



Spotlight on Japan

Friday, 12 March 2021

Invest NI in Japan

Mark Graham

Regional Director for North East Asia, Invest NI



Partnering with Japan – Spring 2021 Free Trade Agreement Series

Marie-Claire Joyce
Head of Trade, DIT Japan



Department for
International Trade

What does CEPA mean for UK exporters?



The UK-Japan Comprehensive Economic Partnership Agreement (CEPA) was signed by International Trade Secretary Liz Truss and Japan's Foreign Minister Motegi Toshimitsu in Tokyo (Friday 23 October)

Entered into Force, Jan 1st 2021

UK Exports could rise by +17%
(£2.6bn)

1. Tangible benefits to Goods sectors

- ✿ Tariff liberalisation of 98% of UK goods exports on entry into force, rising to 99% in the long run.
 - Beef 38.5% to 9% (2033)
 - Bacon 8-10% to 0%
 - Blue cheese/ cheddar - 29.8% to 0 (2033)
 - Black tea 12% to 0 (2023)
 - Quicker staging on leather goods relative to EU deal
- ✿ More Liberal Rules of Origin that protect existing supply chains ensuring EU inputs can continue to be used in exports to Japan
 - Relaxed Product Specific Rules on sugar confectionary, biscuits and cakes making it easier for UK exporters to Japan to source certain ingredients from anywhere in the world
 - More flexible rules for textile products

Clear benefits for agri-food and textile industry over time which should encourage growth & new entrants – check out details for your products

2. Cross-sector benefits to make trading easier

- ✿ **Digital & data** provisions that enable free flow of data, a commitment to uphold the principles of net neutrality and a ban on data localisation (reducing the costs of setting up servers in Japan)
- ✿ **Financial services** provisions create greater transparency and streamlined application processes for UK firms seeking licences to operate, and creates an annual regulatory dialogue
- ✿ **Improved mobility** for business-people, securing more flexibility for Japanese and British companies to move talent, with an expanded category of inter-corporate transferee
- ✿ **Intellectual Property** provisions that tackle online infringement of IP rights, such as film and music piracy, protecting brands and innovations

2. Cross-sector benefits to make trading easier

- ✿ **SMEs** Chapter ensures UK SMEs are provided with tools and resources to seize the opportunities of exporting to Japan
- ✿ **Women's Economic Empowerment** Chapter and the Trade and Sustainable Development Chapter establishes WGs for cooperation

Non-Tariff Measures which lower costs of doing business (estimated at ~3% on average)

3. Implementation Committees for CEPA Deal

✿ Committees

Further geographical indications (GIs) can be added to the agreement.

- Joint Committee
- Committee on Trade in Goods
- Committee on Rules of Origin and Customs-Related Matters
- Committee on Sanitary and Phytosanitary Measures
- Committee on Technical Barriers to Trade
- Committee on Trade in Services, Investment Liberalisation and Electronic Commerce
- Committee on Government Procurement
- Committee on Intellectual Property
- Committee on Trade and Sustainable Development
- Committee on Regulatory Cooperation
- Joint Committee on Mutual Recognition

✿ Working Groups

- Working Group on Cooperation in the Field of Agriculture
- Working Group on Trade and Women's Economic Empowerment
- Working Group on Wine
- Working Group on Motor Vehicles and Parts
- Animal Welfare Technical Working Group

Just the beginning – if it ain't working, or needs fixing – let us know!

Japan Trade team



Kaori Arai
Life Sciences &
Chemical



Trade
Counsellor



Hisayo Aoki
Deputy Head of
Trade Team &
Technology



Steve Crane OBE,
CEO Business
Link Japan Ltd., &
Export to Japan
(NPO)



Tom Cross
Nuclear
Counsellor



Economy,
Business
Services &
Education



Atsuko Kikuchi
Cyber Security
& Aerospace



Kae Miyazawa
Consumer,
Food & Drink



James Carter
Renewable
Energy &
Automotive



Miyoko Childs
Project Manager
Export To Japan



Department for
International Trade





Q&A

First Derivatives in Asia

Nick Shindo

Sales and Business Development Director, First Derivatives/Kx



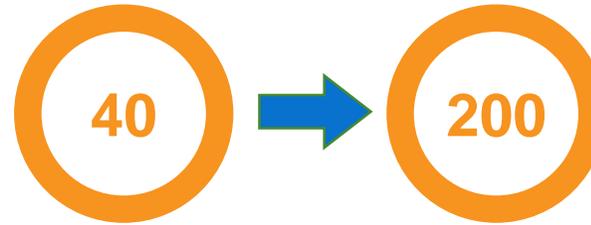
Executive summary

- ✿ First Derivatives (FD) is a leading global software and services company founded in Northern Ireland
- ✿ Our Kx technology is based on ultra-high-performance analytics across multiple industries
- ✿ Extensive domain expertise and capabilities in capital markets systems and technology (managed services and consulting)

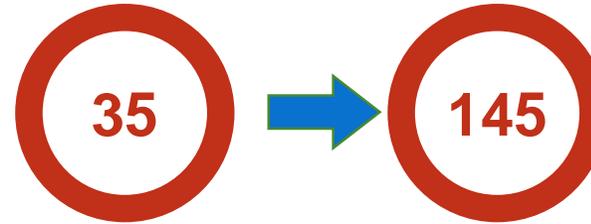
About First Derivatives



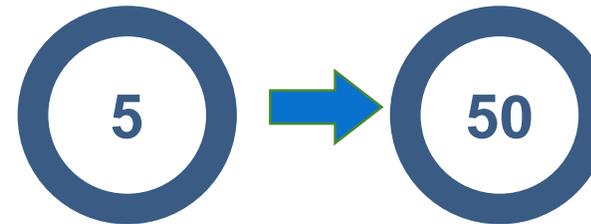
First Derivatives in Asia – eight years of growth



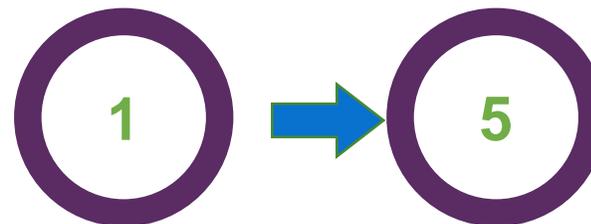
PEOPLE
Total Staff across the region



DOMAIN EXPERTISE
Quant / Financial Engineers / Surveillance
/ IoT / ML / Data Science / Developers

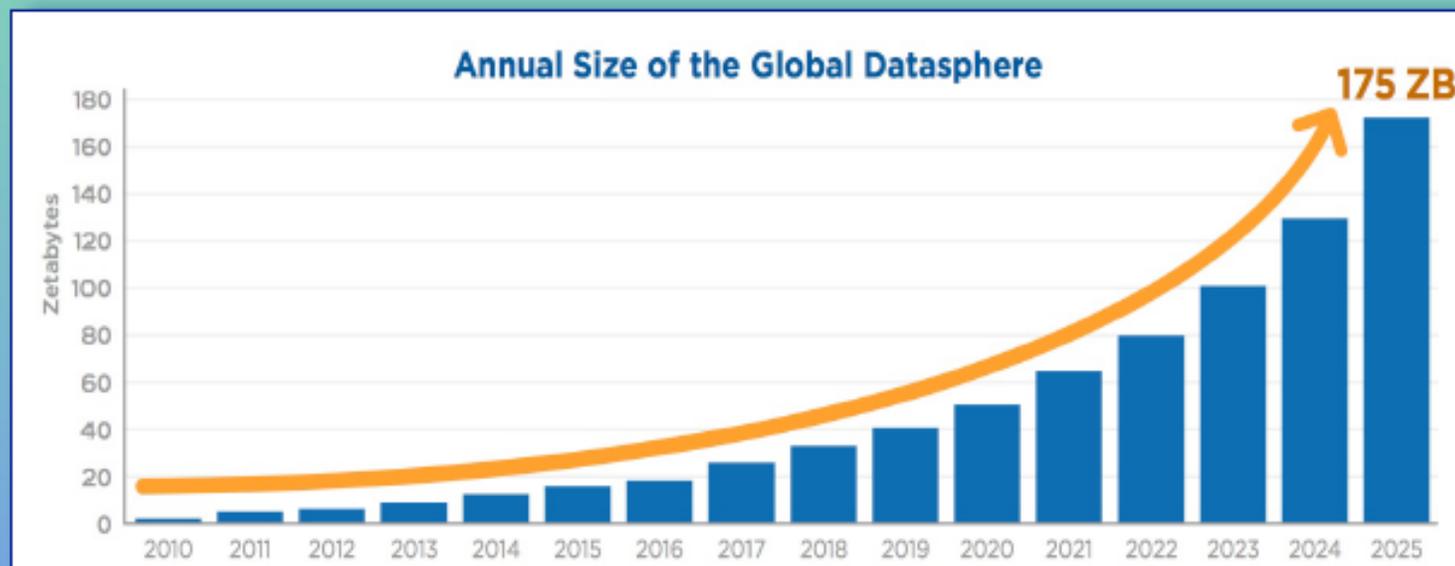


ASIA CLIENTS
Finance, Exchanges, Regulators,
Smart Manufacturing, Semiconductors



CENTRES OF PRESENCE
5 Key Centres: SG, SYD, TK, HK, Seoul
Clients also in India, ASEAN and China

Explosion in data volumes



By 2019, 75% of cloud-native application development will use in-memory computing for high-performance, massively scalable applications (source: Gartner)



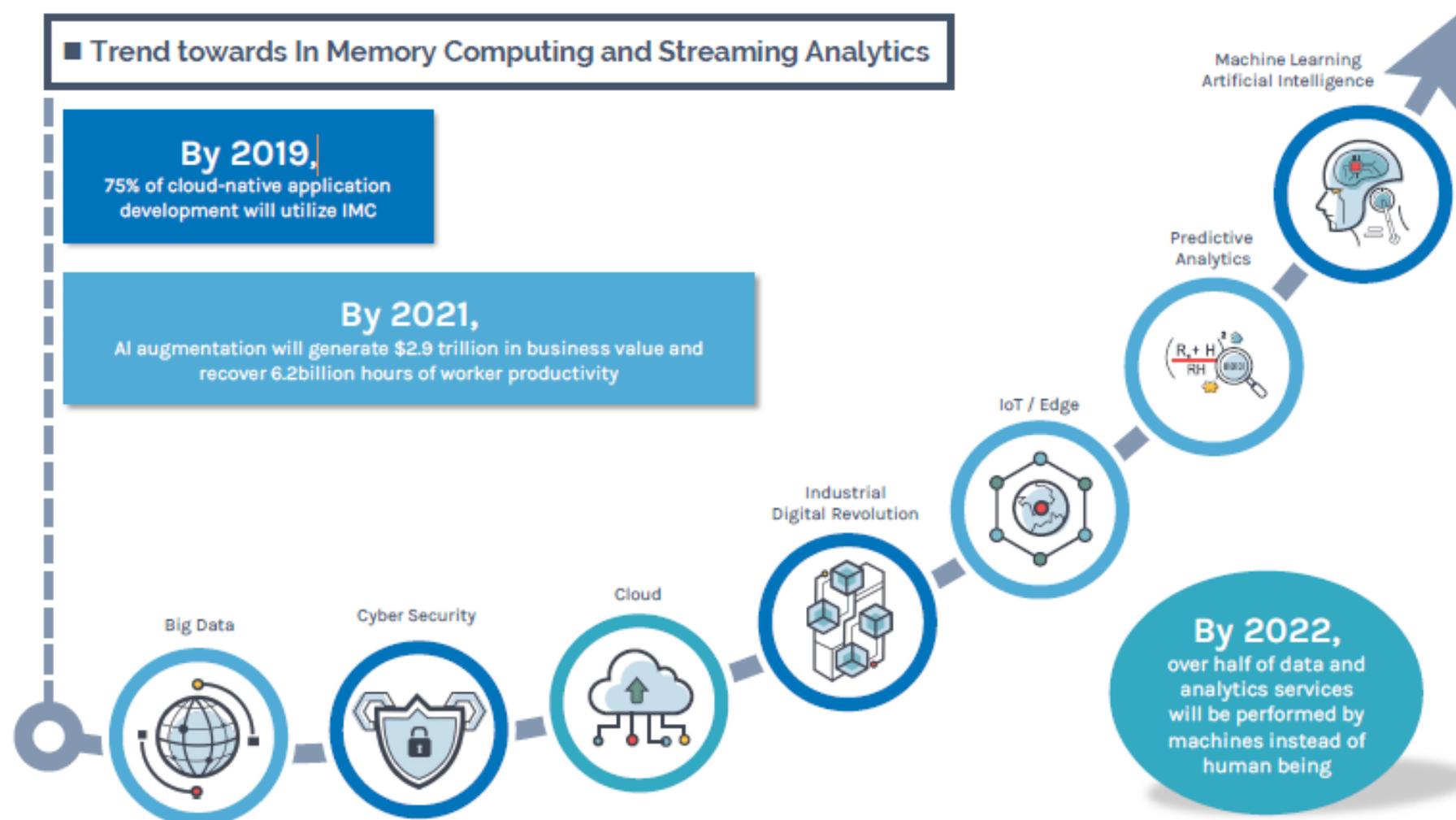
Spending on cognitive and AI systems will exceed \$50bn in 2021 (IDC) and AI-derived business value is forecast to reach \$3.9 trillion in 2022 (Gartner)



Internet of Things software spending in 2018 was expected to exceed \$80bn, led by analytics software and platforms (IDC)

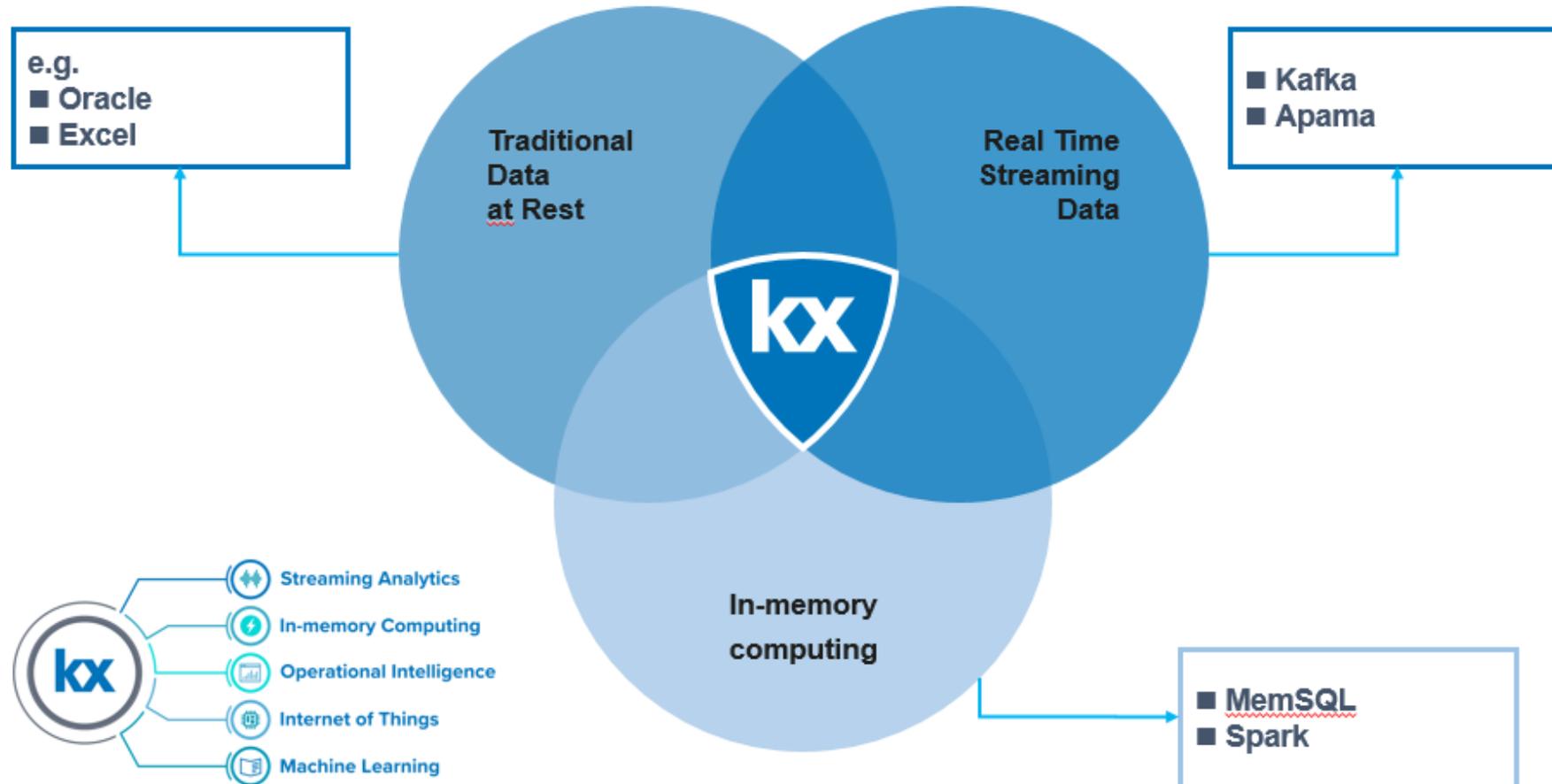


Businesses are digitalising

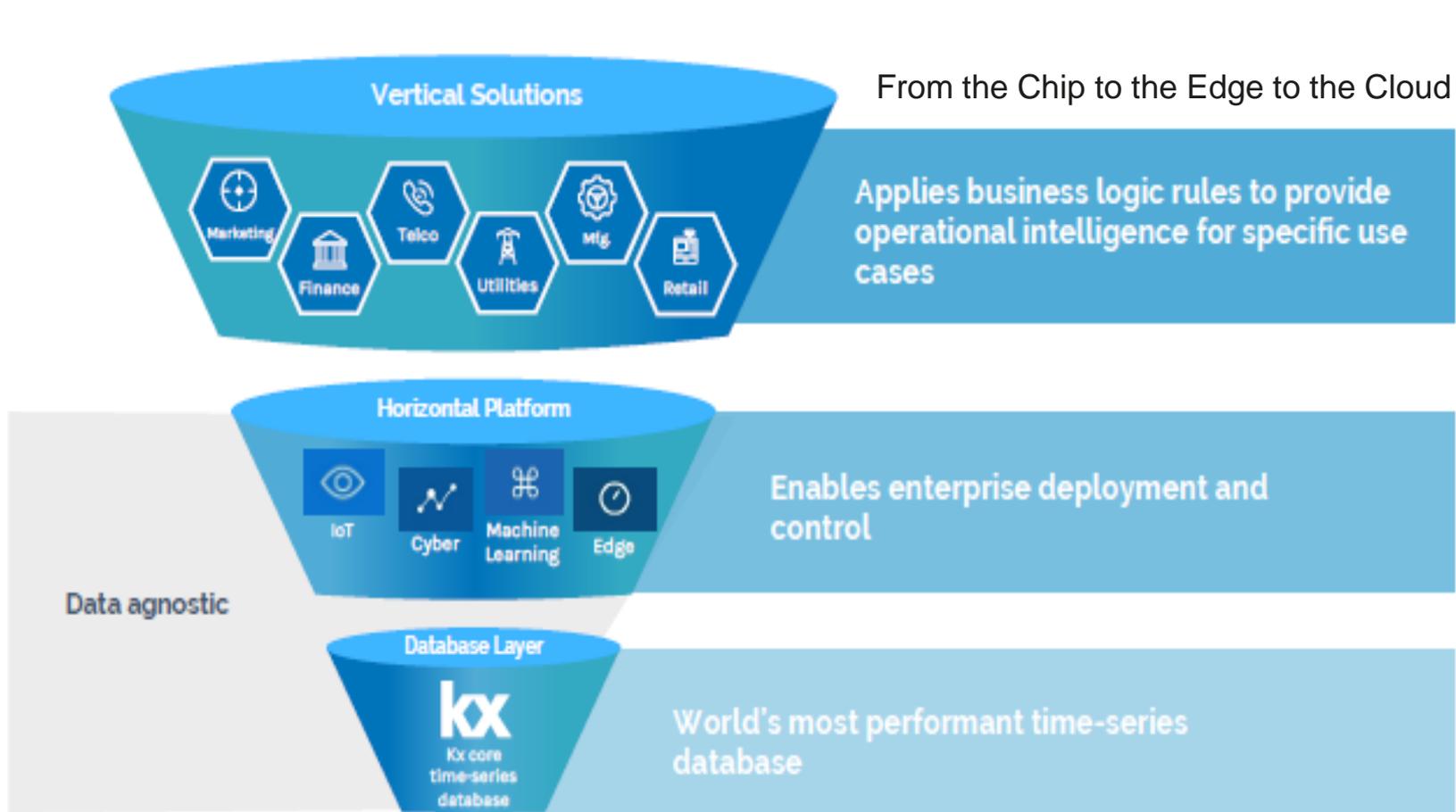


What do we do?

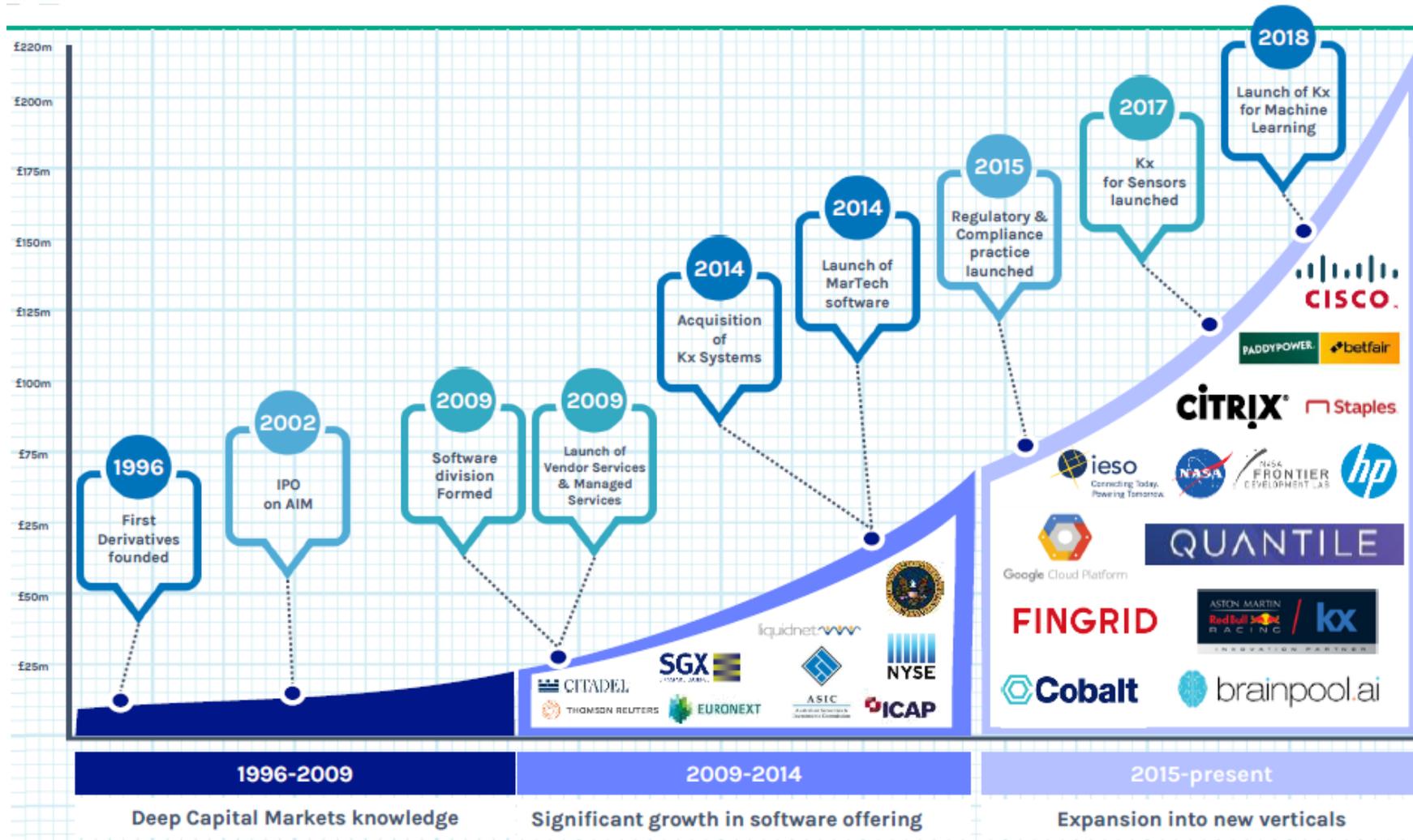
Fastest Streaming Data Analytics in the world



Kx – Complete high performance tech stack



Our growth story



Example clients

CORE MARKETS
FinTech and MarTech

The logos displayed in the Core Markets section are: U.S. Department of Justice, HSBC, NYSE, ICAP, SGX, WSIC, Thomson Reuters, Societe Generale, Google Cloud Platform, Mizuho, Cisco, J.P. Morgan, Citrix, Euronext, and HP.

EMERGING MARKETS
Utilities, Industry, Other

The logos displayed in the Emerging Markets section are: FINGRID, BISTel, FORTUNE 500 Company, Survalent Technology, ASDA, NASA FRONTIER DEVELOPMENT LAB, utilismart CORPORATION, ieso, Otsuka, Telefonica, Earlham Institute, Bristol-Myers Squibb, bandwidth, and nbn.

Where we are today?



Major global investment bank

Kx eFX solutions were leveraged to optimize trading strategies for one of world's largest investment banks

Business Problem

The bank needed to calculate trading profitability per client, analyze liquidity in electronic versus manual trading and evaluate trade decay over pre and post-trade movements.



Kx Solution

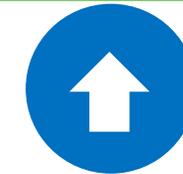
Provided fast and reliable technology for capturing and storing trade quotes and orders, running algorithms and providing users with a browser based UI to interact with the data:

- Captured price quote/tick updates for orders, trades and rejections rates from external and internal sources.
- Analytics and browser based dashboards with the ability to back test and fine tune parameters.
- Both on-shore and off-shore development and support was provided.

Results



Improved visibility into rate volatilities



Significantly increased quote and trade info



Improved client flow analysis and profitability

Red Bull Aston Martin F1 Racing

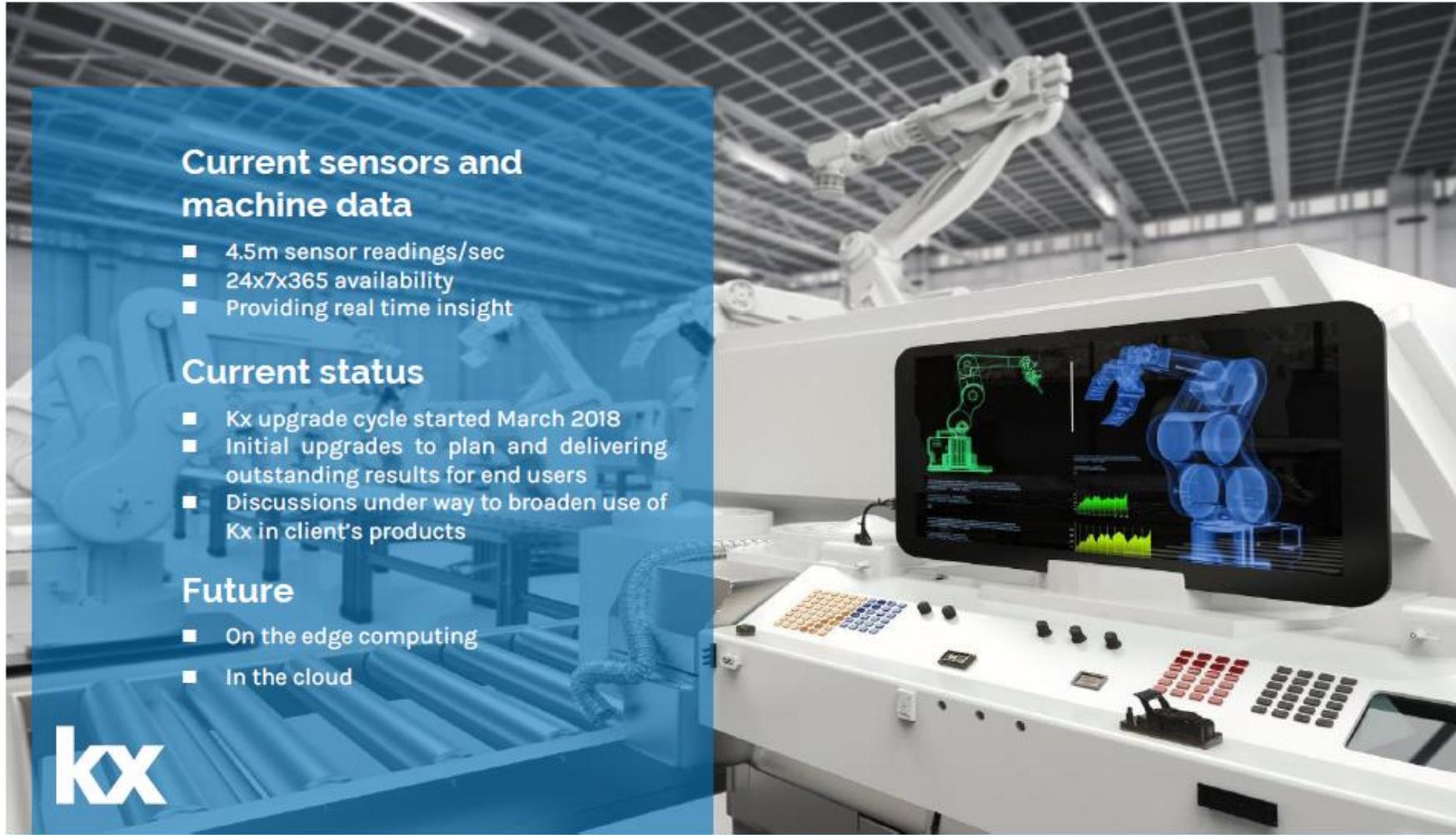
Kx Innovation Partner



Promo Video: https://youtu.be/QxfdFWKo_pQ

Making real-time decisions on billions of current data events and trillions of historical records.

Fortune 500 Company – high precision manufacturing



Current sensors and machine data

- 4.5m sensor readings/sec
- 24x7x365 availability
- Providing real time insight

Current status

- Kx upgrade cycle started March 2018
- Initial upgrades to plan and delivering outstanding results for end users
- Discussions under way to broaden use of Kx in client's products

Future

- On the edge computing
- In the cloud

kx

Challenges and opportunities

Achieving success in new markets

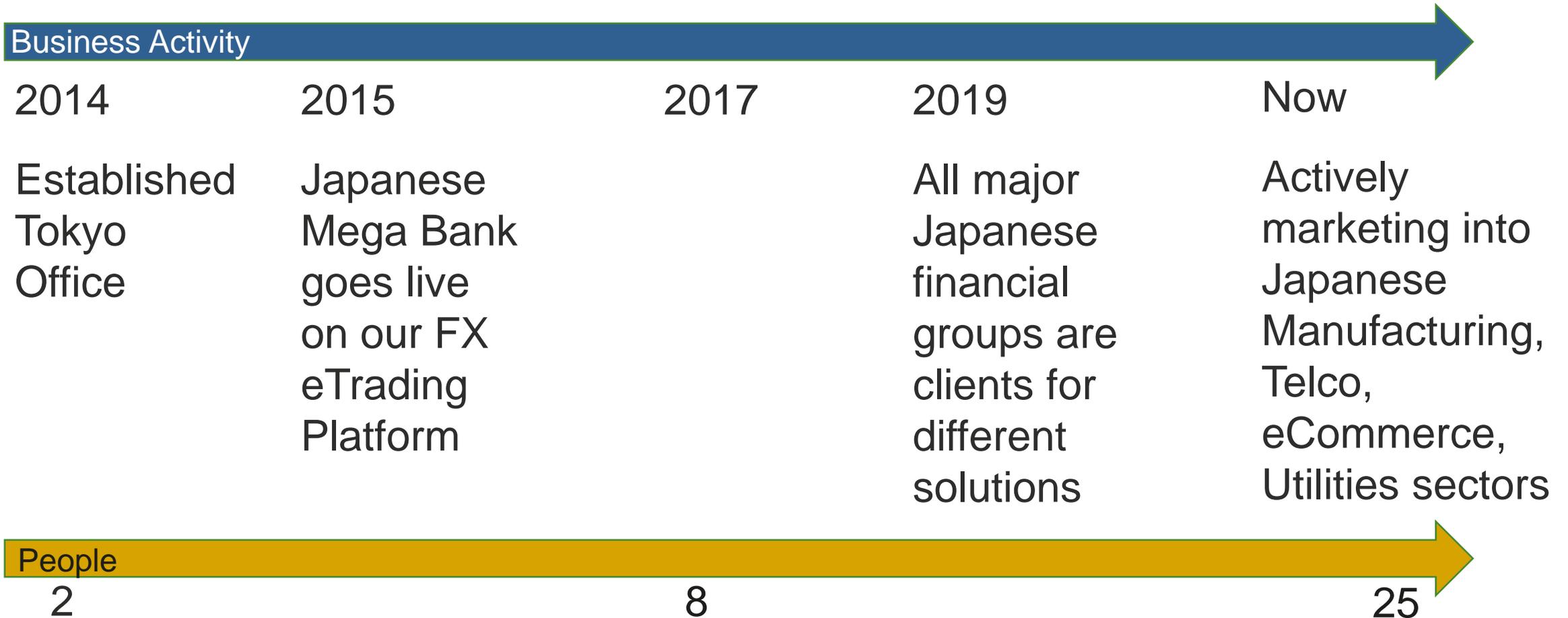
The opportunity
Volumes are exploding
Velocity is accelerating
Streaming, time-series data is everywhere

Identifying the best markets

- Where do we have unique advantages?
- What order of magnitude is that advantage?
- Faster, cheaper?
- Enabling entirely new capabilities

In what sectors does that advantage generate value for our customers?

Our journey in Japan



Japanese market

- ✿ Huge and Diversified
- ✿ Time and Commitment - Long Sales Cycle
- ✿ Conservative
- ✿ Strategic / Non Transactional
- ✿ Local Business Nuances
- ✿ Partnerships / Collaborations
- ✿ Relationship
- ✿ Big Pockets
- ✿ Large Pay Off – over time

Secret to our success

- ✿ The Technology - Established market standard for streaming time-series and analytics software
- ✿ Domain Expertise - Experienced and motivated people
- ✿ People - Young Talent / Explorers / Local Hires
- ✿ R&D Focus – Obsessed with innovation, strong academic ties
- ✿ Embrace new tech: Cloud, Edge, Sensors, IoT, AI - ML / DL
- ✿ Established market penetration process
- ✿ Actively seek out the right Partners
- ✿ New Horizontals e.g. AI, Blockchain, Data Science, Cybersecurity
- ✿ New Verticals – Smart X
- ✿ Focus – cannot do everything
- ✿ Ambition and Vision.... Dream

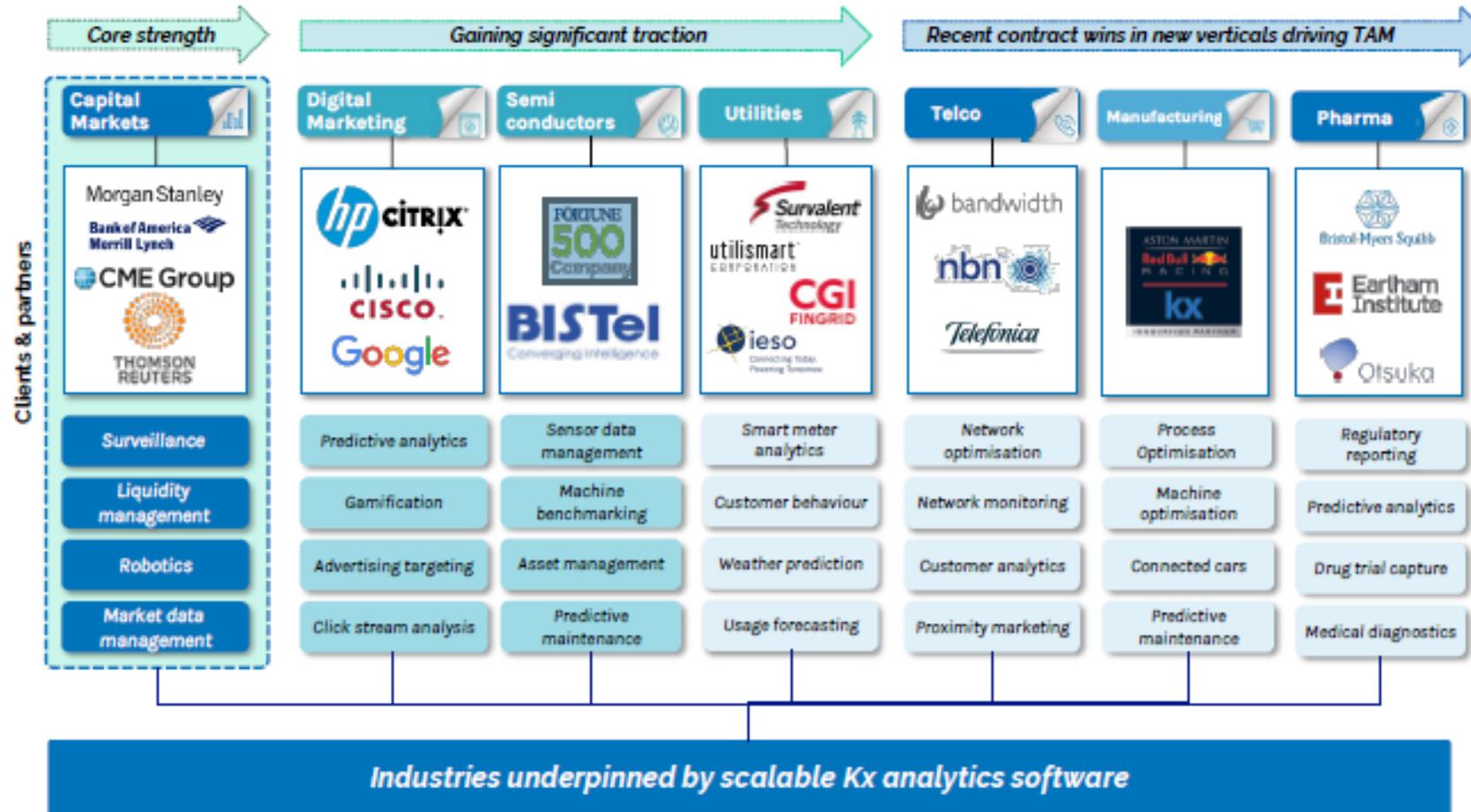
The future

- ✿ Intensifying competition
- ✿ Better Performance
- ✿ Smarter Technology
- ✿ Retain focus on Data Analytics
- ✿ IoT / Sensors / Edge / Cloud
- ✿ AI – Machine Learning and Deep Learning
- ✿ Expansion into new sectors
- ✿ Growth in multiple ecosystems
- ✿ Big push into Japanese manufacturing

Expansion into new verticals

Increase our Total Addressable Market

Continue to become integral parts of our clients ecosystems and expand



Kx is Cloud First



Doing business in Japan

Steve Crane OBE

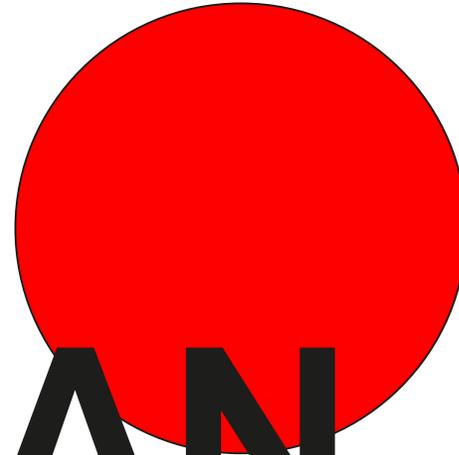
CEO, Business Link Japan and Export to Japan



Why Japan?

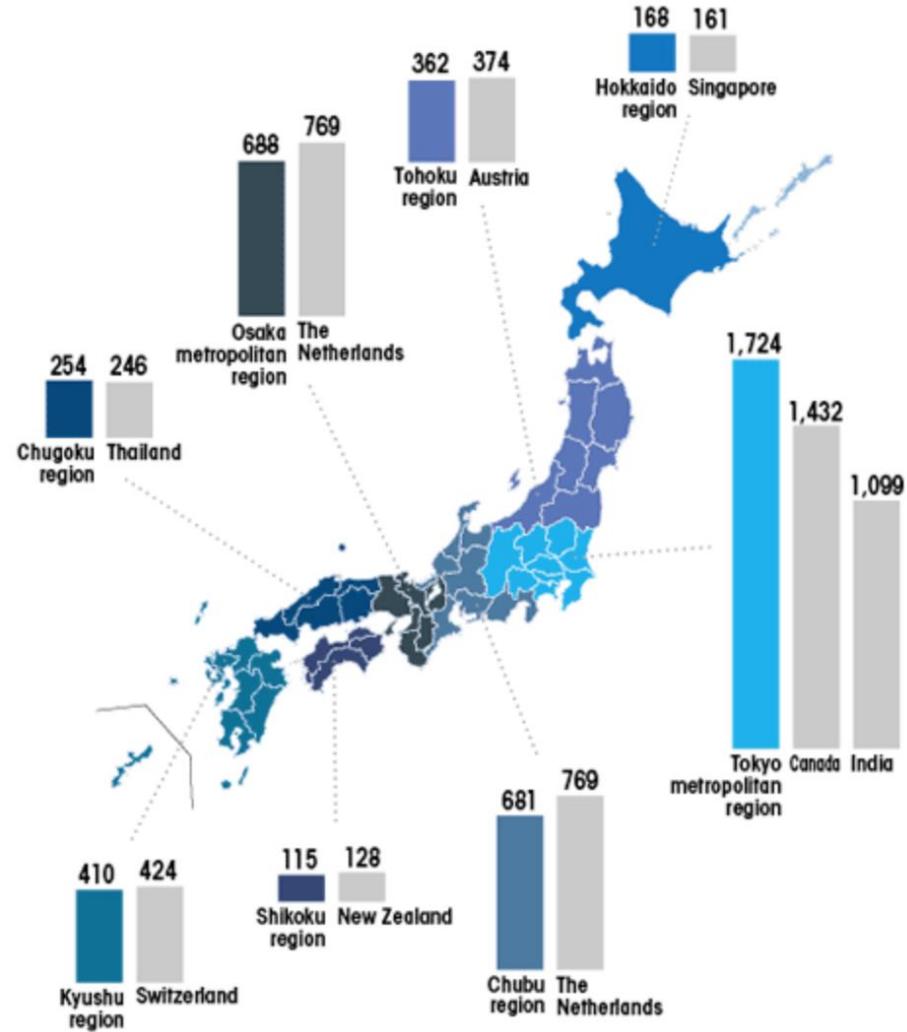
Doing business in

JAPAN



Why Japan?

GDP comparison,
Japanese regions
and individual countries



Why Japan?

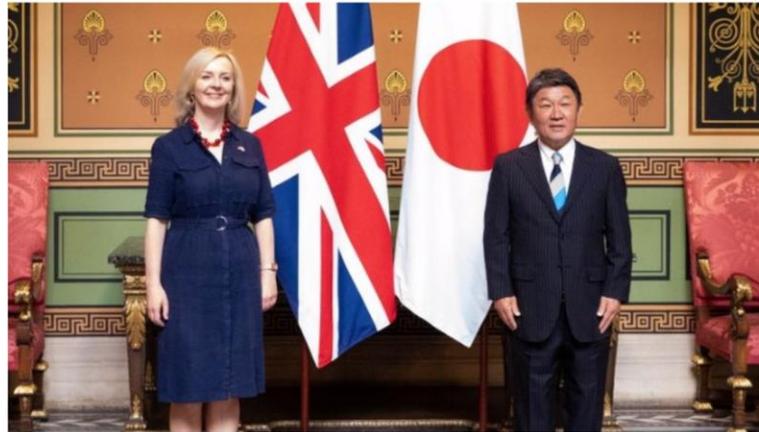


Search

About Membership Events **New**

UK and Japan agree historic free trade agreement .

Written by Sam
September 11, 2020
UK-Japan Relations

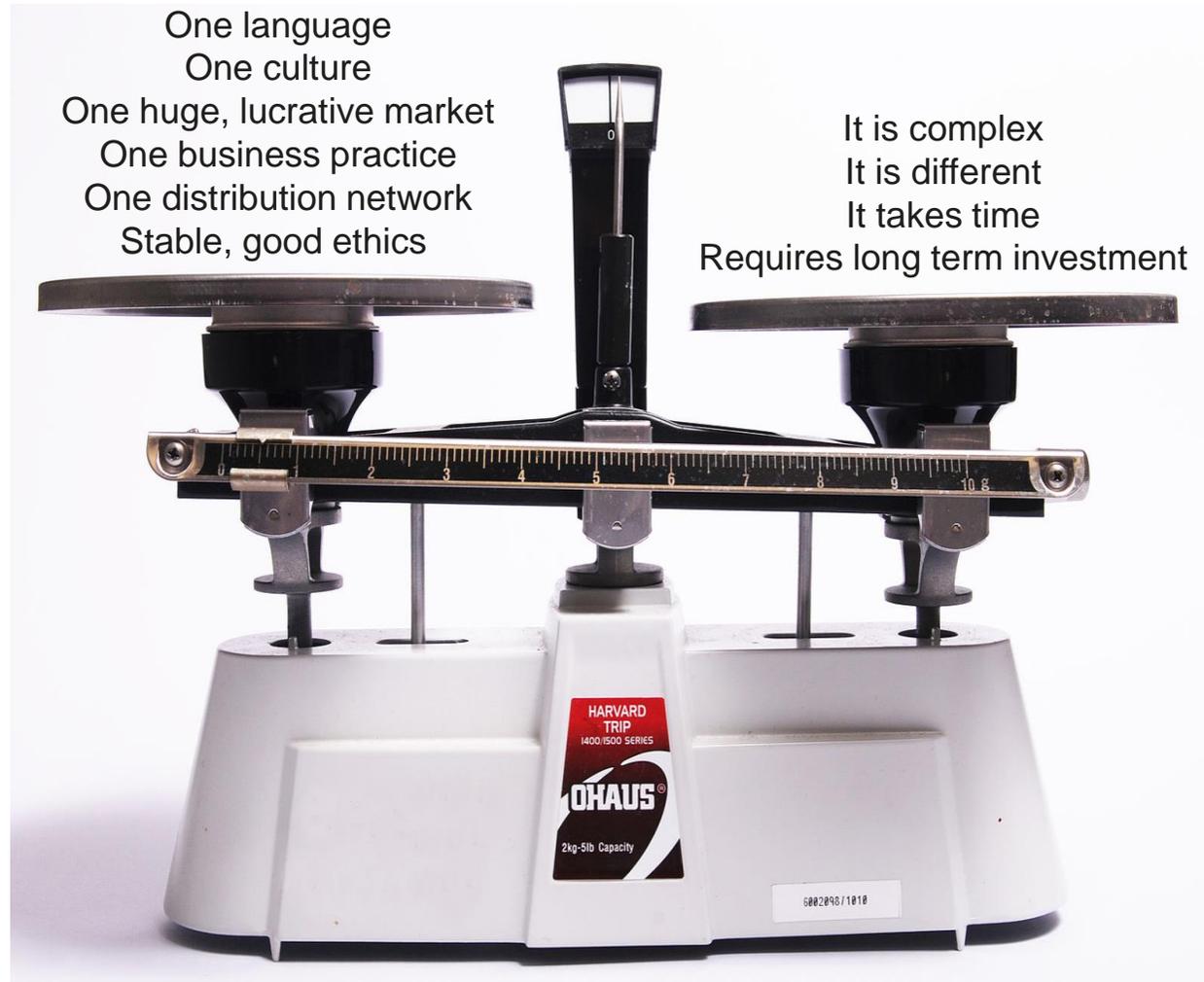


Source: <https://www.gov.uk/government/news/uk-and-japan-agree-historic-free-trade-agreement>

The UK has today secured a free trade agreement with Japan, which is the UK's first major trade deal as an independent trading nation and will increase trade with Japan by an estimated £15.2 billion.

The UK-Japan Comprehensive Economic Partnership Agreement was agreed in principle by International Trade Secretary Liz Truss and Japan's Foreign Minister

Why Japan?



UK / Japan trade overview

- ✿ Total trade in goods **£30.3bn**
- ✿ UK exports to Japan **£14.8bn** (increase of £25m)
- ✿ UK imports from Japan **£15.5bn**
- ✿ Japan was the UK's **11th** largest export market in 2019/20
- ✿ UK Exports were **47.4% Goods, 52.6% services**

*Data – the four quarters to the end of Q1 2020

*Source - DIT

UK businesses trading with Japan

There are around

10,000

**UK VAT-registered businesses
exporting goods to Japan**

Key learning points

20 years of experience

9

Tips for success in Japan

Key learning points

- ✿ **Take time to learn the business culture**
- ✿ **Research**
- ✿ **Build relationships**
- ✿ **Quality is everything**
- ✿ **Hard sales mean no sales**
- ✿ **Customer service is king**
- ✿ **Long term investment strategy**
- ✿ **Take care selecting partners, reps, employees**
- ✿ **Put down roots, demonstrate commitment**

Thoughts...

“Japanese people have high expectations of quality, which matters more than the price”

“Defining values are not price & profit, but relationships and trust”

Further resources

ExportToJapan.co.uk, online digital platform est. 2013

- ✿ Free access to resources, suppliers, case studies, events, webinars, missions, information
- ✿ **Not for profit** partnership between 4 strategic partners
- ✿ 11,000 members
- ✿ +500,000 visitors



Further resources

- ✿ Search by industry
- ✿ Step-by-step guide
- ✿ Partner program
- ✿ Send your enquiry

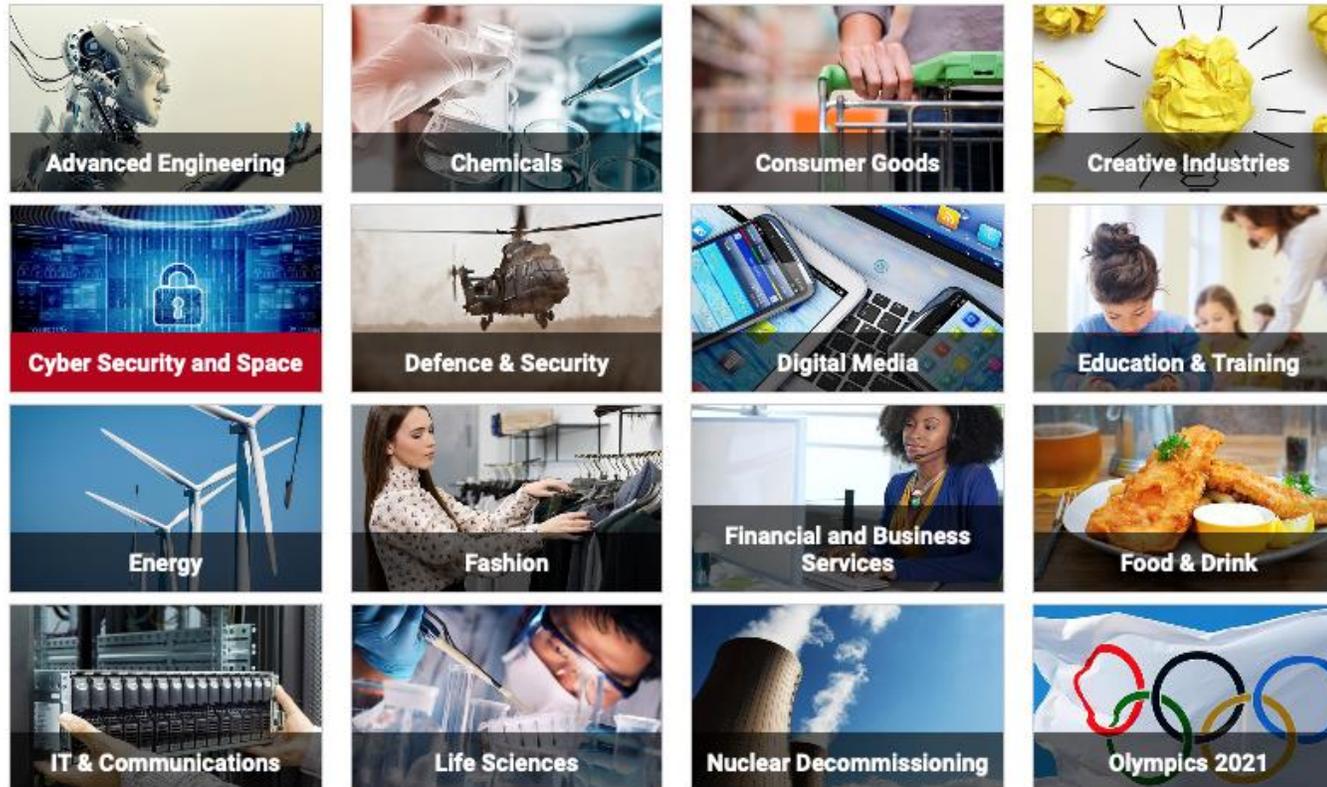


Further resources

Search by Industry

Increase your understanding of how your industry sector operates in Japan. Choose your industry and check out the background information and latest news.

We have a comprehensive network of partners and market specialists to [address your enquiries and provide advice](#).



Further resources

Guides

A Step By Step Guide Covering All Aspects of Doing Business in Japan



Getting Started

- Why Do Business In Japan?
- Japanese Market Overview
- Why West Japan Matters
- The Value Of Business And Personal Relationships In Japan
- Japanese Business Etiquette
- Insights Into Market Entry In Japan: Recorded Webinar
- Travel Essentials
- Key Industries In Japan



Routes to Market

- Finding The Best Route To Market In Japan
- Using An Import Agent, Distributor Or Re-Seller
- Setting Up An Office In Japan
- Joint Ventures In Japan: Benefits And Risks
- Licensing In Japan
- Acquiring A Company In Japan
- Franchising In Japan
- Japan Based Business Consultancy



Sales and Marketing

- Assess Market Potential In Japan
- Subsidiary Or Branch Office
- Marketing To Japanese Consumers
- Test Marketing
- Marketing Your Brand In Japan: A Checklist
- Marketing And Communicating Your Brand In Japan
- Insights and Opportunities in Japanese Digital Marketing



Setting up in Japan

- Setting Up A Business In Japan
- Representative Office
- Serviced Office
- Virtual Office



HR & Recruitment

- Recruitment In Japan
- Employer Of Choice, Or Employer Of Last Resort
- Pros And Cons Of Main Contract Types In Japan
- Employee Benefits In Japan



Legal Services

- Protecting Your Intellectual Property
- UK Trade Mark Registration
- International Trade Mark Registration



Q&A

Mark Graham

Regional Director for North East Asia, Invest NI
mark.graham@investni.com

Steve Crane OBE

CEO, Business Link Japan and Export to Japan
steve.crane@businesslinkjapan.com
