



# Japan – Opportunities in Transition

---

Melissa Grosso, Director  
U.S. Commercial Service (Connecticut Office)

# Why Japan?

- Japan is one of the most important trade and investment partners for the United States.
- Size and wealth make this an attractive market for US companies.
- American companies are exposed to new technology, rigorous competition, and in some cases, the partnership opportunities for third markets.

**Unemployment Rate:**

Low unemployment rate around 2-3%

**Deflation:**

Under intermittent deflation since the mid-1990s.

**Consumer Price Index (CPI):**

102.70 point as of August 2022 – marked record high

**Country Debt to the GDP:**

263%, second largest in the world

**Average Household Income:**

US\$ 39,450



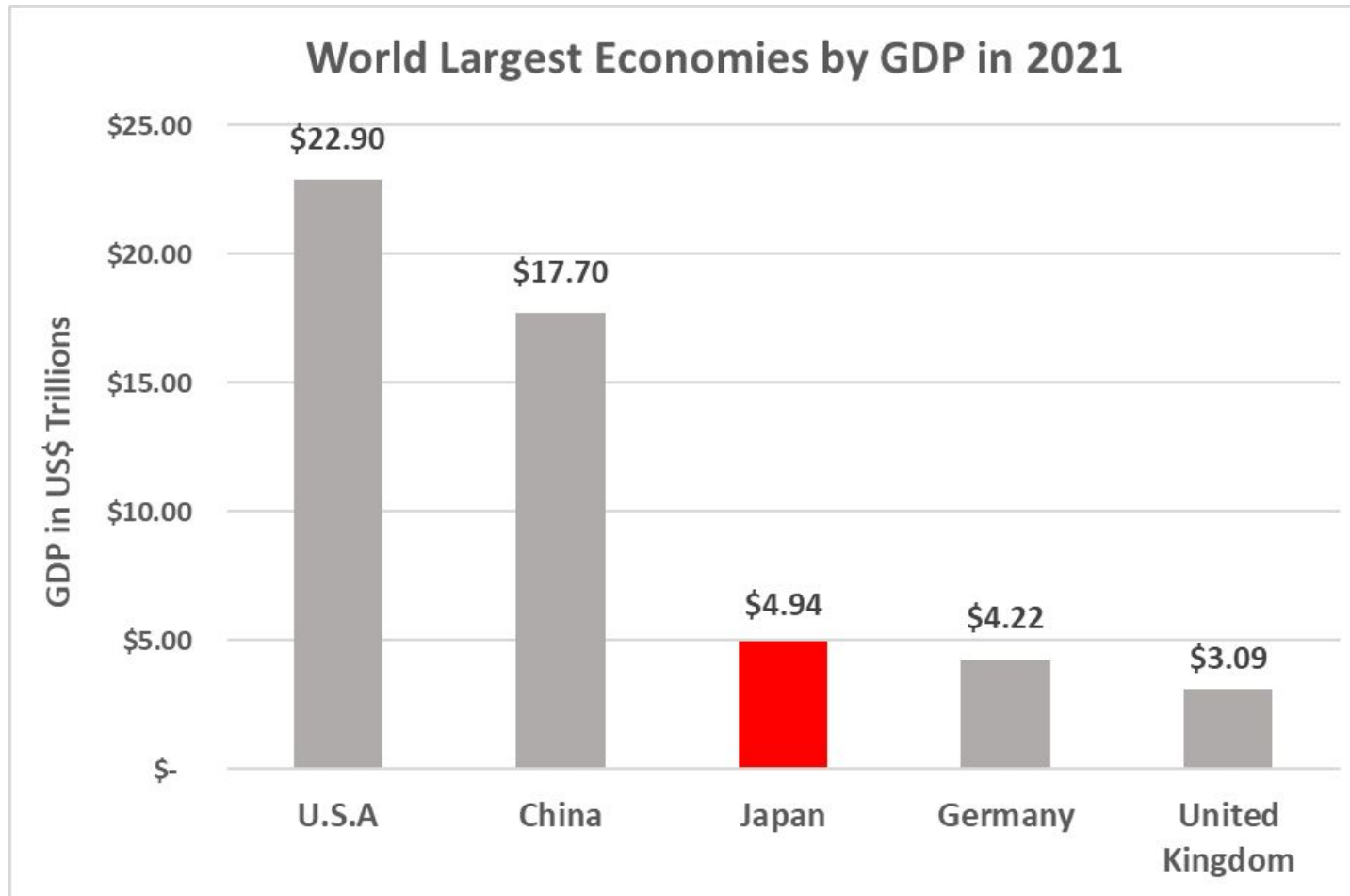
# Bottom Line Up Front

- Japan is still a large economy – but it is not growing
- Japan's population is aging and shrinking
- The top-tier of Japanese firms are international
- Opportunities in Japan's transitions

# Japan - Basic Facts

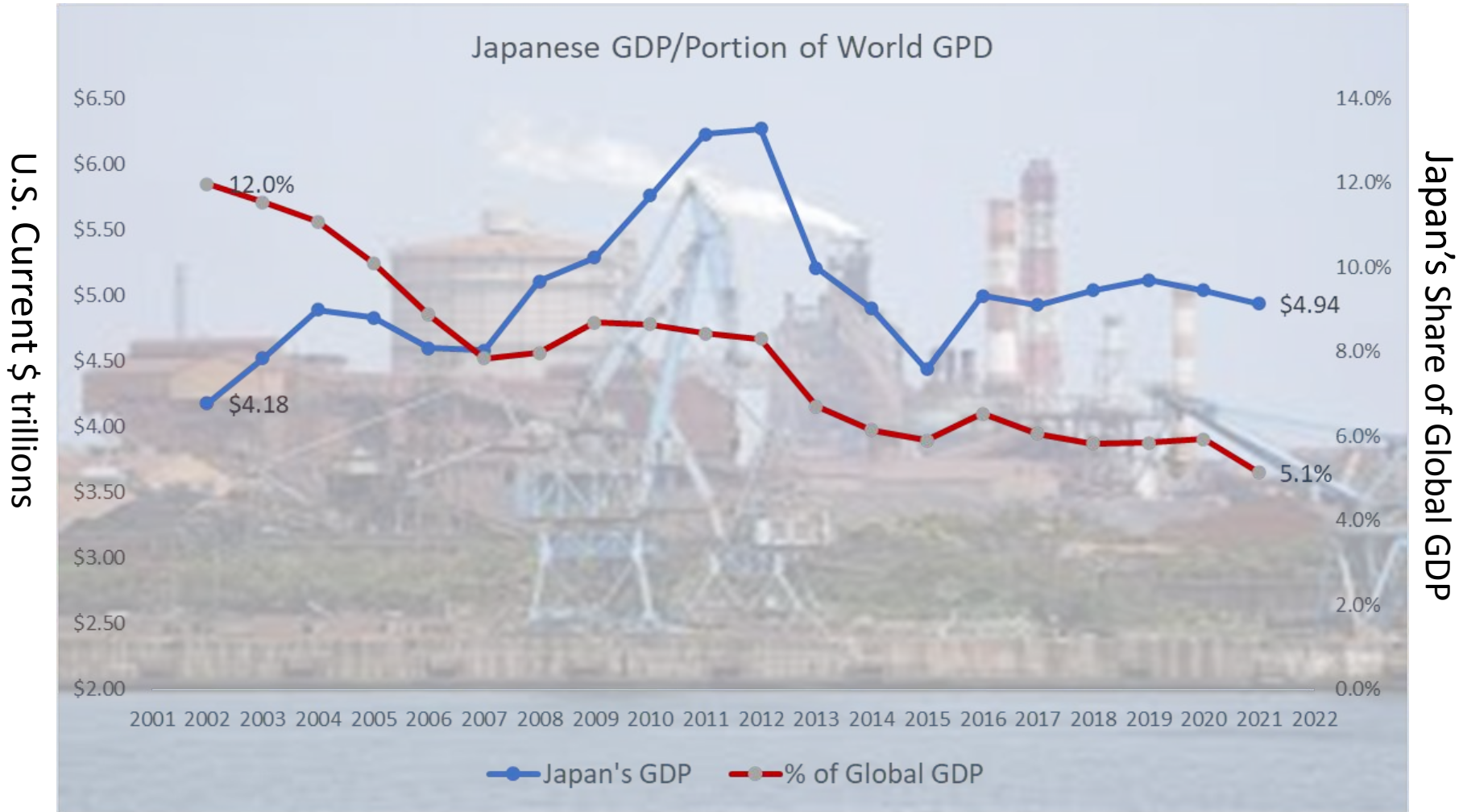
- G-7 Member Economy
- GDP: \$5 trillion (#3)
- GDP Per Capita: \$45,550
- Unemployment: 2.8%
- Inflation (CPI): 0.0%
- Like-Minded Indo-Pacific Ally

# Japan is Still the World's Third Largest Economy



*Ref: World Bank*

# Shifts in Japan's Share of Global GDP





# Demography is Destiny



Median Age: 48.4

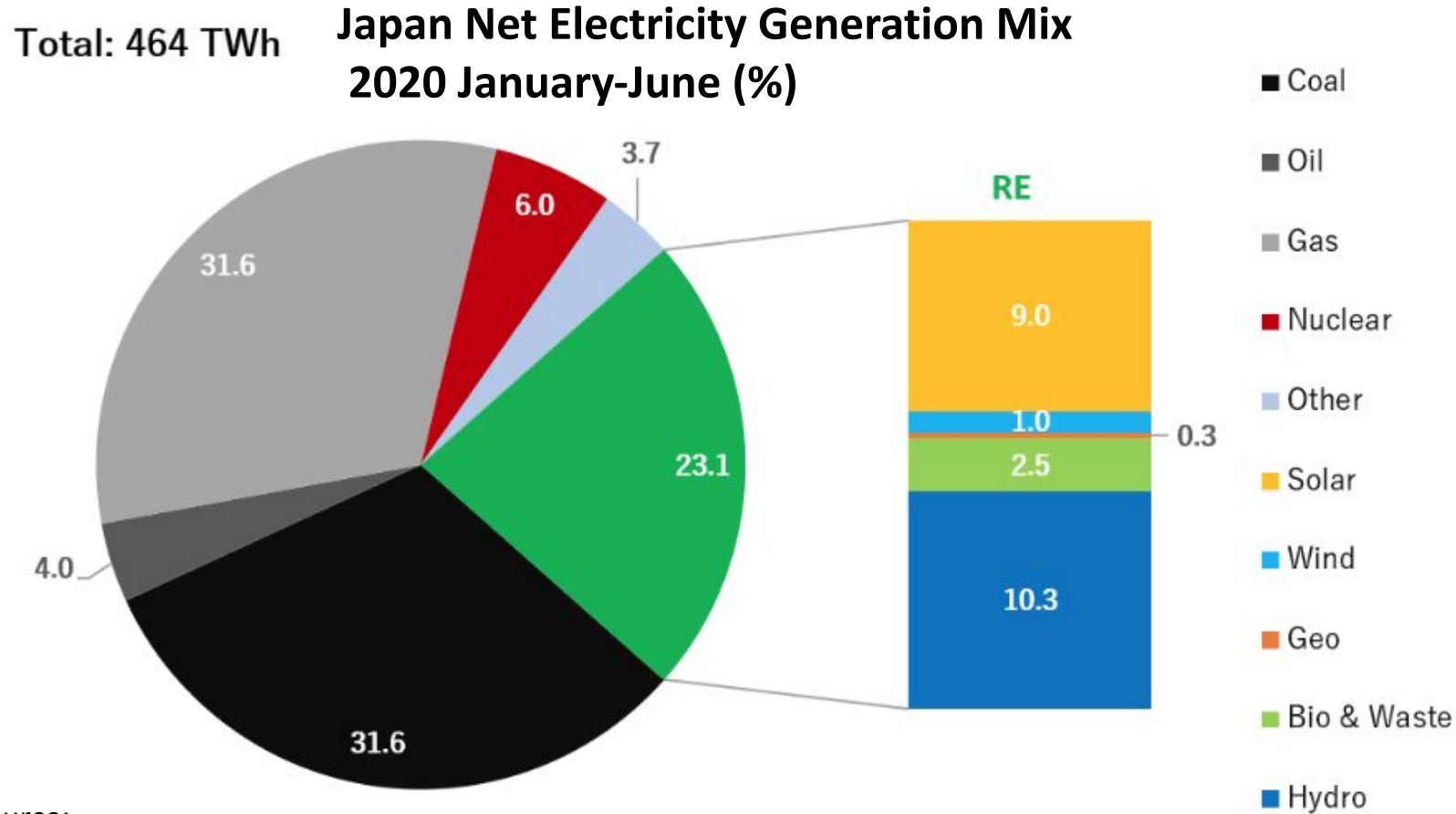
More adults over 75  
than children under 15

# JAPAN: Top Local Firms are International





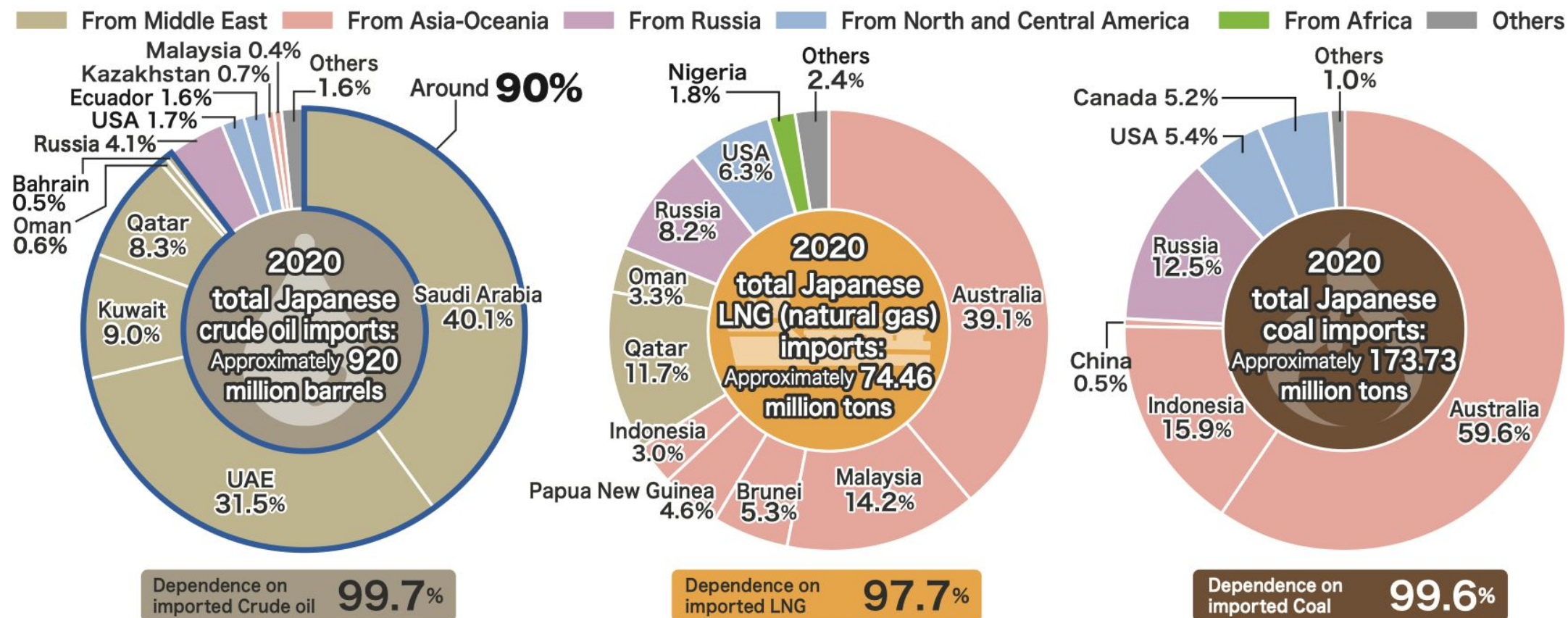
# Japan: Energy Solution & Innovation



Source:  
*Renewable Energy Institute*

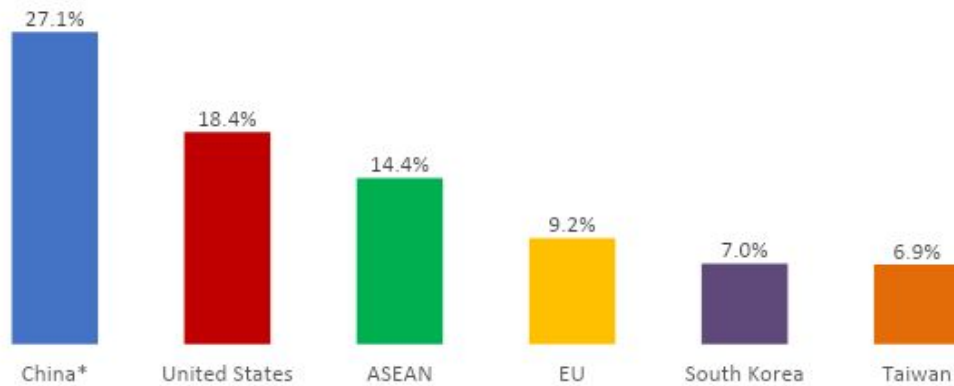
# Japan has diversified its energy supply

## Sources of Japanese fossil fuel imports (2020)

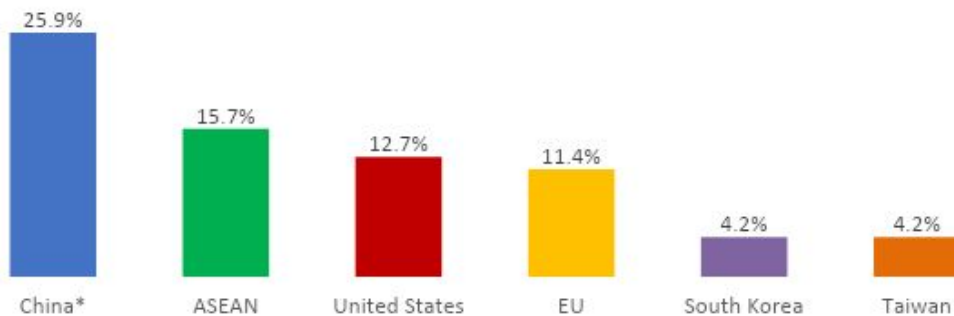


# U.S. is Japan's 2nd Largest Trade Partner After China

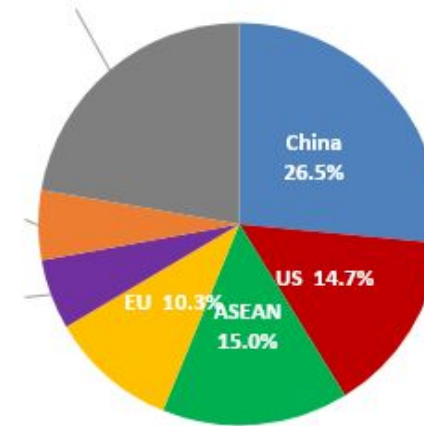
Share of Exports



Share of Imports



Share of Japan's Trade



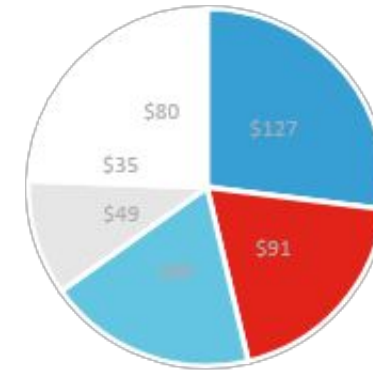
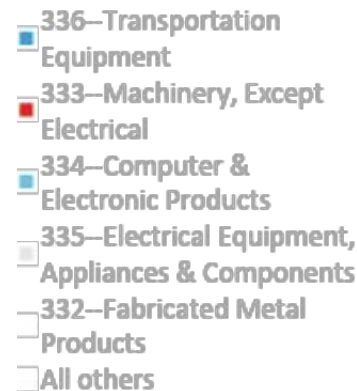
# Connecticut / Japan Trade

\$477 million exports to Japan in 2022 (#35 in US)  
\$264 million imports from Japan in 2022 (#39 in US)

## Connecticut Imports from Japan:

- Machinery (\$84m)
- Goods Returned (\$46m)
- Computer/Electronics (\$33m)
- Chemicals (\$33m)

## Connecticut Exports to Japan (2022) *USD millions*





# Best Prospects are in the Transitions

- Aging, shrinking population
- Digitalization
- Decarbonization
- Outbound investment

# Best Prospects for U.S. Exporters

- Financial Technology
- Aircraft and Related Parts
- Industrial Machine Tools
- Medical Devices
- Civil Nuclear Power

Source: U.S. Commercial Service's *Japan Country Commercial Guide*

- Cloud Computing

# Key Considerations

- Japan's consumer economy is large, broad-based, and sophisticated.
- Highly dependent upon the import of natural resources.
- Japan's strategic alliance and deep economic integration with the United States presents opportunities in advanced sectors such as space, defense, and security.

## Challenges

- **Standards unique to Japan**
- **Regulations**
- **Prior experience in Japan sometimes required**

## Market Entry Strategy

- **Local partner is key**
- **Visit country frequently**
- **Relationships are critical**

# What Next?

## Let our global network work for you.

### Worldwide Recognition

As the U.S. government, we can open doors that no one else can in markets around the world.

### Global Network

Our unmatched global network with trade experts in more than 76 markets can provide you with on-the-ground knowledge and connections.

### Results Driven

Our expert, in-person counseling is unparalleled and designed to help you succeed in global markets.



## Our Services



### Export Counseling

- Learn about the export process and develop effective market entry and sales strategies.
- Find out about export documentation requirements and import regulations of foreign markets.
- Learn about U.S. government export controls, compliance and trade financing options.



### Market Intelligence

- Analyze market potential and foreign competitors.
- Obtain useful information on best prospects, financing, laws, and cultural issues.
- Conduct background checks on potential buyers and distributors.



### Business Matchmaking

- Connect with pre-screened potential partners.
- Promote your product or service to prospective buyers at trade events worldwide.
- Meet with international industry and government decision makers in your target markets.



### Commercial Diplomacy

- Address trade obstacles to successfully enter international markets.
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests.

<https://www.trade.gov/virtual-services>





# U.S. Commercial Service JAPAN



## Tokyo

### **U.S. Embassy Tokyo**

1-10-5 Akasaka, Minato-ku,  
Tokyo 107-8420



## Osaka

### **U.S. Consulate General Osaka**

2-11-5, Nishitenma, Kita-ku,  
Osaka 530-8543



# Your Local Office

---

Companies can find assistance locally in more than 100 Commercial Service offices nationwide.

## **U.S. Commercial Service, Connecticut**

213 Court Street, Suite 903  
Middletown, CT  
[trade.gov](https://trade.gov)

## Your Connecticut Export Team

### **Melissa Grosso**

Director

860-638-6955

*Melissa.Grosso@trade.gov*

Industries covered: Aerospace/Defense, Energy, FDI, Travel/Tourism

### **Anthony Sargis**

Senior International Trade Specialist

860-638-6954

*Anthony.Sargis@trade.gov*

Industries covered: Education, Environmental Technology, Financial Services, ICT, Marine Technology, and Safety & Security

### **Jacqui Torcellini**

International Trade Specialist

860-638-6953

*Jacqueline.Torcellini@trade.gov*

Industries covered: Automotive, Consumer Goods, Food & Beverage, Franchising, Design & Construction, Healthcare Technologies