



Flashsurvey #1

Entry ban: impact on German business in Japan

Tokyo | February 2022



Five key findings

Of the surveyed companies ...

29%

are in **urgent need to fill positions** with **foreign expats**

61%

require foreign specialists or technical experts to finalize/carry out orders or projects

73%

see **ongoing projects/business activities at stake** caused by the entry ban

23%

lost substantial business related with the entry ban

36%

expect a strategic impact on their operations in Japan in terms of downsizing, shifting regional responsibilities outside Japan or reduction in expat deployment

Five key findings



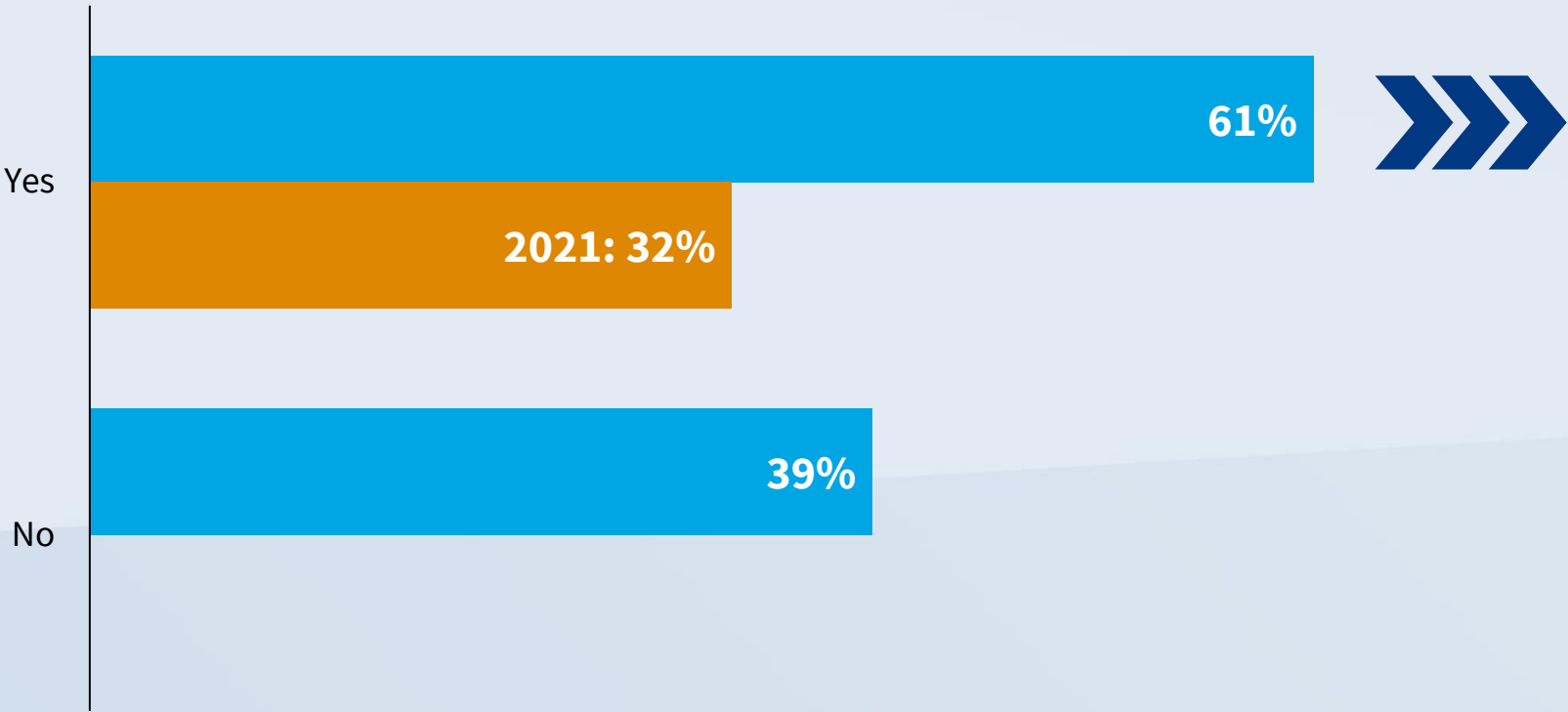
URGENT: taking-up business critical and longterm assignments

In the next 3-6 months, do you plan to fill positions in your company with expats, who are currently prevented from taking their positions due to the entry ban?



URGENT: specialists/experts essential for project-specific tasks

In the next 3-6 months, do you require foreign specialists or technical experts coming to Japan to finalize/carry out orders or projects, but who are not able to enter Japan due to the entry ban?



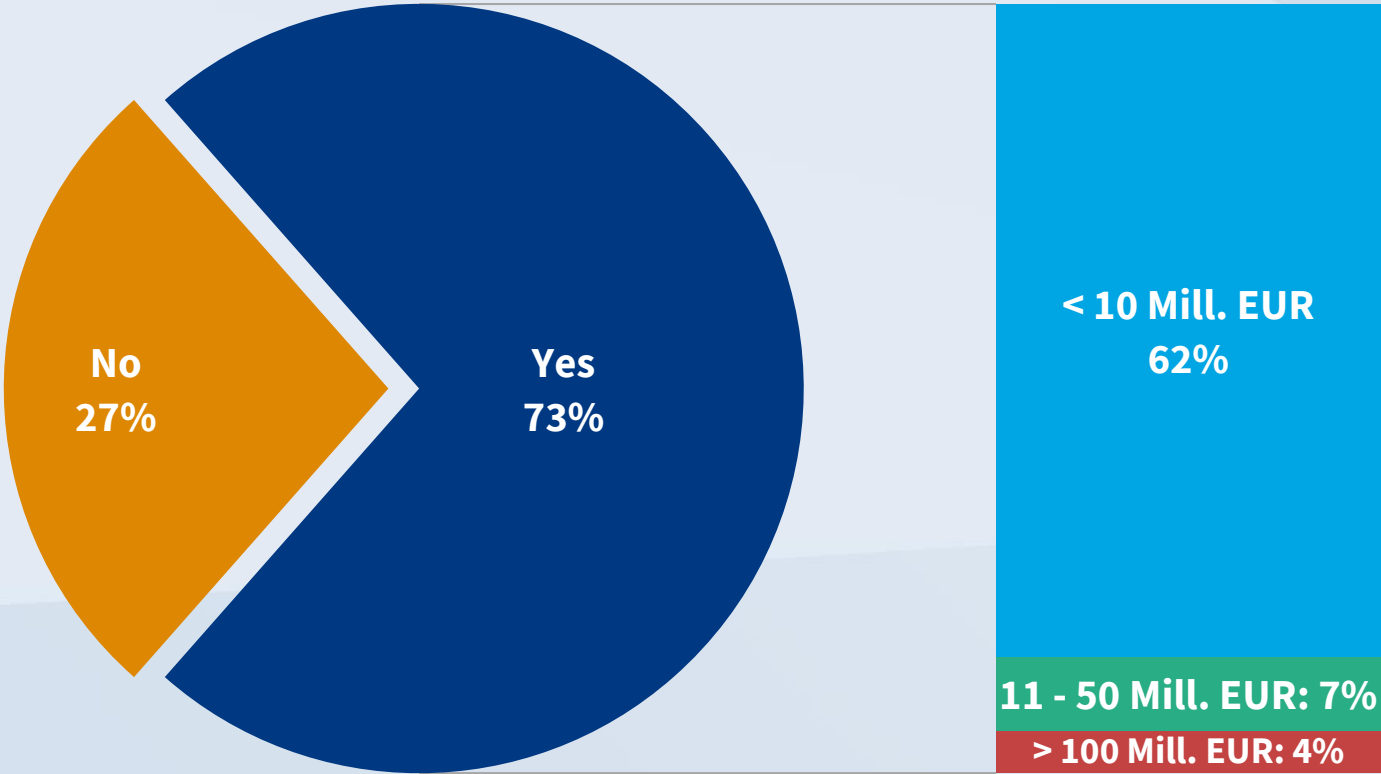
61% of surveyed companies need

281

specialists/experts coming to Japan for project-specific tasks.

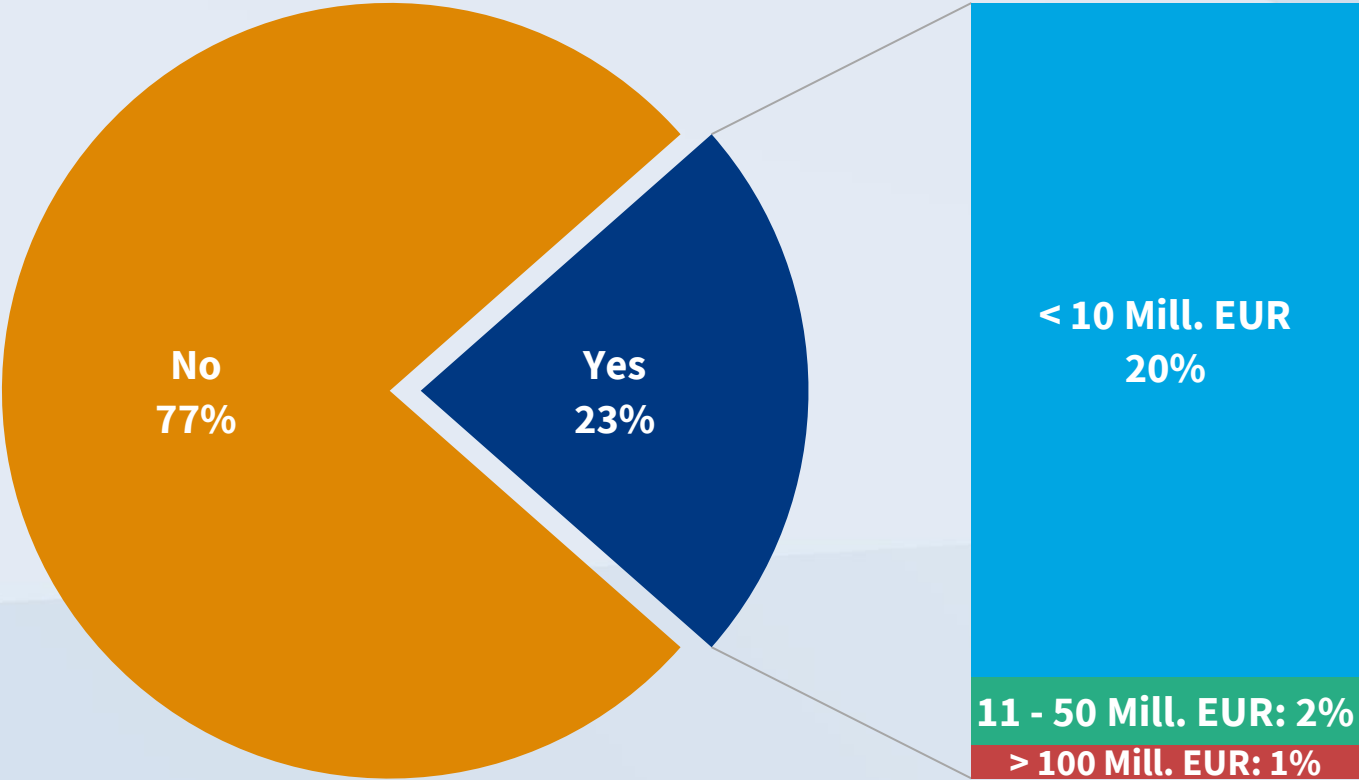
Projects at stake due to the entry ban

What is the approximate project / business volume (in Euro) currently at stake due to the entry ban?



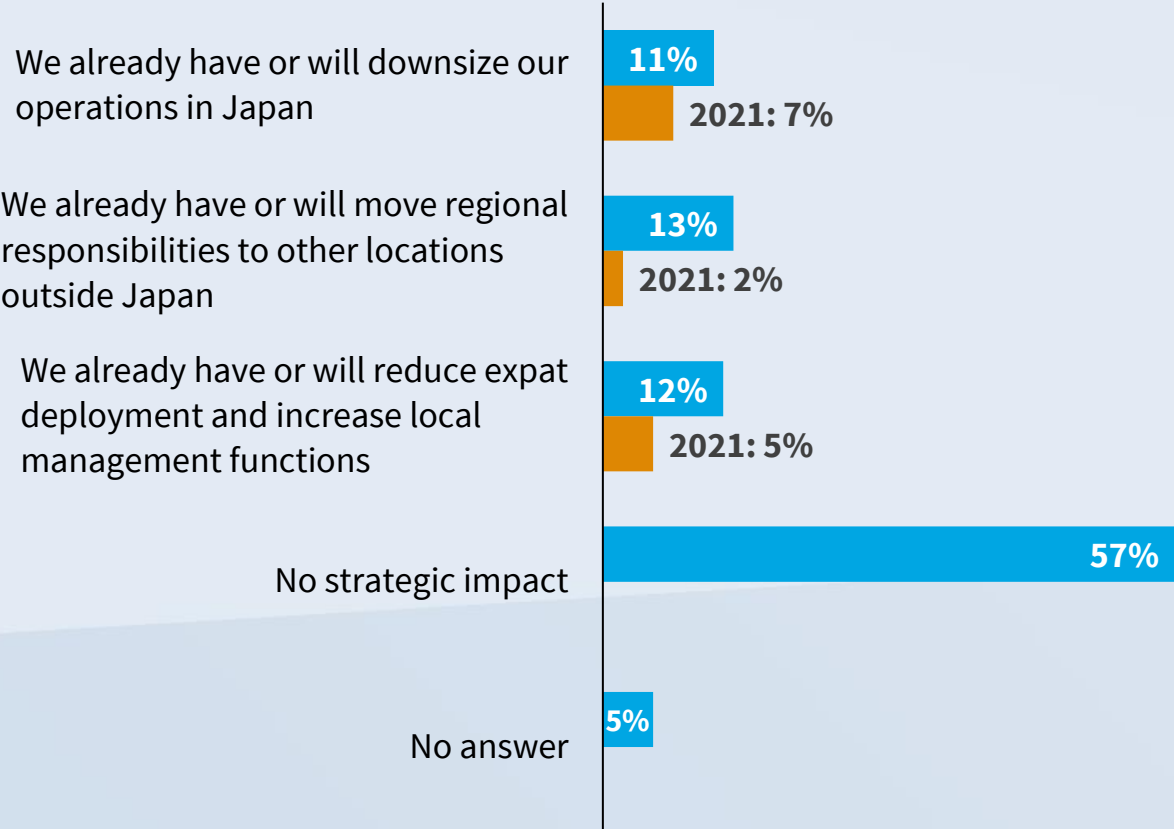
Projects lost due to the entry ban

Has your company already lost projects related with the entry ban?



Strategic impact caused by the entry restrictions

After two years of crisis management, what strategic impact do the entry restrictions have on your company's business in Japan?



“ We are limited in our growth.

“ Reduction of operational focus for Japan.

“ Impact on the ability to cross exchange overseas teams with Japanese team, in order to grow our Japanese people skillsets and knowledge.

“ The reputation as a stable and reliable location and partner has been severely damaged. Future investment and business development will find other destinations. Japan is a high-cost location and reliability, stability, and bilateral proximity have justified the high cost.

Voices

“ With the harsh standpoint of border closure, Japan does not seem to have much interest in international business.

“ The number of expats will not influence infections in Japan. Potential expats will fulfill all conditions diligently. Expats are paid well and contribute with taxes above average to society. Expats are future ambassadors for Japan abroad.

“ Delay in projects, missed growth opportunities if borders and travelling restrictions are not eased within a short time frame.

“ Expats will step down from the assignment: time and effort lost. Japan becoming less attractive.

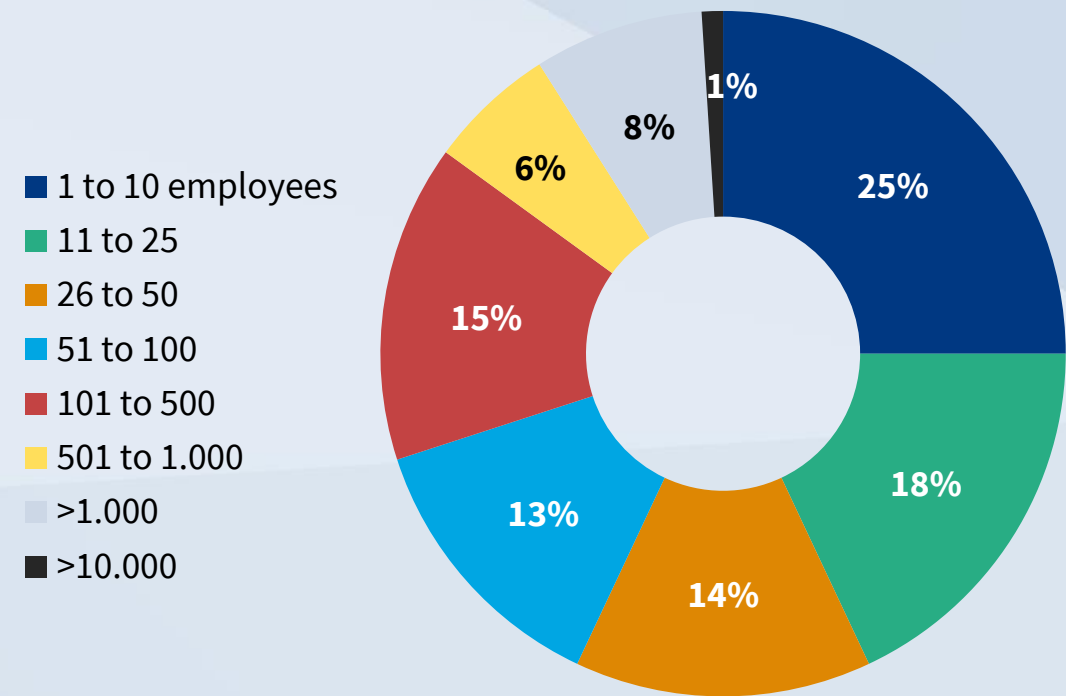
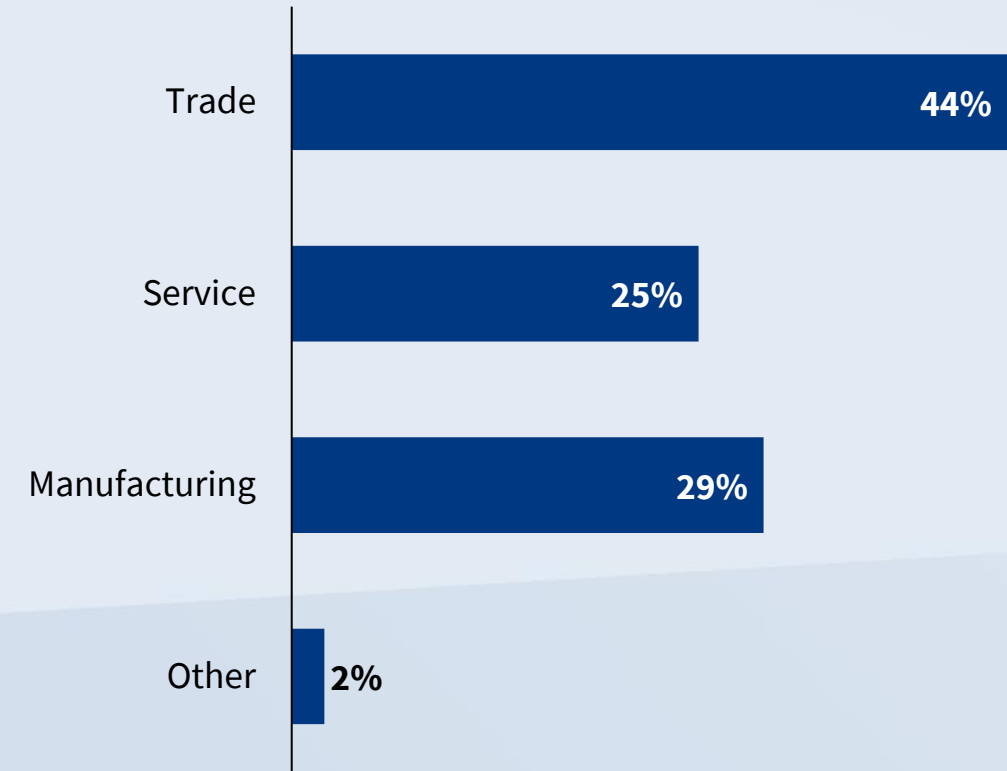
“ Even if the entry ban needs to be maintained for political reasons, it is strongly requested to allow for reasonable exceptions! Rules can be set and followed to protect the society and rule out any import of infections but allow for selected entry of people to keep things going!

“ The biggest concern is that Japan continues to follow a type of short term "reaction"-policy, without consideration of the long-term consequences such policy has on the long-term commitment by foreign companies to such actions (closure of borders, without allowing those in, who are ready to follow established protocols).

“ Japan has always been an important country to conduct business, driven to a certain extent by long year relationships. These relationships are thinning out step by step because visitors are not able to enter Japan. In the next step Japan will only become one of many business partners outside of Germany. And since Japan doesn't have the economic size of China, we can expect an even stronger focus on 'size matters', and Japan will loose out. In other words. Long lasting impact because of loss in relationship making.

Profile of the companies surveyed

No. of German companies in Japan surveyed: 396 | Response rate: 25,2% | Period: January 27 – January 31, 2022



German presence in Japan

12.480 German companies export to Japan

450 German companies with own subsidiary in Japan



German direct investment (stock):

15,6 Bill. €



German-Japanese trade: **38,6 Bill. €**

Germany is the **No. 1** European exporter to Japan



10 German companies among the **Top 100** foreign investors in Japan

German business in Japan creates **265.000 jobs**



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Paraguay
Peru
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USA
Venezuela

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Azerbaijan	France	Macedonia	Sweden
Belarus	Great Britain	Netherlands	Switzerland
Belgium	Greece	Norway	Turkey
Bosnia and Herzegovina	Hungary	Poland	Ukraine
Bulgaria	Iceland	Portugal	
Croatia	Ireland	Romania	
Czech Republic	Israel	Russia	
Denmark	Italy	Serbia	
Estonia	Latvia	Slovakia	
	Lithuania	Slovenia	

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