Japan, A Major Economic Power

- Population: 127,757,000 (2005, preliminary figure)
- Land Area: 377,915km² (2005)
- Number of Establishments: 5,728,492 (2004)
- Number of Stores: 1,613,318 (2004)
- Number of Factories: 504,530 (2003)
- Number of Employed Persons: 65,118,000 (FY2003)
- Number of Establishments Owned by Foreign Companies: 1,943 (2004)
- Services Production: 105.8627 trillion yen (2004)
- Import Values: 56.9494 trillion yen (2005)
- Loans Outstanding of Domestically Licensed Banks: 393.0887 trillion yen (End of December, 2005)

Sources:
- MIC "Population Census", "Establishment and Enterprise Census of Japan"
- The Geographical Survey Institute
- CAO "Annual Report on National Accounts"
- METI "Census of Commerce", "Census of Manufactures"
- MOF "Trade Statistics of Japan"
- BOJ "Financial and Economic Statistics Monthly"
- MOFA "Japan’s ODA White Paper", etc.
Metropolis Tokyo

**Introduction**

**Population**
- 12,570,904
- 9.8%
- 2005 (preliminary figure)

**Land Area**
- 2,187 km²
- 0.6%
- 2005

**Number of Stores**
- 171,155
- 10.6%
- 2004

**Number of Establishments**
- 251,788
- 16.5%
- 2004

**Number of Establishments Owned by Foreign Companies**
- 996
- 51.3%
- 2004

**Number of Factories**
- 49,580
- 9.8%
- 2003

**Number of Factories Owned by Foreign Companies**
- 996
- 51.3%
- 2004

**Value of Manufactured Goods Shipments**
- 11.6259 trillion yen
- 4.2%
- 2003

**Export Values**
- 15.3303 trillion yen
- 23.3%
- 2005 (preliminary figure)
- (Total of Tokyo Port, Haneda Airport and Narita Airport)

**Import Values**
- 17.1296 trillion yen
- 30.1%
- 2005 (preliminary figure)
- (Total of Tokyo Port, Haneda Airport and Narita Airport)

**Gross Prefectural Product (nominal)**
- 83.6303 trillion yen
- 16.9%
- FY2003

**Services Production**
- 24.5487 trillion yen
- 23.2%
- FY2003

**Loans Outstanding of Domestically Licensed Banks**
- 149.9067 trillion yen
- 38.1%
- End of December, 2005

**Number of Employed Persons**
- 8,357,500
- 12.8%
- FY2003 (Based on Place of Work)

**Number of Factories**
- 49,580
- 9.8%
- 2003

**Annual Sales of Goods**
- 176.8985 trillion yen
- 32.8%
- 2004

**Total Number of Enterprises**
- 251,788
- 16.5%
- 2004

**Sources**
- MIC “Population Census”
- The Geographical Survey Institute
- TMG “Establishment and Enterprise Census”, “Census of Commerce”, “Census of Manufactures”, etc.
- Tokyo Customs “Tokyo Customs Research & Statistics Report”

%: Comparison in Japan
Japan has a Significant Impact on the World's Economy.

Japan's GDP is ranked second in the world and thus has significant influence on the world's economy. The Japanese economy is slowly recovering, as is seen in continuing improvement in the previously depressed rate of economic growth. Overall imports and exports throughout the country are increasing year-on-year, and foreign trade is growing smoothly. Moreover, the Tokyo Stock Exchange and other stock exchanges are seeing active transactions each day, reflecting favorable business performance. Such transactions are supporting massive mobilization of capital in the market.
and it is Tokyo that Drives the Japan's Economy

Tokyo is home to a large number of enterprises and is characterized by a concentration of many headquarters and central management functions. It is a place where some 660,000 establishments and 7.75 million employees engage in active economic activity. Tokyo's gross production accounts for nearly 20% of the nation's GDP. Much of this production is comprised of services and other tertiary industries, which reflects the larger role that services are playing in the economy. Although 12 million Tokyo inhabitants serve as the foundation for such economic activity, the low birthrate and aging of society are having an increasing impact. Furthermore, the number of people returning to Tokyo has been increasing in recent years, and thus the population of the special wards region and cities is increasing.
Consumption remains Stagnant while Production is Sluggish

1. Living Expenditure (Tokyo Special Wards Area)

   Comparison against previous year and comparison against same month of previous year (line graph; right axis)

   Note: Workers' households (nominal value)

   Source: MIC "Family Income and Expenditure Survey"

2. Living Expenditure by Item (Tokyo Special Wards Area)

   Note: Workers' households (nominal value)

   Source: MIC "Family Income and Expenditure Survey"

3. Consumer Price Index

   2000 average = 100

   Source: MIC "Consumer Price Index"

4. Consumer Price Index by Item (Tokyo Special Wards Area)

   Source: MIC "Consumer Price Index"

5. Production, Shipment, and Inventory Indices

   Source: TMG, METI "Indices of Industrial Production"

6. Production Indices by Goods

   Source: TMG "Indices of Industrial Production"

Tokyo's household consumption (special wards area) declined in 2005 compared to 2004, due partly to the impact of falling consumption in "transportation & communication" and "reading & recreation." Consumer prices (special wards area) remained unchanged as a slow deflationary trend continues. In terms of production, although nationwide product has recovered to the 2000 level, production in Tokyo remains low. However, when production by individual item is examined, growth continues to be seen in "information and communication equipment." This suggests favorable conditions for IT-related equipments, etc.
Capital Investment is Rising Significantly

1. Rate of Change in Amount of Capital Investment

- **Nationwide**
  - FY 1996-2005
  - Note: Amounts for FY2005 are from revised plans.
  - In general, figures are for private-sector enterprises having capital of 100 million yen or more in all industrial categories (excluding agriculture, forestry, finance & insurance and medical care).
  - Source: DBJ "Survey on Planned Capital Spending (in the Tokyo Metropolitan Area)"


- Note: In general, figures are for private-sector enterprises having capital of 100 million yen or more. Amounts for FY2005 are from revised plans.
  - Source: DBJ "Survey on Planned Capital Spending (in the Tokyo Metropolitan Area)"

3. Floor Area of Building Construction Starts

- **Previous year comparison**
  - Tokyo
  - Non-Dwelling: 14.6%
  - Dwelling: 11.4%
  - Total: 10.6%

4. Number of New Housing Starts

- **Previous year comparison**
  - Tokyo: 4.0%
  - Nationwide: -0.9%

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Capital investment in Tokyo leads the national average and is showing dramatic growth. This is due to strengthening investment by electrical machinery manufacturing that is occurring in line with growing demand for digital consumer electronics, as well as increasing capital investment in real estate and other sectors amid active redevelopment in the city center. Looking at floor area of construction starts, although the floor area for housing declined, that for non-housing (office buildings, commercial facilities, etc.) continues to rise. Moreover, looking at the number of new housing starts, rental housing is maintaining a favorable trend despite an overall downturn due to a declining number of condominiums.
Business Confidence is Improving while the Number of Bankruptcies Continues to Decline

Although the business confidence of small- and medium-size enterprises in Tokyo saw a temporary fall in 2005, it is currently on an upward trend. The economy’s breakaway from level growth together with other factors has led to rising expectations of economic recovery. Looking at the cash flow of small- and medium-size enterprises, while times still appear to be hard in the retail trade, overall improvement is continuing. And, in the area of enterprise bankruptcies, both the number of bankruptcies and debt amount are declining due to various public financial assistance schemes for small- and medium-size businesses as well as the economic recovery trend.
Despite being high compared to the rest of the country, the total unemployment rate in Tokyo is improving. Moreover, the job opening rate is significantly above the national average and the number of new job openings is increasing. Furthermore, total cash earnings are increasing. Thus, the employment situation and wages are improving amid economic recovery.