

GLOBAL

BUSINESS

BAROMETER



**Survey among Austrian Companies
(incl. importers & agents)
operating in Japan**

As of March 2026

Global Business Barometer 2026: An annual overview of Austria's export economy

JAPAN results

The Global Business Barometer is ADVANTAGE AUSTRIA's annual international survey that captures how Austrian businesses evaluate business conditions, economic developments, and emerging challenges across their foreign locations. Conducted in cooperation with the Institute for International Business at the Vienna University of Economics and Business, the 2026 edition consolidates the views of Austria-related businesses operating in nearly 70 countries. Their feedback offers a valuable picture of how global trends and regional dynamics shape the environment in which Austria's export-oriented economy operates.

The survey once again highlights the importance of understanding developments across international markets. As geopolitical tensions, shifting trade patterns, and structural economic changes continue to influence global business activities, the perspectives gathered from Austrian market participants in Japan provide an essential indicator of how companies are assessing both risks and opportunities for the year ahead.

Below is an excerpt of the worldwide highlights of the 2026 survey:

- Austrian businesses worldwide anticipate generally **stable economic development** in 2026. The outlook is particularly optimistic for the Middle East and large parts of Asia.
- Company indicators support this trend, with many businesses anticipating higher revenues and a promising order book in 2026. Operational improvements are anticipated in Africa, India, and Southeast Asia in particular. By contrast, the outlook for China and Europe remains subdued.
- Pressures are arising primarily from elevated **labor costs**, excessive **bureaucracy**, and economic policy that is proving hard to predict - factors that have attracted particular criticism in Germany, Austria's most important export market. By contrast, product quality and local supply infrastructure are viewed as positive.
- Although stagnation prevails in Western and Central Europe and expectations remain muted in Eastern Europe and Central Asia, a **more stable economic environment** has established itself in **Southeast Europe**.
- **Geopolitical risks are shaping the international business environment**. The most important risk factors affecting companies worldwide include military conflict, geopolitical tension, rising protectionism, and competition between global powers, with trade policy a matter of immediate concern in Latin America.
- **ADVANTAGE AUSTRIA** remains an **essential partner for success** for Austrian businesses with a global footprint, with around **84% of subsidiaries** rating local support as very good or good. At the same time, there is a critical view of cooperation with local political decision-makers at many locations.

In light of ongoing global uncertainties, Austrian businesses abroad continue to adopt a cautiously optimistic outlook for 2026. While the international environment remains marked by geopolitical tension and uneven regional dynamics, most companies expect stable operating conditions and a gradual easing of pressures seen in recent years. Key observations include:

- **Stable sentiment across most markets**, with expectations supported by moderating price pressures and improving supply-chain conditions in several regions.
- **Positive to steady projections for core business indicators**, including turnover, order volumes, and operational performance, although regional variations remain significant.

Doing business in Japan

Japan continues to advance its long-term strategy to strengthen competitiveness and attract high-value foreign direct investment. The government has raised its inward FDI target from the previous ¥80 trillion to **¥100 trillion by 2030**, accompanied by expanded policy measures to streamline administrative procedures, support digital transformation and deepen innovation-driven industrial development.

Entering 2026, Japan's trade and economic environment presents a resilient yet uneven picture. Export activity has stabilized following strong gains in previous years, driven by sustained demand in key sectors such as advanced machinery, robotics, semiconductors and automotive technologies. Import volumes also remain solid, reflecting continued investment in high-tech inputs and Japan's deep integration into global industrial supply chains. Macroeconomic assessments point to easing price pressures and gradual supply-chain normalization, although external risks continue to influence business sentiment.

With Expo 2025 Osaka concluded in late 2025, updated assessments show a stronger-than-expected economic impact of about **¥3.6 trillion**, boosting regional tourism and investment across Kansai. Follow-up initiatives in innovation, digital infrastructure and regional revitalization are expected to sustain competitiveness and create openings for foreign firms, including Austrian businesses in high-tech, industrial solutions and green technologies.

Despite structural challenges, Japan remains a **stable, predictable and innovation-oriented market** in 2026, supported by coordinated government and regional efforts to attract foreign investment and reinforce Japan's position as a reliable hub in global supply chains.

The Survey

In the annual survey conducted in October/November 2025, a total of 84*¹ Austrian subsidiaries, importers, and agents in Japan participated. The respondents represented a wide range of industries, including manufacturing, consulting, energy, medical equipment, and consumer goods. Among the Austrian businesses in Japan, most identified as sales offices, while a smaller share operated local production facilities or provided services, and some reported engaging in other types of activities. The participating businesses covered a broad revenue spectrum, ranging from smaller firms with turnover below €1 million to larger subsidiaries generating more than €20 million annually, reflecting the diversity of Austrian business presence in Japan.

*¹The 2026 survey received a higher number of responses (84 compared to 48 in the previous year). This increase reflects a broader reach within our target audience and a generally higher willingness to participate. The larger sample provides a more diverse and informative picture of market perceptions in Japan. All results have been evaluated accordingly, and the increased participation further enhances the robustness of the analysis.

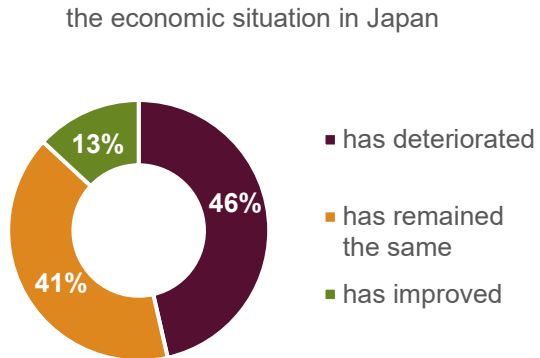


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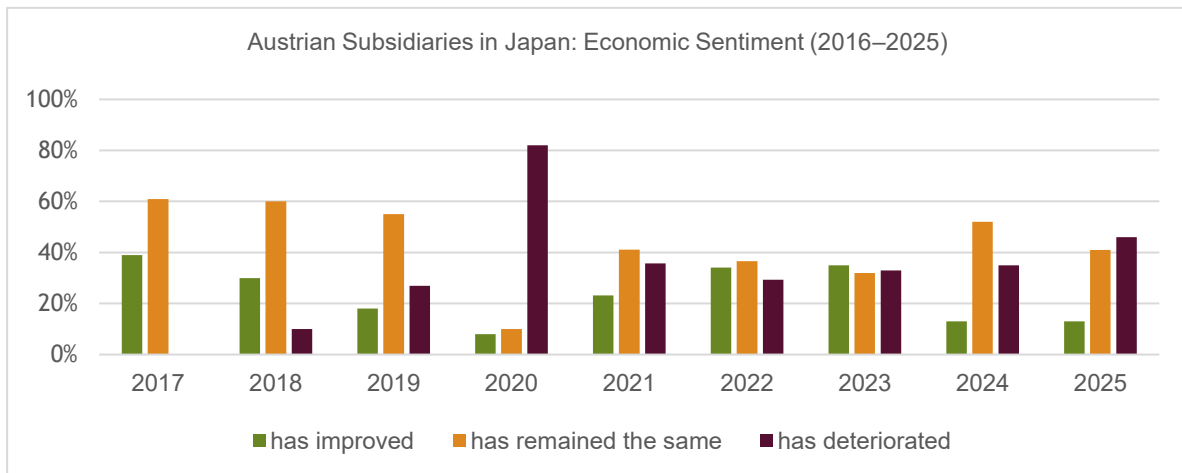
1. From your company's perspective, how do you assess the development of the general and Japanese economic climate over the PAST 12 months?

The assessment of the past 12 months indicates a business environment that remains generally stable but is now viewed with greater caution than in the previous survey.



In the current results, 41% of respondents report that Japan's economic situation has remained unchanged, while 46% observed a deterioration and 13% an improvement. This distribution suggests that companies increasingly recognize external pressures that have influenced the economic climate over the past year.

Compared with the preceding survey, the overall picture has noticeably shifted. One year earlier, 52% of respondents still characterised Japan's economic situation as stable, 35% reported deterioration, and 13% noted improvement. Although the share of companies reporting improvement remains unchanged at 13%, the balance has shifted: stability perceptions declined (52% to 41%), while negative assessments have increased (35% to 46%). This marks a move from broad confidence toward a more measured and risk-aware sentiment among Austrian businesses.

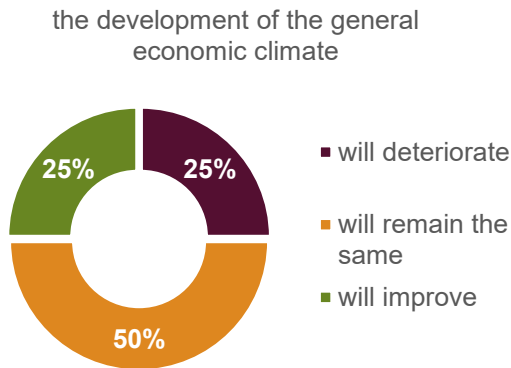


Additional context from the broader Japanese market supports this interpretation. According to the latest [Japan Finance Corporation Quarterly Survey on SME Trends](#), SME sentiment indicators show a mixed picture, with some sectors demonstrating stabilization while others continue to experience operational pressures, reflecting an environment in which opportunities and challenges coexist.

Overall, the economic climate remains manageable, but companies assess developments with greater caution than in previous years, signalling a more restrained outlook going into 2026.

2. From your company's perspective, how do you assess the development of the general and Japanese economic climate for the NEXT 12 months?

Expectations for the next 12 months continue to center on a largely stable business environment, while the range of views expressed by Austria-related companies is broader than in the previous survey cycle.



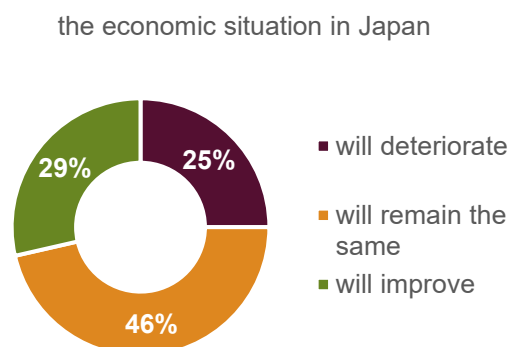
Stability remains the dominant expectation, although companies are less uniformly anchored in a “no-change” scenario than one year earlier, reflecting a more differentiated outlook for the coming year.

A comparison with the [global results of the 2026 Global Business Barometer](#) shows that the situation in Japan aligns closely with the worldwide trend. Austrian businesses worldwide also expect a broadly stable economic development, with particularly

optimistic outlooks in the Middle East and large parts of Asia, while expectations for China and Europe remain noticeably subdued. This places Japan among markets expecting stability rather than strong momentum, yet without the caution seen in more challenging environments.

Looking specifically at [Asia, the regional GBB findings](#) indicate a more dynamic picture in several sub-regions. In Southeast Asia and India, Austrian businesses display significantly more positive expectations, with many anticipating improvements in turnover and operating conditions. By contrast, sentiment in China remains markedly cautious, with only around one quarter of businesses expecting improvements in key indicators, and a larger share anticipating declines. Against this backdrop, Japan occupies a middle position: more stable than China, yet less growth-driven than Southeast Asia and India.

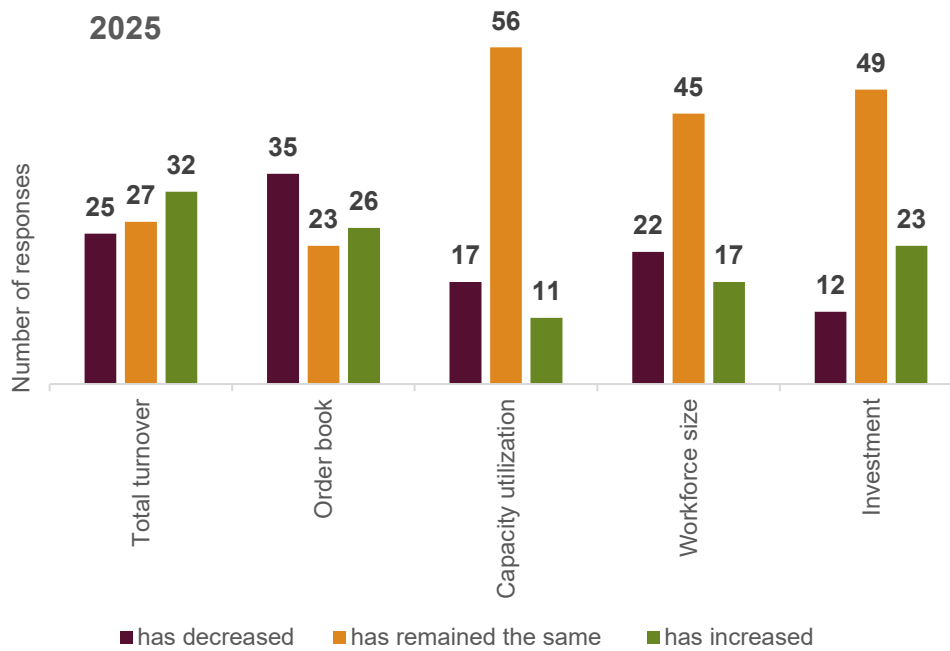
This broader context reinforces the interpretation that Austrian businesses in Japan anticipate a year shaped by stable fundamentals, with moderate economic dynamics rather than acceleration. National indicators support this view: according to the [Cabinet Office's Monthly Economic Report \(Jan/2026\)](#),



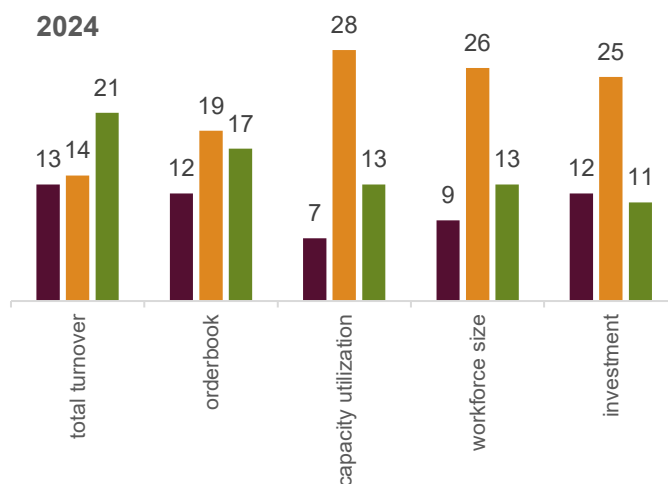
Japan's economy is expected to maintain a moderate recovery driven by improving income conditions and resilient consumption, though global trade risks remain relevant. External analyses, including those of the [Daiwa Institute of Research](#), similarly highlight steady domestic demand and capital investment as key elements supporting Japan's 2026 outlook.

Overall, stability remains the baseline expectation, though Austrian businesses in Japan anticipate somewhat stronger dynamics than in the previous year. Confidence in Japan's fundamentals persists, but respondents approach the next 12 month with heightened awareness of both opportunities and potential challenges, resulting in a more flexible and adaptive planning stance.

3. Looking at your company’s performance in Japan, how would you assess the performance indicators listed below over the PAST 12 months?



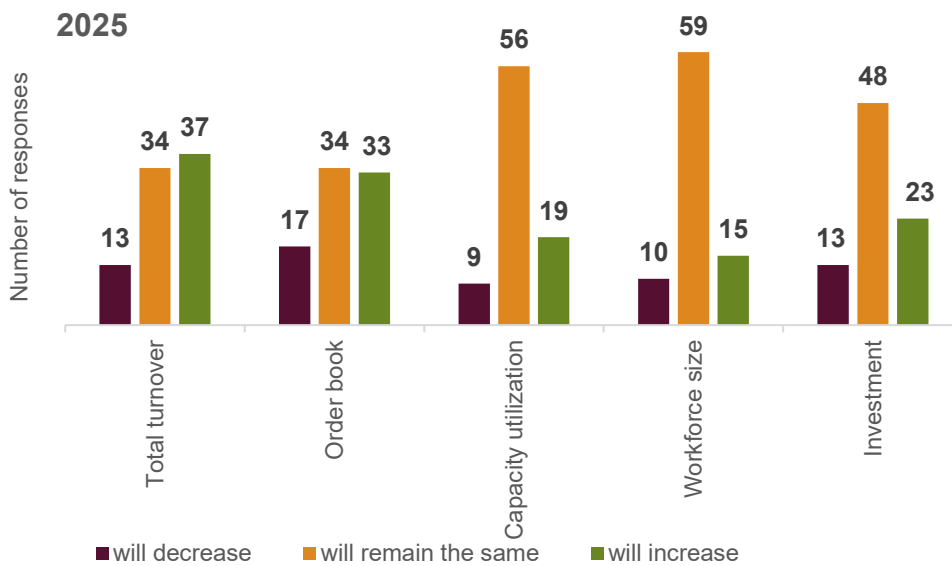
The assessment of the past 12 months shows a performance environment largely defined by stability, although movements across individual indicators differ. Workforce size and capacity utilization remain predominantly unchanged, with the majority respondents selecting “remain the same” across both indicators. This points to steady day-to-day operations for most Austrian businesses.



Orderbooks, however, show more variation, with noticeably more respondents reporting declines than increases. Total turnover presents a more balanced distribution, as a similar number of participants reported increases and decreases. Similar trends are reflected in the Japanese economic analysis for 2025: the [Cabinet Office and the Japan Research Institute reported](#) that Japan’s recovery continued, but economic activity showed signs of slowing, with weaker consumption and fluctuating production levels influenced by external demand.

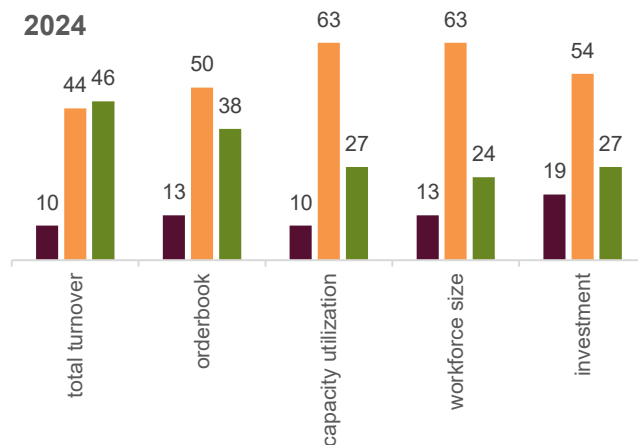
Investment activity stands out more positively. A substantial number of respondents increased their investment activities, indicating ongoing modernization and selective expansion. This is consistent with national analyses, which note [corporate investment remained resilient in 2025](#), supported by labour shortages, productivity needs, and continued capital expenditure aimed at strengthening long-term competitiveness.

4. Looking at your company’s performance in Japan, how would you assess the performance indicators listed below for the NEXT 12 months?



Expectations for the next 12 months indicate a stable and moderately positive outlook among Austrian businesses in Japan. Stability remains the prevailing view across most indicators, particularly for capacity utilization and workforce size. For turnover and orderbooks, more companies expect increases than decreases, signalling cautious confidence in demand. Investment expectations remain mostly steady, pointing to targeted, efficiency-focused spending rather than broad expansion.

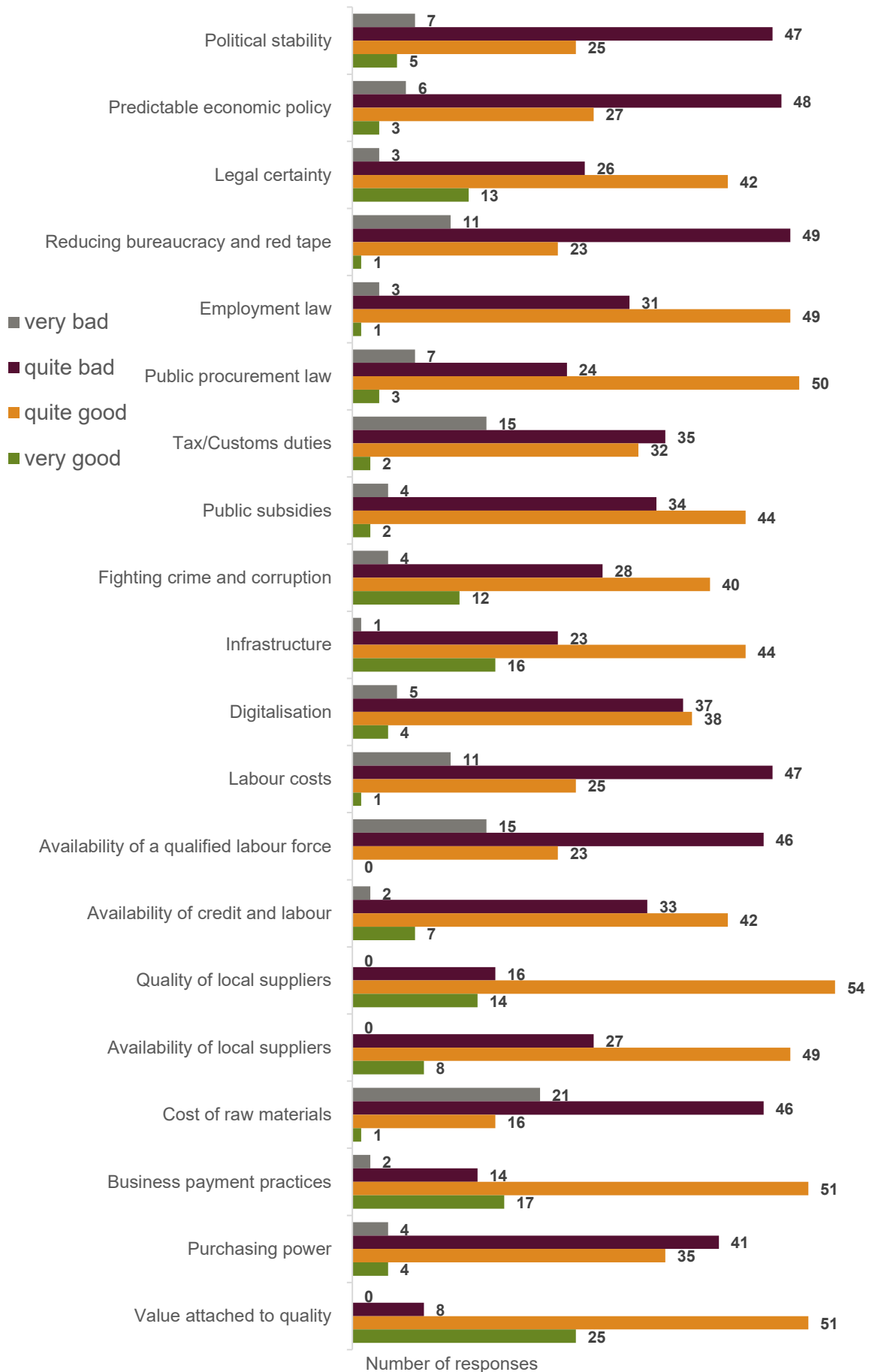
Compared with last year’s survey, stability expectations have strengthened, especially in capacity utilization. At the same time, expectations of declines in turnover, orderbooks, and workforce size have risen, reflecting greater awareness of potential headwinds. Investment expectations stand out more positively, with a higher share of firms planning increases than in the previous cycle.



This cautious but constructive view is consistent with broader economic assessments. The [January 2026 Cabinet Office Monthly Economic Report](#) describes a moderate recovery supported by improving employment, income, and consumption, while noting external risks. Likewise, the [Daiwa Institute of Research](#) highlights domestic demand and capital investment as key drivers of growth in 2026 amid continued external uncertainties. [Reuters economic projections](#) similarly anticipate modest acceleration into 2026, supported by consumption and capital spending despite global risks.

Overall, Austrian businesses in Japan appear positioned for steady development, combining operational stability with selective growth opportunities in a moderately expanding but still complex economic environment.

5. How do you assess the following regulatory and market-related topics in Japan?



Austrian business respondents in Japan continued to view the regulatory and market environment as stable, predictable, and operationally reliable. Key framework conditions – including **legal certainty**, **public procurement law**, **infrastructure**, **business payment practices**, and the **value attached to quality** – receive consistently positive ratings. These assessments reflect confidence in Japan’s strong institutional structures, transparent regulatory procedures, and the high-quality standards that underpin its business environment. The **quality and availability of local suppliers** remain strengths, reinforcing Japan’s reputation for reliability and precision in both production and services.

Compared with last year’s results, the overall pattern remains largely unchanged. Areas such as legal certainty, public procurement law, infrastructure, supplier quality, and payment reliability continue to receive high scores, mirroring last year’s strong evaluations. Likewise, the more challenging categories – including highest shares of negative assessments, indicating that these structural issues persist. Digitalization, which previously showed a mixed picture, now exhibits a slightly more positive balance, suggesting gradual improvement year on year.

Digitalization shows a gradually improving trend, with more companies recognizing progress in the adoption of digital tools and efficiency-enhancing solutions. This development is supported by ongoing government initiatives. According to **METI**, Japan has expanded subsidy programs and investment incentives aimed at productivity improvement, digitalization, AI implementation, and labour-saving technologies, measures designed to boost competitiveness and strengthen SME resilience. These policy efforts complement wider government support frameworks for SMEs, which play a central role in Japan’s economic structure.

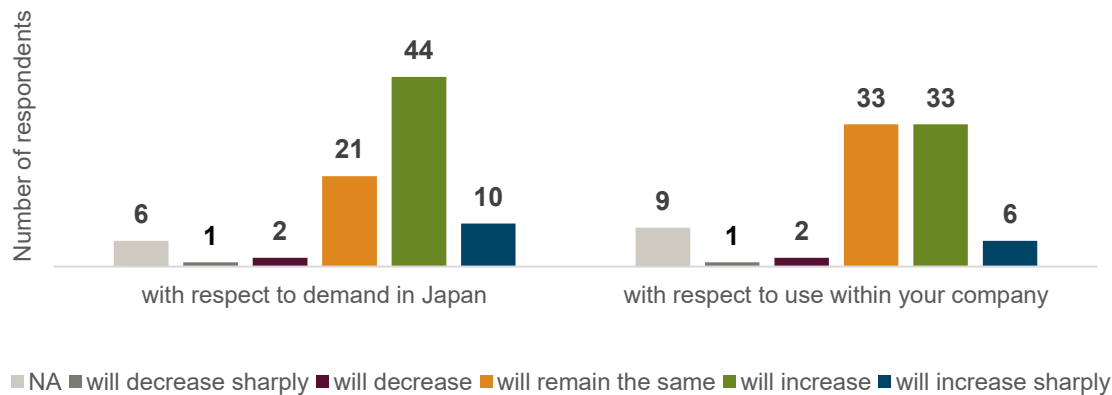
Overall, the results indicate that Austria-related businesses continue to perceive Japan as a high-quality and attractive business environment. While structural challenges persist – such as labour shortages, cost pressures, and ongoing bureaucratic hurdles highlighted in government reports on SME conditions and support measures – the combination of reliable regulatory systems, strong market fundamentals, and active policy support provides a solid foundation for stable operations and selective growth opportunities.



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6. From your company's perspective, how do you assess the development of products and services based on artificial intelligence in the NEXT 12 months?



For 2026, Austrian businesses operating in Japan expect continued growth in demand for AI-related products and services, reflecting the country’s gradual but steady digital transformation. The majority of respondents anticipate further expansion of the AI market, while only very few expect any decline. Companies also foresee a moderate rise in their own in-house use of AI, with many planning to expand internal adoption to enhance operational efficiency, process automation, and decision support.

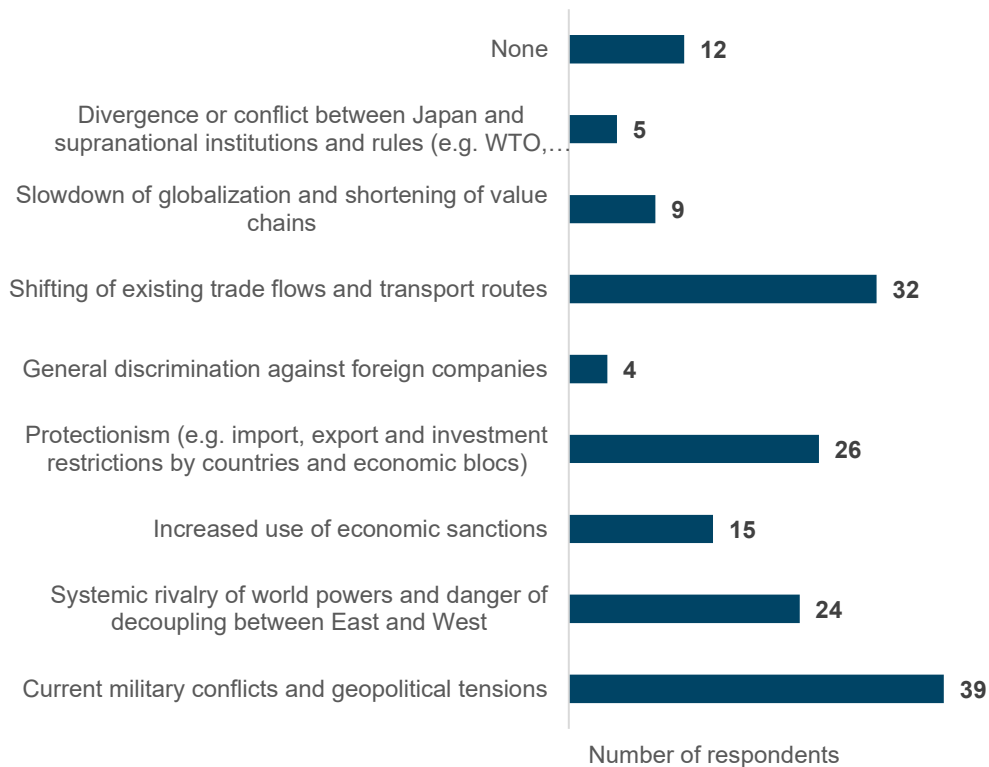
Compared with last year’s results, expectations for both external demand and internal adoption have strengthened noticeably. Fewer companies expect stagnation, and a higher share anticipate growth, indicating greater confidence in the relevance and applicability of AI within the Japanese market as well as within their own operations.

Japan’s AI market continues to develop in a pragmatic and incremental manner, focusing on practical applications rather than rapid disruption. Industries such as manufacturing, logistics, and finance are increasingly integrating AI into predictive analytics, quality control, and workflow optimization, while larger corporations continue to invest in domestic AI infrastructure and talent development.

Regulatory and policy frameworks remain supportive yet cautious, emphasizing guidance, accountability, and responsible implementation. Government initiatives, including the **METI AI Guidelines for Business** and **ongoing measures to expand AI utilization across sectors** – promote innovation, standardization, and responsible adoption. These efforts are complemented by national programs supporting productivity, digital transformation, and advanced technologies, including AI.

Overall, the 2026 outlook suggests steady and sustainable growth in AI adoption. Austrian-related businesses in Japan are likely to benefit from rising market demand and further improvements in operational efficiency, innovation-oriented AI development.

7. Which current geopolitical phenomena pose the greatest risk potential for the economic activity of Japan?



In 2025, Austrian businesses operating in Japan identified current military conflicts and broader geopolitical tensions as the primary risks to their business activities. Other frequently mentioned concerns include shifts in trade flows, protectionist measures, and the systemic rivalry between major world powers, all of which highlight the impact of geopolitical uncertainty on supply chains, logistics, and market access.

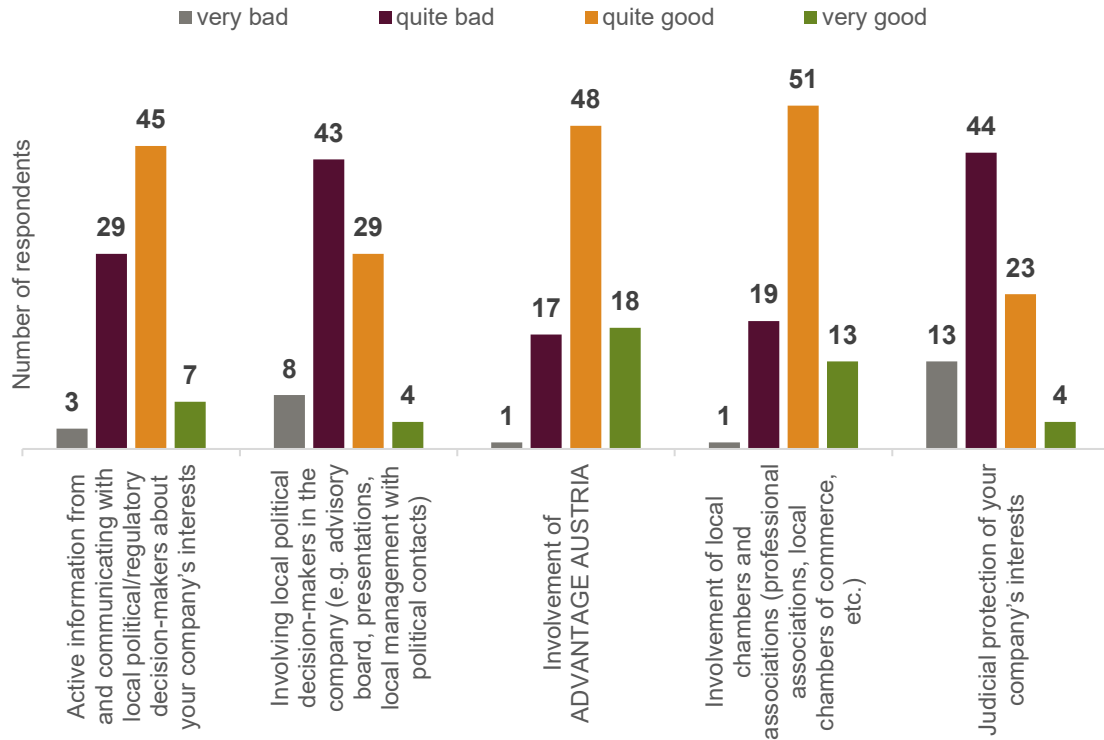
Compared with last year’s results, the overall pattern remains broadly unchanged. Military conflicts and geopolitical tensions again rank as the main risk factor, followed by shifting trade flows and transport routes. Protectionism and systemic rivalry remain relevant but show no major shift from the previous cycle. The share of respondents reporting no significant risks also remains similar, indicating a largely stable risk perception year on year.

According to [Eurasia Group’s Top Risks 2026: Implication for Japan](#), rising geopolitical tensions and trade-related disruptions will continue to shape Japan’s economic environment, particularly through exposure to China’s economic slowdown and U.S.-Japan trade frictions. Similarly, [PwC’s Japan 2026 Geopolitical Risk Outlook](#) emphasizes the need for stronger supply-chain resilience as global power competition, tariff policies, and economic security measures increasingly influence business conditions.

The [UN World Economic Situation and Prospects 2026](#) report notes that geopolitical tensions, trade uncertainty and protectionist measures pose ongoing risks to global economic stability, with Japan’s growth outlook affected by slower external demand and elevated global risks.

Overall, the findings show that geopolitical uncertainty remains a key external factor for Austria-related businesses in Japan, reinforcing the importance of flexible planning and resilient operations in 2026.

8. How do you assess the effectiveness of the following measures to advance your company's interests in Japan?

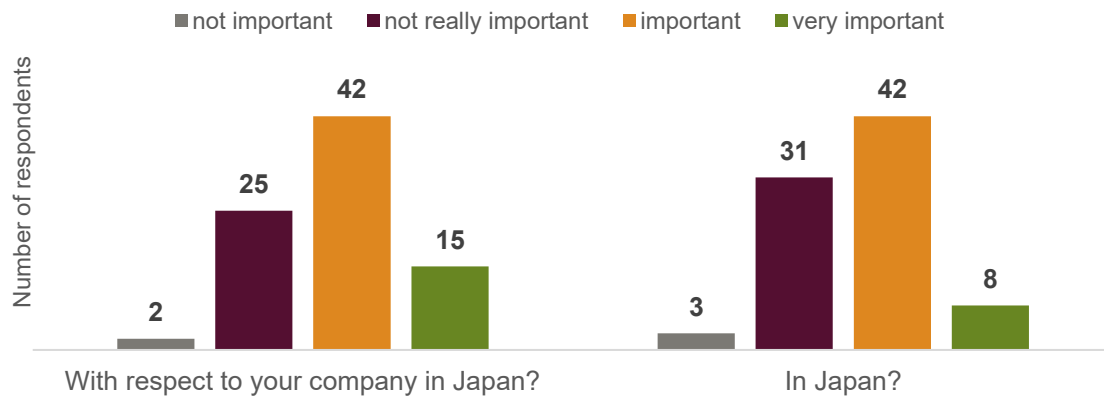


Enforcing business interests abroad remains a complex task, and Austrian businesses in Japan continue to rely on multiple channels to support their operations. ADVANTAGE AUSTRIA remains a particularly effective partner, consistently helping companies navigate the local market and promote their interests. Collaboration with local chambers and professional associations is also perceived positively, supporting networking, information exchange, and advocacy efforts.

In contrast, engagement with local political decision-makers continues to be more challenging. While communication with authorities provides some benefit, efforts to actively involve political contacts in advisory roles or company presentations are still less effective. Similarly, judicial protection of business interests represents an area where companies must remain vigilant.

Overall, Austria-related businesses in Japan benefit from structured institutional support, particularly through ADVANTAGE AUSTRIA and local associations, while recognizing that direct political engagement and legal frameworks require ongoing attention. These measures collectively provide a solid foundation for advancing business objectives and managing operational risks in the Japanese market.

9. How important is the topic of sustainability?



Sustainability is widely recognized as an important strategic topic among Austrian businesses operating in Japan. Most respondents consider sustainability important or very important for their own business activities, underlining a growing commitment to environmental, social, and governance practices that support long-term competitiveness and stakeholder expectations.

From a broader market perspective, sustainability continues to gain traction in Japan as well. According to [The Japan Times' "2026: Advancing sustainability together with growth"](#), there is increasing attention to how companies and public institutions can work toward realizing a sustainable society, reflecting ongoing initiatives and public discourse around ESG, SDGs, and corporate responsibility in 2026.

Overall, the survey results indicate that Austria-related businesses are aligning their own sustainability efforts with wider trends in the Japanese market, proactively pursuing responsible business practices while responding to evolving expectations from customers, partners, and regulators.

For more information about this survey please check the following QR-Code:

Global Business Barometer 2026 – Worldwide Highlights:



For more information on Austrian companies, their activities in Japan and business opportunities, please contact

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