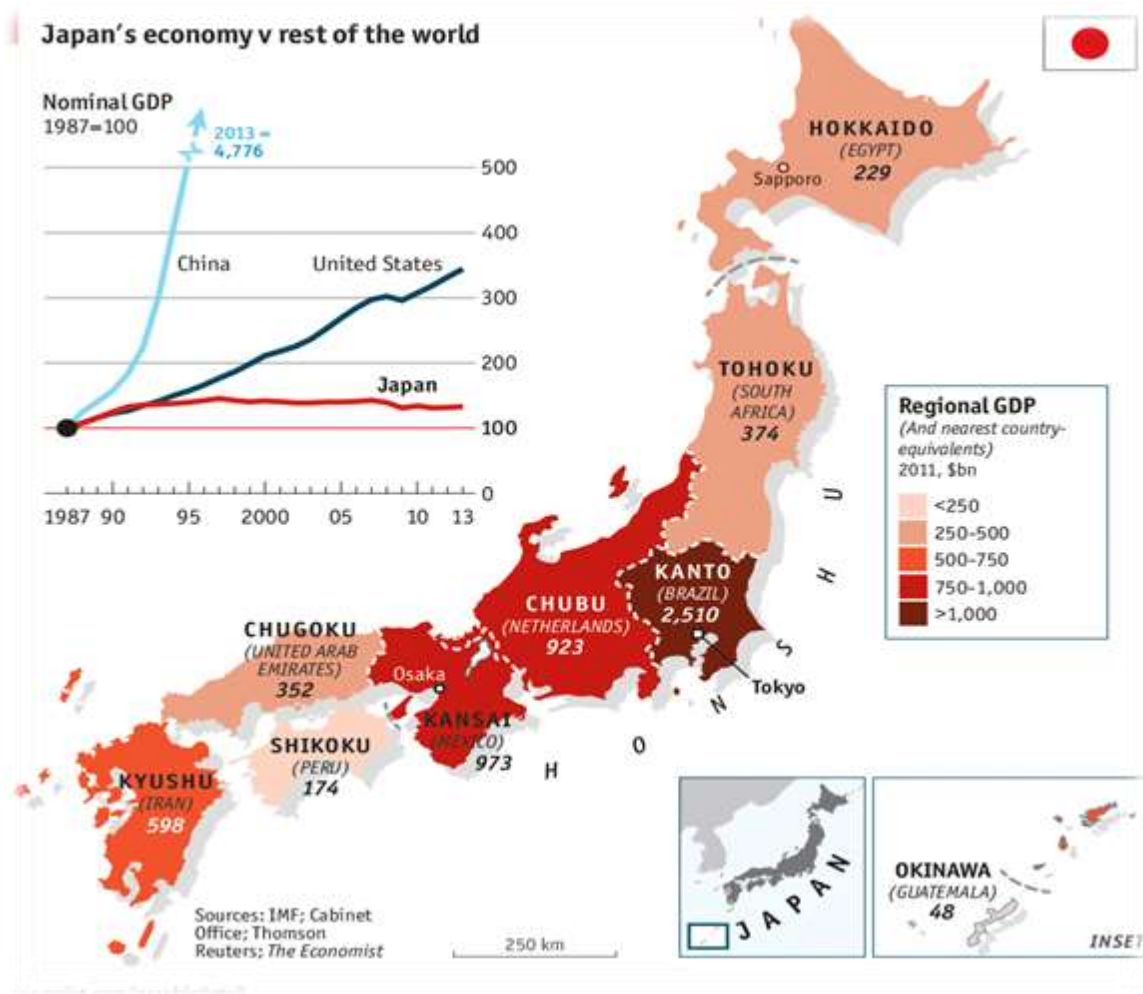


Economy of Japan



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Overview of the Economy of Japan

The Japanese fiscal year starts on April 1st through to March 31st of the following year. Japan has a nominal GDP of \$5.18 trillion according to the International Monetary Fund. The GDP per capita is \$39,286. The largest industries are agriculture and fishing, manufacturing, and tourism among others. Japan's GDP per sector is as follows: services 71.4%, industry 27.5%, and agriculture 1.2%. 0.2% of the population of Japan lives under the poverty line of under \$1.90 a day. The unemployment rate is 2.90%.

Main Exports of Japan

Japan exports goods worth an estimated \$728 billion and the country's main exports are motor vehicles, auto parts, power generating machinery, iron and steel products, semiconductors, and plastic materials. Japan is the third largest automobile manufacturing country, and they form the leading export goods for the country.

Major Export Partners of Japan

The major export destinations for Japan are the United States, accounting for 20% of all exports; China, accounting for 17.55% of all exports; South Korea, accounting for 7.1% of all exports; Hong Kong, accounting for 5.6% of all exports; and Thailand, accounting for 4.5% of all exports.

Main Imports of Japan

Japan spends an estimated \$632 billion on imports of goods such as petroleum, liquefied natural gas, coal, audio and visual apparatus, semiconductors, and clothing. Japan is the third-largest importer of agricultural products and liquefied natural gas, and the largest importer of coal.

Main Import Partners of Japan

Japan imports its products from China, which accounts for 24.8% of all imports; the United States, accounting for 10% of all imports; Australia, accounting for 5.4% of all imports; and South Korea, accounting for 4.1% of all imports.

Challenges to the Economy of Japan

Japan's economy has experienced numerous problems such as bad debts, which have led to a slow and unsteady growth rate and inadequate natural resources due to the unfavorable mountainous terrain thus the need to rely on imported agricultural produce for local consumption. The Japanese population is mainly made up of old people due to a low birth rate, therefore, raising concerns about the future of Japan's workforce.

Future Plans

Since Japan's economy depends heavily on human labor, the government intends to lift barriers on foreign immigrants to counter the effects of the declining population. The lifetime employment traditions are being

eliminated to help the economy cope with the increasing competition from other world economies as well as to increase the chances of employment for younger and skilled individuals.

What type of economy does Japan have?

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Sectors of the economy

Agriculture

The Japanese agricultural sector accounts for about 1.4% of the total country's GDP. Only 12% of Japan's land is suitable for cultivation. Due to this lack of arable land, a system of terraces is used to farm in small areas. This results in one of the world's highest levels of crop yields per unit area, with an overall agricultural self-sufficiency rate of about 50% on fewer than 56,000 km² (14 million acres) cultivated.

Japan's small agricultural sector, however, is also highly subsidized and protected, with government regulations that favor small-scale cultivation instead of large-scale agriculture as practiced in North America. There has been a growing concern about farming as the current farmers are aging with a difficult time finding successors.

Rice accounts for almost all of Japan's cereal production. Japan is the second-largest agricultural product importer in the world. Rice, the most protected crop, is subject to tariffs of 777.7%.

Although Japan is usually self-sufficient in rice (except for its use in making rice crackers and processed foods) and wheat, the country must import about 50% of its requirements of other grain and fodder crops and relies on imports for half of its supply of meat. Japan imports large quantities of wheat and soybeans. Japan is the 5th largest market for EU agricultural exports. Over 90% of mandarin oranges in Japan are grown in Japan. Apples are also grown due to restrictions on apple imports.

Fishery

Japan ranked fourth in the world in 1996 in tonnage of fish caught. Japan captured 4,074,580 metric tons of fish in 2005, down from 4,987,703 tons in 2000, 9,558,615 tons in 1990, 9,864,422 tons in 1980, 8,520,397 tons in 1970, 5,583,796 tons in 1960 and 2,881,855 tons in 1950. In 2003, the total aquaculture production was predicted at 1,301,437 tons. In 2010, Japan's total fisheries production was 4,762,469 tons. Offshore fisheries accounted for an average of 50% of the nation's total fish catches in the late 1980s although they experienced repeated ups and downs during that period.

Coastal fishing by small boats, set nets, or breeding techniques accounts for about one third of the industry's total production, while offshore fishing by medium-sized boats makes up for more than half the total production. Deep-sea fishing from larger vessels makes up the rest. Among the many species of seafood caught are sardines, skipjack tuna, crab, shrimp, salmon, Pollock, squid, clams, mackerel, sea bream, sauries, tuna and Japanese amberjack. Freshwater fishing, including salmon, trout and eel hatcheries and fish farms, takes up about 30% of Japan's fishing industry. Among the nearly 300 fish species in the rivers of Japan are native varieties of catfish, chub, herring and goby, as well as such freshwater crustaceans as crabs and crayfish. Marine and freshwater aquaculture is conducted in all 47 prefectures in Japan.

Japan maintains one of the world's largest fishing fleets and accounts for nearly 15% of the global catch, prompting some claims that Japan's fishing is leading to depletion in fish stocks such as tuna.[140] Japan has also sparked controversy by supporting quasi-commercial whaling.

Industry

Japanese manufacturing and industry is much diversified, with a variety of advanced industries that are highly successful. Industry accounts for 24% of the nation's GDP.

Industry is concentrated in several regions, with the Kantō region surrounding Tokyo, (the Keihin industrial region) as well as the Kansai region surrounding Osaka (the Hanshin industrial region) and the Tōkai region surrounding Nagoya (the Chūkyō-Tōkai industrial region) the main industrial centers. Other industrial centers include the southwestern part of Honshū and northern Shikoku around the Seto Inland Sea (the Setouchi industrial region); and the northern part of Kyūshū (Kitakyūshū). In addition, a long narrow belt of industrial centers called the Taiheiyō Belt is found between Tokyo and Fukuoka, established by particular industries, that have developed as mill towns.

Japan enjoys high technological development in many fields, including consumer electronics, automobile manufacturing, semiconductor manufacturing, optical fibers, optoelectronics, optical media, facsimile and copy machines, and fermentation processes in food and biochemistry. However, many Japanese companies are facing emerging rivals from the United States, South Korea, and China.

Automobile manufacturing

Japan is the third biggest producer of automobiles in the world. Toyota is currently the world largest carmaker, and the Japanese carmakers Nissan, Honda, Suzuki, and Mazda also count for some of the largest carmakers in the world.

Mining and petroleum exploration

Japan's mining production has been minimal, and Japan has very little mining deposits. However, massive deposits of rare earths have been found off the coast of Japan. In the 2011 fiscal year, the domestic yield of crude oil was 820 thousand kiloliters, which was 0.4% of Japan's total crude processing volume.

Source:

<https://www.worldatlas.com>