

International business in japan



**ASSIGN
BUSTER**

Japan is a country with a great deal of influence on the world economy. Many other nations around the globe work closely with this country through international business. With the increasing global importance of Asia and Pacific Rim, and economic and strategic significance of the US-Japan relationship, it is important that more Americans will improve their levels of cultural awareness to increase their national level of understanding of Japan. When working in the global commercial environment, knowledge of the impact of cultural differences is one of the keys to international business success.

Japan is an island country located in East Asia and its capital is Tokyo. The country is sometimes identified as the land of the rising sun. It is in the worlds top ten population with an estimated population of 128 million people living there. The national language there is Japanese and there ethnic group residing there consist of mainly Japanese then there are some Korean, Chinese, and others who reside there. The currency used in Japan is the Yen and it is now stronger then the American dollar.

Japan is now the world's second largest economy by nominal GDP. It is also the only Asian country that has an elected member serving in the United Nations Security Council. The standard of living in Japan is extremely high compared to Americans standard of living; also Japan has the highest life expectancy over any other country in the world and one of the lowest infant mortality rates. Japanese religious beliefs come from the study of Buddhism. The Japanese government is run by the Prime Minister and although there is an Emperor his powers are very limited.

The Prime Minister is picked by Japan's Emperor. Japan is also one of the leading nations in scientific research; the technology in Japan is a lot more advanced than the technology in many countries. Japan's economy clearly fell apart during the 1990's due to a crash in the stock markets and real estate markets. The time period from the 1990 to 2000 was considered the lost decade for Japan. By 2005 the Japanese economy showed a strong recovery, making it now one of the largest economies in the world.

In March 2011, Japan's strongest-ever earthquake, resulting tsunami, devastated the northeast part of Honshu island, killing thousands and damaging several nuclear power plants. The catastrophe shuffled the country's economy and its energy infrastructure, and severely strained its capacity to deal with the humanitarian disaster. The stock market twisted, dropping as much as 10% in a single day. In order to stabilize financial markets and retard appreciation of the yen, the Bank of Japan injected more than \$325 billion in yen into the economy.

Some economic forecasters, who previously had anticipated slower growth for Japan in 2011, now believe GDP may decline as much as 1% for the year. The country is famous for its industrial ability and technology and advanced productions in motor vehicles, electronics, machine tools, steel and metal, ships, chemicals, textiles and processed foods. Due to all of the production companies and everything Japan is known for the unemployment rate is low because there are always jobs for people. It is also known that Japanese workers get the highest paid salary per hour than any other country in the world.

The largest companies the country has include Toyota, NTT DoCoMo, Canon, Nintendo, Sony, Honda, Takeda Pharmaceutical, Toshiba, Sharp, Nippon Steel, Nippon Oil and Seven & I Holdings Co.. The Tokyo Stock Exchange also originated in Japan and is the world's largest bank. Japan's exports amounted to US \$4, 210 per capita in 2009. Japan's main import markets are China (22. 2%), the US (10. 96 percent), Australia (6. 29 percent), Saudi Arabia (5. 29 %), United Arab Emirates (4. 12 percent), South Korea (3. 98 percent) and Indonesia (3. 5 percent).

Their main exports are transportation equipment, vehicles, electronics, machinery and chemicals. The majority of Japan's exported good go to the United States. Japan mainly imports from China and the European Union. Its main imports include machinery and equipment, fossil fuels, beef, chemicals, textiles and raw materials. The industry segment relies heavily on the imported raw materials and fuels because without them it will be difficult to produce all of their products especially vehicles.

Japanese vehicles are more expensive than American cars because the quality is better. The Japanese use better materials and products and their products last longer and are more luxurious. Also the price of a Japanese car in America cost a lot because of the price shipment is expensive, no matter how expensive Japanese products continue to be bought and in high demand because of its good quality. The energy efficient and eco-friendly products are being sold in large quantities now because everyone is into being eco-friendly. Japan's products are internationally known.

The export percentages for Japan include vehicles at about 22%, electrical machinery 20%, machinery 20%, optical and medical instruments 6%,

special products 5%, iron and steel 4%, plastic 3%, organic chemicals 3%, ships and boats 2% and iron and steel products 1%. The import percentages are mineral fuel/oil at about 28%, electrical machinery 11%, machinery 10%, optical and dental instruments 4%, ores 4%, vehicles 3%, organic chemicals 2%, woven apparel 2%, wood 2% and fish and seafood 2%. All of those percentages are rounded to the nearest whole number.

The percentages prove that Japan exports more than it imports, for example it exports 22% of vehicles and it only imports 3% which has a difference of 19% so they have an advantage in exports. Japan is a member of the G8, APEC, and "ASEAN Plus Three", and is a participant in the East Asia Summit. Japan signed a security pact with Australia in March 2007 and with India in October 2008. It is the world's third largest donor of official development assistance after the United States and France, donating US\$9.48 billion in 2009.

Japan is engaged in several territorial disputes with its neighbors: with Russia over the South Kuril Islands, with South Korea over the Liancourt Rocks, with China and Taiwan over the Senkaku Islands, and with China over the EEZ around Okinotorishima. Many investors have invested a lot of their money into Japan because its economy and business sector continues to increasingly grow. Also investors look at the history and see that although in the lost decade, 1990-2000; Japan's economy collapsed it recovered quickly and is now one of the strongest in the world.

Japan's investments continue to rise because it has a large domestic market, one of the best human resources and advanced technological abilities, its living environment is very safe and comfortable, and it can soon be the

representative of the entire Asian market. When investing in Japan the reliability is great, as well as the security and predictability. They also offer high protection rights to make investors feel safe and make them want to invest more into the Japanese market. China and Japan are the worlds most preferential trading and investing partners in Asia.

India is also trying to come up with an automotive sector like Japan. Japan has low tax rates, lots of economic freed and a system that is controlled by the private sector. Unlike many other countries Japan has a development of science and technology and that is because the country has money. The Japanese are not just looking for good business they also believe that there must be a good relationship between the national government and the industrial division. Manufacturers, suppliers and distributors work very close together but in an informal manner with intimate support from financial institutions and government.

Since the problems in the economy have affect countries all around the world Japan saw its first problems with inflation in 2008, not as bad as other countries but they were slightly affected. The Japanese government has acted fast on there inflation issues because of the crisis they previously suffered. To keep the Japanese economy growing and keep stability the government has created stimulus packages to manage the inflation and improved the tax system and labor market.

Japan's business sector has currently been going through its ups and downs right now but so has every other country because the recession has had an impact on everyone. The difference with Japan is that unlike America they are handling it the correct way and attempting to take care of the problems

before it becomes worse. The American's took too long to realize and admit that there was a problem, because the Japanese economy suffered for a decade they did not take any chances this time around. The Japanese culture is very sophisticated.

The Japanese language was always one of the main factors in Japan's culture and in emigrant communities where the Japanese have resided in. Japanese is written in a combination of three scripts and they are hiragana, katakana and kanji. All of the three came from China. Visual arts and performance is an important part of the Japanese culture. Family and friends always gather around and perform little shows outside and often families go to theaters and see these shows. When mentioning visual arts in Japan there are many components but the most important and known ones include painting and sculpture.

Painting has been in Japan for a very long time and is a way the Japanese express their culture to the rest of the world. Japanese painting techniques are used around the world and the Japanese has not adopted painting techniques from different parts of Asia. Japan adopted Chinese paper making into their culture right after the 7th century. Sculptures are an important part of the Japanese culture as well. Many of the sculptures consist of Buddhist images like Tathagata, Bodhisattva and Myo-o. The Japanese use wood when doing their sculptures and make sure that they are brightly painted to stand out.

There are four traditional theaters in Japan and they are known as noh, kyogen, kabuki and bunraku. Noh theater is one of the more serious performances and they incorporate masks, costumes, fans and gestures to

get through to an audience. The kyogen theater is more of a comical shows and unlike the noh theater they do not use mask because their facial expressions are what make the audience laugh. The kabuki theater is more of a dance performance and has been performed by men because it is unacceptable to have women on stage doing the dances.

The government banned women from being actress for kabuki theater because they are portrayed as prostitutes so the men dress up as women and perform. Bunraki theater is a puppet theater. Unlike theaters around the world the Japanese theaters almost never have verbal words spoken; things are portrayed in music, dance and gestures or facial expressions. Japan has its own unique architecture. They try and distinguish themselves from other countries. Their architecture has been around as long as their culture has and like many of the other things in Japan the architecture was some what influenced by China.

Most of the work in Japan was influenced by Zen Buddhism. Gardens are also an important part of the architecture. It is influenced by the historical background and religious beliefs. Buddhism was originally found in India by Gautama Buddha and incorporated by many of the Asian countries and cultures. Buddhism is the belief that enlightenment can be obtained through right conduct and wisdom, meditation is done to release negativity. There are six schools of Buddhism in Japan and they are Ritsu, Jojitsu, Kusha, Sanron, Hosso and Kegon.

Understanding the culture in a country or region in which you are doing business is a critical skill for the international business person. Without this knowledge, a successful outcome to the business venture can be extremely

difficult if not impossible. Like many aspects of Japanese society, the Japanese conduct business in a very particular way. Japanese business etiquette and indirect speech can seem strange to foreign business people. The following information can give you the better understanding of those differences.