Japan
An overview of the economy and of the business environment

Japan is a country where ancient traditions coexist with cutting-edge technology, and few symbols capture this duality better than sumo wrestling. Recognized as Japan's national sport, sumo is more than a physical contest; it is a cultural ritual deeply rooted in Shinto traditions. Matches are preceded by ceremonial gestures, and the wrestlers themselves embody discipline and respect—values that resonate throughout Japanese society.

Sumo tournaments attract millions of spectators annually, generating significant revenue through ticket sales, broadcasting rights, and tourism. This cultural phenomenon not only sustains a vibrant sports industry but also contributes to Japan's broader economy by reinforcing its global image as a nation that honors heritage while embracing modernity.

From this cultural lens, we can transition to the current state of Japan's economy, which, much like sumo, is grappling with powerful forces. After decades of deflation, Japan has entered a new phase marked by moderate inflation and rising interest rates. In 2025, GDP growth is projected at around 1.0%, supported by private consumption and investment, even as external uncertainties—such as global tariff tensions—pose challenges. Inflation remains persistent, hovering near 3%, while real wages struggle to keep pace with price increases, creating pressure on household purchasing power. Despite these hurdles, Japan maintains a strong external position, with a current account surplus of over 4% of GDP, largely driven by income from overseas investments. Fiscal consolidation is underway, though public debt remains high at approximately 232% of GDP. The Bank of Japan has ended its era of negative interest rates, signaling a gradual normalization of monetary policy.

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Japan's economy rests on three major sectorscontributing uniquely to the nation's wealth.

Primary Sector: Agriculture, Forestry, and Fishing

Although agriculture accounts for only about 1% of GDP, it remains culturally and strategically significant. Japan's geography limits arable land to roughly 20% of its territory, yet intensive farming techniques and technological innovation allow for high productivity.

The most important crop is rice, with annual production exceeding 10 million tons, primarily in regions such as Chubu, Kanto, Tohoku, and Hokkaido. Rice is not only a staple food but also the base for sake, a traditional alcoholic beverage. Other major crops include wheat, soybeans, barley, corn, and peanuts, alongside vegetables like cabbage, onions, and daikon radish. Japan is also renowned for green tea, especially matcha and sencha, which hold cultural and economic value.

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Secondary Sector: Manufacturing and Industry

The secondary sector contributes about 30% of GDP and is the backbone of Japan's global economic influence. Manufacturing in Japan is synonymous with precision, quality, and innovation.

The automotive industry, led by giants like Toyota, Honda, and Nissan, is a cornerstone, making Japan one of the world's largest car exporters. Electronics and technology firms such as Sony, Panasonic, and Canon have set global standards in consumer electronics and imaging. Japan also excels in semiconductors, robotics, and industrial machinery, holding over 60% of global market share in certain high-tech components.

Other key industries include shipbuilding, steel production, petrochemicals, and pharmaceuticals. The sector is increasingly embracing digitalization and green transformation, aiming to boost efficiency and sustainability through advanced robotics, AI, and decarbonization strategies.

Tertiary Sector: Services

Dominating the economy with nearly 70% of GDP and 75% of employment, the service sector is Japan's largest and fastest-growing component. It encompasses a wide range of activities: finance, insurance, real estate, retail, transportation, telecommunications, and professional services. Tourism and hospitality are significant, supported by Japan's cultural appeal and events like the Tokyo Olympics.

Healthcare and eldercare services are expanding rapidly due to an aging population, while education and research maintain high standards globally. The sector is also undergoing a digital transformation, with IT services, e-commerce, and fintech driving growth. Despite challenges such as labor shortages, the service industry remains resilient, supported by strong domestic demand and structural reforms.

Import and export

Japan is a major player in international trade. In 2024, exports totaled approximately $707 billion, while imports reached $743 billion. Leading export products include automobiles, electronic integrated circuits, semiconductor manufacturing equipment, and automotive parts. Imports are dominated by mineral fuels (crude oil, LNG, coal), electrical machinery, and industrial equipment.

The top export destinations are the United States, China, and South Korea, while primary import partners include China, the United States, and Australia. This trade pattern underscores Japan's reliance on imported energy and raw materials, balanced by its strength in high-value manufacturing.

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Japan offers a stable environment, advanced infrastructure, and a consumer base that values quality and innovation. However, success requires trust and accurate information. Before entering partnerships or making investments, companies must ensure they have reliable data on potential business counterparts. This is where SkyMinder becomes indispensable.

This is where SkyMinder becomes indispensable. As a leading global provider of business information, SkyMinder delivers comprehensive, up-to-date reports on Japanese companies, helping businesses mitigate risk and make informed decisions. In a market as sophisticated as Japan, having access to precise corporate intelligence is not just an advantage—it is a necessity.

SkyMinder offers comprehensive and up-to-date online Full Reports on Japanese companies, offering a rich supply of crucial insights sourced from local experts. These reports include the following information (each item included if available):

- Company identification details and contact data
- Company registration data and capital
- Credit rating and credit limit
- Company shareholders
- Activity classification and description
- Company management
- Financial accounts
- Bank details
- Branches
- Product technology and service description
- Organization structure
- Branches
- Factory and facilities
- Company history
- Trade references
- Major subsidiaries, joint-ventures & affiliates
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In addition to the Full Report, which provides complete details on Japanese companies, SkyMinder also offers other types of reports designed to give you an in-depth and comprehensive understanding of your business partners.

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- Compliance Check Report: Access the LexisNexis Risk Solutions platform via SkyMinder to verify whether a business partner is involved in financial crimes, bribery, corruption, or money laundering
- Cyber Risk Report: Evaluates a company's website, domains, and email infrastructure to assess vulnerability to cyber-attacks
- Company Registry Documents: Official documents obtained directly from local registries

SkyMinder is your trusted business information partner, committed to delivering the highest quality standards to meet your needs.

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