

Market Watch

Japan

Land of the rising sun ... and upcoming World Expo

Japan, which recently ranked as the world's 4th largest economy following the US, China, and Germany, boasts a population of 126 million, with some of the highest standards of living in the world. The country's competitiveness, grounded in its technological progress, social cohesion, and integration with Asian economies, is further bolstered by its steadfast transition achieving a Society 5.0. Japan is a strategic partner for Luxembourg. Not just because of the good relations and strategic business opportunities, but also because of the country's key developments in new, sustainable and digital technologies. An aspect that can further accelerate the collaboration and innovation between Luxembourg and Japanese businesses. This is also to be showcased and explored at the upcoming World Expo in Osaka in 2025. Luxembourg will be present at next year's World Expo with a national pavilion which will offer an interactive experience, highlighting the importance of circularity and sustainability.

However, beyond the World Expo, the Japanese market offers many opportunities in developing fields. Let's delve into some of the key ones here.

Tokyo

Tokyo is widely seen as Japan's economic hub, primarily due to its concentration of well-established international corporations.

Due to the city's world position, Tokyo's economy has put much more focus on financial services and banking. Tokyo serves as a hub for financial companies that possess advanced financial techniques and is where superior human resources in the fields of finance, investment funds, and information gather from all over the world. A focus on the FinTech sector is also visible in order to develop the city of Tokyo and aims to transform these areas into an ecosystem. In addition, activities geared towards solving social problems such as ESG investment, which has been gaining more attention internationally; and the realization of Tokyo as a world-leading society have taken center-stage.

Among Tokyo's diverse industries are the manufacturing of electronic apparatus, transport equipment, automobiles, cameras and optical goods, furniture, textiles, and a wide array of consumer items. The city's sheer economic scale, the many outstanding universities and research institutions, the impressive business community, and government initiatives represent limitless potential for synergy and networks ready to be harnessed. In economic terms, Tokyo has the world's highest GDP, surpassing even that of London and New York. As Japan's center of academics and business, the city is ideal for meetings in any field. Tokyo has 140 universities, 13 of which are ranked in the Times Higher Education World University Ranking. The city is a true hub of academic excellence and state-of-the-art research. On the business side, the city's private sector is enormous: 1,900 listed companies are headquartered there, amounting to the largest aggregate market capitalization in Asia. Many of these companies are eager to work with academia in pursuit of even greater value and innovation. In addition, strong local government initiatives further promote the city's dynamic growth and progress toward the future.

Tokyo also has a renowned subway system, and the world's first public monorail line runs between downtown and Haneda international airport. Narita International is Tokyo's main airport. The transportation system also includes the Shinkansen, whose "bullet trains" connect Tokyo with Osaka and other cities.

Osaka

Osaka is the 2nd largest city in Japan and the largest city in western part of the country. With a population of 8.8 million, and a market equal in size to the GDP of Singapore, it is an important destination when visiting Japan.

Osaka has a long history as a capital city and as a gateway for international exchange. Since the modern era, the city has flourished as a center of commerce and finance and has played a major role in the development of Japan's industrial economy. Osaka is also the center of the Kansai region with a population of 20.4 million. The Kansai region has a big market, and many companies are actively engaged in business activities in a wide range of industrial fields. There are also numerous universities, institutions and colleges engaged in high-level research and technological development. Osaka presents a well-rounded balance of manufacturing industries, as well as distribution and logistics industries such as trading companies and department stores, and service industries such as finance. Furthermore, high-tech industries such as biotechnology, IT, and sports-related and game content industries are concentrated here as well.

The Kansai region, especially Osaka, will host the 2025 World Expo, where Luxembourg will have its national pavilion. The Luxembourg Chamber of Commerce will organize trade missions during the World Expo – more information to come soon.

The city of Tsukuba is home to 150 universities and research institutes that have yielded 4 Nobel Prize winners. Of the city's 245,000 residents around 8% are working in the research sector. Amongst the many advanced research institutes located in the city is the Tsukuba Science City and the JAXA (Japan Aerospace Exploration Agency) Space Centre. It is because of this unique conglomeration of research facilities that innovation is a key word in this city. This is also highlighted by the important support that the city provides to start-ups – a fact that is reflected by the many international visitors from known innovative countries that Tsukuba receives.

Luxinnovation and the City of Tsukuba therefore signed a Memorandum of Understanding in the fields of space technologies and material sciences – where both regions are on the cutting edge - to streamline cooperation and offer opportunities for innovative companies seeking to expand their activities to Asia.

The Luxembourg Chamber of Commerce is organizing an **Official Trade Mission to Japan from 10th – 14th June 2024.**

For more information visit www.cc.lu
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