



Australian Government

Austrade

An Insider View of Japan's New Economy – Doing Business in Japan

A presentation to APEC WLN
Tuesday 18 May 2010

Sally Phillips

Trade Commissioner & Consul Osaka, Japan

Austrade



“Snapshot” ...Japan

- ***The world’s second biggest economy***
- ***Australia’s no.1 export market for over 40 years***
- ***Japan Inc sitting on record profits and is cash-rich***
- ***Backed by 127 million wealthy consumers & USD7-8 trillion of savings***



“The New Japan”

- ***Accountability in politics and in business***
- ***Focus on profitability as opposed to market share***
- ***Embracing foreign capital, technology and participation –Brazilian Carlos Ghosn Nissan + Steel Korean Posco***
- ***Engaging women to boost the workforce***



“The New Japan”

- ***Widening of the income gap - have and have nots***
- ***Widening of the generation gap***
- ***3000 foreign backed companies in Japan***
– 15% of GDP
- ***Internationalization of Japan***



Drivers for Change:

- *Food safety and security*
- *Energy security*
- *Global warming*
- *Competition with China and other emerging economies*
- *Workforce: ageing population*



The Consumer Market



- ***Japanese consumers = 11% of global economy***
- ***The “Dankai” generation – 7m retirees, A\$1.3 trillion***
- ***Japan is the world’s test market for the silver segment***
- ***Quality, Design and Value – “experiential benefit”***
- ***Increasingly prefer on-line interaction***

Japanese Women - Segmentation of Consumer Market

	Silvers	Dankai Generation	Dankai Juniors	Parasite Singles	Fuyu-so
Number of People (2009)	Aged 65+ 14 million (12.7% of total population)	Aged 60 – 62 3.42 million (2.7% of total population)	Aged 35 – 38 3.81 million (3.0% of total population)	Aged 20 – 34 3.9 million (3.09% of total population)	Assets over 100 million yen 0.4 million (0.32% of total population)
Life Style	Retired, with grown children; many also have grand children; pension-based income	Recently retired, with grown children; pension-based income	Family-oriented; saving up for future	Working, single; low income, living with parents	Luxurious, sophisticated successful
Values	Conservative, Active and Healthy	Independent, Fewer Responsibilities Time to Enjoy Own Life	Individualistic, Self-realization, Unique	Frivolous, Status, Luxury, Active	Extravagant, Luxury, Success

	Silvers	Dankai Generation	Dankai Juniors	Parasite Singles	Fuyu-so
Interests	Finances, Healthcare, Grandchildren, Activities, Food	Finances, Activities, Travel, Food, Health, Beauty	Babies, Family, Beauty, Activities, Organic, Health, Food, Shopping, Music	Shopping, Beauty, Food, Activities, Music, Health	Finances, International, Travel, Beauty, Business, Food
Services	Housework Services, Financial Advice, Prepared Food Services, Community & Network Building	Eldercare Coaching, Dietary Advice, Exercise Programs, Senior College	Parenting Coaching, Afterschool Programs, Career Coaching, Future Finance Advising, Parties with Children	After-work Lessons (cooking, fashion, yoga, etc.), Career Coaching, Finance Advising, Advanced Education	Housework Services, Customized Financial Services
Products	Anti-aging Training, Easy-to-use Digital Devices, Gardening Products	Anti-aging Trainings, Nature Tours, Cruises, Beauty Products, Pet Products, Gardening Products	Family Tours, Investment Packages, Pre-packaged Food Delivery, Time-saving HH Appliances	Fitness Gear, Beauty Tours, Fast Fashion, Cosmetics, Jewellery	Premium Tours, High Quality Cosmetics, Home Decoration Product, Anti-aging Products, Imported Food, Jewellery

Women in the workforce

- **Declining population and the need to attract women into the workforce are key drivers of new opportunity:**
 - **Japan's population peaked in 2006 - Expected to be 101m (from 127m) by 2050**
- **Women in the workforce barely changed from 39 % to 41% over the ten years 1997-2007, and does not register amongst the top ten in the OECD.**
 - **Biggest reason for female hesitation to enter the workforce includes: inadequate childcare and nursing care.**
- **Opportunities for expertise and services in child-care, investment into child-care infrastructure, or professional training and development for women are growing.**



Working women in Japanese Consumer Market

	Arafif	Arafo	Arasa
Number of People	Aged 47 – 52 (0.69 million “Progressive” out of 4.6million)	Aged 35 – 44 (1.3 million “Single” out of 9.1 million)	Aged 28 – 32 (0.5 million “Single” out of 3.9 million)
Life Style	Working, active, wants only the best, enjoying own time	Single, “career women,” active, enjoys hobbies	Working, new in career; enjoying life in society
Values	Luxury, Progressive Open-minded	Invest for Selves, Independent	Active, Individualistic, Inventive, Unique, Anxiety for future

	Arafif	Arafo	Arasa
Interests	Health, Exercise, Shopping, Travel, Beauty, Cosmetics, Fashion, Art, Socializing,	Career, Dining, Health, Organic, Shopping, Travel, Beauty, Cosmetics, Fashion	Career, Fashion, Shopping, Beauty, Cosmetics
Services	Healthy Food Party Caterings, Networking, Hobby-related Lessons, Craft Classes, On-line Networking	Career Advising, Networking & Community Service, Advanced Education, Insurance	Career Guidance, Networking, Mentoring, After-work Learning, Insurance
Products	Anti-aging Cosmetics, Exercise Videos & Gear, Prepared Organic Food Delivery, Pet Products, Gardening Products, Jewellery	Relaxing Beauty Products, Career Fashion, Flowers, Jewellery	Fast Fashion, Affordable Cosmetics, Flowers, Jewellery,

Doing Business in Japan 5 tips

- *Punctuality – logistics can often be time consuming*
- ***Business Card and product information, brochure..***
- *Gift – small gift prepared*
- ***Be polite and engage in small talk – let them take the lead..***
- *Be yourself – Enjoy the experience...*

Austrade: your vehicle into Japan

- ***4 Offices covering Japan with 50 marketing staff***
- ***Market intelligence, tailored business programs, business matching, ‘your’ eyes and ears on the ground.***
- ***Specialized industry knowledge and national teams:***
 - » ***Food and beverage***
 - » ***Agribusiness and Clean Energy***
 - » ***Technology***
 - » ***Business services & Education***
 - » ***Consumer products***
 - » ***Creative Industries, Sports and Entertainment***



An Invitation to extend your visit in Japan

- ***Ms Elizabeth Masamune, Senior Trade Commissioner Tokyo and Country Manager Japan is the Head of APEC WNL delegation.***
- ***We look forward to welcoming you to Japan in September 2010***

