



Drivers, challenges and opportunities for EU-Japan business collaboration in third markets

Tokyo | December 3rd, 2019

Nikolaus Boltze, Rep. Director & President of thyssenkrupp Japan on behalf of the German Chamber of Commerce & Industry in Japan



Cooperation with Japanese partners outside Japan of importance to German companies

69%

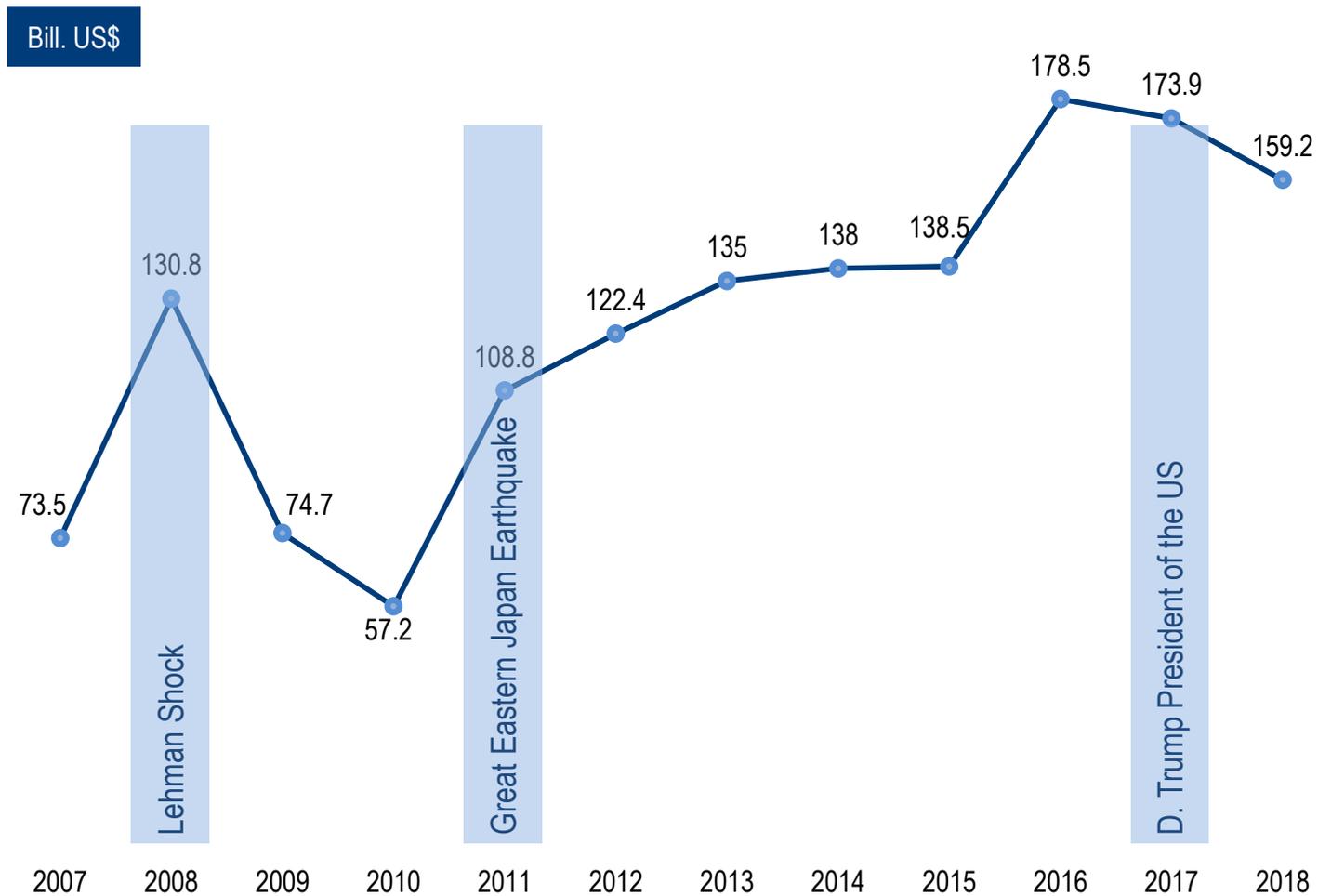
are involved in **projects** with Japanese companies **outside Japan**, especially in ASEAN

46%

generate revenues with Japanese customers outside Japan at least to the same extent as in Japan itself

Japan is seen as a business hub to other countries

Significant increase in Japanese Foreign Direct Investment (FDI)

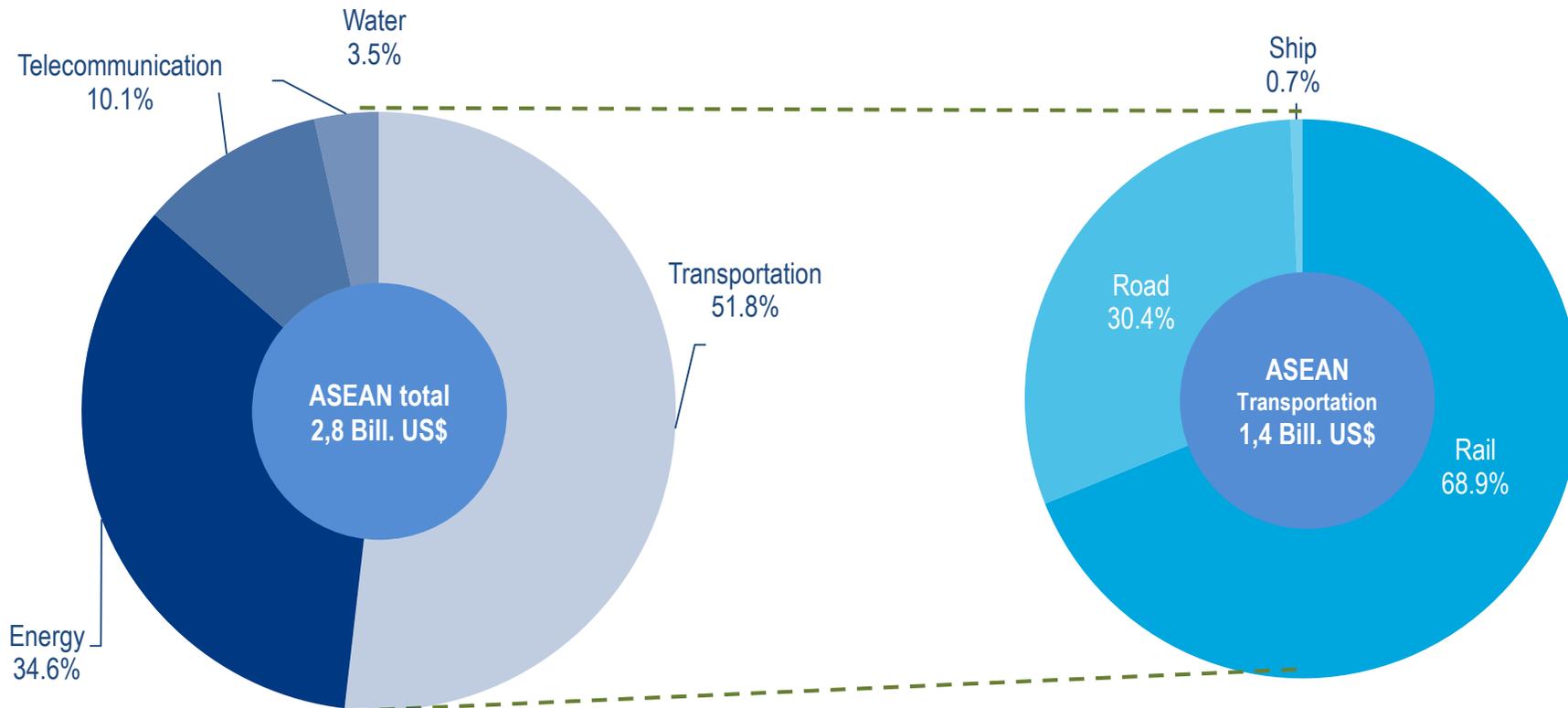


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Source: JETRO

Business potentials in third countries

Demand in infrastructure investment
2016-2030

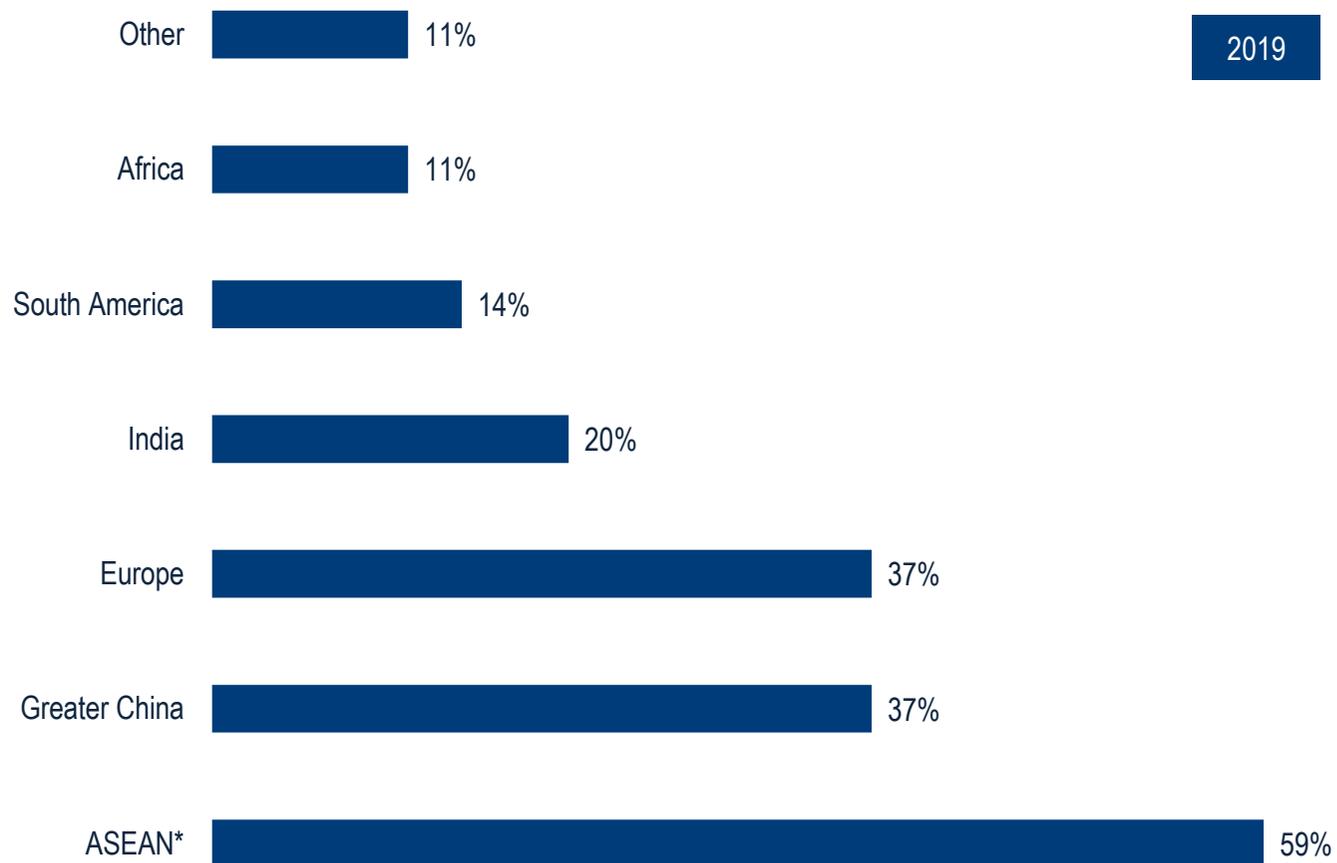


Source: ADB



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Regional focus of German companies involved in third country business

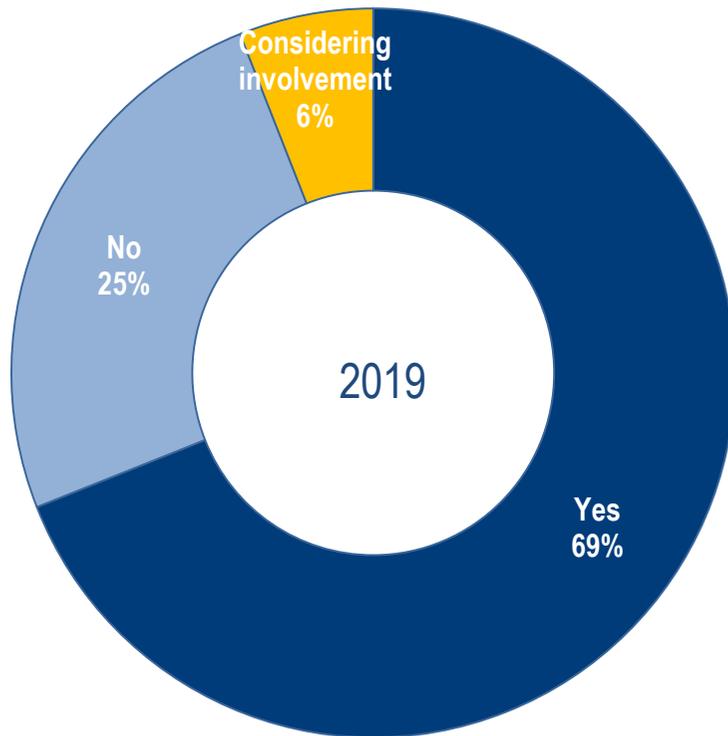


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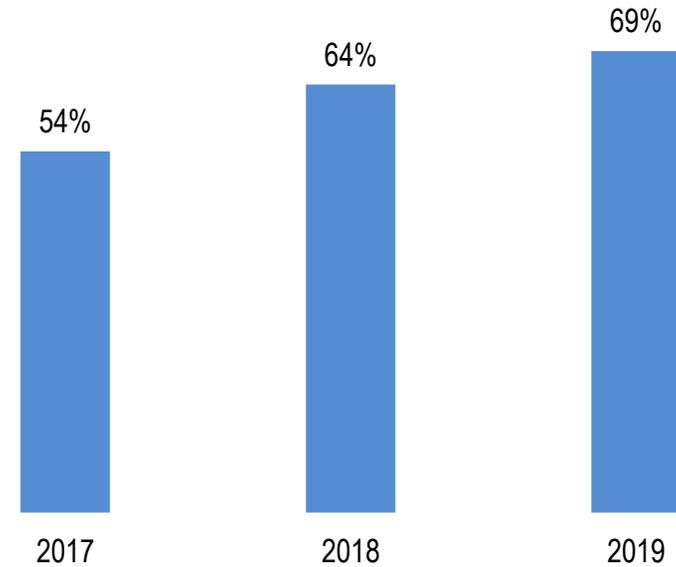
*Vietnam, Thailand, Singapore, Philippines, Myanmar,
Malaysia, Lao, Indonesia, Cambodia, Brunei

Doing business with Japanese partners is of strategic importance

Involvement in projects/business activities with Japanese partners outside Japan



Increasing involvement in third country business by German companies based in Japan



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Reasons for involvement in third-country projects

		2019	2018	2017
1	Making use of our company's global sales & service network	51% ↗	43% ↗	40%
2	Easier accessibility of foreign markets due to internationalization	34% ↗	25% ↗	18%
3	Increasing the (strategic) importance of our Japanese subsidiary	30% ↗	19% ↘	20%
4	Saturation of Japanese market	13% ↗	10% ↗	8%
5	Being able to attain higher margins	5% →	5% ↗	3%

“For many years, we are working with EPC’s to support Japanese companies in **turnkey projects in third markets**. In recent times, we observe an increasing number of projects outside Japan. Therefore, from a strategic perspective, **Japan is getting more important for us** and gives us **more opportunities** in doing business with Japanese partners.”

Hitoshi Kawai, Managing Director
KAESER KOMPRESSOREN Co., Ltd.

“Similar to Germany, several Japanese industries are quite export driven. We are enjoying this market environment mainly with major two business models: One is installing/using our products or components as a part of customers’ system and **re-export it from Japan to third countries**. Another one is **leading third country’s projects** by negotiating with Japanese headquarters. Looking at **decision making processes, discussions and promotions in Japan** are very much important in both cases.”

Kenichi Fujita, President & CEO
Siemens K.K.



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Typical projects by thyssenkrupp

Petro-Chemical Plant (Ethyl Benzene)

General Contractor from Japan:

- Mitsubishi Heavy Industries

tk product:

- Engineering



Material Handling for Urea Plant

General Contractor from Japan:

- TOYO Engineering

tk products:

- Belt conveyor, wagon loaders, bagging system etc.



Waste Heat Recovery Power Plant

Partner from Japan:

- Shin-Nippon Machinery Co., Ltd.

tk product:

- Waste Heat Recovery Boilers (5)



Coal Handling for Power Plant

Customer from Japan:

- Ishikawajima Harima Heavy Industries Ltd. (IHI)

tk products:

- Ship unloader, bucket wheel stacker, vibrating screens etc.



Successful examples by thyssenkrupp in 2017

- Final Customer / Location



- Cagayan Electric Power and Light Company, Inc. / CEPALCO
- 3 x 55MW **Thermal Power Plant** in Mindanao; Philippines



- General Contractor



- Mitsubishi Corporation (Commercial execution)
- Toshiba Plant Systems & Services Corp. (Technical execution)

- Supply by thyssenkrupp



- 3 Boilers from: thyssenkrupp Industries India Pvt Ltd.
- Order Volume: approx. 30mn US\$

Success factors

1

Product:

- „State of the art“ Technology / high Efficiency
- Quality & Reliability

2

Presence:

- Office Locations in: Tokyo and Manila
- Production site (tk): India

3

Project Management expertise:

- Technical competence in Japan with local engineering team
- Close communication between Japan, India and Philippines

