

Chapter 6: Toward More Competitive Economy and Society

[Stimulating the economy]

MLIT efforts to fight deflation and stimulate the economy include: revitalizing the real estate market; pushing ahead with the initiative concerning special zones for structural reform; stimulating demand and creating jobs in the transport market by ensuring a playing field and taking deregulatory measures; and developing social safety nets.

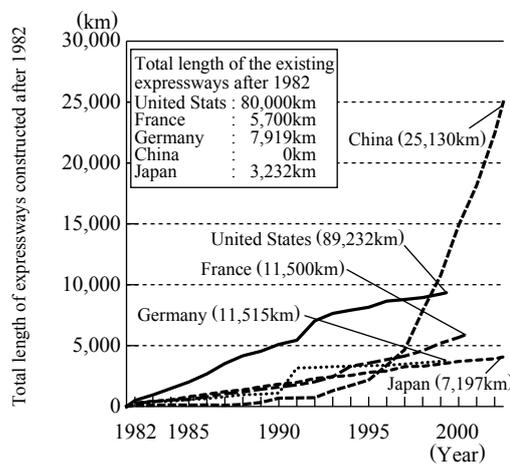
[Developing wide-based transport networks]

○Developing highways

Japan is lagging behind the U.S. and European countries in terms of highway development. The country needs to develop, among others, high-standard highways as part of ongoing efforts for efficient and effective of national land.

MLIT has been studying the impact, needs and methods regarding planned road development. As for national expressways, the ministry has recently conducted strict project assessment in light of the recommendations put forward by the panel of experts called the “study committee on assessment methods for road development projects.” Based on the results of this assessment, the ministry plans to construct roads in real need from the “toll road approach” and “direct control approach.”

International comparison of expressway development



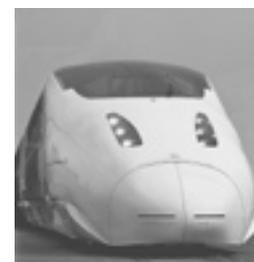
Note: Data are for 2002 for Japan and China, 2000 for France, and 1999 for U.S. and Germany.

○Improving the trunk railway network

The development of the trunk railway network in Japan is almost completed as a network. Yet there is room for further improvement in service quality, including operating speed, and railway facilities.

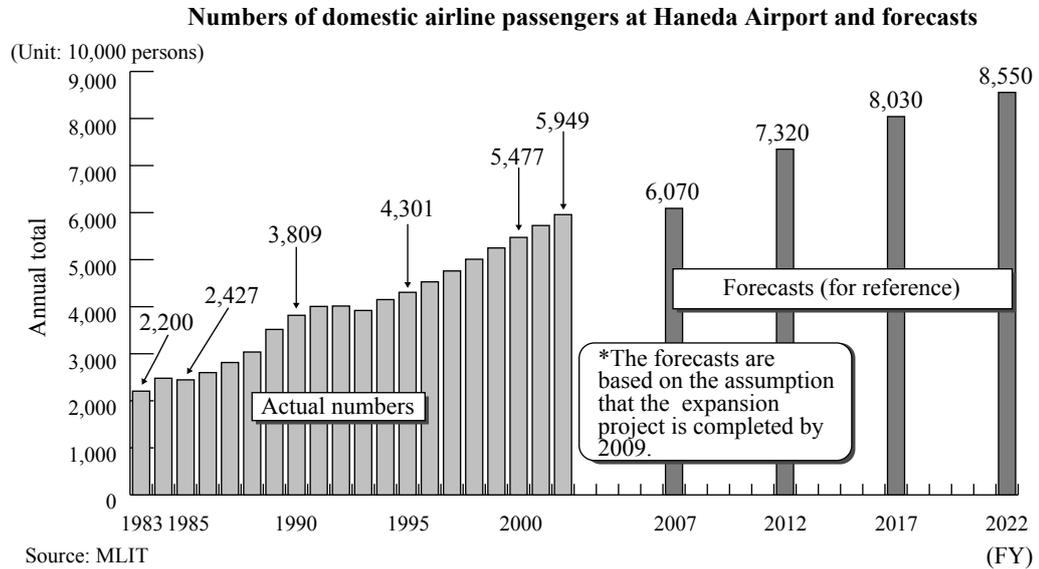
As part of its efforts to make such improvement, MLIT has been committed to the construction of new Shinkansen lines. (In 2004, the Kyushu Shinkansen Line started operation between Shin-Yatsushiro and Kagoshima-chuo.) Other efforts to develop the broad-based trunk railway network include speedups of conventional trunk railways and the technological development of the Superconducting Maglev (magnetic levitation system) and Gauge Change Train.

**Kyushu Shinkansen
“Tsubame”**

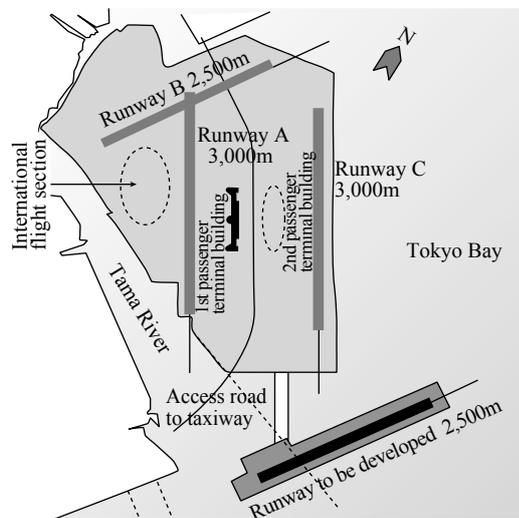


○Improving the domestic airline network

Haneda Airport is now operated to full capacity, and expanding its capacity is an urgent issue. In fact, the project to expand the airport has recently been approved. MLIT is determined to promote the development of metropolitan hub airports, including this project, as its top priority.



Haneda Airport expansion project



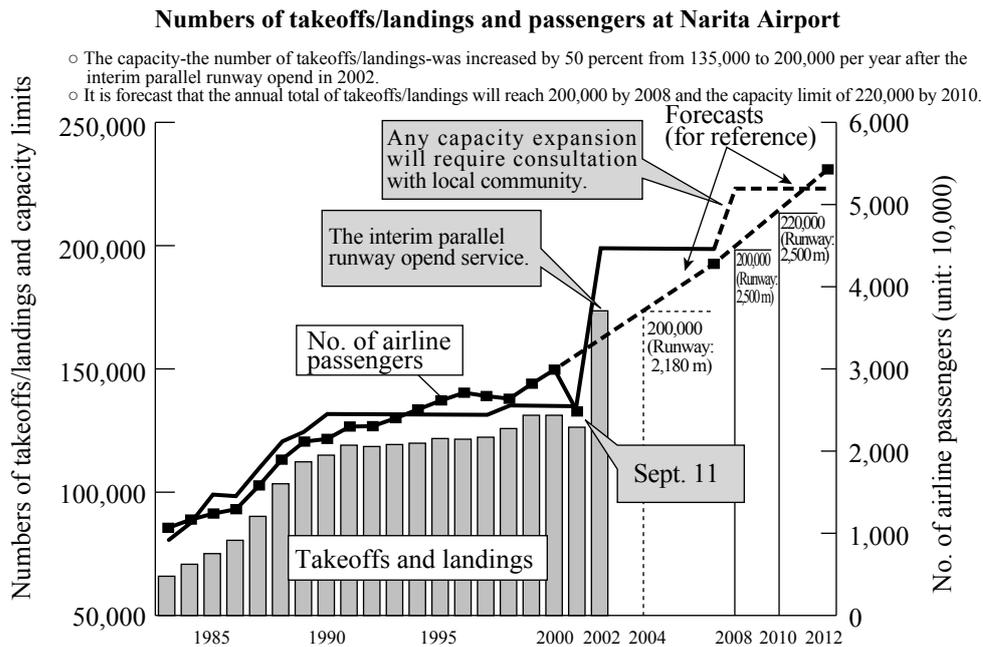
○Improving the domestic maritime transport network

MLIT is working to improve the domestic maritime transport network for better efficiency and put techno super liners into service.

[Developing the international transport network]

The level of development of international hub airports at metropolitan areas in Japan has not been sufficient enough to. They cannot adequately accommodate the requests from the airlines to increase the number of flights or to start new flights. This may deteriorate the international competitiveness of the airports.

MLIT has been taking a number of measures to remedy this situation, including: developing Narita Airport; promoting the acceptance of international scheduled flights at Haneda Airport by taking advantage of takeoff and landing slots to be created by the expansion project; moving forward with the second phase project at Kansai International Airport; and the construction of Chubu Centrair International Airport. In addition, the ministry has been vigorously holding consultations to conclude new civil air transportation agreements. All these efforts are part of the ministry's initiative to develop the international air transport network. MLIT is also working to improve international sea transport.



[Improving coordination among transport modes]

○Developing multi-modal transport systems

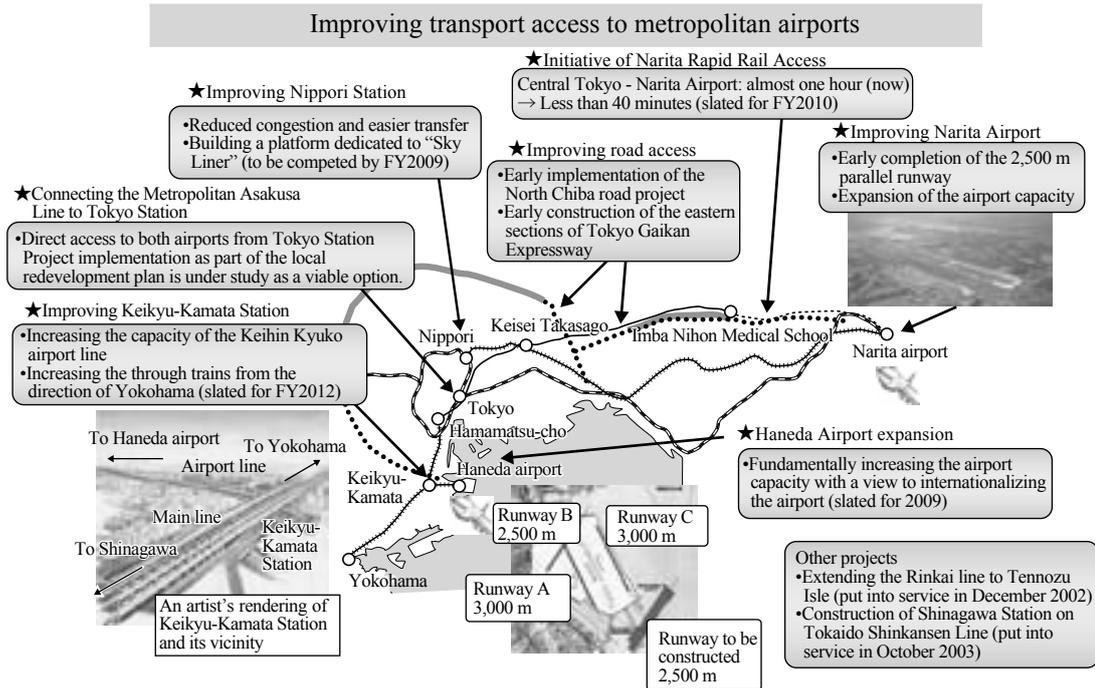
To boost the international competitiveness of Japanese industry, MLIT is working to improve coordination among airports, ports, train stations, etc. on one hand and high-standard highways, roads that connect them, and access railways on the other, as well as enhancing the functions of these facilities. The ministry is aiming to ensure that door-to-door service, which is in growing demand, will be delivered at reasonable costs and in an environmentally-friendly manner. MLIT is also developing the National Integrated Transport Analysis System (NITAS) designed to analyze and assess the impact of transport system development.

○Improving transport access to airports

MLIT aims to shorten the time required to go from central Tokyo to Narita Airport by train to less than 40 minutes by supporting the initiative of Narita Rapid Rail Access. The ministry is also working to improve road access to the airport.

In addition, MLIT is working to further improve access to Haneda airport and ensure easy access to Chubu Centrair International Airport.

Functional reinforcements for metropolitan airports



[Developing a globally competitive physical distribution market]

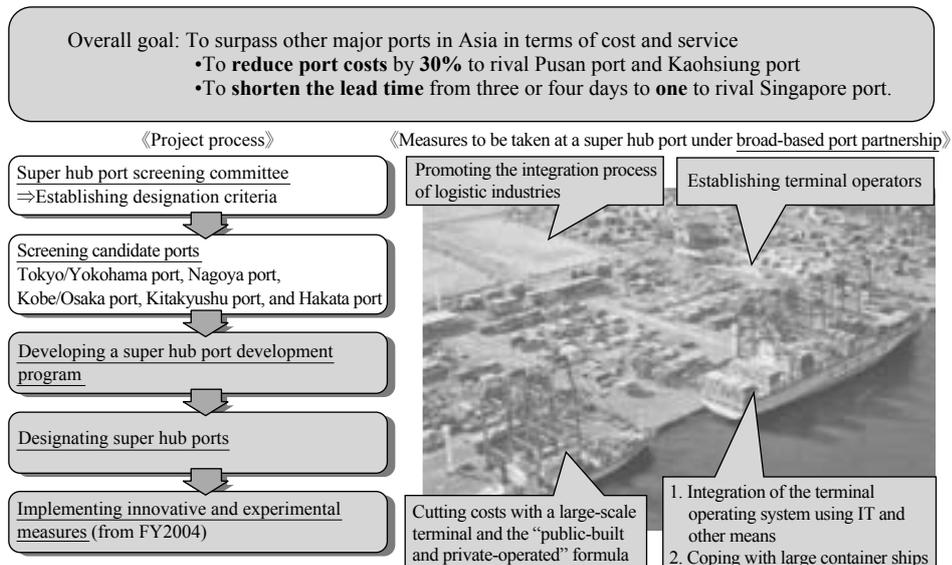
○Measures to strengthen international physical distribution functions

MLIT aims to develop a “marine highway network,” which is designed to meet the seemingly contradictory objectives-safety and efficiency of ship navigation. To this end, the ministry is taking a number of steps, including: developing international key shipping courses; achieving “nonstop” navigation inside the bay; developing gate way ports and subsidiary gate way ports; and promoting the 24-hour operation of ports.

The ministry is also forging ahead with the “super hub port” project. This public-private partnership project aims to surpass other major ports in Asia in terms of cost and service by developing large-scale, integrated terminal systems and taking advantage of IT.

Promoting the super hub port project

Super hub port project



○Measures to develop a highly-advanced physical distribution system that ensures overall efficiency

MLIT has been promoting wider use of IT in the physical distribution sector. Specifically, the ministry is supporting the application of ITS or GIS (geographic information system) to physical distribution. Recently it has conducted a demonstration experiment involving electronic tags.

In interregional distribution, MLIT pursues more efficient physical distribution using intermodal transportation and other means. To this end, the ministry is providing support in developing ports, train stations, and other distribution hubs and in boosting the efficiency of cargo transport on key routes. In addition to providing such support, MLIT is taking numerous measures for urban physical distribution. Among them are: the development of orbital roads and bypass roads and elimination of highway-railroad grade crossings by building overpasses or underpasses to ease congestion; construction of facilities designed to facilitate consolidated distribution; promotion of Transportation Demand Management (TDM) and other systems.

Furthermore, MLIT is promoting the development of a next-generation maritime transport system that takes advantage of IT, as well as new types of distribution services.

[Revitalizing industry]

○Measures to revitalize the transport industry

Amid the deregulation process in the transport industry, railway operators are taking steps to improve their service, including the introduction of IC card tickets. Efforts are also being made toward the complete privatization of JR companies.

Measures to revitalize domestic marine transport include, among others, the creation of a competitive market.

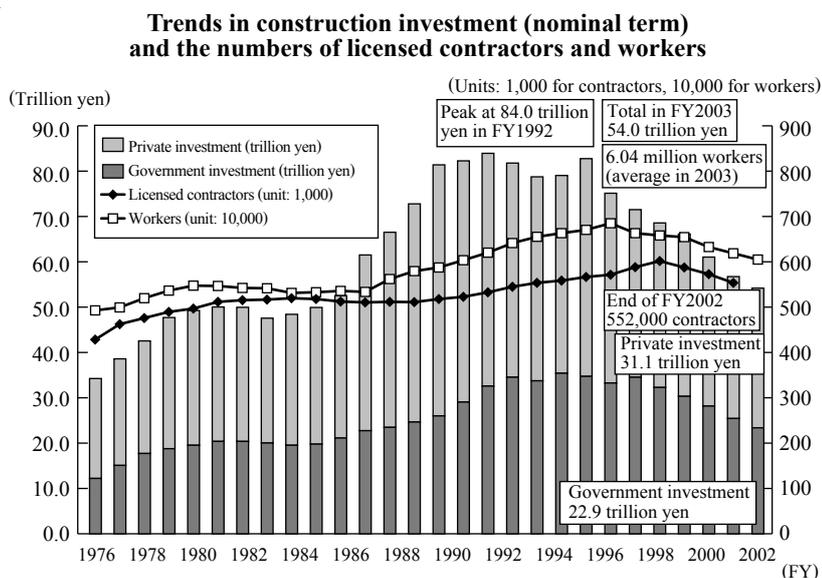
As for the airline industry, MLIT is contributing to better service for passengers by encouraging entry of new airliners into the market. Such encouragement includes preferential allocation of takeoff and landing slots for new entrants and equalization of qualifications for using airport facilities. The ministry is also helping the industry solidify its management base by taking action in an integrated manner to stimulate demand, redouble its support for efforts to improve service, and review relevant regulations.

○Real estate industry

MLIT aims to upgrade real estate management. In particular, the ministry promotes appropriate and efficient management of rental property.

○Rejuvenating the construction industry

The ministry's efforts to rejuvenate the construction industry include: promoting the establishment of social safety nets; regulating company evaluation in public works projects; expelling bad or disqualified contractors from the market; studying the introduction of the construction management (CM) approach; improving labor standards in the industry; solidifying management base for subcontractor and construction-related industries; and raising the levels of construction skills.



Notes: 1. The figures for construction investment are estimates for FY2001 and FY2002 and a forecast for FY2003.
 2. The number of licensed contractors represents the figure at the end of each fiscal year (the end of March of the following year).
 3. The number of workers represents the annual average.
 Sources: MLIT, Estimate of Construction Investment and Licensed Contractor Survey; MPHPT, Labour Force Survey

○Rolling stock industry

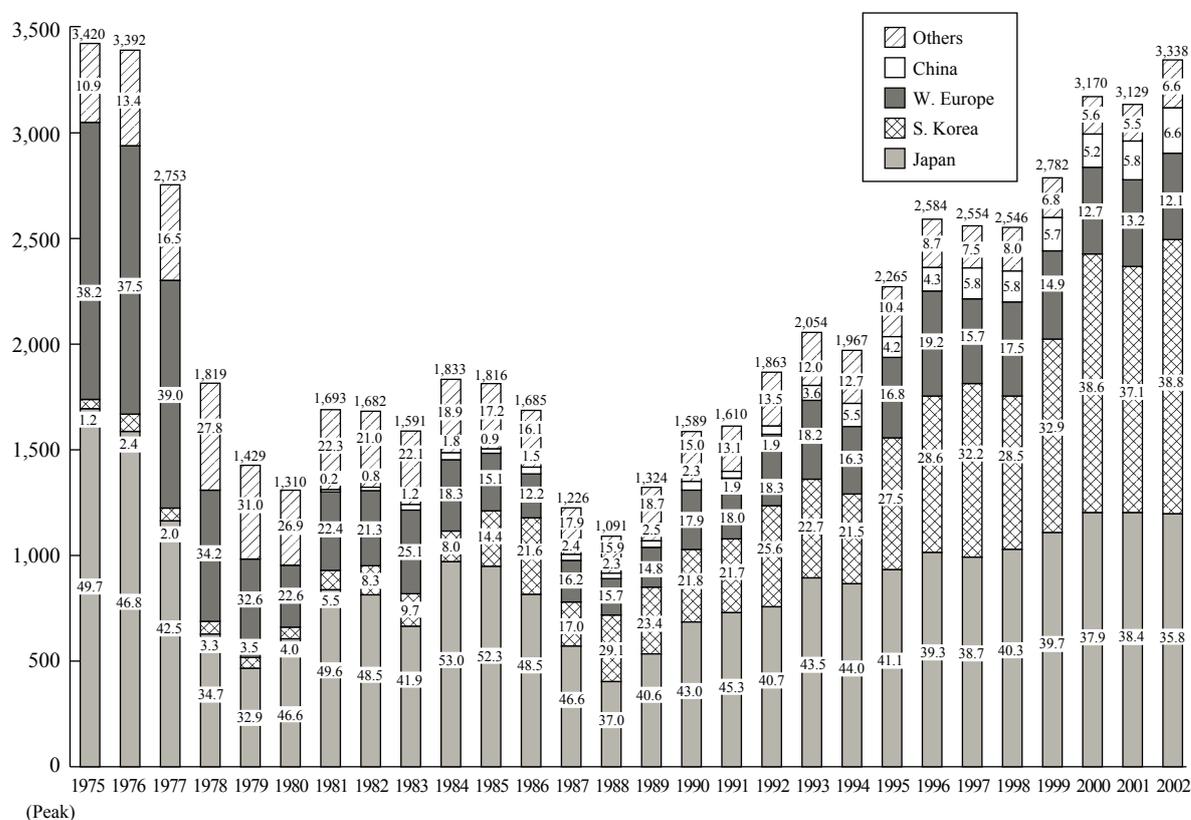
MLIT is supporting the development of technology regarding narrow-gauge, ultra low-floor streetcars and the joint development of standard cars.

○Shipbuilding and ship machinery industries

An advisory body to MLIT has recently compiled a report called “vision and strategy for Japan’s shipbuilding industry,” so that Japan’s ship-related sector (shipbuilding and ship machinery industries) will continue to play a central role in shipbuilding and marine transport in the world. Based on this report, MLIT plans to further its policies to solidify the industrial base through integration, realignment and partnership. It also intends to upgrade advanced production processes that take advantage of IT. In addition, the ministry is promoting its support arrangements designed to facilitate corporate realignment in the shipbuilding industry.

Furthermore, MLIT is supporting small- and medium-sized shipbuilders and ship machinery manufacturers in solidifying their management bases. The ministry is also promoting the development and practical application of maritime industrial technologies highlighted by mega-floats.

Changes in shipbuilding tonnage in the world



Notes: 1. Completion basis.
 2. The figures in each bar represent the share.
 Source: Compiled from data from Lloyd's (only vessels of a gross tonnage of 100 or more are covered.)

○Measures for mariners

MLIT works to secure and train excellent mariners, promote employment and improve the working environment in the industry.