

## Chapter 2: Deepening Relationships between Japan and East Asian countries/regions

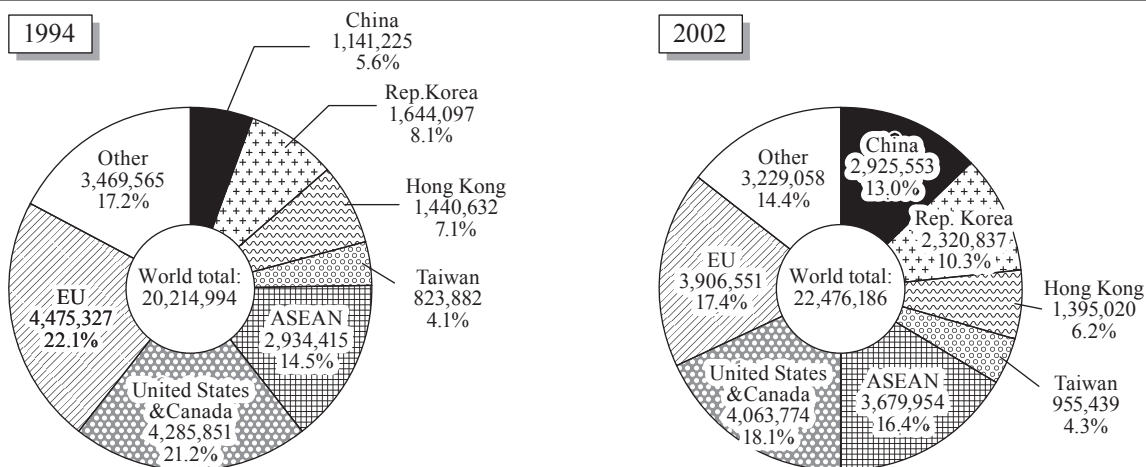
### [Interdependence between Japan and East Asian countries/regions]

#### ○Trends in flows of people

Flows of people between Japan and East Asian countries/regions are on the rise. These countries/regions account for 50.2% of all international destinations for Japanese travelers overseas. People from these countries/regions represent 64.8% of all overseas visitors to Japan.

With such an increase in the flows of people, a close network of scheduled airline routes between Japan and East Asian countries/regions has been formed.

#### <Destinations for Japanese travelers overseas>



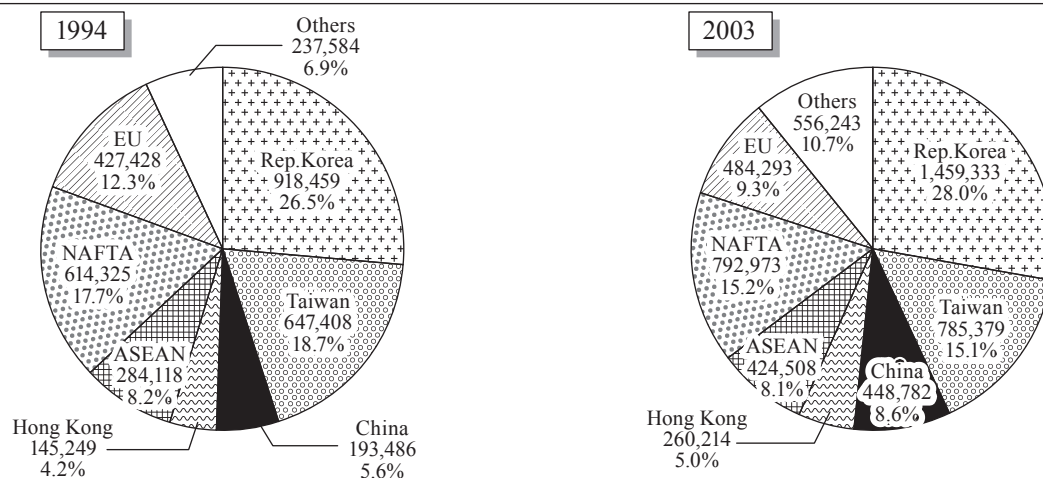
Notes: 1. The number of Japanese travelers overseas has been calculated based on the number of Japanese entering the visiting countries. If a traveler visits two countries, for example, he or she is counted as two travelers. For this reason, the number does not match the number of Japanese leaving Japan.

2. "EU" does not include Luxemburg.

Source: Compiled from Asian-Pacific Tourism Exchange Center, *World Tourism Statistics*, and JNTO, *Nihon no Kokusai Kanko Tokei 2004* [Statistics on Tourism for Japan 2004].

Upper : Visiting countries/regions  
Middle : No. of Japanese travelers  
Lower : Percentage

#### <Number of overseas visitors to Japan by country/region>



Notes: 1. "ASEAN" represents Indonesia, Singapore, Thailand, Philippines, and Malaysia.

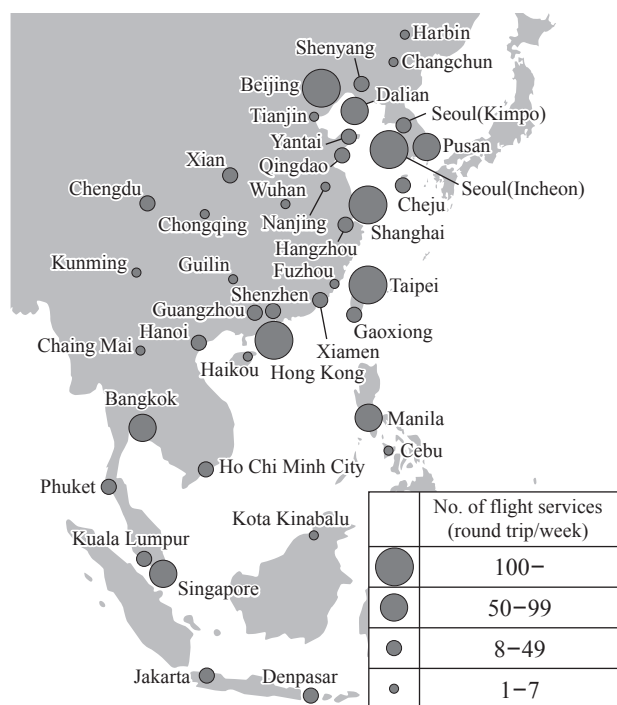
2. "EU" represents U.K., Italy, the Netherlands, Sweden, Spain, Denmark, Germany, and France.

3. "No. of overseas visitors" represents the number of foreign nationals who entered Japan in the Ministry of Justice's statistics minus that of those residing in Japan plus that of foreign nationals who landed on Japan temporarily.

Source: Compiled from data from the Ministry of Justice and others.

Upper : Nationality or region of origin  
Middle : No. of overseas visitors to Japan  
Lower : Percentage

<Number of passenger flights between Japan and East Asian countries/regions>



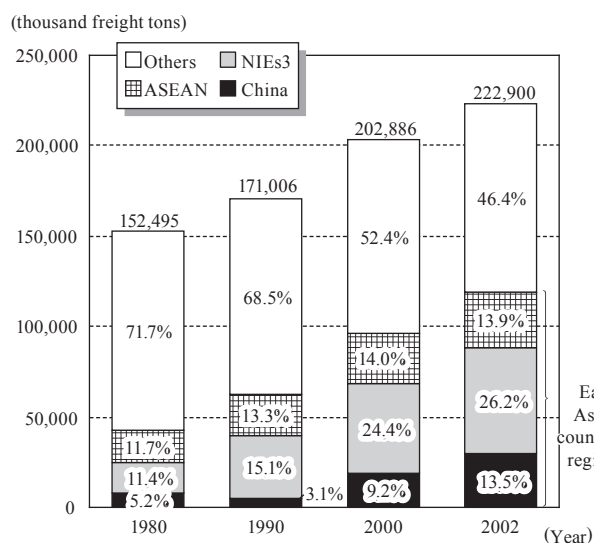
Note: The figure shows the number of passenger flights (round flights) between Japan and airports in East Asian countries/regions. The number includes indirect flights.

Source: Compiled from JTB, *JTB Jikokuhyo* [JTB Timetable] (2004 December issue).

○Trends in the flows of goods

Flows of goods between Japan and East Asian countries/regions are on the rise in terms of both marine and air transportation. The share of these countries/regions in the volume of traffic to and from Japan (in tonnage and monetary value) is also increasing. With the growing marine transportation, a close network of regular sea routes between Japan and East Asian countries/regions has been formed.

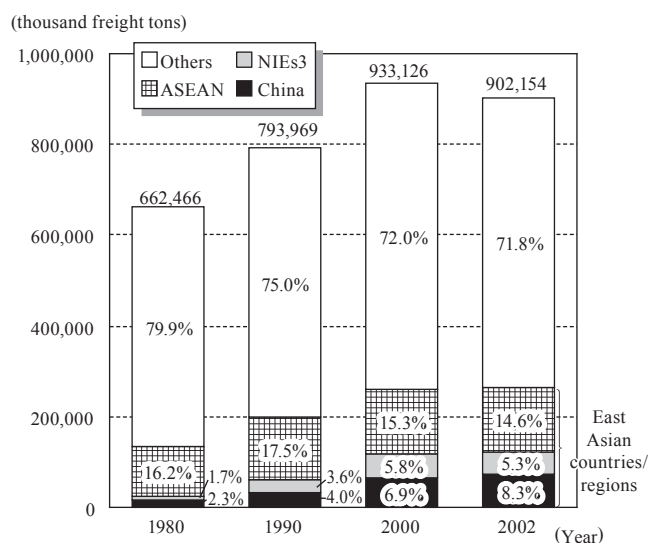
<Trend in the tonnage of exported port cargos (by destination)>



Note: The figure represents the volume of cargos handled at grade-A ports (key ports, etc.)

Source: Compiled from MLIT, *Kowan Tokei* [Port and Harbour Statistics].

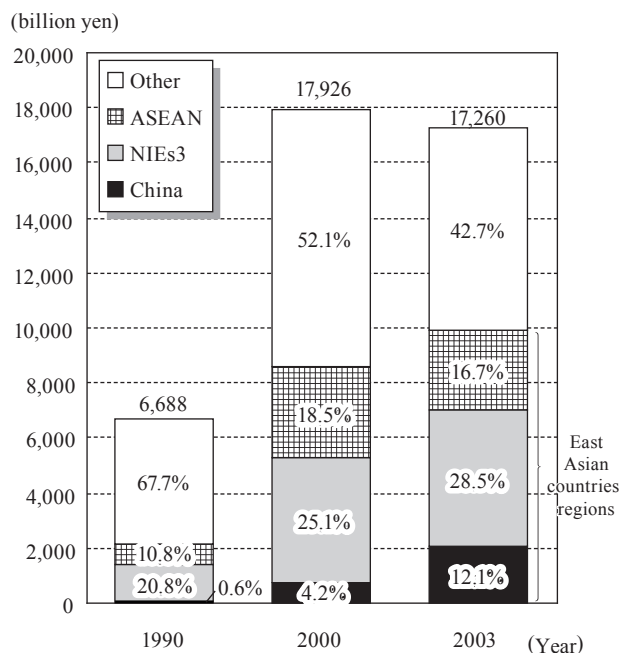
<Trend in the tonnage of imported port cargos (by origin)>



Note: The figure represents the volume of cargos handled at grade-A ports (key ports, etc.)

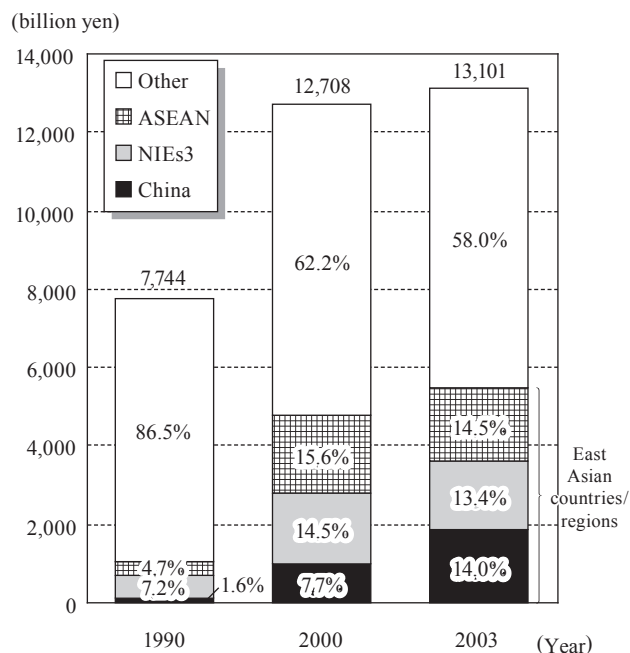
Source: Compiled from MLIT, *Kowan Tokei* [Port and Harbour Statistics].

<Trend in the volume of exported air cargos (by destination)>



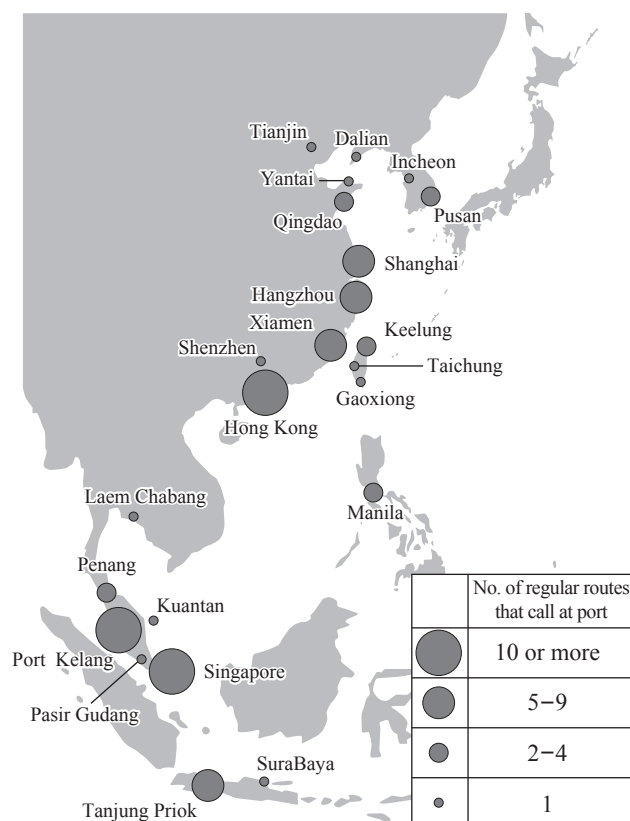
Source: Compiled from Ministry of Finance, *Trade Statistics of Japan*.

<Trend in the volume of imported air cargos (by origin)>



Source: Compiled from Ministry of Finance, *Trade Statistics of Japan*.

<Number of major regular routes within East Asia that call at ports>



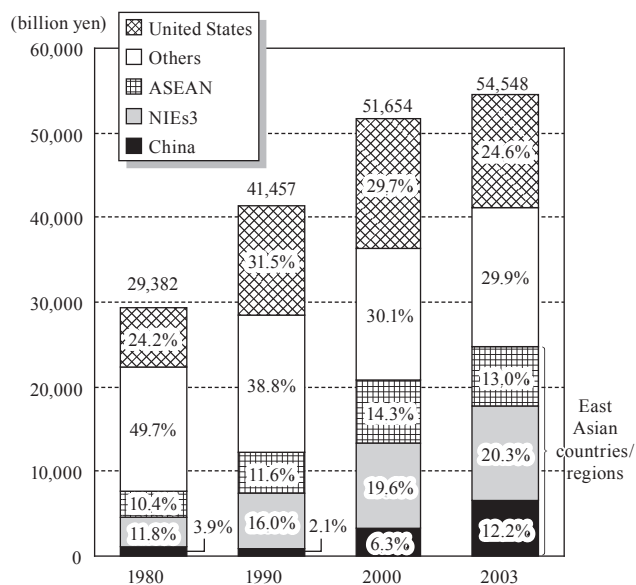
Note: The figure represents the number of routes that call at the port out of the total 15 East Asian internal regular routes for container liners with an average of 1,500TEU or more.

Source: Compiled from Japan Maritime Public Relations Center, *Suuji de Miru Kaiun Zosen 2004* [Shipping and Shipbuilding—Facts and Figures 2004].

### ○Deepening interdependence

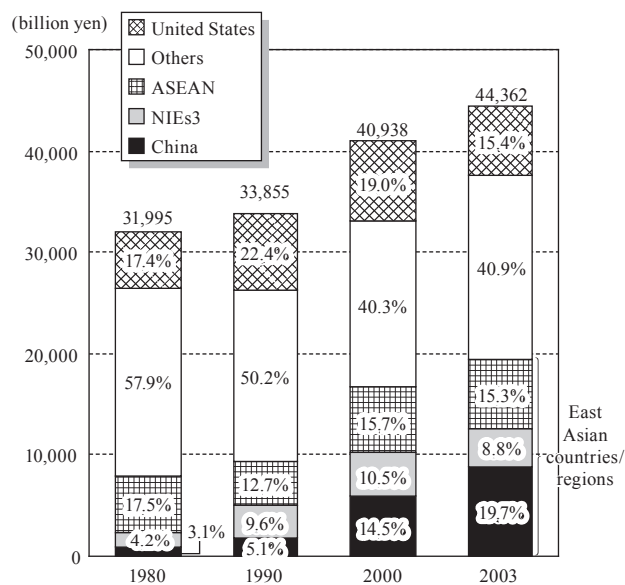
East Asian countries/regions constitute the No. 1 trade partner for Japan, with exports to and imports from them accounting for 45.5% and 43.7%, respectively (2003). The distant second and third partners are EU (15.3% of exports and 12.8% of imports), and NAFTA (26.9% of exports and 17.8% of imports). Components makes up a large portion of both exports to and imports from East Asian countries/regions, suggesting that division of labor is already in place between Japan and these countries/regions. Such division of labor in turn may be a major factor behind increases in the flows of goods and those of people, especially business travelers.

<Trend in Japan's exports (by destination)>



Source: Compiled from Ministry of Finance, *Trade Statistics of Japan*.

<Trend in Japan's imports (by origin)>



Source: Compiled from Ministry of Finance, *Trade Statistics of Japan*.

<Japan's major trade items exported to and imported from East Asian countries/regions (2003)>

(Unit: thousand dollars)		
Item	Exports	Share
Electronics apparatus	28,886,043	13.5%
Iron & Steel Products	13,733,211	6.4%
Scientific & Optical equipment	10,514,633	4.9%
Office Machines	8,324,959	3.9%
Plastic	7,905,426	3.7%
Organic chemicals	7,142,008	3.3%
Motor Vehicles	6,509,047	3.0%
Parts of Motor Vehicles	5,979,482	2.8%
Parts of Audio Visual apparatus	5,481,792	2.6%
Power generating machinery	4,219,340	2.0%

(Unit: thousand dollars)		
Item	Imports	Share
Office Machines	18,865,769	11.3%
Apparel and similar products	17,022,463	10.2%
Thermionic, etc, valves, tubes, semiconductor devices, I.C., etc.	12,267,959	7.3%
L.N.G	9,136,001	5.5%
Audio & Visual apparatus	8,750,563	5.2%
Fish & Shellfish	6,515,498	3.9%
Petroleum products	4,354,232	2.6%
Scientific & Optical equipment	3,961,616	2.4%
Petroleum Crude and Partly refined	3,623,224	2.2%
Furniture	3,087,597	1.8%

Note: "Share" shows how much the exported (or imported) item accounts for the total amount of products of the same item that East Asian countries/regions import (or export).

Source: Compiled from JETRO, *Boeki Tokei Database* [Database of Trade Statistics].

Interdependence is deepening in tourism as well. Visitors to Japan from East Asian countries/regions are increasing in number with their economic development, as well as due in part to mutual permeation of pop culture.

It is important for Japan—where the birthrate declines and the population ages—to maintain and even increase interaction with East Asian countries/regions amid deepening interdependence. To that end, Japan needs to do more to facilitate the flow of people and goods with East Asian countries/regions.