



Japan External Trade Organization

**FY2015 Survey on the International
Operations of Japanese Firms**
– JETRO Overseas Business Survey –

March 3, 2016

Japan External Trade Organization (JETRO)

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Survey outline and profile of the respondent firms

Survey outline

1. Survey targets

A total of 9,893 firms (headquarters) with interest in overseas business. The FY2015 survey covered 3,587 JETRO member firms plus 6,306 firms using JETRO services.

* This survey has been conducted annually since FY2002, directed only at JETRO member companies and this year marked its 14th edition. From FY2011, JETRO has expanded the number of subject firms.

2. Survey topics

- (1) International Trade
- (2) Overseas Expansion/Future Domestic Business Expansion
- (3) Utilization of Free Trade Agreements (FTAs)
- (4) Business Environment in Emerging Countries
- (5) Management Localization at Overseas Bases
- (6) Utilization of Foreign Personnel
- (7) CSR Policies

3. Period

November 25, 2015 to January 6, 2016

4. Response

Number of valid replies: 3,005 (of which 1,292 are JETRO member firms)

Response rate: 30.4%

Definitions of large-scale firms, SMEs, etc.

	Manufacturing and other	Wholesale	Retail	Service
Large-scale firms	Firms other than SMEs	Firms other than SMEs	Firms other than SMEs	Firms other than SMEs
Large-scale firms (not including second-tier firms)	Large-scale firms other than second-tier firms	Large-scale firms other than second-tier firms	Large-scale firms other than second-tier firms	Large-scale firms other than second-tier firms
Second-tier firms	More than 300 million but less than 1 billion yen, or more than 300 but less than 3000 employees	More than 100 million but less than 300 million yen, or more than 100 but less than 1000 employees	More than 50 million but less than 300 million yen, or more than 50 but less than 1000 employees	More than 50 million but less than 300 million yen, or more than 100 but less than 1000 employees
SMEs	300 million yen or less, or 300 employees or less	100 million yen or less, or 100 employees or less	50 million yen or less, or 50 employees or less	50 million yen or less, or 100 employees or less
SMEs (not including small businesses)	SMEs other than small businesses	SMEs other than small businesses	SMEs other than small businesses	SMEs other than small businesses
Small businesses	50 million yen or less, or 20 employees or less	10 million yen or less, or 5 employees or less	10 million yen or less, or 5 employees or less	10 million yen or less, or 5 employees or less

Note: The larger categories of "large-scale firms" and "SMEs" are based on the Small and Medium-sized Enterprise Basic Act. "Small businesses" has been defined by JETRO based on the definition of the Small and Medium Enterprise Agency.

Profile of respondent firms

	No. of firms	(%)
All respondent firms	3,005	100.0
Manufacturing	1,633	54.3
Food & beverages	361	12.0
Textiles/clothing	84	2.8
Wood & wood products/furniture & building materials/paper & pulp	62	2.1
Chemicals	102	3.4
Medical products & cosmetics	57	1.9
Coal & petroleum products/plastics/rubber products	86	2.9
Ceramics/earth & stone	27	0.9
Iron & steel/non-ferrous metals/metal products	179	6.0
General machinery	170	5.7
Electrical equipment	103	3.4
IT equipment/electronic parts & devices	52	1.7
Cars/car parts/other transportation machinery	102	3.4
Precision equipment	67	2.2
Other manufacturing	181	6.0
Non-manufacturing	1,372	45.7
Trade and wholesale	687	22.9
Retail	99	3.3
Construction	78	2.6
Transport	74	2.5
Finance & insurance	86	2.9
Communication, information & software	78	2.6
Professional services	74	2.5
Other non-manufacturing	196	6.5
Large-scale firms	638	21.2
Large-scale firms (not including leading medium-sized firms)	163	5.4
Leading medium-sized firms	475	15.8
Small and medium-sized enterprises (SMEs)	2,367	78.8
SMEs (not including small businesses)	1,037	34.5
Micro-businesses	1,330	44.3

Profile of respondent firms (export destinations)

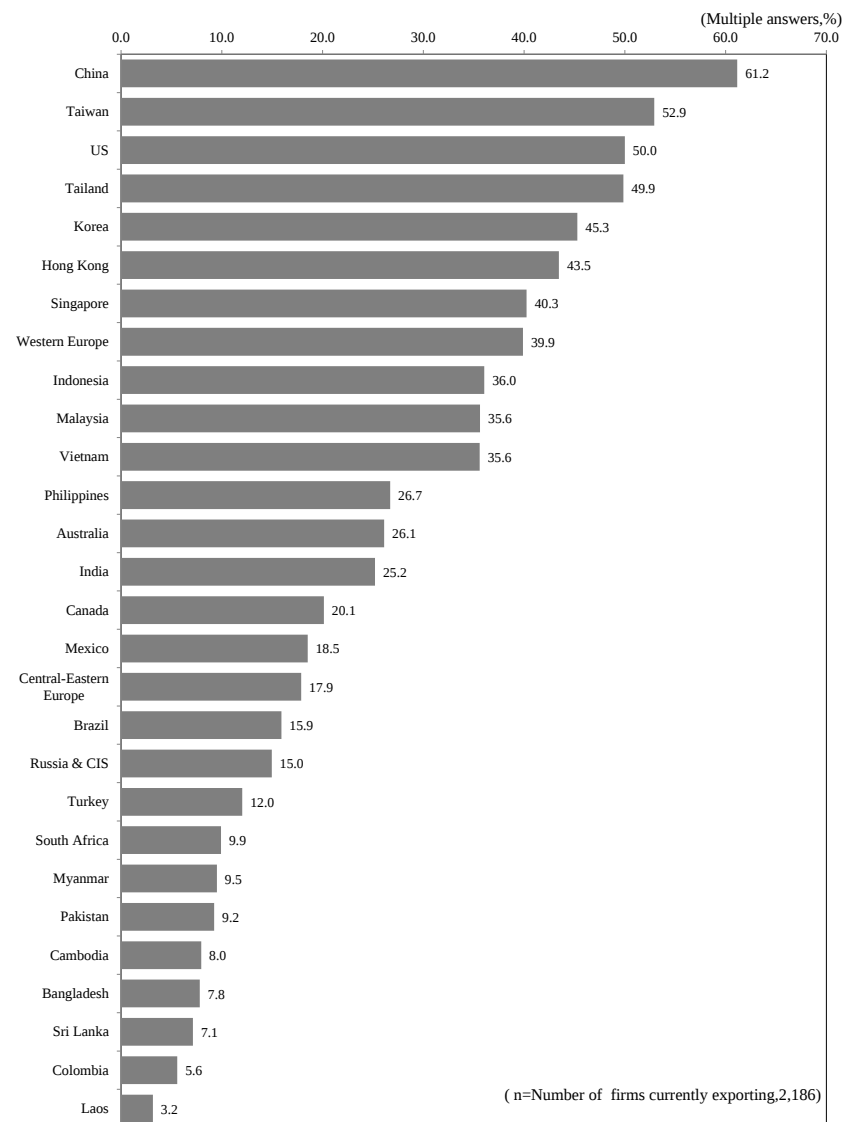
Firms with export operations (by industry and firm size)

	Currently exporting	Exports only	Not currently exporting	No answer
All respondent firms (n=3,005)	72.7	25.6	26.6	0.7
Manufacturing (n=1,633)	86.8	32.4	12.9	0.3
Food & beverages (n=361)	82.5	58.2	16.6	0.8
Textiles/clothing (n=84)	78.6	19.0	21.4	0.0
Wood & wood products/furniture & building materials/paper & pulp (n=62)	75.8	19.4	24.2	0.0
Chemicals (n=102)	91.2	15.7	8.8	0.0
Medical products & cosmetics (n=57)	91.2	19.3	8.8	0.0
Coal & petroleum products/plastics/rubber products (n=86)	93.0	27.9	7.0	0.0
Ceramics/earth & stone (n=27)	88.9	29.6	11.1	0.0
Iron & steel/non-ferrous metals/metal products (n=179)	82.1	29.6	17.9	0.0
General machinery (n=170)	95.3	26.5	4.7	0.0
Electrical equipment (n=103)	90.3	27.2	8.7	1.0
IT equipment/electronic parts & devices (n=52)	96.2	13.5	3.8	0.0
Cars/car parts/other transportation machinery (n=102)	85.3	23.5	14.7	0.0
Precision equipment (n=67)	94.0	29.9	6.0	0.0
Other manufacturing (n=181)	85.6	30.4	13.8	0.6
Non-manufacturing (n=1,372)	56.0	17.4	42.9	1.1
Trade and wholesale (n=687)	78.9	18.3	20.8	0.3
Retail (n=99)	56.6	28.3	42.4	1.0
Construction (n=78)	38.5	15.4	61.5	0.0
Transport (n=74)	28.4	8.1	70.3	1.4
Finance & insurance (n=86)	0.0	0.0	94.2	5.8
Communication, information & software (n=78)	33.3	20.5	66.7	0.0
Professional services (n=74)	29.7	16.2	68.9	1.4
Other non-manufacturing (n=196)	36.7	19.9	60.7	2.6
Large-scale firms (n=638)	69.1	10.0	29.8	1.1
Large-scale firms (not including leading medium-sized firms) (n=163)	68.1	4.9	31.9	0.0
Leading medium-sized firms (n=475)	69.5	11.8	29.1	1.5
SMEs (n=2,367)	73.7	29.7	25.7	0.5
SMEs (not including small businesses) (n=1,037)	76.7	22.3	22.9	0.5
Micro-businesses (n=1,330)	71.4	35.6	28.0	0.6

[Notes]

1. "Export only" refers to the firms which do not import anything among the firms with export operations.
2. "Not currently exporting" refers to firms other than firms with export operations and firms with no answer about current overseas business.

Export destinations of exporting firms (by country and region)



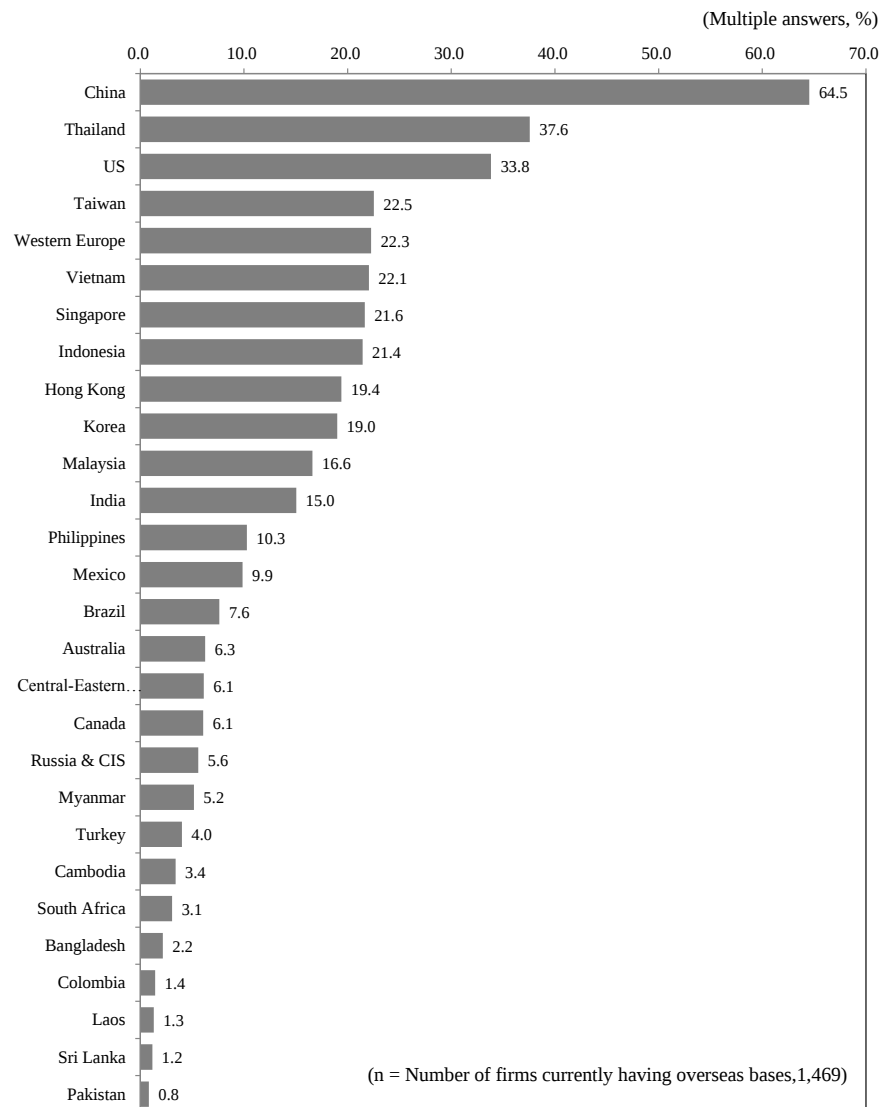
Profile of respondent firms (status of overseas expansion)

Firms with overseas bases (by industry and firm size)

	(%)		
	With overseas bases	Without overseas bases	No answer
All respondent firms (n=3,005)	48.9	50.4	0.7
Manufacturing (n=1,633)	52.7	47.0	0.3
Food & beverages (n=361)	23.8	75.3	0.8
Textiles/clothing (n=84)	57.1	42.9	0.0
Wood & wood products/furniture & building materials/paper & pulp (n=62)	45.2	54.8	0.0
Chemicals (n=102)	70.6	29.4	0.0
Medical products & cosmetics (n=57)	47.4	52.6	0.0
Coal & petroleum products/plastics/rubber products (n=86)	69.8	30.2	0.0
Ceramics/earth & stone (n=27)	70.4	29.6	0.0
Iron & steel/non-ferrous metals/metal products (n=179)	62.6	37.4	0.0
General machinery (n=170)	62.9	37.1	0.0
Electrical equipment (n=103)	69.9	29.1	1.0
IT equipment/electronic parts & devices (n=52)	63.5	36.5	0.0
Cars/car parts/other transportation machinery (n=102)	76.5	23.5	0.0
Precision equipment (n=67)	56.7	43.3	0.0
Other manufacturing (n=181)	44.8	54.7	0.6
Non-manufacturing (n=1,372)	44.3	54.6	1.1
Trade and wholesale (n=687)	45.1	54.6	0.3
Retail (n=99)	26.3	72.7	1.0
Construction (n=78)	53.8	46.2	0.0
Transport (n=74)	59.5	39.2	1.4
Finance & insurance (n=86)	50.0	44.2	5.8
Communication, information & software (n=78)	30.8	69.2	0.0
Professional services (n=74)	43.2	55.4	1.4
Other non-manufacturing (n=196)	44.4	53.1	2.6
Large-scale firms (n=638)	82.8	16.1	1.1
Large-scale firms (not including leading medium-sized firms) (n=163)	93.3	6.7	0.0
Leading medium-sized firms (n=475)	79.2	19.4	1.5
Small and medium-sized enterprises (SMEs) (n=2,367)	39.8	59.7	0.5
SMEs (not including small businesses) (n=1,037)	52.9	46.6	0.5
Micro-businesses (n=1,330)	29.5	69.9	0.6

[Notes] Agencies are not included in overseas bases.

Country and region of overseas bases



1. International trade

- Motivation to expand exports highest in five years -

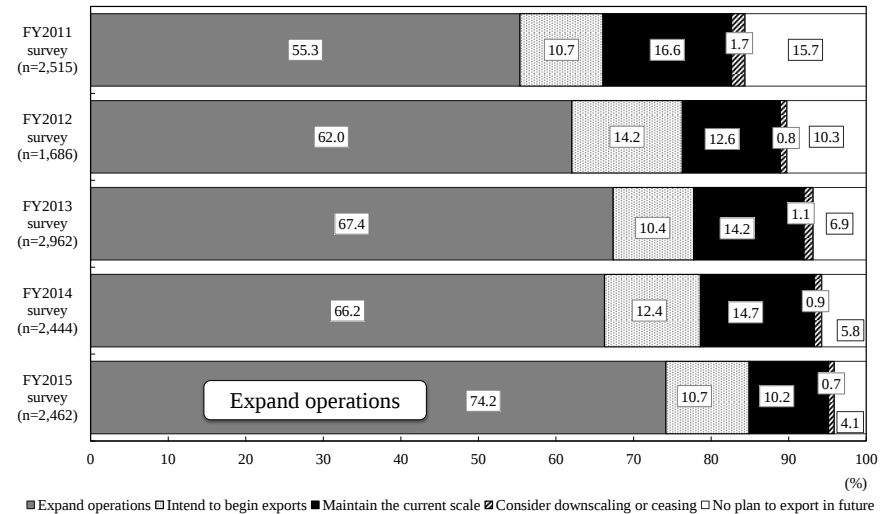
International trade: Future export plans

Appetite for expanding exports sharply increased

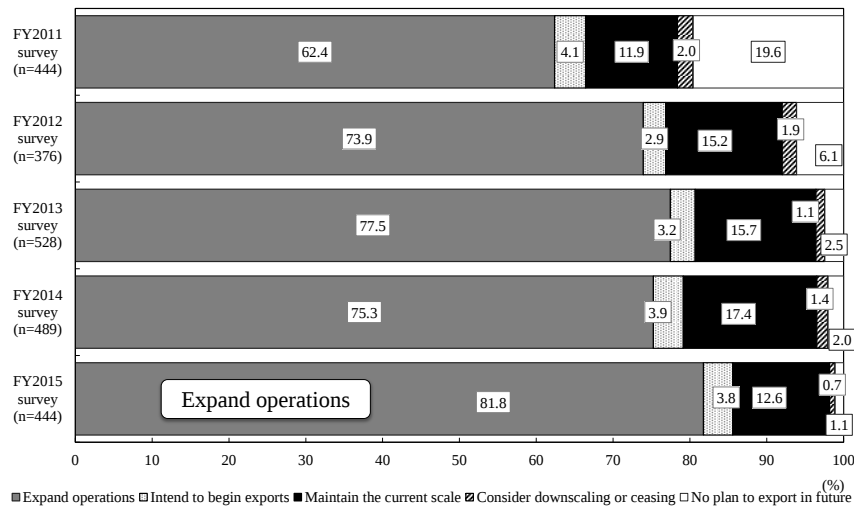
Regarding the export policies over the next three years or so, companies planning to expand exports increased to 74.2%, the highest it has been in the past five years, from 66.2% a year earlier. When adding those intending to launch exports (10.7%), the percentage of companies expressing high motivation to expand exports reaches 84.9%.

By firm size, 81.8% of the respondent large-scale firms intend to expand exports. The percentage of SMEs intending to do so reached 72.5%. By type of industry, 88.9% intend to expand exports in medical products & cosmetics, followed by 86.0% in IT equipment/electronic parts & devices and 85.6% in chemicals.

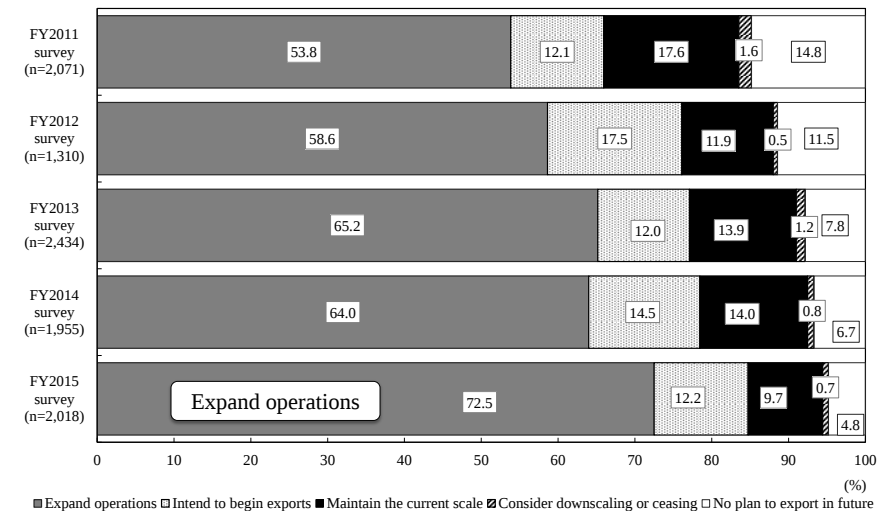
Policy on exports for about the next 3 years, including FY2015



Large-scale firms



SMEs



[Note] Ratio to the total number of respondent firms excluding those “not in industries with export operations” and those with “no answer.”

International trade: Future export plans

Policy on exports for about the next 3 years, including FY2015 (By industry)

(%)

	Number of firms	Conducting export operations now and intending to expand	Not conducting export operations now, but intending to begin exports	Conducting export operations now and maintaining the current scale	Conducting export operations now, but considering downscaling or ceasing	Neither conducting export operations now nor intending to export in future
All respondent firms	2,462	74.2	10.7	10.2	0.7	4.1
Manufacturing	1,516	77.0	7.6	12.0	0.7	2.7
Food & beverages	341	77.4	11.7	7.3	0.0	3.5
Textiles/clothing	80	67.5	16.3	11.3	1.3	3.8
Wood & wood products/furniture & building materials/paper & pulp	52	67.3	9.6	15.4	1.9	5.8
Chemicals	97	85.6	6.2	6.2	0.0	2.1
Medical products & cosmetics	54	88.9	5.6	5.6	0.0	0.0
Coal & petroleum products/plastics/rubber products	78	71.8	2.6	23.1	1.3	1.3
Ceramics/earth & stone	24	83.3	0.0	12.5	0.0	4.2
Iron & steel/non-ferrous metals/metal products	163	68.1	9.2	17.2	0.6	4.9
General machinery	161	83.2	1.9	13.7	0.6	0.6
Electrical equipment	96	82.3	5.2	9.4	0.0	3.1
IT equipment/electronic parts & devices	50	86.0	2.0	8.0	4.0	0.0
Cars/car parts/other transportation machinery	87	62.1	6.9	26.4	1.1	3.4
Precision equipment	65	80.0	4.6	13.8	0.0	1.5
Other manufacturing	168	80.4	7.7	8.9	1.2	1.8
Non-manufacturing	946	69.6	15.8	7.4	0.8	6.4
Trade and wholesale	631	74.6	11.6	7.6	1.1	5.1
Retail	78	57.7	26.9	7.7	0.0	7.7
Construction	38	60.5	15.8	13.2	0.0	10.5
Transport	23	60.9	8.7	26.1	0.0	4.3
Communication, information & software	46	45.7	37.0	2.2	0.0	15.2
Professional services	29	69.0	24.1	0.0	3.4	3.4
Other non-manufacturing	98	65.3	4.1	23.5	0.0	7.1

[Note] Highlighted cells indicate that the response rate is 80% or more. The table only shows the industries where the number of respondent firms is 10 or more.

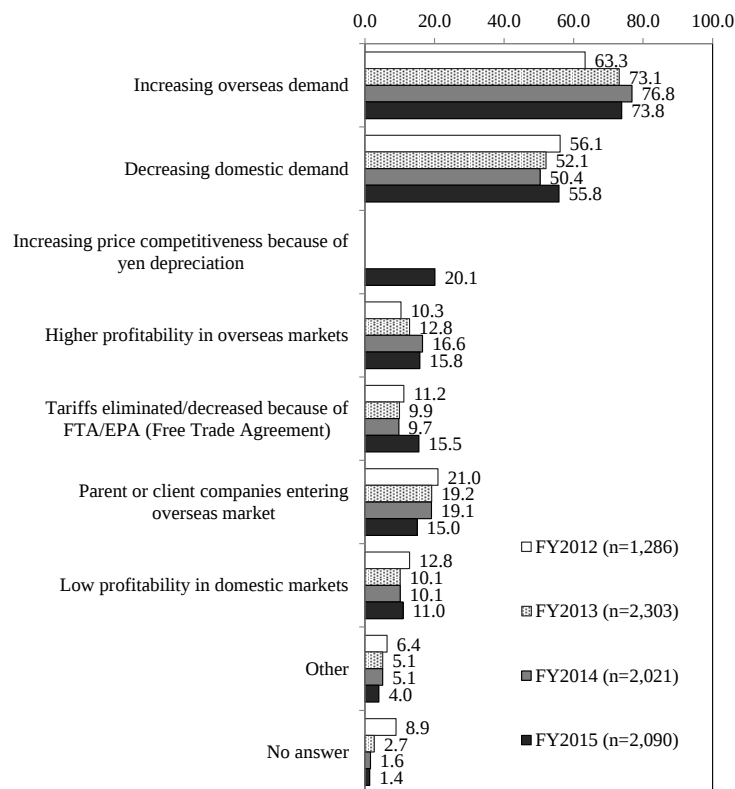
International trade: Reasons for expanding export operations

■ The biggest reason for efforts for international trade is increasing overseas demand

Among the reasons for this positive stance, increased overseas demand ranked first at 73.8%, followed by “decreasing domestic demand” (55.8%) and “increasing price competitiveness because of yen depreciation” (20.1%). The percentage of firms answering “tariffs eliminated/decreased because of FTA/EPA” as a reason for expanding export operations increased from 9.7% in the previous year to 15.5%. As a reason for expanding export operations, “increasing price competitiveness because of yen depreciation” is stronger in the case of SMEs than in the case of large-scale firms.

Reasons for expanding export operations (total)

(Multiple answers,%)



Reasons for expanding export operations (by firm size , by industry)

(Multiple answers,%)

	Total (n=2,090)	By firm size		By industry	
		Large-scale firms (n=380)	SMEs (n=1,710)	Manufacturing (n=1,283)	Non-manufacturing (n=807)
Increasing overseas demand	73.8	82.4	71.9	75.1	71.7
Decreasing domestic demand	55.8	59.5	55.0	61.6	46.6
Increasing price competitiveness because of yen depreciation	20.1	18.2	20.6	19.6	20.9
Higher profitability in overseas markets	15.8	15.0	16.0	13.6	19.3
Tariffs eliminated/decreased because of FTA/EPA (Free Trade Agreement)	15.5	19.7	14.6	15.0	16.2
Parent or client companies entering overseas market	15.0	29.2	11.9	15.0	15.1
Low profitability in domestic markets	11.0	8.9	11.4	9.4	13.4
Other	4.0	2.9	4.3	3.5	4.8
No answer	1.4	0.5	1.6	0.9	2.1

[Notes] 1. Percentage to the total number of respondent firms answering “expand operations” or “intend to begin exports” as the export policy for the future; 2. “Increasing price competitiveness because of yen depreciation” was newly added in FY2015.

2. Overseas expansion, future domestic business expansion

- Intention to expand business overseas still high but reaching point of saturation. Majority of companies intend to expand domestic business for two consecutive years. -**

Overseas expansion: Future overseas expansion policy

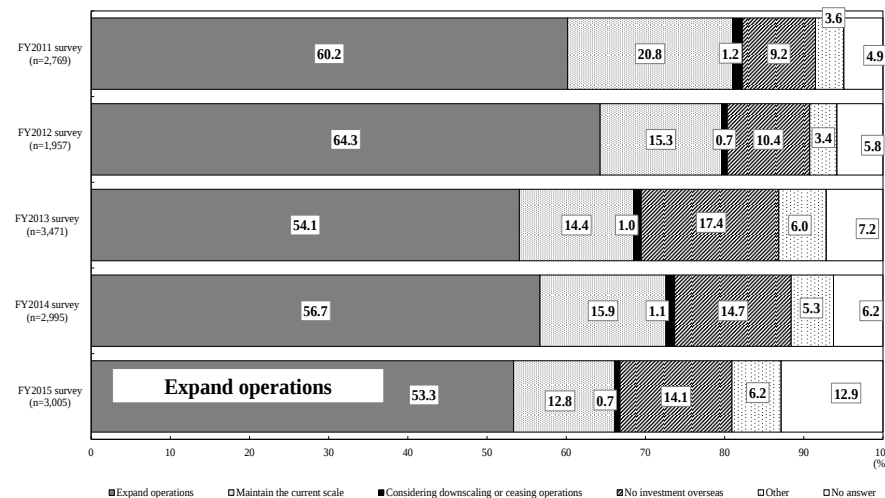
Intention to expand business overseas still high but reaching point of saturation

When asked about future (the next three years or so) overseas expansion policies, the percentage answering “expand operations” was 53.3%, decreased from the previous year’s survey (56.7%).

Although a majority of large-scale firms at 63.8% answered “expand operations,” their intention to do so has been beginning to subside since FY2011.

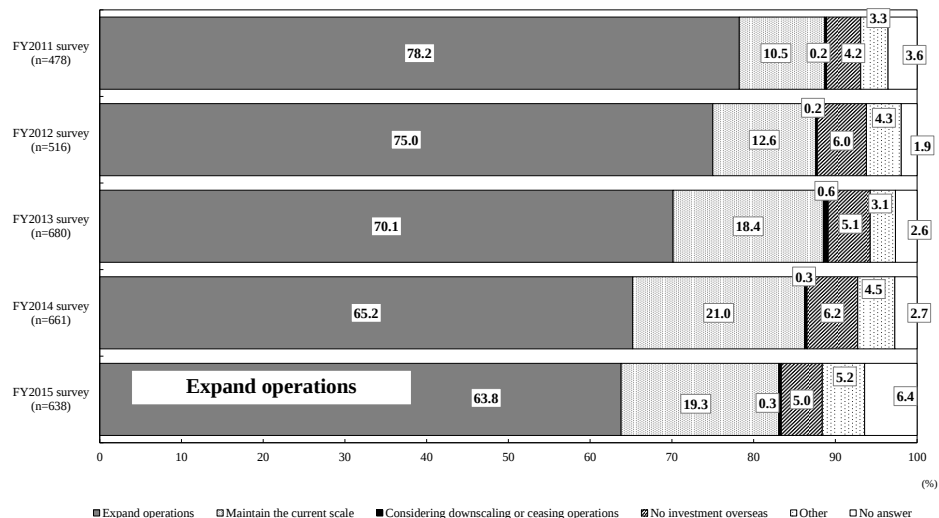
In the case of SMEs also, the percentage answering “expand operations” decreased from 54.3% in the previous year to 50.5%.

Future overseas expansion policy (total)

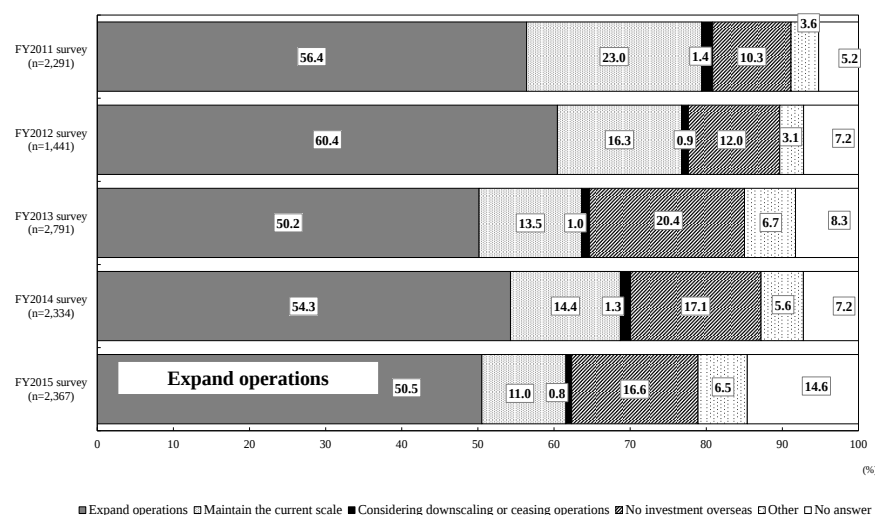


[Notes] Since FY2013 survey, "expand operations" has included respondents reporting that they currently have overseas bases and are planned to expand them further in the future and those reporting that they currently have no overseas bases but intend to invest in the future.

Large-scale firms



SMEs

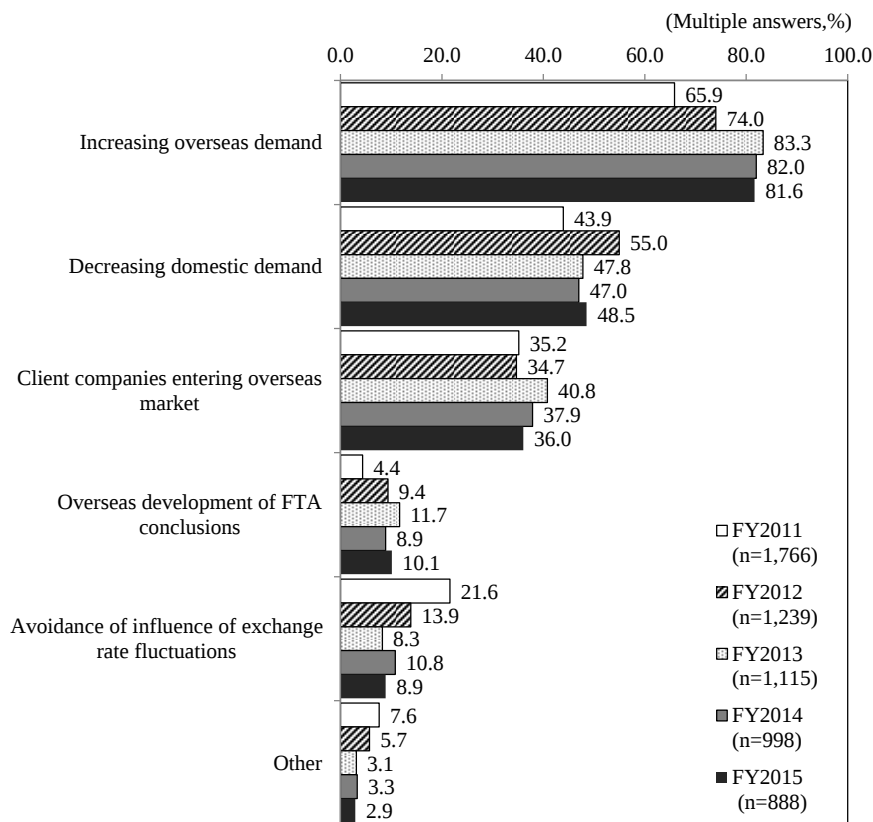


Reasons for expanding overseas operations

■ The biggest reason is to keep up with changes in demand.

As a reason for expanding overseas operations, 81.6% of the respondent firms answered “increasing overseas demand.” By firm size, 86.3% of the large-scale firms answered so. By industry, 83.8% of the manufacturing firms chose the answer. The second and third biggest reasons are “decreasing domestic demand” (48.5%) and “client companies entering overseas market” (36.0%).

Reasons for expanding overseas operations (total)



Reasons for expanding overseas operations (total, by firm size, by industry)

(Multiple answers,%)

	Total (n=888)	By firm size		By industry	
		Large-scale firms (n=366)	SMEs (n=522)	Manufacturing (n=513)	Non-manufacturing (n=375)
Increasing overseas demand	81.6	86.3	78.4	83.8	78.7
Decreasing domestic demand	48.5	50.0	47.5	52.8	42.7
Client companies entering overseas market	36.0	43.7	30.7	33.1	40.0
High profitability in overseas markets	15.7	14.5	16.5	15.4	16.0
Overseas development of FTA conclusions	10.1	10.7	9.8	9.2	11.5
High domestic costs, such as labor costs and tax burden	9.1	9.3	9.0	10.3	7.5
Avoidance of influence of exchange rate fluctuations	8.9	7.7	9.8	10.1	7.2
Other	2.9	2.7	3.1	3.1	2.7

Notes: 1) The number in FY2011 and FY2012 indicates the number of firms answering that they intend to begin and expand overseas operations after excluding the number of firms which gave no answer regarding reasons to expand. However, the number in FY2013 and thereafter indicates the number of firms “intending to expand overseas operations” after excluding the number of firms which gave no answer regarding reasons to expand. 2) For comparison with past years, results in answers to “impact of the strong yen” in the FY2011 and FY2012 surveys are labeled here as “avoidance of influence of exchange rate fluctuations”. 3) “High profitability in overseas markets” is an item added in FY2015 and “High domestic costs, such as labor costs and tax burden” is an item added in FY2013.

Domestic business: Future domestic business expansion

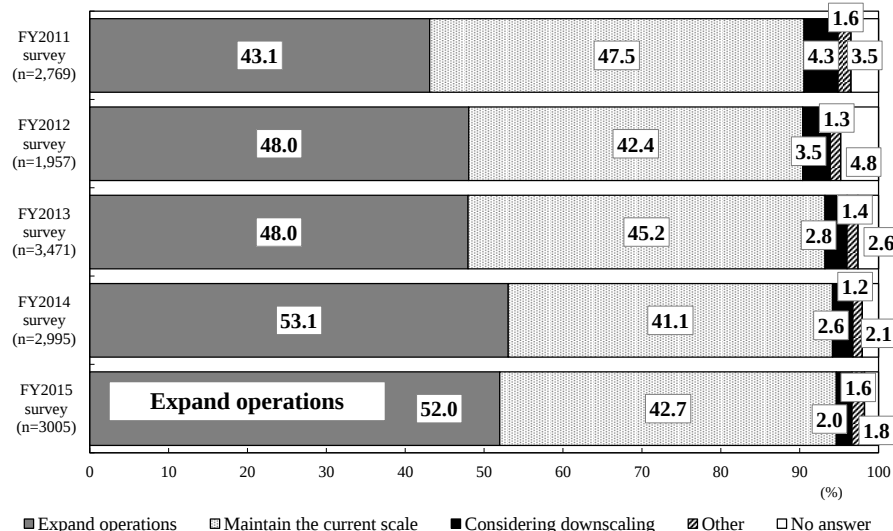
Majority of companies intend to expand domestic business for two consecutive years

When asked about future domestic business expansion policies (over the next three years or so), the percentage answering “expand operations” was 52.0%. As well as the last year’s figure (53.1%), the percentage exceeded 50% for two consecutive years.

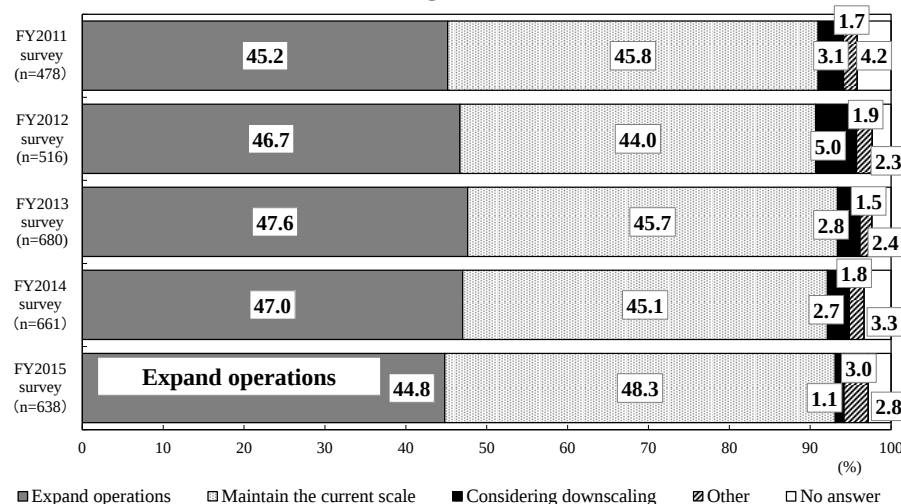
While the percentage of large-scale companies answering “expand operations” decreased from 47.0% in the previous year to 44.8%, the percentage of SMEs answering so leveled off from 54.8% in the previous year to 53.9%.

By industry, the percentage of non-manufacturers answering “expand operations” decreased from 56.1% to 53.1%. On the other hand, the percentage of manufacturers answering so did not change much, going from 51.0% to 50.8%.

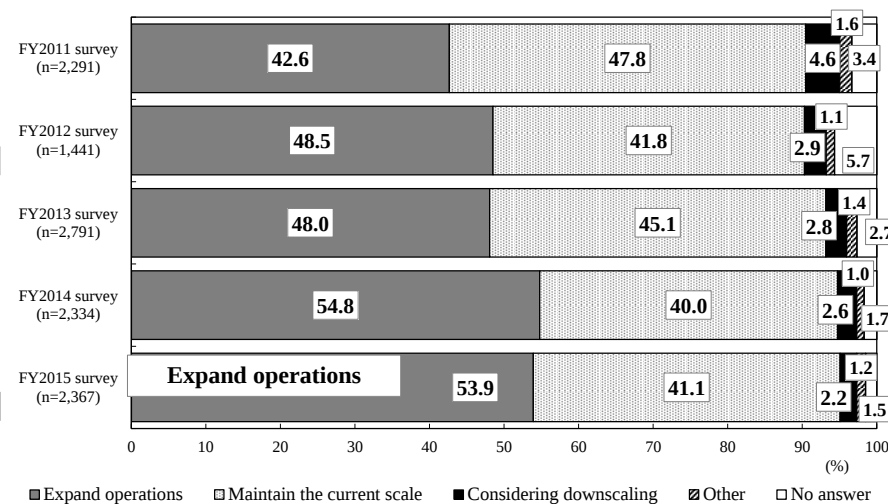
Future domestic business expansion (total)



Large-scale firms



SMEs



Reasons for expanding domestic business

■ The biggest reason is increasing domestic demand

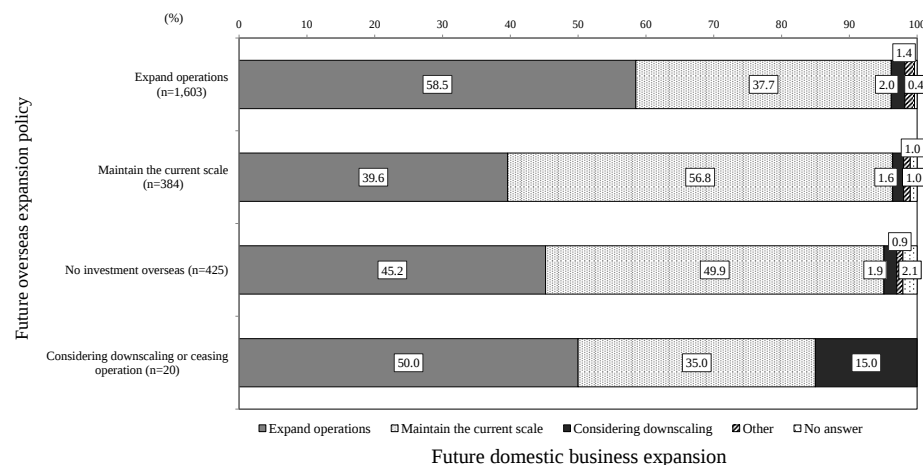
As a reason for expanding domestic business, the largest percentage (55.5%) of the respondent firms answered “increasing domestic demand,” followed by those answering “high profitability in domestic markets” (27.1%). In addition, 58.5% of the firms with the policy to expand overseas operations answered that they will also expand domestic business, which shows that firms expanding overseas operations tend to expand domestic business.

Reasons for expanding domestic business (total, by firm size, by industry)

(Multiple answers, %)

	Total (n=1,520)	By firm size		By industry	
		Large-scale firms (n=280)	SMEs (n=1,240)	Manufacturing (n=814)	Non-manufacturing (n=706)
Increasing domestic demand	55.5	51.4	56.4	53.7	57.5
High profitability in domestic markets	27.1	27.9	26.9	31.3	22.2
Client companies' return to Japan	9.4	9.3	9.4	9.6	9.2
Avoidance of influence of exchange rate fluctuations	6.8	5.7	7.0	7.1	6.4
Development of FTA conclusions in Japan	4.2	5.4	4.0	4.3	4.1
High overseas costs, such as labor costs and tax burden	3.9	2.5	4.2	4.7	3.0
Decreasing overseas demand	2.2	1.8	2.3	2.6	1.8
Other	20.2	23.6	19.4	20.4	20.0

Future direction of domestic business by policy toward overseas expansion (total)



[Note] Each total number indicates the number of firms “intending to expand overseas operations” after excluding the number of firms which gave no answer regarding reasons to expand.

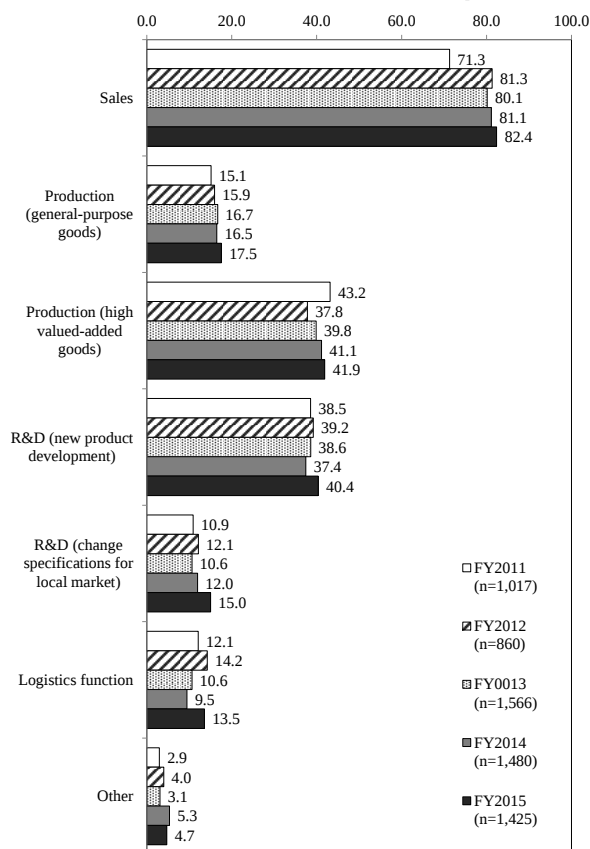
Functions to be expanded domestically

Domestically, importance is placed on sales, production of high value-added goods, and new product development

82.4% of firms that said they had plans to expand their business scale in Japan reported plans to expand sales functions. The next most common answers were expansion of production (high value-added goods), cited by 41.9%, and expansion of R&D (new product development), cited by 40.4%.

Functions to be expanded domestically (total)

(Multiple answers, %)



[Note] Percentage of the total number of firms which will “expand domestic business for the next three years or so,” excluding those with no answer about functions to be expanded

Functions to be expanded domestically (by firm size, industry)

(Multiple answers, %)

	Total (n=1,425)	By firm size		By industry	
		Large-scale firms (n=241)	SMEs (n=1,184)	Manufacturing (n=772)	Non-manufacturing (n=653)
Sales	82.4	73.4	84.2	84.3	80.1
Production (general-purpose goods)	17.5	18.3	17.4	24.6	9.2
Production (high-valued added goods)	41.9	38.2	42.7	57.5	23.4
R & D (new product development)	40.4	36.1	41.2	54.7	23.4
R & D (change specifications for local market)	15.0	10.8	15.9	22.0	6.7
Logistics function	13.5	15.8	13.1	12.0	15.3
Other	4.7	10.0	3.6	1.3	8.7

3. Overseas expansion (by country/region, functions)

- Motivation to expand business grows in US, Vietnam, Western Europe, and India -**

Overseas expansion by country and region (time-series comparison)

■ Appetite for expansion increased in the US, Vietnam, Western Europe, India and more.

Among investment destinations cited by companies intending to expand business overseas, China and Thailand continue to rank first and second place, although the rate of responses for the two countries decreased respectively to 53.7% from 56.5% the year before and to 41.7% from 44.0%. Meanwhile, the year-to-year rate increased in such countries and regions as the US (3rd place at 33.7%, from 31.3%), Vietnam (4th place at 32.4%, from 28.7%), Western Europe (7th place at 20.6%, from 18.1%) and India (8th place at 20.1%, from 16.1%).

Overseas expansion by country and region

(Multiple answers, %)

Country/Region	FY2015		FY2014		FY2013		FY2012		FY2011		Changes on previous survey			
	(n=895)	Rank	(n=1,001)	Rank	(n=1,119)	Rank	(n=1,149)	Rank	(n=1,602)	Rank	FY2015	FY2014	FY2013	FY2012
China	53.7	(1)	56.5	(1)	56.9	(1)	59.2	(1)	67.9	(1)	Δ2.8	Δ0.4	Δ2.3	Δ8.7
Thailand	41.7	(2)	44.0	(2)	47.0	(2)	41.2	(2)	27.9	(2)	Δ2.3	Δ3.0	+ 5.8	+ 13.3
US	33.7	(3)	31.3	(4)	25.4	(5)	26.0	(4)	21.1	(5)	+ 2.4	+ 5.9	Δ0.6	+ 4.9
Vietnam	32.4	(4)	28.7	(5)	29.6	(4)	25.9	(5)	20.3	(6)	+ 3.7	Δ0.9	+ 3.6	+ 5.6
Indonesia	31.8	(5)	34.4	(3)	35.0	(3)	32.0	(3)	24.7	(3)	Δ2.6	Δ0.6	+ 3.0	+ 7.4
Taiwan	21.6	(6)	21.0	(6)	20.0	(6)	21.8	(6)	18.5	(8)	+ 0.6	+ 1.0	Δ1.8	+ 3.3
Western Europe	20.6	(7)	18.1	(8)	15.7	(10)	15.9	(10)	15.7	(9)	+ 2.5	+ 2.4	Δ0.2	+ 0.2
India	20.1	(8)	16.1	(9)	19.2	(7)	19.4	(7)	21.8	(4)	+ 4.0	Δ3.1	Δ0.2	Δ2.4
Korea	16.5	(9)	15.9	(11)	17.2	(9)	18.8	(8)	18.8	(7)	+ 0.6	Δ1.3	Δ1.6	+ 0.0
Singapore	16.1	(10)	19.3	(7)	18.3	(8)	17.8	(9)	14.0	(11)	Δ3.2	+ 1.0	+ 0.5	+ 3.8
Malaysia	15.5	(11)	14.8	(12)	15.4	(11)	15.7	(12)	12.2	(12)	+ 0.7	Δ0.6	Δ0.3	+ 3.5
Hong Kong	14.2	(12)	16.1	(9)	15.4	(11)	15.8	(11)	14.2	(10)	Δ1.9	+ 0.7	Δ0.5	+ 1.6
Myanmar	11.5	(13)	10.1	(14)	10.9	(13)	-	-	-	-	+ 1.4	Δ0.8	-	-
Philippines	11.3	(14)	10.8	(13)	10.9	(13)	7.5	(14)	5.1	(15)	+ 0.5	Δ0.1	+ 3.4	+ 2.4
Mexico	10.9	(15)	10.1	(14)	7.6	(16)	5.6	(16)	3.1	(18)	+ 0.8	+ 2.5	+ 2.0	+ 2.4
Central-Eastern Europe	7.0	(16)	6.1	(18)	3.3	(19)	4.2	(17)	4.7	(16)	+ 0.9	+ 2.8	Δ0.9	Δ0.5
Cambodia	6.0	(17)	5.3	(19)	5.4	(18)	-	-	-	-	+ 0.7	Δ0.1	-	-
Brazil	5.1	(18)	6.9	(16)	8.0	(15)	8.4	(13)	7.4	(13)	Δ1.8	Δ1.1	Δ0.4	+ 1.1
Australia	4.6	(19)	2.8	(21)	3.3	(19)	3.7	(18)	4.0	(17)	+ 1.8	Δ0.5	Δ0.3	Δ0.3
Russia & CIS	4.1	(20)	6.2	(17)	6.5	(17)	5.8	(15)	6.9	(14)	Δ2.1	Δ0.3	+ 0.7	Δ1.1
ASEAN-6	73.2		73.5		74.8		69.0		56.3		Δ0.3	Δ1.3	+ 5.8	+ 12.7

Notes:

1) The figures in each survey year consist of firms intending to expand overseas business in the next three years or so, after excluding those who did not answer on functions planned to be expanded. The “firms intending to expand overseas business” are the firms answering “expand overseas operations” in FY2011 and FY2012, and the firms answering “Currently has an overseas base and is planning to expand them” in and after FY2013.

2) No country break down for Western Europe, Russia & CIS, and Central-Eastern Europe. Myanmar and Cambodia were not covered by the surveys before FY2013.

3) ASEAN6 refers to the total for the six countries of Singapore, Thailand, Malaysia, Indonesia, the Philippines, and Vietnam (excluding duplication).

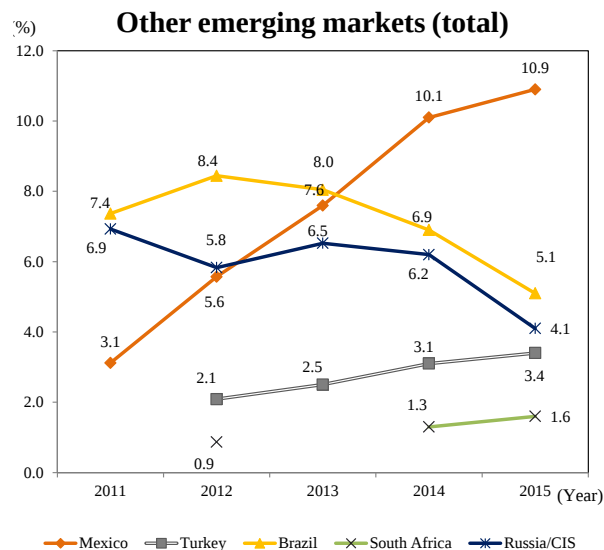
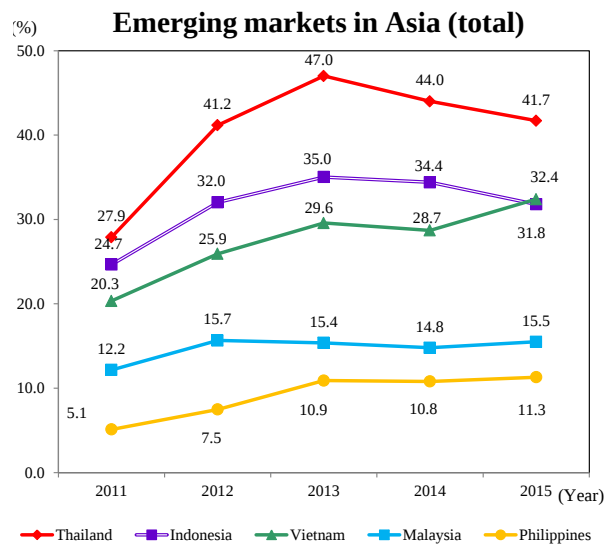
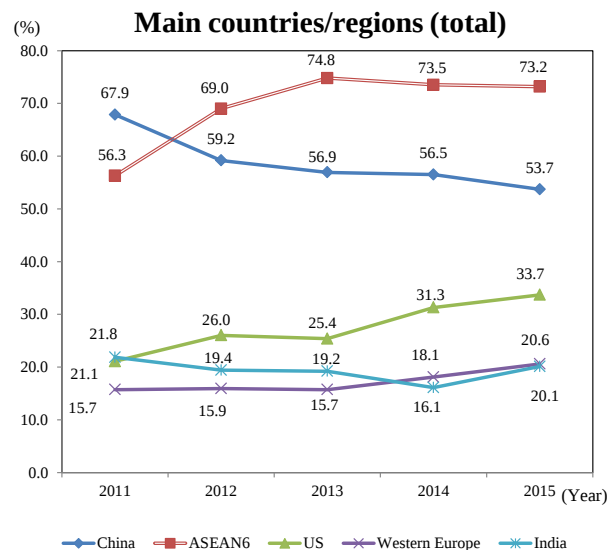
Overseas expansion by country and region (time-series comparison)

ASEAN-6 surpasses China for four consecutive years

Looking at Asia, the ratio of firms selecting ASEAN-6 countries as an investment destination reached 73.2%, exceeding that of China (53.7%) for four consecutive years. Among ASEAN-6 countries, Thailand, Indonesia (5th place at 31.8%, from 34.4%) and Singapore (10th place at 16.1%, from 19.3%) saw a decrease. On the other hand, the respective rates of Malaysia (11th place at 15.5%, from 14.8%) and the Philippines (14th place at 11.3%, from 10.8%) increased, similar to that of Vietnam. The percentage also increased in Myanmar (13th place at 10.1%, from 11.5%) and Cambodia (17th place at 5.3%, from 6.0%).

Mexico and Turkey is on an upward trend in the percentage of firms with policies of business expansion

Among the other emerging markets, the number of firms with policies of business expansion increased in Mexico (15th place at 10.1%, from 10.9%) and Turkey (21th place at 3.1%, from 3.4%), especially in the manufacturing industries. On the other hand, it decreased in Brazil (18th place at 6.9%, from 5.1%) and Russia & CIS (20th place at 6.2%, from 4.1%).

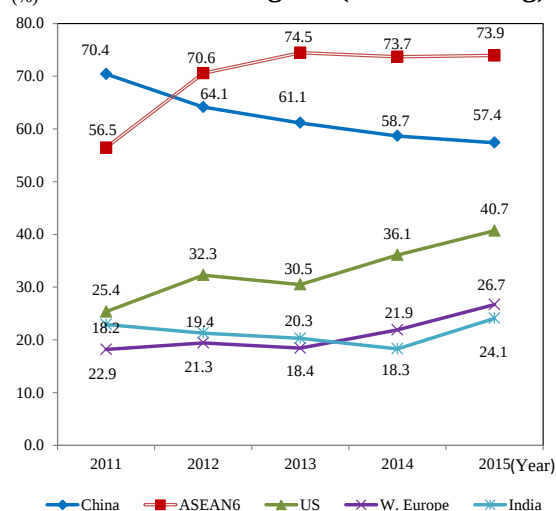


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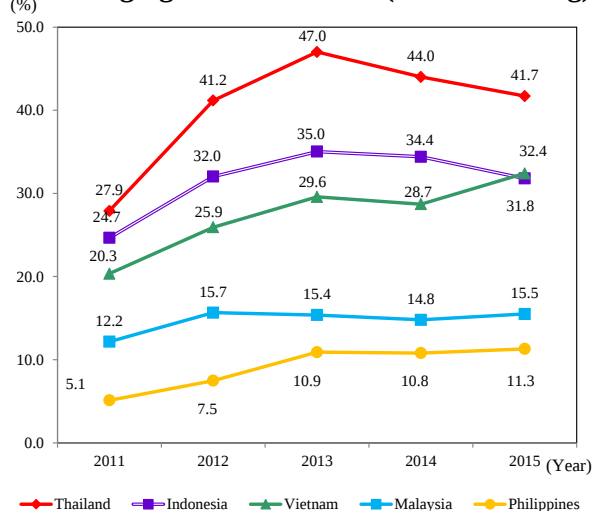
- 1) The figure in each survey year consist of firms intending to expand overseas business in the next three years or so, after excluding those who did not answer on functions planned to be expanded. The "firms intending to expand overseas business" are the firms answering "expand overseas operations" in FY2011 and FY2012 and the firms answering "Currently have an overseas base and are planning to expand them" in and after FY2013.
- 2) ASEAN-6 refers to the total for the six countries Singapore, Thailand, Malaysia, Indonesia, the Philippines, and Vietnam (excluding duplication).
- 3) "Total" indicates the number of firms intending to expand one or more functions in each country and region. If a firm is intending to expand several functions to one country or region, it is counted as one firm only.

Overseas expansion by country and region (time-series comparison)

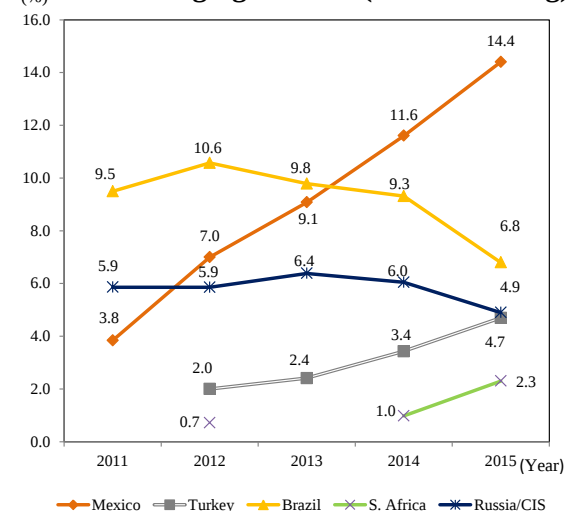
Main countries/regions (manufacturing)



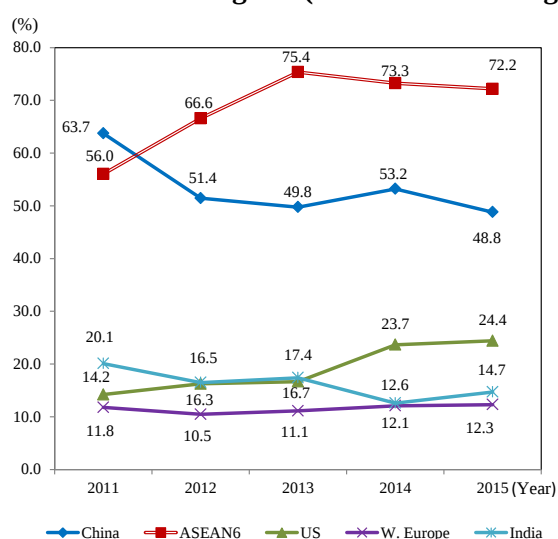
Emerging markets in Asia (manufacturing)



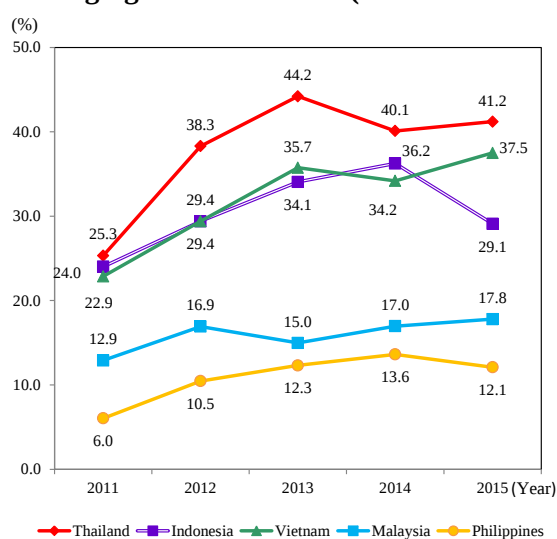
Other emerging markets (manufacturing)



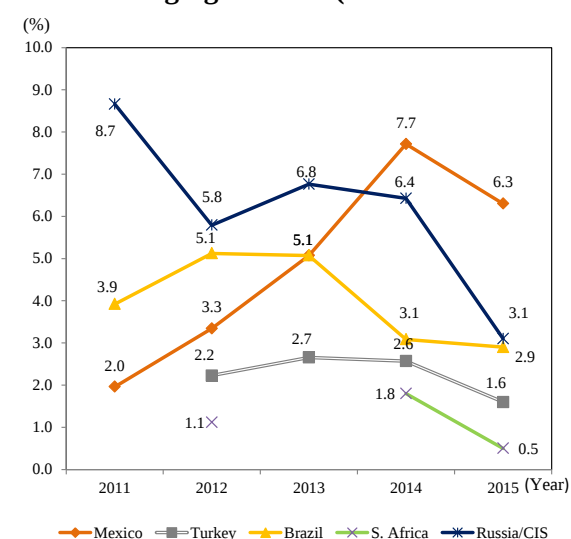
Main countries/regions (non-manufacturing)



Emerging markets in Asia (non-manufacturing)



Other emerging markets (non-manufacturing)



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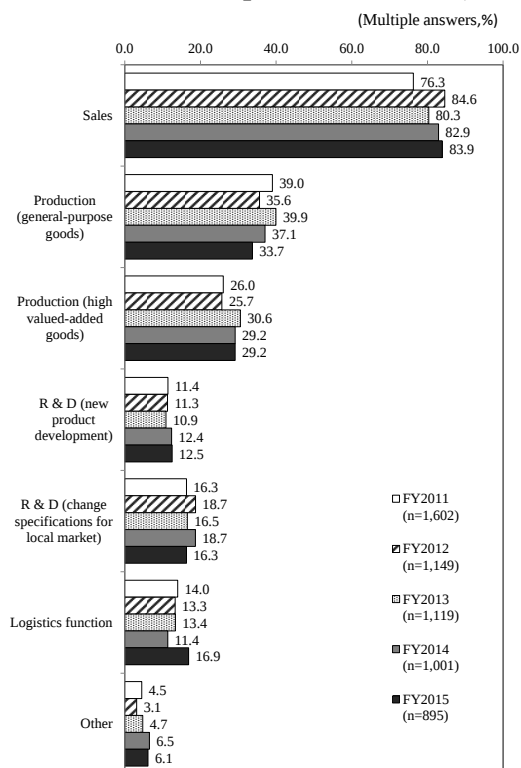
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- ASEAN-6 refers to the total for the six countries Singapore, Thailand, Malaysia, Indonesia, the Philippines, and Vietnam (excluding duplication).

Functions to be expanded overseas

Many firms intend to strengthen the sales function and the logistics function

Among functions to be expanded overseas, the percentage of the respondent firms having the policy of strengthening the sales function was 83.9%, remaining high as in the previous year (82.9%). The logistics function increased to 16.9% from 11.4%. By country/region, the percentage of firms strengthening the sales function increased in the US (24.9% in the previous year → 29.6%), Vietnam (18.4% → 22.2%), Western Europe (13.7% → 17.8%), India (13.1% → 17.3%) and more, while the logistics function increased in many countries, such as the US (2.0% → 3.7%), Vietnam (1.9% → 3.4%), and Singapore (0.9% → 2.8%). Vietnam also showed an increase in strengthening R&D for new product development (1.2% → 2.3%).

Functions to be expanded overseas (total)



Functions to be expanded overseas (by function, by country/region)

Sales			Production						R&D						Logistics			
			General-purpose goods			High valued-added goods			New product development			Change specifications for local market						
Rank	Country/region	%	Rank	Country/region	%	Rank	Country/region	%	Rank	Country/region	%	Rank	Country/region	%	Rank	Country/region	%	
1	China	44.0	1	China	15.8	1	China	13.5	1	China	5.9	1	China	8.8	1	China	5.8	
2	Thailand	33.1	2	Thailand	10.6	2	Thailand	9.1	2	US	4.4	2	US	4.4	2	Thailand	4.6	
3	US	29.6	3	Vietnam	9.1	3	US	6.0	3	Vietnam	2.3	3	Thailand	3.8	3	US	3.7	
4	Indonesia	25.9	4	Indonesia	6.7	4	Vietnam	5.4	4	Western Europe	2.2	4	Indonesia	2.7	4	Vietnam	3.4	
5	Vietnam	22.2	5	India	3.9	5	Indonesia	4.6	5	Thailand	1.8	5	India	2.5	5	Singapore	2.8	
6	Taiwan	18.7	6	US	3.1	6	India	3.8	6	Indonesia	1.3	6	Vietnam	2.2	6	Western Europe	2.3	
7	Western Europe	17.8	7	Mexico	2.8	7	Western Europe	3.2	6	Taiwan	1.3	6	Western Europe	2.2	7	Hong Kong	2.2	
8	India	17.3	8	Taiwan	2.7	8	Mexico	3.0	8	India	1.1	8	Taiwan	1.9	8	Taiwan	2.0	
9	Korea	14.5	9	Myanmar	2.2	8	Taiwan	3.0	9	Singapore	1.0	9	Singapore	1.8	9	Indonesia	1.7	
10	Malaysia	12.7	10	Philippines	2.1	10	Korea	1.8	9	Hong Kong	1.0	9	Malaysia	1.8	9	India	1.7	
11	Singapore	12.2	11	Malaysia	1.9	10	Singapore	1.8	11	Korea	0.8	11	Hong Kong	1.3	11	Malaysia	1.1	
12	Hong Kong	11.8	12	Cambodia	1.7	12	Malaysia	1.5	11	Malaysia	0.8	12	Korea	1.2	11	Korea	1.1	
13	Philippines	8.8	13	Western Europe	1.6	13	Hong Kong	1.3	13	Myanmar	0.7	13	Myanmar	0.6	11	Cambodia	1.1	
14	Mexico	8.3	14	Korea	1.3	14	Myanmar	1.2	14	Cambodia	0.6	13	Philippines	0.6	14	Philippines	1.0	
15	Myanmar	7.8	15	Cen-E. Europe	0.9	14	Philippines	1.2	15	Mexico	0.4	15	Brazil	0.4	15	Myanmar	0.9	
16	Cen-E. Europe	5.5	15	Bangladesh	0.9	14	Brazil	1.2	15	Philippines	0.4	16	Mexico	0.3	15	Mexico	0.9	
17	Australia	3.9	17	Brazil	0.7	17	Cen-E. Europe	1.1	15	Brazil	0.4	16	Cen-E. Europe	0.3	17	Cen-E. Europe	0.8	
18	Brazil	3.8	18	Hong Kong	0.4	18	Cambodia	0.8	18	Cen-E. Europe, Russia/CIS, Canada, Bangladesh	0.3	18	Cambodia, Russia/CIS, Canada, Australia	0.2	18	Brazil, Russia/CIS, Turkey	0.4	
19	Cambodia	3.6	19	Australia, Turkey, Laos	0.3	19	Australia	0.6										
20	Russia/CIS	3.5				19	Russia/CIS	0.6										
	ASEAN-6	57.4		ASEAN-6	21.5		ASEAN-6	16.8		ASEAN-6	5.3		ASEAN-6	8.0		ASEAN-6	9.7	
Developed countries			54.0	Developed countries		7.2	Developed countries		10.7	Developed countries		6.9	Developed countries		7.7	Developed countries		9.2
Emerging countries			76.0	Emerging countries		30.5	Emerging countries		25.3	Emerging countries		8.8	Emerging countries		13.1	Emerging countries		12.3
Sales (total)			83.9	General-purpose goods (total)		33.7	High valued-added goods (Total)		29.2	New product development (total)		12.5	Change specifications for local market (total)		16.3	Logistics (total)		16.9

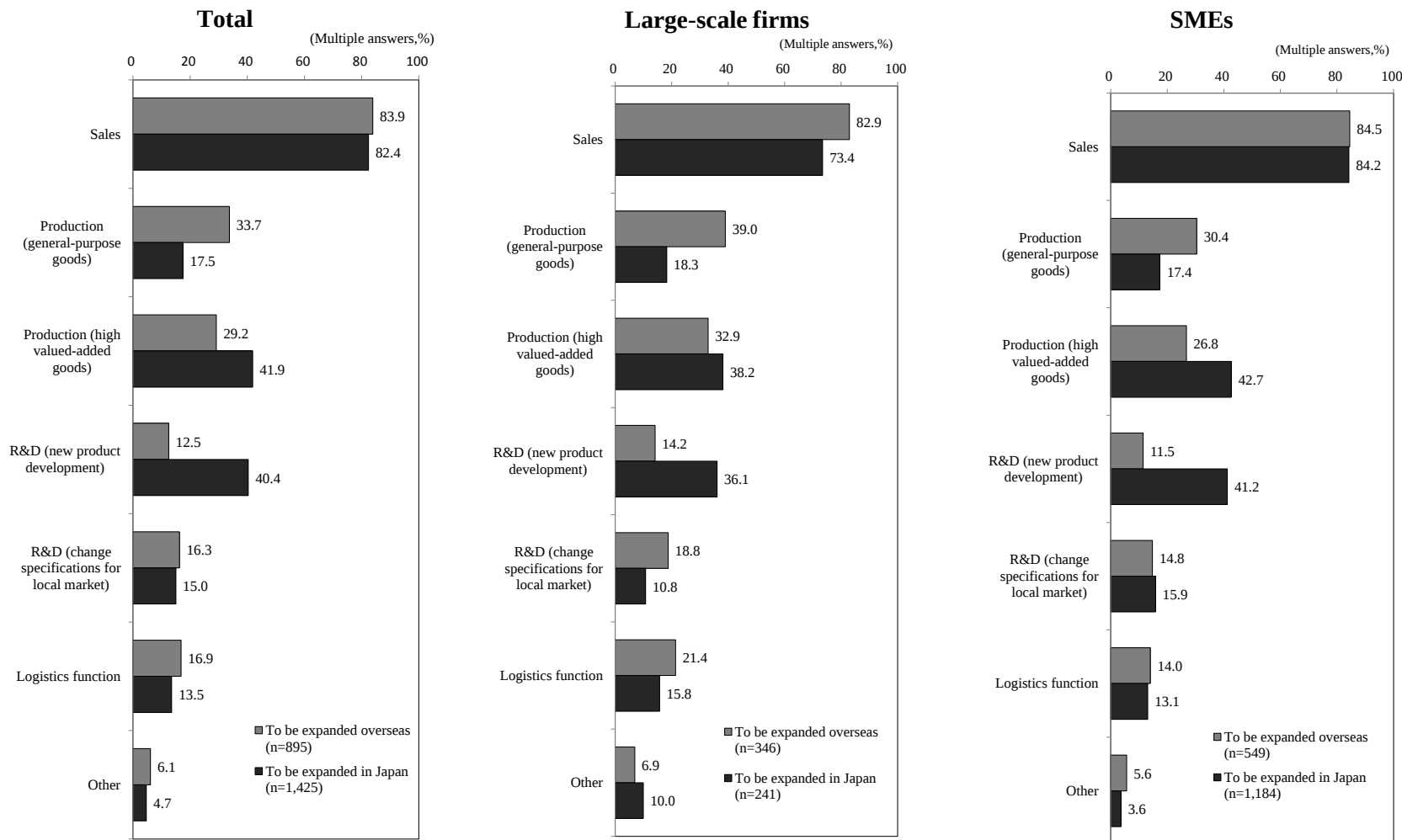
Notes: Percentage of the total number of firms which “expand overseas business for the next three years or so,” excluding those with no answer about functions to be expanded.

[Notes] 1) Percentage of the total number of firms which “expand overseas business for the next three years or so,” excluding those with no answer about functions to be expanded (895 firms).
 2) No country break down for Western Europe, Russia & CIS, and Central and Eastern Europe.
 3) ASEAN6 refers to the total for the following six countries: Singapore, Thailand, Malaysia, Indonesia, the Philippines, and Vietnam (excluding duplication). 4) Highlighted cells indicate items with response rates of 10% or higher.

Comparisons of functions to be expanded in Japan and overseas

■ The intention to expand production (high valued-added goods) and R&D (new product development) is stronger in Japan than overseas

According to the comparison of the functions to be expanded in Japan and overseas, the intention to expand production (high valued-added goods) and R&D (new product development) is stronger in Japan than overseas. This tendency is especially strong in SMEs.



Issues in the business environment in emerging countries (by issue item)

Many firms in China and Thailand have labor issues

The percentage of firms answering “increased or increasing personnel costs” is 50.7% in China and 27.2% in Thailand. The percentage of firms answering “labor shortage or difficulty in recruitment” is relatively high also in Thailand (18.6%) and China (13.9%). The number of firms having labor issues is high in China and Thailand as in the previous year.

The percentage of firms having issues related to infrastructure and clustering of related industries is on a downward trend in Vietnam and India

Although the percentage of firms answering “inadequate infrastructure” or “related industries not concentrated nor developed” is still high, it has been decreasing slowly.

Issues in the business environment in emerging countries (top ten countries by issue item)

(Multiple answers, %)																																		
Increased or increasing personnel costs					Labor difficulties					Labor shortage or difficulty in recruitment					Inadequate infrastructures					Insufficient land and office space, rising land prices and rent					Undeveloped legal system and problems in application of laws					Complexity of taxation system and tax procedures				
	FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012					
China	50.7	48.8	50.8	49.5	China	20.9	22.7	22.3	34.1	Thailand	18.6	18.6	19.6	-	Myanmar	53.2	53.9	70.5	60.4	China	11.7	10.6	9.5	-	China	39.8	41.9	44.5	45.1	India	26.4	26.4	13.9	15.0
Thailand	27.2	29.1	29.3	30.1	Indonesia	11.3	12.6	13.9	22.1	China	13.9	14.4	14.3	-	India	44.4	44.8	55.7	56.8	Myanmar	10.3	10.8	9.0	-	Myanmar	34.2	32.6	42.5	39.3	China	24.0	25.0	18.9	23.2
Indonesia	14.7	21.2	19.9	21.0	Indonesia	10.3	13.2	13.4	23.7	Mexico	8.4	5.4	6.5	-	Cambodia	42.4	44.9	-	-	Indonesia	5.7	7.1	6.3	-	Indonesia	27.0	26.9	24.5	27.2	Brazil	20.4	17.9	19.4	19.5
Vietnam	13.5	12.8	12.6	18.1	Thailand	7.1	6.4	5.4	12.7	Malaysia	7.2	7.6	9.5	-	Laos	37.8	38.7	-	-	Thailand	5.4	5.0	5.4	-	Vietnam	26.4	28.1	31.9	27.8	Vietnam	17.9	17.0	7.9	9.8
Malaysia	12.4	16.2	17.8	15.9	Mexico	6.7	7.8	7.2	12.8	Vietnam	6.0	6.6	6.3	-	Vietnam	34.4	38.0	48.7	43.6	Vietnam	3.9	3.7	4.3	-	India	24.7	27.9	28.7	29.6	Indonesia	16.9	16.2	11.1	13.7
Mexico	8.2	4.8	5.8	6.0	Vietnam	6.4	6.8	6.5	11.9	Indonesia	5.4	6.6	6.2	-	Indonesia	34.0	36.2	41.5	36.4	Malaysia	3.5	2.9	2.1	-	Cambodia	22.6	23.5	-	-	Russia	12.8	11.8	12.8	16.9
Brazil	7.7	9.7	16.4	14.5	Brazil	6.3	8.1	9.9	13.5	India	5.3	4.0	3.9	-	Bangladesh	33.3	36.7	-	-	India	2.7	3.8	3.4	-	Laos	18.6	17.4	-	-	Mexico	12.1	10.2	6.5	7.6
India	6.5	7.3	7.7	7.9	Philippines	6.0	5.1	3.8	8.8	Cambodia	4.3	5.0	-	-	Pakistan	24.5	26.3	-	-	Mexico	2.6	3.4	1.8	-	Russia	15.5	17.4	30.7	32.7	Myanmar	12.1	12.0	5.8	9.3
Cambodia	5.1	3.7	-	-	Myanmar	5.9	4.7	3.6	9.6	Myanmar	4.2	4.3	3.8	-	Philippines	24.0	26.8	31.4	28.6	Cambodia	2.5	2.6	-	-	Bangladesh	15.3	16.5	-	-	Thailand	9.4	9.7	4.4	5.6
Philippines	4.2	4.8	5.2	7.3	Cambodia	5.4	4.8	-	-	Laos	3.0	3.1	-	-	Sri Lanka	22.8	23.2	-	-	Philippines	2.3	1.7	1.6	-	Philippines	14.2	14.0	12.2	15.6	Cambodia	8.9	9.1	-	-
Complexity of administrative procedures					Problems in protection of intellectual property rights					Foreign exchange at high risk					Related industries not concentrated nor developed					Risks and problems related to collection of receivables					Natural disaster risks or environmental pollution problems					Political risks or problems in social conditions and law and order				
	FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012		FY2015	FY2014	FY2013	FY2012
China	35.1	34.6	-	-	China	49.0	52.6	51.3	53.1	Brazil	23.6	17.5	31.2	21.9	Myanmar	25.3	23.3	28.0	32.2	China	41.8	41.4	40.3	45.6	China	22.9	21.1	27.2	4.8	China	45.8	49.8	59.8	64.6
Indonesia	24.9	21.3	-	-	India	9.0	11.1	8.3	6.9	China	23.4	20.5	20.5	12.3	Cambodia	22.0	18.1	-	-	India	23.8	23.7	23.5	23.1	Thailand	16.9	21.4	28.8	41.6	Thailand	37.4	37.3	46.4	15.3
Vietnam	24.9	22.0	-	-	Vietnam	8.6	9.5	8.0	8.7	Russia	23.1	22.4	17.6	13.7	Laos	18.9	16.9	-	-	Russia	19.5	22.0	27.5	25.0	Philippines	13.7	18.9	23.6	14.4	Russia	36.9	34.4	27.5	22.2
India	24.0	26.6	-	-	Myanmar	8.6	10.0	8.1	8.7	Indonesia	21.6	16.2	21.8	12.4	Vietnam	16.4	18.2	17.9	23.0	Myanmar	17.9	16.8	14.5	21.0	India	11.6	8.3	9.3	5.3	Pakistan	33.9	30.1	-	-
Russia	19.9	20.6	-	-	Russia	7.1	6.2	5.8	7.4	Thailand	12.7	11.1	13.1	10.4	Bangladesh	12.6	15.1	-	-	Bangladesh	17.8	14.6	-	-	Bangladesh	9.7	8.4	-	-	Turkey	33.8	13.1	20.5	9.8
Myanmar	18.6	17.1	-	-	Indonesia	6.6	7.0	6.4	6.5	Malaysia	12.4	7.2	11.8	9.7	Philippines	12.5	13.7	11.6	15.2	Brazil	17.1	14.9	17.3	18.2	Indonesia	9.1	12.3	12.8	18.5	Myanmar	32.9	21.8	32.7	35.8
Brazil	15.7	17.7	-	-	Cambodia	6.6	8.2	-	-	Mexico	11.7	9.0	17.0	14.4	Sri Lanka	11.5	10.8	-	-	Vietnam	16.4	14.2	14.2	15.7	Pakistan	5.2	4.6	-	-	Brazil	29.6	25.0	27.5	6.7
Thailand	13.3	10.8	-	-	Laos	6.1	7.4	-	-	India	11.0	12.8	21.5	13.8	India	10.9	12.3	11.4	18.5	Pakistan	15.3	15.4	-	-	Myanmar	5.1	4.7	4.7	5.2	Mexico	29.4	28.9	32.2	12.4
Philippines	12.2	9.8	-	-	Philippines	5.9	6.4	5.2	6.4	South Africa	10.8	8.9	15.7	13.9	Indonesia	10.8	9.2	9.4	11.1	Cambodia	14.6	12.7	-	-	Sri Lanka	4.4	3.4	-	-	Bangladesh	27.7	18.8	-	-
Cambodia	11.9	10.4	-	-	Bangladesh	5.9	7.2	-	-	Myanmar	10.4	8.8	12.0	8.7	Pakistan	9.2	11.9	-	-	Philippines	13.8	12.2	11.4	15.4	Vietnam	4.3	3.8	4.3	3.4	South Africa	27.1	24.6	34.8	18.7

[n(FY2015)=China:1,942, Thailand:1,267, Malaysia:838, Indonesia:997, Philippines:730, Vietnam:1042, Myanmar:663, Cambodia:514, Laos: 429, India:774, Pakistan:425, Bangladesh:444, Sri Lanka:408, Mexico:538, Brazil:504, Colombia:366, Russia:523, Turkey:465, South Africa:424]

[n(FY2014)=China:1,946, Thailand:1,288, Malaysia:767, Indonesia:1,003, Philippines:687, Vietnam:996, Myanmar:601, Cambodia:463, Laos:390, India:755, Pakistan:395, Bangladesh:431, Sri Lanka:379, Mexico:502, Brazil:504, Russia:500, Turkey:406, South Africa:403]

[n(FY2013)=China:2,018, Thailand:1,217, Malaysia:566, Indonesia:886, Philippines:500, Vietnam:878, Myanmar:468, India:648, Mexico:276, Brazil:324, Russia:313, Turkey:220, South Africa:210]

[n(FY2012)=China:1,304, Thailand:750, Malaysia:472, Indonesia:615, Philippines:409, Vietnam:612, Myanmar:366, India:507, Mexico:250, Brazil:297, Russia:284, Turkey:225, South Africa:209]

[Notes] 1) The numbers (n) above indicates the total number of firms currently operating businesses or considering new businesses in each country.

2) "Political risks or problems in social conditions and law and order" was referred to as "Problems with political risks" in the FY2012 survey.

3) "Complexity of taxation system and tax procedures" was referred to as "Tax risks and problems" in the FY2012 and FY2013 surveys.

4) "Natural disaster risks or environmental pollution problems" was referred to as "Problems with natural disaster risks" in the FY2012 survey.

4. Japanese firms' business in China

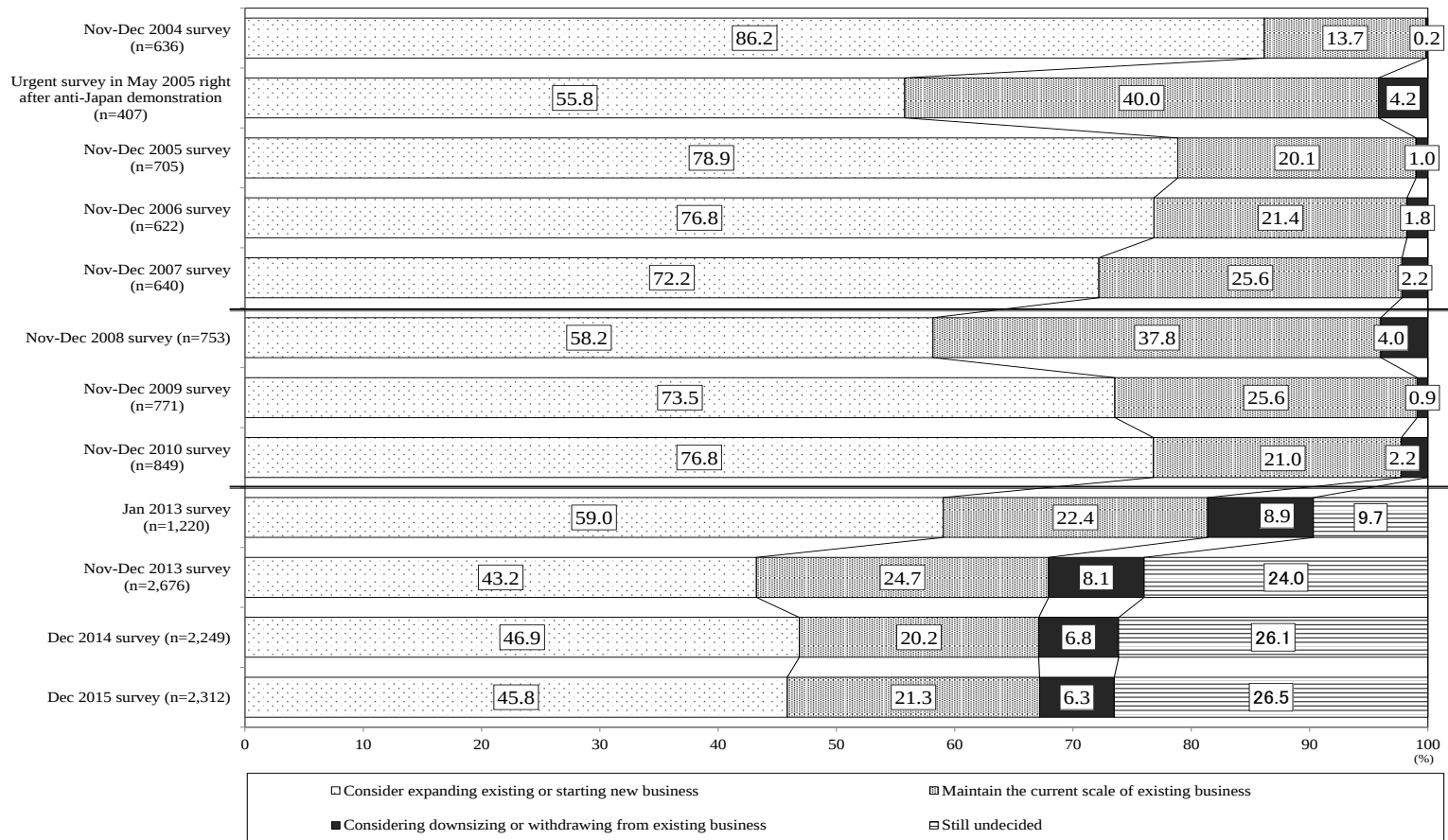
- Sluggish growth in exports to China mainly due to decreased demand in China, although demand for consumer products growing steadily -**

Business plans in China

There is no great change in Japanese firms' approach to future business in China

The percentage of firms answering “consider expanding existing or starting new business” leveled off at 45.8% compared with 46.9% in the previous year. The percentages of firms answering “maintain the current scale of existing business” and “still undecided” also leveled off at 21.3% and 26.5% respectively. Therefore, there is no great change in Japanese firms' approach to future business in China.

Business plans in China (total, time-series comparison)



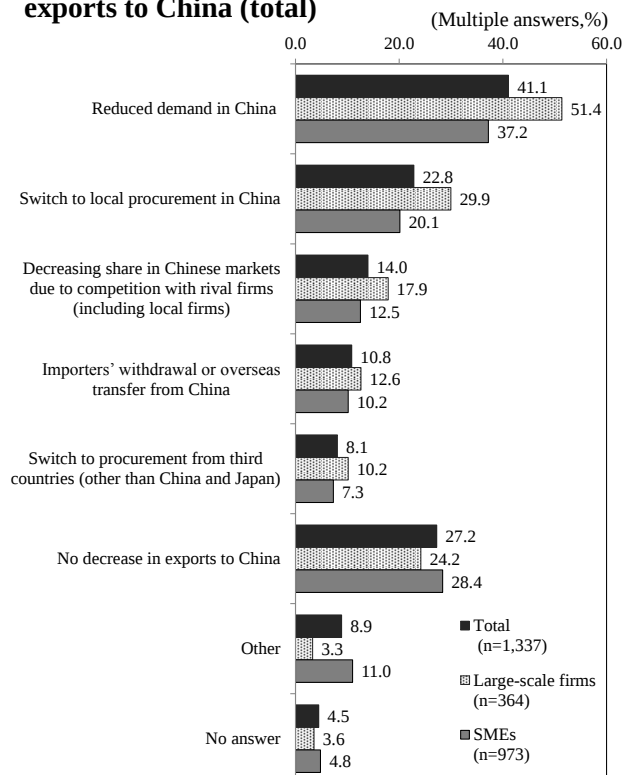
[Notes] 1) Results of the surveys in January 2013, November-December 2013, December 2014, and December 2015 were totaled for all firms, while totals for other surveys were limited to responses from JETRO members only. Both of them do not include "Not considering business expansion." 2) Results through 2007 were limited to manufacturing/trading/wholesale/retail only. 3) Totals reflect adjustments for some questions that differed by year. 4) No question about business plans has been established in FY2011.

International trade: Exports to China

■ **Sluggish growth in exports to China mainly due to decreased demand in China, although demand for consumer products steadily growing.**

Among reasons for a slow increase in exports to China, reduced demand in China ranked first at 41.1%. The number is particularly high in certain sectors including general machinery (53.4%), iron and steel/non-ferrous metals/metal products (53.3%) and cars/car parts/other transportation machinery (53.3%). Meanwhile, the percentage of respondents who have not experienced a decrease in exports to China reached 27.2%, and was especially high in the consumer products sector in such areas as medical products and cosmetics (54.1%) and food and beverages (38.6%), followed by “switch to local procurement in China” (22.8%) and “Decreasing share in Chinese markets due to competition with rival firms” (14.0%).

Reasons for not showing much increase in exports to China (total)



[Note] Percentage to the total number of firms currently exporting to China

Reasons for not showing much increase in exports to China (by industry)

(Multiple answers, %)

	No. of firms	Reduced demand in China	Switch to local procurement in China	Decreasing share in Chinese markets due to competition with rival firms (including local firms)	Importers' withdrawal or overseas transfer from China	Switch to procurement from third countries (other than China and Japan)	No decrease in exports to China	Other	No answer
All respondent firms	1,337	41.1	22.8	14.0	10.8	8.1	27.2	8.9	4.5
Manufacturing	924	41.5	22.4	15.2	9.6	6.7	26.6	9.8	4.1
Food & beverages	127	25.2	7.1	9.4	2.4	5.5	38.6	17.3	7.9
Textiles/clothing	36	22.2	33.3	13.9	16.7	13.9	22.2	11.1	2.8
Wood & wood products/furniture & building materials/paper & pulp	23	39.1	30.4	13.0	8.7	8.7	34.8	0.0	4.3
Chemicals	83	43.4	33.7	19.3	13.3	7.2	28.9	4.8	2.4
Medical products & cosmetics	37	18.9	2.7	16.2	0.0	2.7	54.1	13.5	2.7
Coal & petroleum products/plastics/rubber products	54	50.0	31.5	20.4	20.4	9.3	11.1	11.1	0.0
Ceramics/earth & stone	19	52.6	15.8	5.3	10.5	0.0	31.6	10.5	5.3
Iron & steel/non-ferrous metals/metal products	90	53.3	32.2	6.7	12.2	5.6	18.9	6.7	4.4
General machinery	133	53.4	23.3	19.5	7.5	4.5	15.0	6.8	5.3
Electrical equipment	71	42.3	26.8	15.5	9.9	9.9	28.2	9.9	1.4
IT equipment/electronic parts & devices	37	35.1	16.2	21.6	16.2	8.1	32.4	5.4	5.4
Cars/car parts/other transportation machinery	60	53.3	38.3	20.0	6.7	6.7	18.3	3.3	3.3
Precision equipment	50	46.0	20.0	20.0	8.0	8.0	28.0	8.0	2.0
Other manufacturing	104	35.6	11.5	12.5	11.5	6.7	29.8	17.3	4.8
Non-manufacturing	413	40.2	23.7	11.4	13.6	11.1	28.6	6.8	5.3
Trade and wholesale	318	43.4	25.5	13.2	14.5	11.6	25.8	6.6	3.8
Retail	20	30.0	10.0	5.0	0.0	5.0	35.0	25.0	5.0
Transport	17	52.9	35.3	11.8	35.3	17.6	17.6	0.0	0.0
Communication, information & software	11	27.3	0.0	0.0	9.1	0.0	63.6	9.1	0.0
Professional services	10	30.0	20.0	0.0	20.0	10.0	20.0	0.0	30.0
Other non-manufacturing	28	14.3	0.0	7.1	3.6	3.6	53.6	3.6	17.9

[Note] Highlighted cells indicate items with response rates of 35% or higher. The table only shows the industries where the number of respondent firms is 10 or more.

5. Utilization of free trade agreements (FTAs)

- TPP also being considered for utilization in trade between third countries such as the US and Vietnam in addition to trade between Japan and other TPP participants -**

Utilization of free trade agreements (FTAs): Consideration of use of TPP for Japan's trade

■ A wide range of industries are considering use of the TPP for exports from Japan

Many companies are considering the possibility of utilizing the Trans-Pacific Partnership Agreement (TPP) for trade between Japan and those TPP participant countries which have no current FTAs with Japan (the US, Canada and New Zealand), with 275 companies considering its use for exports to the US, 101 to Canada and 58 to New Zealand.

Companies considering the use of the TPP exist in a wide range of industries, including trade/wholesale, food & beverages, general-purpose machinery, and iron & steel/non-ferrous metal/metal products.

As for imports, 100 companies are considering its use for imports from the US, 35 from Canada, and 23 from New Zealand.

Consideration of use of TPP with three countries which will conclude FTAs with Japan for the first time under TPP

Exports (No. of firms)		Imports (No. of firms)	
Country	Number of firms considering the use of TPP	Country	Number of firms considering the use of TPP
US (n=701)	275	US (n=244)	100
Canada (n=286)	101	Canada (n=65)	35
New Zealand (n=179)	58	New Zealand (n=36)	23

[Note] n is the number of firms which answered that they are trading with the country. The number includes firms which need not to use FTA because no general customs duty is imposed.

Industries considering use of the TPP for Japan's exports to the US, Canada, and New Zealand

		(No. of firms)
Rank	Japan-US	No of firms
1	Trade/wholesale (n=130)	50
2	Food & beverages (n=102)	44
3	General-purpose machinery (n=69)	27
4	Iron & steel/non-ferrous metal/metal products (n=52)	21
5	Chemicals (n=38)	18

		(No. of firms)
Rank	Japan-Canada	No of firms
1	Trade/wholesale (n=53)	20
2	Food & beverages (n=43)	16
3	General-purpose machinery (n=31)	11
4	Textiles/clothing (n=10)	6
4	Coal & petroleum products/plastics/rubber products (n=16)	6
4	Iron & steel/non-ferrous metal/metal products (n=18)	6

		(No. of firms)
Rank	Japan-New Zealand	No of firms
1	Trade/wholesale (n=28)	11
2	General-purpose machinery (n=24)	10
3	Food & beverages (n=30)	9
4	Precision equipment (n=12)	3
5	-	-

[Notes] 1) n is the number of firms which answered that they are trading with the country. 2) "No of firms" is the number of firms answering "considering the use." Industries where n is 10 or more are ranked by the number of firms.

Utilization of free trade agreements (FTAs): Consideration of use of TPP for trade between third countries

■ TPP also being considered for utilization in trade between third countries such as the US and Vietnam

Of 395 valid responses collected from companies considering the utilization of the TPP for trade among the 11 participants excluding Japan, the most highly expected combination was export from Vietnam to the US at 82 responses– especially, in the trade/wholesale industry (21) and the textile/clothing industry (11), followed by export from Malaysia to the US at 26. There is currently no FTA in force between the US and Vietnam, nor between the US and Malaysia.

Supposed utilization of TPP for trade among third countries

(Multiple answers, no. of answers)

Importer	US	Canada	Mexico	Chile	Peru	Singapore	Malaysia	Vietnam	Australia	NZ	Total
Exporter											
US		11	17	1	1	8	6	10	4	1	60
Canada	3		-	-	-	5	3	1	2	-	14
Mexico	15	2		-	-	-	-	1	-	-	18
Chile	6	-	-		-	1	1	1	-	-	9
Peru	1	1	-	-		1	1	-	-	1	5
Singapore	10	4	-	-	-		6	6	2	2	31
Malaysia	26	4	3	2	2	5		8	5	2	57
Vietnam	82	15	8	2	1	22	15		12	4	161
Australia	9	4	-	-	-	5	3	5		1	27
NZ	3	2	1	-	-	3	2	-	2		13
Total	155	43	29	5	4	50	37	32	27	11	395

[Note] The figures are numbers of answers which firms considering use of the TPP for trading among 11 countries, excluding Japan, gave concerning supposed combination of exporting and importing countries. Brunei is excluded because of low response rate.

Industries considering trade among third countries

Rank	Total (n=395)	No. of answers
1	Trade/wholesale	116
2	Food & beverages	59
3	Cars/car parts/other transportation machinery	31
4	Textile/clothing	26
5	Chemicals	18

Rank	Vietnam-US (n=82)	No. of answers
1	Trade/wholesale	21
2	Textile/clothing	11
3	Cars/car parts/other transportation machinery	9
4	Food & beverages	7
5	Coal & petroleum products/plastics/rubber products	4
5	Iron & steel/non-ferrous metals/metal products	4
5	Electrical equipment	4

Rank	Malaysia-US (n=26)	No. of answers
1	Trade/wholesale	12
2	Wood & wood products/furniture & building materials/paper & pulp	2
2	Chemicals	2
2	Coal & petroleum products/plastics/rubber products	2

[Note] n is the number of answers which firms considering the use of the TPP for trading among 11 countries, excluding Japan, gave concerning supposed combination of exporting and importing countries.

6. Management localization in overseas offices

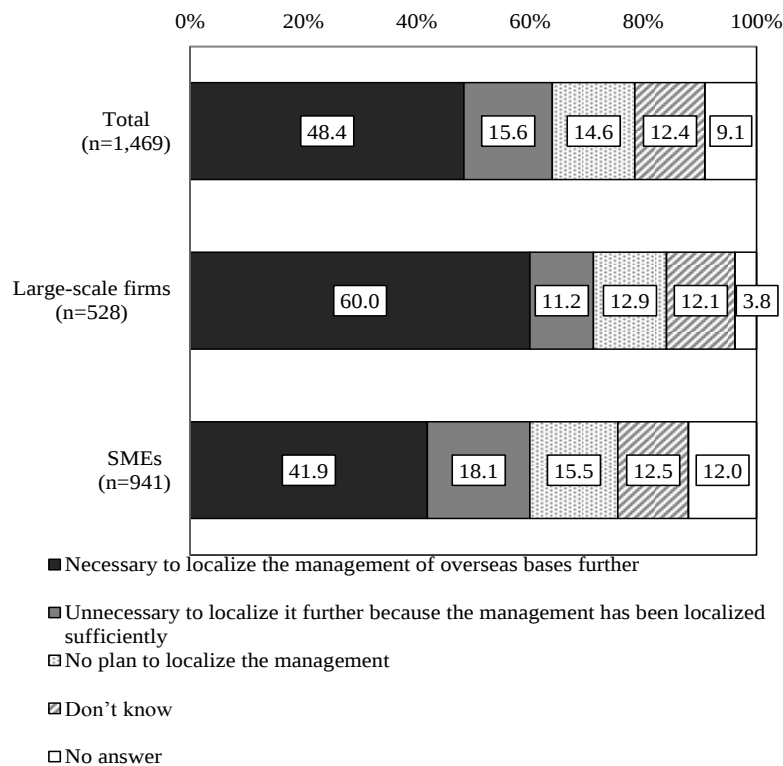
- Nearly half of companies sense need for management localization in overseas offices -**

Management localization at overseas bases: Recognition of need for localization

■ About a half of firms recognize the necessity of further management localization

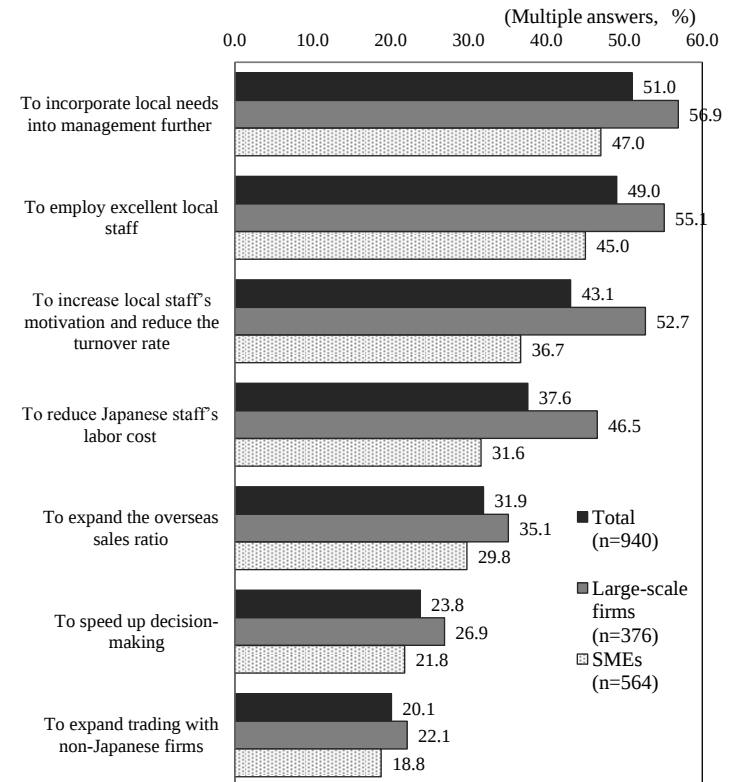
Regarding management localization in overseas bases (transfer of power, employment of local staff, etc.), 48.4% of the respondent firms with overseas bases answered it is “necessary to localize the management of overseas bases further.” By industry, the percentage of such firms is especially high in “cars/car parts/other transportation machinery” (73.1%). The percentage of large-scale firms recognizing the necessity is 60.0%. As reasons for localization, many firms answered “to further incorporate local needs into management” (51.0% of the firms already advancing localization) or “to employ excellent local staff” (49.0% thereof).

Recognition of need for localization



[Note] Percentage to the total number of firms with overseas bases

Reasons for localization (higher-ranking items)



[Note] Percentage to the total number of firms answering “necessary to localize the management of overseas bases further” or “unnecessary to localize it further because the management has been localized sufficiently”

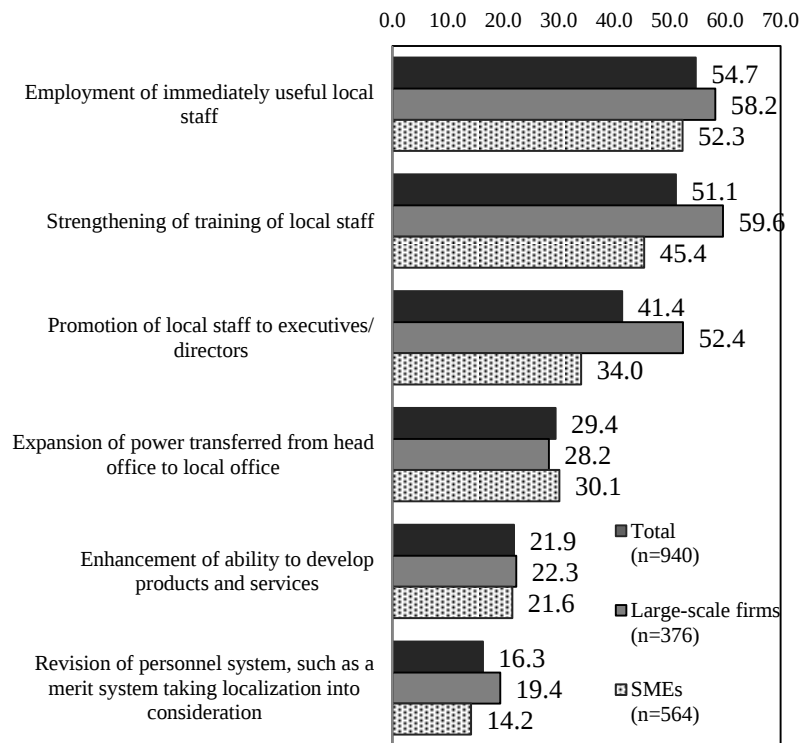
Management localization at overseas bases: Efforts and issues regarding localization

More than half of firms make efforts to employ and train local staff

Main efforts for localization are “employment of immediately useful local staff” (54.7% of the firms already beginning localization) and “strengthening of training of local staff” (51.1%). On the other hand, main issues concerning the employment and training of local staff are “employment of would-be leaders” (46.0%), “ability and awareness of local staff” (43.5%), and “delay in training of local staff” (28.7%).

Efforts for localization (higher-ranking items)

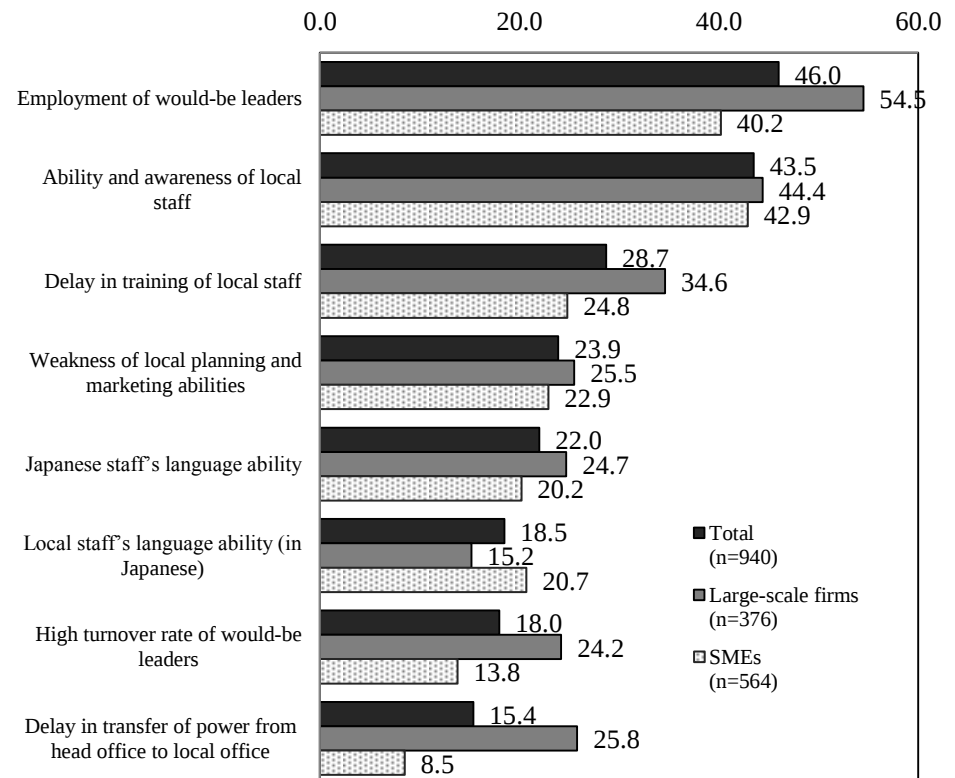
(Multiple answers, %)



[Note] Percentage of the total number of firms answering “necessary to further localize the management of overseas bases” or “Unnecessary to localize it further because the management has been localized sufficiently”

Issues regarding localization (higher-ranking items)

(Multiple answers, %)

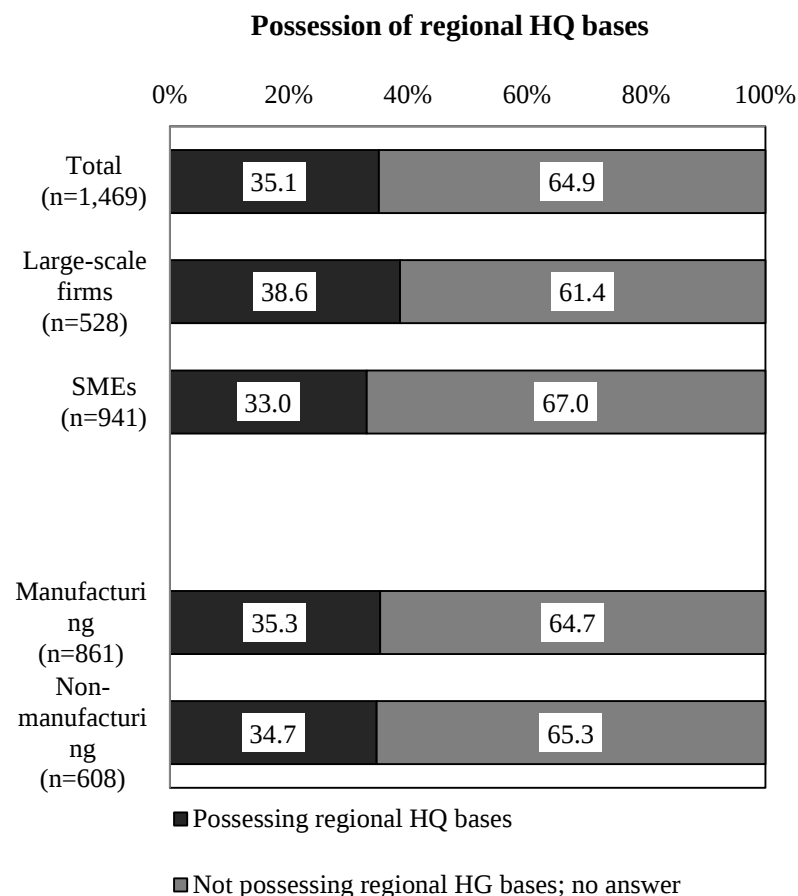


[Note] Percentage of the total number of firms answering “necessary to further localize the management of overseas bases” or “Unnecessary to localize it further because the management has been localized sufficiently”

Management localization at overseas bases: Efforts and issues regarding localization; regional HQ bases

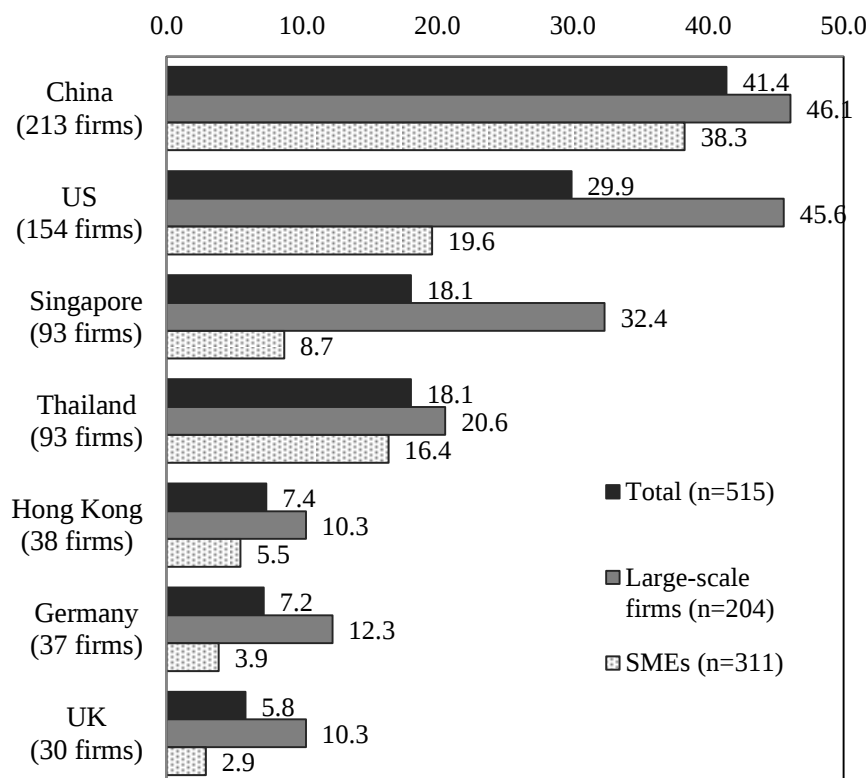
More than one-third of the firms with overseas bases have established regional HQ bases; by country, the largest number of HG bases have been established in China

Of the respondent firms with overseas bases, 35.1% have regional HQ bases. By country, the firms established regional HQ bases mainly in China (213 firms), the US (154 firms), Singapore (93 firms), and Thailand (93 firms). More than 40% of them established regional HG bases in China.



[Note] Percentage of the total number of firms with overseas bases

Countries where regional HQ bases are located (higher-ranking items)
(no. of firms, possession ratio)
(Multiple answers, %)



[Note] Percentage of the total number of firms with regional HQ bases. If a firm has regional HQ bases in two or more countries, each of them is added to the number of regional HQ bases in each of the countries.

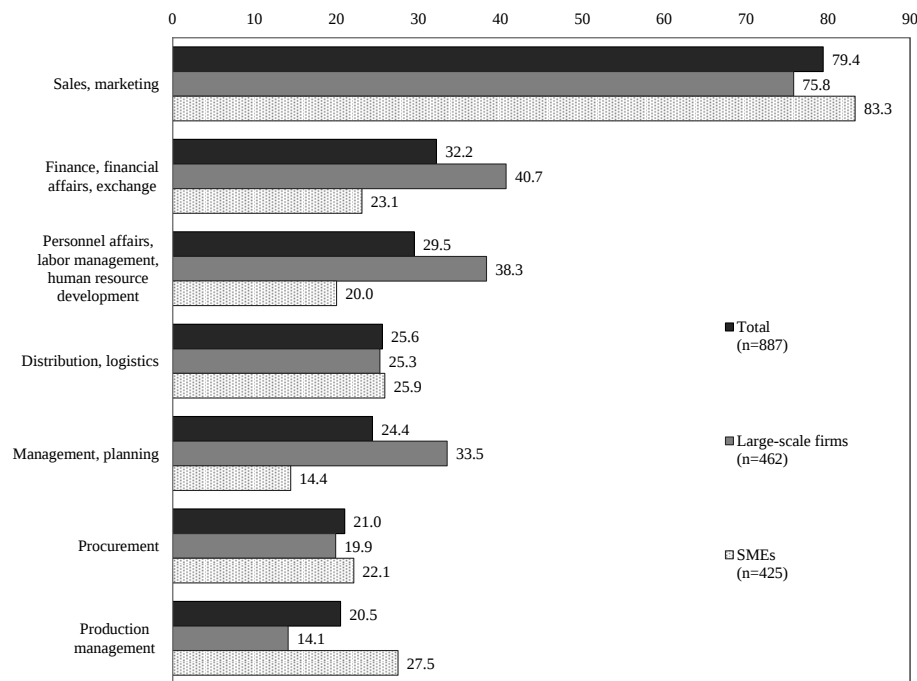
Management localization at overseas bases: Regional HQ bases

More than 40% of firms further strengthened regional HQ functions

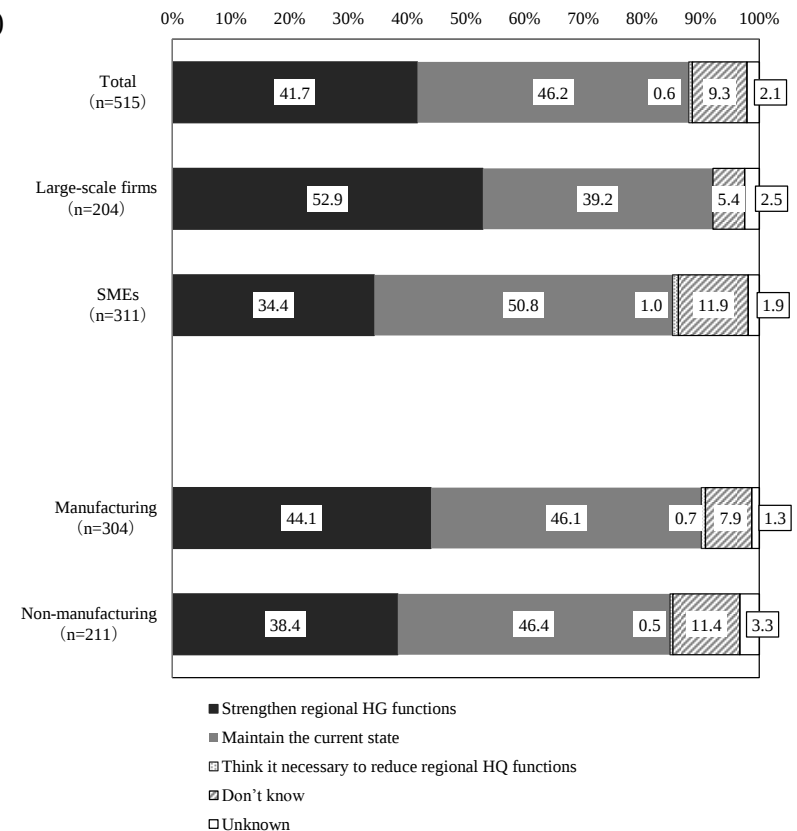
Regarding the functions of the regional HQ bases, the percentage of bases with a “sales/marketing” function is overwhelmingly high (79.4% of the total number of regional HQ bases), followed by the percentage of bases with a “financing, financial affairs, exchange” function (32.2%) and the percentage of bases with a “personnel affairs, labor management, human resource development” function (29.5%). Regarding future direction, 41.7% of the firms with regional HQ bases answered with “strengthen regional HQ functions.” If the firms answering with “maintain the current state” (46.2%) are added, nearly 90% are planning to maintain and strengthen regional HQ functions.

Functions of regional HQ bases (higher-ranking items)

(Multiple answers, %)



Future direction of regional HQ bases



[Note] Percentage of the total number of regional HQ bases established by firms with regional HQ bases

[Note] Percentage to the total number of firms with regional HQ bases

Management localization of overseas bases: Regional HQ bases

Functions and territories of main regional HQ bases

China (n=213)			US (n=154)			Singapore (n=93)			Thailand (n=93)			Hong Kong (n=38)			Germany (n=37)		
Rank	HQ functions	%	Rank	HQ functions	%	Rank	HQ functions	%	Rank	HQ functions	%	Rank	HQ functions	%	Rank	HQ functions	%
1	Sales, marketing	73.2	1	Sales, marketing	84.4	1	Sales, marketing	83.9	1	Sales, marketing	76.3	1	Sales, marketing	73.7	1	Sales, marketing	89.2
2	Production management	31.5	2	Financing, financial affairs, exchange	37.7	2	Financing, financial affairs, exchange	39.8	2	Production management	33.3	2	Financing, financial affairs, exchange	34.2	2	Management, planning	32.4
3	Financing, financial affairs, exchange	30.0	3	Management, planning	32.5	3	Personnel affairs, labor management, human resource development	35.5	3	Procurement	24.7	3	Procurement	31.6	3	Distribution, logistics	27.0
4	Personnel affairs, labor management, human resource development	28.2	4	Personnel affairs, labor management, human resource development	31.8	4	Management, planning	28.0	4	Personnel affairs, labor management, human resource development	22.6	4	Distribution, logistics	28.9	4	Financing, financial affairs, exchange	24.3
5	Procurement	27.7	5	Distribution, logistics	27.3	5	Distribution, logistics	21.5	5	Financing, financial affairs, exchange	20.4	5	Tax affairs	18.4	5	Personnel affairs, labor management, human resource development	21.6
6	Distribution, logistics	26.3	6	Procurement	22.1	6	Tax affairs	19.4	5	Distribution, logistics	20.4	5	Production management	18.4	6	R&D	18.9
7	Management, planning	18.3	7	Tax affairs	20.1	7	Research, analysis	16.1	7	Management, planning	17.2	5	Personnel affairs, labor management, human resource development	18.4	7	Information system	18.9
7	Tax affairs	18.3	8	Research, analysis	14.9	8	Compliance, internal control	15.1	8	Technical support	15.1	8	Management, planning	15.8	7	Procurement	16.2
9	Research, analysis	10.8	9	Production management	14.3	9	Information system	14.0	9	Tax affairs	9.7	8	Research, analysis	15.8	9	Research, analysis	13.5
10	Technical support	9.4	9	Legal affairs	14.3	10	Procurement	11.8	10	Research, analysis	8.6	10	Technical support	10.5	10	Production management, technical support	10.8

Rank	Territories	%	Rank	Territories	%	Rank	Territories	%	Rank	Territories	%	Rank	Territories	%	Rank	Territories	%
1	Northeast Asia	92.5	1	North America	96.8	1	ASEAN	94.6	1	ASEAN	93.5	1	Northeast Asia	76.3	1	Europe	100.0
2	ASEAN	7.5	2	South America	31.2	2	Southwest Asia	17.2	2	Oceania	6.5	2	ASEAN	47.4	2	Russia/CIS	18.9
3	Southwest Asia, Russia/CIS, Europe	0.9	3	Central America	28.6	3	Oceania	14.0	3	Southwest Asia	5.4	3	Southwest Asia	15.8	3	Africa	8.1

7. Utilization of foreign personnel

- Approximately 40% of companies employ foreign personnel -**

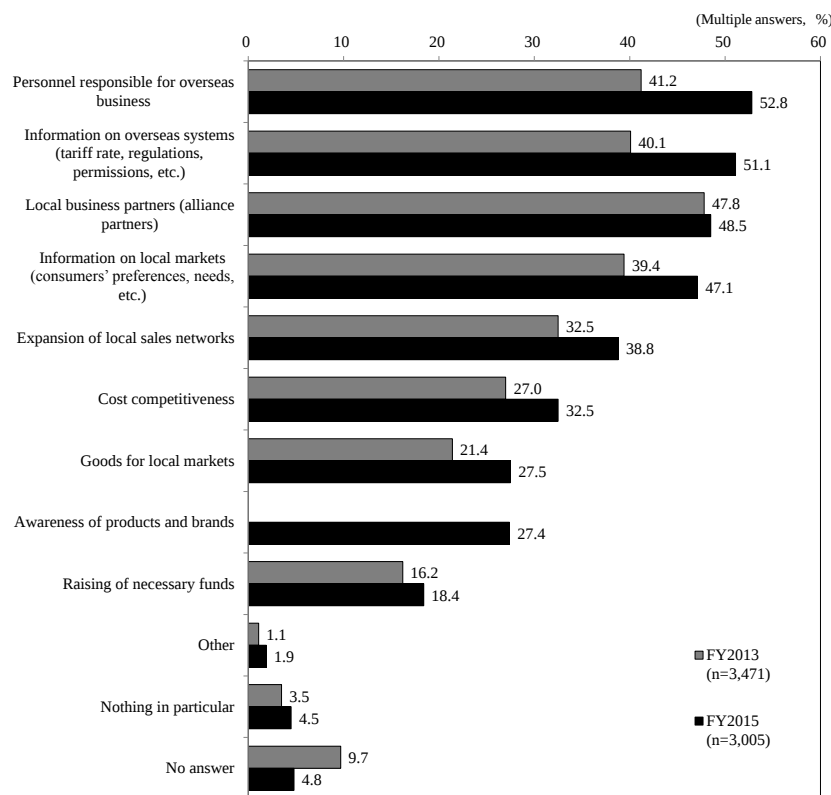
Issues regarding overseas business

■ The greatest issue is to secure personnel responsible for overseas business

For issues regarding overseas business, the percentage of firms answering “personnel responsible for overseas business” is the largest (52.8%), followed by “information on overseas systems” (51.1%) and “local business partners” (48.5%). Compared with the results of the survey in FY2013, the percentage of firms pointing out issues in terms of personnel and information on overseas systems increased greatly. In the case of SMEs, the percentage of firms answering “local business partners” is the largest, at 49.3%.

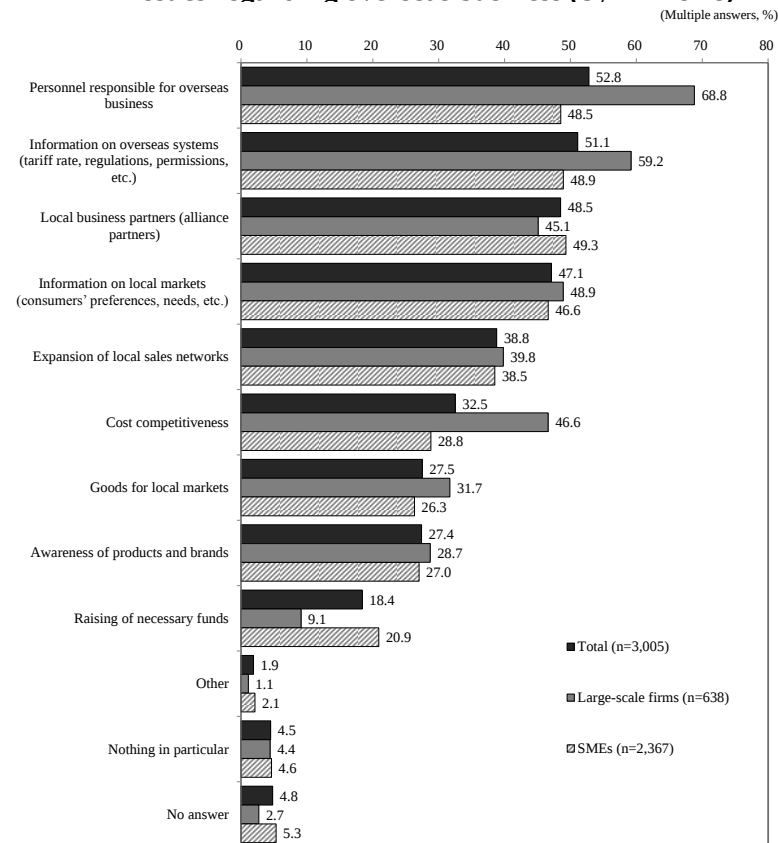
In the cars/car parts/other transportation machinery industry, the percentage of the firms that regarded “personnel responsible for overseas business” as an issue is 71.6%, remarkably higher than in the other industries. In the retail industry, the largest percentage of firms (52.5%) regard “information on overseas systems” as an issue. In the food & beverage industry, the largest percentage of firms (59.3%) consider “local business partners” an issue.

Issues regarding overseas business (time-series comparison)



[Note] Percentage to the total number of respondent firms

Issues regarding overseas business (by firm size)



[Note] Percentage to the total number of respondent firms

Issues regarding overseas business

Issues regarding overseas business (by industry)

(Multiple answers, %)

	No. of firms	Information on local markets (consumers' preferences, needs, etc.)	Goods for local markets	Information on overseas systems (tariff rate, regulations, permissions, etc.)	Raising of necessary funds	Local business partners (alliance partners)	Expansion of local sales networks	Human resources for overseas operations	Cost competitiveness	Awareness of products and brands	Nothing in particular	Other	No answer
Total	3,005	47.1	27.5	51.1	18.4	48.5	38.8	52.8	32.5	27.4	4.5	1.9	4.8
Manufacturing	1,633	51.6	32.5	54.8	18.5	49.7	46.5	57.3	40.4	35.9	2.7	1.9	2.8
Food & beverages	361	57.6	38.8	55.1	21.1	59.3	49.6	54.3	26.6	40.7	1.7	3.9	3.0
Textiles/clothing	84	50.0	27.4	48.8	16.7	51.2	42.9	42.9	28.6	34.5	4.8	2.4	2.4
Wood & wood products/furniture & building materials/paper & pulp	62	56.5	32.3	54.8	27.4	43.5	45.2	48.4	38.7	38.7	1.6	0.0	3.2
Chemicals	102	61.8	36.3	59.8	9.8	48.0	45.1	65.7	42.2	28.4	1.0	1.0	1.0
Medical products & cosmetics	57	50.9	33.3	59.6	10.5	56.1	40.4	43.9	45.6	57.9	1.8	0.0	1.8
Coal & petroleum products/plastics/rubber products	86	52.3	32.6	53.5	20.9	46.5	50.0	54.7	46.5	39.5	1.2	0.0	3.5
Ceramics/earth & stone	27	48.1	11.1	40.7	14.8	44.4	51.9	59.3	51.9	33.3	0.0	0.0	7.4
Iron & steel/non-ferrous metals/metal	179	47.5	26.3	46.9	21.2	44.7	42.5	59.2	43.0	27.9	5.0	1.1	2.8
General machinery	170	46.5	32.9	54.1	18.2	48.8	53.5	64.7	52.9	34.1	1.8	0.6	2.4
Electrical equipment	103	49.5	46.6	61.2	16.5	49.5	50.5	62.1	53.4	45.6	1.9	1.9	2.9
IT equipment/electronic parts & devices	52	51.9	32.7	61.5	13.5	51.9	46.2	55.8	48.1	32.7	7.7	0.0	1.9
Cars/car parts/other transportation machinery	102	37.3	15.7	63.7	16.7	31.4	37.3	71.6	51.0	20.6	2.9	2.9	2.0
Precision equipment	67	43.3	28.4	56.7	10.4	44.8	41.8	56.7	41.8	37.3	4.5	1.5	0.0
Other manufacturing	181	54.1	32.0	52.5	22.1	50.3	45.3	54.7	35.9	34.8	3.3	2.8	5.0
Non-manufacturing	1,372	41.8	21.4	46.6	18.2	47.0	29.6	47.4	23.3	17.2	6.7	1.8	7.1
Trade and wholesale	687	45.9	27.4	45.7	16.2	46.9	37.0	45.6	26.9	17.9	5.7	1.6	4.9
Retail	99	39.4	25.3	52.5	19.2	49.5	30.3	44.4	19.2	20.2	5.1	2.0	11.1
Construction	78	41.0	15.4	53.8	17.9	52.6	28.2	67.9	42.3	16.7	3.8	2.6	10.3
Transport	74	27.0	9.5	36.5	16.2	37.8	16.2	40.5	27.0	6.8	8.1	1.4	10.8
Finance & insurance	86	27.9	5.8	46.5	3.5	26.7	7.0	45.3	3.5	3.5	17.4	2.3	15.1
Communication, information & software	78	46.2	20.5	50.0	26.9	55.1	32.1	52.6	19.2	32.1	6.4	1.3	7.7
Professional services	74	36.5	8.1	44.6	17.6	56.8	23.0	47.3	13.5	14.9	9.5	2.7	2.7
Other non-manufacturing	196	40.8	17.9	47.4	29.1	49.5	20.4	48.5	17.3	18.4	6.1	2.0	7.7

[Note] Highlighted cells indicate items about which the response rate is the largest.

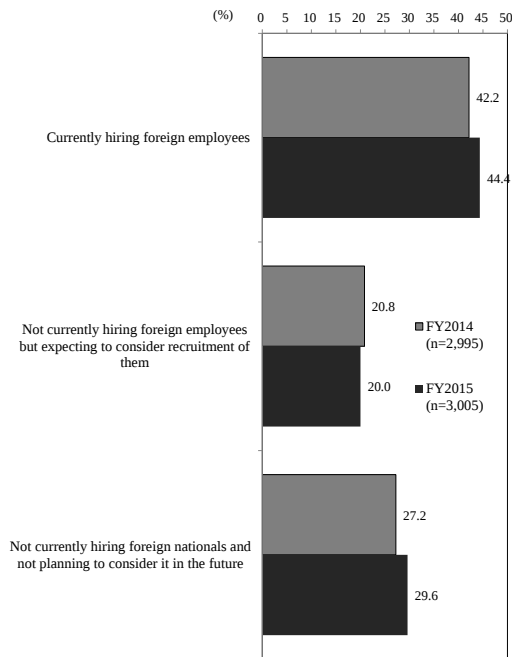
Hiring of foreign employees

Approximately 40% of companies employ foreign personnel

The percentage of firms answering “currently hiring foreign employees” is 44.4%. The percentage is especially high in manufacturing industries, such as cars/car parts/other transportation machinery (74.5%) and precision equipment (64.2%). The percentage of large-scale firms “currently hiring foreign employees” is 72.7%, while the percentage of such SMEs was only 36.7%. However, the percentage of SMEs answering “expecting to consider recruitment of them” is 22.6%, which indicates their high interest.

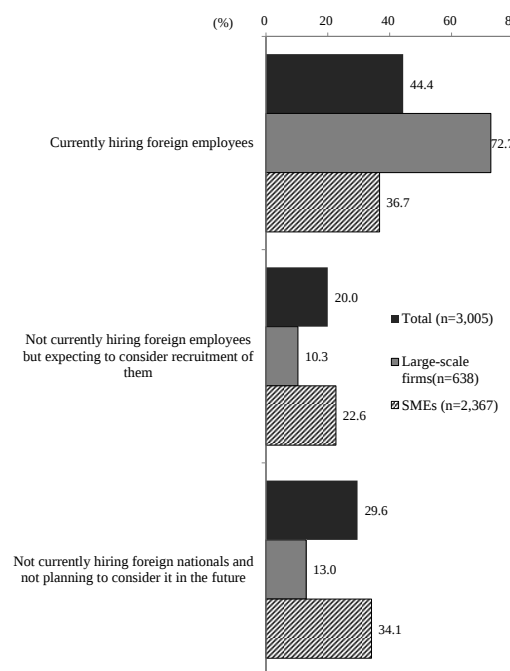
A look at the positions of foreign employees at the firms employing them shows that 60.8% of the firms answered “general administrative staff (such as the international affairs staff) include one or more foreign employees,” followed by general plant staff (34.1%) and engineers (26.6%).

**Hiring of foreign employees
(compared with previous year)**



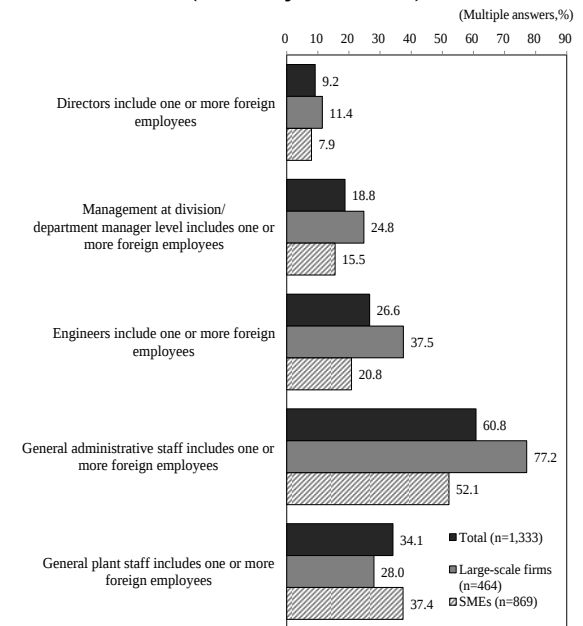
[Note] Percentage to the total number of respondent firms in this survey

**Hiring of foreign employees
(total, by firm size)**



[Note] Percentage to the total number of respondent firms in this survey

**Positions of foreign employees
(total, by firm size)**



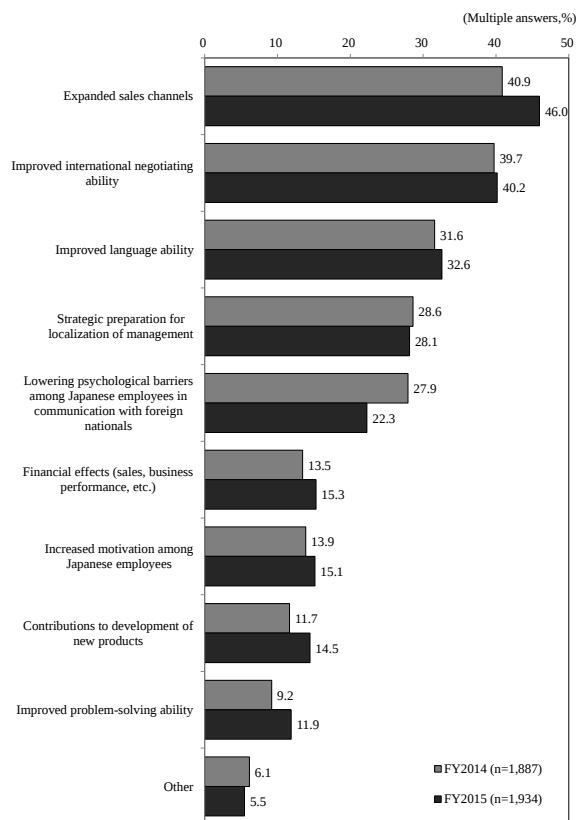
[Note] Percentage to the total number of firms answering “currently hiring foreign employees”

Benefits and needs of hiring and employing foreign employees

■ The number of firms that regard expanded sales channels to be a benefit of employing foreign employees increased.

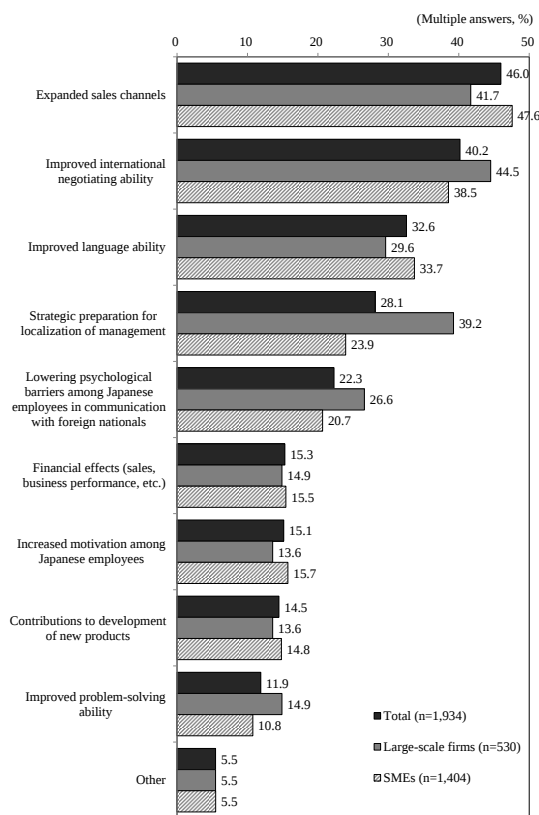
As a benefit of hiring and employing foreign employees, the percentage of firms answering “expanded sales channels” to the total number of firms considering hiring or employing foreign employees increased to 46.0% from 40.9% in the previous year. By firm size, 44.5% of the large-scale firms answered “improved international negotiating ability,” while 47.6% of the SMEs answered “expanded sales channels.” As for the need of foreign employees, the largest portion of the respondent firms, at 47.9%, have hired (or are considering hiring) foreign students in Japan. The percentage of such firms is 58.7% in the case of the large-scale firms.

**Benefits of hiring/employing foreign employees
(compared with the previous year)**



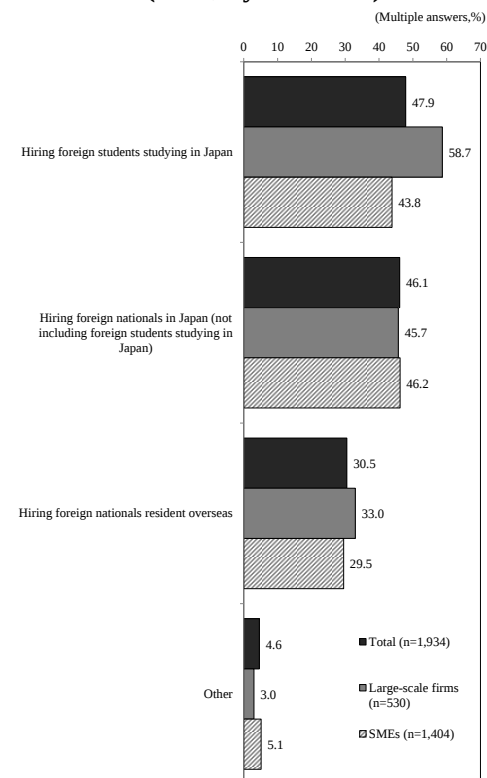
[Note] Percentage of the total number of firms answering “currently hiring foreign employees” or “expecting to consider recruitment of them”

**Benefits of hiring/employing foreign employees
(total, by firm size)**



[Note] Percentage of the total number of firms answering “currently hiring foreign employees” or “expecting to consider recruitment of them”

**Need of foreign employees
(total, by firm size)**



[Note] Percentage of the total number of firms answering “currently hiring foreign employees” or “expecting to consider recruitment of them”

Measures for encouraging foreign employees to stay with firms, issues regarding employment

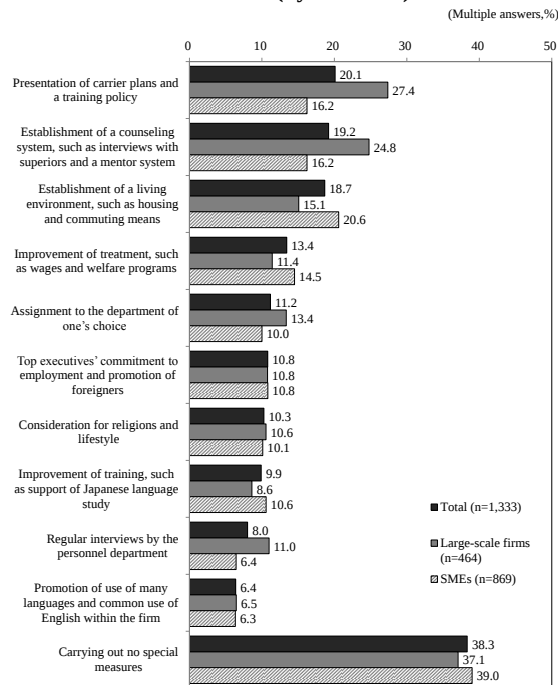
■ Measures include the presentation of career plans or a training policy and the establishment of a counseling system

Regarding measures for encouraging foreign employees to settle with firms, the firms answering “carrying out no special measures” account for 38.3% of the firms employing foreigners, followed by “presentation of career plans or a training policy” (20.1%) and “establishment of a counseling system” (19.2%). A high percentage of large-scale firms are carrying out these measures.

■ Issues include the sharing of the organizational vision and communication with Japanese employees

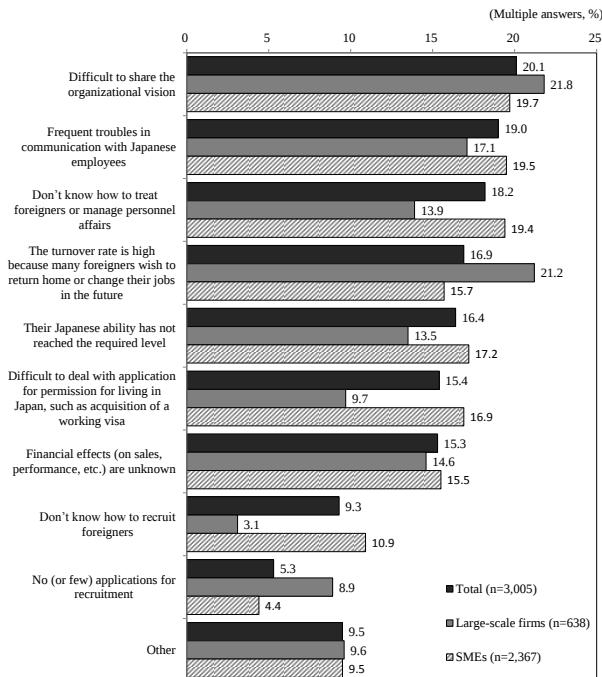
Regarding issues in hiring/employing foreign employees, many firms answered with “difficult to share the organizational vision” (20.1% of the total number of respondent firms) and “frequent troubles in communication with Japanese employees” (19.0%). Regarding policy for coping with “language problems” with foreign employees, many firms answered “employment of staff proficient in both Japanese and other languages” (26.6% of the total number of firms recognizing language problems) and “provision of Japanese training to foreign employees” (20.8%). On the other hand, the percentage of firms answering “carrying out no special measures” is also high, at 36.3%. The percentage is especially high in the case of SMEs, at 39.0%.

Measures for encouraging foreign employees to settle with firms (by firm size)



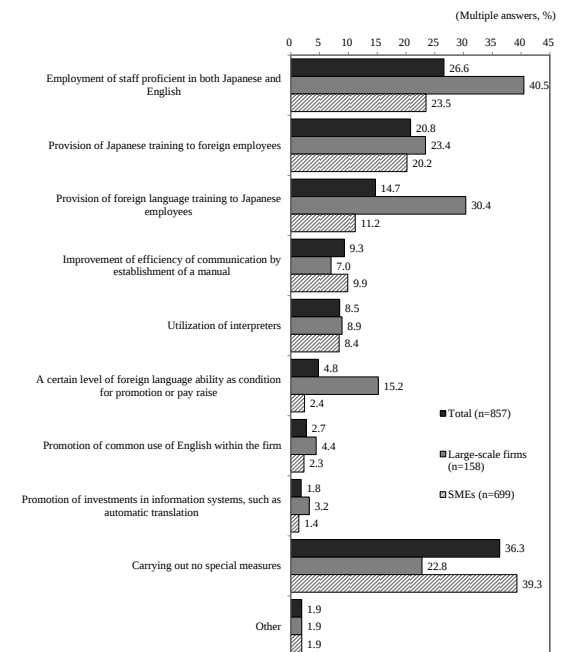
[Note] 1) Percentage to the total number of firms answering “currently hiring foreign employees” 2) Top ten items chosen by many firms

Issues in hiring/employing foreign employees (by firm size)



[Note] Percentage to the total number of respondent firms in this survey.

Policy for coping with language problems (by firm size)



[Note] Percentage to the total number of firms answering “frequent troubles in communication with Japanese employees” and “their Japanese ability has not reached the required level” concerning issues in hiring/employing foreign employees

Common use of English within the firm

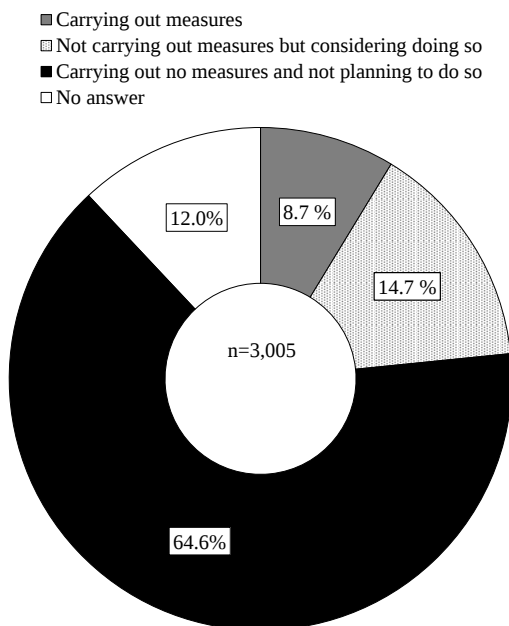
■ The percentage of firms carrying out measures for common use of English is 8.7%

Regarding measures for common use of English, 64.6% of the respondent firms answered “carrying out no measures and not planning to do so.” The percentage of firms carrying out some measures is 8.7%. Main measures include “making a rule of using English for communication with overseas bases about daily operations” (2.5%) and “writing the organizational vision and company rules in English” (2.5%). In addition, 14.7% of the respondent firms answered “not carrying out measures but are considering doing so.”

■ The percentage of firms carrying out measures for common use of English is high

By firm scale, the percentage of firms carrying out measures for common use of English is 17.9% in the case of large-scale firms, while it was 6.1% in the case of SMEs. By industry, the percentage is high in such industries as cars/car parts/other transportation machinery (23.5%) and electric machinery (20.4%).

Measures for common use of English



[Note] Percentage of the total number of respondent firms

Measures for common use of English (by firm size)

(Multiple answers, %)

	Total (n=3,005)	Large-scale firms (n=638)	SMEs (n=2,367)
Carrying out measures	8.7	17.9	6.1
Making a rule of using English for communication with overseas bases about daily operations	2.5	4.4	2.0
Writing the organizational vision and company rules in English	2.5	8.6	0.9
Using English for employment examination	1.2	1.7	1.0
Preparing official in-house circulars in English	1.1	2.7	0.7
Using English at in-house meetings, excluding meetings of the board of directors	0.8	2.5	0.3
Constructing accounting, personnel and other management systems in English	0.7	2.4	0.3
Holding meetings of the board of directors in English	0.6	1.4	0.4
Preparing in-house approval documents in English	0.5	1.1	0.3
Other	3.3	6.1	2.5
Not carrying out measures but considering doing so	14.7	17.6	13.9
Carrying out no measures and not planning to do so	64.6	54.9	67.3
No answer	12.0	9.6	12.7

[Note] Percentage of the total number of respondent firms

8. CSR policies

- Over 70% of large firms have CSR policies -**

Firms' policies concerning CSR

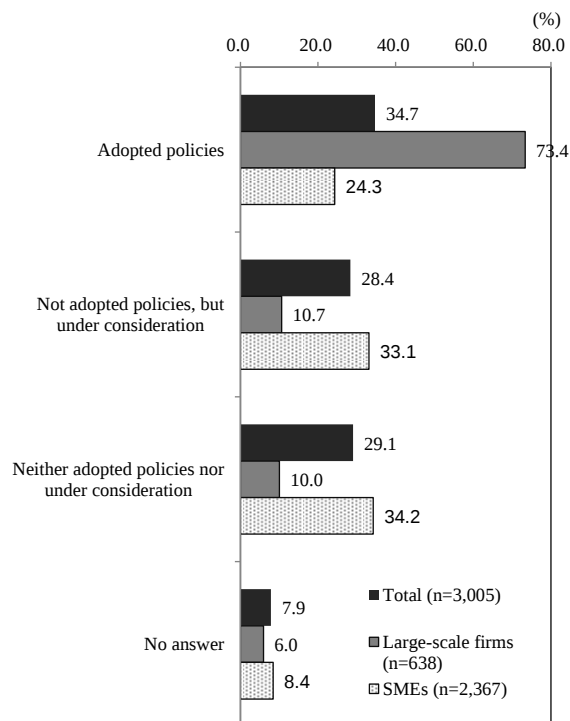
Over 70% of large firms have CSR policies

Among respondents, 34.7% have a policy regarding corporate social responsibility (CSR). Adding companies considering preparing CSR policies (28.4%), the number increases to 63.1%. Of large companies, 73.4% have already developed such policies.

Many firms adopt measure “ensuring appropriate working practices and safety and health of employees” and “approaches to environmental conservation and protection” as CSR policies

Among respondents either possessing or considering adopting CSR policies, the most commonly cited topics covered by, or under consideration for, these CSR policies are “ensuring appropriate working practices and safety and health of employees” at 71.9%, followed by “approaches to environmental conservation and protection” (68.4%) and “considerations to and participation in local communities” (62%). While manufacturers of machinery and equipment and constructors place the greatest importance on environment conservation, textile/apparel companies, retailers, and finance/insurance companies place the greatest importance on “respect for human rights,” “protection of consumer safety and information,” and “consideration for and participation in the community,” respectively.

Adoption of CSR policies



[Note] Percentage of the total number of respondents.

Topics specified in CSR policies (by industry)

(Multiple answers, %)

	No. of firms	Ensuring appropriate working practices and safety and health of employees	Respect for human rights	Approaches to environmental conservation and protection	Consideration for and participation in the community	Protection of consumer safety and information	Prevention of corruption, securing of fair trade	Other	No answer
Total	1,895	71.9	49.6	68.4	62.0	47.8	43.5	2.2	3.1
Manufacturing	1,101	74.5	51.0	72.6	63.6	51.7	43.0	1.7	3.2
Food & beverages	245	73.5	40.0	56.7	59.2	67.3	32.2	1.2	2.4
Textile/apparel	43	72.1	74.4	55.8	65.1	48.8	44.2	4.7	0.0
Lumber & wood products/furniture & building materials/paper & pulp	34	88.2	67.6	70.6	73.5	58.8	50.0	0.0	2.9
Chemical products	79	83.5	62.0	89.9	69.6	58.2	58.2	2.5	1.3
Medical products/cosmetics	45	60.0	42.2	64.4	55.6	57.8	37.8	6.7	4.4
Petroleum & coal products/plastic products/rubber products	59	84.7	61.0	81.4	62.7	37.3	44.1	0.0	1.7
Ceramic, stone & clay products	16	81.3	50.0	100.0	68.8	31.3	62.5	0.0	0.0
Iron & steel/non-ferrous metal/Metal products	121	75.2	45.5	76.0	62.8	30.6	35.5	0.8	5.0
General-purpose machinery	117	69.2	54.7	77.8	70.1	45.3	47.0	3.4	3.4
Electric machinery	70	73.6	48.6	81.9	59.7	54.2	50.0	0.0	5.6
Communication equipment/electronic parts & devices	35	80.0	77.1	91.4	74.3	60.0	62.9	2.9	5.7
Automobiles/automobile parts/other transportation equipment	78	80.8	52.6	80.8	73.1	47.4	50.0	1.3	1.3
Precision machinery	45	75.6	46.7	71.1	62.2	51.1	53.3	0.0	0.0
Other manufacturing	114	65.8	47.4	71.1	56.1	48.2	36.0	1.8	6.1
Non-manufacturing	794	68.2	47.6	62.6	59.8	42.3	44.3	2.8	3.0
Trade/wholesale	370	69.2	47.3	61.9	54.3	43.5	42.2	1.9	3.0
Retail	45	64.4	42.2	60.0	62.2	73.3	51.1	2.2	6.7
Construction	56	69.6	51.8	85.7	71.4	37.5	55.4	1.8	0.0
Transport	51	80.4	51.0	72.5	62.7	27.5	54.9	5.9	2.0
Finance/insurance	59	50.8	42.4	76.3	89.8	37.3	37.3	6.8	3.4
Communications/information/software	49	72.0	56.0	54.0	44.0	30.0	44.0	4.0	6.0
Professional services	43	62.8	51.2	46.5	60.5	32.6	44.2	2.3	4.7
Other non-manufacturing	121	69.7	45.1	53.3	60.7	46.7	42.6	2.5	1.6

[Note] Percentage of the total number of firms answering that they “adopted policies” or “under consideration”; highlighted cells indicate the largest response rate in each industry.

FY2015 Survey on the International Operations of Japanese Firms

- JETRO Overseas Business Survey -

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[Note] Figures may not sum up to the total because some are less than one unit.

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