

Chapter 1 Introduction

1. Survey Background

It is expected that the amount of trade between Japan and other Asian countries will continue to grow in the future, and it is absolutely indispensable to realize efficient and low-cost logistics in Asian countries in order to heighten Japan's industrial competitiveness. However, development of the logistics infrastructure is not keeping pace with industrial expansion in these countries due to delays in informatization and standardization and insufficient government cooperation.

2. Survey Objectives

In addition to collecting and organizing information relating to the logistics field that is required in order for Japan to implement rational and effective economic cooperation with countries in the Asian region, the survey aimed to recommend improvements for the systematic problems relating to logistics in the survey subject countries.

3. Survey Subjects

3.1 Survey subject countries

The Asian region is comprised of many different countries and regions.¹ In order to study logistics structural improvements in Asia, it is important to gather information from as many countries as possible to obtain an overall view.

In selecting the survey subject countries, it is necessary to typify the countries in the Asian region and select the subject countries from the various types.

The following can be put forward as type indices: (1) size of GDP, (2) state of industrial progress, (3) ODA recipient/non-recipient, (4) ASEAN/non-ASEAN country, (5) APEC/non-APEC country, (6) NIEs/non-NIEs,² (7) religion, (8) region (East Asia, Southwest Asia, Central Asia), etc. For this survey, the countries of the Asian region³ were divided broadly into three groupings using GDP (or GNP), the most basic economic index.

The survey subject countries were selected from these three groups. The four underlined countries were selected (the figures in parentheses after the country name are per capita GDP or GNP⁴ in USD).

- (1) High income countries (per capita GDP reaches five digits in USD - 2 countries)
Singapore (21,711), Brunei (12,500)

- (2) Middle income countries (per capita GDP reaches four digits in USD - 4 countries)
 Korea (9,770), Malaysia (3,516), Thailand (1,818), Maldives (1,416)
- (3) Low income countries (per capita GDP reaches three digits in USD - 14 countries)⁴
- <1> Top group (3 countries)
Philippines (945), Peoples Republic of China (850), Sri Lanka (836)
 - <2> Middle group (9 countries)
 Indonesia (682), Bhutan (470), India (440), Pakistan (429), Mongolia (400),
 Vietnam (388), Bangladesh (364), Myanmar (300), Laos (273)
 - <3> Bottom group (2 countries)
 Cambodia (253), Nepal (242)

3.2 Survey subjects and survey method

As seen from the current industrial structure in which international horizontal division of labor is advanced, structural logistics improvements in the Asian region are considered to have the greatest effect on manufacturing companies with production/logistics sites within the region. Knowledge was sought regarding the actual situation of manufacturers within each country.

Also, growth of individual consumption is a crucial element in making certain of medium to long-term economic development in the developing countries of the Asia region. The “problems” of logistics are evidenced most strongly in the distribution industry, where many different products from many different manufacturers are gathered and retailed to consumers. An understanding was gained of the distribution industry situation in each country.

Further, knowledge was gained of the situation regarding the logistics industry in each country, as the link between manufacturers and distributors, and which has a very strong relationship to the theme of this research study, structural logistics improvements.

Locally incorporated Japanese companies were the subjects of the hearings, with one company selected from each industry type.

The questionnaire was distributed to (1) local companies doing business with hearing subject companies (local companies and locally incorporated Japanese companies), (2) JILS member companies of the Japanese companies in the survey subject countries whose contact details could be found in existing literature,⁵ and (3) local companies known by the above specialized organizations (local companies and locally incorporated Japanese companies).

4. Survey Content

4.1 Local Survey (questionnaire, hearings)

1) Survey items

The problems involved in logistics in the four survey subject countries (Philippines, Thailand, Malaysia and Singapore) were clarified and their causes were extracted.

Survey items

- Problems as seen by logistics function (transport, storage, cargo handling, packaging, information, etc.)
- Problems involved in logistics control overall (costs, service level, outsourcing, environment)
- Governmental problems involved in the logistics business
- Legal system problems, such as regulations, etc. relating to the logistics business

2) Relationship between survey items and survey method

- The hearings mainly surveyed problems and issues involved in logistics.
- The questionnaire mainly surveyed the order of priority of logistics-related issues.

4.2 Conclusions and Suggestions for Improvement

A proposal with suggestions for improvement in the surveyed countries (Philippines, Thailand, Malaysia, Singapore) was drawn up based on the questionnaire results and detailed analysis of the hearings.