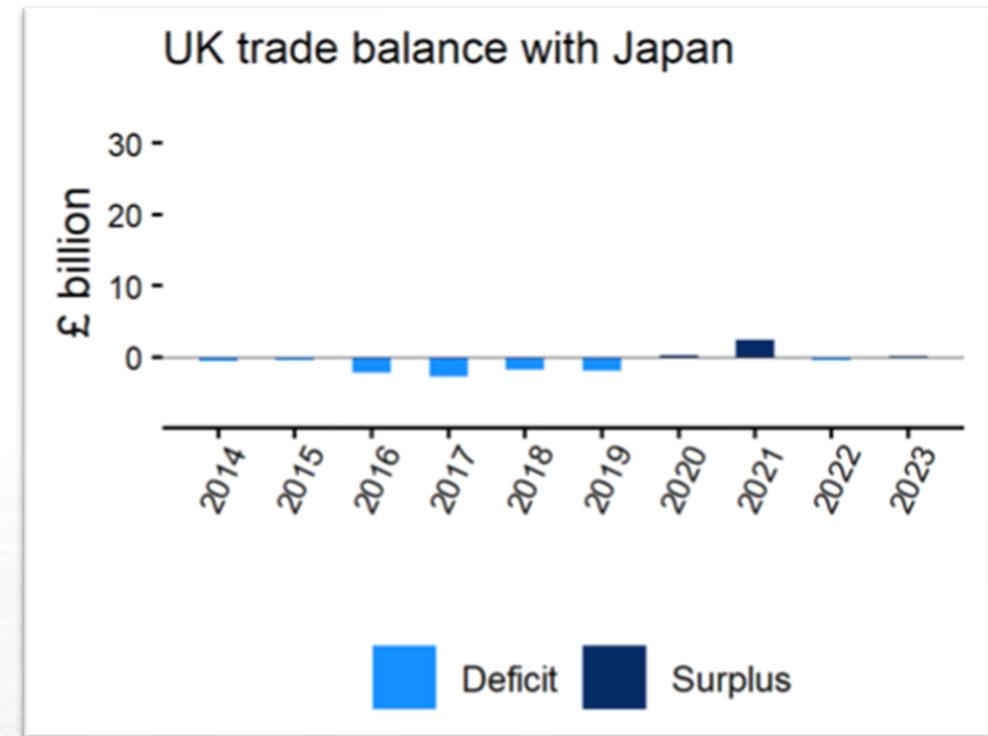
Overview Of UK-Japan Trade Relationship

The total trade in goods and services between the UK and Japan was GBP 27.6bn in 2023

- Of all UK exports to Japan:
 - GBP 6.4bn (46.2%) were goods
 - GBP 7.4bn (53.8%) were services

In the four quarters to the end of Q4 2023, Japan was the UK's:

- 14th largest trading partner
- 17th largest export market



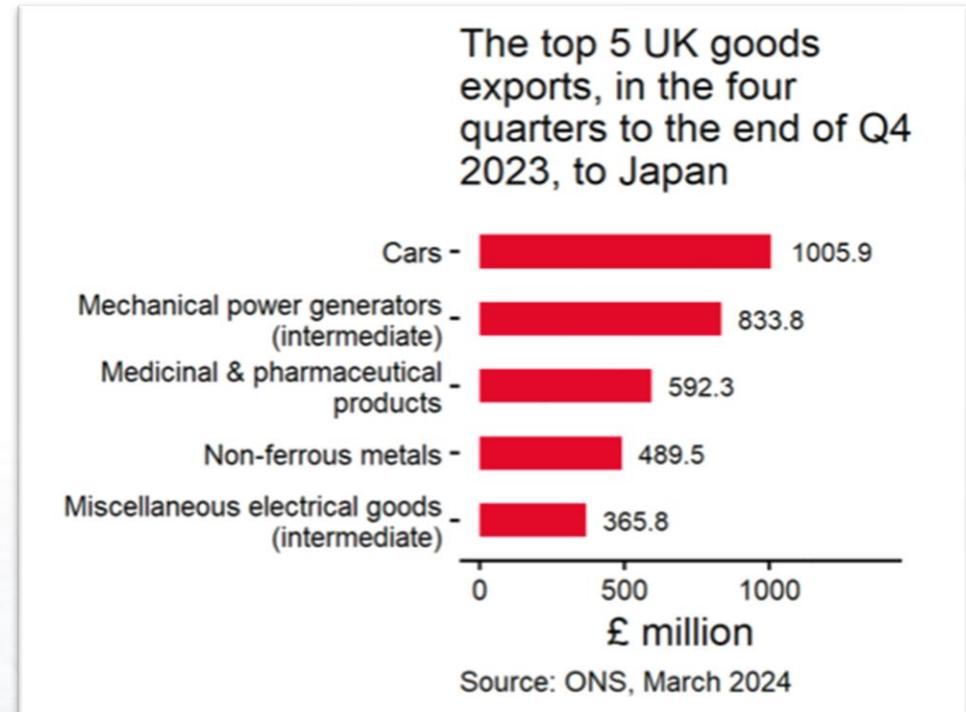
Overview of trade in goods

Top 5 goods exported to Japan in 2023 were:

- Cars (15.7%)
- Mechanical power generators (13%)
- Medicinal & pharmaceutical products (8.3%)
- Non-ferrous metals (7.7%)
- Miscellaneous electrical goods (5.7%)

Number of exporters:

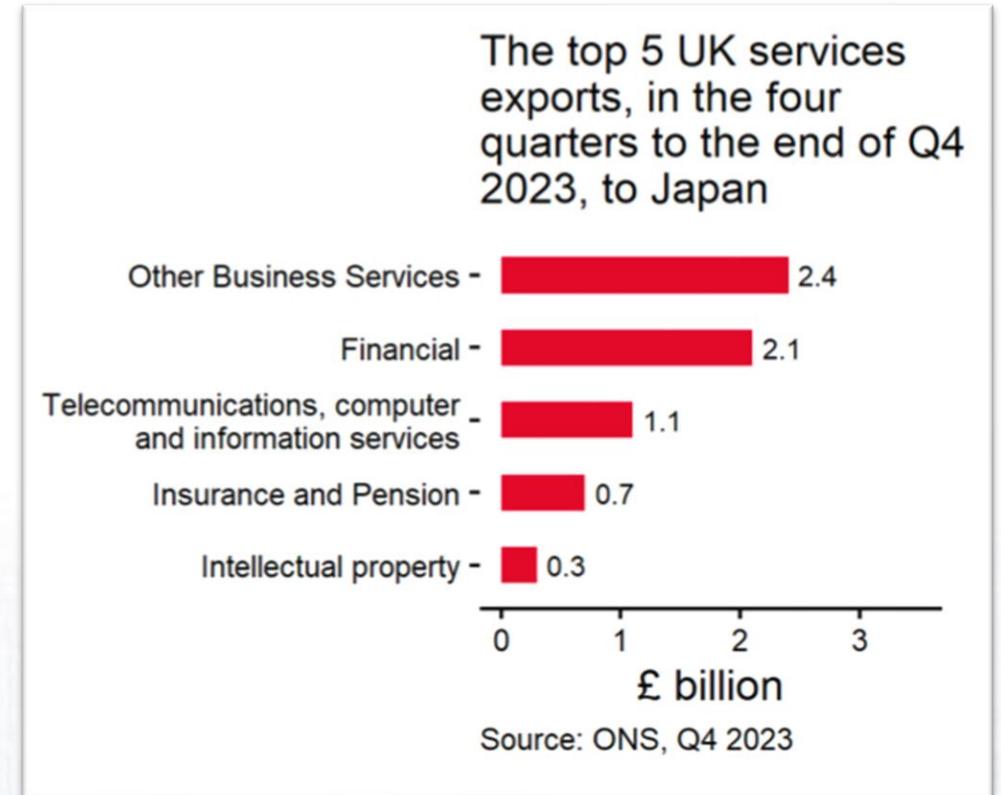
- About 9,000 UK exporters
- Compare: 125,000 exporters globally



Overview of trade in services

The top 5 service types exported from the UK to Japan:

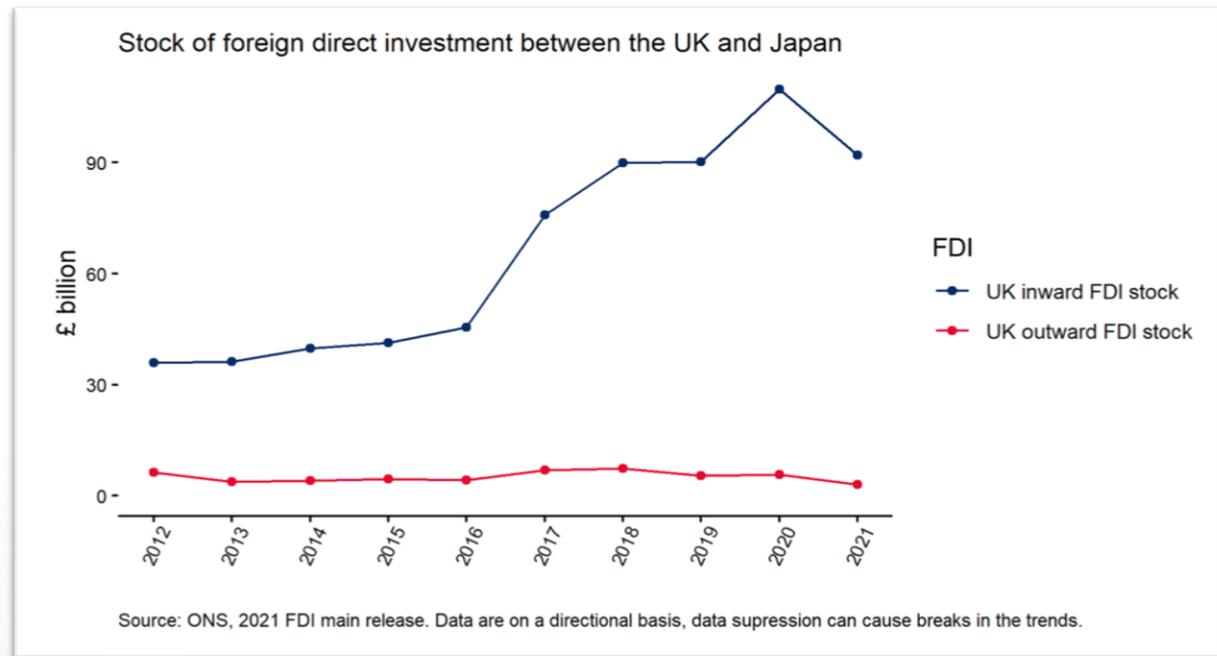
- Financial services (27.9%)
- Telecommunications, computers and information services (14.4%)
- Insurance and pensions (9.1%)
- Intellectual property (4.1%)
- Other business services (32.9%)



Foreign Direct Investment with Japan

UK outward FDI stock:

- In 2021, the stock of FDI from the UK in Japan was GBP 3.1bn
 - 45.8% lower than in 2020
 - Japan accounted for 0.2% of the total UK outward FDI stock
- Japan is making FDI a priority which should make it easier to do business here



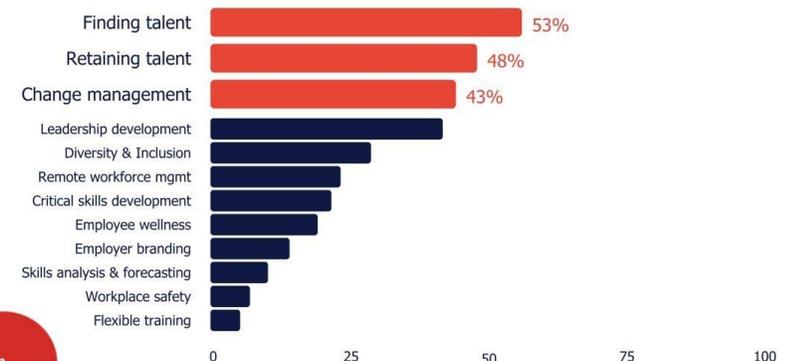
Some key issues/challenges Japan faces

As an advanced economy, Japan is ahead in terms of experiencing challenges

- Ageing & declining population and lack of immigration: skills shortages in some sectors ie construction, IT engineers digitalization
- DEI issues
- Outdated systems
- Need to catch up with greening the economy

If you have products of services that can address those issues there are opportunities

Top 3 challenges for HR teams in 2022.



Opportunities

Japan is a mature economy and ranked fourth in terms of GDP

The 3 Ds & an H

- Digitalisation: ICT investment continues to grow and in 2020 investment reached GBP 75.4bn
 - Government initiatives such as Society 5.0 aimed at promoting more digitalisation
- Defence: Increase geopolitical tensions so doubling the spend to 2% in coming years
 - In 2024 it will grow to 1.6% of GDP (GBP 49.3bn)



Opportunities

- Decarbonisation: Target of net zero by 2050
 - Government support such as the GBP 116.25bn decarbonization fund
 - Big push for Hydrogen
- Healthcare:
 - Ageing population - 29.1% of Japan's population is aged 65 and over: High demand for drugs and tools for elderly patients
 - Birth rate of 1.21: Need for products and services that support birth rates and manage fertility issues



Some interesting facts about Japan

- Many big companies: 192 Japanese companies listed in the Forbes Top 2000
- Research and Development: Done in companies rather than at universities and startups with huge budgets
 - Toyota GBP 8.25bn
 - Sony GBP 4.2bn
- Intellectual Property: Taken very seriously
 - The 3rd leading country in the world for the number of patents filed (406,374 patents)
- 25 Nobel laureates



Doing business in Japan

Key pointers

The stereotypes (and the reality)

- Formal style & group culture
- No sign of a decision maker
- F2F meetings
- Poor English skills

The benefits

- Open to new products and technologies
- Relationships can be for life
- Steady revenue streams
- Pay their bills



Doing business in Japan

Biggest mistakes

- Not doing basic homework
- Common sense left back home
- Speaking to the wrong people
- Demo does not work properly
- Mismatch: Are you really solving a pain point?
- Poorly translated Japanese materials
- Taking “nods and smiles” as agreement or a “yes”
- Clarifying “clear” next steps
- Missing deadlines (and not agreeing a change in advance)



The sales process

The journey and considerations

- Know your targets and route(s) to market
- Are the right people in the room and proper agenda set?
- There is a process and understanding it is important
- You will be tested by your partners; many fail for simple reasons
- Documents / legal checks
- Developing a business in Japan can make you stronger and better



How do you get there?



Market considerations

What else to consider?

- Business models
 - May be different in Japan
- The necessity (or not) of a local partner or office
 - Get it right, if not can lead to flat sales or failure
- Localisation of products & services
 - Modifications, UIs, instruction manuals, labelling etc.
- Regulations
 - JIS, JEM, JEC, JCS, JEAC, etc.
- Local support
 - Technical, spare parts, servicing, etc.



Route to market

What else to consider?

- Business models may be different in Japan – don't assume always ask and find out how to reach customers
- Routes to market
 - Agents, distributors, wholesalers etc
 - Systems integrators, resellers, VAR etc
 - Local subsidiary
- Some of the challenges
 - Payment terms, multiple layers, lack of communication, customers are hidden, their contacts are more important, you are just “one of” etc

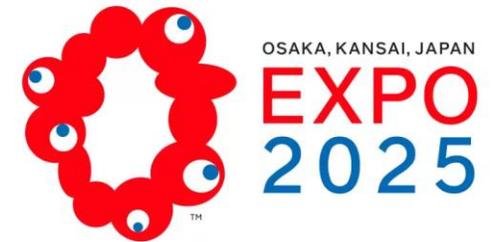


Osaka Expo

Dates: April 13 to October 13, 2025, with 8 themed weeks:

- Co-creating Cultures for the Future
- The Future of Community and Mobility
- Necessities of Life: Food, Clothing and Shelter
- Health and Well-being
- Learning and Playing
- Peace, Human Security and Dignity
- The Future of Earth and Biodiversity
- SDGs + Beyond Future Society for Life

BCCJ will be involved in connecting businesses to these themes – details TBA shortly



Sources of information/help

Lots of organisations available to help you:

- Local chambers in the UK
- Export to Japan portal
- DBT – various avenues of help; missions, APAC Tech Growth Programme, in-market services
- Consultants
- In-market potential partners

Japan is a challenging market, and seeking help can fast-track success!





Case Study



Montmartre Patisserie Ltd





History

- A producer of hand-made luxury desert, cake, pastry & tart producer, established in 1995.
- Traditionally a domestic client base including high-end hotels, restaurants & venues and royal establishments.
- Awarded Royal Warrant of Appointment from HM Queen Elizabeth II in 2008.
- Pandemic lockdown - lost all their domestic market.

- What next?





Move into Exporting



- Loss of domestic market – What did they do?
- Reached out to other Royal Warrant holders in their sector. Many exported products successfully.
- The Royal Warrant attractive to many markets.
- Decided to introduce and promoted a frozen range.
- 2021 – first export order received, Japanese customer.
- Working with DBT, and the Chamber of Commerce and partnering GAC Shipping & Logistics they successfully achieved their first export.
- They now have an export strategy, have received more Japanese and have started exporting to other markets.



Exporting to Japan What Have They Learnt

- **The Japanese market has a strong appetite for premium UK food & beverage.**
- **Holding a Royal Warrant is a great appeal, signifies quality and prestige and has marketing appeal.**
- **As their first ever export it was daunting but seek advice and assistance, from peers and support organisations.**
- **Have a good logistics & shipping partner who has experience the Japanese market.**
- **Ensure your product meet the Japanese market requirements.**
- **Exporting to different markets can vary great do your due diligence.**

Finally, their domestic market has also benefit from a more diverse product range developed for export.





Q&A



Future Event



Click [here](#) to find out more

Past Webinar



Click [here](#) to view



UK Chambers of Commerce Expo 2025, Osaka Programme

How do you find out more?

Contact the National Co-Ordinator

Anne White

Head of International Trade

Thames Valley Chamber of Commerce

annewhite@tvchamber.co.uk

Or alternatively

Speak to Your Local Chamber of Commerce

WORLD EXPO
2025
OSAKA

KANSAI, JAPAN
PROGRAMME

TRADING
WITH
JAPAN

