



REPUBLIC OF KENYA



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

# **Kenya-Japan Trade Flow Analysis Report**

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## 1.0 JAPAN

### 1.1 Background

Japan (Nippon or Nihon, and formally Nihonkoku) is an island country in East Asia. It is situated in the northwest Pacific Ocean, and is bordered on the west by the Sea of Japan, while extending from the Sea of Okhotsk in the north toward the East China Sea, Philippine Sea, and Taiwan in the south. Japan is a part of the Ring of Fire, and spans an archipelago of 6852 islands covering 377,975 square kilometers (145,937 sq mi); the five main islands are Hokkaido, Honshu (the "mainland"), Shikoku, Kyushu, and Okinawa. Tokyo is the nation's capital and largest city, followed by Yokohama, Osaka, Nagoya, Sapporo, Fukuoka, Kobe, and Kyoto. Japan is the eleventh most populous country in the world, as well as one of the most densely populated and urbanized. About three-fourths of the country's terrain is mountainous, concentrating its population of 125.5 million on narrow coastal plains. Japan is divided into 47 administrative prefectures and eight traditional regions.

Japan, as the world's third-largest economy, faces considerable vulnerability due to its heavy dependence on exports. This exposure has been evident in recent years, with Japan experiencing economic downturns alongside global slowdowns. Despite a strong first half of 2023, economic activity tapered off later in the year due to persistent high inflation and subdued global demand (IMF, 2023).

The International Monetary Fund (IMF) projected Japan's economic growth to slow to 2% in 2023, reflecting weakened domestic demand and increased imports. Looking ahead, GDP growth is expected to further decelerate to 1% in 2024 and 0.7% in 2025, exacerbated by both cyclical downturns and deep-seated structural challenges like an ageing population and labor shortages (IMF).

Japan holds the highest debt-to-GDP ratio globally, which stood at 255.2% in recent years, benefiting from low bond yields supported by the central bank's monetary

policies and a strong domestic investor base (IMF, 2023). The IMF anticipates this ratio to decline to 250.6% of GDP by 2025.

In response to economic challenges, Japan implemented substantial fiscal measures in 2023, including subsidies for energy and cash assistance for families. These efforts contributed to easing inflation, which moderated from 4.3% to 3% by September 2023, with annual inflation estimated at 3.2% for the year (IMF). Inflation is projected to gradually decrease to 2.9% in 2024 and 1.9% in 2025, influenced by softening domestic demand and adjustments in energy subsidies (IMF).

The demographic landscape presents further hurdles, with Japan's ageing population and declining birth rates straining public finances due to increased spending on pensions and healthcare. Despite a shrinking working-age population, Japan maintains a low unemployment rate, which was 2.5% in 2023 and is expected to marginally decrease to 2.3% in the near term (IMF).

## 2.0 INTERNATIONAL TRADE

Table 1: **Situational Analysis**

Japan's Trade Flows and Position in the Global Trade
<ul style="list-style-type: none"> <li>• In 2023, Japan's exports were valued at <b>USD 719.8 billion</b> which accounted for <b>3.1%</b> of the world exports during the year. Japan was the <b>5<sup>th</sup></b> largest exporter in the year.</li> <li>• On the other hand, Japan's imports in the year were valued at <b>USD 786.4 billion</b> which made up <b>3.3%</b> of the world imports in the year ranking the country as the 5<sup>th</sup> largest global importer in 2023.</li> <li>• Her lead export destination market in 2023 was USA with exports valued at <b>USD 145.5 billion</b>, accounting for <b>20.2%</b> of Japan's total exports.</li> <li>• In the same year, Japan's top source market was China with imports valued at <b>USD 174.3 billion</b> accounting for <b>22.2%</b> of Japan's imports.</li> </ul>

- The country was the **2<sup>nd</sup>** largest exporter of Motor cars and other motor vehicles principally designed for the transport of persons with her exports being valued at **USD 110.9 billion**
- Japan's chief import product in 2023 was Petroleum oils and oils obtained from bituminous minerals (crude). The country imported approximately **USD 81.1 billion** worth of the product.

## 2.1 Japan's International trade performance

### 2.1.1 Japan's lead import trade partners

Table 2: Japan's top 25 import trade partners

Rank in 2023	Exporters	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022	Imported value in 2023	Share in 2023
		Value in USD Billion					%
1	China	169.2	163.8	185.8	190.2	174.3	22.2%
2	United States of America	81.3	71.7	83.1	91.3	83.8	10.7%
3	Australia	45.5	35.7	52.4	89.0	64.9	8.3%
4	United Arab Emirates	26.2	16.4	27.1	46.1	37.1	4.7%
5	Taipei, Chinese	26.9	26.8	33.5	38.9	35.7	4.5%
6	Saudi Arabia	27.7	18.5	27.5	42.7	34.8	4.4%
7	Korea, Republic of	29.6	26.6	32.1	33.8	31.1	4.0%
8	Viet Nam	22.5	22.0	23.0	26.6	25.9	3.3%
9	Thailand	25.4	23.8	26.4	26.8	25.8	3.3%
10	Indonesia	18.1	15.4	19.7	28.9	24.3	3.1%
11	Germany	24.9	21.2	23.7	22.9	22.5	2.9%
12	Malaysia	17.7	15.9	19.7	26.3	20.1	2.6%
13	Canada	11.8	10.8	13.7	16.7	14.5	1.8%
14	Italy	11.6	10.5	11.7	11.8	12.0	1.5%
15	Brazil	8.0	7.5	9.9	11.2	11.1	1.4%
16	France	12.0	9.2	11.7	10.2	10.6	1.4%
17	Philippines	10.6	9.3	10.9	10.9	10.4	1.3%
18	Qatar	13.2	9.2	11.6	13.3	9.2	1.2%
19	Kuwait	6.9	4.6	6.6	10.0	9.1	1.2%
20	Singapore	7.8	8.6	8.9	9.9	8.6	1.1%
21	Switzerland	8.2	7.5	8.4	8.0	8.3	1.1%
22	Chile	6.7	6.6	7.8	7.9	7.7	1.0%
23	Russian Federation	14.3	10.7	14.1	15.0	7.4	0.9%
24	South Africa	5.1	5.8	10.1	10.1	7.3	0.9%
25	United Kingdom	8.1	6.4	6.9	6.9	7.1	0.9%
	All other countries	81.7	70.4	87.1	99.6	82.7	10.5%
	<b>World</b>	<b>721.0</b>	<b>634.7</b>	<b>773.7</b>	<b>905.1</b>	<b>786.4</b>	<b>100.0%</b>

Source: International Trade Centre database; Compiled by KEPROBA

- Japan's total imports have been fluctuating in recent years, with a notable increase from 2021 to 2022 by 17.0%, reaching USD 905.1 billion in 2022, but then a decrease to USD 786.4 billion in 2023.
- Lead source markets included: China (USD 174.3 billion; 22.2%), USA (USD 83.8 billion; 10.7%), Australia (USD 64.9 billion; 8.3%), UAE (USD 37.1 billion; 4.7%), and Saudi Arabia (USD 34.8 billion; 4.4%).

- Japan's market concentration was 0.09 indicating that Japan has diversified import sources.

## 2.1.2 Japan's lead import products

Table 3: Japan's top 20 import trade products

Rank in 2023	Code	Product label	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022	Imported value in 2023	Share in 2023
			Value in USD Billion					%
1	'2709	Petroleum oils and oils obtained from bituminous minerals, crude	73.1	43.5	63.1	101.7	81.1	10.3%
2	'2711	Petroleum gas and other gaseous hydrocarbons	44.8	34.2	45.7	72.7	52.8	6.7%
3	'2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	23.3	15.9	25.6	59.7	41.8	5.3%
4	'8542	Electronic integrated circuits; parts thereof	18.5	18.8	25.4	31.9	28.7	3.6%
5	'8517	Telephone sets	24.3	25.0	28.6	27.1	26.4	3.4%
6	'2710	Petroleum oils and oils (excl. crude)	13.2	11.0	18.5	20.2	17.8	2.3%
7	'3004	Medicaments	16.7	17.0	18.3	17.8	15.5	2.0%
8	'8471	Automatic data-processing machines and units thereof	17.3	19.6	18.9	17.8	15.2	1.9%
9	'3002	Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses	9.2	10.3	17.9	20.1	14.0	1.8%
10	'8703	Motor cars and other motor vehicles	12.1	10.2	11.6	10.7	12.6	1.6%
11	'2603	Copper ores and concentrates	8.3	9.3	13.1	13.8	11.8	1.5%
12	'2601	Iron ores and concentrates	10.9	9.6	17.9	13.8	11.6	1.5%
13	'8544	Insulated "incl. enamelled or anodised" wire, cable"	7.7	7.1	8.4	8.5	8.9	1.1%
14	'8708	Parts and accessories for tractors, motor vehicles	8.1	6.3	7.5	7.6	8.4	1.1%
15	'8411	Turbojets, turbopropellers and other gas turbines	6.9	4.9	4.9	6.0	7.6	1.0%
16	'9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences	7.0	6.5	6.9	6.9	7.4	0.9%
17	'4202	Trunks, suitcases, vanity cases, executive-cases, briefcases	5.9	4.7	4.9	5.4	6.0	0.8%
18	'7110	Platinum	4.6	7.0	11.4	9.8	5.6	0.7%
19	'8486	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor	3.7	4.8	4.7	5.6	5.3	0.7%
20	'7601	Unwrought aluminium	4.8	3.6	6.2	7.1	5.1	0.6%
		All other products	400.7	365.4	414.5	441.0	402.9	51.2%
	<b>'TOTAL</b>	<b>All products</b>	<b>721.0</b>	<b>634.7</b>	<b>773.7</b>	<b>905.1</b>	<b>786.4</b>	<b>100.0%</b>

Source: International Trade Centre database; Compiled by KEPROBA

- Japan's top import products in 2023 included petroleum oils (crude) (USD 81.1 billion), petroleum gas and other gaseous hydrocarbons (USD 52.8 billion), coal

(USD 41.8 billion), electronic integrated circuits (USD 28.7 billion), and telephone sets (USD 26.4 billion).

### 2.1.3 Japan's lead export trade partners

Table 4: Japan's top 25 export trade partners

Rank in 2023	Importers	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	Exported value in 2023	Share in 2023
		Value in USD Billion					%
1	United States of America	140.5	118.7	136.0	140.8	145.5	20.2%
2	China	134.7	141.3	163.9	145.6	126.8	17.6%
3	Korea, Republic of	46.3	44.7	52.6	54.4	47.0	6.5%
4	Taipei, Chinese	43.0	44.4	54.6	52.5	42.9	6.0%
5	Hong Kong, China	33.6	32.0	35.5	33.4	32.7	4.5%
6	Thailand	30.2	25.5	33.0	32.7	29.4	4.1%
7	Germany	20.2	17.6	20.8	19.7	19.4	2.7%
8	Singapore	20.2	17.7	20.1	22.5	18.8	2.6%
9	Viet Nam	16.5	17.1	19.1	18.8	17.2	2.4%
10	Australia	14.5	12.1	15.3	16.6	16.8	2.3%
11	India	11.0	9.1	12.9	14.0	16.0	2.2%
12	Indonesia	14.0	9.2	13.4	15.2	14.5	2.0%
13	Malaysia	13.3	12.6	15.6	16.6	14.0	1.9%
14	Netherlands	11.9	10.9	12.6	12.5	13.5	1.9%
15	Mexico	10.6	8.4	10.8	11.0	13.1	1.8%
16	United Kingdom	14.0	10.9	10.5	11.2	12.2	1.7%
17	Canada	8.9	7.2	8.4	8.7	11.0	1.5%
18	United Arab Emirates	7.2	5.6	7.0	8.5	10.5	1.5%
19	Philippines	10.7	8.8	11.1	12.2	10.2	1.4%
20	France	6.9	5.7	6.7	6.5	7.1	1.0%
21	Belgium	7.5	6.6	7.2	7.0	6.4	0.9%
22	Saudi Arabia	5.1	4.2	4.5	5.1	6.4	0.9%
23	Italy	4.6	3.8	5.0	5.3	6.1	0.8%
24	Switzerland	4.1	4.8	4.4	4.2	5.3	0.7%
25	Brazil	3.8	3.0	4.2	4.3	4.2	0.6%
	All other countries	72.7	59.1	72.3	72.6	73.1	10.2%
	<b>World</b>	<b>705.8</b>	<b>641.0</b>	<b>757.5</b>	<b>752.1</b>	<b>719.8</b>	<b>100.0%</b>

Source: International Trade Centre database; Compiled by KEPROBA

- Lead destination markets included: the United States of America (USD 145.5 billion; 20.2%), China (USD 126.8 billion; 17.6%), South Korea (USD 47.0 billion; 6.5%), Taipei, Chinese (USD 42.9 billion; 6.0%), and Hong Kong, China (USD 32.7 billion; 4.5%). Collectively, the top 5 countries accounted for 54.8% of Japan's total exports in 2023.
- Japan's export concentration was 0.1 indicating that Japan has diversified her export destination market.



### 2.1.4 Japan's lead export products

Japan's top export products in 2023 included: Motor cars and other motor vehicles (USD 110.9 billion), Electronic integrated circuits (USD 30.9 billion), Parts and accessories for tractors, motor vehicles (USD 27.2 billion), Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor (USD 25.2 billion), and Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators (USD 13.5 billion).

Table 5: Japan's top 20 export trade products

Rank in 2023	Code	Product label	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	Exported value in 2023	Share in 2023
Value in USD Billion								%
1	'8703	Motor cars and other motor vehicles	98.0	80.9	85.6	87.2	110.9	15.4%
2	'8542	Electronic integrated circuits; parts thereof	27.8	28.9	34.0	33.9	30.9	4.3%
3	'8708	Parts and accessories for tractors, motor vehicles	32.7	27.0	32.6	29.1	27.2	3.8%
4	'8486	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor	22.6	23.6	30.6	31.2	25.2	3.5%
5	'8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators	9.9	8.0	11.5	12.5	13.5	1.9%
6	'7108	Gold	6.4	8.3	7.6	10.9	12.5	1.7%
7	'2710	Petroleum oils and oils (excl. crude)	11.0	5.6	7.2	14.8	10.3	1.4%
8	'7208	Flat-rolled products of iron or non-alloy steel, of a width $\geq$ 600 mm	7.4	6.6	10.8	11.1	10.1	1.4%
9	'8901	Cruise ships, excursion boats, ferry-boats, cargo ships	13.7	10.7	9.6	8.8	9.6	1.3%
10	'8704	Motor vehicles for the transport of goods	8.5	6.6	10.0	10.0	9.4	1.3%
11	'8541	Semiconductor devices "e.g. diodes, transistors	8.6	8.9	10.3	9.3	8.0	1.1%
12	'8443	Printing machinery used for printing by means of plates	9.4	8.0	9.2	8.3	7.7	1.1%
13	'8479	Machines and mechanical appliances having individual functions	8.8	8.4	9.8	8.7	7.6	1.1%
14	'8536	Electrical apparatus for switching or protecting electrical circuits	7.5	7.1	8.3	7.3	6.2	0.9%
15	'8532	Electrical capacitors, fixed, variable or adjustable "pre-set"; parts thereof	6.2	6.6	7.9	7.2	6.2	0.9%
16	'7403	Copper, refined, and copper alloys, unwrought	3.3	4.7	5.7	5.9	6.1	0.8%
17	'9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences	5.4	5.2	5.8	5.7	5.9	0.8%
18	'8409	Parts suitable for use solely or principally with internal combustion piston engine	6.6	5.5	6.8	6.1	5.8	0.8%
19	'7225	Flat-rolled products of alloy steel other than stainless, of a width of $\geq$ 600 mm	4.2	3.4	5.8	6.4	5.5	0.8%
20	'4011	New pneumatic tyres, of rubber	5.2	4.1	5.0	5.5	5.5	0.8%
		All other products	402.7	372.9	443.5	432.3	395.4	54.9%
	<b>'TOTAL</b>	<b>All products</b>	<b>705.8</b>	<b>641.0</b>	<b>757.5</b>	<b>752.1</b>	<b>719.8</b>	<b>100.0%</b>

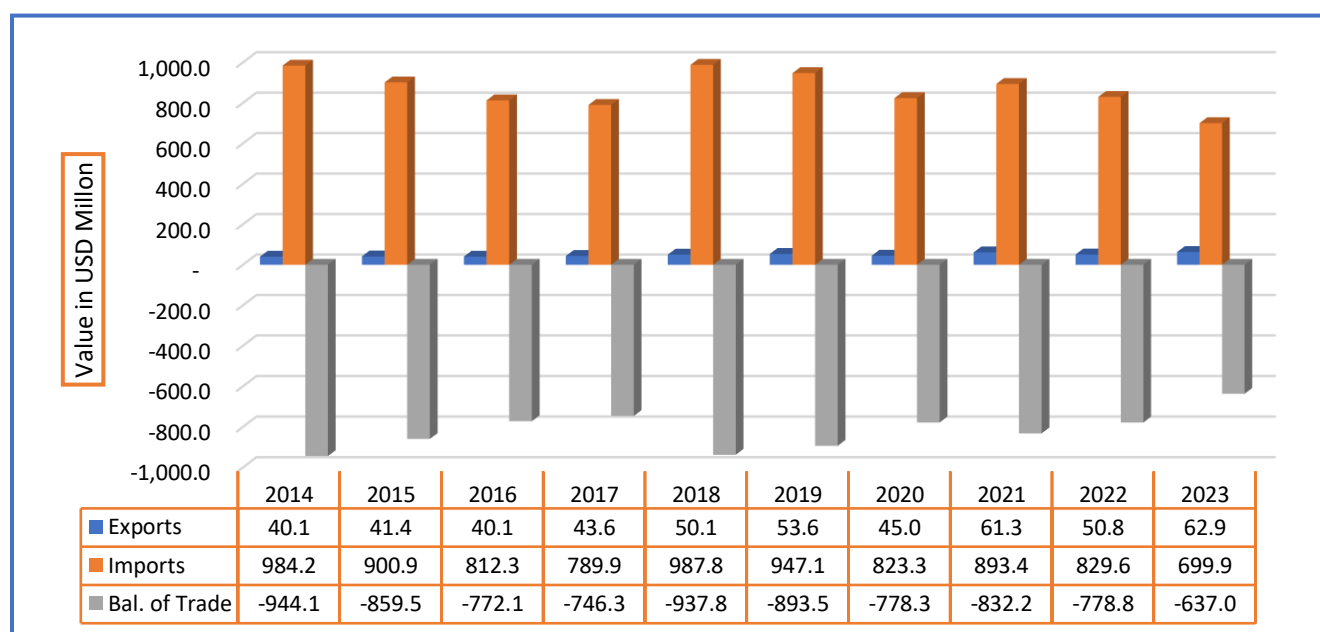
Source: International Trade Centre database; Compiled by KEPROBA

The top 5, 10, and 20 products accounted for 28.0%, 36.2%, and 45.1% respectively of all her exports in 2023.

### 3.0 Kenya – Japan Bilateral Trade Relations

#### 3.1 Trade balance

Figure 1: Kenya-Japan bilateral trade



Source: International Trade Centre database; Compiled by KEPROBA

- Kenya's exports to Japan since 2014 have shown steady growth over the decade, with the lowest value being USD 40.1 million in 2014. Our best performing year was 2023, with our exports reaching USD 62.9 million. In 2022, Kenya's exports to Japan were valued at USD 50.8 million.
- Kenya's imports from Japan have fluctuated over the last 10 years. The peak import value was USD 984.2 million in 2014. Imports from Japan haven't been under USD 699.9 million throughout the decade.
- Between 2014 and 2023, Kenya's exports to Japan averaged USD 48.9 million, while her imports from Japan averaged USD 864.4 million.
- The balance of trade between the two countries has consistently favoured Japan throughout the last decade, with the peak trade deficit being USD 944.1 million in 2014 and the lowest being USD 637.0 million in 2023.

### 3.2 Kenya's exports to Japan

Table 6: Kenya's exports to Japan

Rank in 2023	Product code	Product label	Kenya's exports to Japan 'USD 000,000					% Share in 2023
			Value in 2019	Value in 2020	Value in 2021	Value in 2022	Value in 2023	
1	'2614	Titanium ores and concentrates	10.4	12.8	18.1	17.5	32.9	52.2%
2	'0901	Coffee	5.3	5.8	9.4	9.3	8.2	13.0%
3	'0902	Tea	10.0	6.7	8.4	7.8	7.5	11.9%
4	'0603	Cut flowers and flower buds	6.9	5.5	8.8	7.8	7.0	11.0%
5	'7404	Waste and scrap, of copper	7.6	6.4	9.3	1.8	2.4	3.8%
6	'0802	Other nuts, fresh or dried	4.9	2.0	3.7	2.4	1.3	2.0%
7	'0602	Live plants	0.9	1.4	1.2	1.1	1.1	1.7%
8	'4602	Basketwork, wickerwork and other articles	0.1	0.1	0.0	0.3	1.0	1.6%
9	'1515	Fixed vegetable or microbial fats and oils	0.5	0.3	0.3	0.4	0.3	0.5%
10	'6109	T-shirts, singlets and other vests, knitted or crocheted	0.0	0.0	0.1	0.3	0.2	0.3%
11	'0304	Fish fillets and other fish meat,	0.1	-	-	0.0	0.2	0.3%
12	'2101	Extracts, essences and concentrates, of coffee, tea or maté	4.4	1.2	1.1	0.9	0.1	0.2%
13	'7403	Copper, refined, and copper alloys, unwrought	0.2	0.2	-	-	0.1	0.2%
14	'7108	Gold	-	-	-	-	0.1	0.2%
15	'8534	Printed circuits	-	-	-	-	0.1	0.2%
16	'8408	Compression-ignition internal combustion piston engine	-	-	-	-	0.1	0.1%
17	'7117	Imitation jewellery	0.2	0.2	0.1	0.1	0.1	0.1%
18	'0307	Molluscs, fit for human consumption, even smoked	0.1	0.1	-	0.0	0.1	0.1%
19	'4105	Tanned or crust skins of sheep or lambs, without wool on	-	0.1	0.1	0.1	0.1	0.1%
20	'3301	Essential oils	0.1	0.1	0.0	0.1	0.0	0.1%
		All other countries	2.0	2.3	0.7	0.9	0.2	0.4%
	<b>'TOTAL</b>	<b>All products</b>	<b>53.6</b>	<b>45.0</b>	<b>61.3</b>	<b>50.8</b>	<b>62.9</b>	<b>100.0%</b>

Source: International Trade Centre database; Compiled by KEPROBA

- The value of Kenya's exports to Japan stood at USD 62.9 million in 2023 and has been increasing at an average rate of 2.5% per year between 2019 and 2023.
- Kenya's principal export product to Japan in 2023 was Titanium ores and concentrates, accounting for 52.2% of Kenya's exports to the country. Other key export products include Coffee (13.0%), Tea (11.9%), Cut flowers and flower buds (11.0%), and Waste and scrap of copper (3.8%).
- The top five export products constituted 92.0% of Kenya's total exports to Japan, indicating a high concentration of the export basket.

### 3.3 Kenya's imports from Japan

Table 7: Kenya's imports from Japan

Rank in 2023	Product code	Product label	Kenya's imports from Japan' USD Million					% Share in 2023
			Value in 2019	Value in 2020	Value in 2021	Value in 2022	Value in 2023	
1	'8703	Motor cars and other motor vehicles	426.3	334.6	359.8	284.7	263.5	37.7%
2	'7208	Flat-rolled products of iron or non-alloy steel, of a width >= 600 mm	157.6	186.2	227.1	257.3	231.3	33.0%
3	'8704	Motor vehicles for the transport of goods	97.5	73.6	116.9	92.2	70.3	10.0%
4	'8708	Parts and accessories for tractors, motor vehicles for the transport	25.7	23.3	27.2	22.3	20.0	2.9%
5	'8702	Motor vehicles for the transport of >= 10 persons	54.0	38.1	23.2	28.9	16.6	2.4%
6	'5501	Synthetic filament tow as specified in Note 1 to chapter 55	13.8	12.3	14.1	12.3	11.5	1.6%
7	'3822	Diagnostic or laboratory reagents on a backing,	4.8	6.4	4.1	4.8	8.5	1.2%
8	'4011	New pneumatic tyres, of rubber	5.3	3.5	7.1	6.9	5.0	0.7%
9	'7304	Tubes, pipes and hollow profiles, seamless, of iron or steel	0.0	0.0	0.0	0.2	4.7	0.7%
10	'3808	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products	3.0	1.2	2.4	3.6	4.2	0.6%
11	'8407	Spark-ignition reciprocating or rotary internal combustion piston engine	4.7	4.4	5.1	3.6	3.1	0.4%
12	'8409	Parts suitable for use solely or principally with internal combustion piston engine	3.3	4.1	4.5	3.4	3.1	0.4%
13	'8443	Printing machinery used for printing by means of plates, cylinders	2.6	3.6	2.4	2.5	3.0	0.4%
14	'8429	Self-propelled bulldozers, angledozers, graders, levellers, scrapers	9.3	6.3	11.6	2.7	2.9	0.4%
15	'8408	Compression-ignition internal combustion piston engine	3.6	4.4	5.1	4.4	2.7	0.4%
16	'9027	Instruments and apparatus for physical or chemical analysis	0.8	2.3	1.5	1.8	2.5	0.4%
17	'3906	Acrylic polymers, in primary forms	0.4	0.2	0.1	0.3	2.4	0.3%
18	'9018	Instruments and appliances used in medical, surgical, dental or veterinary sciences	1.8	3.3	2.7	3.1	2.3	0.3%
19	'8707	Bodies, incl. cabs, for tractors, motor vehicles for the transport	0.4	0.6	1.1	0.9	1.7	0.2%
20	'8483	Transmission shafts	2.2	2.3	2.6	1.8	1.7	0.2%
		All other products	129.9	112.7	74.7	92.0	38.9	5.6%
	<b>'TOTAL</b>	<b>All products</b>	<b>947.1</b>	<b>823.3</b>	<b>893.4</b>	<b>829.6</b>	<b>699.9</b>	<b>100.0%</b>

Source: International Trade Centre database; Compiled by KEPROBA

- Kenya's imports from Japan were valued at USD 699.9 million in 2023.
- Kenya's leading and main import products from Japan in 2023 included: Motor cars and other motor vehicles (USD 263.5 million), Flat-rolled products of iron or

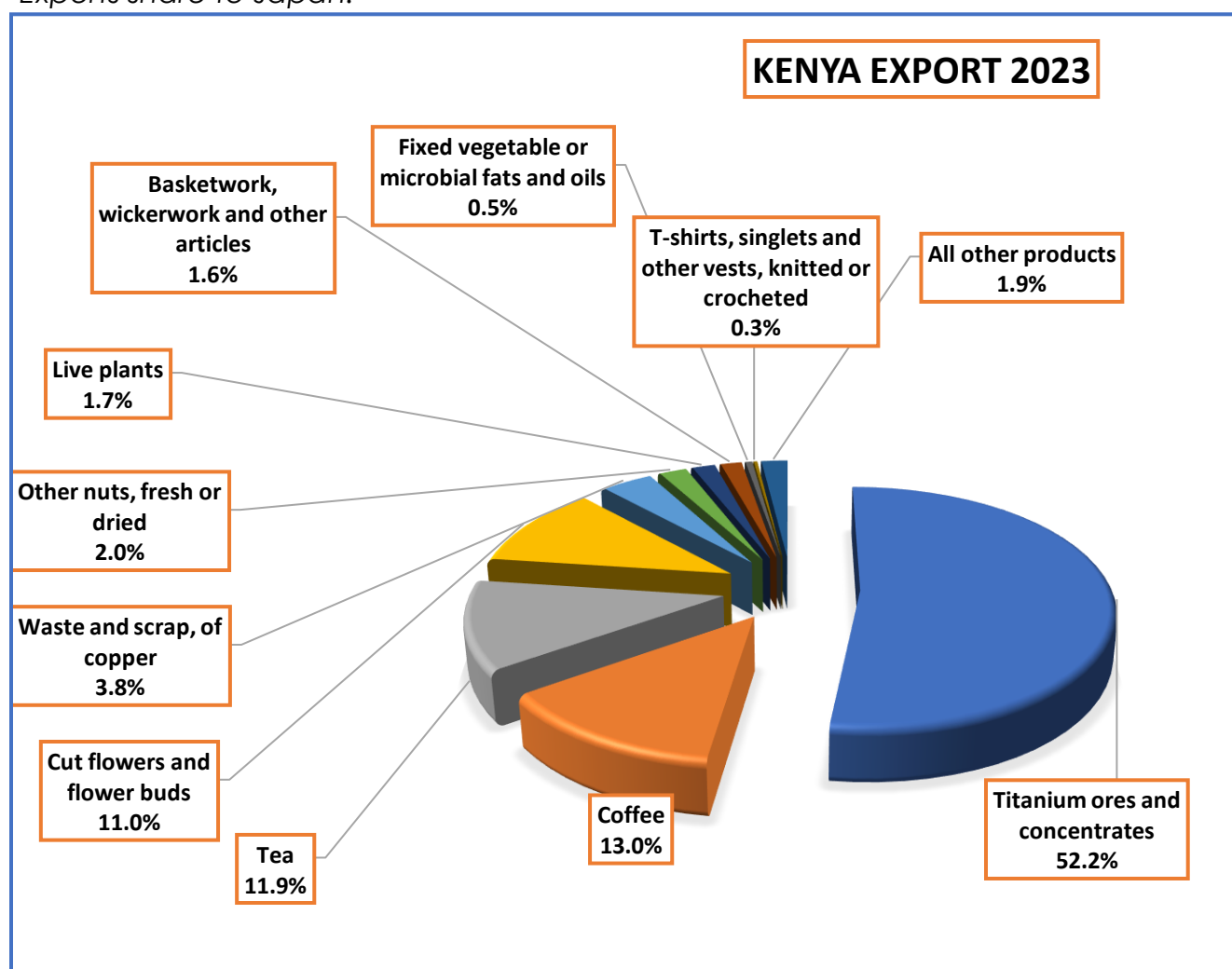
non-alloy steel, of a width  $\geq 600$  mm (USD 231.3 million), Motor vehicles for the transport of goods (USD 70.3 million), Parts and accessories for tractors and motor vehicles (USD 20.0 million), and Motor vehicles for the transport of  $\geq 10$  persons (USD 16.6 million).

- The top five import products constituted 86.0% of Kenya's total imports from Japan, indicating a high concentration of the import basket.

#### 4.0 Share on Kenya exports and import trade with Japan.

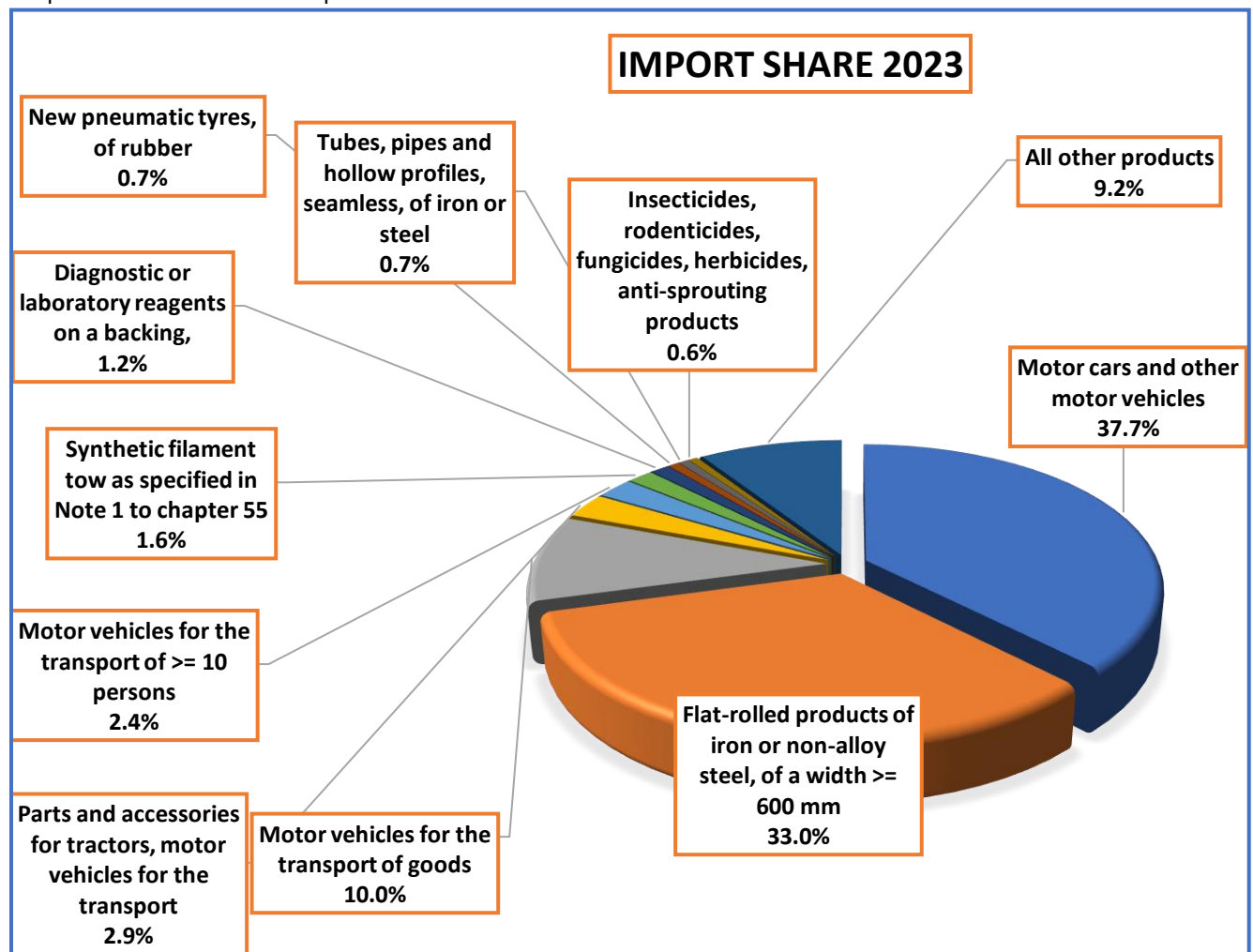
Figure 2: Kenya-Japan Shares of Trade 2022

Exports share to Japan.



Source: International Trade Centre database, Compiled by KEPROBA

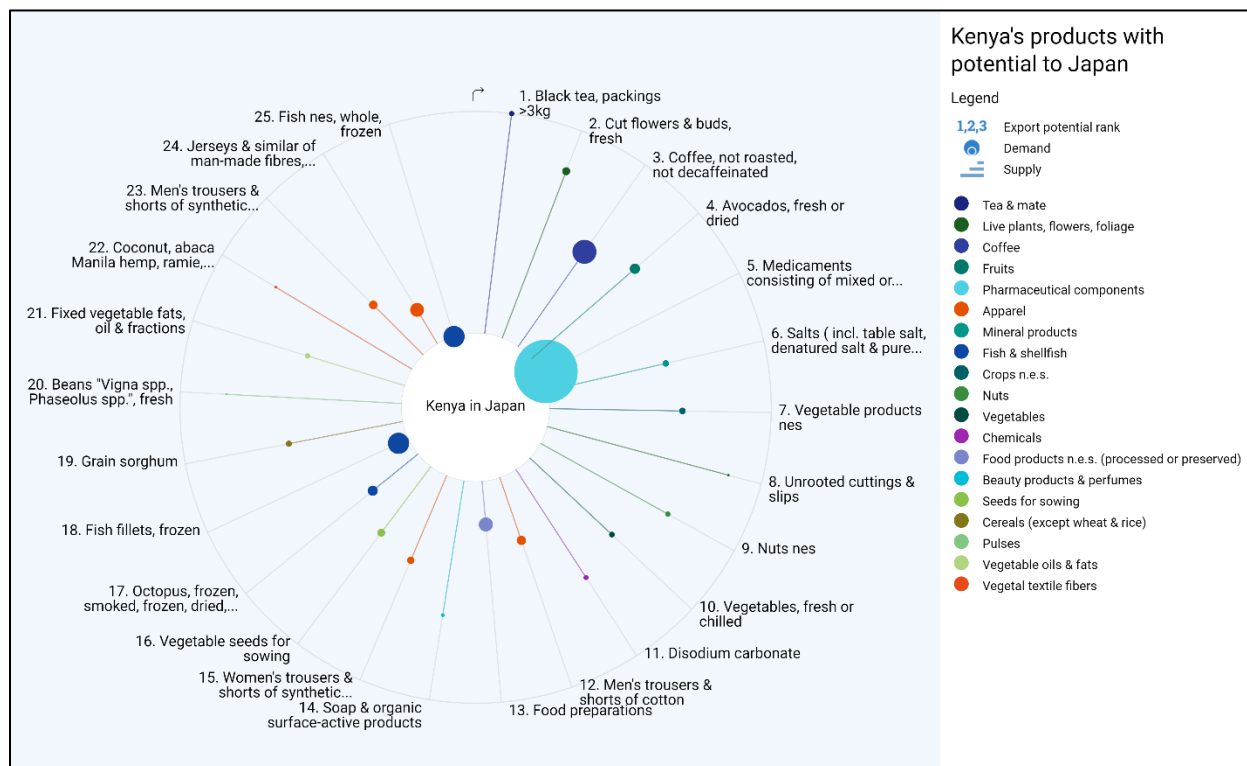
Imports share from Japan.



Source: International Trade Centre database, Compiled by KEPROBA

## 5.0 Kenya's Potential Exports to Japan

Figure 3: Export potential for Kenya's products in Japan



Source: International Trade Centre database; Compiled by KEPROBA

- The products with greatest export potential from Kenya to Japan are Black tea, packings >3kg, cut flowers & buds, fresh and Coffee, not roasted, not decaffeinated.
- Kenya has the highest supply capacity in Black tea, packings >3kg.
- Medicaments consisting of mixed or unmixed products, for retail sale is the product that faces the strongest demand potential in Japan.

## 6.0 Challenges affecting Kenyan Exporters in Japan

- Cultural Sensitivity:** The need for a nuanced understanding of Japanese culture, including formal business etiquette and hierarchies. Respecting cultural differences to build positive relationships.
- Language Barrier:** Language challenges necessitating translation and proficiency in Japanese for effective communication.

- III. **Market Entry Costs:** Significant financial investments to comply with Japanese regulations and establish a presence. Sufficient funding is required for market research, advertising, and distribution setup.
- IV. **Stringent Quality Standards:** Meeting Japan's exceptionally high product quality and safety standards. There is need to invest in quality control and assurance to ensure compliance.
- V. **Intense Competition:** Facing stiff competition from domestic and international players in the Japanese market with the imperative of developing a distinctive value proposition.
- VI. **Distribution Challenges:** Complex distribution networks in Japan necessitating collaboration with local partners. Building and maintaining efficient channels for product delivery should be enhanced.
- VII. **Regulatory Complexity:** Navigating a labyrinth of Japanese regulations, customs procedures, and certification requirements. Managing administrative aspects of trade effectively.
- VIII. **Intellectual Property Protection:** Safeguarding intellectual property rights within the Japanese legal framework. Ensuring the security of proprietary assets in a foreign market.
- IX. **Market Research Essential:** In-depth market research to comprehend consumer preferences and market trends. Informed decision-making based on thorough understanding of the Japanese market.
- X. **Logistics and Transportation:** Overcoming logistical challenges in shipping and ensuring the safe delivery of goods. Relying on reputable logistics partners for smooth operations.
- XI. **Currency Exchange Considerations:** Monitoring and mitigating currency exchange rate fluctuations that affect pricing and profits. Adapting to financial dynamics in a volatile market.

## 7.0 Prohibited and Restricted Items

### Prohibited Products

- I. **Narcotics and Controlled Substances:** Exporting illegal drugs, narcotics, and controlled substances is strictly prohibited.
- II. **Counterfeit Goods:** Exporting counterfeit or fake products, including counterfeit currency and imitation brand items, is illegal.
- III. **Endangered Species:** The export of products made from endangered species or their byproducts, such as ivory, is restricted under international agreements.



- IV. **Hazardous Materials:** Items considered hazardous materials, such as certain chemicals and explosives, are subject to strict regulations.
- V. **Obscene Materials:** Exporting materials that contain explicit adult content or violate Japanese obscenity laws is prohibited.

### **Restricted Products**

- I. **Pharmaceuticals and Medical Devices:** The export of pharmaceuticals and medical devices may require approval from the Japanese Ministry of Health, Labour, and Welfare.
- II. **Food and Agricultural Products:** Certain food and agricultural products may be subject to stringent regulations, including inspection and labelling requirements.
- III. **Automobiles and Machinery:** Exporting automobiles and machinery may require compliance with specific safety and environmental standards.
- IV. **Electronics and Telecommunications Equipment:** Other electronic products and telecommunications equipment may need to meet Japanese technical standards.
- V. **Chemicals:** Exporting chemicals to Japan may require compliance with regulations set by the Japanese Ministry of Economy, Trade, and Industry (METI).
- VI. **Weapons and Military Equipment:** The export of weapons, military equipment, and related technology is tightly controlled and subject to government approval.
- VII. **Cultural Artifacts:** The export of cultural artifacts, including historical and artistic items, may require permissions and approvals.
- VIII. **Radioactive Materials:** Regulations for the export of radioactive materials are stringent, particularly after the Fukushima nuclear disaster.
- IX. **Genetically Modified Organisms (GMOs):** The export of GMO products may require documentation and labelling to meet Japanese regulations.

## **8.0 Recommendations to Improve Kenya's Exports to Japan**

### **1. Market Research and Strategy:**

- Conduct thorough market research to understand Japanese consumer preferences, market trends, and competitors to inform development of penetration strategies.
- Develop a well-informed export strategy tailored to the specific needs and demands of the Japanese market.

### **2. Quality and Standards:**

- Invest in product quality and safety to meet the exacting standards expected in Japan.
- Acquire relevant certifications and adhere to Japanese regulatory requirements.

### **3. Brand Building and Marketing:**

- Invest in marketing and branding efforts to create a strong market presence.
- Consider targeted advertising and promotional campaigns tailored to the Japanese audience.

### **4. Cultural Awareness:**

- Foster cultural sensitivity among exporters and their teams to navigate Japanese business etiquette and customs.
- Establish strong relationships with local partners who can provide cultural insights.

### **5. Government Support:**

- Seek support from Kenyan government agencies and trade promotion organizations, such as the Kenya Export Promotion and Branding Agency, for information, resources, and market entry assistance.
- Participate in trade missions and exhibitions organized by the agencies.

### **6. Language and Communication:**

- Develop language proficiency in Japanese to facilitate communication and negotiations.

- Utilize professional translation services for business documentation.

#### **7. Partnerships and Distribution:**

- Collaborate with experienced local distributors, agents, or partners who have established networks in Japan.
- Build reliable and efficient distribution channels to ensure timely delivery.

#### **8. Trade Agreements:**

- Leverage trade agreements between Kenya and Japan to benefit from tariff reductions or exemptions.
- Stay informed about changes in trade policies and regulations.

#### **9. Product Adaptation:**

- Customize products to cater to Japanese tastes and preferences.
- Consider product packaging and labelling modifications to appeal to the local market.

#### **10. Intellectual Property Protection:**

- Safeguard intellectual property through appropriate legal measures and registrations.
- Monitor and enforce IP rights in the Japanese market.

#### **11. E-commerce and Online Presence:**

- Explore e-commerce platforms to reach a wider audience in Japan.
- Invest in a user-friendly, Japanese-language website to establish an online presence.

#### **12. Supply Chain Optimization:**

- Enhance supply chain logistics to ensure the efficient transportation of goods to Japan.
- Work with experienced shipping and logistics providers to minimize delays and reduce costs.

#### **13. Regulatory Compliance:**

- Stay informed about changes in Japanese regulations and ensure strict compliance.
- Engage with regulatory authorities to streamline export processes.

## 6.0 Annex i: Map of Japan



Source: Google Map, 2022

## 7.0 Annex ii Quick Facts

<b>Also Known As</b>	Nippon • Nihon
<b>Head Of Government</b>	Prime Minister: <a href="#">Fumio Kishida</a>
<b>Capital</b>	<a href="#">Tokyo</a>
<b>Population</b>	(2024 est.) 123,953,000
<b>Currency Exchange Rate</b>	1 USD equals 150.544 Japanese yen
<b>Form Of Government</b>	constitutional monarchy with a national Diet consisting of two legislative houses (House of Councillors [242]; House of Representatives [475])
<b>Official Language</b>	none <sup>1</sup>
<b>Official Religion</b>	none
<b>Official Name</b>	Nihon, or Nippon (Japan)
<b>Total Area (Sq Km)</b>	377,974
<b>Total Area (Sq Mi)</b>	145,936
<b>Monetary Unit</b>	yen (¥)
<b>Population Rank</b>	(2023) 11
<b>Population Projection 2030</b>	120,984,000
<b>Density: Persons Per Sq Mi</b>	(2023) 851.6
<b>Density: Persons Per Sq Km</b>	(2023) 328.8
<b>Urban-Rural Population</b>	Urban: (2018) 91.6% • Rural: (2018) 8.4%
<b>Life Expectancy At Birth</b>	Male: (2022) 81.9 years • Female: (2022) 87.9 years
<b>Literacy: Percentage Of Population Age 15 And Over Literate</b>	Male: 100% • Female: 100%
<b>Gni (U.S.\$ '000,000)</b>	(2022) 5,310,028

<b>Gni Per Capita (U.S.\$)</b>	(2022) 42,440
<b>Symbol Of State</b>	Emperor: <a href="#">Naruhito</a>
<sup>1</sup> Japanese is the national language.	