

October 20, 2021



UNITED FOR GROWTH

Grow Your Exports to South Korea & Japan Webinar



Great Lakes St. Lawrence Governors & Premiers

- More than 30 years of collaboration among the region's chief executives:



- Growing the region's economy and protecting the world's greatest freshwater system
 - Chair: Wisconsin Governor Tony Evers
 - Vice Chair: Ohio Governor Mike DeWine





Great Lakes St. Lawrence Governors & Premiers

Award-Winning Project Portfolio

Economy

- Promoting SME Exports
- Growing Strong Clusters
 - **Maritime Transportation**
 - **Tourism**
 - **Cruising**
- Attracting Foreign Investment

• Environment

- Managing Sustainable Water Use
- Restoring and Protecting the Great Lakes St. Lawrence

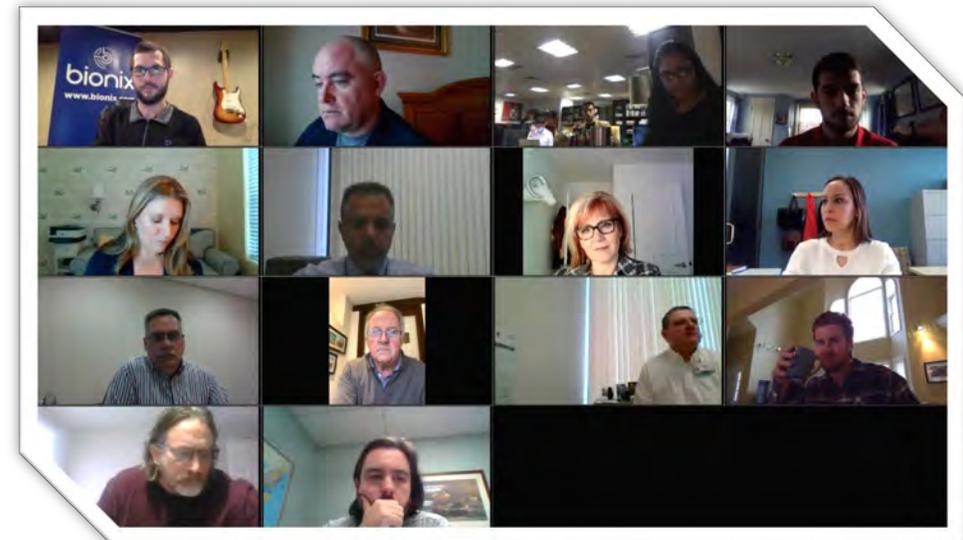


GSGP Trade Missions

PROVEN RESULTS



Abu Dhabi, Argentina, Australia, Brazil, Chile, Czech Republic, Colombia, Dubai, Germany, India, Indonesia, Mexico, New Zealand, Peru, Poland, Romania, South Africa, Qatar, Québec, Tanzania, Thailand, Turkey, Vietnam, UAE and the United Kingdom





Recipient of 2020 President's "E" Award for Export Service



The President's "E" Award is the highest recognition any U.S. entity can receive for making a significant contribution to the expansion of U.S. exports.



ACCESSING INTERNATIONAL MARKETS – SOUTH KOREA

1

SOUTH KOREA

SOUTH KOREA

Population 51 MILLION

Urban 81% (50% of the Population in Seoul & It's Suburban Area)

GDP \$1.63 trillion (as of 2020)

Economic Scope World's 10th largest economy and 4th in Asia, with a value of US\$1.6 trillion GDP and US\$1 trillion trade (by GDP as of 2020, Source: IMF)

Leading Industries ICT, Electronics, Semiconductor, Display, Automobile, Aerospace, Machinery, Shipbuilding & Marine, Steel, and Petrochemical...



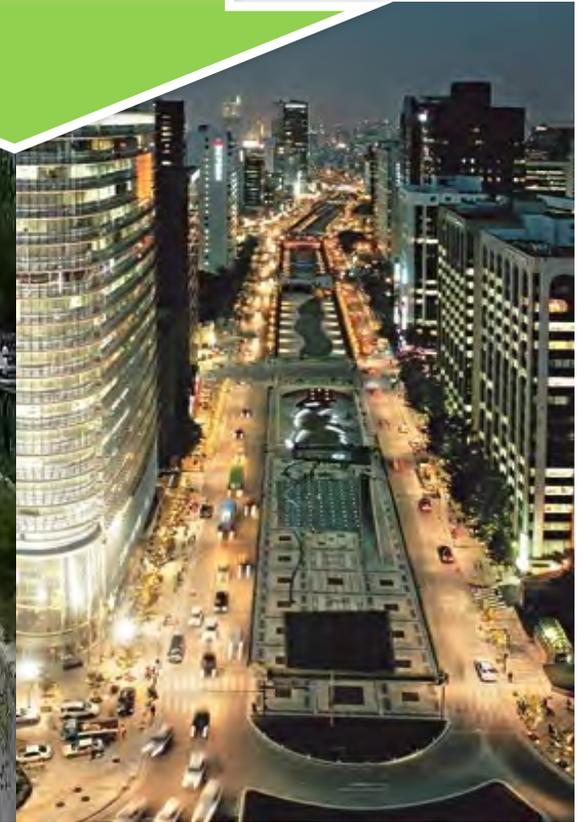
ADVANCEMENT

Modern South Korea experienced a century of development within a decade

1960's

1980's

2010-2020's



SOUTH KOREA ECONOMY & CHAEBOLS

The South Korean economy moved up two notches by beating Brazil and Russia and became the **10th-largest economy** in the world in 2020, according to the IMF World Economic Outlook.

10th

**Largest Economy
(as of April 2021)**

Rank	TOP EXPORT COUNTRIES (as of June 2021)
1	CHINA (25.86%)
2	USA (14.46%)
3	VIETNAM (9.46%)
4	HONG KONG (5.98%)
5	JAPAN (4.89%)
6	TAIWAN
7	INDIA
8	GERMANY
9	SINGAPORE
10	MEXICO

Rank	TOP IMPORT COUNTRIES (as of June 2021)
1	CHINA (23.28%)
2	USA (12.29%)
3	JAPAN (9.84%)
4	AUSTRALIA (4.0%)
5	VIETNAM (4.40%)
6	TAIWAN (3.81%)
7	GERMANY (4.42%)
8	SAUDI ARABIA
9	RUSSIA
10	SINGAPORE

Source: KITA, Figures in parentheses are percentage of Korea's total export and import in 2021)

SOUTH KOREA ECONOMY & CHAEBOLS

On May 22, 2021, 4 major Korean companies announced plans to invest \$39.4 billion in the US

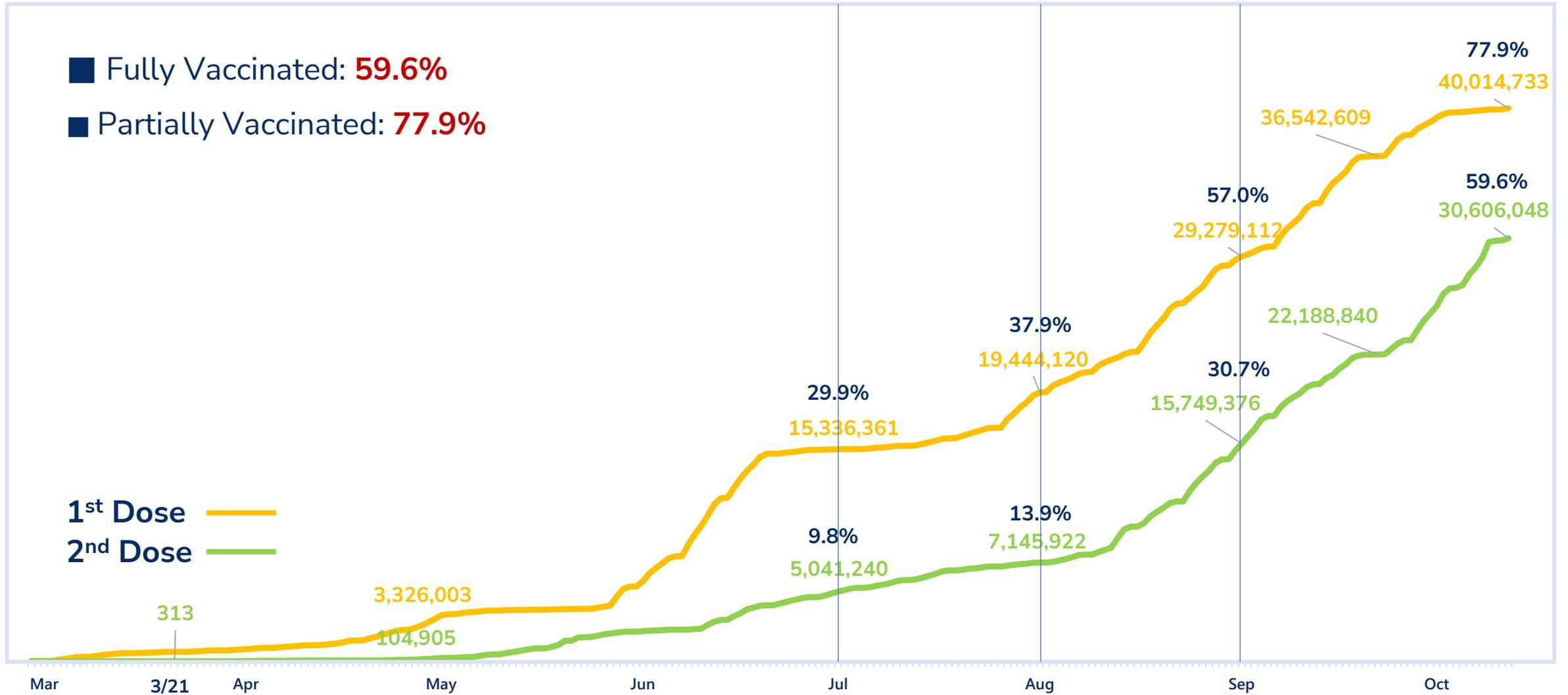
Company Name	Investment (\$)
	\$17 billion in a new foundry plant
 	\$14 billion in battery plant
	\$7.4 billion in electric vehicle production & recharging infrastructure
	\$1 billion building R&D in Silicon Valley

2

COVID-19 & TRAVELS

COVID-19 UPDATE

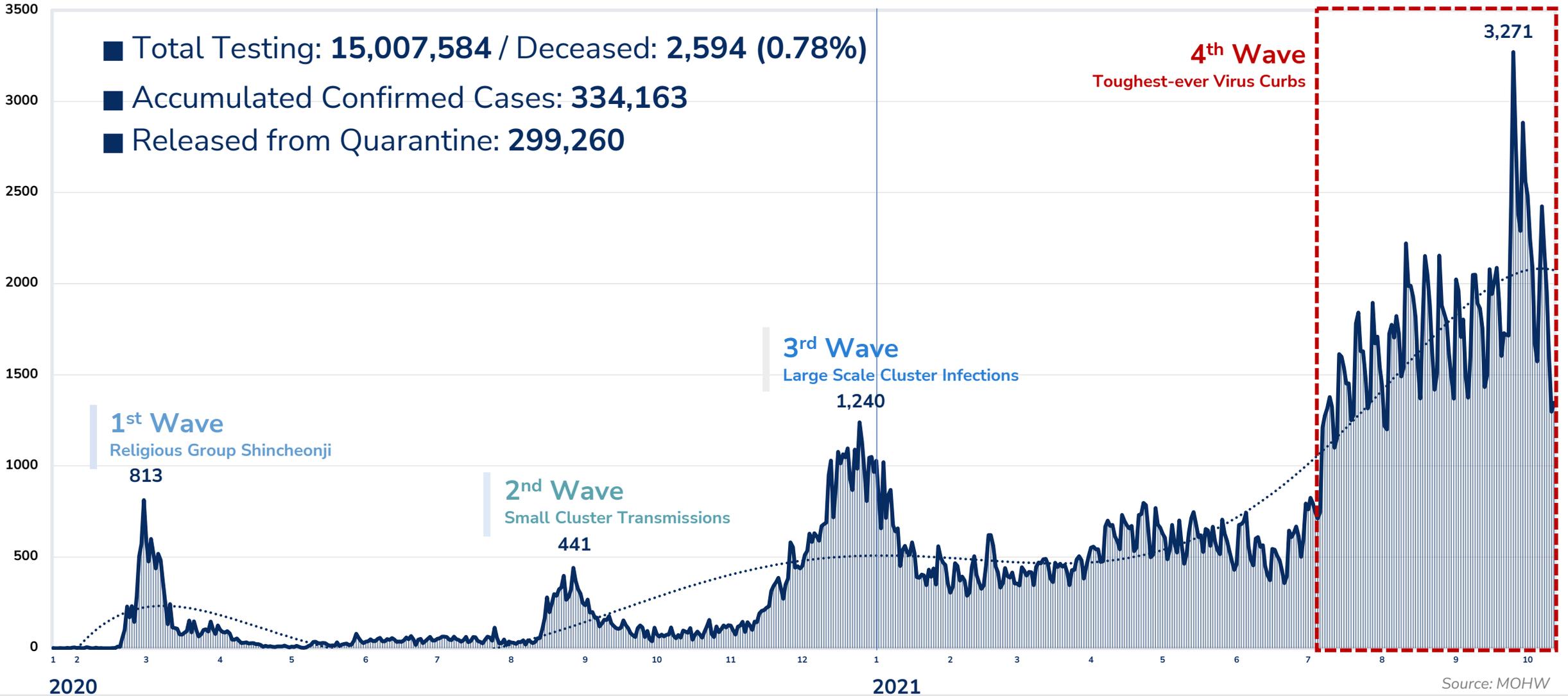
Vaccine Doses Given (accumulated per day)
As of October 12th, 2021 at 00:00 a.m



Source: MOHW

COVID-19 UPDATE

Vaccine Doses Given (accumulated per day)
As of October 12th, 2021 at 00:00 a.m



COVID-19 UPDATE

Vaccine Doses Given (accumulated per day)
As of October 12th, 2021 at 00:00 a.m

Starting on July 12th, the metropolitan area is placed under the toughest social distancing level of 4 which is a semi-lockdown with entering the 4th wave of pandemic, and mostly all other areas nationwide have stepped up their distancing to Level 3. However, the government is continuing to expand benefits for those who have completed vaccination.

UNDER LEVEL 4 RULES

- Gatherings of three or more people banned after 6 p.m., Entertainment establishments ordered to be shut down, dine-in customers allowed at restaurants until 10 p.m.
- In-person classes closed
- Private events restricted. Weddings allowed up to 49 people with meals and 99 people without meals. Funerals only be joined by relatives
- If necessary for the company's essential management activities and official duties, it shall comply with the basic quarantine rules and allow it to be held without restrictions on the number of people. In the case of exhibitions and fairs, the facility area shall be limited to one person per 6m², the operation of the pre-booking system shall be recommended, and the distance of 2m (min. 1m) between users shall be kept.

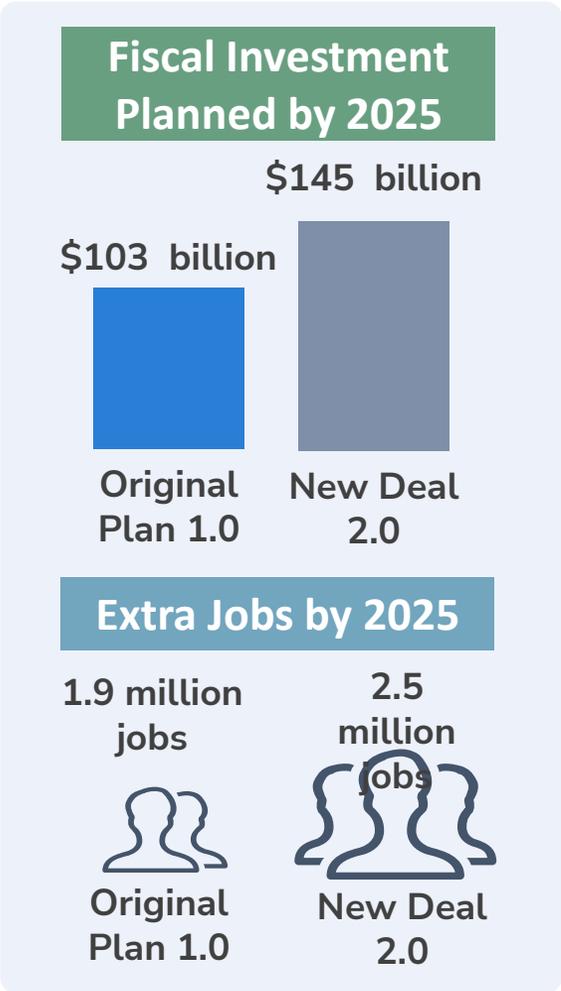
LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
< 500 daily cases Nationwide ; < 250 cases in Metropolitan area	> 500 daily cases Nationwide ; > 250 cases in Metropolitan area	> 1,000 daily cases Nationwide ; > 500 cases in Metropolitan area	> 2,000 daily cases Nationwide ; > 1,000 cases in Metropolitan area
<ul style="list-style-type: none"> • No cap on private gatherings • No curfew on business operation hours • Events under 500 allowed 	<ul style="list-style-type: none"> • Private gatherings up to 8 people • Operation of restaurants and entertainment venues until 12pm • Events under 100 allowed 	<ul style="list-style-type: none"> • Private gatherings up to 4 people <i>(*Exception: Up to 8 people if fully vaccinated people are included)</i> • Operation of restaurants and entertainment venues until 10pm • Events under 49 allowed 	<ul style="list-style-type: none"> • Private gatherings up to 4 people before 6pm & 2 people after 6pm <i>(*Exception: Up to 6 people if fully vaccinated people are included)</i> • Events under 49 allowed

3

**SOUTH KOREA
NEW DEAL INITIATIVES**

SOUTH KOREA 'NEW DEAL' INITIATIVES 2.0

The government announced the upgrade of Korean New Deal, Korean New Deal 2.0 on July 14, one year after the introduction of the original plan.



Digital New Deal \$44 billion by 2025

D.N.A (Data, Network, AI)	Digital Dam, 5G Network
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Digitizing Education Infrastructure	Education, Smart Devices
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Non-contact	Healthcare, Metaverse Business
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Digital SOC	Road, Ports, Cities
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Green New Deal \$55 billion by 2025

Green Infrastructure	Buildings, Cities
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Green Factories	Green Clusters, Smart Green Factories
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Green Energy	Eco-friendly Energy, Electric & Hydrogen Vehicles
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Human New Deal \$45 billion by 2025

Investment	Develop Human Resources
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Employment	Strengthen employment & social securities
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New 2.0	Young Adult Packages
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New 2.0	Help Bridge the gap
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4

**UNDERSTANDING
MZ GENERATION**

TREND COMPARISON: GENERATION Y & Z



Baby Boomer



Gen X



Gen Y
"MILLENNIALS"

Gen Z

- Digital Technologies, Remote
- Have negative outlook on pace of economic recovery
- Criticizing the workaholic and paternalistic culture
- Give-up generation with dating, marriage and home ownership
- Extremely important to be PERSONALIZATION

MZ Generation WHO ARE THEY?

BORN BETWEEN

1981 ~ 1995

1996 ~ 2005

DIGITAL FIRST GENERATION “MILLENNIALS”

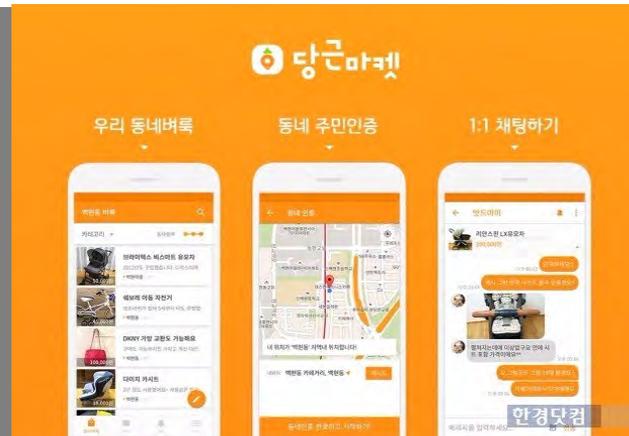
of single-person household
increase



V-COMMERCE
(Video Commerce)



NOT
OWNERSHIP
BUT
“ACCESS”



Danggun Market (Karrot)

*“Secondhand
Goods-trading app”*

<https://www.hankyung.com/news/article/201612126985g>
<http://ceoin.co.kr/news/view.php?idx=95>

METAVVERSE

According to Strategy Analytics, Metaverse market will be about **\$282 billion** by 2025

MZ generation created their own territory in technological era.



Gucci

made partner with ZEPETO to create app and social media to personalize avatars and create virtual worlds



Local Hospital

built the metaverse platform in a smart operating room



Hyundai Motor

Test drive the Sonata N line in Virtual Space

5

PROMISING INDUSTRIES

S.KOREA'S TOP 12 LEADING INDUSTRIES

*Alphabetical order

1	Automobile	Secondary Battery	7
2	Display	Semiconductor	8
3	Electronics	Shipbuilding	9
4	Machinery	Steel	10
5	Petrochemicals	Textile	11
6	Refinery	Telecommunication	12

TOP 10 PROMISING SECTORS for US EXPORTERS

Unit: US\$ Billion

	Leading Sectors for U.S. Exports & Investment	2016	2017	2018	2019	2020
1	Aerospace Industry	7.9	5.4	6.7	8.5	9.2*
2	Cosmetics	8.1	8.8	9.4	-	-
3	Cyber Security	1.7	1.9	2.1	2.1*	
4	Defense Industry Equipment	34	43	39	38	41
5	Energy: New and Renewable (NRE)	7.1	6	7.2	7.8	8.6*
6	Entertainment and Media	2	2.1	2	2	-
7	ICT	2.1	2.4	2.8	2.8*	-
8	Advanced Manufacturing – Smart Factory	49	52	53	-	-
9	Medical Equipment and Devices	5.9	6.2	6.8	7.8	-
10	Specialty Chemicals	55	51	52.5	54.1	55.7*

*Alphabetical order

Source: 2020 Country Commercial Guide for U.S. Companies

= Estimated

**= Projected

TOP 5 PROMISING SECTORS for EXPORTS



Defense and Aerospace



Bio-Health (Bio-Pharma, Med-tech)



Advanced Manufacturing

AI, Robotics, IOT, Big Data, Machine Learning, Clouding



E-Mobility



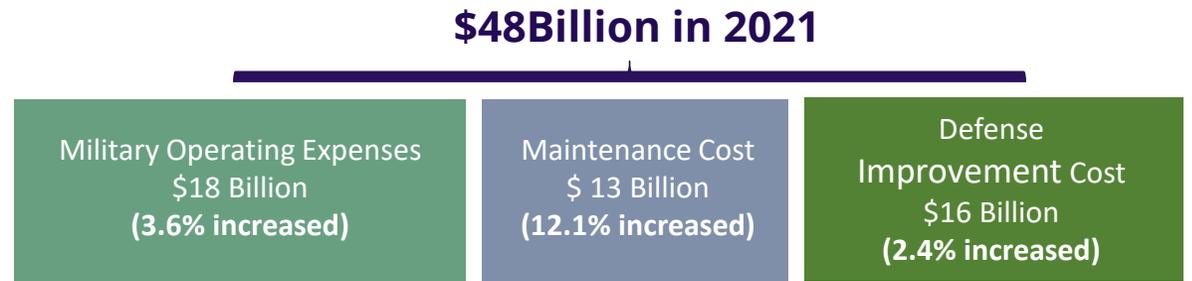
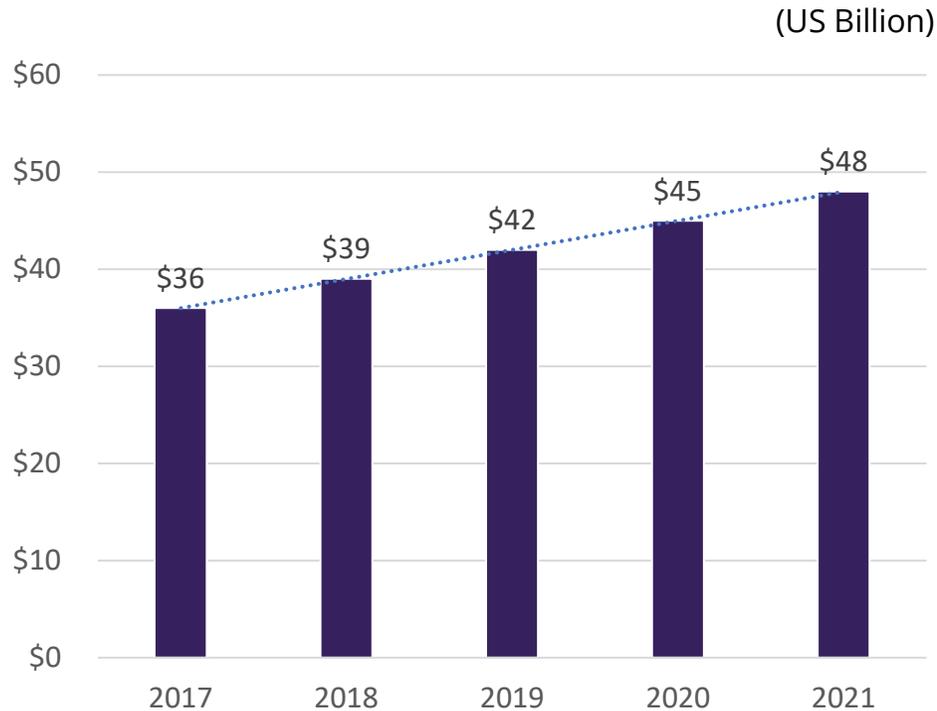
Food & Beverage / Consumer Health Products

1. DEFENSE & AEROSPACE

Plans to spend around \$3.9 billion on defense research and development in 2021

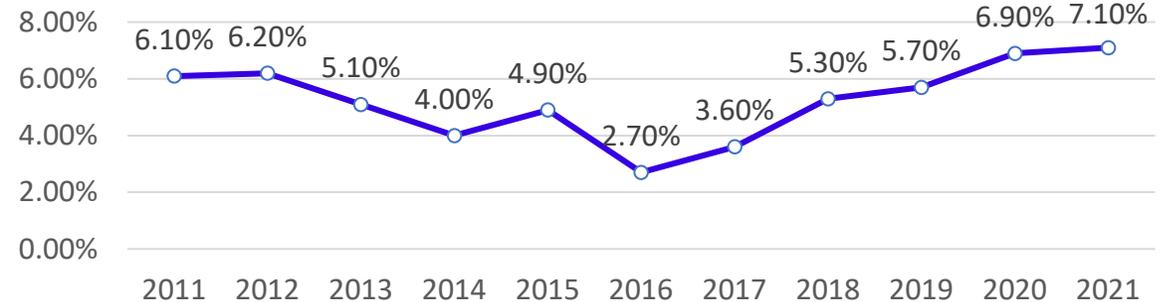
South Korea's Ministry of National Defense (MND) announced a 2021 defense budget of **\$48 billion** in December 2020

S. Korea's Defense Budget in 2017-2021



Maintenance Cost \$31 Billion

Maintenance Cost in Korea during 2011~ 2021



BEST PROSPECTS AND OPPORTUNITIES

C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance)

Aircraft upgrades

Avionics, high-tech sensors, radars, and missile system

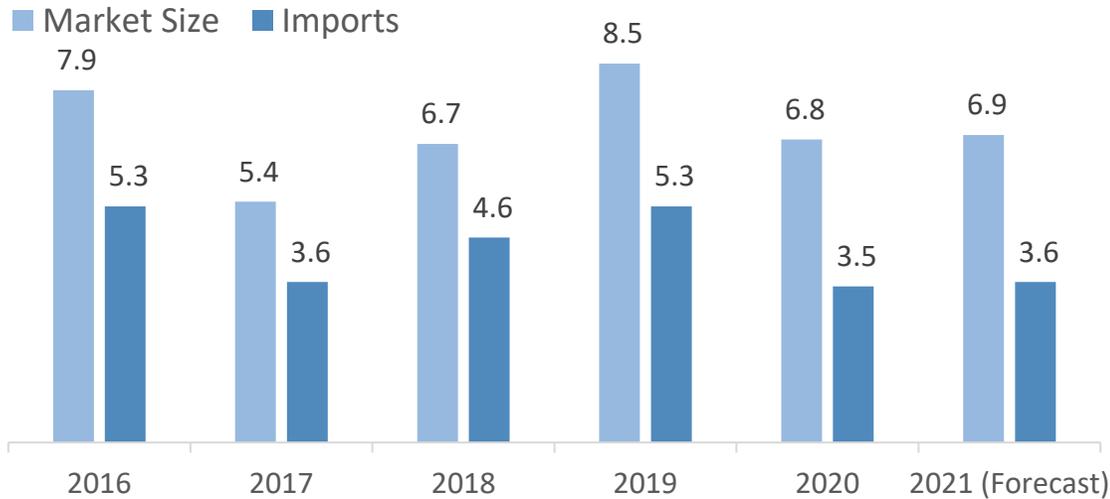
Support for combat equipment

Anti-terrorism products

1. DEFENSE & AEROSPACE

Market Size and Imports of Aerospace 2016-2020

(Unit: US\$ Billion)



- Over 98% of the total aerospace imports into Korea are for commercial & defense aircraft and their parts and components.
- **77%** of Korea's aircraft, parts and component imports were **from the U.S.** in 2020.

Source: Korea Aerospace Industries Association (KAIA), Invest Korea

Global Aerospace Players in S. Korea

- Boeing, the world's largest private aerospace company, has established the **Boeing Korea Engineering and Technology Center** in Seoul, the largest of its kind, and has been conducting research on next-generation aerospace technologies.



Promising Sectors in Aerospace Industry

- Satellite Launch Services
- Navigation System (Radar / Surveillance Devices)
- Drone
- Projectile
- High-tech Mission Equipment / Components
- Sensors, Optical Devices For Aircraft And UAVs

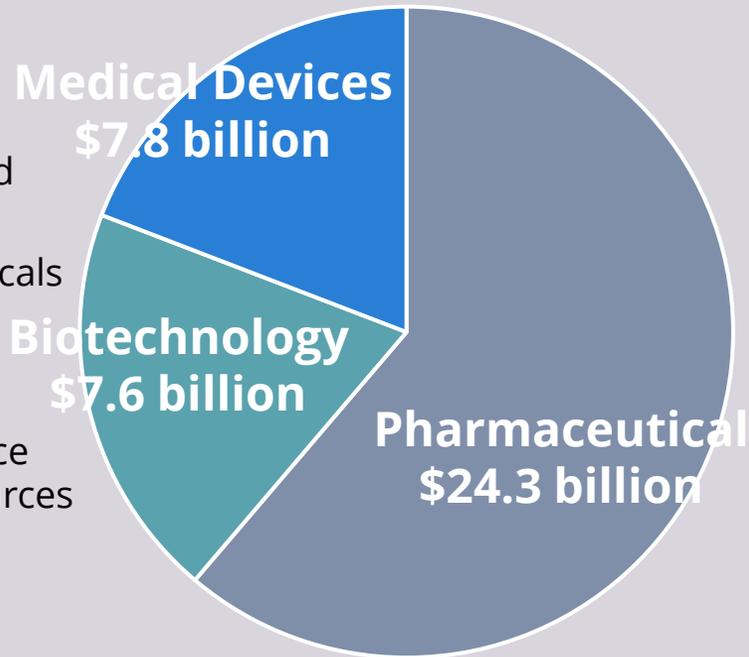


2. BIO-HEALTH INDUSTRY

Bio-Health Industry include:
Pharmaceutical, Medical Device & Biotechnology Sectors

\$39.7 billion in 2019

- ✓ Chemical Drugs
- ✓ Biologics
- ✓ Biotechnology-based
- ✓ IT/Machine-Based
- ✓ Biologics
- ✓ Bio-based Chemicals
- ✓ Bio-food
- ✓ Bio-environment
- ✓ Bio-electronics
- ✓ Bio-process/device
- ✓ Bio-energy/resources
- ✓ Bio-info/services

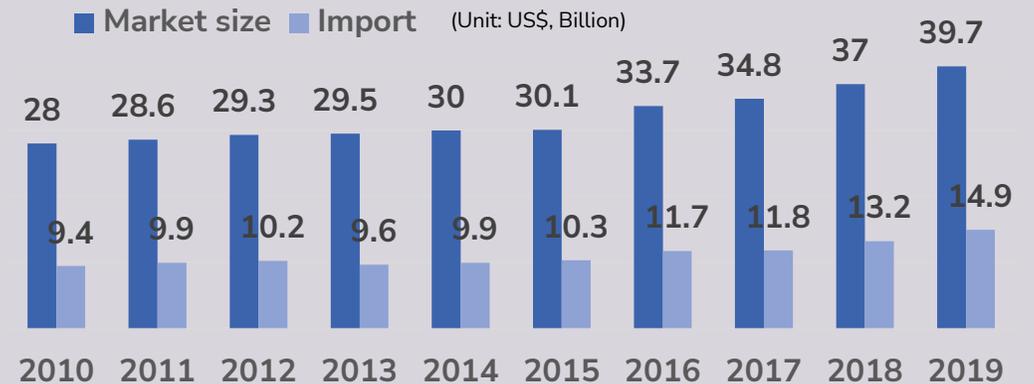


Bio-Health Market for 10 years



Bio-Health Industry has been growing by 4% CAGR for a decade
 7% CAGR for last 5 years

Total Import growing by 5% CAGR for a decade
 10% CAGR for last 5 years



2-1. PHARMACEUTICAL

MARKET: \$24.3B

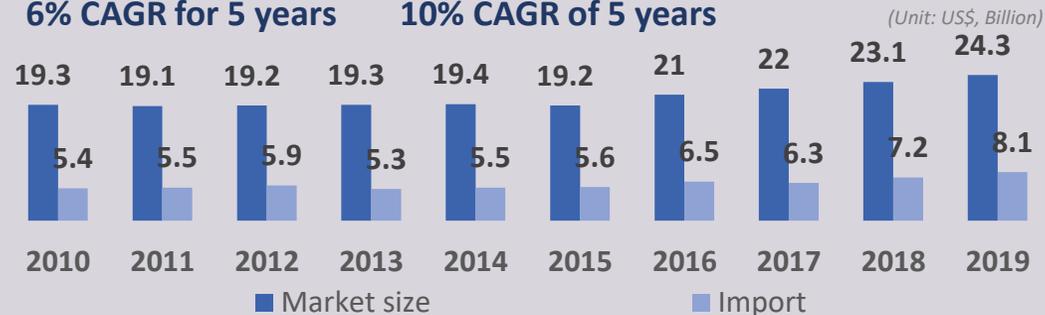
4% CAGR for 10 years

6% CAGR for 5 years

IMPORT: \$8.1B

5% CAGR of 10 years

10% CAGR of 5 years



Top 10 Imported Drugs (2019)

(2019, Unit: \$ million)

No.	Items	Amount
1	Avastin inj.	90.6
2	Viread Tab.	56.6
3	Lipitor Tab.	49.3
4	Saxenda Injection 6mg/MI	47.3
5	Mavyret Tab.	45.1
6	ZOSTAVAX inj	44.6
7	Trajenta Tab.	44.2
8	Tagrisso Tab.	43.5
9	Eylea Injection	38.4
10	Baraclude Tab.	36.9

Top 10 Countries for Drugs Supplies

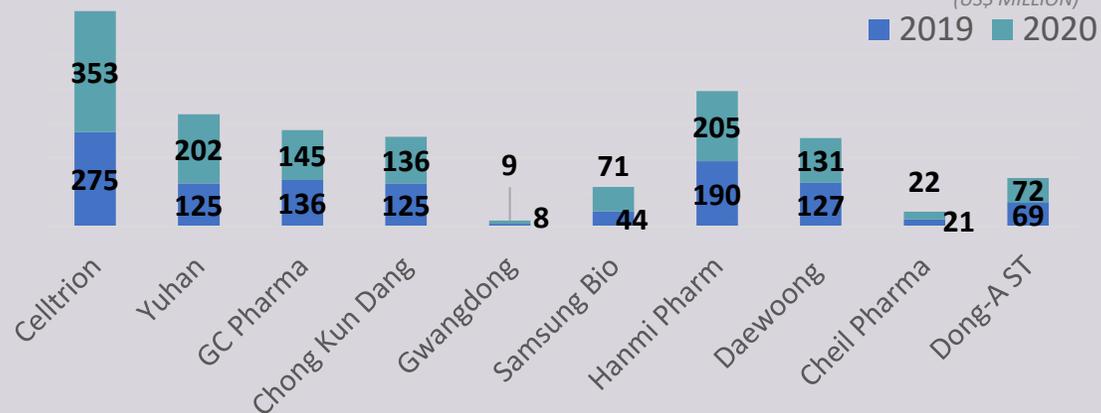
(2019, Unit: \$ million)

	Drug products		
	Country	No. of Manufacturers	Amount
1	US	67	866
2	UK	53	786
3	Germany	74	697
4	Switzerland	39	533
5	Japan	59	223
6	France	47	210
7	Netherland	20	204
8	Denmark	11	177
9	Sweden	15	150
10	Belgium	13	147

R&D Investment by TOP 10 Bio-Pharma

(US\$ MILLION)

■ 2019 ■ 2020



2-2. MEDICAL DEVICES

South Korea's market size for medical devices in 2019 was **\$7.8billion**

- Market Demand for High-End Medical Devices Relies on Imports.

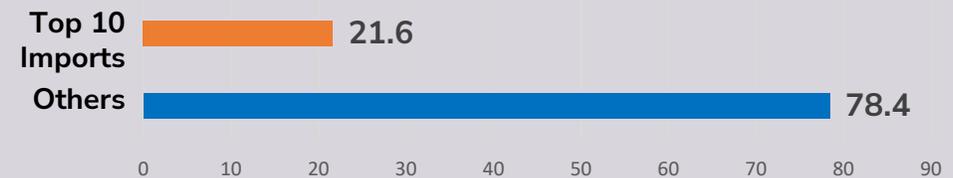
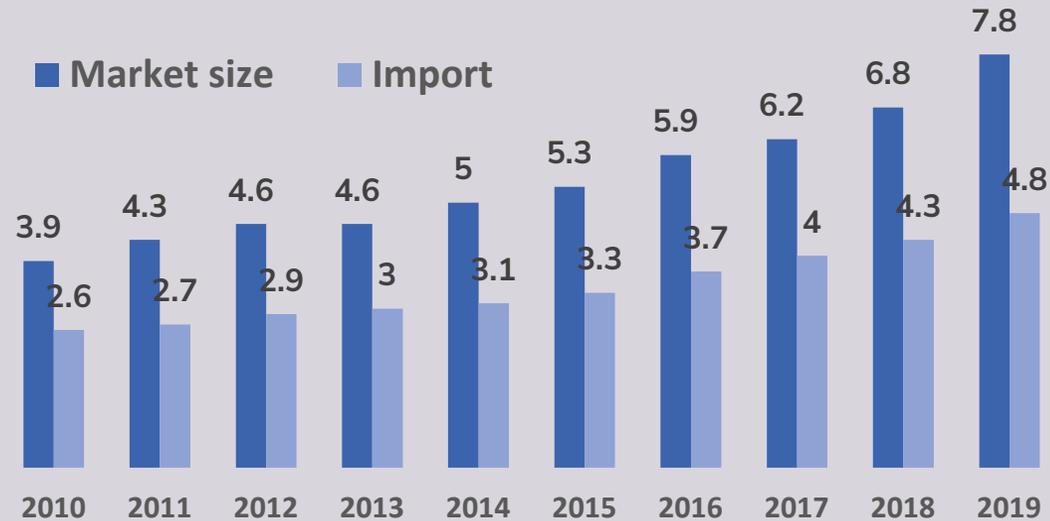
(Unit: \$ million)

No.	Top 3 Countries To Supply	Import	Share(%)
1	US	1,939.8	46.63
2	Germany	709.5	17.06
3	Japan	387.8	9.32

Top 10 Medical Device Imports (2019)

(Unit: \$ million)

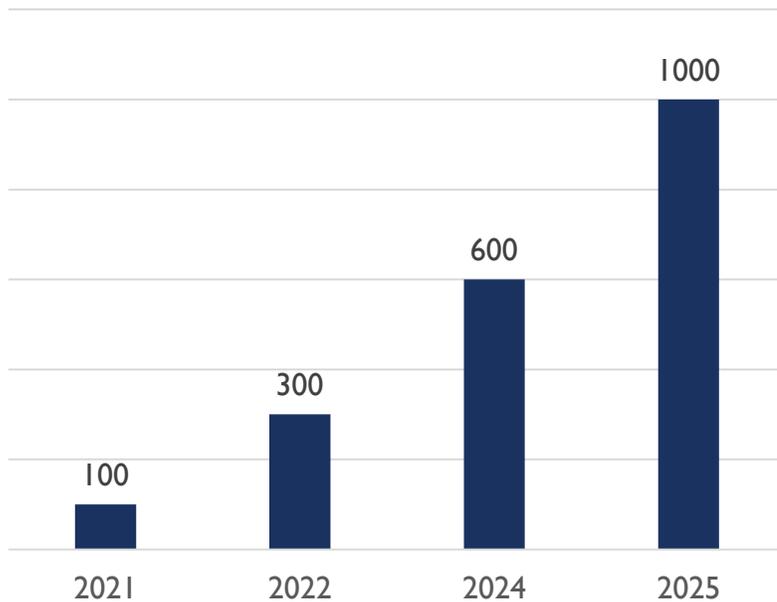
No.	Items	Import
1	Soft Contact Lens (daily-wear)	151.9
2	CT system	99.2
3	MRI system	98.2
4	Coronary Artery Stent	92.4
5	Multifocal intraocular lens	89.7
6	Disposable Dialyzer	88.8
7	IVD Reagents for clinical Immunochemistry	76.1
8	Electrosurgical system electrode	70.9
9	Knee Prosthesis	68.1
10	Sight Corrective ophthalmic lens	61.5



3. ADVANCED MANUFACTURING

- By 2022, global smart factory market will reach to **\$205.4 billion**
- South Korea's smart factory is expected to reach **\$12.76 billion** by 2022, which is the second-fastest growth in Asia after China with 12.2% annual growth rate

Number of 5G & AI smart factories in S. Korea by 2025



Source: Ministry of SMEs and Startups

S. Korea's Major Suppliers Of Smart Factory Solutions

Conglomerates;

Samsung SDS, Posco ICT, CJ OliveNetworks

Telecom Companies;

SKT, KT, LG U Plus

Automation Robotics;

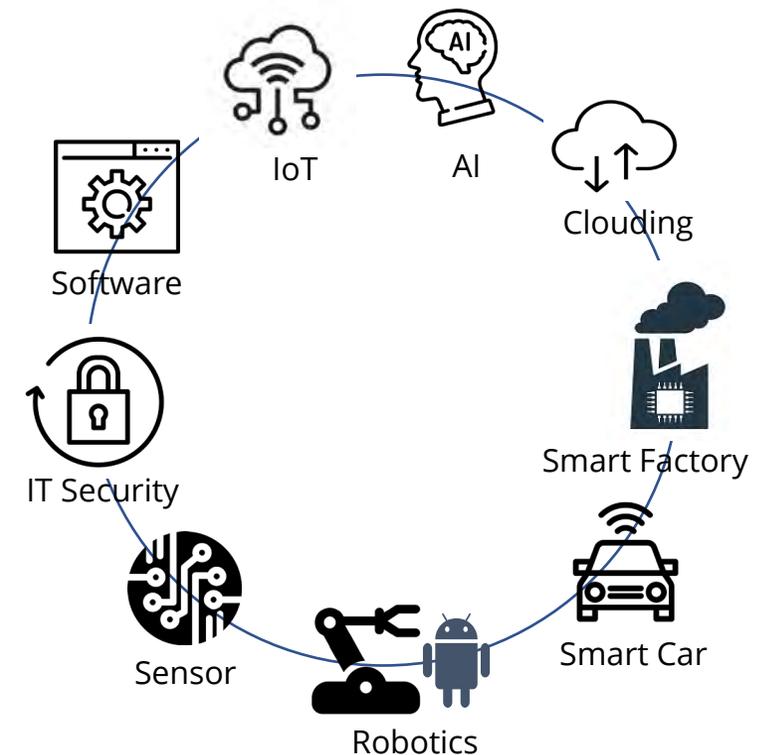
LS Electrics, Hyundai Robotics

SMEs;

Testar-Hommel, ThiRA-UTECH, Zin Corporation

Foreign Companies;

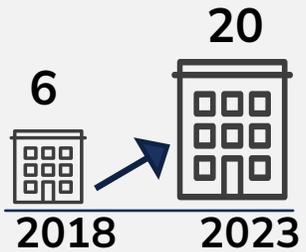
Siemens, Schneider Electric



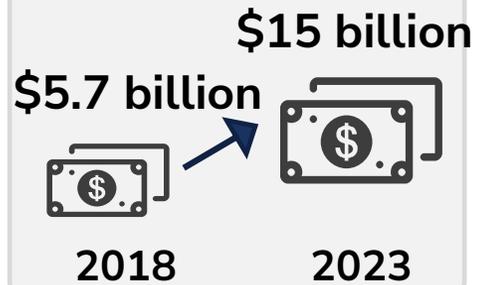
3-1. ROBOTICS IN KOREA

Ministry of Trade, Industry and Energy Plans for Robotics by 2023

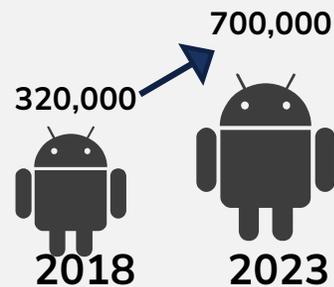
Number of Robotics' companies



Market Size For Robotics Industry



Number of Industrial Robots



<https://www.irobotnews.com/news/articleView.html?idxno=22771>

Care Robots



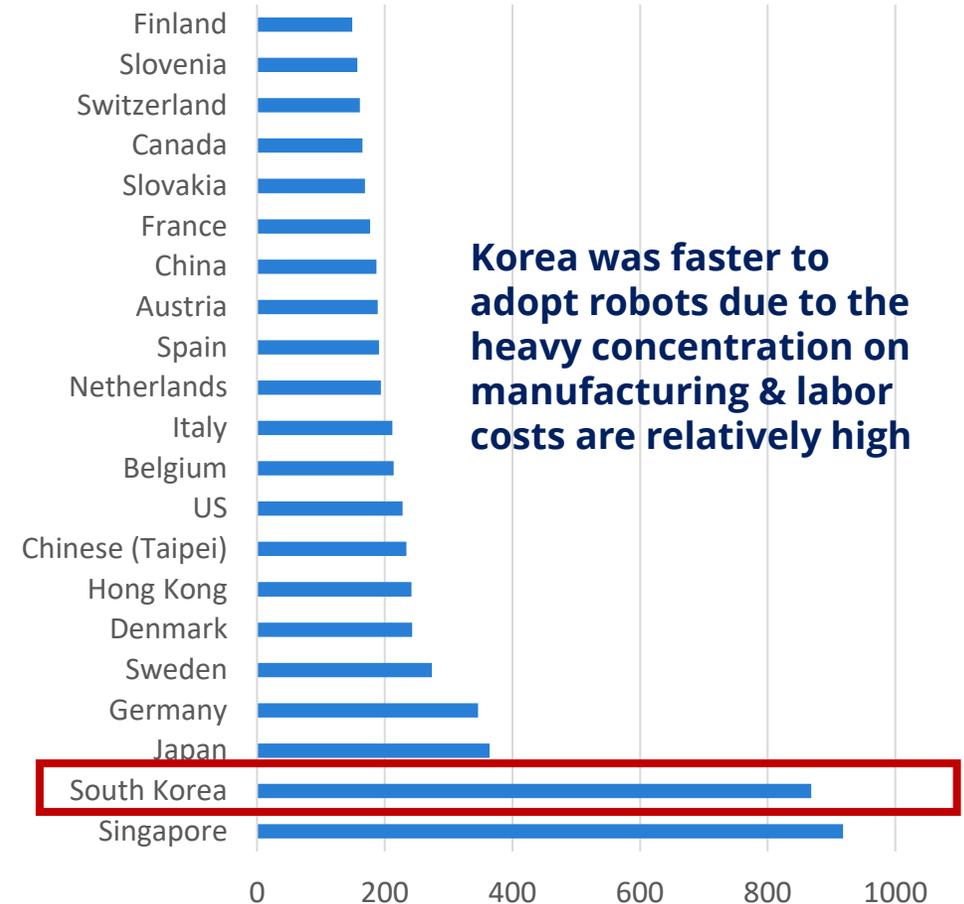
Wearable Robotics



Medical Robots



Robot Density in the Manufacturing Industry 2019



Korea was faster to adopt robots due to the heavy concentration on manufacturing & labor costs are relatively high

<https://ifr.org/ifr-press-releases/news/robot-race-the-worlds-top-10-automated-countries>

4. E-MOBILITY: PAV / URBAN AIR TAXIS

Plans to Launch Air Taxi Service by 2025

- The Korean government announced that a flying taxi will be launched within the next 5 years.
- The Ministry of Land, Infrastructure and Transport launched the "**UAM (Urban Air Mobility) Team Korea**" on the 24th, involving 40 organizations and companies including **Hyundai Motor**, **Korean Air**, **SK Telecom** and others.



Image Source: Hanhwa



Image: <https://www.mediasr.co.kr/news/articleView.html?idxno=67161>

Hyundai's S-A1 can be carrying 5 people with 8 propellers and it can flying 100km with 10 minutes charge.

Personal Air Vehicle (PAV)

Hyundai Motor Co. unveiled the S-A1 personal air vehicle (PAV) concept jointly developed with **Uber Technologies Inc.**, and the PAV is a core part of UAM services.

Hyundai also agreed MOU with Urban Airport (UK mobility company) to build an airport infrastructure in the urban area

5. AGRICULTURAL & FOOD PRODUCTS

\$491.2 Billion Market (2018)

: \$109.5 Billion of Retail/ \$151.5 Billion of Wholesales/
\$138.2 Billion of Foodservice/ \$92.0 Billion of Food
Manufacturing

\$36.77 Billion Food & Ag. Imports from World (2020)

5th Largest Export Market for US Food & Ag. Products:

\$8.77 Billion Food & Ag. Imports from USA (2020)

41% of imported food items are consumer-oriented products including:

Beef, Pork, Frozen Fish, Fresh Fruits, Dairy, Alcoholic Beverages, Coffee, Tree-Nuts, Bakeries, Chocolate Confectionery

Source: 1) Korea Agro-Fisheries & Food Trade Corporation
2) Korea International Trade Association
3) ATO Seoul, FAS, USDA

South Korea's Food Market Size

Unit: \$ Billion



South Korea's Food Imports

Unit: \$ Billion



5-1. FOOD CONSUMPTION TRENDS

Health-Conscious Consumers

- Aging Population
- Increasing Interests on Immunity & Nutrition
- Growing Sales of Health Functional Foods

Convenience

- Increase of Dual Income Families
- Single-Member Households
- Increasing sales of HMR & Meal-Kit

Online Shopping

- Impact of COVID-19
- Evolution of Deliveries (Market Kurly & Coupang)
- From Processed foods to fresh foods

Best Product Prospects

- Dairy
- Dried Fruits & Nuts
- Oil & Fats
- Beef/ Pork/ Poultry
- Sausages/ Ham/ Similar Products
- Chocolate
- Confectionery
- Bakery Ingredients
- Sauces & Preparations
- Food Preparations
- Healthy/ Natural Products
- Beer/ Wine
- Functional Foods
- Organic Foods
- Fresh Fruits
- Processed Vegetables, Fruits & Juices

THANK YOU!



Ken Yang



Sophia Lee



Min Lee



Korea Business Services, Inc

Phone: +82-2-785-7307

Email: kyang@kbsinc.co.kr

Doing Business in Japan

Key sectors, market opportunities and challenges



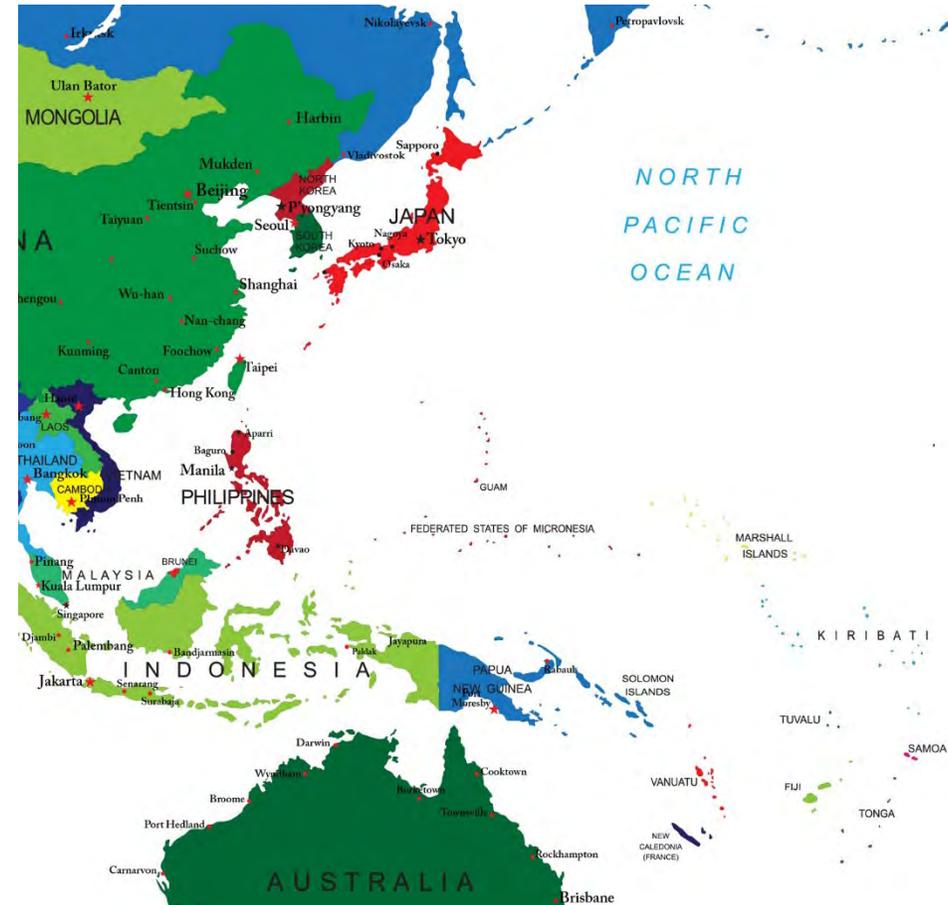
Fenetre Partners - Company Overview

- Leading consulting firm of trade, investment and international marketing, based in Tokyo, Japan
- Our clients are mainly from the US, Germany, the UK, Hong Kong, Korea, Singapore and Japan
- The main scope of our service is market entry support into Japan by providing market research, entry strategy consulting and its implementation
- Employs 30 staff and worked on over 300 international projects in the past 13 years



Key Figures about Japan

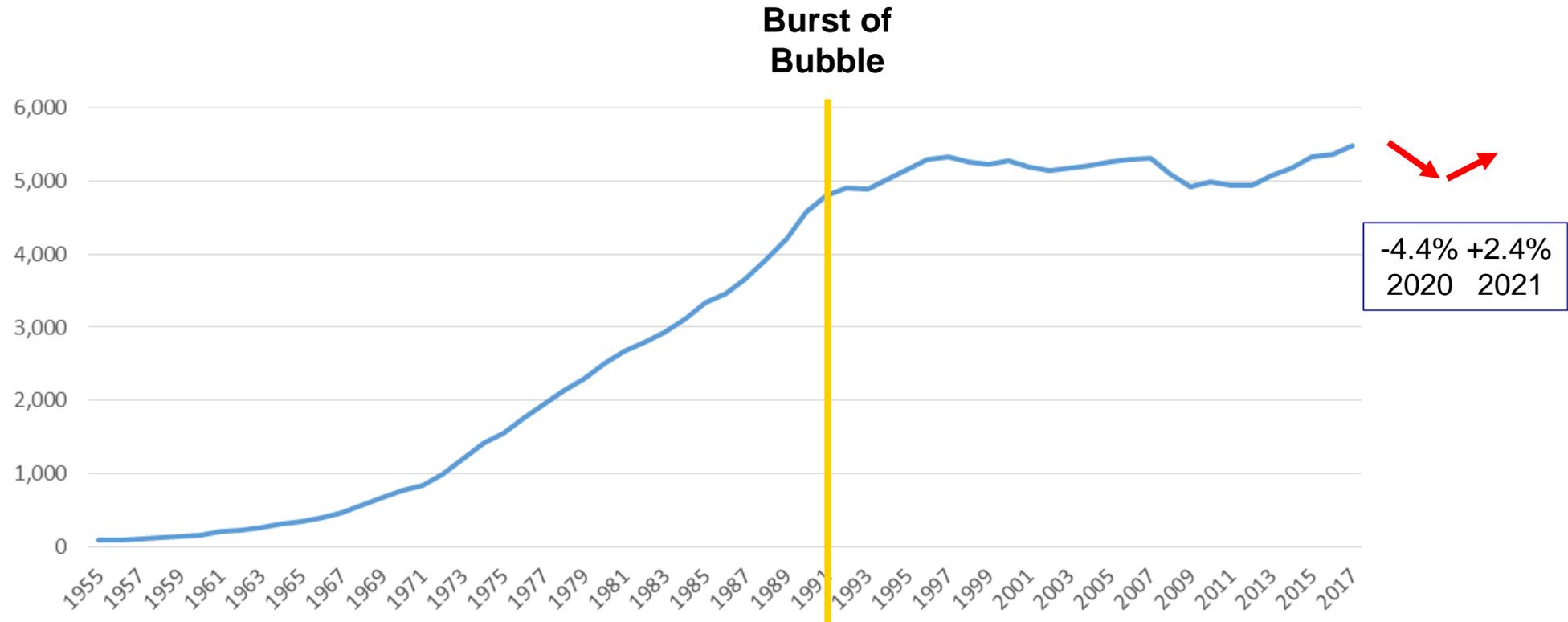
- Prefectures: 47
- Land Area: 378,000 km²
- Population: 125.65 million (2020)
- GDP: \$4.88 trillion (2020)
- GDP Growth: - 4.4% (2020)
- GDP per Capita: \$40,390 (2019)
- Median age: 48.6 (2020 est)



Source: Statistics Bureau Japan, Geospatial Information Authority of Japan, World Development Indicators database, World Bank

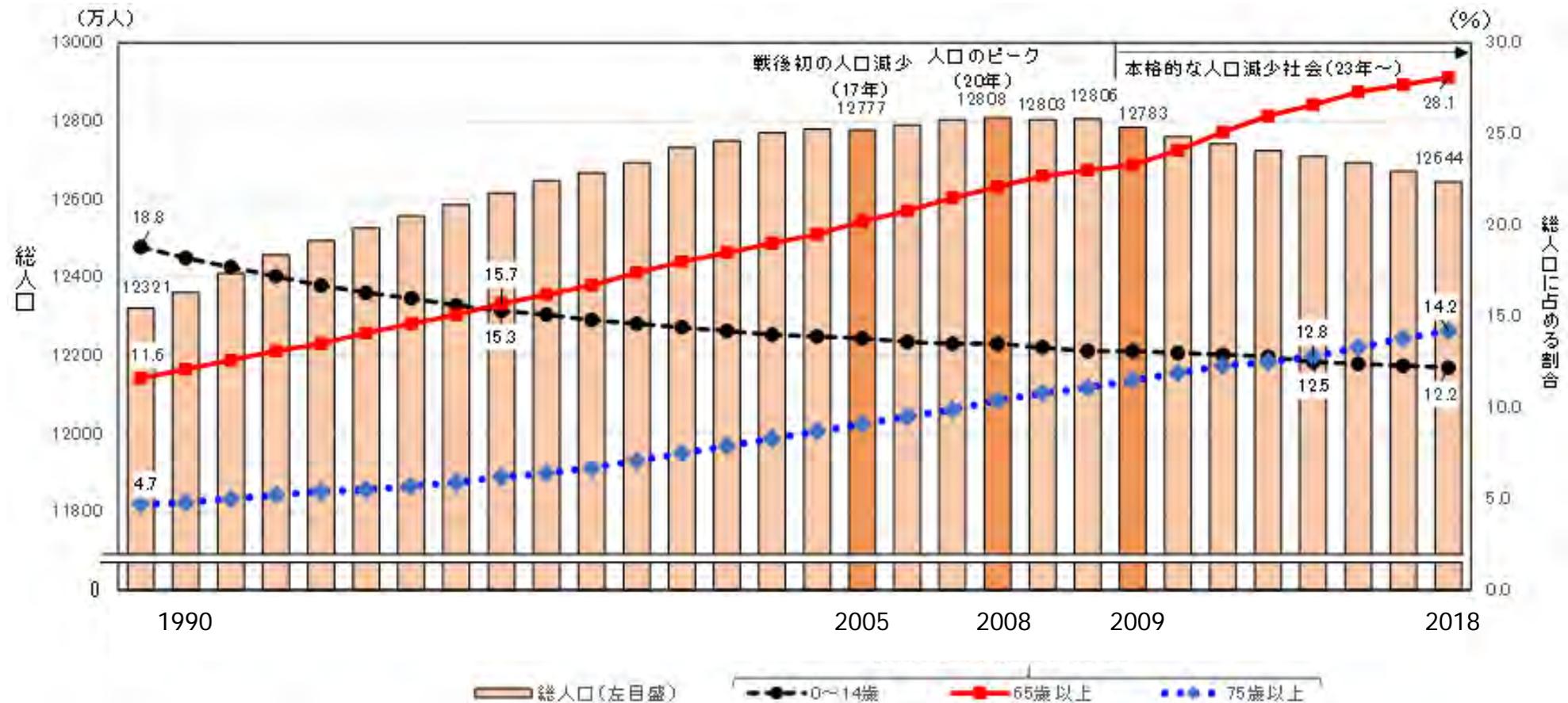
Nominal GDP of Japan

Unit: Billion JPY



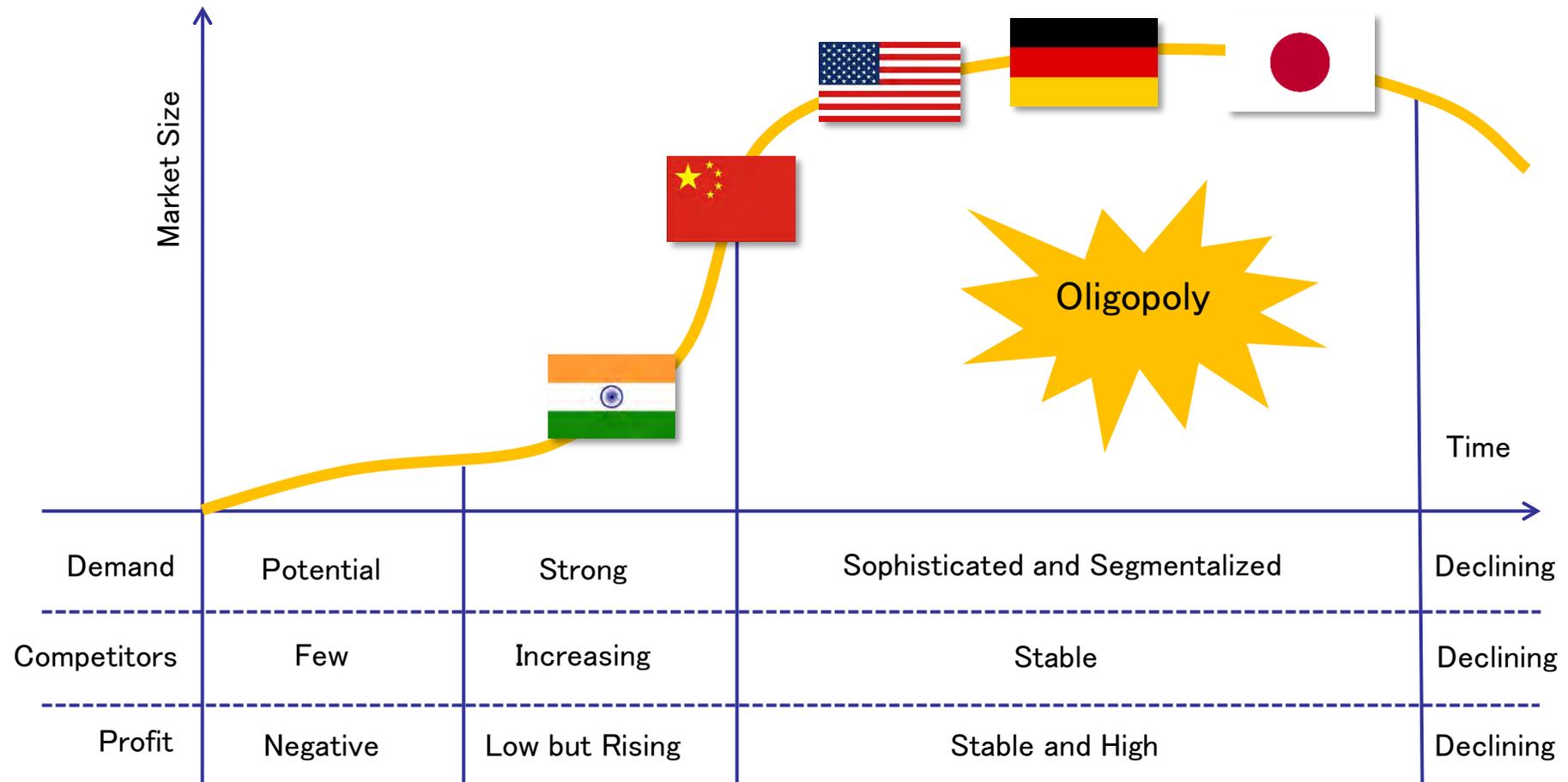
Reference: Cabinet Office

Demographics of Japan



Reference: Statistics Bureau, Ministry of Internal Affairs and Communications

Industry Life Cycle – How Matured?



Market Opportunities in Japan

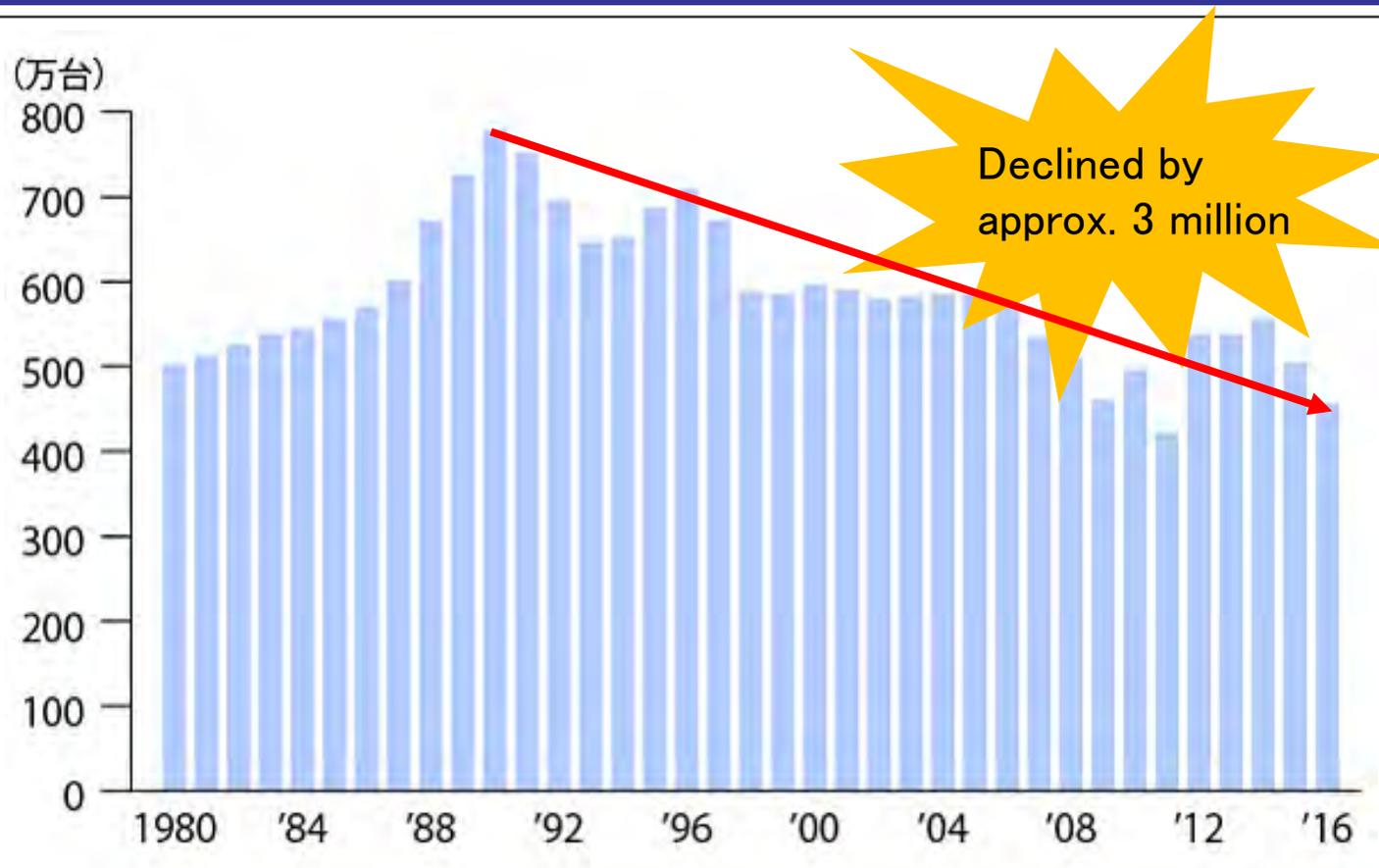
- Japan is not an ideal destination in general
- You should not choose Japan as your target market if you sell to average consumers
- However, some sectors are very attractive for leading American companies
- Key question is “Who is your potential customer in Japan?”
- Question 1: Are your Japanese customers growing by global expansion?
- Question 2: Can your products solve problems related with aging of society?

Target Sector 1: Big Global Manufactures

They are growing globally while the domestic market is not growing



Example: The domestic Japanese Automotive Market



- Do you think the Japanese automotive companies are good potential customers?

Reference: Calculated by SPEEDA on the data from JAMA

Thriving Japanese Manufactures in the Stagnant (Top 20)

- Top Manufacturers in Growth from 2005 to 2014 on Tokyo Stock Exchange

Ranking	Company Name	Industry	Increase in net sales from 2005 to 2014 (Billion JPY)	Net sales in 2014 (Billion JPY)	Rate of increase in net sales from 2005 to 2014	Overseas sales ratio in 2016
1	TOYOTA	Transportation Equipment	8,683	27,235	47%	78%
5	Honda	Transportation Equipment	3,997	12,647	46%	86%
9	Nissan Motor	Transportation Equipment	2,799	11,375	33%	85%
10	NIPPON STEEL & SUMITOMO METAL	Iron and Steel	2,221	5,610	66%	39%
15	DENSO	Transportation Equipment	1,509	4,309	54%	61%
17	Fuji Heavy Industries	Transportation Equipment	1,431	2,878	99%	81%
19	Mitsubishi Heavy Industries	Machinery	1,401	3,992	54%	55%
21	BRIDGESTONE	Rubber Products	1,257	3,674	52%	83%
24	DAIKIN INDUSTRIES	Machinery	1,186	1,915	163%	75%
26	Aisin	Transportation Equipment	1,135	2,964	62%	
30	Sumitomo Electric Industries	Nonferrous Metals	1,083	2,823	62%	60%
31	Sumitomo Chemical	Chemicals	1,080	2,377	83%	61%
33	SONY	Electric Appliances	1,056	8,216	15%	71%
34	JFE Holdings	Iron and Steel	1,047	3,850	37%	
37	Toyota Industries Corporation	Transportation Equipment	925	2,167	75%	52%
38	TOSHIBA	Electric Appliances	923	6,503	17%	59%
39	Mitsubishi Electric	Electric Appliances	912	4,323	27%	43%
42	Toyota Boshoku	Transportation Equipment	849	1,306	186%	55%
44	Astellas	Pharmaceutical	800	1,247	179%	64%
47	JTEKT	Machinery	786	1,356	138%	60%

Source: Toyo Keizai Online (September 9, 2015)

Japanese Companies as Your Target Customers

The ratio between

(A) the group's revenue with Japanese customers worldwide (excluding the Japanese market) and

(B) the revenue of the Japanese subsidiary

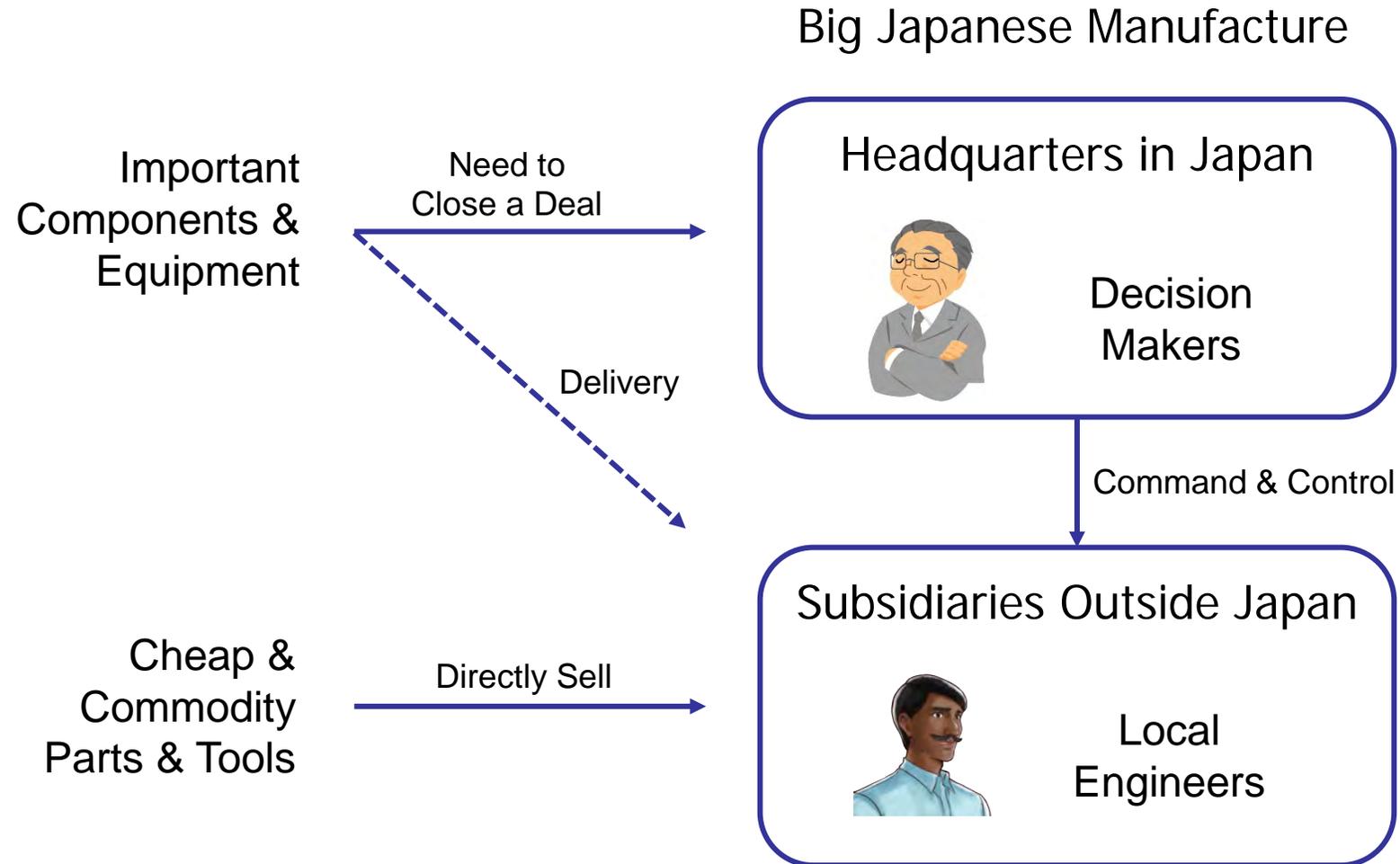
<u>A</u> is less than <u>B</u> .	40%
<u>A</u> is equal to <u>B</u> .	12%
<u>A</u> is greater than <u>B</u> .	48%
<u>A</u> is up to 50% greater than <u>B</u> .	10%
<u>A</u> is 50% to 150% greater than <u>B</u> .	13%
<u>A</u> is 150% to 300% greater than <u>B</u> .	4%
<u>A</u> is over 300% greater than <u>B</u> .	21%

Business and revenue potential with Japanese partners is often strategic in nature. It generally results from German companies endeavouring to get involved in international projects with Japanese customers and actively supporting and accompanying the decision-making processes in Japan and in cooperation with the national companies in the destination countries.

Thus 60 percent of the companies surveyed confirm that for every euro of revenue generated in Japan, at least one other euro of revenue is generated with Japanese customers in other parts of the world. For a third of this group, the additional revenue with Japanese customers outside Japan is at least four times the revenue in Japan itself.

Reference: German Business in Japan 2018 by AHK Japan

Purchasing Decisions are Made in Japan



FDI Stock in Asian Countries (2012)

- Japan is the largest investor among the 4 countries in East and South East Asia
 - USA is the largest in India (Japan has overtaken USA in FDI inflows, 2014-2016)
 - South Korea is the largest in Vietnam (28.8% in 2016)

	China	India	Indonesia	Thailand	Philippines	Malaysia	Vietnam
Japan	87,247	15,470	11,574	57,627	6,444	20,232	4,504
USA	70,190	32,562	10,160	17,035	7,646	15,486	799
South Korea	52,892	3,074	1,234	2,139	364	2,902	5,777
Germany	19,762	12,561	2,104	3,744	-147	6,148	374

*The figure of Vietnam is in 2010

Source: Bilateral FDI Statistics – UNCTAD, 2014

Growing Sectors in Japan

■ Automotive

- 6 Japanese brands such as Toyota, Honda, Nissan, Suzuki, Mazda and Subaru in the top 25 of global car sales in 2017
- The total number of Japanese cars sold in the world is approx. 28 million units, which occupies approx. 30% of the global market



■ Construction Machinery

- Globally known construction machinery companies such as Komatsu (World No. 2), Hitachi & KCM (World No. 3), CAT Japan, Kobelco, Kubota, Yanmar, Tadano, etc. are headquartered in Japan and their major R&D centers are located in Japan
- In 2017, Hitachi has the world No. 1 market share for hydraulic excavators, Kubota has world No. 1 market share for mini hydraulic excavators and Tadano has world No. 2 market share for cranes



■ Robotics & Automation

- Japanese robotics and automation companies such as Mitsubishi Electric, Fanuc, Omron, Yaskawa, Keyence, Yokogawa, etc. have strong global presence
- Approximately 60% of world industrial robots are manufactured by Japanese robotics companies in 2017

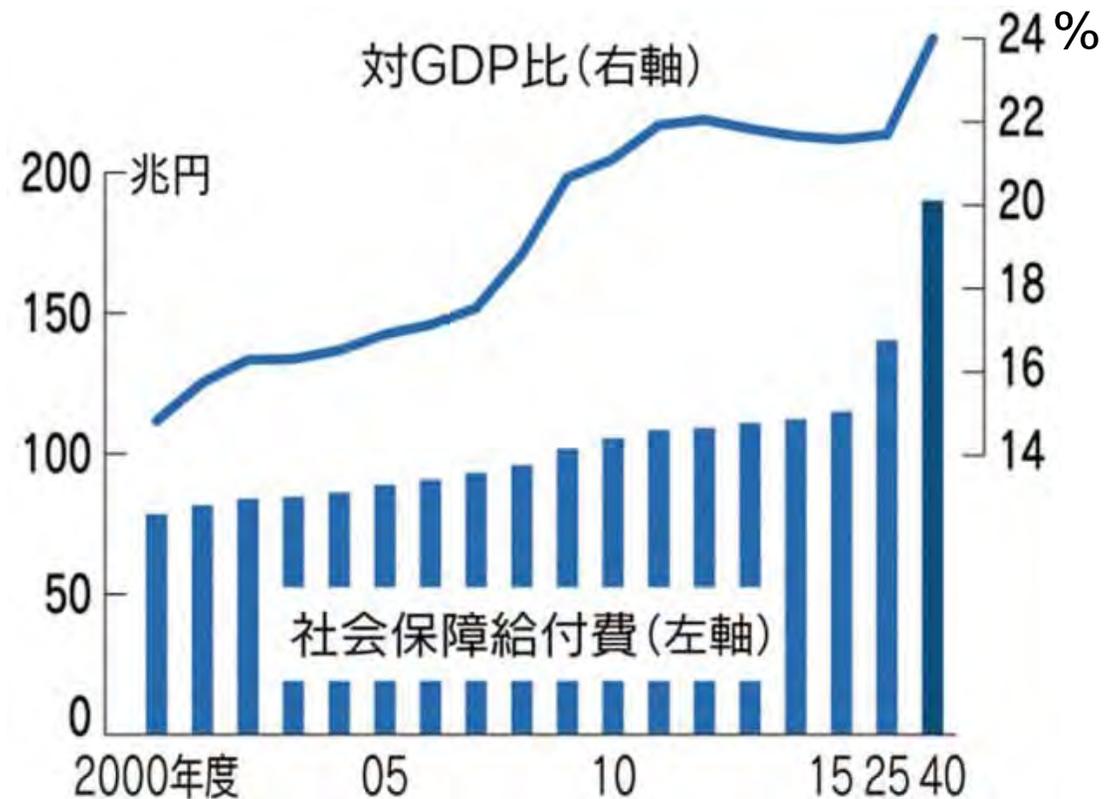


Target Sector 2: Solutions for Aging Population

How to take care elders and solve a problem of decreasing workforce?



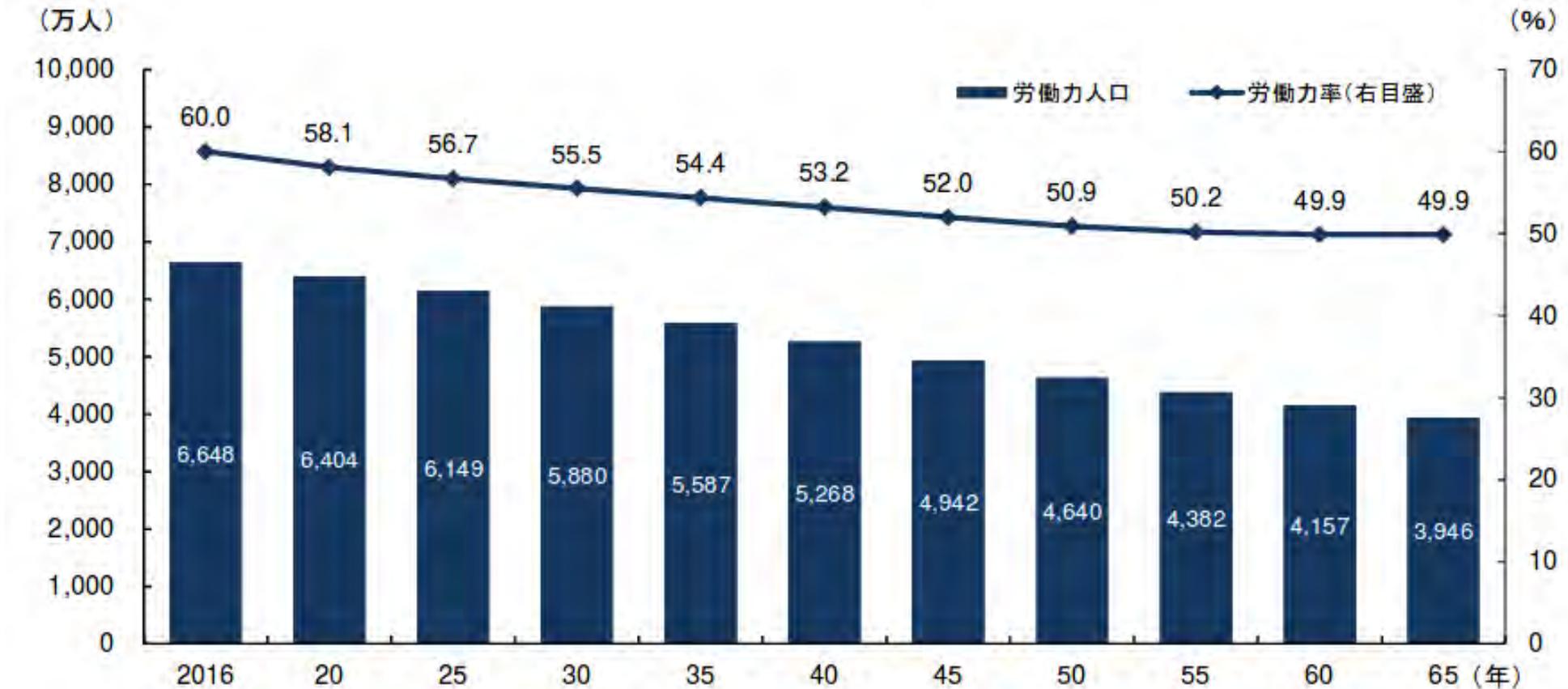
Japan's Social Security-Related Expenditure is Increasing



- Demand for healthcare including medical and elderly care is expected to increase significantly

Reference: Nikkei Business

Japan's Working Population is Declining



- This problem is supposed to be solved by new technology which raises productivity

Reference: Mizuho Bank

Growing Sectors in Japan

■ Healthcare and Medical

- Medical device market has grown from approx. 20 billion to 30 billion USD in the last 15 years
- Roughly half of medical devices used in Japan are imported mainly from the US and Europe
- Healthcare market size including IT, services, supplement, food, exercise, prevention goods, etc. is estimated to grow from approx. 240 billion USD in 2016 to 310 billion USD in 2025

■ IT & Robotics

- Now companies face a serious problem of lack of labor especially in the service sectors such as logistics, retailing, customer service, agriculture, medical, construction, etc.
- Solutions are needed to raise productivity by new technology for automation such as IoT, AI, Big Data, RPA, sharing service, drone, self-checkout, autonomous driving, etc.
- IoT market is expected to grow with 13.3% to approx. 110 billion USD in 2023
- AI market is estimated to grow with 46.6% to approx. 33 billion USD in 2023
- Big Data market is estimated to grow with 8.9% to approx. 80 billion USD in 2022
- RPA market is estimated to grow with 400% to approx. 400 million USD in 2022



Challenges for Doing Business in Japan

Language, culture and distribution channel

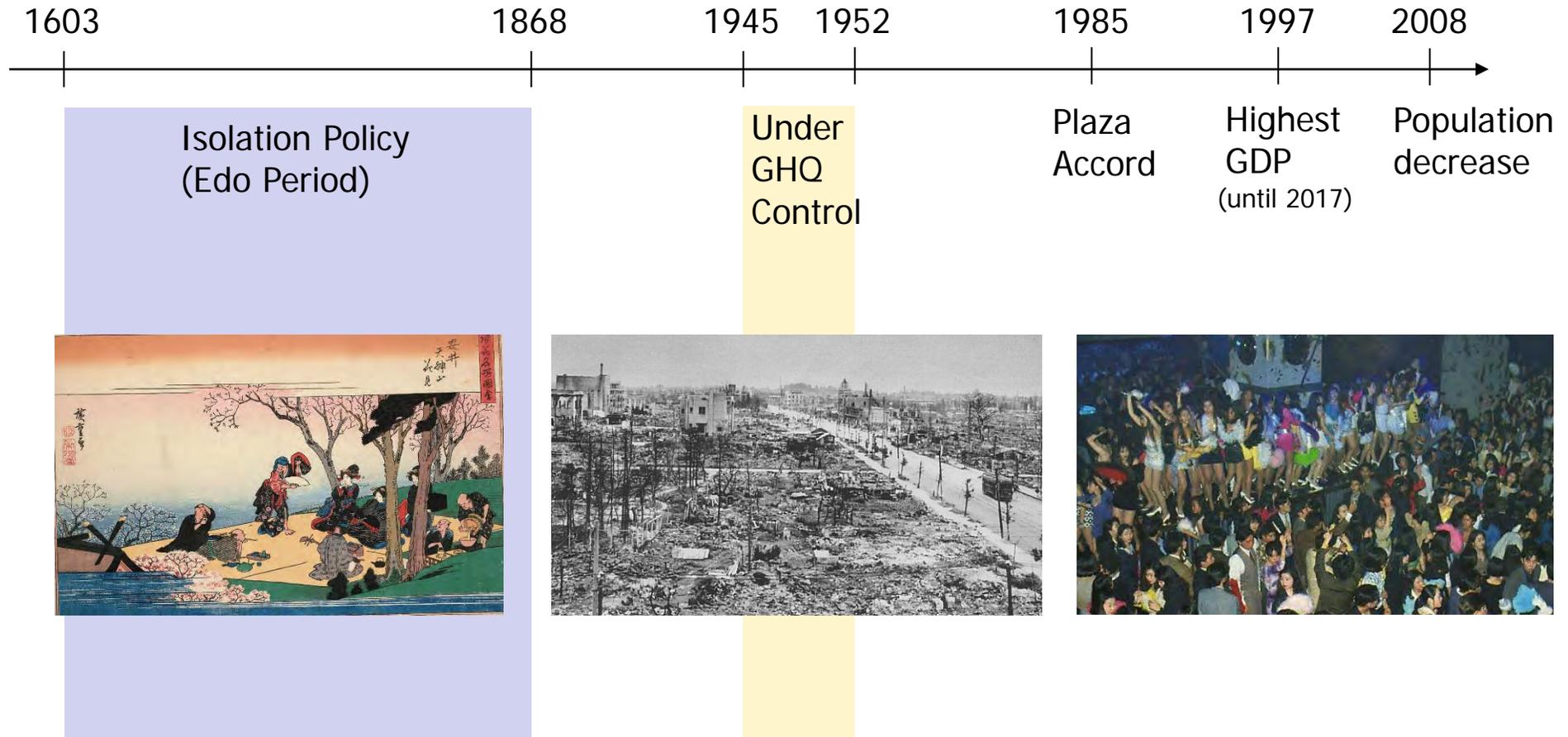


Entry Barriers of the Japanese Market

- Language
 - Few people can speak English
- Business Culture
 - Conservative and non-direct communication
 - High risk averse and long term orientation
 - Excessive level of quality requirement
- Distribution Channel
 - Complex and passive
 - Vertical or exclusive



History of Japan after 17th Century



GSGP Trade Mission to South Korea & Japan 2022

Multi-Sector Trade Mission February 21-25, 2022

Each mission participant will receive a customized schedule of B2B meetings to meet with prospective customers and business partners.

Mission Costs:

In-Person Participation Fee: US \$1,500 per company (additional company participant \$500)
Includes group ground transport, networking events, briefing and logistical assistance.

Brief Market Research & Customized Appointment Setting Fee*: South Korea US \$2,970 Japan US \$4,000

* Grant funding is available in many States to offset from 50-75% of mission costs.



Registration Deadline: December 15, 2021

<http://www.gsgp.org/projects/international-trade/trade-missions/>



Israel Trade Mission

May 15-19, 2022

- Multi-Sector Trade Mission to Israel
- Mission Participation Fee US \$1,500 per company (each additional participant \$500)
- Appointment Setting Fee US \$3,200
IL, MI, OH, PA Complimentary

Mission registration deadline: February 18, 2022

- Grant funding is available in many States to offset travel costs and mission fees.
- <http://www.gsgp.org/projects/international-trade/trade-missions/>





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Questions?

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