



EBC

EUROPEAN BUSINESS COUNCIL IN JAPAN

**ASDC
AERONAUTICS & SPACE
DEFENCE & SECURITY
COMMITTEE**

**„KONFLIKTHERD ASIEN – WIE JAPAN SEINE
RÜSTUNGSINDUSTRIE WIEDERBELEBEN WILL“**

03. 04. 2024

Nikolaus BOLTZE

Committee Chair



Apr. 2024

INTRODUCTION ASDC

(AERONAUTICS, SPACE AND DEFENCE & SECURITY COMMITTEE)

The European Business Council (EBC) is the trade policy arm of 15 European National Chambers of Commerce and Business Associations in Japan and has been working to improve the trade and investment environment for European companies in Japan since 1972.

The EBC works closely with the Delegation of the European Union to Japan, the national European Embassies, and other business organizations to co-ordinate policy proposals and make recommendations on to improve the regulatory environment in Japan.

The **Aeronautics, Space and Defence & Security Committee** primarily serves as a venue for advocacy and exchanges between EU companies and high-level government officials (both EU and Japan) to discuss issues of interest regarding EU-Japan governmental policy, programs, and exchanges.

1. Arianespace*
2. Airbus *
3. Dassault Systems *
4. EY
5. Leonardo
6. Saab International AB
7. Safran
8. Thales *
9. thyssenkrupp* (incl. ATLAS ELEKTRONIK)



AIRBUS



*) is a principal Member of the EU-Japan Business Roundtable

RECENT PRESS COVERAGE

Asia Pacific

Japan battles to persuade its big brands to join military buildout

NATIONAL | ANALYSIS

Why bolstering Japan's defense industry is a matter of national security

INTERNATIONAL

Japan Pushing Its Tech Companies to Partner with U.S. Defense Industry

6/1/2023

INTERNATIONAL RELATIONS

Japan and Europe draw closer over shared security concerns

Kishida pursues defense cooperation on G-7 tour amid threat from China and Russia

AEROSPACE & DEFENSE INDUSTRIES

Japan passes defense subsidy bill to stop industry bleeding

Over 100 companies have left the sector in 20 years

In major shift, Japan eases rules on exporting defense gear

Japan approves plan to sell fighter jets to other nations in latest break from pacifist principles

NIKKEI Asia

World Trending Business Markets Tech Politics Economy Features

DEFENSE

Japan Defense Ministry seeks talks with academia on dual-use tech

Drone and autonomous-driving tech holds promise for military purposes

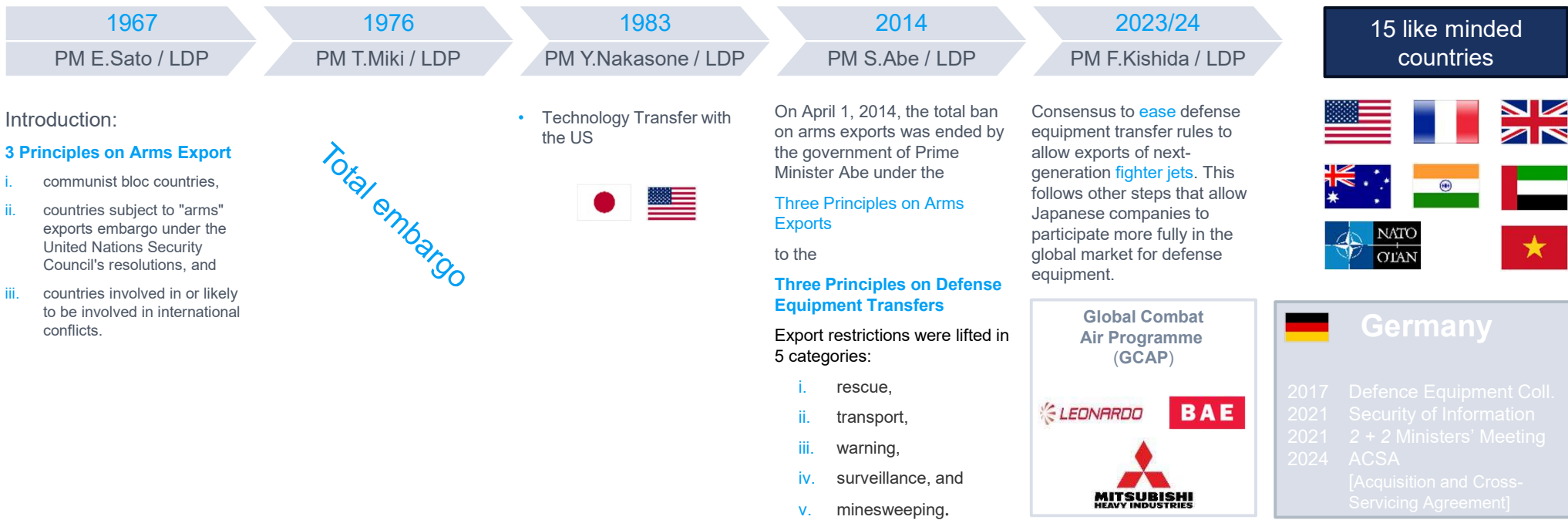
Japan hikes assumed margin for defense gear to 15% from 8%

Defense Ministry eager to bolster domestic supply networks

Japan greenlights its defense industry

The nation opens doors to military equipment exports while trying to honor its pacifist ideals

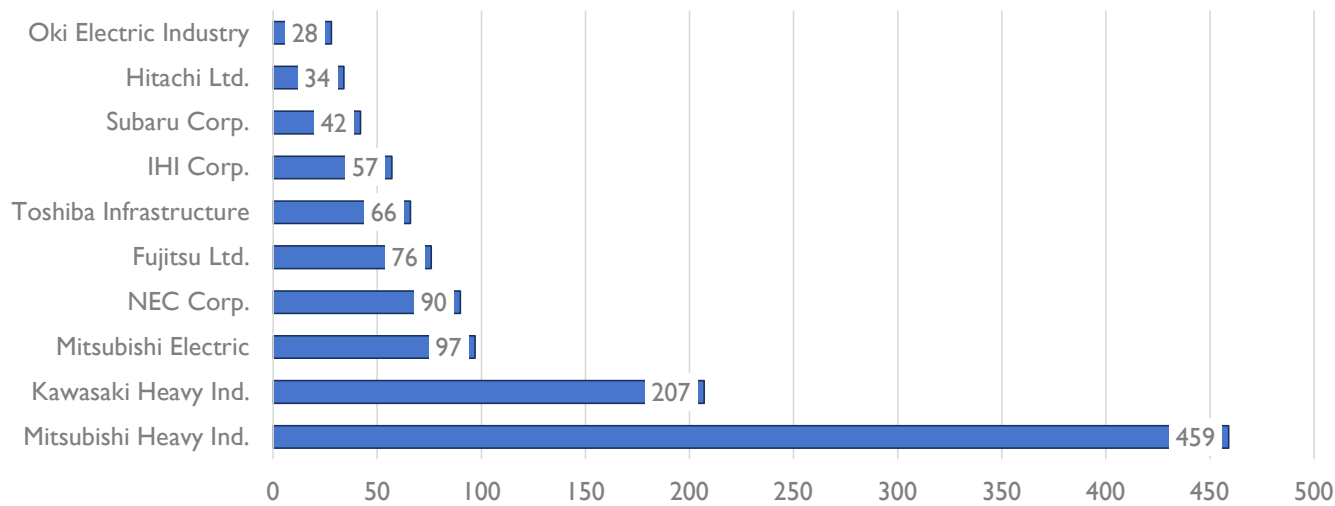
JAPANESE EXPORT POLICY



Initial move after 50 yrs to build up Japan's defence industry and bolster its role in global affairs

INDUSTRY PLAYERS IN JAPAN

[Contract value FY2021 in bn JPY]



Source: Statista / release date August 2022

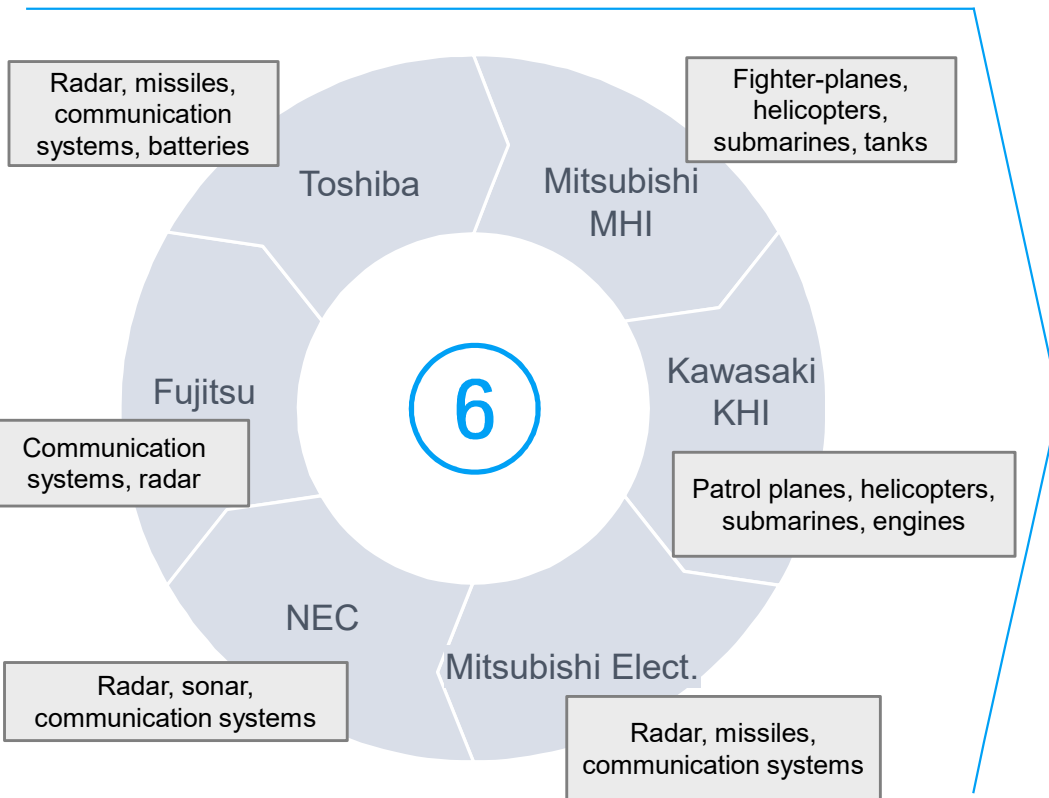
Contracts by MoD/ATLA in FY 2021 for the JSDF amounted to 1.8 trillion JPY (11.4 bn €)

Fragmented
Highly competitive market without dominant players

Japanese Defense Market
(6 companies cover >50%)

Consolidated
Market dominated by 1 – 5 major players

JAPANESE PLAYERS ON A GLOBAL SCALE



Largest global defense companies

# 2023	Company	Country
1	Lockheed Martin	US
7	BAE Systems	UK
11	Leonardo	Italy
12	Airbus	EU
14	Thales	France
19	Rheinmetall	Germany
35	Mitsubishi Heavy (MHI)	Japan
72	Kawasaki Heavy (KHI)	Japan

<https://people.defensenews.com/top-100/>

CHALLENGES OF THE JAPANESE INDUSTRY

Japan's **bureaucracy**, which is notoriously known for its siloed institutional architecture

Japanese firms still remain integrated in the **Chinese market**

Japan's lack of experience in **multinational cooperation** in all three areas of the defence industry (production and procurement, R&D and exports).

Japan's **academic community** is still reluctant to engage in the defence sector.
Science Council of Japan (SCJ) has long rejected scientific research