

A photograph of the Golden Gate Bridge at night, with the bridge's structure and suspension cables visible against a dark blue sky and water. The bridge is illuminated, and its reflection is visible in the water below.

Why Japan Now?

Canada-Japan Business Symposium

October 23, 2008. Toronto

Patricia Bader-Johnston

President

Canadian Chamber of Commerce in Japan

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- ◆ 30 sectors
- ◆ Large proportion of SME's and individuals
- ◆ Focused more on networking than advocacy

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Four Pillars

- ◆ Intelligent Society
- ◆ Innovation
- ◆ Sustainability and Responsibility
- ◆ Market access and trade liberalization

Looking ahead to a sustainable future as an Intelligent Global Society

collaborative

entrepreneurial

inclusive

cultured

Good communication

critical mass

innovative

interconnected

Learning and technology focus

visionary

Resources where needed

Strengthened by diversity

leaders who give back

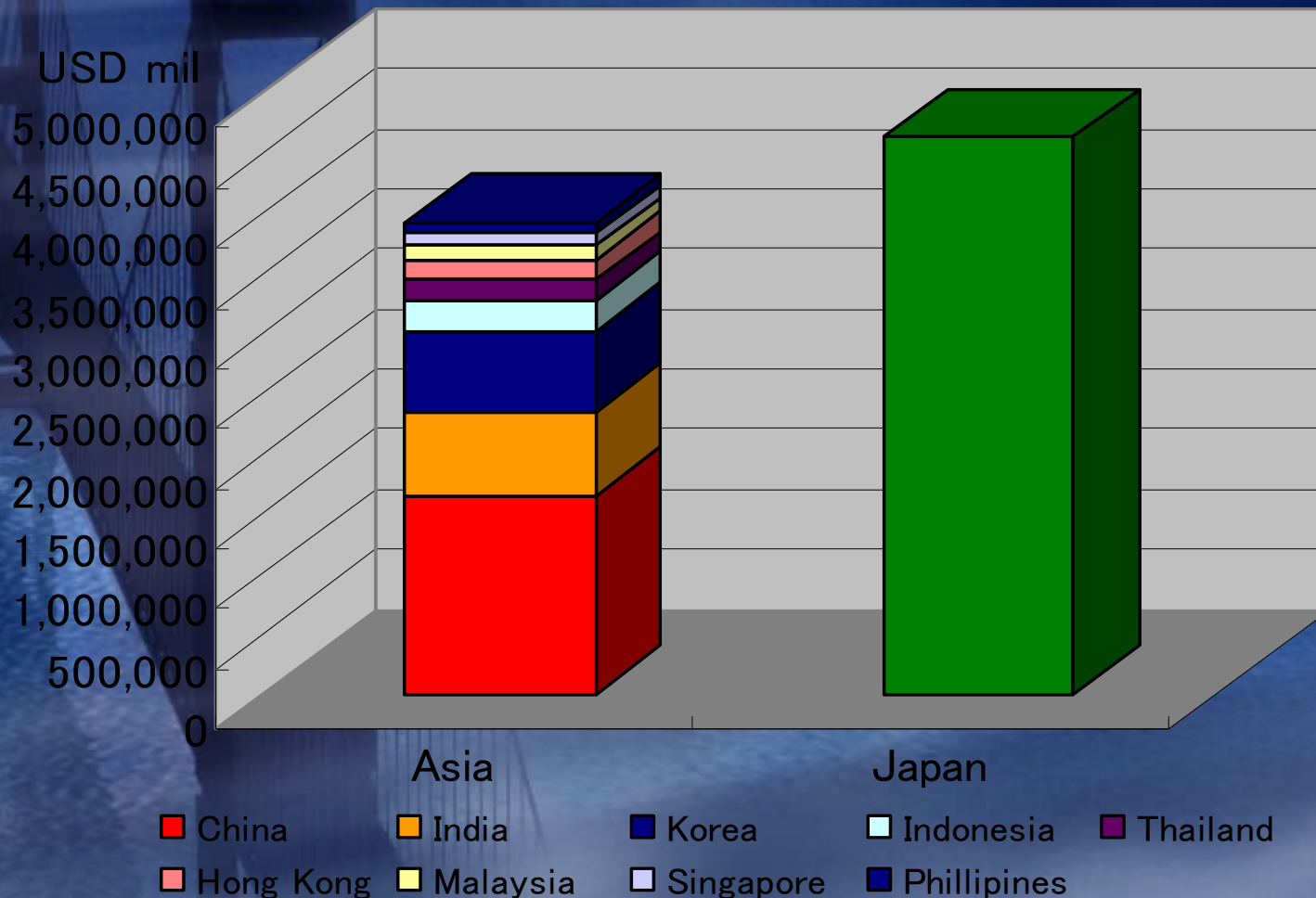
A dark, atmospheric photograph of the Golden Gate Bridge at night, with its iconic towers and suspension cables silhouetted against a deep blue sky. The bridge's structure is the primary visual element on the left side of the slide.

Economically

- ◆ Japan remains the second largest economy in the world
- ◆ It is behind the lion's share of FDI in the emerging markets
- ◆ This is an economy where everything works...

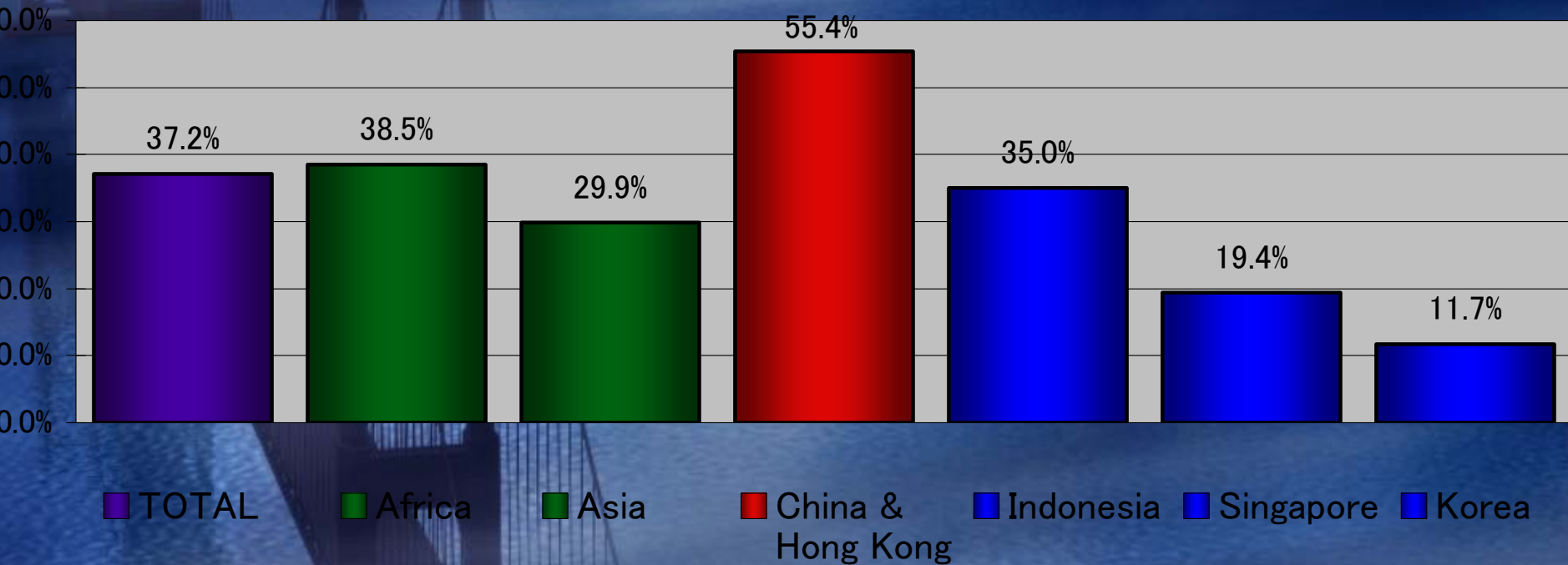
Japan's economy dominates Asia

2004 GDP Comparison: Asia/Japan



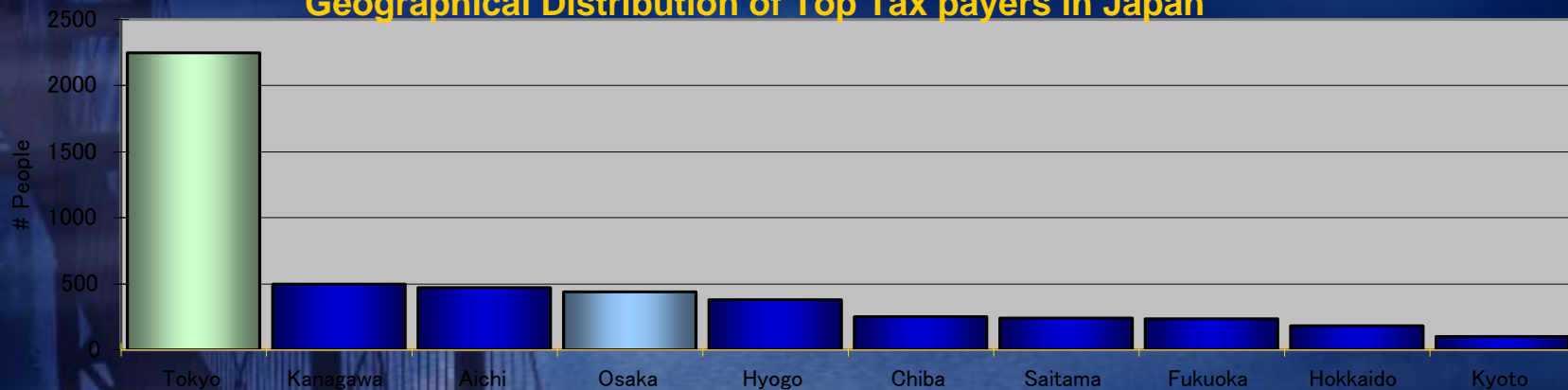
Japan is a major outbound investor
and Asia is the key growth destination

Japan outbound FDI growth (2000-2004)

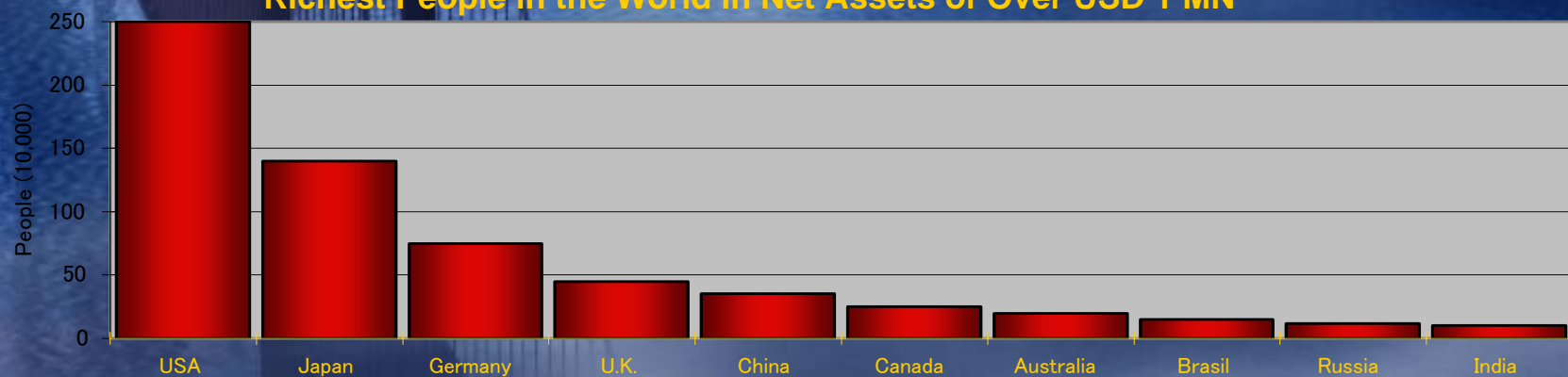


Geographics

Geographical Distribution of Top Tax payers in Japan



Richest People in the World in Net Assets of Over USD 1 MN



Level playing field?

USD Mn	Revenue	Market Sh
Total Market (Gross Rev.)	161,743	100%
SMBC	31,876	20%
Mizuho	31,176	19%
MTFG	25,205	16%
UFJ	21,823	13%
Total Bank Wallet*	107,829	100%
Total 73 Foreign Banks	3,122	3%


Given Japan's goal to become a global financial center, this is an example of the impact of regulation in the Financial services sector that will need to be addressed.



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Societal Change

- ◆ “Age of Uncertainty”
 - ◆ Anxiety about future (Pension fund issues)
 - ◆ Disruption of traditional framework (Seniority and life-time employment)
 - ◆ More opportunity for younger generation and job changing (e.g. CEO at mid 40')
 - ◆ Success stories of people who have followed the unconventional path
 - ◆ More foreigners + immigrants
 - ◆ Growth in the 3rd industry rather than traditional 1st & 2nd industry (Technology driven: media, service, music, animation)
- ◆ Trade with Chinese triangle (China, HK, Taiwan) exceeded the level with North America in 2004.



Japan cannot avoid substantial change within 25 years in terms of its society, culture and economy.

Japan POPULATION *1950 (83M)*

Over 85

80-84

75-79

70-74

65-69

60-64

55-59

50-54

45-49

40-44

35-39

30-34

25-29

20-24

15-19

10-14

5-9

0-4

-10

-5

0

5

10

Male

Female

7.7%

23.6%

23.0%

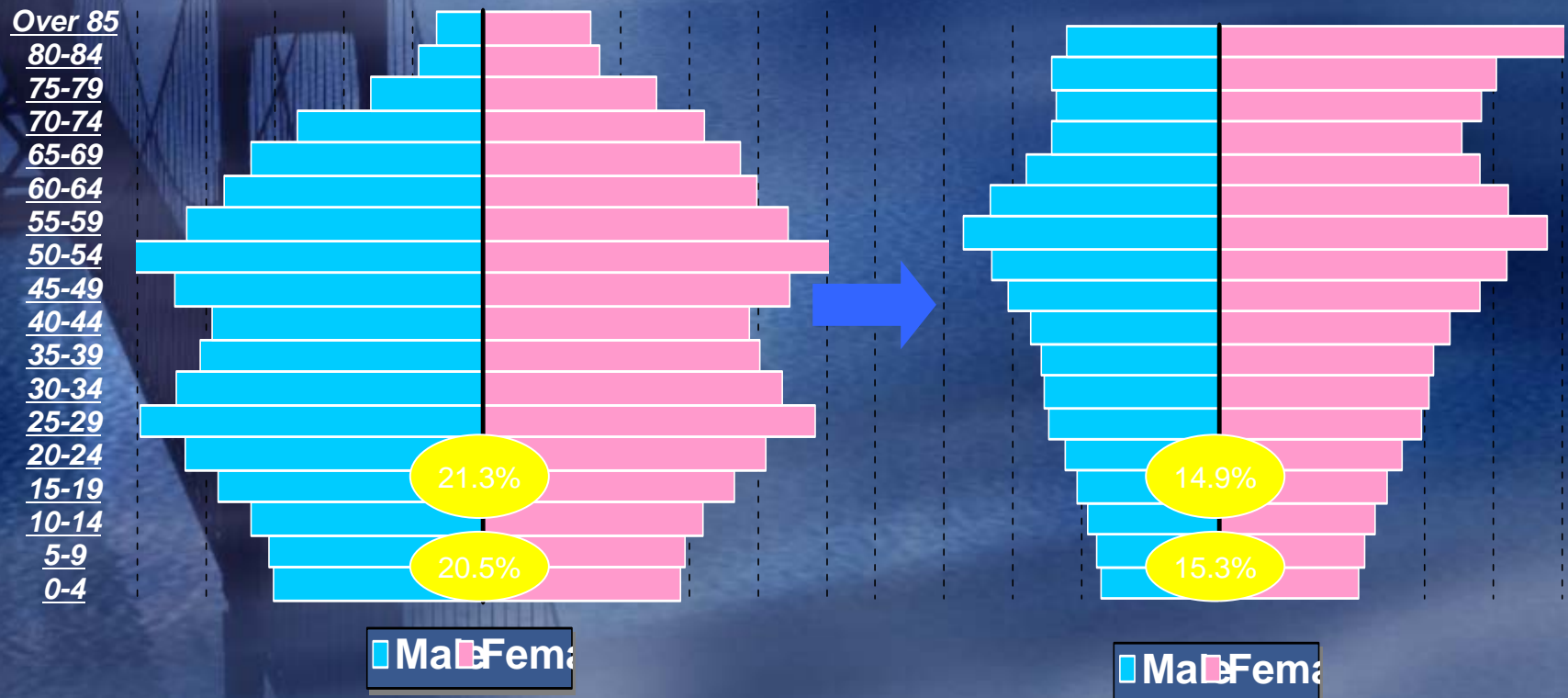
45.7%

JAPAN COUNTRY PROFILE

LAND & POPULATION

CHANGE IN POPULATION STRUCTURE: JAPAN

2000 (127M) 2030 (107M)



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Source: Institute of Population Problems; Ministry of Health and Welfare (as per 11/1999)



Facts we face...

- ◆ In the United States there are 78 million baby boomers, over half of whom will turn 50 this year
- ◆ By 2025, nearly 25% of the United States population – more than 86,000,000 people – will be over 60, and half of the current United States government workforce will be retiring in the next 5 to 7 years.
- ◆ In Japan, over 33 million people, about 26% of the population, are expected to be over 65 years in the next seven years.



CHALLENGES AHEAD...

Cultural Change



- ◆ Tradition
- ◆ Harmony
- ◆ Conformity
- ◆ Establishment
- ◆ Gross Domestic Product

Cultural Change



- ◆ Reform
- ◆ Own path
- ◆ Express yourself

Cultural Change



- ◆ Post Modern
- ◆ Inspired by Truth
- ◆ Make Your Own Path
- ◆ Express Yourself
- ◆ Gross Domestic Cool

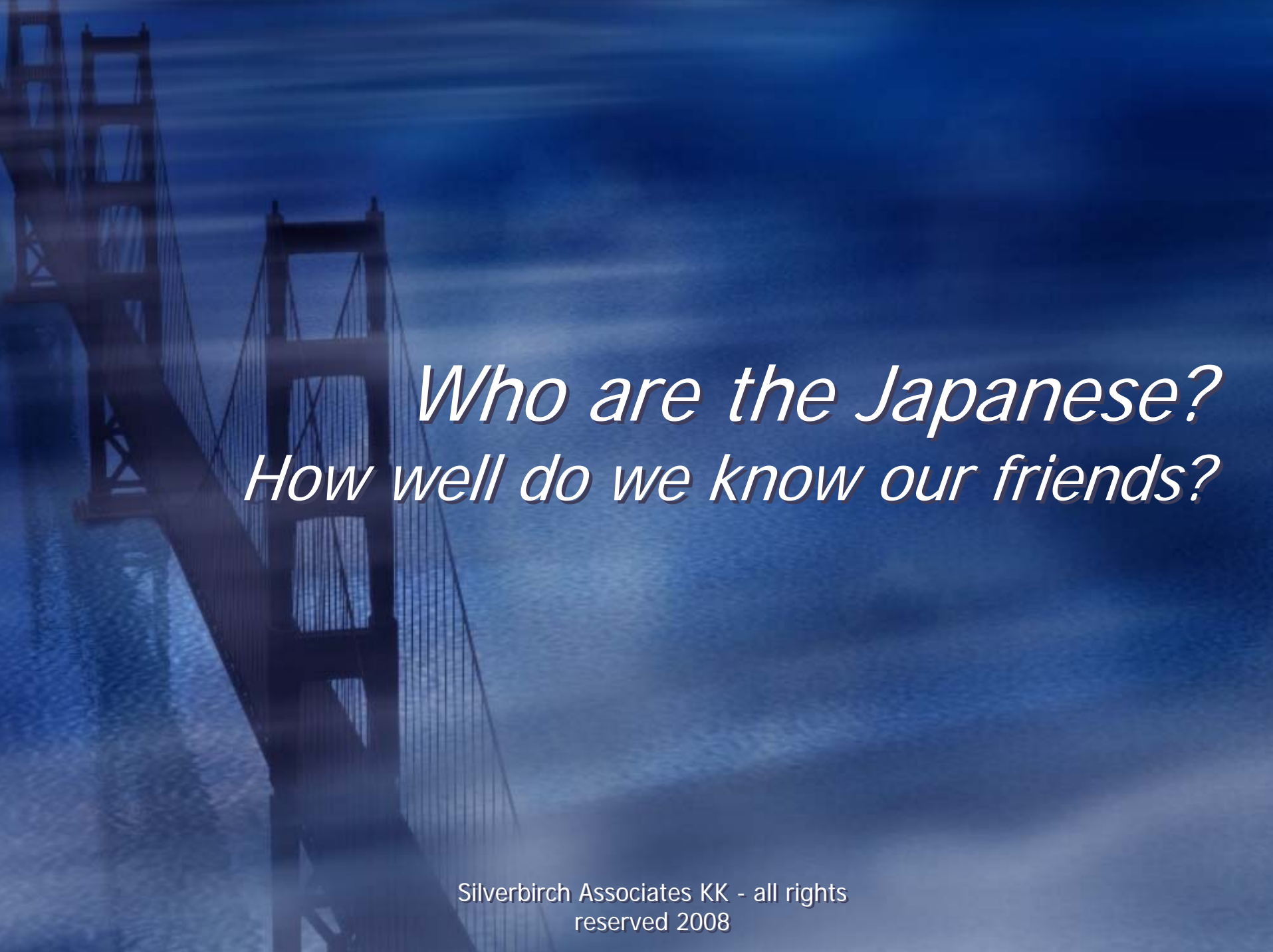
Market forces

- ◆ Reduced role of government
- ◆ Impact of globalized production and service delivery
- ◆ Rise of non-governmental organizations and consumer activism
- ◆ Loss of trust following corporate scandals

**Driving
Change**

Shifting Expectations

- ◆ Increased expectation for companies to fill the void left from a reduced governmental role
 - ◆ Economic strategies
 - ◆ Establish standards e.g. human rights
 - ◆ Promote environmental protection
- ◆ More accountability and transparency for financial, ethical, social and environmental performance

A photograph of the Golden Gate Bridge at night, with the bridge's structure and suspension cables visible against a dark blue sky and water. The bridge is illuminated, and its reflection is visible in the water below.

*Who are the Japanese?
How well do we know our friends?*

A background image of the Golden Gate Bridge at night, with its iconic orange-red structure silhouetted against a dark blue sky and water. The bridge's cables and towers are visible, creating a sense of depth and scale.

Japanese Values

1. Honesty

- ◆ The most precious thing is your conscience so it is worthwhile to live according to your conscience

2. Mutual Respect

- ◆ It is important to respect other people's conscience

3. Moderation

- ◆ Conscience is formed through education and social norms become common sense

4. Grace

- ◆ By improving their conscience, people become beautiful and perfect as jewels

Structure of Japanese Ethics

Early philosophies that ethics became based upon:

- ◆ 1579~1655 Shosan Suzuki (Zen Monk, early Edo Period)
- ◆ 1685~1744 Baigan Ishida (Philosopher mid-Edo Period)
- ◆ 1715~1746 Nakamoto Tominaga (Gifted thinker mid-Edo Period)

Refining the conscience, acting with conscience...
that is the way of man.

... an ethical way of living that defines HUMANITY.

A blue-tinted photograph of the Golden Gate Bridge, showing its iconic towers and suspension cables against a clear sky.

Shared values

Canada:

Peace Order and Good Governance

Japan:

Kyosei: “Living and working together for the good of all”

-Ryuzaburo Kaku, late Chairman of Canon Corp.

(tempers, individual, organisational, and even national self-interest with a concern for more “embracing “common goods”)

Concept of : “Ninjo”
feeling for others

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Japan concerns today

- ◆ Tax
- ◆ Pension
- ◆ Refueling bill
- ◆ Economy
- ◆ Abduction issue
- ◆ Corporate Governance scandals

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Politically

- ◆ New Prime Minister Taro Aso
- ◆ Approval rating: 42%
disapproval: 38% (Asahi newspaper Oct 11)
- ◆ Bad timing for election, but if delayed until next year it will run into the Tokyo elections...
- ◆ Will wait as long as possible to call elections and hope performance in financial crisis will improve LDP ratings

A blue-tinted photograph of the Golden Gate Bridge, showing its iconic towers and suspension cables against a hazy sky and water.

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Globally

- ◆ The Japanese economy has suffered along with the rest of the world over the recent crisis in the financial markets.

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Japan's Strengths

- ◆ Gateway to Asia
- ◆ Public Private sector collaboration
- ◆ A society that works
- ◆ Values based business



Japan's Challenges

- ◆ Attract FDI
- ◆ Manage Diversity
- ◆ Immigration
- ◆ Reintegration of women into the workforce
- ◆ Regulatory reform and transparency

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From Bashing to Passing...

- ◆ Culturally Japan was shocked by the Japan bashing in the 1980/90's
- ◆ Reaction has been to proceed quietly and under the radar

Result: Japan is now being
"passed over"

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...To Leadership

- ◆ UNSC seat for two years
- ◆ Leading edge in Climate change and green technologies
- ◆ Innovation through action and implementation
- ◆ Public private sector collaboration skills
- ◆ Used lost decade to trim down excesses and become more competitive

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Canada and Japan: Much to share

- ◆ Social and welfare systems
- ◆ Immigration
- ◆ Diversity
- ◆ Resources
- ◆ Market access
- ◆ Collaboration

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Thank you!
Merci beaucoup!
Go seicho arigatou
gozaimasu!

