

Doing Business with Japan



City of Kawartha Lakes

Takako Ito
Consul-General of Japan in Toronto
June 18, 2019



Japan – Canada Bilateral Relations

Why is Canada important to Japan?

- Japan and Canada share values and a common vision for a more prosperous and peaceful world: Democracy, Human Rights, Free & Open Economy, Rule of Law, etc.
- Canada is a major developed country which is politically stable, increasingly interested in Asia Pacific.
- Canada has abundant natural resources, advanced technologies and industries including well-developed service sector.



Embassy of Japan in Ottawa















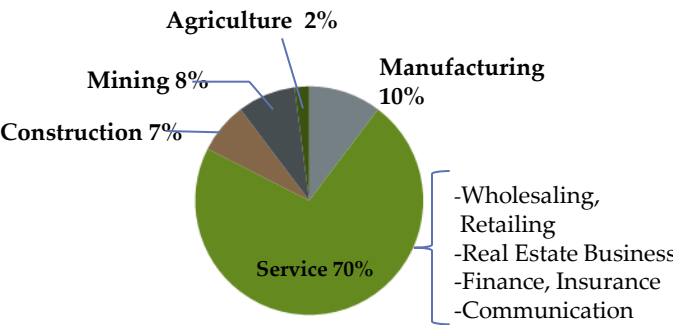
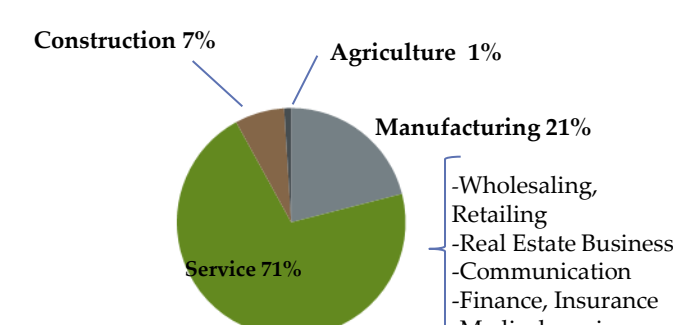

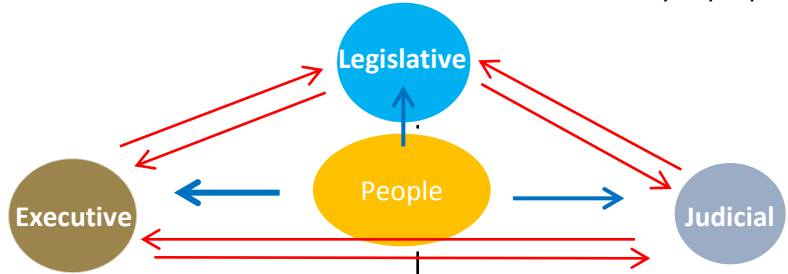

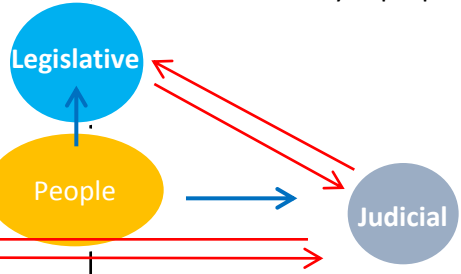
Prime Minister Abe with Prime Minister Trudeau in Ottawa, April 2019 (Photo: Prime Minister of Japan and His Cabinet)



Embassy of Canada in Tokyo

Japan – Canada Data Comparison

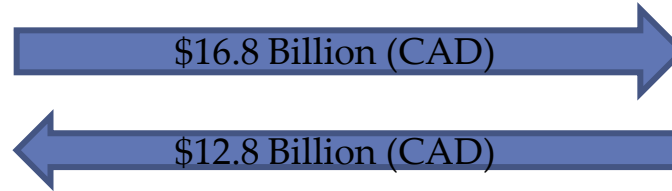
	Canada 	Japan 
Population	37,058,856 (Sept. 2018) 	127,185,332 (2018) 
The total land area	9,984,670km ²  × 27= 	377,972km ²  × 2.8= 
Population density	3.9/km ² 	349/km ² 
GDP	1.6 Trillion USD (2017) \$\$	4.9 Trillion USD (2017) \$\$\$\$\$
GDP per Capita	45,032.12 USD (2017)	38,428.10 USD (2017)
Energy Self-Sufficiency Rate	174.4% (2016)	8.4% (2016)
Food Self-Sufficiency (Calorie Base)	264% (2013)	38% (2017)

Major Industries (breakdown of GDP by industry)	<div>Canada</div> <div></div>	<div>Japan</div> <div></div>
	 <p>Agriculture 2%</p> <p>Mining 8%</p> <p>Construction 7%</p> <p>Manufacturing 10%</p> <p>Service 70%</p> <ul style="list-style-type: none"> -Wholesaling, Retailing -Real Estate Business -Finance, Insurance -Communication 	 <p>Construction 7%</p> <p>Agriculture 1%</p> <p>Manufacturing 21%</p> <p>Service 71%</p> <ul style="list-style-type: none"> -Wholesaling, Retailing -Real Estate Business -Communication -Finance, Insurance -Medical service
Average life span	81.9 (2017) 【M-79.3, F-84.7】	85.3 (2017)【M-81.9, F-88.8】
Political System	<div>Constitutional Monarchy</div> <div></div> <div> -House of Commons: 338 (4 years) -Senate: 105 (appointive, retirement age:75) </div> <div>  <pre> graph TD People((People)) Executive((Executive)) Legislative((Legislative)) Judicial((Judicial)) People --> Executive People --> Legislative People --> Judicial Executive --> Legislative Legislative --> Executive Legislative --> Judicial Judicial --> Legislative Executive --> Judicial Judicial --> Executive </pre> </div>	<div>Constitutional Monarchy</div> <div></div> <div> -House of Representatives:465(4years) -House of Councilors:242(6years) *Small constituency + proportional rep. </div> <div>  <pre> graph TD People((People)) Executive((Executive)) Legislative((Legislative)) Judicial((Judicial)) People --> Executive People --> Legislative People --> Judicial Executive --> Legislative Legislative --> Executive Legislative --> Judicial Judicial --> Legislative Executive --> Judicial Judicial --> Executive </pre> </div>

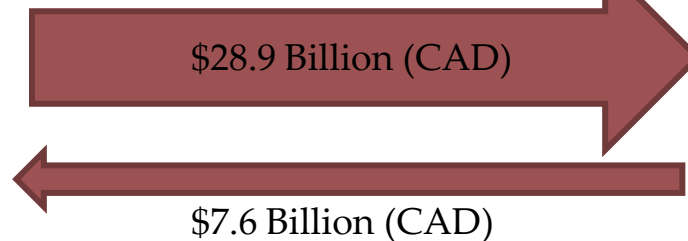
Japan – Canada Economic Relations



Goods Trade (2018)



Direct Investment (2018)

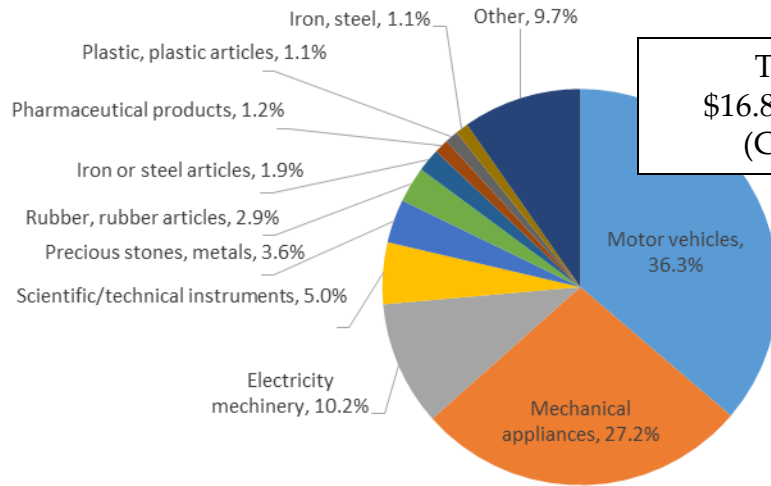


838 Japanese companies in Canada (2018)

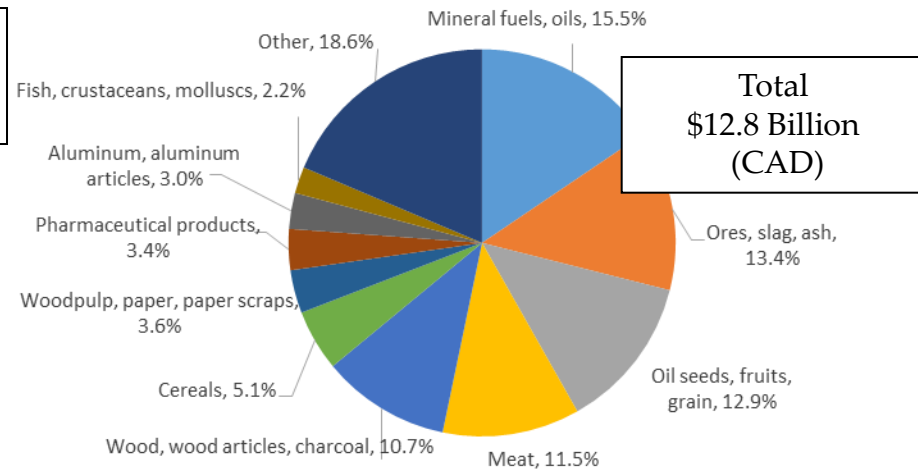
286 Japanese companies in Ontario (2018)

Japan – Canada Economic Relations

Canada's Trade with Japan (2018), Billion CAD

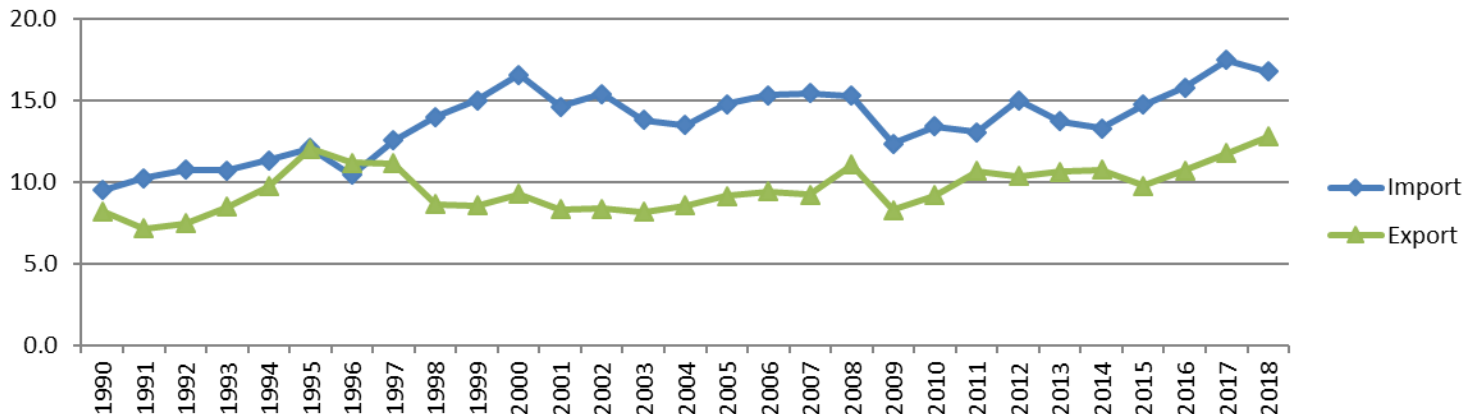


Imports from Japan



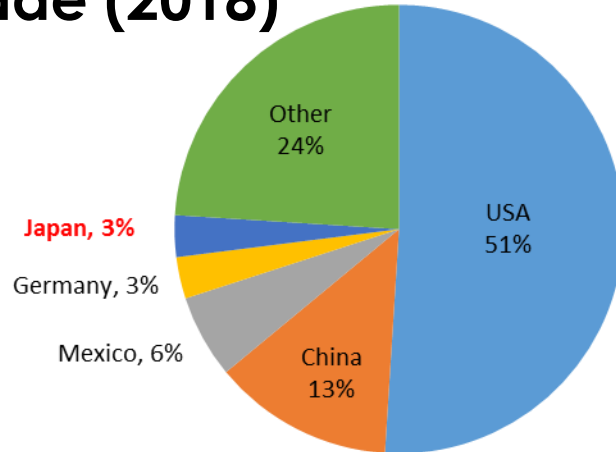
Exports from Japan

\$ Billion (CAD)

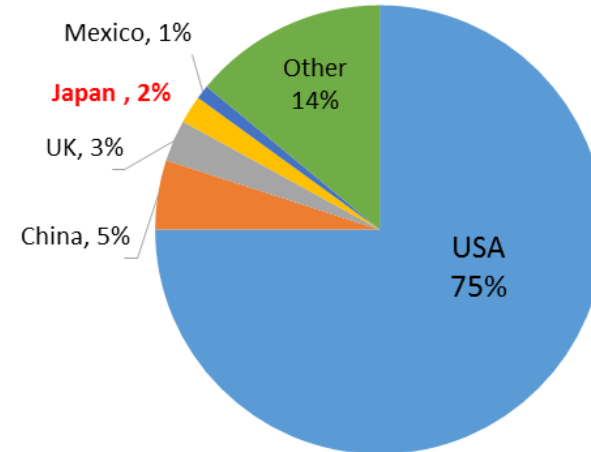


Japan – Canada Economic Relations

Trade (2018)



Canada's Import Partners

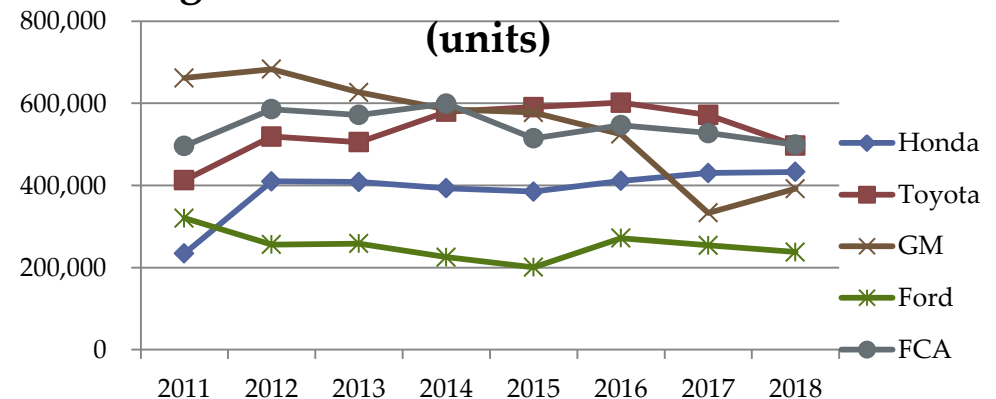


Canada's Export Partners

Automobile



Light Vehicle Production in Ontario



Japan's Economic Strength

Steadily-growing Economy under Abenomics

Japan's GDP continues to grow under Abenomics (10.9% over the last 6 years, and added \$4.9 billion (USD) to its GDP).

Before and After Abenomics (2012 Versus 2017)

Nominal GDP

↑ **53.7** JPY tn

493 JPY tn > 547 JPY tn

Number of Employed Persons (Female)

↑ **2.5** mn (2.0mn)

62.7 mn (26.6 mn) > 65.2 mn (28.6 mn)

Corporate Pre-tax Profit

↑ **41.3** JPY tn

39.7 JPY tn > 81.0 JPY tn **Record high**

Unemployment Rate

2.4% (2018)

4.5 % > 2.4 %

Private Non-Residential Investment

↑ **14.3** JPY tn

71.9 JPY tn > 86.2 JPY tn

Tax Revenue

↑ **16.7** JPY tn

42.3 JPY tn > 59.1 JPY tn

Source: Government of Japan

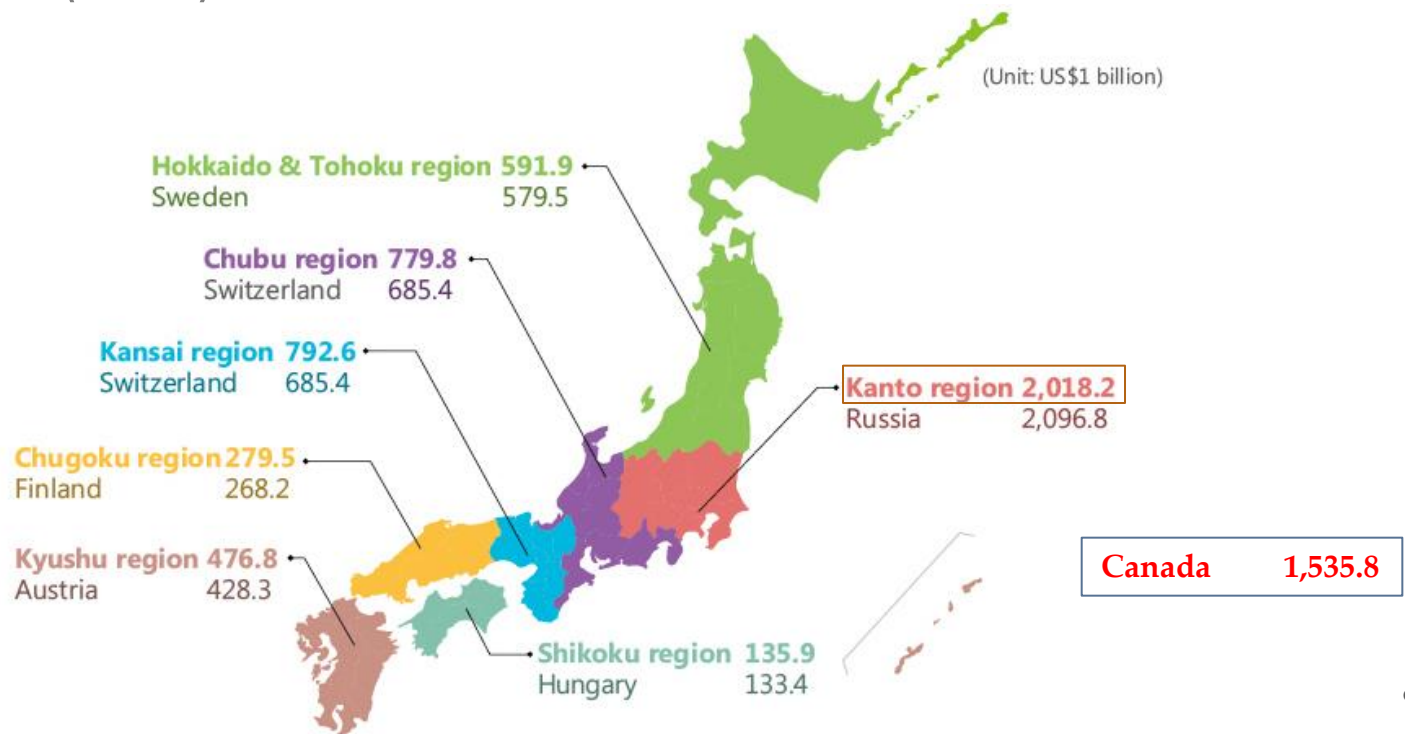
Japan's Economic Strength

Large and Sophisticated Market

GDP: \$4.9 Trillion USD (2018) → the 3rd largest in the world.

52 companies out of the “Fortune 500” have their HQ in Japan, citing “the massive size of market” as an attractive advantage.

Japan's regional economies have GDPs equal to some countries' national GDPs (2016).



Japan's Economic Strength

World-class research funding and number of researchers

RANK **1st** /in the world

- Research funding as a percentage of GDP (3.56%)
- Number of researchers per 10,000 people (52.1, G7 comparison)
- Numbers of patents registered

23 winners
in scientific fields



Prizewinners in recent years

Tasuku Honjo

2018 in Physiology or Medicine

Yoshinori Ohsumi

2016 in Physiology or Medicine

Satoshi Omura

2015 in Physiology or Medicine

Takaaki Kajita

2015 in Physics

Isamu Akasaki

2014 in Physics

Hiroshi Amano

2014 in Physics

Shuji Nakamura

2014 in Physics

Japan's Economic Strength

Business-Friendly Infrastructure

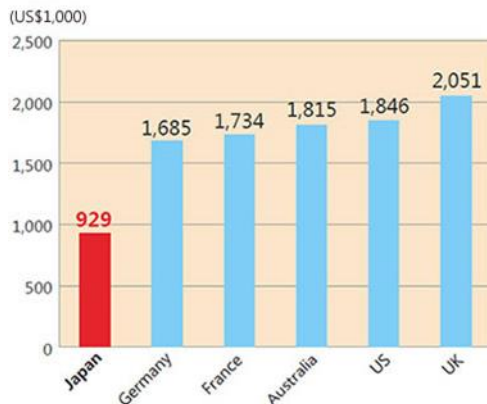
Japan's business environment is highly evaluated by the World Economic Forum (2016-2017).



Low infrastructure fees....

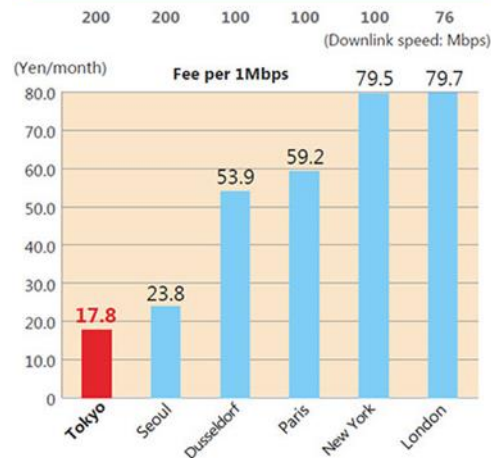
Transportation fees (including land transportation and air freight)

Simulated annual costs based on scheduled deliveries from the factory



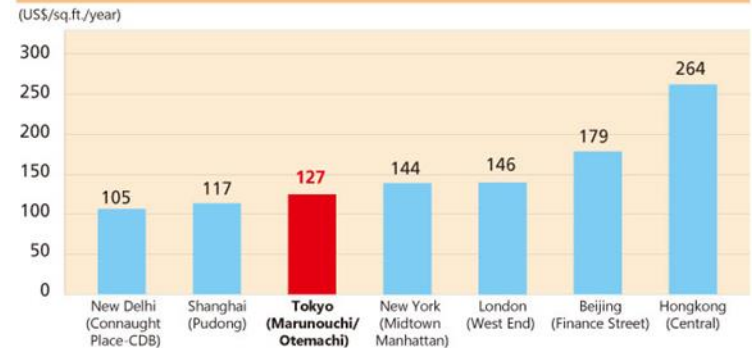
High-speed internet fees

Average monthly internet fees (residential)



Japan's reasonable real estate cost compared to the world major cities

Prime office rent in world major cities (Average annual cost per sqft)



Japan's Economic Strength

World-class transportation infrastructure

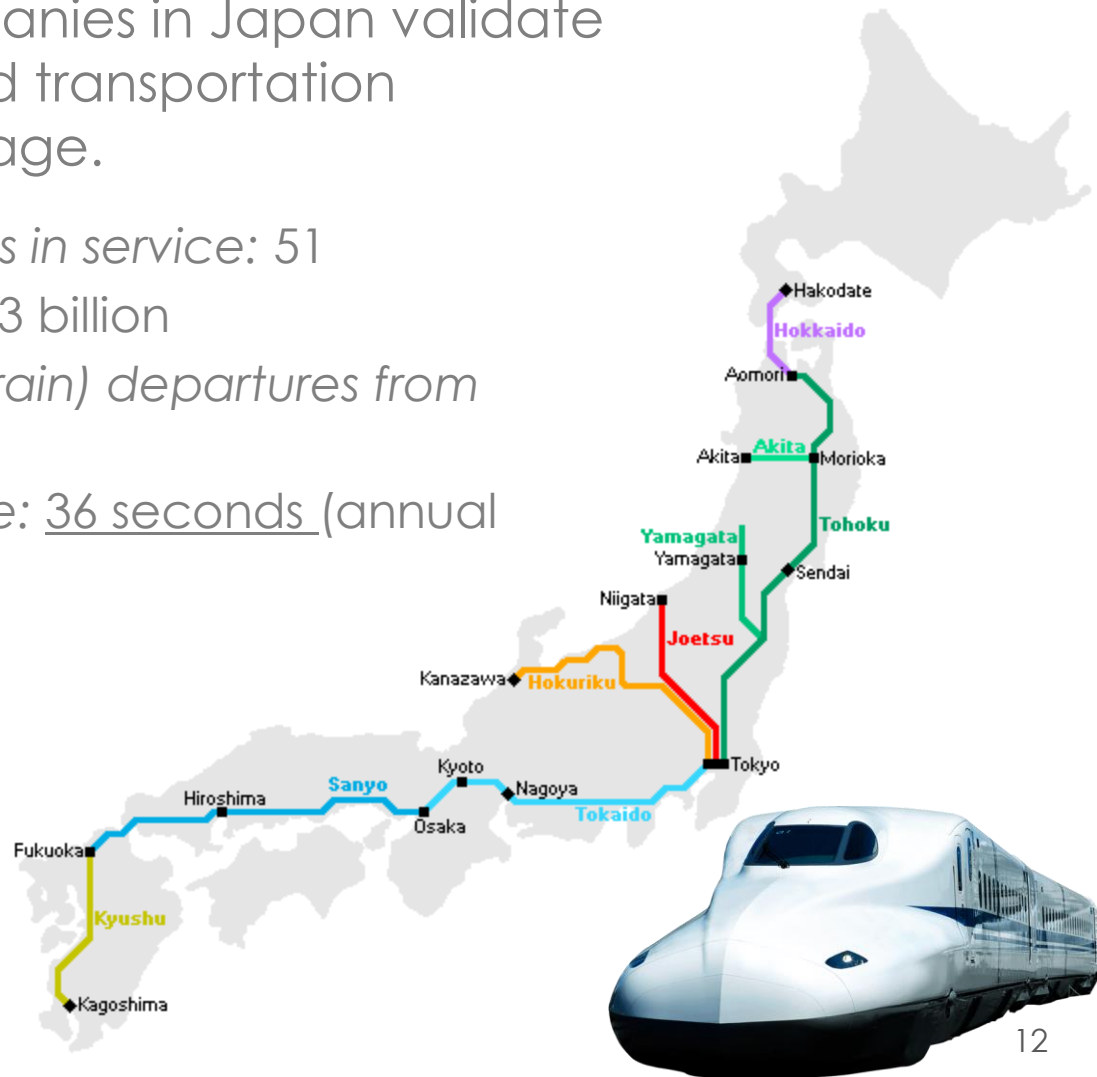
Nearly 62% of foreign companies in Japan validate well-maintained service and transportation infrastructure as an advantage.

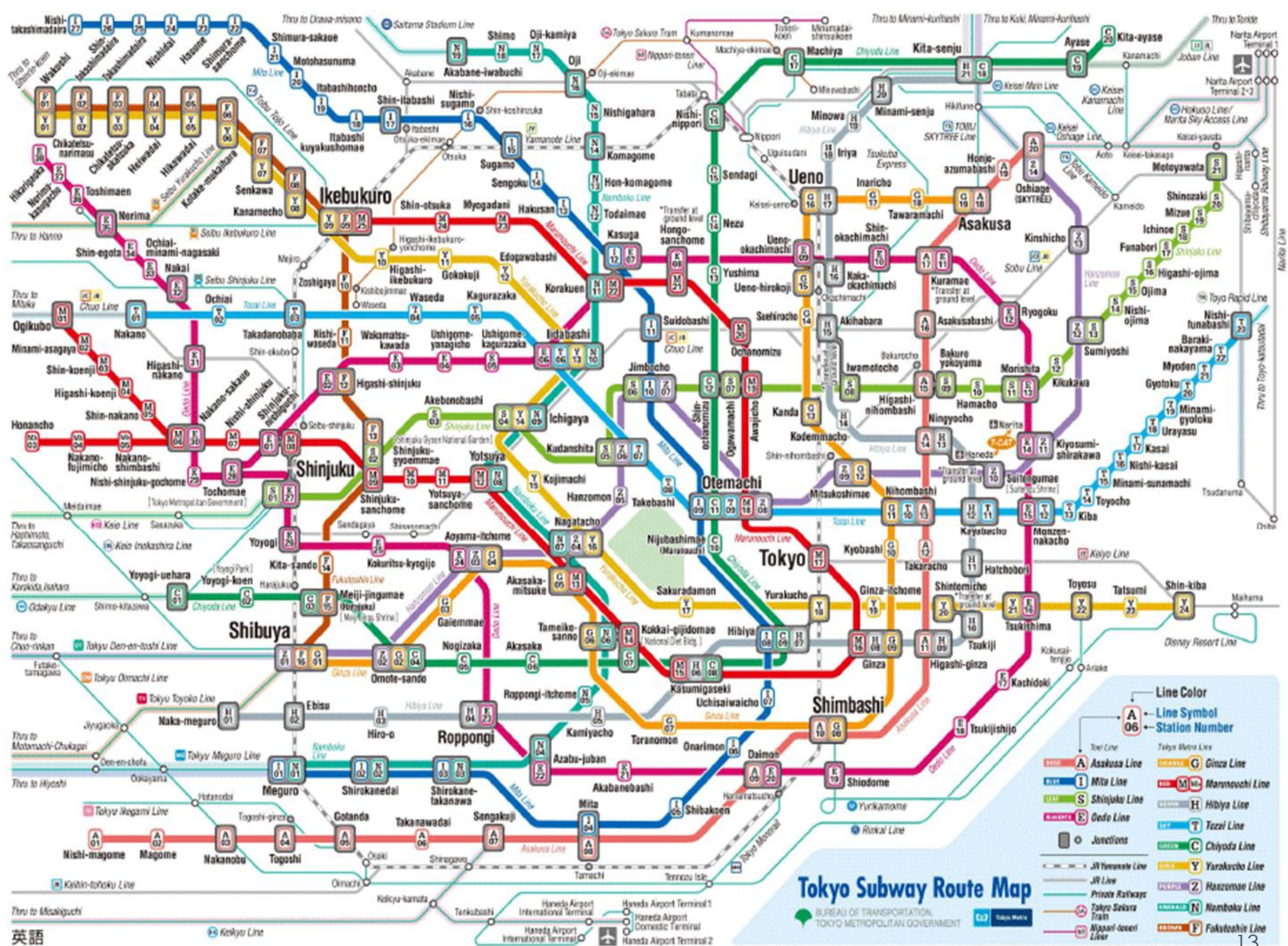
Airports with international flights in service: 51

Annual railway passengers: 24.3 billion

Number of shinkansen (bullet train) departures from Tokyo station per hour: 15

Average shinkansen delay time: 36 seconds (annual operation of 120,000 trains)





Japan's Economic Strength

A safe and peaceful country

Global Peace Index 2016

RANK **1st** in Asia

Safe Cities Index

RANK **1st** RANK **3rd**
Tokyo Osaka
among major 50 cities in the world

106 foreign companies out of 209 cited "social stability" as a strength of Japan's business environment.

Crime Rate in 2017

(per 100,000 people)

Canada	5,334 cases	5.30%
Japan	722 cases	0.72%



Incentives by the National Government

- Shortened investment procedures
- Acceleration of status of residency examinations
- Indefinite period of stay for highly skilled foreign professionals
- Subsidy program for the costs of foreign companies setting up innovation centers
- Enhance R&D Tax Credit System to deduct R&D expenses from corporate tax
- Corporate tax credit for companies with new employment of 5 or more
- Reduction of patent fees



What Japanese companies look for overseas expansion

- Market size and growth potential
- Highly educated/skilled population (workforce)
- Accumulated customers/suppliers
- More transparent and streamlined temporary visa issuance
- Attractive tax levels and incentives
- Proximity and easy access to major markets
- More leeway in P3 partnerships with government, more control over projects
- Reasonable land costs
- Pro-Japanese sentiments

According to 2018 JETRO polls:

- 51.1% of Japanese companies plan to expand their overseas business (esp. medical, cosmetics, apparel, chemical)
- Over 80% wish to expand sales abroad
- About half of Japanese companies employ foreigners to help expand sales and improve negotiations with foreign businesses

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

CPTPP

- Major trading bloc comprising 11 countries representing 495 million people and a combined GDP of \$13.5 trillion.
- The elimination of tariffs ensures a free, open and rule-based economic system, and provides Canadian exporters across a broad range of sectors in all provinces and territories with new opportunities in key foreign markets, and vice-versa.
- Particularly beneficial for exports to Japan, where the elimination of tariffs will give Canada a “first mover” advantage in the market (i.e. over U.S. exporters).
- Covers not only trade in goods, but also trade in services, government procurement, e-commerce, intellectual property, etc.

Government's Forecast of Economic Effect of CPTPP

- Economy: +1.5% of real GDP (about 71.4 billion USD)
- Job Creation: +0.7% of real GDP (about 460,000 jobs)

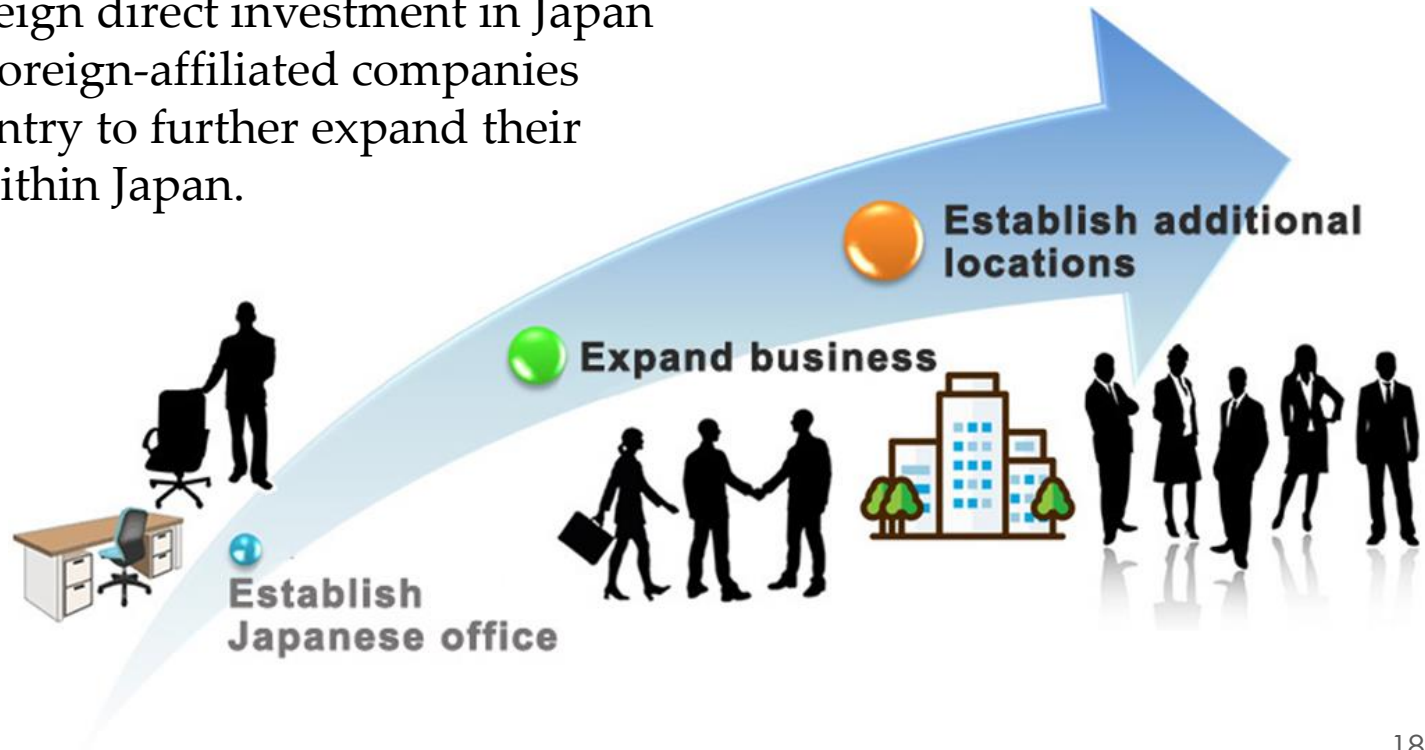
JETRO

JETRO is a government-related organization working to promote mutual trade and investment between Japan and the rest of the world.

JETRO's Invest Japan Department focuses on promoting foreign direct investment in Japan and assisting foreign-affiliated companies already in country to further expand their investments within Japan.

JETRO

JAPAN EXTERNAL TRADE ORGANIZATION



Support from JETRO

Information on Business Expansion

Information on incentives

Location-specific incentives including capital expenditure grants, preferential tax treatment, employee hiring subsidies, and other financial assistance.

Market intelligence across a broad range of industries

Industry-specific overviews of trends, key players, regulations, and related market data.

Creation of Business Opportunities

Business networking

Arranged meetings with potential partners and participation in industry-specific events.

Finding needed human resources

Interfacing with human resource agencies that have established networks and understanding of local markets.

Consultation with Professionals

Referrals to reputable and bilingual local service providers

Introductions to in-network service providers with proven track records in legal, tax, accounting, real estate, translation, and other areas of expertise.

Consultation on regulatory reform

Arranged meetings with prefectural and city government officials for local laws, licensing and related matters.

Other Support for Your Startup

Temporary office space in 6 major cities throughout Japan

Private, secure, and easy-to-use office space, conference facilities, and on-site advisors at our business support centers in Tokyo, Yokohama, Nagoya, Osaka, Kobe, and Fukuoka.

Please contact JETRO for more information on our services.

Japan in 2019



June 28-29, 2019
Osaka



August 28-30, 2019
Yokohama



September 19 – November 12,
2019
Various Locations

People to People Exchange

































● The Japan Exchange and Teaching Programme
(JET Programme)

● MEXT Scholarship




● KAKEHASHI Project



Sister-City Relations between Japan and Ontario

	 Ontario	Since	 Japan		 Ontario	Since	 Japan
1		1997	 Murayama (Yamagata)	8	 OAKVILLE	1984	 Neyagawa (Osaka)
2		1989	 Itabashi (Tokyo)	9	 <i>Heritage</i> PERTH	1996	 Asago (Hyogo)
3		1981	 Katano (Osaka)	10	 TIMMINS I'M IN. J'Y TIENS. 我在这	1975	 Naoshima (Kagawa)
4		1976	 Fukuyama (Hiroshima)	11	 CITY OF <i>Thunder Bay</i> Superior by Nature	2007	 Gifu (Gifu)
5		1969	 Nayoro (Hokkaido)	12	 TORONTO	1991	 Sagamihara (Kanagawa)
6		1992	 Simokawa (Hokkaido)	13	 VAUGHAN	1993	 Sanjo (Niigata)
7	 MISSISSAUGA	1980	 Kariya (Aichi)	14	 THE CITY OF WINDSOR ONTARIO, CANADA	1987	 Fujisawa (Kanagawa)

Nayoro-Kawartha Lakes

	Nayoro	Kawartha Lake
Population	27,378 (May 2019)	75,423 (2016)
The total land area	535.20 km ²	3,059 km ²
Major sectors of industry	<p>Agriculture</p>  <p>Glutinous rice: Top crop acreage in Japan</p>  <p>Asparagus: Top yield in Hokkaido</p>	<p>Manufacturing Agriculture Tourism</p> 
Schools	<p>Elementary School 8 Junior High School 4 High School 2 Post Secondary 1 <i>Nayoro City University</i></p>	<p>Elementary School 23 Secondary School 4 Post Secondary School 1 <i>Fleming College</i></p>

Lindsay-Nayoro Twinning Relationship



Consul-General Ito visits Lindsay in Kawartha Lakes, awards Consul-General's Commendation (August 23, 2018)



Organizations Promoting Japanese Culture in Ontario



The Japan Foundation, Toronto
<https://jftor.org>



Japanese Canadian Cultural Centre
www.jccc.on.ca



Canada Japan Society
canadajapansociety.blogspot.com



The Japan Society
www.japansocietycanada.com



CONSULATE GENERAL
OF JAPAN IN TORONTO
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@CGjapanTO

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List!***

Consulate-General of Japan in Toronto holds various cultural events and presentations through the year. If you would like to be notified of them, please send your name and e-mail address to culturaleventcgto@to.mofa.go.jp



Canada-Japan 90 Years

Canada-Japon 90 ans

日加修好90周年