



Japan External Trade Organization

Japan's Competitive Strengths

April 2011

Overseas Research Department

Japan's competitiveness has been gradually rising

In top 10 ranking since 2006

	2001	2002	2003	2004	2005
1	Finland	United States	Finland	Finland	Finland
2	United States	Finland	United States	United States	United States
3	Canada	Taiwan	Sweden	Sweden	Sweden
4	Singapore	Singapore	Denmark	Taiwan	Denmark
5	Australia	Sweden	Taiwan	Denmark	Taiwan
6	Norway	Switzerland	Singapore	Norway	Singapore
7	Taiwan	Australia	Switzerland	Singapore	Iceland
8	Netherlands	Canada	Iceland	Switzerland	Switzerland
9	Sweden	Norway	Norway	Japan	Norway
10	New Zealand	Denmark	Australia	Iceland	Australia
11	Ireland	United Kingdom	Japan	United Kingdom	Netherlands
12	United Kingdom	Iceland	Netherlands	Netherlands	Japan
13	Hong Kong SAR	Japan	Germany	Germany	United Kingdom
14	Denmark	Germany	New Zealand	Australia	Canada
15	Switzerland	Netherlands	United Kingdom	Canada	Germany

21 Japan

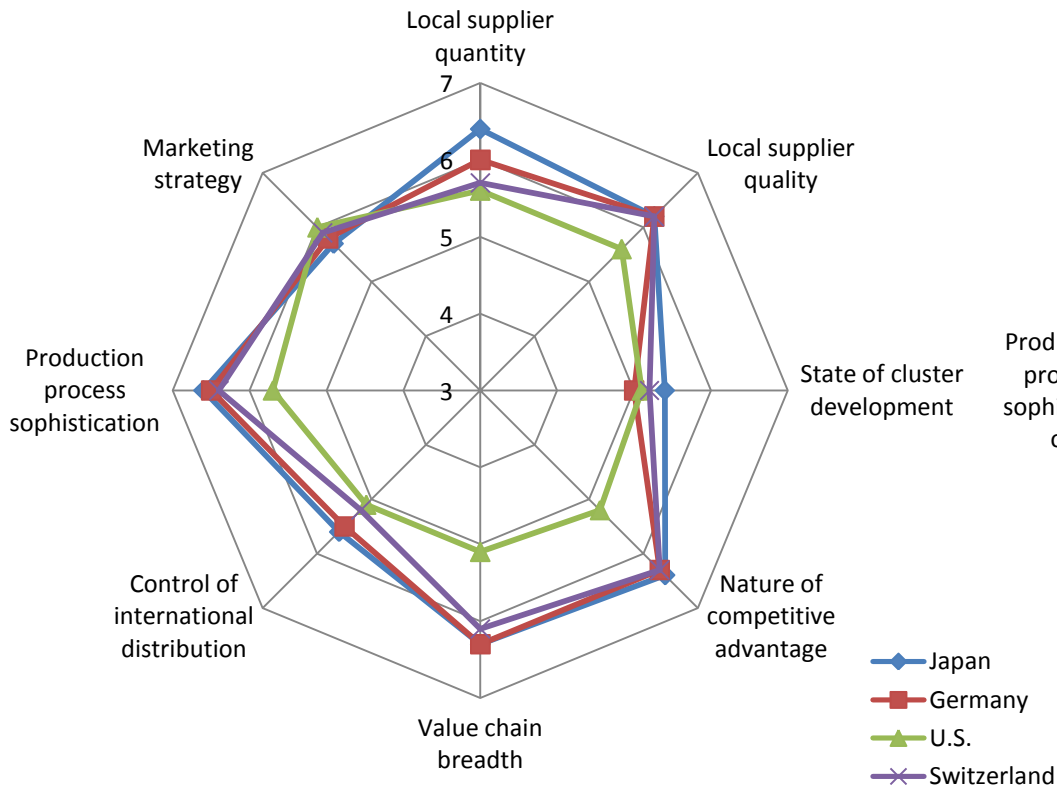
	2006	2007	2008	2009	2010
1	Switzerland	United States	United States	Switzerland	Switzerland
2	Finland	Switzerland	Switzerland	United States	Sweden
3	Sweden	Denmark	Denmark	Singapore	Singapore
4	Denmark	Sweden	Sweden	Sweden	United States
5	Singapore	Germany	Singapore	Denmark	Germany
6	United States	Finland	Finland	Finland	Japan
7	Japan	Singapore	Germany	Germany	Finland
8	Germany	Japan	Netherlands	Japan	Netherlands
9	Netherlands	United Kingdom	Japan	Canada	Denmark
10	United Kingdom	Netherlands	Canada	Netherlands	Canada

Source: World Economic Forum "The Global Competitiveness Report" (various years)

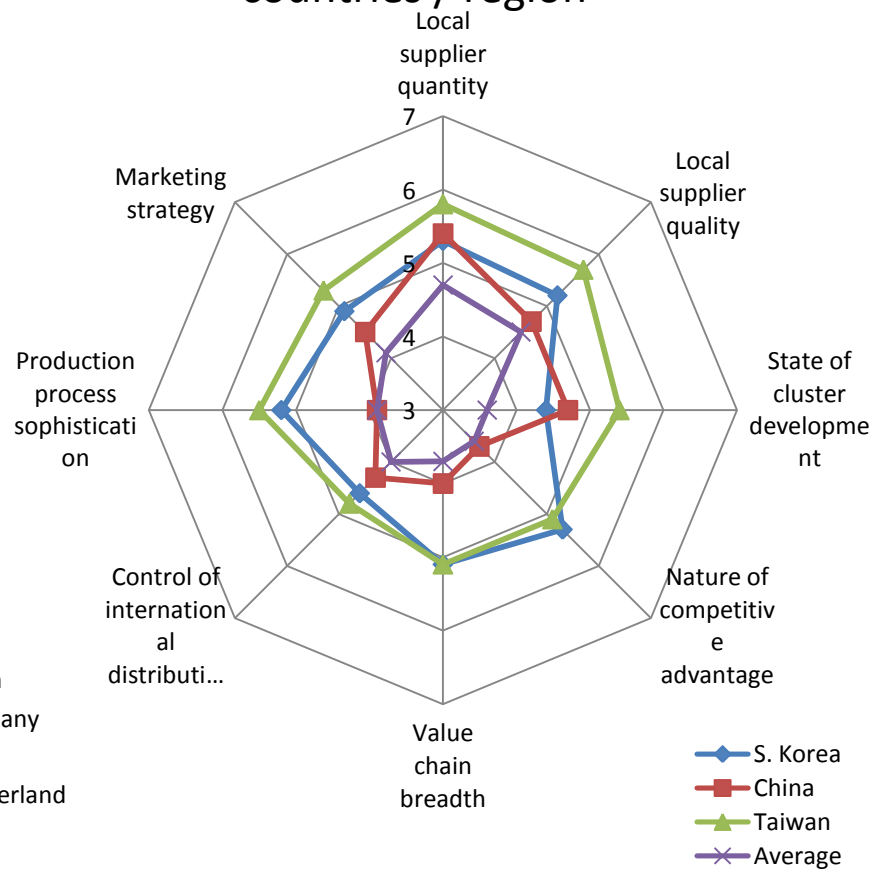
Sources of Japan’s competitiveness

Existence of diverse high value-added businesses and highly regarded production processes

Major developed countries



Asian industrialized/industrializing countries / region

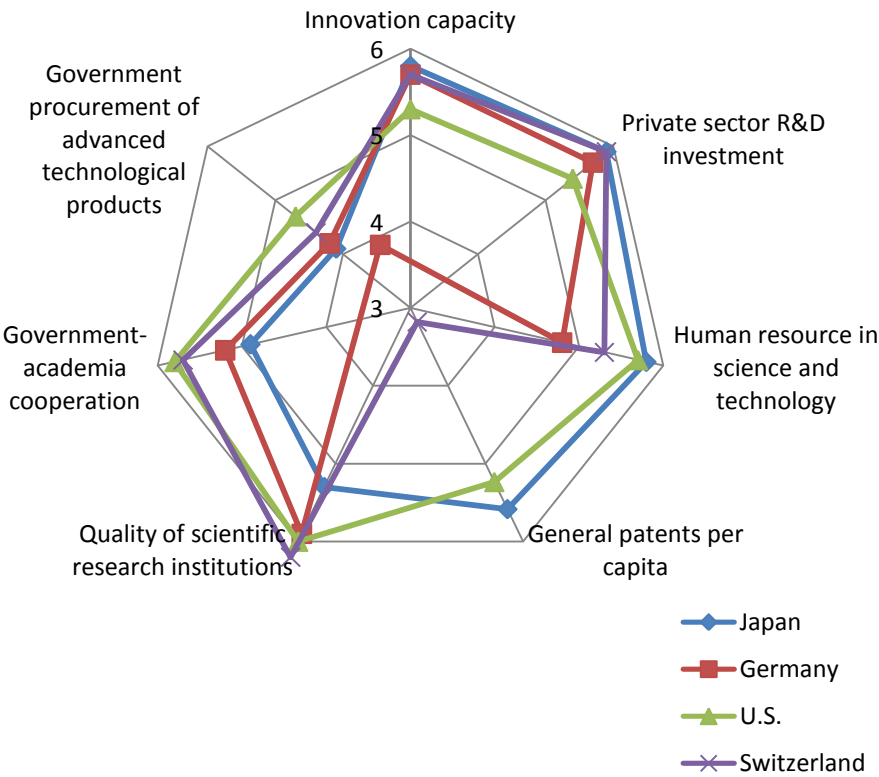


Source: World Economic Forum “The Global Competitiveness Report” 2010

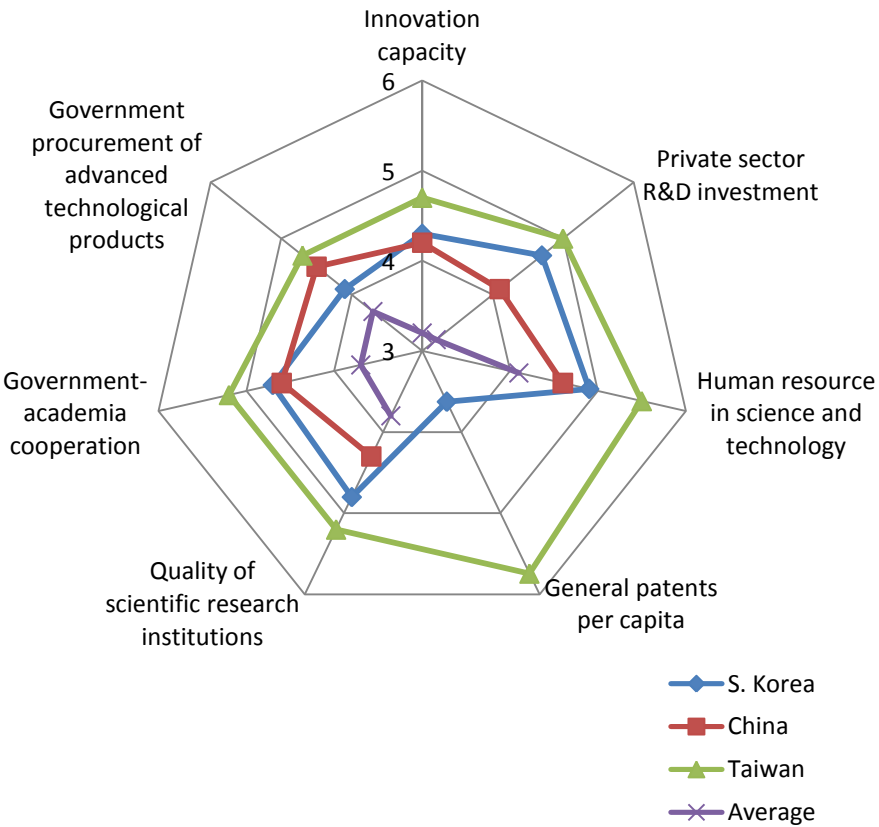
Sources of Japan's competitiveness:

The private sector's innovation capacity is highly regarded

Major developed countries

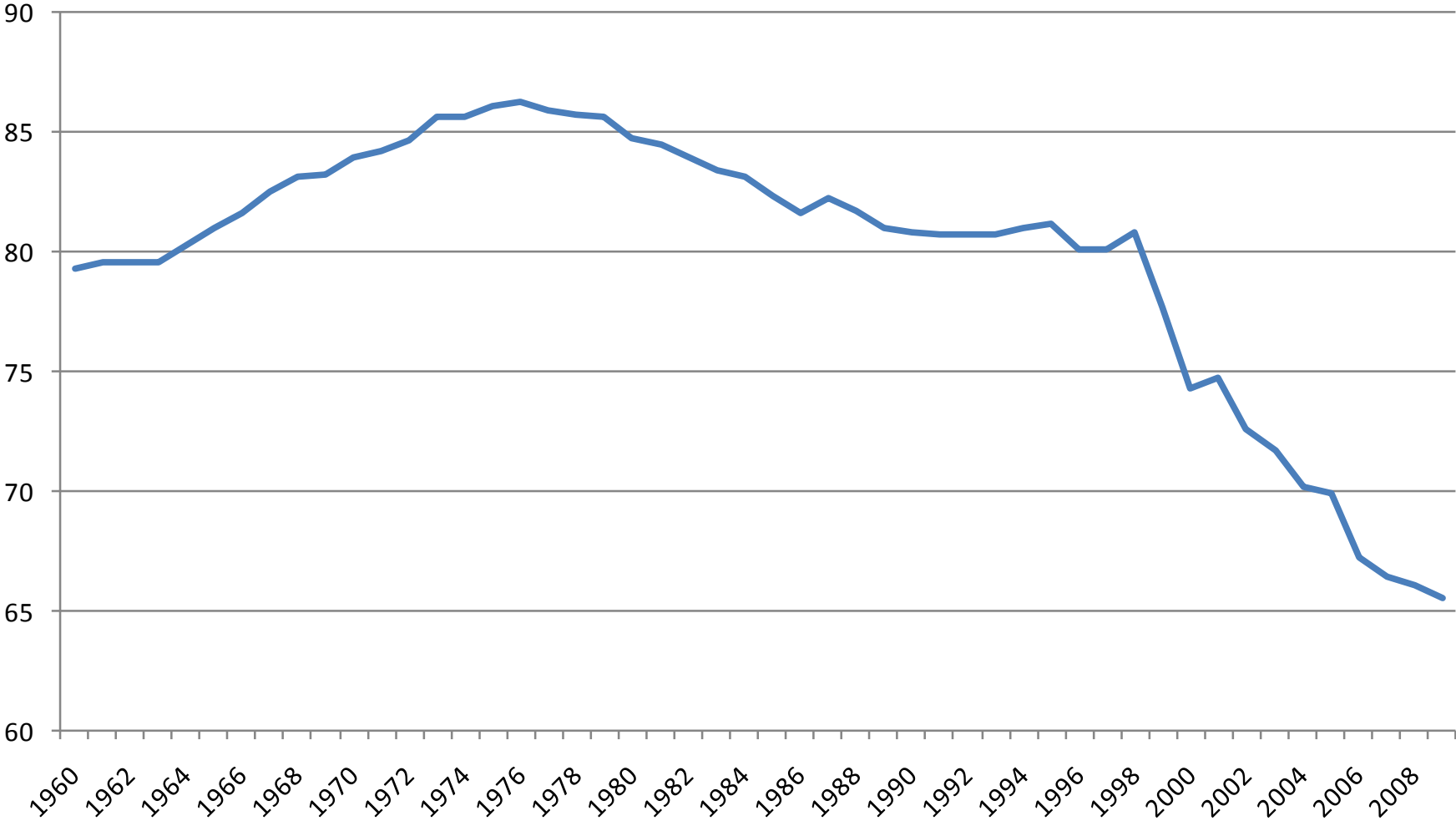


Asian industrialized/industrializing countries /region



Source: World Economic Forum “The Global Competitiveness Report” 2010

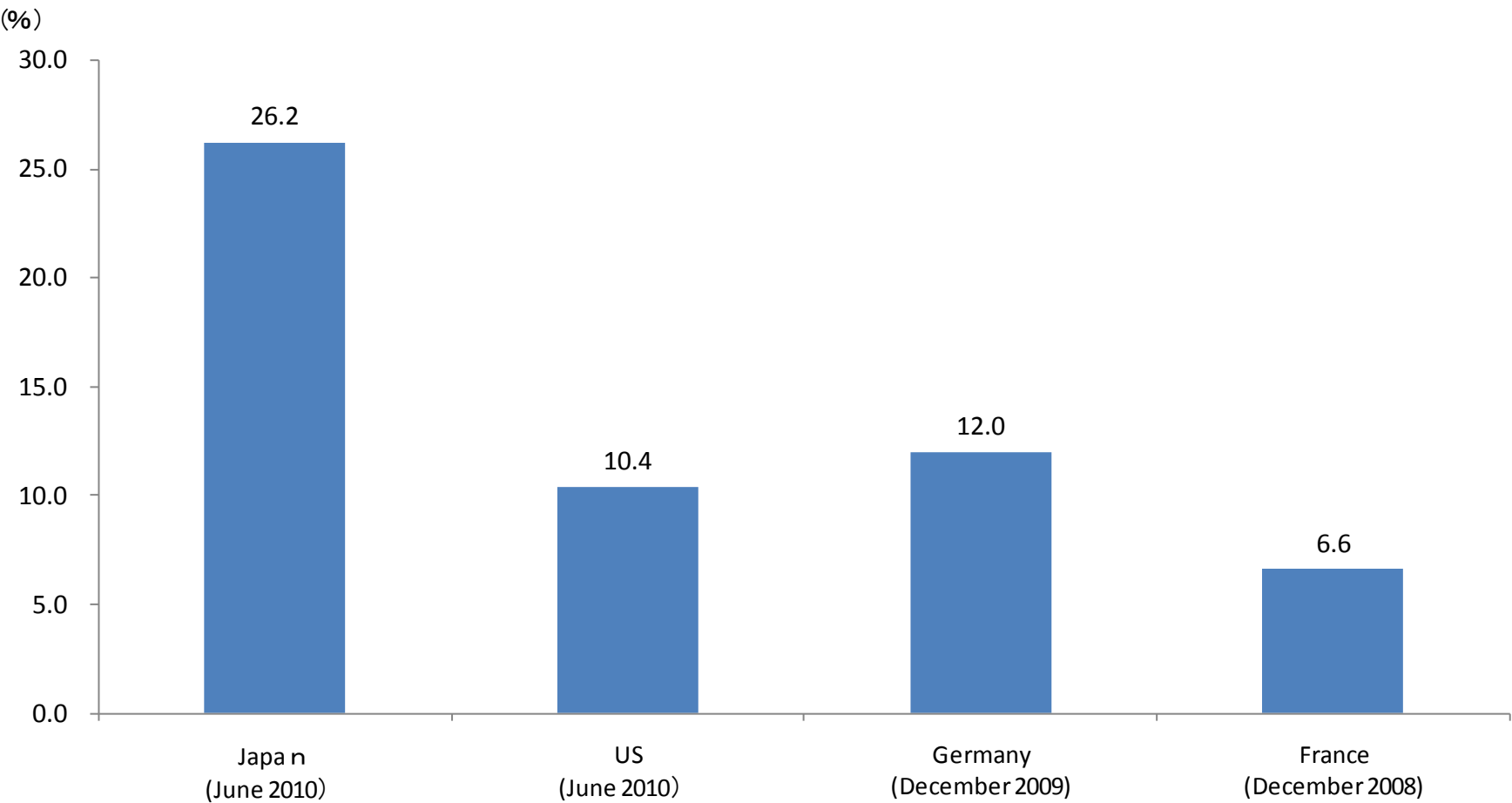
The corporate sector is steadily improving: Debt ratio is steadily dropping



Source: Ministry of Finance “Financial Statements Statistics of Corporations by Industry”

Cash-rich business sector

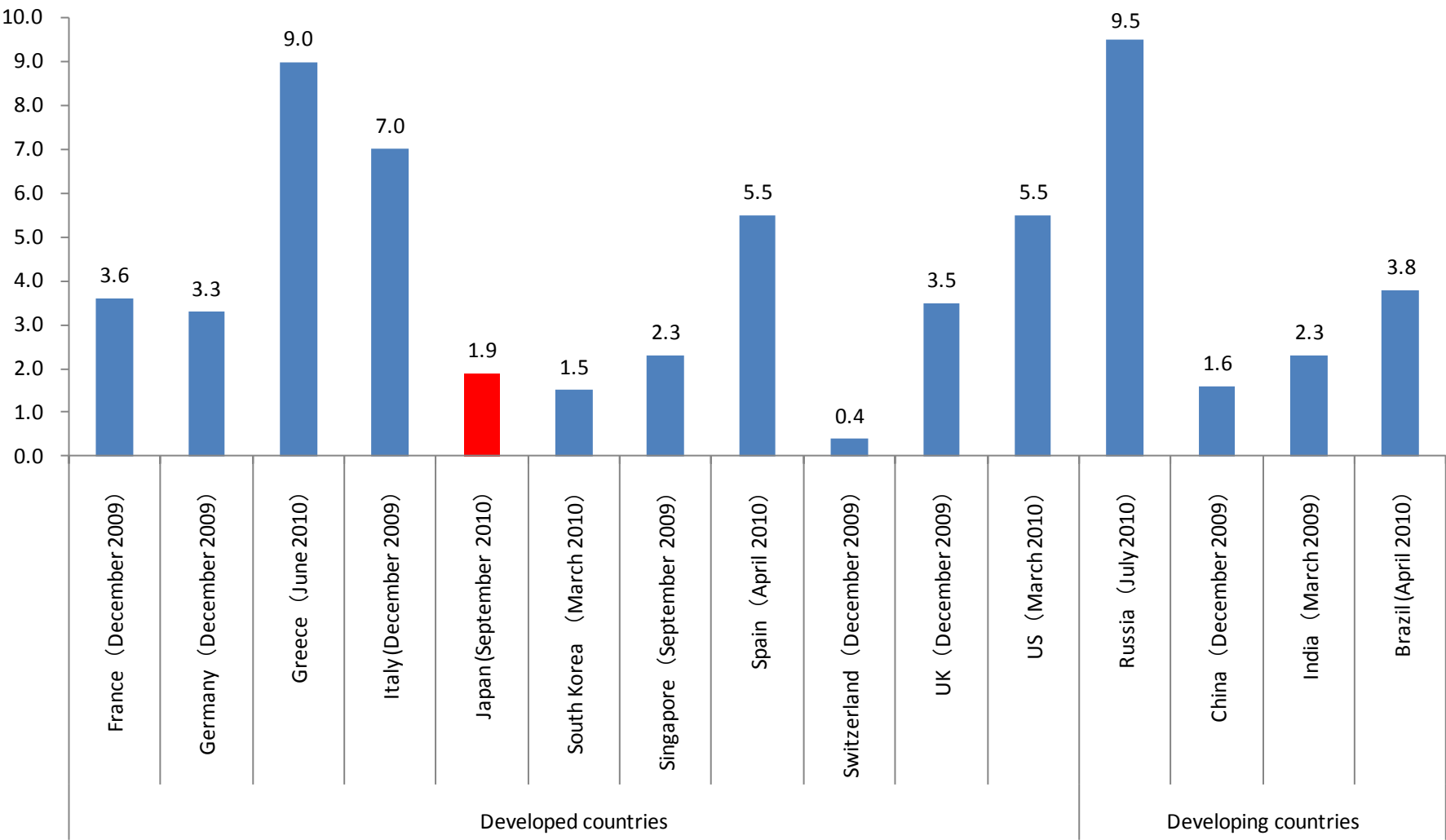
Cash as percentage of total assets (liabilities) of non-financial companies



Sources: Flow of funds statistics from each country

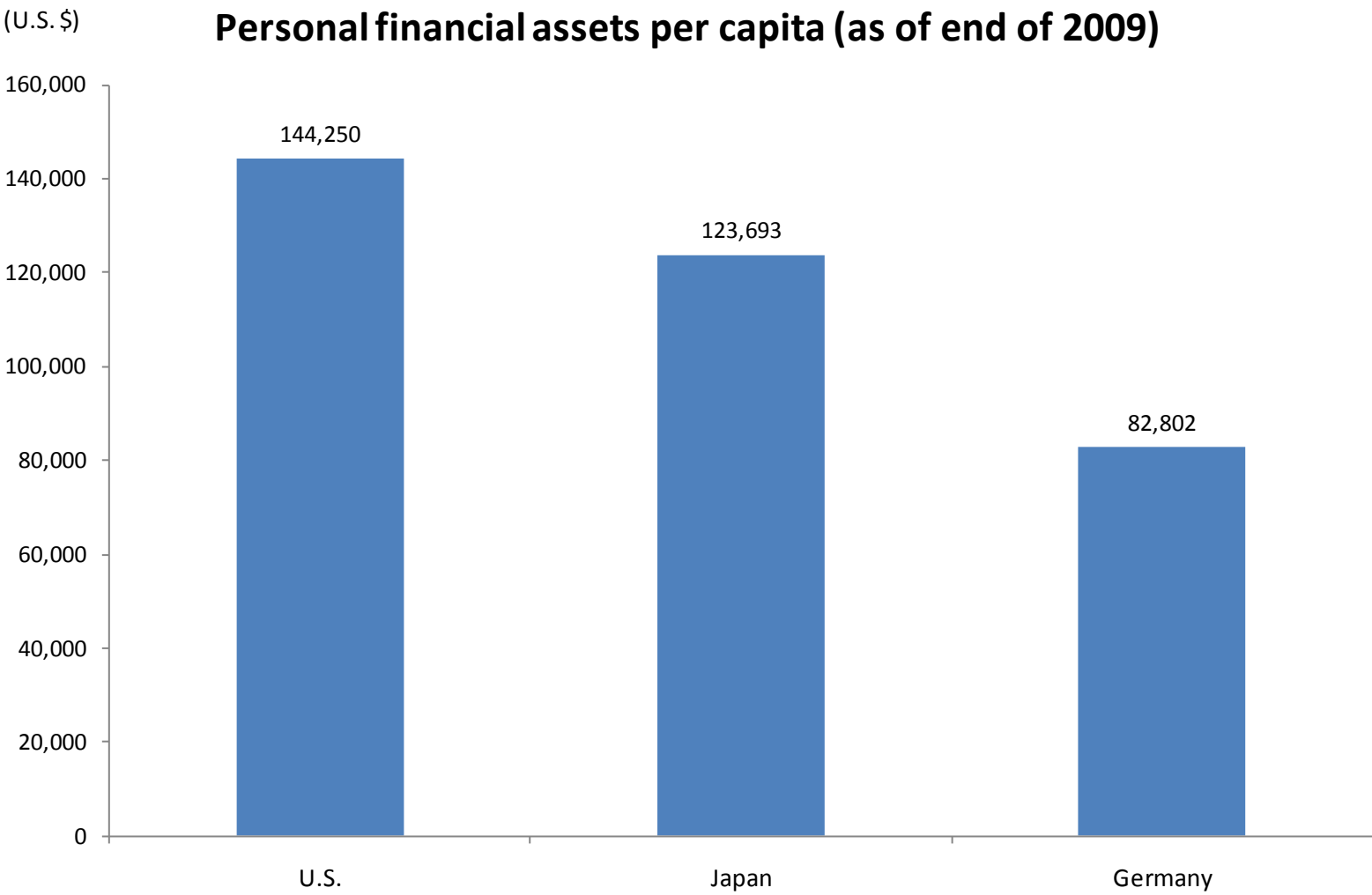
Financial sector is healthy:

Bad debt ratio of major countries



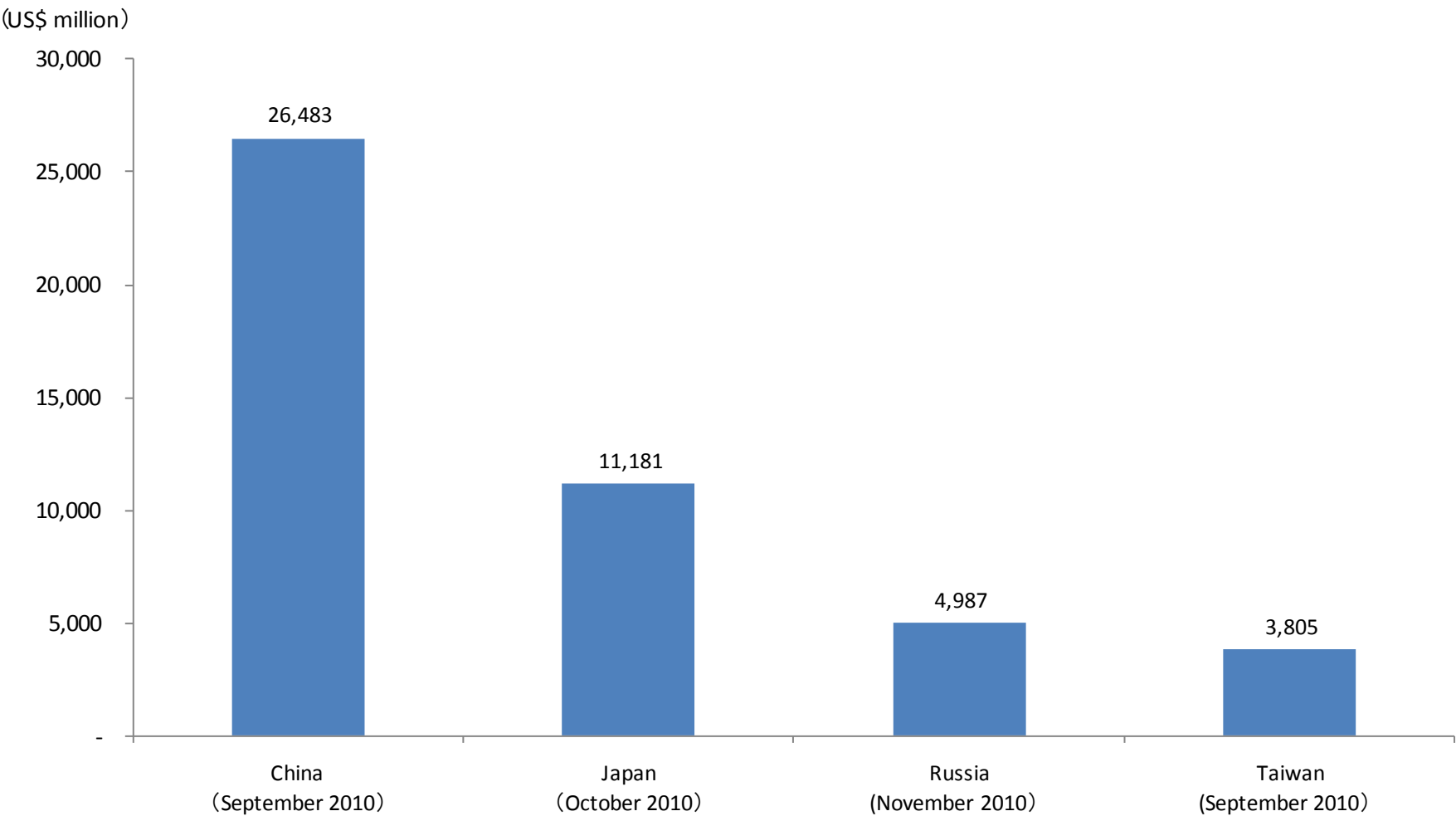
Sources: IMF “Global Financial Stability Report” (Oct. 2010); Financial Services Agency

Abundant personal financial assets



Sources: Flow of funds statistics from each country; IMF International Financial Statistics; IMF World Economic Outlook Database (Oct. 2010)

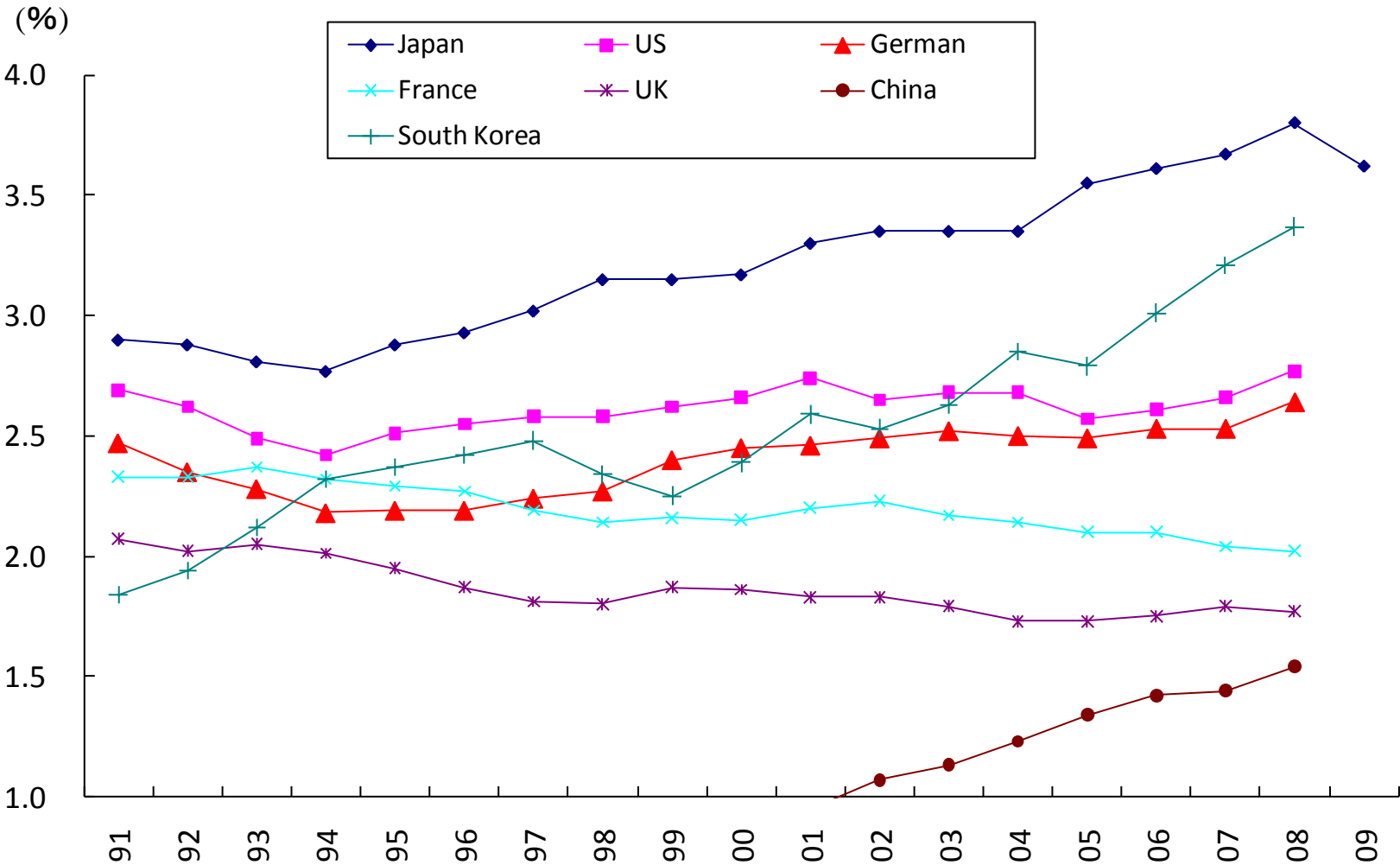
Abundant foreign currency reserve



Sources: Central banks and departments of treasury of each country and region

Vigorous efforts in R&D

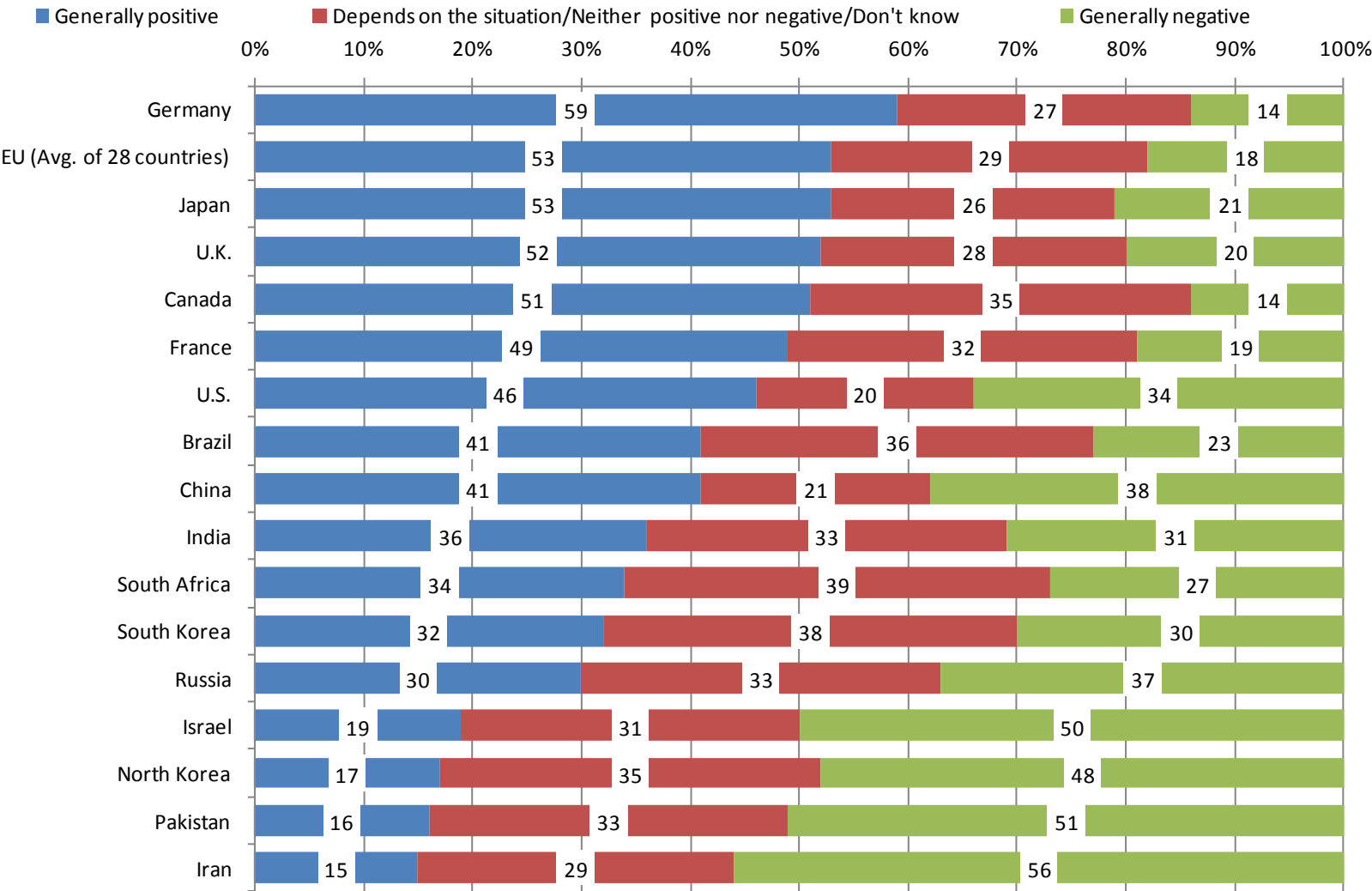
R&D expenditure as percentage of GDP of major countries



Sources: Ministry of Internal Affairs and Communications “Survey of Research and Development (Designated Statistical Survey)” (2010); OECD “Main Science and Technology Indicator” 2010

International opinion about Japan

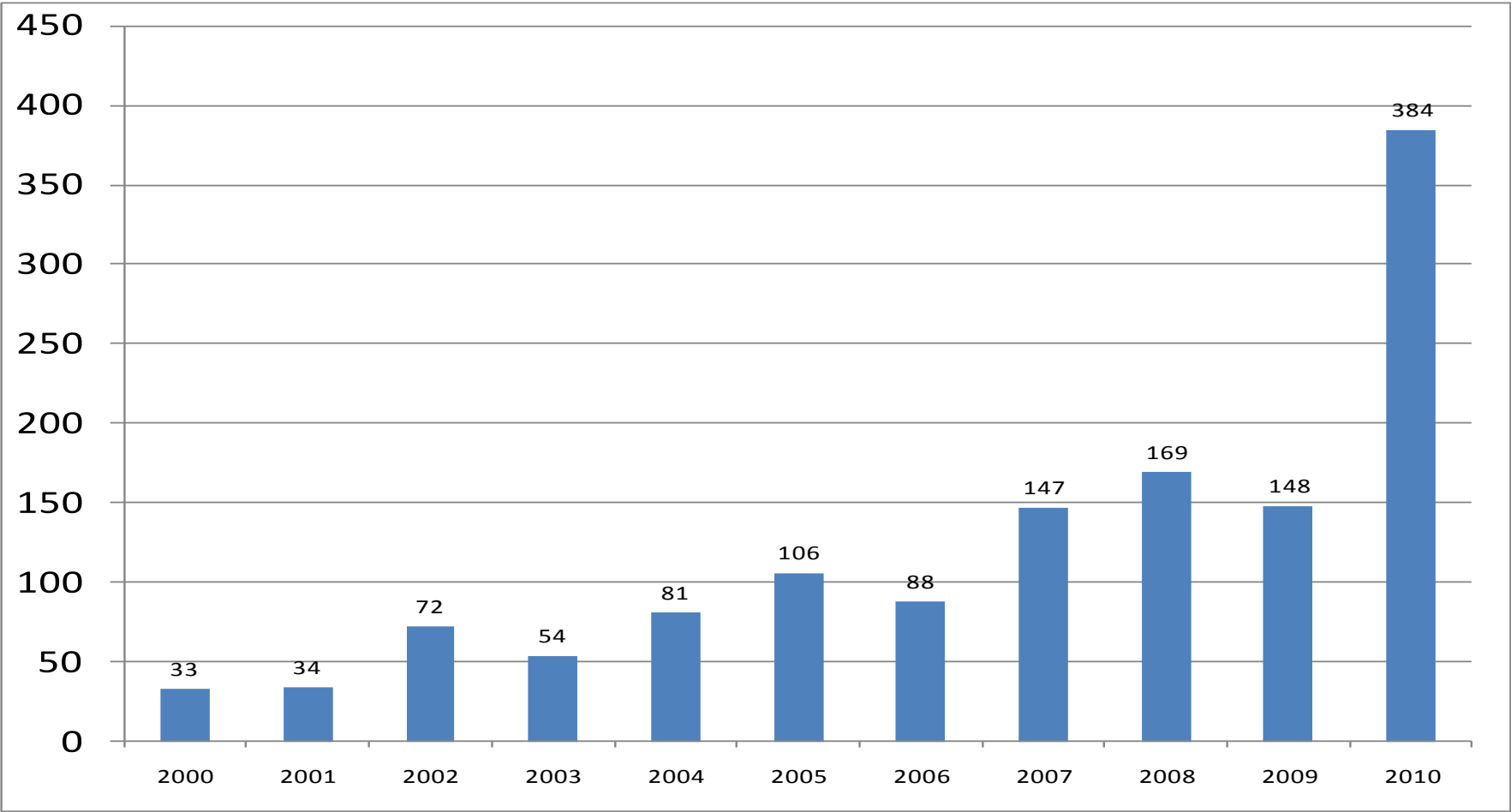
Survey of different countries' impact on the world (2010)



Note: International opinion poll by BBC World Service begun in 2004. Conducted by GlobeScan Incorporated (Toronto) and the University of Maryland's Program on International Policy Attitudes. 2010 survey: 28 countries, 29,977 persons. Survey period: Nov. 30, 2009 – Feb. 16, 2010.
Source: BBC World Service

Growing Interest in Japan’s pop culture

Number of English articles in newspapers and magazines containing the word “kawaii”



Note: As of Dec. 13, 2010

Source: Search result from Factiva.com (Dow Jones & Company’s business information and research tool)

Japan: Growing together with Asia

Asia has become the world's growth center

Growth rate and contribution by country/region

	2006		2007		2008		2009		2010 (Estimate)		2011 (Estimate)		2012 (Estimate)	
	Growth Rate	Contribution	Growth Rate	Contribution	Growth Rate	Contribution	Growth Rate	Contribution	Growth Rate	Contribution	Growth Rate	Contribution	Growth Rate	Contribution
US	2.7	0.6	1.9	0.4	0.0	0.0	△ 2.6	△ 0.5	2.6	0.5	2.3	0.5	3.0	0.6
EU27	3.5	0.8	3.2	0.7	0.8	0.2	△ 4.1	△ 0.9	1.7	0.3	1.7	0.3	2.1	0.4
Euro Zone	3.0	0.5	2.9	0.5	0.5	0.1	△ 4.1	△ 0.6	1.7	0.3	1.5	0.2	1.8	0.3
UK	2.8	0.1	2.7	0.1	△ 0.1	△ 0.0	△ 4.9	△ 0.2	1.7	0.1	2.0	0.1	2.3	0.1
Japan	2.0	0.1	2.4	0.2	△ 1.2	△ 0.1	△ 5.2	△ 0.3	2.8	0.2	1.5	0.1	2.0	0.1
East Asia	9.7	1.7	10.7	1.9	7.0	1.3	5.7	1.1	9.2	1.9	7.9	1.7	7.9	1.8
China	12.7	1.2	14.2	1.4	9.6	1.1	9.1	1.1	10.5	1.4	9.6	1.3	9.5	1.4
South Korea	5.2	0.1	5.1	0.1	2.3	0.0	0.2	0.0	6.1	0.1	4.5	0.1	4.2	0.1
ASEAN10	6.2	0.3	6.6	0.3	4.5	0.2	1.7	0.1	7.2	0.3	5.4	0.2	5.6	0.3
Thailand	5.1	0.0	4.9	0.0	2.5	0.0	△ 2.2	△ 0.0	7.5	0.1	4.0	0.0	4.3	0.0
Singapore	8.6	0.0	8.5	0.0	1.8	0.0	△ 1.3	△ 0.0	15.0	0.1	4.5	0.0	4.4	0.0
Malaysia	5.8	0.0	6.5	0.0	4.7	0.0	△ 1.7	△ 0.0	6.7	0.0	5.3	0.0	5.2	0.0
Vietnam	8.2	0.0	8.5	0.0	6.3	0.0	5.3	0.0	6.5	0.0	6.8	0.0	7.0	0.0
India	9.7	0.4	9.9	0.4	6.4	0.3	5.7	0.3	9.7	0.5	8.4	0.5	8.0	0.4
Australia	2.6	0.0	4.8	0.1	2.2	0.0	1.2	0.0	3.0	0.0	3.5	0.0	3.5	0.0
New Zealand	1.0	0.0	2.8	0.0	△ 0.1	△ 0.0	△ 1.6	△ 0.0	3.0	0.0	3.2	0.0	3.1	0.0
Central and South America	5.6	0.5	5.7	0.5	4.3	0.4	△ 1.7	△ 0.1	5.7	0.5	4.0	0.3	4.2	0.4
Brazil	4.0	0.1	6.1	0.2	5.1	0.1	△ 0.2	△ 0.0	7.5	0.2	4.1	0.1	4.1	0.1
Central and Eastern Europe	6.5	0.2	5.5	0.2	3.0	0.1	△ 3.6	△ 0.1	3.7	0.1	3.1	0.1	3.8	0.1
Russia	8.2	0.2	8.5	0.3	5.2	0.2	△ 7.9	△ 0.3	4.0	0.1	4.3	0.1	4.4	0.1
Middle East and Northern Africa	5.8	0.3	6.0	0.3	5.0	0.2	2.0	0.1	4.1	0.2	5.1	0.2	4.8	0.2
Sub-Saharan Africa	6.4	0.1	7.0	0.2	5.5	0.1	2.6	0.1	5.0	0.1	5.5	0.1	5.7	0.1
South Africa	5.6	0.0	5.5	0.0	3.7	0.0	△ 1.8	△ 0.0	3.0	0.0	3.5	0.0	3.9	0.0
World	5.2	5.2	5.3	5.3	2.8	2.8	△ 0.6	△ 0.6	4.8	4.8	4.2	4.2	4.5	4.5
Reference														
Developed Countries	3.0	1.8	2.7	1.6	0.2	0.1	△ 3.2	△ 1.8	2.7	1.4	2.2	1.1	2.6	1.4
Developing Countries	8.2	3.4	8.7	3.7	6.0	2.6	2.5	1.1	7.1	3.3	6.4	3.1	6.5	3.2
Asia and Oceania	7.6	2.2	8.6	2.5	5.2	1.5	3.7	1.1	7.9	2.5	6.8	2.2	6.9	2.3
ASEAN+3	7.6	1.7	8.6	2.0	5.1	1.2	3.4	0.8	7.7	2.0	6.7	1.7	6.9	1.8
BRICS(Including South Africa)	9.9	2.0	11.1	2.4	7.6	1.7	4.6	1.1	8.9	2.2	7.9	2.0	7.9	2.1
BRICs (Excluding South Africa)	10.1	2.0	11.3	2.3	7.7	1.7	4.8	1.1	9.1	2.2	8.1	2.0	8.0	2.1

[Notes] ① The world GDP growth rate is calculated with the IMF's purchasing power parity (PPP).

② Contribution by each country and region is calculated with the weighted PPP for 2009.

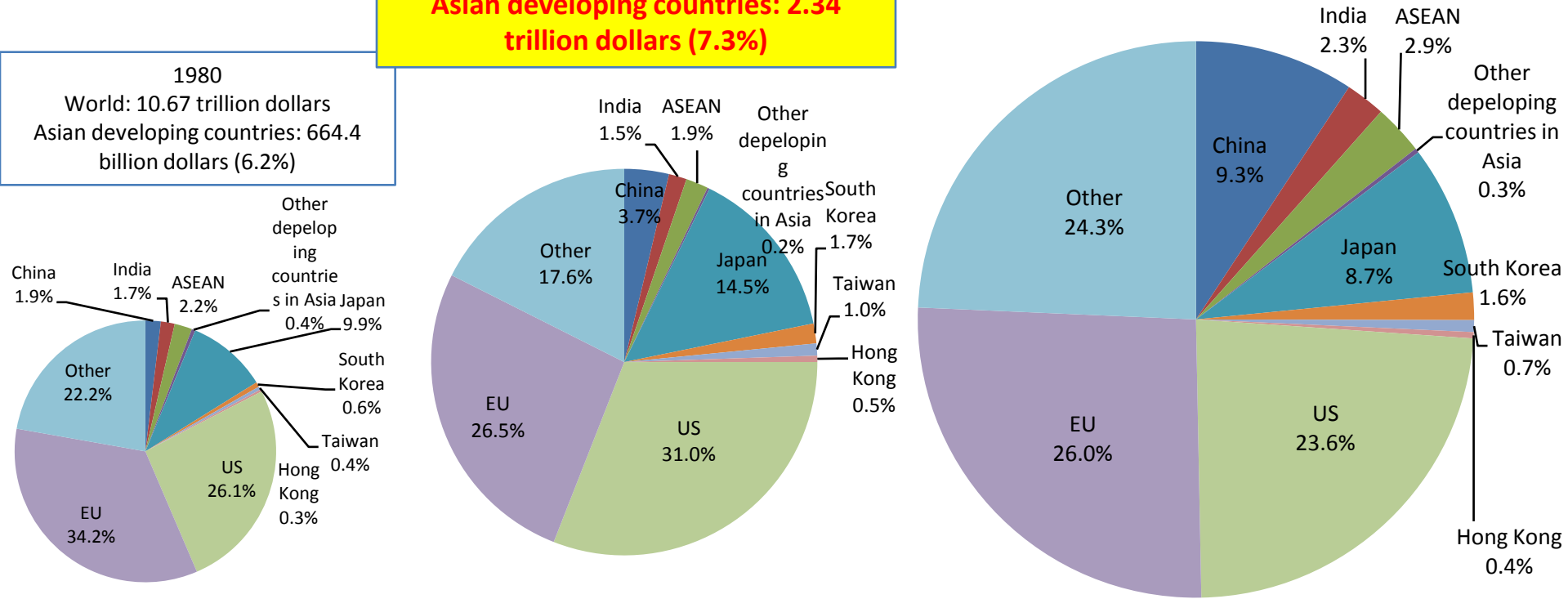
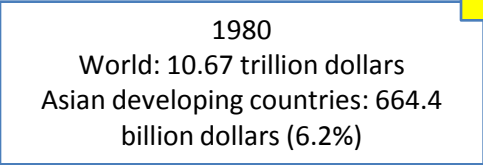
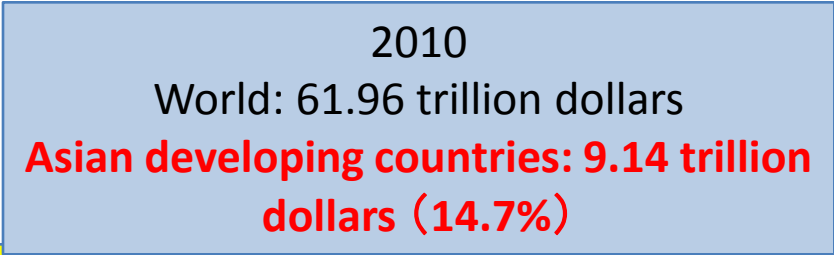
③ East Asia refers to China, South Korea, Hong Kong, Taiwan and ASEAN.

④ Figures may differ from other parts due to the revision of and difference in original statistics.

⑤ The definition of developed and developing countries follows the World Economic Outlook (IMF).

Asian economies are taking a lead in the world

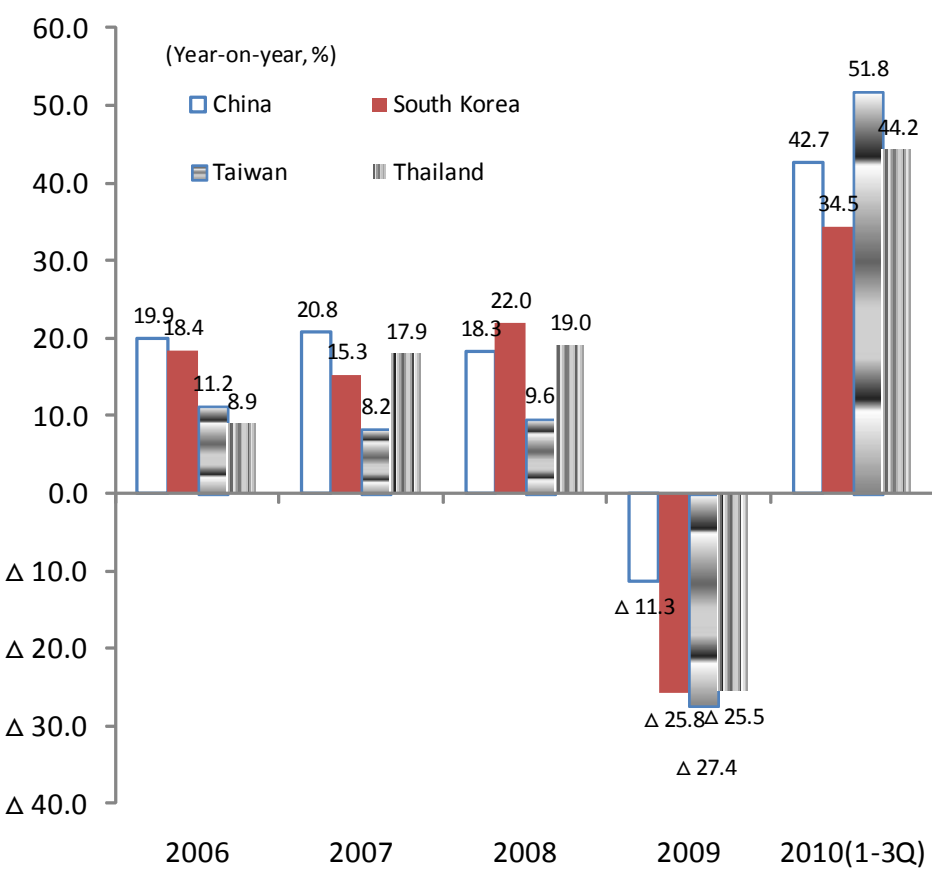
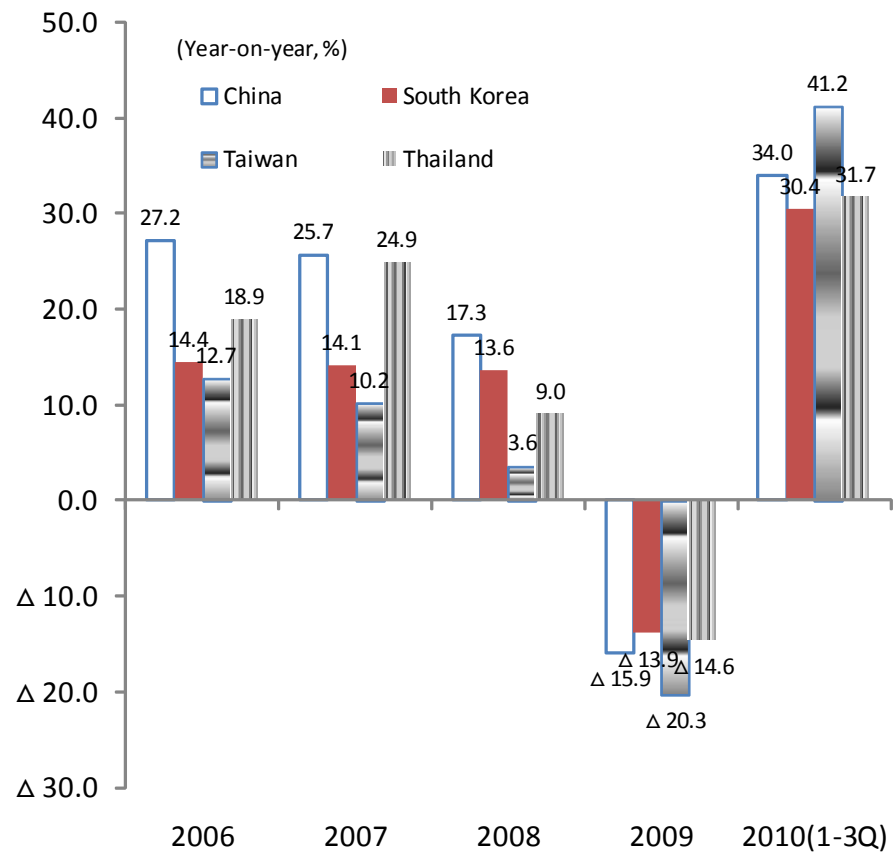
Each country/region's share of total GDP (in nominal dollars)



Source: IMF World Economic Outlook (Oct. 2010)

Imports and exports are both rapidly recovering in China, South Korea and Taiwan

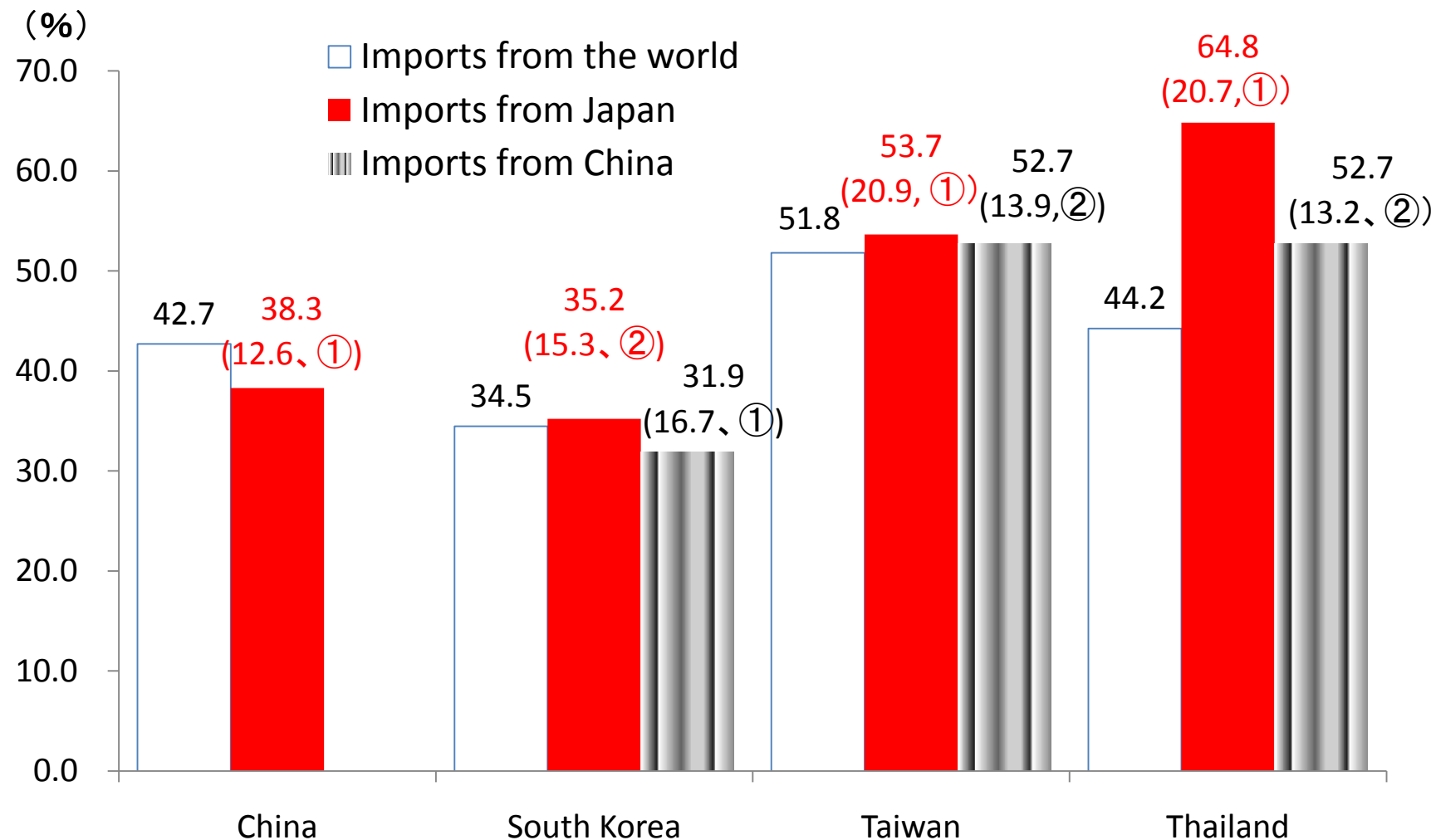
- Recovery of imports outpaces recovery of exports -



Sources: Trade statistics of each country/region

Imports from Japan also show steady recovery

Growth rate of imports into China, South Korea, Taiwan and Thailand (Jan. – Sept. 2010)

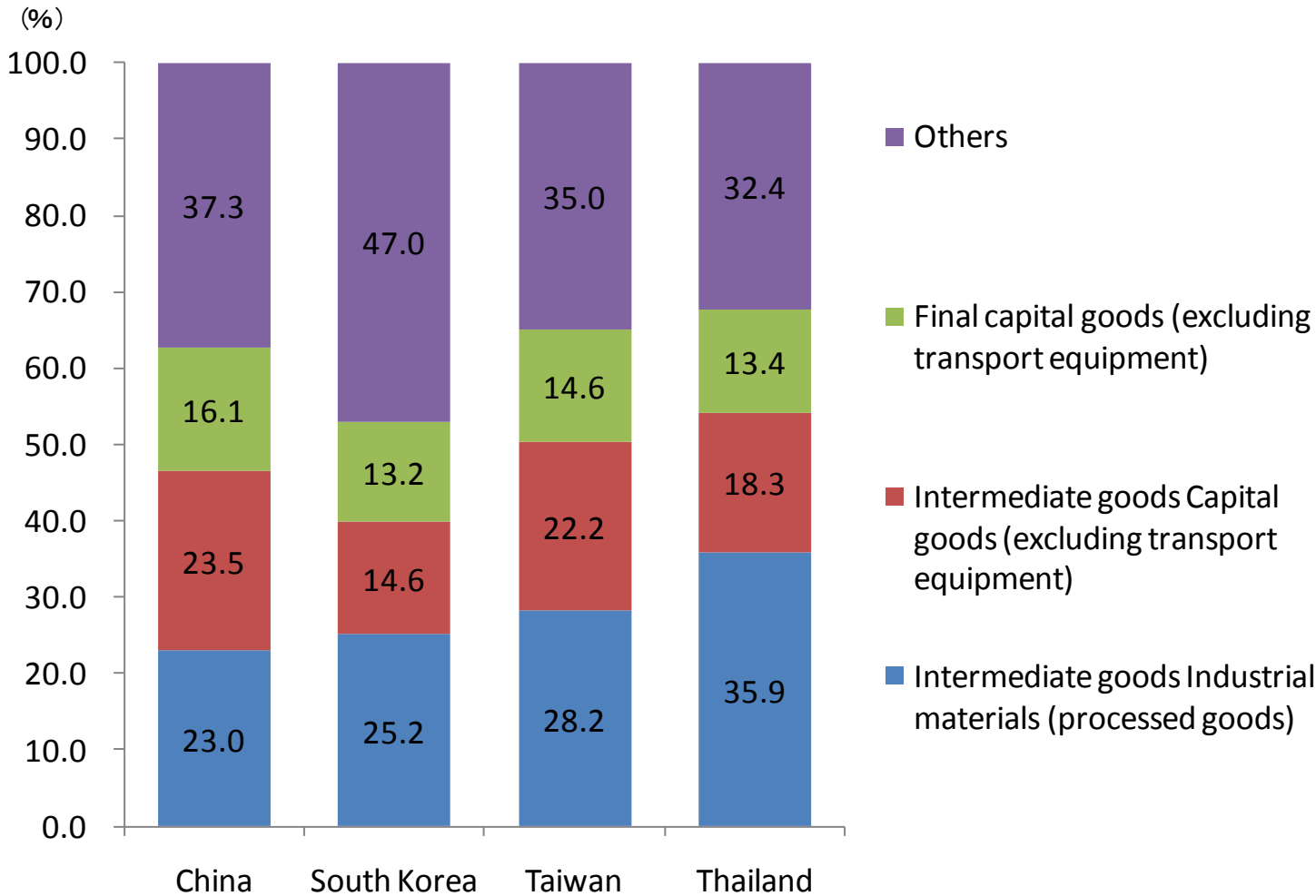


Note: The figure on top of each bar indicates the growth rate. () indicates the share among imports from the world. The circled number indicates rank.

Sources: Trade statistics of each country/region

Majority of imports into major Asian countries are intermediate goods and capital goods

Percentages of imports into major Asian countries/regions that are intermediate goods and final capital goods (Jan. – Sept. 2010)



Note: Categories of goods are based on RIETI categories and UN Broad Economic Categories (BEC)
Sources: Trade statistics of each country/region

Asia depends on intermediate goods and capital goods imported from Japan (1)

Shares by country of imports of intermediate goods into major Asian countries/regions

1. Intermediate goods – Industrial materials (processed goods)

	China			South Korea			Taiwan			Thailand		
	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010
World	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Japan	19.0	17.4	16.9	26.3	30.8	30.0	29.8	33.4	31.5	22.4	21.5	22.5
China	5.0	4.5	4.2	28.7	22.0	22.9	13.5	13.2	13.3	12.3	12.5	12.5
S. Korea	14.4	13.8	13.2	–	–	–	8.1	8.8	9.5	6.0	6.6	7.2
Taiwan	12.3	11.1	11.2	2.2	2.6	2.5	–	–	–	4.1	4.2	3.9
Hong Kong	1.1	0.8	0.7	0.6	0.6	0.6	0.7	1.0	0.9	1.8	2.5	1.4
ASEAN10	7.2	7.6	8.8	6.1	6.6	6.8	8.2	8.2	8.3	13.3	14.4	13.7
Singapore	1.8	1.7	2.1	0.9	1.3	1.3	2.0	2.0	1.9	3.6	4.0	3.3
Thailand	2.1	2.4	2.7	0.7	0.7	0.7	1.3	1.3	1.4	0.6	0.6	0.7
Malaysia	1.5	1.5	1.8	1.3	1.5	1.6	1.7	1.7	1.8	4.3	4.8	4.3
Indonesia	1.2	1.3	1.2	1.9	1.9	2.1	1.8	2.0	2.0	2.8	2.8	3.3
Philippines	0.3	0.3	0.4	0.8	0.6	0.5	0.6	0.5	0.7	0.7	0.8	0.8
Vietnam	0.2	0.3	0.4	0.4	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6
U.S.	8.4	8.1	8.2	7.6	9.0	9.2	9.1	8.7	8.4	5.8	5.6	5.4
EU27	12.5	12.1	11.8	10.2	10.6	9.4	8.8	9.3	8.9	8.6	9.4	7.9

2. Intermediate goods – Capital goods (excluding transport equipment)

	China			South Korea			Taiwan			Thailand		
	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010
World	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Japan	15.5	14.9	14.4	19.9	17.8	18.0	30.9	23.5	23.0	24.1	24.0	26.2
China	17.5	19.3	17.4	22.9	21.7	23.8	28.9	19.2	21.8	14.8	16.8	18.0
S. Korea	13.9	14.2	15.7	–	–	–	5.0	11.7	12.0	4.4	4.9	4.8
Taiwan	16.0	16.1	16.5	11.4	12.9	14.8	–	–	–	7.4	7.4	8.6
Hong Kong	1.4	1.2	1.0	1.5	1.1	1.2	0.7	0.5	0.3	1.4	1.5	1.6
ASEAN10	17.2	15.7	17.5	16.7	18.7	15.5	6.4	16.0	17.0	28.5	27.7	23.7
Singapore	2.7	2.7	3.0	10.0	10.7	7.3	1.1	6.9	8.1	9.4	8.1	7.2
Thailand	2.4	2.6	2.5	1.4	1.6	1.6	1.1	1.7	1.8	2.6	3.0	2.6
Malaysia	6.3	7.4	8.7	3.0	3.5	3.5	2.7	4.5	4.5	11.4	12.8	10.3
Indonesia	0.4	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	1.3	0.7	0.8
Philippines	5.3	2.6	2.6	2.1	2.4	2.6	0.9	2.5	2.3	2.5	2.0	2.1
Vietnam	0.1	0.2	0.3	0.0	0.2	0.3	0.2	0.1	0.1	1.4	1.1	0.6
U.S.	5.7	5.4	5.3	12.3	11.7	11.6	14.7	11.0	10.1	9.5	8.5	8.5
EU27	9.9	10.1	9.0	11.8	11.6	10.7	9.7	7.4	6.2	7.6	7.3	6.8

Note: Categories of goods are based on RIETI categories and UN Broad Economic Categories. Data as of 3Q 2010. Shaded entries indicate countries/regions possessing top share.

Sources: Trade statistics of each country/region

Asia depends on intermediate goods and capital goods imported from Japan (2)

Shares by country of imports of capital goods into major Asian countries/regions

3. Final capital goods (excluding transport equipment)

	China			S. Korea			Taiwan			Thailand		
	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010
World	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Japan	19.3	17.5	20.4	24.4	21.4	24.6	34.3	29.4	32.5	27.4	24.2	25.0
China	15.3	15.5	14.6	27.9	30.9	27.5	22.3	26.7	22.1	22.2	25.9	27.0
S. Korea	12.0	13.0	13.4	–	–	–	3.4	4.0	3.7	5.0	4.6	4.8
Taiwan	12.7	9.8	11.4	1.8	1.4	2.1	–	–	–	3.4	3.3	3.3
Hong Kong	0.7	0.5	0.5	0.6	0.5	0.5	0.5	0.4	0.5	0.8	0.6	0.6
ASEAN10	10.8	12.1	11.4	5.9	5.8	5.8	6.0	7.0	7.7	16.7	17.3	18.1
Singapore	1.9	2.3	1.8	1.5	1.4	1.9	1.5	2.1	2.7	4.5	6.1	4.8
Thailand	4.4	4.8	4.3	1.7	1.8	1.5	1.9	2.2	1.9	1.6	2.7	2.0
Malaysia	1.8	2.0	2.4	1.4	1.3	1.3	1.5	1.5	2.0	4.7	4.9	7.1
Indonesia	0.6	0.6	0.5	0.5	0.4	0.5	0.4	0.4	0.4	4.1	1.5	1.4
Philippines	1.8	2.1	2.0	0.6	0.6	0.5	0.6	0.7	0.6	1.0	1.0	1.1
Vietnam	0.3	0.3	0.4	0.2	0.2	0.2	0.2	0.2	0.1	0.6	1.0	1.2
U.S.	7.5	7.2	6.7	14.1	13.1	15.9	14.2	14.8	16.5	6.8	7.5	6.9
EU27	18.6	20.6	18.4	20.0	20.1	17.0	15.3	14.2	14.1	12.2	12.1	10.7

Note: Categories of goods are based on RIETI categories and UN Broad Economic Categories. Data as of 3Q 2010.

Shaded entries indicate countries/regions possessing top share.

Sources: Trade statistics of each country/region

Japan posted gains in intermediate goods and final capital goods

Trade balance of Japan's intermediate goods and final capital goods

1. Intermediate goods

– Industrial materials(Processed goods)

(US\$ million)

	2008	2009	2010
World	50,537	54,276	50,940
China	9,256	14,296	11,786
South Korea	18,411	17,001	16,212
Taiwan	13,824	11,360	11,797
Hong Kong	9,249	6,946	6,813
ASEAN10	16,227	11,339	13,494
Singapore	3,927	2,725	2,644
Thailand	7,432	4,500	6,032
Malaysia	2,055	1,473	1,783
Indonesia	-870	-415	68
Philippines	1,589	1,259	1,305
Vietnam	2,019	1,716	1,599
India	373	1,100	934
US	-557	-856	-1,076
EU27	-3,005	-4,101	-3,089
Brazil	-863	-577	-348

2. Intermediate goods

– Parts and accessories of capital goods,
except transport equipment

(US\$ million)

	2008	2009	2010
World	77,818	62,248	60,462
China	9,452	10,239	9,600
South Korea	2,654	2,966	2,239
Taiwan	1,177	712	1,029
Hong Kong	12,326	10,231	9,714
ASEAN10	14,062	11,558	13,324
Singapore	4,919	3,152	3,605
Thailand	3,965	3,785	4,057
Malaysia	1,707	1,339	1,688
Indonesia	1,281	1,234	1,959
Philippines	1,621	1,519	1,471
Vietnam	546	474	523
India	1,277	1,079	1,164
US	12,489	8,522	7,768
EU27	16,162	10,147	9,496
Brazil	976	821	1,010

3. Final goods

– Capital goods, except transport equipment

(US\$ million)

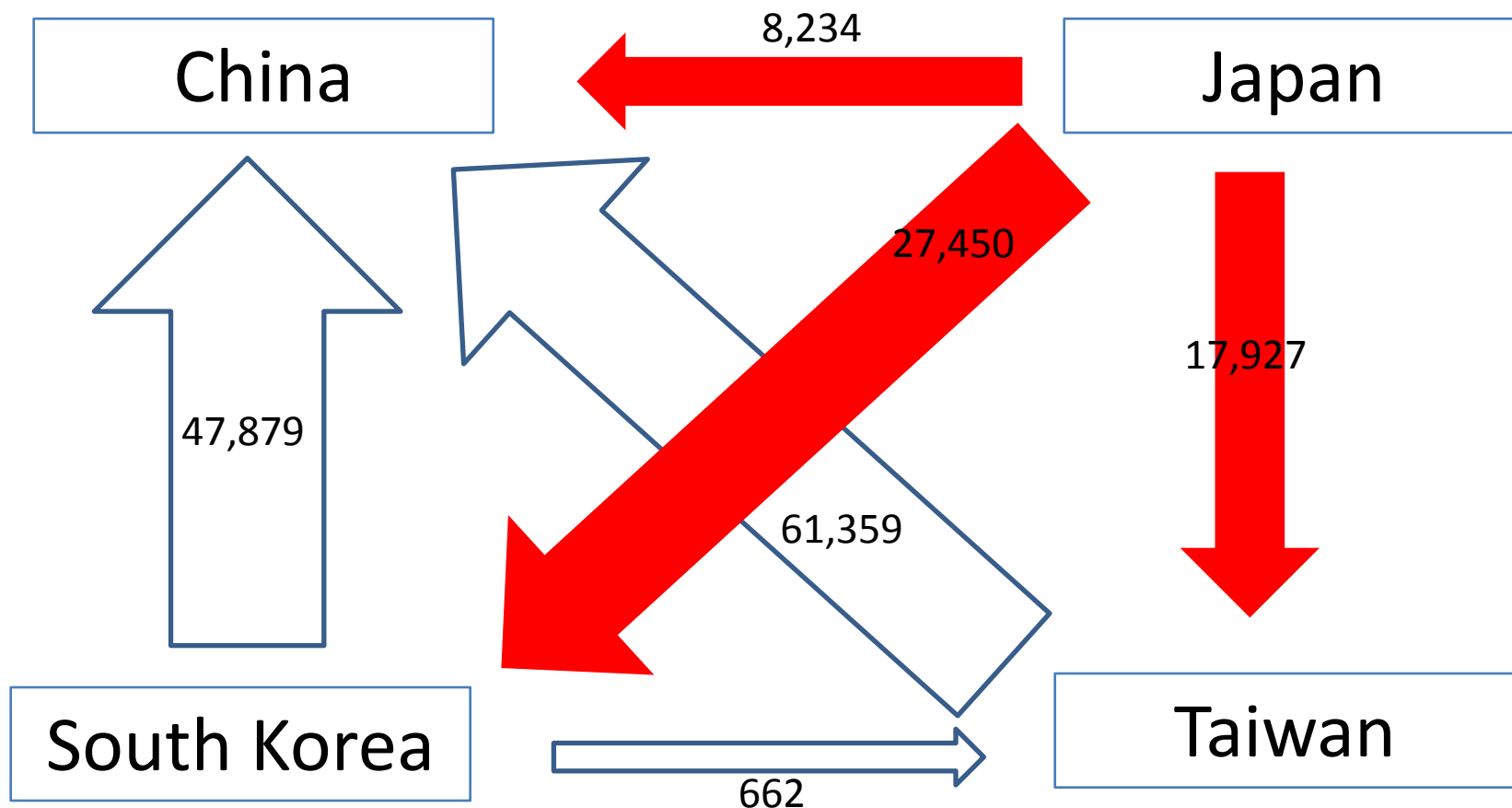
	2008	2009	2010
World	94,116	51,751	33,696
China	-4,013	-6,202	-7,113
South Korea	7,524	4,198	4,366
Taiwan	7,378	4,428	4,113
Hong Kong	7,205	5,449	4,139
ASEAN10	9,183	5,504	4,416
Singapore	3,682	2,419	1,488
Thailand	1,933	1,031	640
Malaysia	230	96	102
Indonesia	1,595	768	1,195
Philippines	73	59	90
Vietnam	1,486	996	785
India	2,395	1,608	1,392
US	22,347	13,699	7,960
EU27	23,345	12,874	7,234
Brazil	1,436	910	775

Note: Categories of goods are based on RIETI categories and UN Broad Economic Categories. Data as of 3Q 2010.

Source: Ministry of Finance trade statistics

Flow of northeast Asian trade from the perspective of import statistics

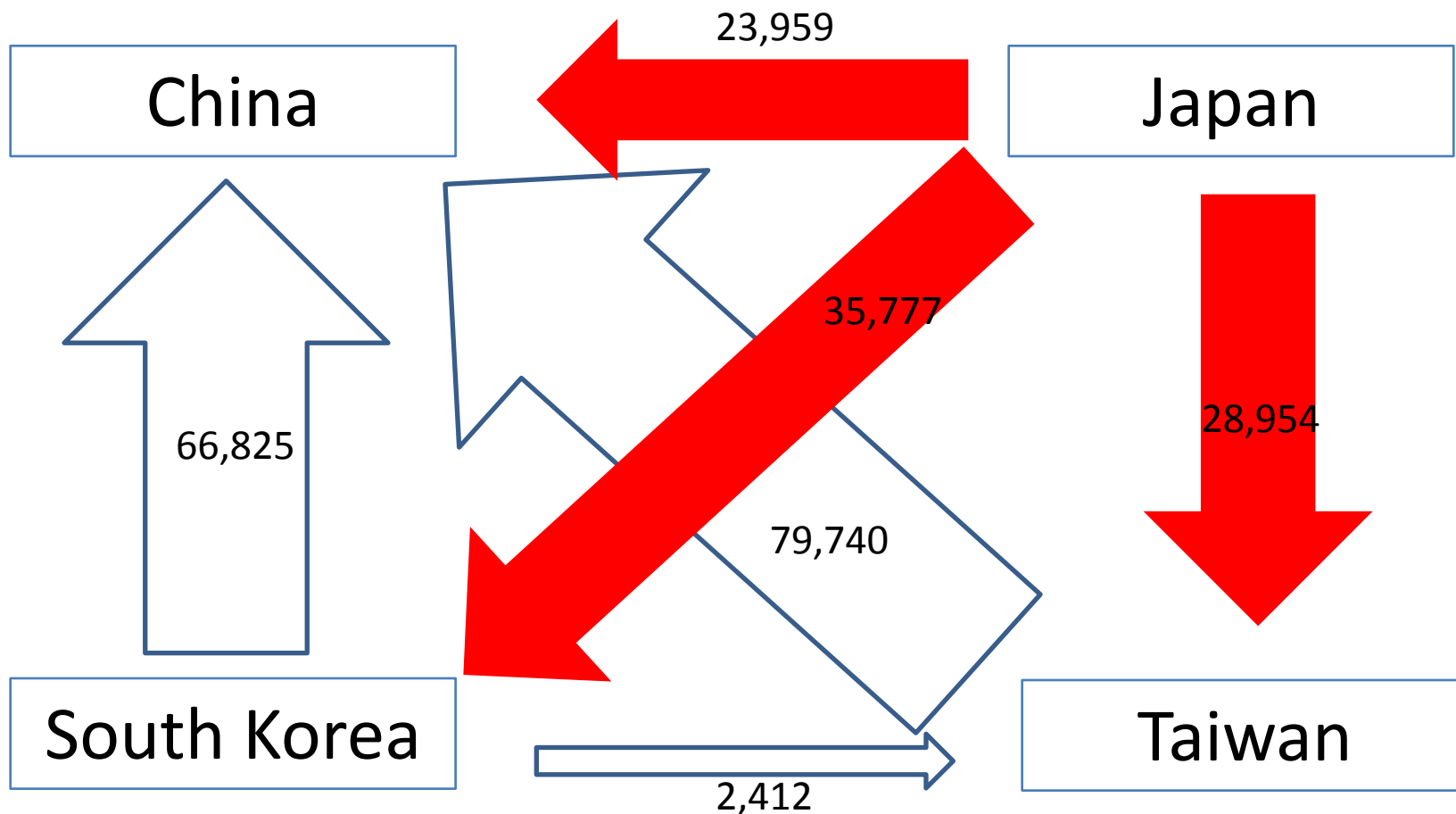
(Trade balance, aggregate amount: 2009)



(Unit: million dollars)

Flow of northeast Asian trade from the perspective of import statistics

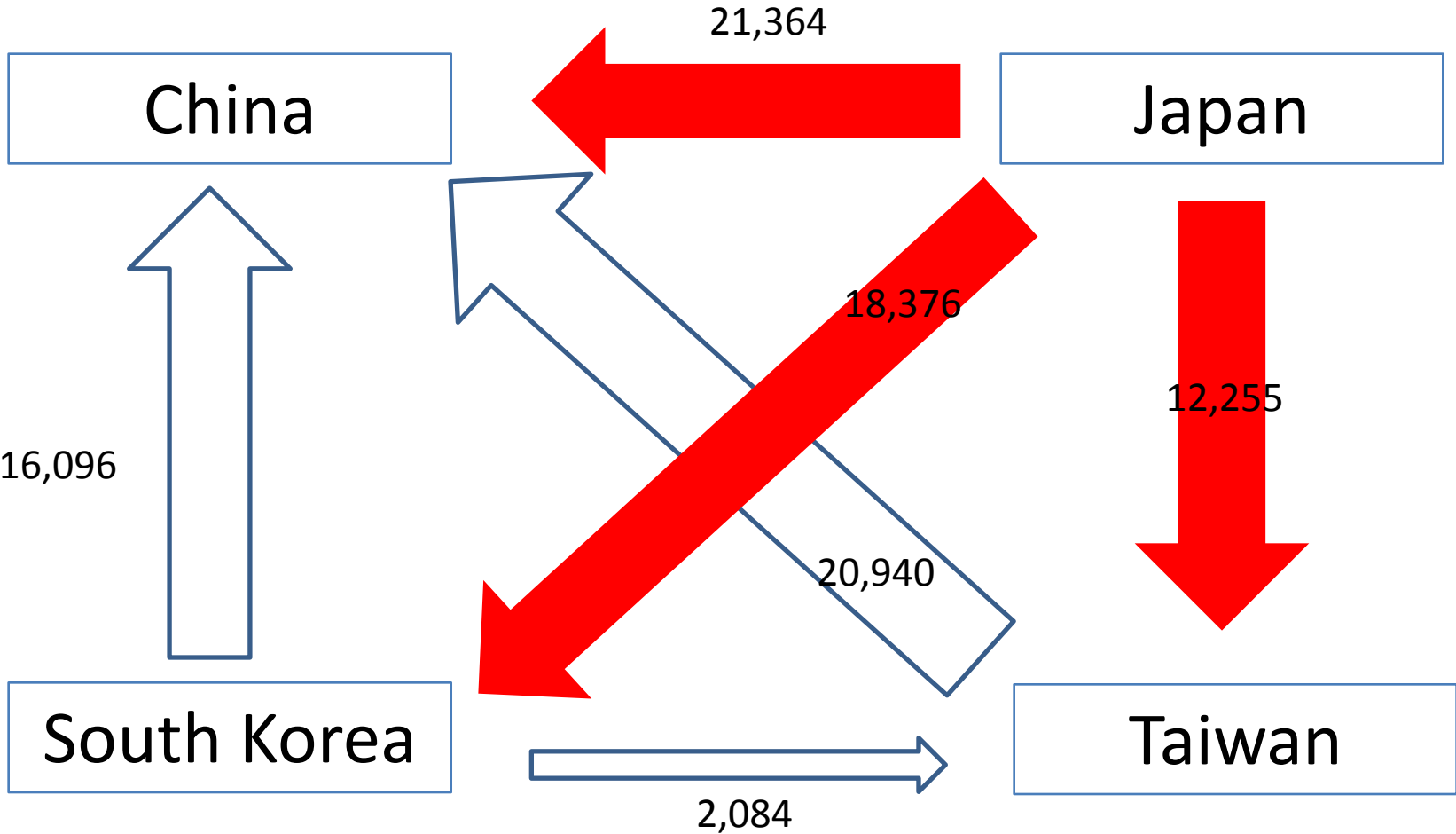
(Trade balance, aggregate amount: 2010)



(Unit: million dollars)

Flow of northeast Asian trade from the perspective of import statistics

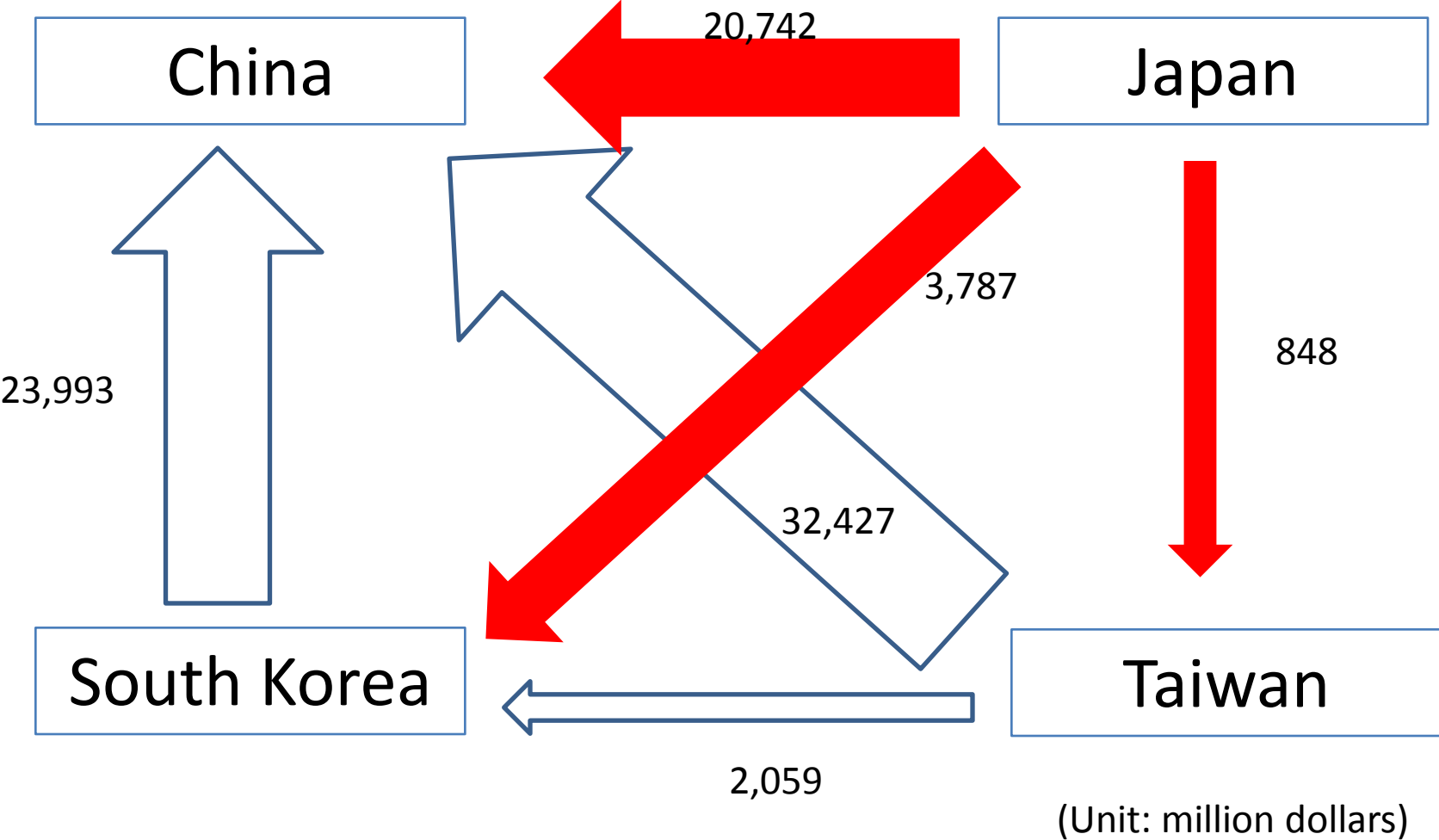
(Trade balance, intermediate goods -industrial materials [processed goods]: 2009)



(Unit: million dollars)

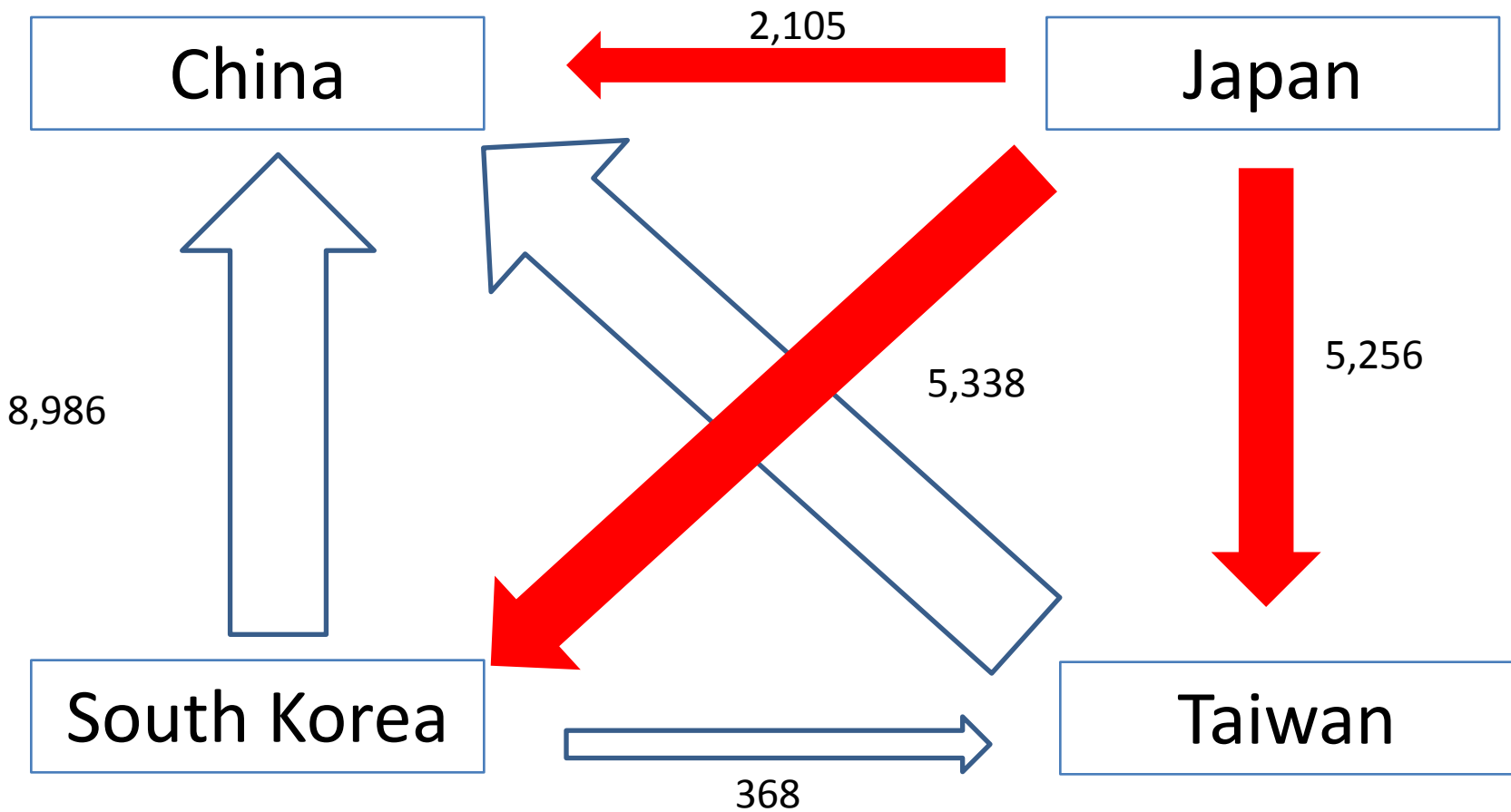
Flow of northeast Asian trade from the perspective of import statistics

(Trade balance, intermediate goods -capital goods [excluding transport equipment]: 2009)



Flow of northeast Asian trade from the perspective of import statistics

(Final capital goods [excluding transport equipment]: 2009)



(Unit: million dollars)

Flow of northeast Asian trade from the perspective of import statistics

1. Total exports (US\$ million)

		Imports			
		Japan	China	S. Korea	Taiwan
Exports	Japan	–	8,234	27,450	17,927
	China	–8,234	–	–47,879	–61,359
	South Korea	–27,450	47,879	–	662
	Taiwan	–17,927	61,359	–662	–

2. Intermediate goods – Industrial materials (processed goods) (US\$ million)

		Imports			
		Japan	China	S. Korea	Taiwan
Exports	Japan	–	21,364	18,376	12,255
	China	–21,364	–	–16,096	–20,940
	South Korea	–18,376	16,096	–	2,084
	Taiwan	–12,255	20,940	–2,084	–

3. Intermediate goods – Capital goods (excluding transport equipment) (US\$ million)

		Imports			
		Japan	China	S. Korea	Taiwan
Exports	Japan	–	20,742	3,787	848
	China	–20,742	–	–23,993	–32,427
	South Korea	3,787	23,993	–	–2,059
	Taiwan	–848	32,427	2,059	–

4. Final capital goods (excluding transport equipment) (US\$ million)

		Imports			
		Japan	China	S. Korea	Taiwan
Exports	Japan	–	2,105	5,338	5,256
	China	–2,105	–	–8,986	–10,031
	South Korea	–5,338	8,986	–	368
	Taiwan	–5,256	10,031	–368	–

Sources: Import statistics from each country/region

Reference (breakdown of UN trade statistics)

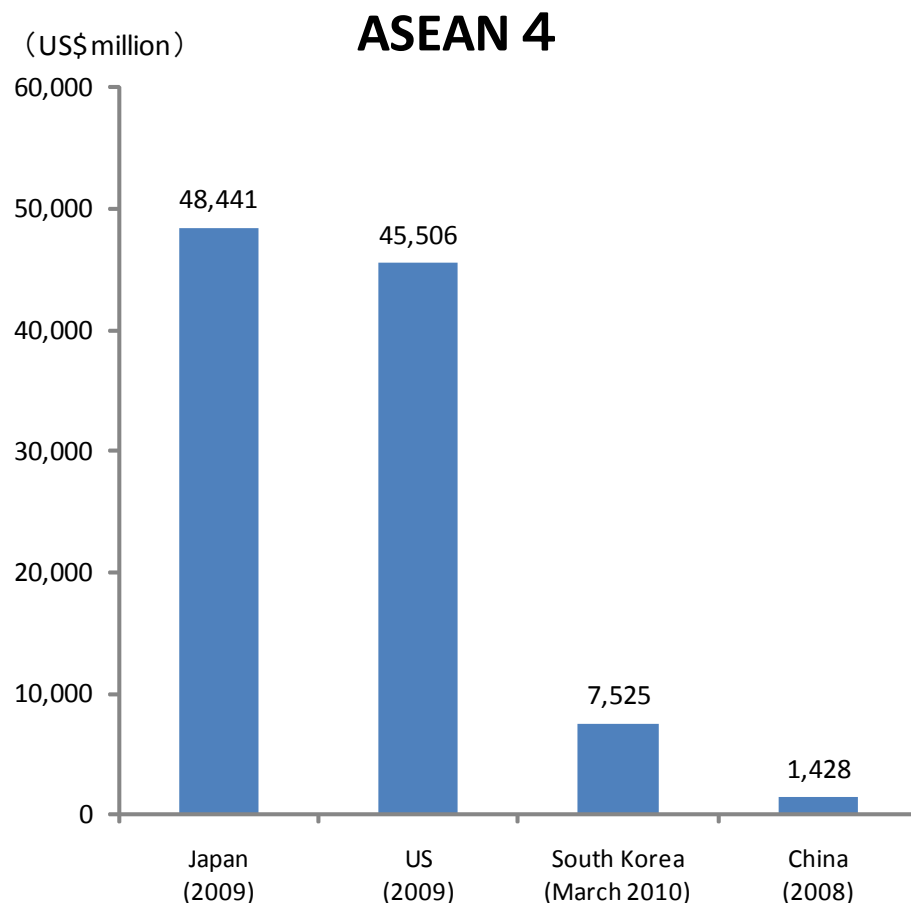
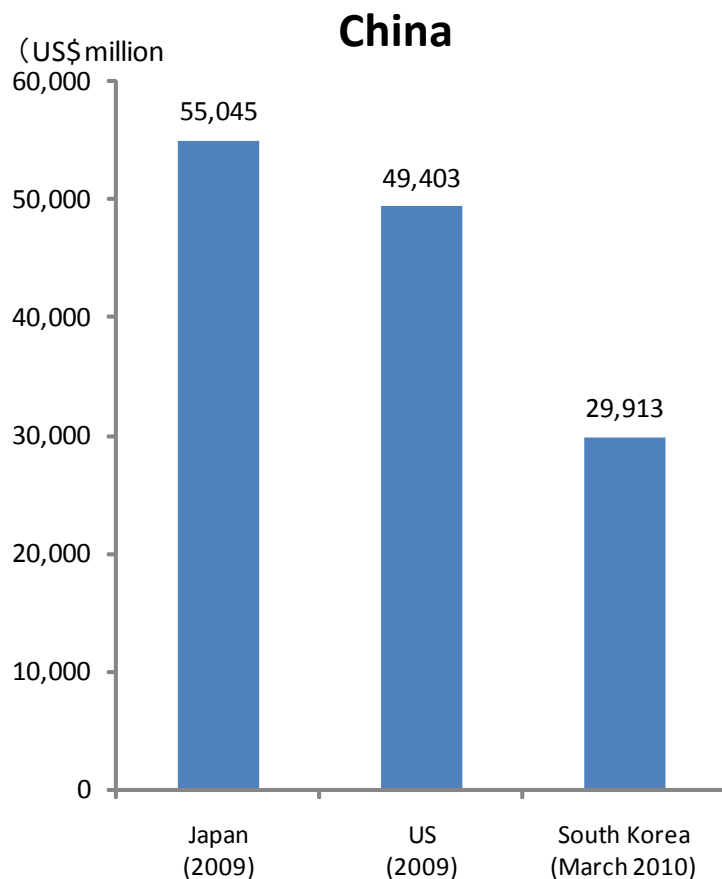
BEC classification according RIETI-TID 2009

Category	Subcategory	BEC Code	Description	Number of 6-digit HS Codes
Primary goods		111	Food and beverages (Primary, Mainly for industry)	56
		21	Industrial supplies not elsewhere specified (Primary)	330
		31	Fuels and lubricants (Primary)	9
Intermediate goods	Processed goods	121	Food and beverages (Processed, Mainly for industry)	86
		22	Industrial supplies not elsewhere specified (Processed)	2306
		32	Fuels and lubricants (Processed)	2
	Parts & components	42	Parts and accessories of capital goods (except transport equipment)	276
		53	Parts and accessories of transport equipment	108
Final goods	Capital goods	41	Capital goods (except transport equipment)	614
		521	Other industrial transport equipment	46
	Consumption goods	112	Food and beverages (Primary, Mainly for household consumption)	186
		122	Food and beverages (Processed, Mainly for household consumption)	273
		51	Passenger motor cars	8
		522	Transport equipment and parts and accessories thereof (Other, Non-industrial)	19
		61	Durable consumer goods	159
		62	Semi-durable consumer goods	384
		63	Non-durable consumer goods	222

Targets of analysis

Japan is investing not only in China, but also actively in ASEAN, which has high growth potential

Balance of foreign direct investment in China and ASEAN countries



Notes:

- (1) The geographic classification for country/region follows the classification used by the Ministry of Finance/Bank of Japan's "Balance of Payments."
- (2) Figures for Japan, the U.S. and China are based on balance of payments. For South Korea, the figures are for the cumulative amount of remittances by investors since 1960.
- (3) Figures for Japan are values originally published in yen. Converted to U.S. dollars by applying the Bank of Japan's interbank and fiscal year-end exchange rates.

Sources: Japan: "Direct Investment Position, breakdown by Region and Industry" (Bank of Japan, May 2010)

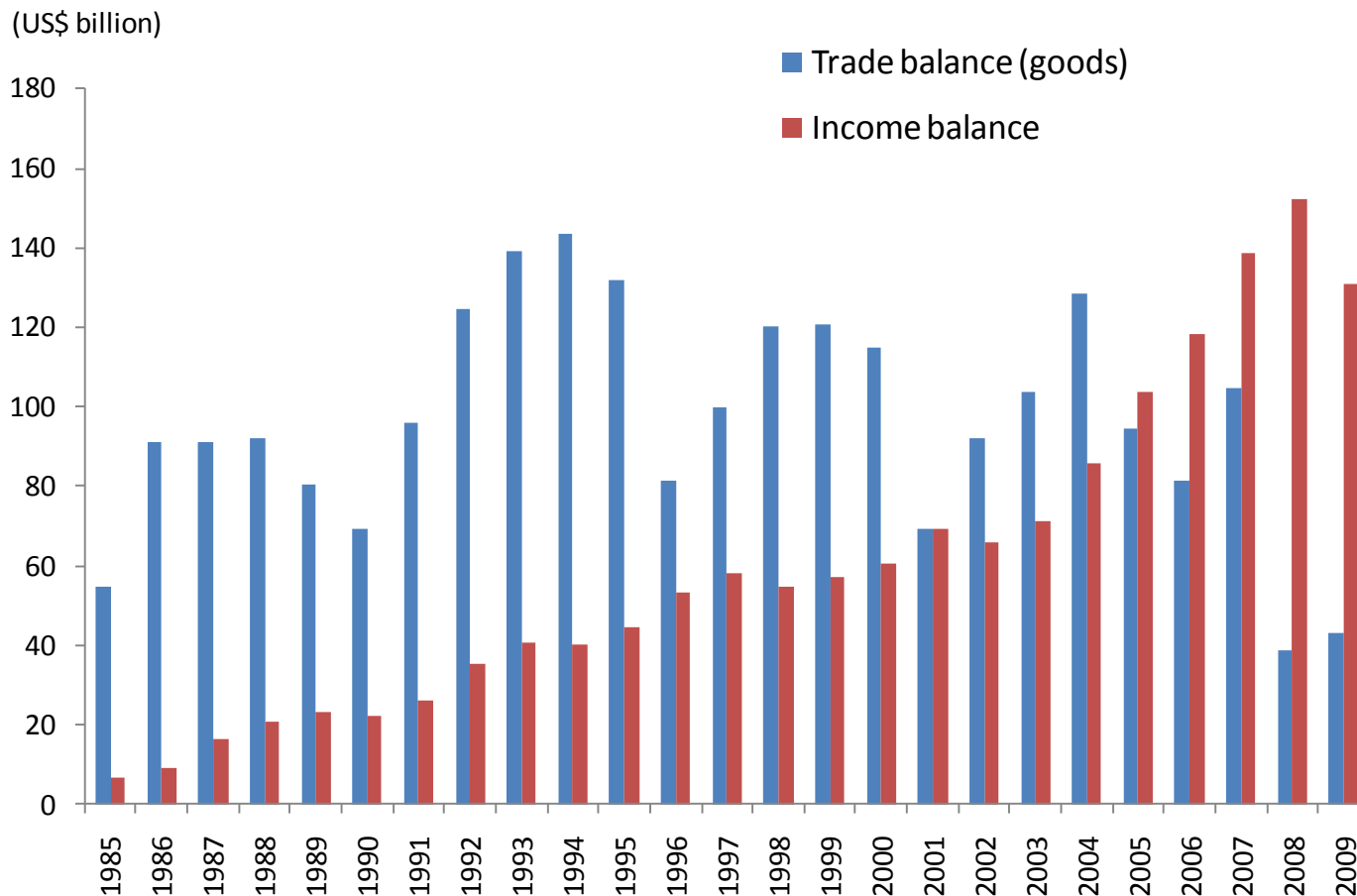
U.S.: "U.S. Direct Investment Position Abroad on a Historical-Cost Basis" (U.S. Department of Commerce, June 2010)

China: "Statistical Gazette on China's Outward FDI in FY2008 Statistics" (Chinese Ministry of Commerce, September 2009)

South Korea: "Overseas Investment Statistics" (Export-Import Bank of Korea, May 2010)

Japan is earning from trade and investments (1)

Japan's trade balance and income balance



Source: Ministry of Finance/Bank of Japan "International Balance of Payments Statistics"

Japan is earnings from trade and investments (2)

Table: Net export, net income balance of major countries as share of nominal GDP (%)

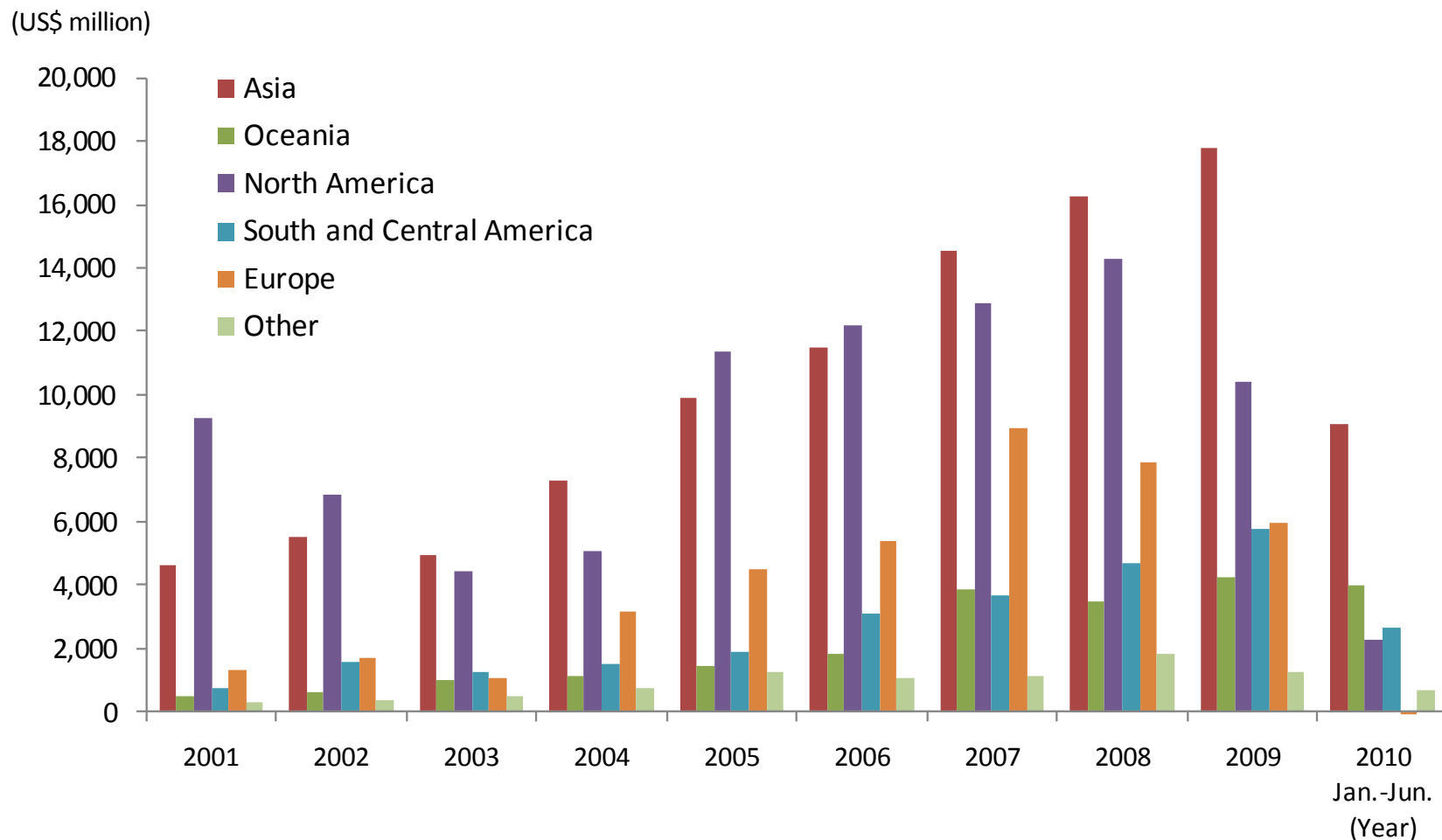
Comparison on nominal GDP of net export and net income balance in major economies

	Net export			Net income balance		
	2007	2008	2009	2007	2008	2009
Japan	1.9%	0.4%	0.5%	3.2%	3.1%	2.6%
US	△ 5.0%	△ 4.8%	△ 2.6%	0.7%	1.1%	0.9%
UK	△ 3.4%	△ 3.3%	△ 2.7%	1.8%	2.8%	2.7%
France	△ 1.4%	△ 2.1%	△ 1.7%	1.7%	1.5%	1.2%
Germany	7.2%	6.4%	4.9%	1.8%	1.7%	1.4%

Sources: WEO, BOP(IMF)

Earning from Asia through investments

Direct investment received (by major regions)



Source: Ministry of Finance/Bank of Japan “International Balance of Payments Statistics”

Japanese companies are taking part in Asia's vitality

Corporate earnings of Japanese public companies

1. Percentage breakdown by region (%)

Fiscal Year (Number of companies)	Share of sales by region					
	Domestic	Overseas	Americas	Europe	Asia/ Oceania	Other
FY 1997 (582)	71.4	28.6	11.3	5.4	5.8	6.1
FY 1998 (593)	71.1	28.9	13.4	6.0	4.9	4.6
FY 1999 (643)	72.5	27.5	12.4	5.4	5.5	4.2
FY 2000 (668)	71.9	28.1	12.6	5.2	6.4	3.9
FY 2001 (715)	69.7	30.3	13.7	5.5	6.7	4.4
FY 2002 (728)	68.0	32.0	13.7	6.0	7.8	4.6
FY 2003 (738)	67.9	32.1	12.9	6.1	8.2	4.9
FY 2004 (774)	67.3	32.7	12.2	6.4	8.8	5.3
FY 2005 (804)	66.1	33.9	12.5	6.3	10.1	5.0
FY 2006 (832)	66.2	33.8	12.6	6.9	10.3	4.1
FY 2007 (866)	63.1	36.9	13.0	8.5	12.0	3.5
FY 2008 (890)	63.8	36.2	11.0	7.0	14.8	3.4
FY 2009 (887)	65.0	35.0	11.1	6.9	13.3	3.7

2. Growth rate compared to previous fiscal year

(Year-on year, %)

Fiscal Year (Number of companies)	World	Growth rate of sales					
		Domestic	Overseas	Americas	Europe	Asia/ Oceania	Other
FY 1998 (556)	△ 7.0	△ 7.5	△ 5.8	10.9	3.0	△ 21.6	△ 29.3
FY 1999 (576)	△ 3.6	△ 2.9	△ 5.3	△ 7.9	△ 9.6	11.5	△ 10.1
FY 2000 (620)	4.2	3.0	7.5	7.4	1.2	22.2	△ 3.8
FY 2001 (650)	△ 2.7	△ 6.0	5.8	7.6	4.8	1.2	9.1
FY 2002 (683)	2.4	0.0	7.7	2.3	11.3	16.8	6.4
FY 2003 (694)	△ 0.4	△ 0.9	0.9	△ 4.9	5.4	3.6	7.5
FY 2004 (710)	7.4	6.1	10.0	2.9	11.7	17.1	15.1
FY 2005 (748)	10.3	7.8	15.4	13.7	10.5	28.0	4.2
FY 2006 (773)	13.9	14.3	13.0	10.3	18.7	16.7	3.9
FY 2007 (786)	7.9	6.4	10.5	7.5	19.1	15.0	△ 8.5
FY 2008 (841)	△ 13.0	△ 12.3	△ 14.2	△ 18.8	△ 16.0	△ 11.1	△ 7.4
FY 2009 (854)	△ 12.8	△ 12.5	△ 13.4	△ 12.8	△ 22.0	△ 8.0	△ 15.2

Fiscal Year (Number of companies)	Operating profit share by region					
	Domestic	Overseas	Americas	Europe	Asia/ Oceania	Other
FY 1997 (582)	76.6	23.4	9.8	3.4	4.8	5.3
FY 1998 (593)	73.4	26.6	13.8	4.8	4.4	3.6
FY 1999 (643)	75.0	25.0	14.1	2.1	5.0	3.7
FY 2000 (668)	79.9	20.1	10.4	0.7	6.0	3.0
FY 2001 (715)	76.0	24.0	12.4	0.6	6.7	4.2
FY 2002 (728)	72.9	27.1	13.0	2.8	7.2	4.1
FY 2003 (738)	73.3	26.7	11.1	4.3	7.5	3.7
FY 2004 (774)	71.8	28.2	10.9	4.7	8.6	4.0
FY 2005 (804)	70.8	29.2	10.8	4.7	10.0	3.7
FY 2006 (832)	73.5	26.5	9.1	4.1	8.3	5.1
FY 2007 (866)	67.1	32.9	8.7	6.8	12.2	5.2
FY 2008 (890)	47.5	52.5	1.9	3.6	39.4	7.6
FY 2009 (887)	56.5	43.5	9.5	3.0	23.8	7.1

Fiscal Year (Number of companies)	World	Growth rate of operating profit					
		Domestic	Overseas	Americas	Europe	Asia/ Oceania	Other
FY 1998 (556)	△ 20.0	△ 23.7	△ 8.0	12.9	14.9	△ 26.4	△ 45.7
FY 1999 (576)	7.8	9.7	2.7	13.1	△ 50.6	22.0	10.9
FY 2000 (620)	26.8	34.8	2.9	△ 4.7	△ 58.5	51.4	2.1
FY 2001 (650)	△ 31.3	△ 35.6	△ 14.6	△ 13.2	△ 33.0	△ 22.1	△ 0.2
FY 2002 (683)	40.2	35.7	54.0	40.8	389.8	49.0	38.1
FY 2003 (694)	15.5	15.7	15.2	△ 0.4	86.3	24.4	2.6
FY 2004 (710)	15.4	14.4	18.0	17.6	6.7	21.1	26.3
FY 2005 (748)	14.6	12.4	20.3	16.1	18.2	33.7	5.4
FY 2006 (773)	28.2	33.4	14.9	6.5	38.2	2.9	47.8
FY 2007 (786)	11.3	7.4	20.3	△ 10.0	55.0	41.2	12.5
FY 2008 (841)	△ 55.0	△ 65.5	△ 38.7	△ 89.8	△ 69.9	△ 20.0	△ 10.8
FY 2009 (854)	20.1	25.2	14.1	335.5	△ 19.7	7.1	△ 28.4

Notes:

- (1) The data cover listed companies whose fiscal years end between December and March (excluding banks, securities and insurance companies), and whose consolidated financial statements included information broken down by region.
- (2) For FY 2009, the data include corporations that had released their consolidated financial results for FY 2009 by June 25, 2010
- (3) Total sales include inter-segment sales.
- (4) The data include some listed subsidiaries and thus are duplicated in some cases.
- (5) "Other" in regions includes data covering multiple regions, such as "Europe and the U.S." or "overseas."
- (6) Year-on-year growth rates were only calculated for companies whose previous-year figures were available and comparable.

Source: Toyo Keizai Inc. "CD-ROM of Corporate Financial Records" (for FY 2005 and earlier years); published consolidated financial statements and securities reports (FY 2006-2009).