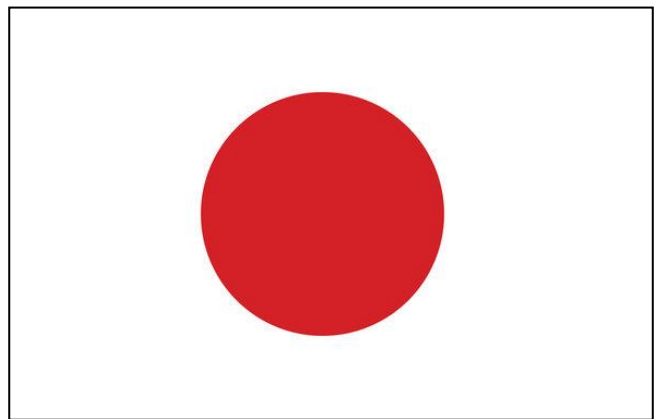


# Export to Japan



## Table des matières

1. General information.....	3
Challenges and concerns .....	3
Outlook and favourable developments .....	3
2. Additional indicators .....	4
Economic indicators .....	4
Social and environmental indicators .....	4
Free trade agreements.....	4
3. On-site: a step-by-step guide.....	5
Market access and first contacts .....	5
Exporting.....	5
Interesting markets for a first export .....	7
4. Business culture.....	8
5. What can we do for you?.....	10
Local contact points.....	10
Key addresses.....	10
Useful websites to delve into .....	10



# 1. General information

With a population of 125 million people, Japan stands as the fourth largest economy globally. It serves as one of Brussels' primary export markets in Asia and beyond the EU. The Japanese market is distinguished by its stability, significant purchasing power, and preference for quality. While renowned for its challenges in market entry, stringent quality standards, and regulations, it also serves as a benchmark market for other export destinations.

Japan is a long-standing political partner of Europe and plays a crucial role in intermediating with the major actors in Asia and the world.

## Challenges and concerns

- While Japan's population is on the decline, the impact is primarily felt in rural areas, with major urban centers remaining bustling hubs of consumption and home to the majority of the population.
- Despite being one of the few countries globally with interest rates hovering near zero percent, Japan has seen a surge in the carry trade, resulting in significant borrowing within the country to invest predominantly in the United States, where interest rates are more favorable at approximately 5%. This has led to the devaluation of the Yen and a nominal decline in GDP, positioning the Japanese economy as the fourth largest globally, trailing behind Germany.
- The weakened Yen has amplified imported inflation, particularly in the energy and food sectors. Despite several wage increases (3.5% in 2023 and 5% in January 2024), consumption has been on the decline in Japan.
- The depreciation of the Yen has diminished the competitiveness of Brussels products and services exported to Japan.

## Outlook and favourable developments

- Despite these challenges, Japanese companies have a very good price to earning ration on the stock market and the Nikkei Index Japanese stock market has continued to perform well, even hitting historical records, with the Nikkei Index climbing above 40,000
- There are expectations for an economic recovery in the second part of the year 2024 mostly driven by a rebound of the exports that could lead to wages increases stimulated by and inflation of 2 % offering to consumer a plain field that could become favourable again.
- This could lead in the mid-terms to an appreciation in the value of the yen which could allow Japan to regain its standing as the third-largest economy by 2025.
- The organisation of the Universal exhibition of Osaka Expo 2025 where Belgium and the brussels Capital Region will be participating.



## 2. Additional indicators

### Economic indicators

Find the main socio-economic indicators for this country, as well as its trade with Brussels and Belgium, in the publication "[Brussels and the world – Country statistics](#)" on [analytics.brussels](#), [hub.brussels](#)' online data library.

The "[Brussels and the world - General statistics](#)" publication also provides data on trade between the Brussels-Capital Region and the rest of the world, by continent and by major world region. The same type of data is also available for the various regions of Belgium, as well as for Belgium as a whole.

### Social and environmental indicators

If you'd like to know where your country stands in terms of social, environmental and economic issues, access a series of [composite indicators from the European Commission](#), structured according to the 17 United Nations Sustainable Development Goals<sup>1</sup> and the European Commission's 6 priority policy areas<sup>2</sup>.

### Free trade agreements

European agreements have a major impact on market accessibility and trade with certain countries. The links below, published by the European Commission, will provide you with all the information you need on free trade agreements and trade barriers. Existing agreements, those that have not yet been ratified and those that are expected to be ratified, can be consulted here:

- [Free trade agreements](#)
- [Trade barriers](#)

---

<sup>1</sup>No poverty, Zero hunger, Good health and well-being, Quality education, Gender equality, Clean water and sanitation, Clean and affordable energy, Decent work and economic growth, Industry, innovation and infrastructure, Reduced inequalities, Sustainable cities and communities, Sustainable consumption and production, Measures to combat climate change, Water life, Land life, Peace, justice and effective institutions, Partnerships to achieve the goals.

<sup>2</sup> A green pact for Europe, An economy serving people, A Europe fit for the digital age, A stronger Europe on the world stage, Promoting our European way of life, A new impetus for European democracy.



## 3. On-site: a step-by-step guide

### Market access and first contacts

- The Japanese market is known to be difficult to penetrate; however, it is not impossible when you have attractive products, good service, patience, and passion.
- Your Japanese partner will usually have conducted thorough research on your company. It is a must to have an excellent updated website and in Japanese, if possible.
- On your part, it will be poorly received if you do not do "your homework" (market research) on the companies and individuals you are going to meet. Your position will be weakened if you have not made your preparations.
- It is important to establish a good personal relationship with your customers or partners. For this, your regular visit to Japan is indispensable. The Japanese cultural preference for doing business is face-to-face.
- Given the market structure, it is important to enter with a good partner.
- The distribution channels use different methods. The most common channels include wholesalers, retailers, and trading companies. Relationships and trust are highly valued in Japan, so building strong relationships is crucial.
- Wholesalers are typically a first point for foreign companies looking to enter the Japanese market. Due to limited space in dense urban areas retailers often stock limited stock, and wholesalers are required to deliver small amounts of a product frequently.
- Japanese companies tend to invest in long-term success.
- Japanese consumers are very loyal, so your local competition is your subject of study.
- The 7 Ps in Japan: Preparation, Precision, Patience, Partnership, Positioning, Presence, and Perseverance.



### Exporting

#### Payments

Here are some of the methods of payment used in international trade with Japan:

- Irrevocable Letter of Credit (L/C) is an interesting protection particularly when large trading companies are serving as intermediaries to SME's. L/Cs are often issued in the name of these trading companies, reducing the risk in case of potential bankruptcy of the smaller company.
- With Cash-in-advance payment terms, an exporter can receive payment before the ownership of the goods is transferred. However, it may not be the most attractive option for the buyer due to unfavourable cash flow and concerns about the shipment of goods.
- Documentary collection, or draft, is a popular payment method among international traders.
- Open account terms are another method of payment in international trade, allowing the buyer to pay at an agreed-upon future date after the goods have been received.
- Consignment and trade finance are also mentioned as advantageous methods for the buyer and seller, respectively, in international trade transactions.



Usually, delay in payments is not an issue with Japanese companies, however, your business contact could be facing some difficulties one day. It is always time to consider talks and negotiate some payments terms in order to maintain the business relationship.

### **Company types**

- Kabushiki Kaisha: a limited liability company organised by the shareholders and managed by directors appointed by the shareholders. This is the best-known and most predominant form of company in Japan, used by large companies.
- Godo Kaisha: A limited liability company which operates in a similar way to the LLC (limited liability company) in the United States and is managed by one or more limited liability partners.
- Goshi Kaisha: Limited partnership with unlimited liability, managed by at least one limited liability partner.
- Gomei Kaisha: General partnership with unlimited liability managed by partners.

### **Support and subsidies**

Discover all subsidies for Brussels businesses on the Brussels Economy and Employment website.



## Interesting markets for a first export

Brussels-based companies exporting to Japan can leverage on several market opportunities. Here are some potential areas :

### Luxury Goods and Fashion

Brussels is home to luxury brands and fashion designers known for their craftsmanship and innovation. Japanese consumers have a strong appreciation for high-quality, luxury goods, making this sector a promising opportunity. However, image and branding are important as well as authenticity.

### Food and Beverage

Belgium is renowned in Japan for its culinary heritage, including chocolate, beer, and gourmet specialties. Japanese consumers are traditionally interested in foreign cuisine and premium food products. Brussels-based food and beverage companies can capitalize on this.

### Design and Creative Industries

Brussels is a hub for creativity and design, with a vibrant arts scene and a community of talented designers and artists. Japanese consumers appreciate unique and innovative design products, whether it's furniture, home decor, or lifestyle accessories.

### Biotechnology and Pharmaceuticals

Belgium has a strong presence in the biotechnology and pharmaceutical sectors, with cutting-edge research and development capabilities. Japan's aging population and healthcare needs present opportunities for Brussels-based biotech and pharma companies to export innovative medicines, medical devices, and healthcare solutions.

### Environmental and Sustainable Technologies

Japan is committed to sustainability and environmental protection, creating opportunities for Brussels companies specializing in renewable energy, waste management, and eco-friendly technologies.

By leveraging the strengths of Brussels-based companies, exporters can capitalize on market opportunities in Japan and establish a presence in one of the world's largest economies. Additionally, participation in trade fairs, networking events, and collaboration with local partners can help Brussels companies navigate the Japanese market and expand their business opportunities.

### Calendar of all trade shows here

<https://businesseventstokyo.org>

<https://www.jetro.go.jp/en/database/j-messe/country/asia/jp/>

[https://www.eventseye.com/fairs/c1\\_trade-shows\\_japan.html](https://www.eventseye.com/fairs/c1_trade-shows_japan.html)

<https://www.rxjapan.jp/en/schedule/>



## 4. Business culture

Before starting to communicate with Japanese companies, be well prepared. You need to provide Japanese companies with a profile of your company, your website, your products, catalogs, etc. (Japanese language is preferable).

Should it be required be prepared to engage the service of an interpreter or a translator for your documents. (AI generated text are not up to standard for the Japanese language specially if the content is highly technical)



Be prepared to answer various questions from Japanese companies. Prepare to send samples before starting to communicate with Japanese companies so that you can act quickly when there are requests.

Japanese business people will arrive to a meeting 5 minutes in advance, and this is the most polite way to make a good impression.

Business cards are very important for the first meetings and a Japanese translation is extremely favourable.

The height of your business card in relation to your partner during exchange indicates the relative importance and respect you have for your partner. At equal importance cards are given equal heights. If you wish to show your respect, please present your card lower than your counterpart.

Present your card with both hands and keep one of your contacts on the table after the exchange.

If your card only shows a mobile number and a free email address, it will give a disadvantageous impression of your company.

In large companies, do not expect to immediately see people of the highest level. Often, the first meeting will be with someone of the operational level.

Traditionally, businesspeople in Japan adopt a neat and classic dress code. This will not apply if your field of activity is beyond the classic style.

Japanese businesspeople often say, "We will look into it ...". This means they must have a discussion in the company. You must wait patiently. The conclusion could be negative but Japanese companies often take a decision after several meetings with you and internal discussions. For this reason, follow-up visits are expected and required.

Japanese individuals are adept at expressing refusal, albeit in a very nuanced manner. Polite rejection may manifest through actions like sucking air through their teeth or phrases such as "I think it will be difficult," "I will consider your request and inform you," or "I need to consult my boss/CEO and get back to you." The response "hai" signifies comprehension rather than agreement. However, it's essential not to linger in uncertainty. Inquiring "why this refusal?" may unveil obstacles that can be addressed from the Japanese side.

"Nemawashi" is a practice observed in large, traditional Japanese companies where numerous individuals are involved in accepting and implementing management decisions. Within Japanese structures, surprise from unexpected developments is unwelcome. To ensure the most informed decisions, it's advisable to conduct preparatory meetings with stakeholders at various organizational levels within the company you are negotiating with.





This consensual decision-making process in Japan often elongates within a company's hierarchy. However, the advantage lies in swift execution since all members have participated in the decision-making process and are acquainted with the main objectives.

While not obligatory, presenting small gifts at the conclusion of meetings is an important traditional gesture.

In terms of follow-up, promptness is key in Japan, typically within hours or days but never weeks. Responses are expected within 24 hours in most cases. If immediate answers are not feasible, it's courteous to inform Japanese companies of the receipt of their inquiry and provide a timeframe for a response.

Do not overlook details. They are as important for Japanese than the main subject. The difference will be in your favour if you provide a particular attention in the treatment of details.

Japanese feel uncomfortable when they receive no reaction from companies, and the absence of contact gives them a negative impression. Maintaining a good personal relationship with your clients is a key to success.



## 5. What can we do for you?

### Local contact points

The General Delegates and Local Representatives of the Region employed by hub.brussels are official representatives of the Brussels Government abroad, they support Brussels companies that want to export, and search and prospect for new investors.

They have the information, expertise and in-depth knowledge about the specifics of different foreign markets. Based on that knowledge, they help to refine and fine-tune your export plans, with advice on regulations, competition, market entry conditions, permits, etc. Furthermore, they can support you with your questions regarding exports, certain sectors within the jurisdiction, contacts with intermediaries, business culture, and much more.



**William Delsemme**

Japan

Embassy of Belgium  
5-4 Nibancho  
Chiyoda-ku, Tokyo 102-0084  
Japan

+81 3 35 56 24 31

+81 70 42 03 77 41

tokyo@hub.brussels

### Key addresses

#### In Japan

- Hub brussels & the Embassy of Belgium in Tokyo - 5-4 Nibancho, Chiyoda City, Tokyo 102-0084
- Belgium-Luxembourg Chamber of Commerce in Japan - 10th Daitetsu Building, 5th floor, 23 Arakicho, Shinjuku City, Tokyo 160-0007

#### In Brussels

- Embassy of Japan in Brussels - Rue Van Maerlant 1, 1040 Brussels,
- BELGIUM-JAPAN ASSOCIATION AND CHAMBER OF COMMERCE ASBL-VZW - Avenue Louise 287, box 7 - 1050 Brussels

### Useful websites to delve into

#### In Belgium

- **Japan Embassy in Belgium** : [http://www.be.emb-japan.go.jp/itprtop\\_en/index.html](http://www.be.emb-japan.go.jp/itprtop_en/index.html)
- **Belgium-Japan Association (BJA)** : <http://www.bja.be/>
- **Japan External Trade Organization (JETRO) Belgium** : <https://www.jetro.go.jp/belgium/>

#### In Japan

- **Ambassade de Belgique à Tokyo** : <http://japan.diplomatie.belgium.be/en>
- **Tourist Information Center (TIC) Tokyo** : <http://www.tictokyo.jp/en/>
- **Belgian-Luxembourg Chamber of Commerce in Japan (BLCCI)** : <http://blcci.or.jp/>

#### Japanese websites :

- Ministry of Foreign Affairs of Japan : [www.MOFA.GO.JP](http://www.MOFA.GO.JP)
- Japan External Trade Organization (JETRO) : [www.JETRO.GO.JP](http://www.JETRO.GO.JP)
- EU-Japan Centre : [www.eujapan.com](http://www.eujapan.com)
- Ministry of Economy, Trade and Industry : [www.meti.go.jp/english/index.html](http://www.meti.go.jp/english/index.html)
- Statistic Bureau : [www.stat.go.jp/english/index.html](http://www.stat.go.jp/english/index.html)



- Japan National Tourism Organization : [www.jnto.go.jp/](http://www.jnto.go.jp/)
- Japan Tourism Agency : [www.mlit.go.jp](http://www.mlit.go.jp)
- Japan Customs : <http://www.customs.go.jp/english/index.html>
- Business Development Center TOKYO : <http://www.bdc-tokyo.org/en>
- The Japan Chamber of Commerce and Industry : <http://www.icci.or.jp/>
- Japan Economic Foundation : <http://www.jef.or.jp/>
- Keidanren : <http://www.keidanren.or.jp>
- The Japan Foundation : <http://www.jpf.go.jp/index.html>

Press :

- The Japan News : <http://the-japan-news.com>
- Nikkei Asian Review : <http://asia.nikkei.com>
- The Japan Times : <http://www.japantimes.co.jp/>
- Keizai Koho Center : <https://en.kkc.or.jp/>
- Foreign Press Center Japan : <http://fpcj.jp/en/>

