

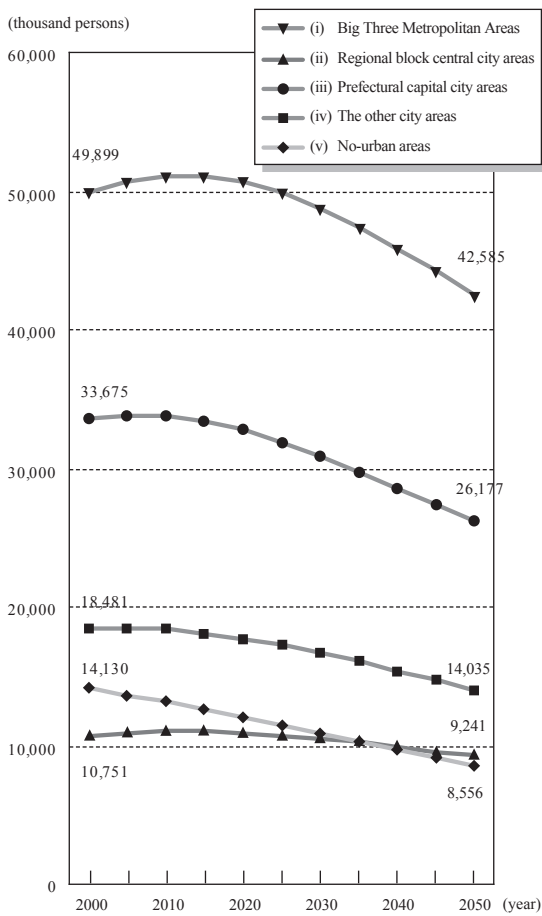
Chapter 3: Relations between East Asia and Regions within Japan

[Changing population structure of Japan]

Changes in Japan's industrial structure once triggered rural-to-urban migration. A large scale of migration to the Big Three Metropolitan Areas occurred during the era of rapid economic growth. After the era such migration is on the wane and Japanese people seem to have settled down geographically.

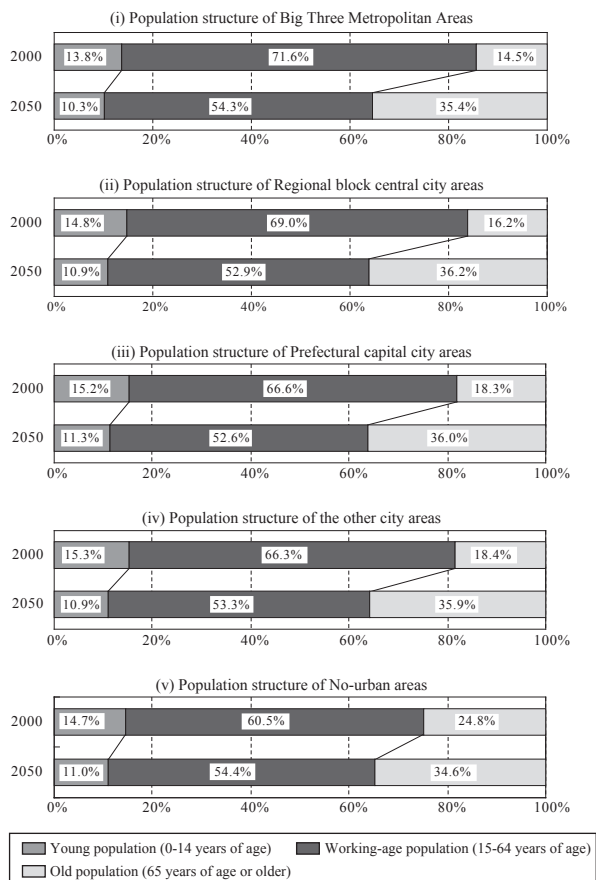
Although the trend of a dwindling birthrate and an aging population is expected to continue, the changing pattern of the population scale and structure varies according to the scale of the urban area in question. For example, The population tends to be aging more rapidly in larger urban areas.

< Expected changes in population by scale of urban area >



Source: MLIT

< Expected changes in population structure by scale of urban area >



Source: MLIT

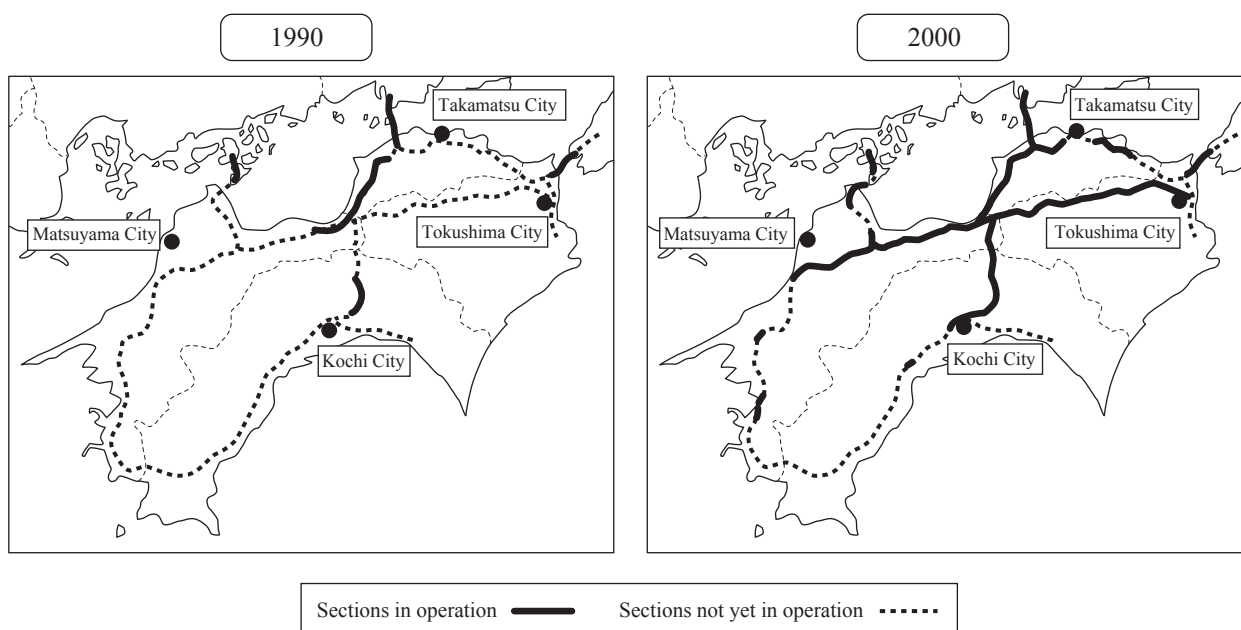
[Formation of regional blocks in Japan and their relations with East Asia]

○ Formation of regional blocks

As the nation's population is increasingly settling down geographically, large-scale socioeconomic blocks are being formed thanks in part to the development of regional transportation networks. This trend is indicated by the fact that to the total flows of people beyond prefectural borders, the percentage of the flows of people to the prefecture within the regional block is higher than before.

< Expressways in Shikoku and changes in the percentage of flows of people within the block >

	Length of arterial high-standard highways in operation (kilometers)	Percentage of flows of people within the block (%)
1990	108	46.8
2000	396	65.6



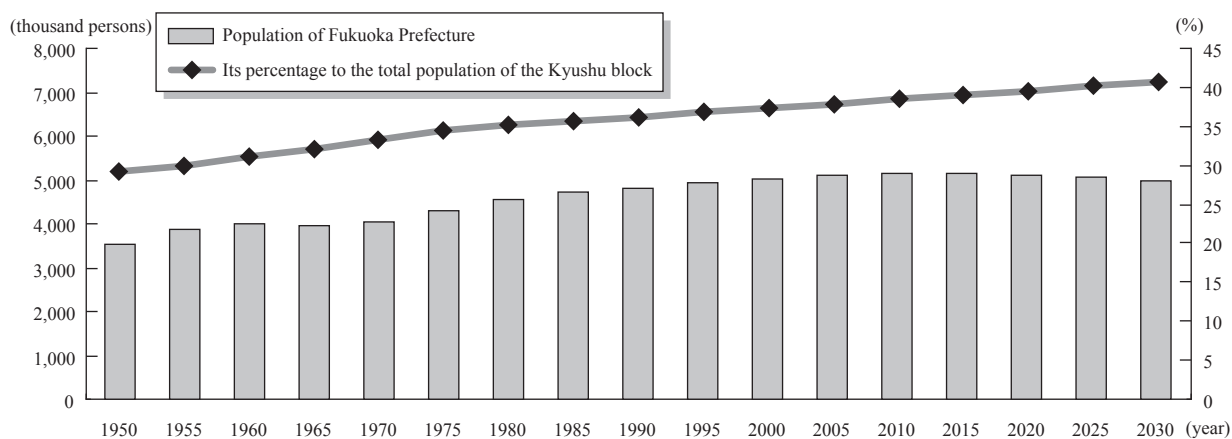
Notes: 1. Expressways include motorways of the national highways that run parallel to planned national expressways.

2. "Length of high-standard highways in operation" is the data as of the end of March each year.

Source: MLIT

The government ordinance designated cities, which accumulate urban functions, gradually serve as the center for their respective block.

< Trend in the population of Fukuoka Prefecture and its percentage to the total population of the Kyushu block >

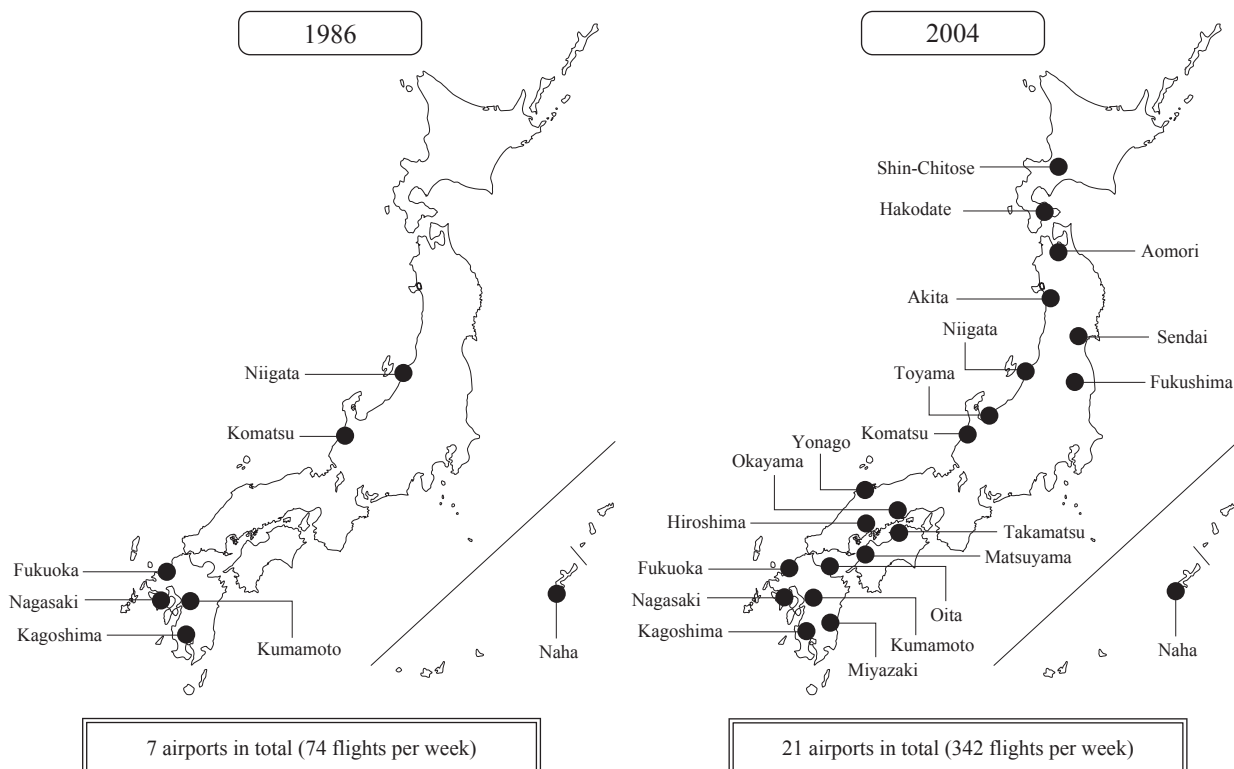


Source: Compiled from Ministry of Internal Affairs and Communications, *National Census*; and National Institute of Population and Social Security Research, *Population Projections by Prefecture*.

○Japan's regional blocks and East Asian countries/regions

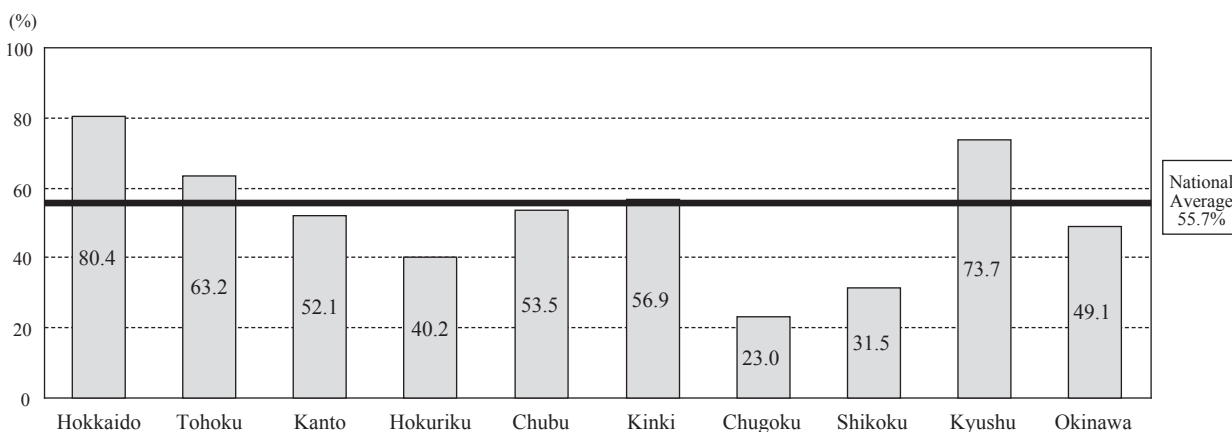
Generally speaking, the regional blocks outside three metropolitan areas in Japan have close relationships with East Asian countries/regions. The percentages of people from these countries/regions who enter these Japan's regional blocks and those who leave the country via them are higher than the national averages. This is partly because the regional blocks enjoy a growing number of direct flights to and from East Asian countries/regions. In trade, the relative importance of East Asian countries/regions is increasing for some regional blocks.

< Change in the number of regional airports with scheduled flights to and from East Asian countries/regions and Far East Russia >



Note: The number of flights are based on those from Japan.
 Source: Compiled from *Koku Jikokuhyo [Flight Timetable]* (1986 December issue) and *JTB Jikokuhyo [JTB Timetable]* (2004 December issue).

< Percentage of people from Five East Asian countries/regions to the total visitor arrivals to Japan (FY2002) >



Note: Five East Asian countries/regions include Rep.Korea, Singapore, China, Taiwan, and Hong Kong.
 Source: Estimates based on JNTO, *Honichi Gaikokujin Ryokosha Chosa* [Survey on Overseas visitors to Japan].

○Regional blocks in Japan reaching out to neighboring countries/regions

Regional blocks outside three metropolitan areas in Japan are even reaching out to neighboring countries/regions for closer relationship or market development. The idea is to take advantage of the vitality of these growing countries/regions for the development of these regional blocks in Japan.

--Partnerships in the Sea of Japan zone--

Prefectures along the Sea of Japan are making efforts to promote partnerships with Rep.Korea, China and Far East Russia in the Sea of Japan zone. Among such efforts are the formation of a network of local governments, and discussions toward economic development of and economic exchange with Northeast Asia.

--Partnerships in Yellow Sea and Gulf of Zhili zone--

In November 2004, ten cities of Japan, Rep.Korea and China facing the Yellow Sea and the Gulf of Zhili set up the Organization for the East Asia Economic Development. With the ultimate goal to establish a regional economic cooperation zone, OEAED is aimed at strengthening partnerships and economic relations among the cities concerned, including facilitating physical distribution among them, thus promoting economic exchange among the cities concerned.

--Sakhalin Project and Hokkaido economy--

In the Sakhalin Region, Russia, the Sakhalin Project has heightened local expectations for infrastructure development and increased investment. In Hokkaido, geographically closed to the Sakhalin Region, efforts have been made to take advantage of business opportunities associated with the project. For example, firms affiliated to the Wakkanai Construction Association has set up a joint venture with construction companies in Sakhalin. Exports of construction machinery and vehicles from the Port of Wakkanai are growing.

<Map of cities which belong to OEAED>



Source: Kitakyushu City

<Construction machinery loaded onto a ferry at the Port of Wakkanai>



Source: Wakkanai Kensetsu Kaikan

--Initiatives to lure tourists from East Asian countries/regions--

Increasing the flows of people through tourism promotion is an important option for revitalizing regions. A number of initiatives involving broad-based partnerships are being taken to lure tourists from East Asian countries/regions—an important market for Japan's tourism industry.

<Broad-based initiatives to lure tourists from China and other countries/regions>

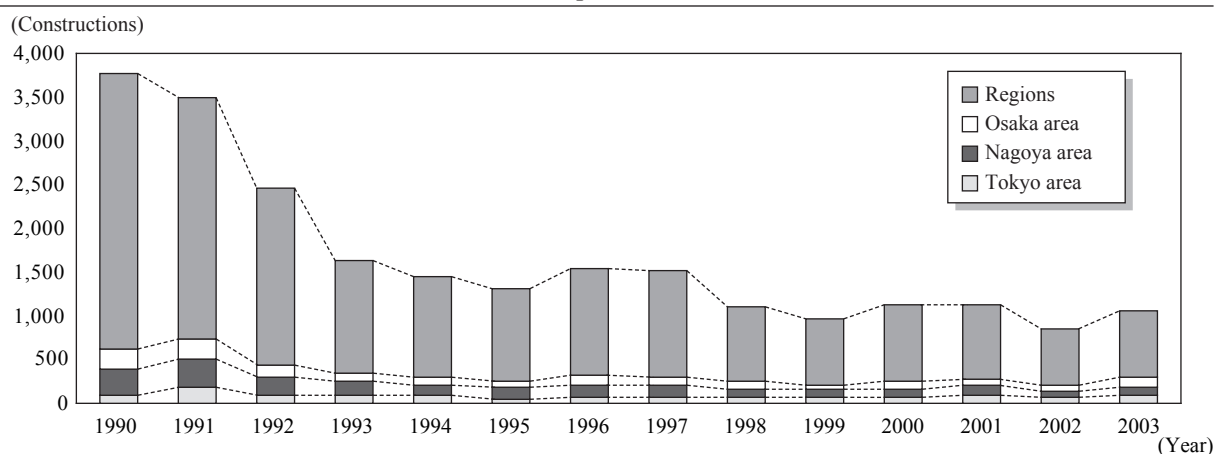
Initiative taker	Description
Chugoku Kanko Mission Renraku Kaigi	This liaison council comprises municipalities, business organizations, and tourism-related organizations in Hokkaido. To lure tourists to Hokkaido, the council sends missions made up of people from the public and private sectors to China and hold seminars and business meeting sessions there. The council also invite travel agencies from China for inspection tours.
YOKOSO! JAPAN Tohoku Jikko Inkai	This committee consists of municipalities, business organizations, and tourism-related organizations in six prefectures: Aomori, Iwate, Miyagi, Akita, Yamagata, and Fukushima. The committee invites travel agencies and the media from the United States, Rep.Korea, China, Taiwan, and Hong Kong for inspection tours, symposia and business meeting sessions. The committee also provides promotion programs to a Chinese satellite station to be aired.
Fuji-Hakone-Izu International Tourism Association	This association is made up of municipalities and tourism-related organizations in three prefectures: Kanagawa, Yamanashi and Shizuoka. Its activities include: organizing and promoting tourist routes; publishing brochures and designing its websites in English, Korean and Chinese; setting up information offices and signposts; and inviting travel agencies from Rep.Korea, Hong Kong and Taiwan.
Hokuriku Kokusai Kanko Tema Chiku Suishin Kyogikai	This council comprises, made up of municipalities and tourism-related organizations in three prefectures: Toyama, Ishikawa and Fukui. The council invites government officials and travel agencies from Liaoning, Jiangsu and Zhejiang provinces, which are on good terms with the three prefectures, for inspection tours and business meeting sessions.
Tokai Chiku Gaikokujin Kankokyaku Yuchi Sokushin Kyogikai	This council consists of municipalities and tourism-related organizations in four prefectures: Gifu, Shizuoka, Aichi and Mie. The council works with the Japan Association for the 2005 World Exposition. Main activities include: publishing promotional brochures in English and Chinese; holding promotional meetings in Rep.Korea and China; supporting promotional campaigns in Rep.Korea, China, Taiwan and Hong Kong; and inviting travel agencies and the media from abroad for inspection tours.
Kansai Council	This council is made up of municipalities and economic organizations in nine prefectures: Fukui, Mie, Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama and Tokushima. It invites travel agencies and the media from Rep.Korea and Taiwan for "hands-on programs that combine tangible and intangible world heritages in Kansai with neighboring tourist attractions.
Chugoku Chiiki Kanko Suishin Kyogikai	This council comprises municipalities, business organizations, and tourism-related organizations in five prefectures: Tottori, Shimane, Okayama, Hiroshima and Yamaguchi. Its activities includes designing a website that provides tourist information on the Chugoku block in Japanese, English, Korean and Chinese.
Tottori and Kagawa prefectures	The two prefectures work together to lure chartered flights to Takamatsu, Yonago and Tottori airports and thus commercialize broad-based tourist routes. For example, they hold fairs designed to promote local tourism and specialties in Taiwan and send promotional missions abroad.
Minami Kyushu Kanko Koiki Ruto Renraku Kyogikai	This council consists of three prefectures: Kumamoto, Miyazaki and Kagoshima. To lure visitors from China to play golf in Japan during winter and other seasons, the council invites golf magazine reporters, gold program creators, golf course owners and travel agency for inspection tours.
Okinawa Prefecture, etc.	Local governments and tourism-related organizations in Okinawa Prefecture join forces to lure tourists from regional cities in Rep.Korea, including those for which direct flights are unavailable, to Okinawa via Shanghai. To this end, they invite travel agencies from such cities.

Source: MLIT

○Relocation of manufacturing bases overseas and its impact on regions

As more and more manufacturers relocated their production bases overseas, regions in particular suffered from a decline in new plant constructions until recently. In 2003, new plant constructions rebounded—a sign that the trend of overseas expansion is waning.

<Trend in new plant constructions>



Note: Tokyo area: Tokyo, Kanagawa, Saitama and Chiba Nagoya area: Aichi, Gifu and Mie
Osaka area: Osaka, Hyogo, Kyoto and Nara Regions: Prefectures not included in any of the three areas.

Source: Compiled from Ministry of Economy, Trade and Industry, *Kojo Ritchi Doko Chosa* [Survey on New Plant Constructions]