



Reason1. Fertile and Trusted Free Market

World's 3rd largest economy and trusted investment destination



GDP

World **No.3**

FDI
Confidence Index

World **No.4**

Current GDP (USD billion, 2021)

| No. | Country | Current GDP |
|-----|---------|-------------|
| 1 | US | 22,996 |
| 2 | China | 17,734 |
| 3 | Japan | 4,937 |
| 4 | Germany | 4,223 |
| 5 | UK | 3,187 |

Source : "Gross Domestic Product 2021" (World Bank, July 2022)

| No. | Country |
|-----|---------|
| 1 | US |
| 2 | Germany |
| 3 | Canada |
| 4 | Japan |
| 5 | UK |

Source : "The 2022 FDI Confidence Index" (Kearney)

Developed and free market that provides ample opportunities for new entrants



**Japan's Market Size is the Biggest
Attraction for Foreign-affiliated
Companies**

63%*

* 63% of the survey respondents cited the Japanese market size as the most attractive feature of doing business in Japan.

Source: "FY2021 Survey on Business Operations of Foreign-affiliated Companies in Japan" (JETRO)

Domestic Competition

World **No.5**

| No. | Country / Region |
|-----|------------------|
| 1 | Hong Kong |
| 2 | Singapore |
| 3 | Switzerland |
| 4 | Netherlands |
| 5 | Japan |
| 6 | UAE |
| 7 | US |

Source: "The Global Competitiveness Report 2019" (World Economic Forum)

Japan leverages FTAs to develop preferential access to global markets



FTA Coverage by Major Trading Economies:



Source: "White Paper on International Economy and Trade 2022" (METI)

World's leading industrial competitiveness creating various high value-added products



Industry Competitiveness

World **No.4**

| No. | Country / Region |
|-----|------------------|
| 1 | Germany |
| 2 | China |
| 3 | Ireland |
| 4 | Japan |
| 5 | South Korea |
| 6 | US |
| 7 | Switzerland |
| 8 | Taiwan |
| 9 | Singapore |
| 10 | Netherlands |

Source: UNIDO (2021), CIP Competitive Industrial Performance Index. Vienna.
Available from <http://stat.unido.org>.

Economic Complexity

(A rank of countries based on how diversified and complex their export basket is)

World **No.1**

| No. | Country / Region |
|-----|------------------|
| 1 | Japan |
| 2 | Switzerland |
| 3 | Germany |
| 4 | South Korea |
| 5 | Singapore |
| 6 | Czech Republic |
| 7 | Austria |

Source: "The Atlas of Economic Complexity 2019" (Growth Lab at Harvard University)