PESTLE Analysis of Japan 2013

Lucintel, the premier global management consulting and market research firm creates your equation for growth — whether you need to understand market dynamics, identify new opportunities, or increase your profitability.

Published: December 2013
**Background:**
The GDP of the third largest economy in the world, Japan, is expected to grow at a declining rate and reach an estimated $5.94 trillion by 2018 at the current price. Decrease in domestic consumption as a result of declining population is expected to affect the economic growth. The country, however, will be benefitted from significant exports due to recovery of the US economy and depreciating yen against the US dollar.

Lucintel, a leading global management consulting and market research firm, has conducted a detailed analysis on the various growth opportunities and risk factors associated with the country and present its findings in “PESTLE Analysis of Japan 2013.” The government is spending of $53 billion for public works, and employment is likely to support moderate growth of the Japanese economy.

As per the study, Japan is likely to face issues related to aging population in the coming years which can cause problems for Japanese economy. The country’s debt has increased to 238% of GDP. Increasing fiscal deficit decreases the ability of a government to increase spending to stimulate the economy.

The economy has positive aspects as well. Strengths of the Japanese economy are high standard of living, educated workforce, higher Human Development Index (HDI), increasing urbanization, low corruption, and low homicide rate. The basic social factor affecting the Japanese economy is the increasing dependency ratio of the country. The country has well-defined investment policies and support from government and industry associations which encourage free trade. The service sector of Japan is the major contributor to GDP and the key driver for growth of economy. The service sector is likely to expand in upcoming years. Industries in the service sector such as transport, infrastructure, information and communication, finance and insurance, business services, real and estate, etc. are driving the growth.

This report analyzes the impact of different macroeconomic factors of the country on different industries. This also includes the impact of socio-political-demographic changes on different industries in that country. This report analyzes domestic and external economic trends, government policies, technological changes and their impact on different industries. In the current economic scenario of the country, machinery, electronics and electrical, automobile industries are likely to be most affected.

This unique report from Lucintel will provide you with valuable information, insights, and tools needed to identify new growth opportunities and operate your business successfully in this market. This report will save hundreds of hours of your own personal research time and will significantly benefit you in expanding your business in this market. In today’s stringent economy, you need every advantage that you can find.

**Features of This Report:**
To make business, investment, and strategic decisions, you need timely, useful information. This market report fulfills this core need and is an indispensable reference guide for multinational materials suppliers, product manufacturers, investors, executives, distributors, and many more that operate in this market.

Some of the features of “PESTLE Analysis of Japan 2013” include:
PESTLE Analysis of Japan 2013

- Trend and forecast for key macroeconomic variables that are useful to make major investment decision
- Analysis on economic activity, investment environment, and trade structure of the country
- Major industries in Japan and its contribution to GPD
- Trends in savings, investments, and consumptions
- Analysis of Political, Economic, Social, Technological, Legal, and Environmental scenarios as well as their impact on different industries
- Analyses on geographical importance and social structure such as labor quality
- Strength, Weakness, Opportunity, and Threat (SWOT) analysis of Japan

More than 25 figures/charts and 13 tables are provided in this roughly 65-page report. Sample charts with random data are presented below.
## PESTLE Analysis of Japan 2013

### Political Factors and Their Impact on Business – Random Data

<table>
<thead>
<tr>
<th>Factors</th>
<th>Future Direction</th>
<th>Impact on Business</th>
<th>Industries to be Benefited</th>
<th>Industries to be Negatively Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Stability</td>
<td>Positive</td>
<td>📈</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
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<tr>
<td>Policy Reform</td>
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<td>📈</td>
<td>XYZ Industry</td>
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<td>XYZ Industry</td>
<td>XYZ Industry</td>
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<tr>
<td>Internal Security</td>
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</table>

- **Very High**
- **High**
- **Medium**
- **Low**
- **No**
## PESTLE Analysis of Japan 2013

### Economic Factors and Their Impact on Business – Random Data

<table>
<thead>
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<th>Factors</th>
<th>Future Direction</th>
<th>Impact on Business</th>
<th>Industries to be Benefited</th>
<th>Industries to be Negatively Affected</th>
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</thead>
<tbody>
<tr>
<td>GDP Growth Rate</td>
<td>A</td>
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<td>XYZ Industry</td>
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<tr>
<td>Inflation Rate</td>
<td>B</td>
<td>Low</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Per-Capita Income</td>
<td>C</td>
<td>Low</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>D</td>
<td>Low</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Industrial Production</td>
<td>E</td>
<td>Low</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
</tr>
<tr>
<td>Foreign Direct Investment</td>
<td>F</td>
<td>Low</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
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**Legend:**

- Very High
- High
- Medium
- Low
- No

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<table>
<thead>
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<th>Factors</th>
<th>Current condition</th>
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<tr>
<td>Population Growth Rate</td>
<td>---%</td>
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<td>Low</td>
<td>XYZ Industry</td>
<td>XYZ Industry</td>
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<td>Unemployment Rate</td>
<td>--%</td>
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<td>XYZ Industry</td>
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<td>Corruption Rate</td>
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<td>Labor Cost</td>
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<td>Low</td>
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**Legend:**

- Very High
- High
- Medium
- Low
- No
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- Very High
- High
- Medium
- Low
- No

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<td>Low</td>
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<td>XYZ Industry</td>
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<td>Mobile Connectivity</td>
<td>High</td>
<td>Low</td>
<td>XYZ Industry</td>
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- Very High
- High
- Medium
- Low
- No
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<td>Kyoto Protocol</td>
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<td>Low</td>
<td>XYZ Industry</td>
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Benefits of a Lucintel Report:
Lucintel's core competency is in market research and management consulting. In the last 14 years, Lucintel has worked on hundreds of market and economic research studies. Lucintel’s market reports offer the following benefits:

- **Enhance your global growth strategy** with key economic and potential industry analysis
- **Fine-tune your business expansion planning** and market development with analysis of domestic demand analysis and demographics structure analysis
- **Explore business opportunities** with the analysis of leading industry, potential sector analysis and by understanding strength, weakness, opportunity, and threat of the country
- **Know the business environment** of the country using report’s PESTLE analysis and their impact on industry. Also included is Foreign Direct Investment and Trade structure analysis.

Please see below comments from our customers on how they benefited from our market reports.

“We found great value in Lucintel’s research both from a commercial and technology standpoint. Not only did we gain insights into the value chain and the key players in each industry segment, but we also were able to understand their future plans. Lucintel helped us better align our products with the needs of the market.” Genaro Gutierrez, PhD, Business Development Manager – Dow Chemical

“The information is so comprehensive and detailed, that it has allowed us to identify and focus our new business development efforts. This one report has saved months of legwork.” Bill Barz, L&L Products, Inc.
"With more than 20 years experience in the industry, this is the first time we have come across such an extensive and detailed market analysis for our industry." Ven Cote, CEO, ZCL Composites

"The report from Lucintel is useful not only for business planners, but also for the technology officers wanting to create a roadmap of who uses which technology" Dr. Giulio Ranzo, Booz Allen Hamilton Consulting

"Lucintel’s report has saved precious time and resources brought together in a concise and informative manner. The report clearly outlines the key markets and segments, but also highlights those with potential. This helps assist with decisions to cement our current position within our own market but also formulate long-term strategies to realize the potential for global growth that can be achieved. The most detailed report of its nature in the market place at present.” Paul Everley, Peters & May Ltd.

"We bought Lucintel’s report because it is the best report about our industry…a complete and appropriate analysis.” Cesare Andrenacci – Ferretti Group

Who Can Benefit From This Report?
This study is intended for material suppliers, parts fabricators, investors, executives, and consultants. This multi-client market study from Lucintel is used by small to multi-national Fortune 500 companies and utilized for a variety of reasons as follows.

- Business development
- Business presentation
- Competitive analysis
- Budgeting
- Strategic planning
- Determination of market size and trend
- Personnel training
- Investment decision

Research Methodology:
Lucintel has been closely tracking and conducting research on variety of industries and countries since 1998. This research project was designed for the purposes of determining the investment opportunities in Japan. In order to ensure fairness with our analysis, we compared several factors in order to align the current performance and, more importantly, the future prospects.

Our analysts used the following sources for the creation and completion of this valuable report:

- Political, Economic, Social, Technological and legal analysis of Japan economy.
- Extensive search of current published literature, market and database information including industry news, country news, and customer intentions.
- A compilation of the experiences, judgments, and insights of Lucintel's analysts, who have analyzed and tracked the economic study of the country.

Lucintel collects a significant amount of uninterpreted data from a variety of sources and converts this into intelligent data as follows. The intelligent data is used by our clients for making confident business decisions. The figure below is a graphical representation of the end-to-end Lucintel research process.
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