EU-Japan EPA
- Was erhofft sich Japan vom Freihandelsabkommen mit der EU und wie kann JETRO bayerische Unternehmen unterstützen -

Masayoshi Watanabe, MPP
Generaldirektor

Düsseldorf

Rosenheim, 24. Oktober 2019
Japan External Trade Organization (JETRO)

- **Government-related organization to promote mutual trade and investment** between Japan and other countries
- Established in 1958
- Overseas: 74 offices (in 54 countries)*
- Domestic: JETRO Headquarters in Tokyo, JETRO Osaka, 47 regional offices, Institute of Developing Economies (IDE-JETRO), JFOODO (Japan Food Product Overseas Promotion Center) *
- Employees: 1,730 (998 in Japan and 732 overseas)**

*As of November 2018  **As of April 2019
JETRO’s Main Activities

JETRO has so far assisted more than **486 European companies** in entering Japan.

JETRO also supports collaboration between EU and Japanese **start-ups**.
Current Economic Relationship between the EU and Japan

Japan’s trade with the EU

[Unit: billion yen]

Japanese FDI position toward the EU

CAGR 9.6% (2015-2018)

Trade Deficit 509 bn yen = 4.28 bn euros

Japanese FDI position toward the EU

[Source: Bank of Japan]

Japan’s trade with the EU

[Source: Ministry of Finance]

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Employment Turnover

EU 497,579 31,924
UK 150,641 7,323
Germany 61,935 5,837
Belgium 52,609 5,885
France 39,227 2,648
Italy 33,884 1,192
Netherlands 38,281 4,020
Spain 24,838 1,587

Number of Japanese-affiliated Companies in the EU

Economic Impact by Japanese Companies in the EU (2016)

(Unit: person, billion yen)

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>497,579</td>
<td>31,924</td>
</tr>
<tr>
<td>UK</td>
<td>150,641</td>
<td>7,323</td>
</tr>
<tr>
<td>Germany</td>
<td>61,935</td>
<td>5,837</td>
</tr>
<tr>
<td>Belgium</td>
<td>52,609</td>
<td>5,885</td>
</tr>
<tr>
<td>France</td>
<td>39,227</td>
<td>2,648</td>
</tr>
<tr>
<td>Italy</td>
<td>33,884</td>
<td>1,192</td>
</tr>
<tr>
<td>Netherlands</td>
<td>38,281</td>
<td>4,020</td>
</tr>
<tr>
<td>Spain</td>
<td>24,838</td>
<td>1,587</td>
</tr>
</tbody>
</table>

Procurement Value by Japanese Companies in the EU (2016)

5,860 billion yen
(= 45 billion euros)

[Source: METI Basic Survey on Overseas Business Activities]
Advantages of Japan-EU EPA for the EU - Seven Pillars

1. Improvement of Market Access

![Europe to Japan]
Liberalization: approximately 94% of goods in Japan

![Japan to Europe]
Liberalization: approximately 99% of goods in EU

Expansion of business opportunities will
- Improve productivity
- Accelerate GDP growth
- Create EU jobs – every €1 bn in EU exports supports 14,000 jobs in the EU

2. Protection of Geographical Indication

Japan will recognize 210 EU GIs.
This protects European farmers and producers selling abroad.

3. Government Procurement

The deal will expand the opportunities for EU suppliers to participate in open tenders in Japan – Central and sub-central.
In railways sector, the deal will also improve market access to Japan for EU companies.

4. Trade in Service

The deal will open up Japan’s services market to EU firms.

5. Regulatory Cooperation

The deal will enable two parties to
- work more closely together on developing international standards
- discuss how to address issues when the two sides’ regulations diverge or are incompatible

6. Promoting Investment

The deal will promote Japan’s foreign direct investment into the EU because
- of improvement of investment climate
- Japanese companies would feel more familiar to EU market as a result of closer trade relationship

7. Trade and Sustainable Development

The deal will show commitments to internationally recognized environment and labour standards.

(Source: European Commission, Ministry of Foreign Affairs of Japan)
Economical Impacts and Prospects for the EU

Creating Jobs

・Japanese companies employ approximately **500,000** EU citizens and **600,000** EU jobs depend on exports to Japan.

・The EU-Japan EPA is expected to increase trade by 100 billion euros, creating **1.4 million new jobs**.

Increasing Trade

・Exports in goods and services will **increase by 24%**, with even more dramatic increases by sectors.

・EU exporters currently pay up to **1 billion euros annually** in Japanese tariffs. These will be either eliminated or drastically reduced.

Timeline of the EU-Japan EPA

25 March 2013  Official Launch of Negotiations
6 July 2017  Agreement in Principle
8 December 2017  Finalization of the Agreement
17 July 2018  Signature of the Agreement
8 December 2018  Ratification by the Japanese Diet
12 December 2018  Ratification by the European Parliament
1 February 2019  Entry into force of the Agreement

[Source: European Commission, Ministry of Foreign Affairs of Japan]
1. **More Exports**
   — Expand your trade with Japan.

2. **Win-win Business Partnerships**
   — Develop new business ties through collaboration with Japanese companies.

3. **Investments to Japan**
   — Expand your business activities in Japan.
Tariff rate elimination on industrial products: **100 % in the ratio of items and trade volume**

Due to tariff elimination, EU firms benefit from better conditions in the Japanese market, where some other countries have already concluded FTAs/EPAs with Japan.

**Example: Current Export Volume from EU to Japan and Japanese Tariff Rate**

- **Chemicals (incl. pharmaceutical products):** 6,848 billion yen (= 53 billion euros) (※1)
  - Tariff rate: Chemicals products 2.6 – 3.9 %, Plastic products etc. 3.9 %
- **Textile/Textile products:** 1,949 billion yen (= 15 billion euros)
  - Tariff rate: Handbags 8 - 16 %
- **Leather/Leather footwear:** 2,261 billion yen (= 18 billion euros)
  - Tariff rate: Leather footwear 17.3 - 30 % or 2,400 - 4,300 yen
- **Pork:** 15,056 million US dollar (= 13 billion euros) (※2)
  - Tariff rate: Gate pricing system + 4.3 % (average) tariff on fresh pork, up to 20 % on processed pork (ham, sausage, etc.) (※ To be eliminated over 10 years)
- **Cheese:** 17,973 million US dollar (=16 billion euros)
  - Tariff rate: up to 40 % (※ To be eliminated over 16 years + Quota)

※ € 1 = ¥ 126.71 (Eurostat average for 2017)
※2 FAO statistics for 2013

Source: METI, MAFF
Example: Japanese wine imports after Chile-Japan EPA (2007)

- Wine※ Tariff Rate: Bottled wine 67 - 125 yen per litre, Sparkling wine 182 yen per litre
- Due to Chile-Japan EPA (2007), tariffs on bottled wine from Chile have been decreased and will be eliminated altogether in 2019
- Japanese tariffs on wine imported from the EU will be eliminated immediately at the time that the EU-Japan EPA comes into force

※Wine bottled under 2-litre-bottles except sparkling wine and fortified wine

Source: Ministry of Finance Customs and Tariff Bureau

Wine imports (kl)

Chile-Japan EPA (Sep. 2007)
※ Over 12 years wine tariffs will gradually drop to zero

Wine imports from Chile surpass France

France
Italy
Spain
Chile
US

Source: Ministry of Finance Customs and Tariff Bureau

※ € 1 = ¥ 126.71 (Eurostat average 2017)
Wine Exports from Germany to Japan have increased dramatically after EU-Japan EPA came into force.

(Note) Wine : HS 2204
(Source) Eurostat
Expectations of EU-Japan EPA for Japanese Companies

More than half of Japanese companies expect benefits from EU-Japan EPA.

### Impact of EPAs/FTAs

<table>
<thead>
<tr>
<th>Region</th>
<th>Positive Impact</th>
<th>Negative Impact</th>
<th>No Impact</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU-Japan (n=736)</td>
<td>54.3</td>
<td>1.1</td>
<td>19.3</td>
<td>25.3</td>
</tr>
<tr>
<td>EU-Thailand (n=593)</td>
<td>18.0</td>
<td>0.1</td>
<td>46.2</td>
<td>34.9</td>
</tr>
<tr>
<td>EU-USA (n=594)</td>
<td>17.3</td>
<td>2.0</td>
<td>39.7</td>
<td>40.7</td>
</tr>
<tr>
<td>EU-ASEAN (n=605)</td>
<td>15.2</td>
<td>1.0</td>
<td>44.1</td>
<td>39.7</td>
</tr>
<tr>
<td>Japan-UK (n=657)</td>
<td>14.3</td>
<td>1.1</td>
<td>35.3</td>
<td>45.4</td>
</tr>
<tr>
<td>EU-Indonesia (n=582)</td>
<td>12.2</td>
<td>0.7</td>
<td>52.7</td>
<td>34.4</td>
</tr>
<tr>
<td>EU-India (n=582)</td>
<td>11.5</td>
<td>0.3</td>
<td>52.7</td>
<td>34.9</td>
</tr>
<tr>
<td>EU-Malaysia (n=583)</td>
<td>10.3</td>
<td>0.3</td>
<td>54.7</td>
<td>35.0</td>
</tr>
<tr>
<td>EU-Mercosur (n=559)</td>
<td>5.0</td>
<td>0.2</td>
<td>55.3</td>
<td>39.2</td>
</tr>
</tbody>
</table>

### Number of companies responding that EU-Japan EPA would bring major advantages

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of SMEs</th>
<th>No. of responses</th>
<th>% of Major Advantage responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>233</td>
<td>27</td>
<td>34.9%</td>
</tr>
<tr>
<td>2016</td>
<td>293</td>
<td>37</td>
<td>37.8%</td>
</tr>
<tr>
<td>2017</td>
<td>400</td>
<td>69</td>
<td>54.3%</td>
</tr>
</tbody>
</table>

(Source: 2017 JETRO Survey on Business Conditions of Japanese Companies in Europe)
Currently Japanese manufacturers in EU procure more than 50% of parts/raw materials from EU.
With a better environment for investment in the EU thanks to the EU-Japan EPA, more and more Japanese companies are planning to expand business cooperation in the EU.

### Weight of Japanese-affiliated Suppliers in Europe

#### Breakdown of Local Suppliers for Manufacturing (Breakdown Based on Value)

<table>
<thead>
<tr>
<th>Region</th>
<th>Local companies</th>
<th>Japanese-affiliated companies</th>
<th>Other foreign-affiliated companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU (n=232)</td>
<td>75.5</td>
<td>14.7</td>
<td>9.8</td>
</tr>
<tr>
<td>Western Europe excl. Switzerland (n=201)</td>
<td>78.3</td>
<td>12.4</td>
<td>9.3</td>
</tr>
<tr>
<td>Ireland (n=5)</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France (n=35)</td>
<td>87.2</td>
<td>5.1</td>
<td>7.7</td>
</tr>
<tr>
<td>Netherlands (n=10)</td>
<td>84.5</td>
<td>12.0</td>
<td>3.5</td>
</tr>
<tr>
<td>Italy (n=8)</td>
<td>79.4</td>
<td>3.1</td>
<td>17.5</td>
</tr>
<tr>
<td>Belgium (n=5)</td>
<td>76.2</td>
<td>19.2</td>
<td>4.6</td>
</tr>
<tr>
<td>Germany (n=48)</td>
<td>74.9</td>
<td>18.2</td>
<td>6.9</td>
</tr>
<tr>
<td>Finland (n=13)</td>
<td>74.2</td>
<td>17.7</td>
<td>8.1</td>
</tr>
<tr>
<td>Spain (n=14)</td>
<td>73.4</td>
<td>8.3</td>
<td>18.3</td>
</tr>
<tr>
<td>UK (n=48)</td>
<td>71.9</td>
<td>15.9</td>
<td>12.1</td>
</tr>
<tr>
<td>Central &amp; Eastern Europe (n=32)</td>
<td>59.2</td>
<td>28.7</td>
<td>12.1</td>
</tr>
<tr>
<td>Poland (n=9)</td>
<td>68.9</td>
<td>26.8</td>
<td>4.3</td>
</tr>
<tr>
<td>Hungary (n=7)</td>
<td>60.9</td>
<td>30.6</td>
<td>8.6</td>
</tr>
<tr>
<td>Czech Republic (n=9)</td>
<td>49.9</td>
<td>40.7</td>
<td>9.4</td>
</tr>
</tbody>
</table>

* "Local" indicates the country/region listed, Countries where respondents are less than 5 were excluded.

[Source: 2017 JETRO Survey on Business Conditions of Japanese Companies in Europe]
The EU-Japan Economic Partnership Agreement was signed in July 2018. The response rate for “Positive Impact” was 42.0% from all Europe-based companies, down by 12.3 percentage points from 2017. Although the response rate for positive impact from companies based in the EU excl. UK was close to last year’s result at 48.1%, from UK-based companies it has slumped considerably by 20 percentage points to 25.1%. It is believed that the number of companies who think that they cannot enjoy the same impact as other EU members has risen, due to the UK’s forthcoming withdrawal from the EU.

Overall compared to last year, the response rate for “No Impact” and “Don’t Know” has increased by 6.0 and 5.6 percentage points to 25.3% and 30.9%, respectively. It shows that to a certain extent some companies are not yet able to judge the benefits of the EU-Japan-EPA.

The response rate for “Positive Impact” from companies in the Netherlands (73.3%), the Czech Republic (68.4%), Denmark (66.7%), Spain (62.5%), Romania (58.3%), and Poland (56.0%) all surpassed 50%; indicating a particularly high expectation.

UK-based companies indicated that their expectation for a positive impact from the EU-Japan EPA was higher than from a potential UK-Japan EPA. 23.5% of UK-based companies indicated that there would be a positive impact, if there were to be a UK-Japan EPA, which is lower than their response rate for the EU-Japan EPA (25.1%).
Looking at sectors of EU-based companies that had a high response rate for “Positive Impact”: Textile fabrics (Spinning/Woven fabrics/Chemical fibres) at 80.0 %, Transportation equipment at 78.6 % and Transport activities/warehousing at 71.1 %. To put these results into context, these sectors expect that once the EU-Japan EPA has come into effect, tariffs will be abolished; in fact across the EU, textiles are generally subjected to high tariffs.

Amongst EU-based companies who responded the EU-Japan EPA had a positive impact, over 80 % (80.4 %, 221 companies) selected “Tariff reduction/abolition on imports from Japan” as a reason for this impact; of which within the manufacturing sector the selection rate was almost 90 % (89.0 %, 121 companies). Sectors where 10 companies or more selected this reason: Electrical machinery & devices (incl. parts) at 100 % (20 companies), Motor vehicles & motorcycles 96.0 % (24 companies), Sales companies 94.0 % (47 companies) and other manufacturing companies 93.3 % (14 companies).

Looking at countries where 10 companies or more selected this reason: Spain at 93.3 % (14 companies), Germany 82.4 % (61 companies), the UK 81.0 % (34 companies), and France 78.8 % (26 companies).

Furthermore, 5.1 % (14 companies) cited “The EU-Japan EPA allows further market development by relaxing food-related non-tariff barriers” as a reason for positive impact, of which a high response rate came from the UK-based companies at 9.5 % (4 companies).

### Key Sectors that see Positive Impact from EU-Japan EPA

**EU-based Companies Only**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Responses</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Textiles (Spinning/Woven fabrics/Chemical fibres)</td>
<td>4</td>
<td>80.0</td>
</tr>
<tr>
<td>2 Transportation equipment (Motor vehicles/Motorcycles)</td>
<td>11</td>
<td>78.6</td>
</tr>
<tr>
<td>3 Transport activities/Warehouse</td>
<td>27</td>
<td>71.1</td>
</tr>
<tr>
<td>4 General-purpose machinery/Production machinery (including molds and machine tools)</td>
<td>16</td>
<td>66.7</td>
</tr>
<tr>
<td>5 Plastic products</td>
<td>6</td>
<td>60.0</td>
</tr>
<tr>
<td>5 Fabricated metal products (including plated products)</td>
<td>3</td>
<td>60.0</td>
</tr>
<tr>
<td>5 Information and communication electronics equipment</td>
<td>3</td>
<td>60.0</td>
</tr>
<tr>
<td>8 Wholesale and retail trade (including trading)</td>
<td>41</td>
<td>57.7</td>
</tr>
<tr>
<td>9 Food/Processed food, agricultural or fishery products</td>
<td>7</td>
<td>53.8</td>
</tr>
<tr>
<td>10 Sales company</td>
<td>52</td>
<td>43.7</td>
</tr>
</tbody>
</table>

*Less than 5 responses were excluded from the count.*

### Reasons Given for Positive Impact from EU-Japan EPA

**EU-based Companies Only**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff reduction/abolition on imports from Japan</td>
<td>80.4</td>
</tr>
<tr>
<td>Simplified customs procedures</td>
<td>39.3</td>
</tr>
<tr>
<td>Expansion of business opportunities</td>
<td>21.3</td>
</tr>
<tr>
<td>Tariff reduction/abolition on exports to Japan</td>
<td>31.3</td>
</tr>
<tr>
<td>Liberalisation of investment and trade services, improving transparency</td>
<td>6.5</td>
</tr>
<tr>
<td>Further market development by mitigation of food-related non-tariff barriers</td>
<td>5.1</td>
</tr>
<tr>
<td>Expanding opportunities to enter the government procurement market</td>
<td>1.8</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

*All Sectors (n=275) / Manufacturing (n=136) / Non-manufacturing (n=139)
In terms of items that may be problematic when using the EU-Japan EPA, within EU-based companies the top issues were “In-house system improvements” at 47.4%, followed by “Cooperation with supplier/business partners e.g. completion of certificate of origin documentation” at 43.1% and “Proof of origin procedures (self-certification)” at 34.6%. When the details of the agreement became clear after the signing in July 2018, these issues became more real as the date when the agreement would come into effect was drawing closer.

When companies were asked to provide more details about what kind of information was needed in order make use of this EPA, many companies gave a variety of individual answers, which were broken down and separated into categories seen in the chart below. The most common answer given was “Managing tariffs on different items” at 46.3%, followed by information about “Rules of origin certificate procedures” at 28.8%. Concerning managing tariffs on different items, a guide is already available, however finding and understanding this guide can be difficult. Also in order to actually use the EPA there is a high demand to receive more information about its procedures.
As to how companies intend to make use of the EU-Japan EPA: Combining the response rate for companies in the EU (excl. UK) that selected “Planning to Utilize” or “Considering to Utilize”, reached almost 70% for both imports and exports. The EU (excl. UK) based companies’ selection rate for “Planning to Utilize” for import was 34.3%, whereas UK-based companies was 20.8%, showing a difference of more than 10 percentage points between the two figures.

### How Companies Plan to Use the EU-Japan EPA in the Future

| Country  | For Export | Europe | 173 | 100% | Planning to utilize: 45 26.0% | Considering to utilize: 70 40.5% | Not planning to utilize: 58 33.5% | For Import | Europe | 363 | 100% | Planning to utilize: 114 31.4% | Considering to utilize: 126 34.7% | Not planning to utilize: 123 33.9% |
|----------|------------|--------|-----|------|-------------------------------|----------------------------------|----------------------------------|------------|--------|-----|--------------------------------|----------------------------------|----------------------------------|
| E.U.     | 173 | 100% | Planning to utilize: 45 26.0% | Considering to utilize: 70 40.5% | Not planning to utilize: 58 33.5% | Planning to utilize: 114 31.6% | Considering to utilize: 125 34.6% | Not planning to utilize: 122 33.8% |
| E.U. excl. U.K. | 147 | 100% | Planning to utilize: 38 25.9% | Considering to utilize: 63 42.9% | Not planning to utilize: 46 31.3% | Planning to utilize: 97 34.3% | Considering to utilize: 99 35.0% | Not planning to utilize: 87 30.7% |
| Germany | 65 | 100% | Planning to utilize: 15 23.1% | Considering to utilize: 28 43.1% | Not planning to utilize: 22 33.8% | Planning to utilize: 39 35.8% | Considering to utilize: 39 35.8% | Not planning to utilize: 31 28.4% |
| U.K. | 26 | 100% | Planning to utilize: 7 26.9% | Considering to utilize: 7 26.9% | Not planning to utilize: 12 46.2% | Planning to utilize: 16 20.8% | Considering to utilize: 26 33.8% | Not planning to utilize: 35 45.5% |
| France | 15 | 100% | Planning to utilize: 4 26.7% | Considering to utilize: 3 20.0% | Not planning to utilize: 8 53.3% | Planning to utilize: 11 25.0% | Considering to utilize: 12 27.3% | Not planning to utilize: 21 47.7% |
| Italy | 8 | 100% | Planning to utilize: 4 50.0% | Considering to utilize: 3 37.5% | Not planning to utilize: 1 12.5% | Planning to utilize: 10 45.5% | Considering to utilize: 4 18.2% | Not planning to utilize: 8 36.4% |
| Spain | 10 | 100% | Planning to utilize: 3 30.0% | Considering to utilize: 6 60.0% | Not planning to utilize: 1 10.0% | Planning to utilize: 7 38.9% | Considering to utilize: 6 33.3% | Not planning to utilize: 5 27.8% |
| Ireland | 7 | 100% | Planning to utilize: 2 28.6% | Considering to utilize: 3 42.9% | Not planning to utilize: 2 28.6% | Planning to utilize: 6 37.5% | Considering to utilize: 6 37.5% | Not planning to utilize: 4 25.0% |
| Belgium | 10 | 100% | Planning to utilize: 1 10.0% | Considering to utilize: 4 40.0% | Not planning to utilize: 5 50.0% | Planning to utilize: 5 41.7% | Considering to utilize: 4 33.3% | Not planning to utilize: 3 25.0% |
| Austria | 7 | 100% | Planning to utilize: 1 14.3% | Considering to utilize: 4 57.1% | Not planning to utilize: 2 28.6% | Planning to utilize: 4 44.4% | Considering to utilize: 1 11.1% | Not planning to utilize: 4 44.4% |
| Czechia | 7 | 100% | Planning to utilize: 1 14.3% | Considering to utilize: 4 57.1% | Not planning to utilize: 2 28.6% | Planning to utilize: 3 27.3% | Considering to utilize: 6 54.5% | Not planning to utilize: 2 18.2% |
| Poland | 5 | 100% | Planning to utilize: 1 20.0% | Considering to utilize: 3 60.0% | Not planning to utilize: 1 20.0% | Planning to utilize: 2 15.4% | Considering to utilize: 7 53.8% | Not planning to utilize: 4 30.8% |
Solid Growth in Japan’s Inward FDI

Japan’s inward FDI stock at the end of 2017 was 28.8 trillion yen, renewing a record high.

- The ratio against its nominal GDP was 5.2% in 2016, exceeding the 5% mark for the first time.
- The preliminary estimate of the FDI stock at the end of June 2017 is 28.8 trillion yen (= 224 billion euros) (announced by MOF in September 2017).

[Source] “International Investment Position of Japan” (Ministry of Finance), “National Accounts of Japan” (Japan Cabinet Office)
Attractiveness of Japan in the rankings

**Innovation** (in Global Competitiveness Index)

- Rank in Asia: 1st


**Foreign Direct Investment Confidence Index**

- Rank in Asia: 2nd

  A.T. Kearney “The Foreign Direct Investment Confidence Index 2017”

**Asia-Pacific City of the Future**

- Tokyo: 2nd

  out of 163 cities

  fDi Intelligence “Asia-Pacific Cities of the Future 2017/18”

**Travel & Tourism Competitiveness Index**

- Rank in Asia: 1st

  WEF “Travel and Tourism Competitiveness Report 2017”
Foreign-affiliated companies are generally performing well and are positive about the economic prospects. A questionnaire was sent to about 1,600 companies with focus on foreign-affiliated companies supported by JETRO in their entry into the Japanese market. 260 companies responded.

Current business conditions compared with the previous year

- Good (upturning): 42.4%
- Unchanged: 48.6%
- Bad (worsening): 8.9%

Outlook of business conditions in Japan (over the next one or two years)

- Good (upturning): 56.6%
- Unchanged: 33.2%
- Bad (worsening): 10.2%

[Source] JETRO Invest Japan Report 2017
The greatest appeal is the “Japanese Market”

Top 3 “Attractiveness of doing business in Japan” were: **No. 1 The Japanese market, No. 2 Stability of nation and society, and No. 3 Existence of good partners, companies or universities with outstanding technology or products.**

<table>
<thead>
<tr>
<th>Choice</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Japanese market</td>
<td>65.9%</td>
</tr>
<tr>
<td>2. Stability of nation and society</td>
<td>40.3%</td>
</tr>
<tr>
<td>3. Existence of good partners, companies or universities with outstanding technology or products</td>
<td>28.7%</td>
</tr>
<tr>
<td>4. Existence of world famous global companies</td>
<td>28.3%</td>
</tr>
<tr>
<td>5. Well-developed infrastructure (traffic, logistics, ICT, energy, etc.)</td>
<td>24.4%</td>
</tr>
</tbody>
</table>

n=258
With 47 offices in Japan and more than 70 offices in over 50 other countries across the world, JETRO assists foreign-affiliated companies planning to start or expand their business in Japan.

Support for establishing a business in Japan

**Overseas offices & HQ:**
- Provide information on markets and industries, governmental approval and licenses, business models.
- For setting up a business in Japan, help to solve problems regarding various filings, regulatory, or business issues.

**In Japan, JETRO IBSCs:**
- Provide expert advice (taxes, accounting, human resources, social security, real estate, etc.)
- Offer temporary office space (at IBSCs in six major cities in Japan)
  *Tenancy period: Up to 75 business days in principle (free charge up to 50 business days)
  *Tenancy fee: Free (Deposit and communication fee are required)
  *Common facilities: Conference rooms, multi-purpose hall, business library

**Domestic offices and local governments:**
- Provide information on regions throughout Japan (location sites, local incentives, etc.)
- Provide information for expanding business
Vielen Dank für Ihre Aufmerksamkeit!
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