

Chapter 2 Japan growing with Asia's development – Asia –Pacific framework toward sustainable growth

Section 2 East Asia: Development from production networks into production/sales network

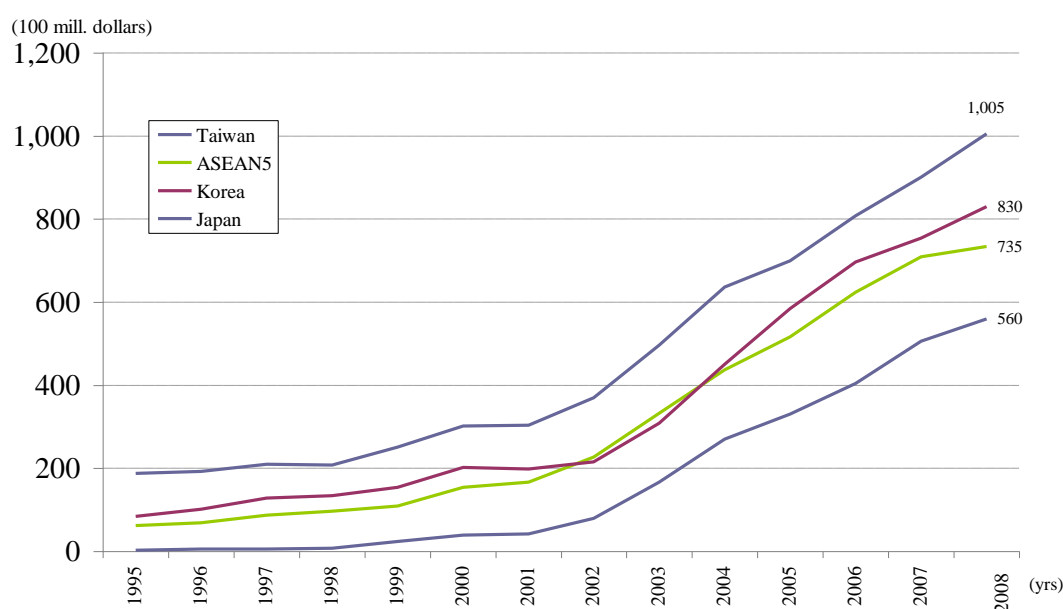
2. Weakening Japan's presence in the East Asia network

(1) Weakening Japan's presence in the area of intermediate goods export to China and ASEAN

As for the major countries and regions in East Asia that export intermediate goods to China which is the largest final product importer in East Asia, Japan's export was twice as large as that of other countries and regions in the 1990s. However, the exports from ASEAN, Korea, and Taiwan have been largely expanding since 2000 (see Figure 2-2-2-1).

Moreover, as for the countries and regions that export intermediate goods to ASEAN (see Figure 2-2-2-2), Japan which had been the largest intermediate goods exporter in the region was superseded by ASEAN regional exports in 1998. The gap between the exports from Japan and China which is rapidly growing is decreasing.

Figure 2-2-2-1: Trend of total value of intermediate goods export to China

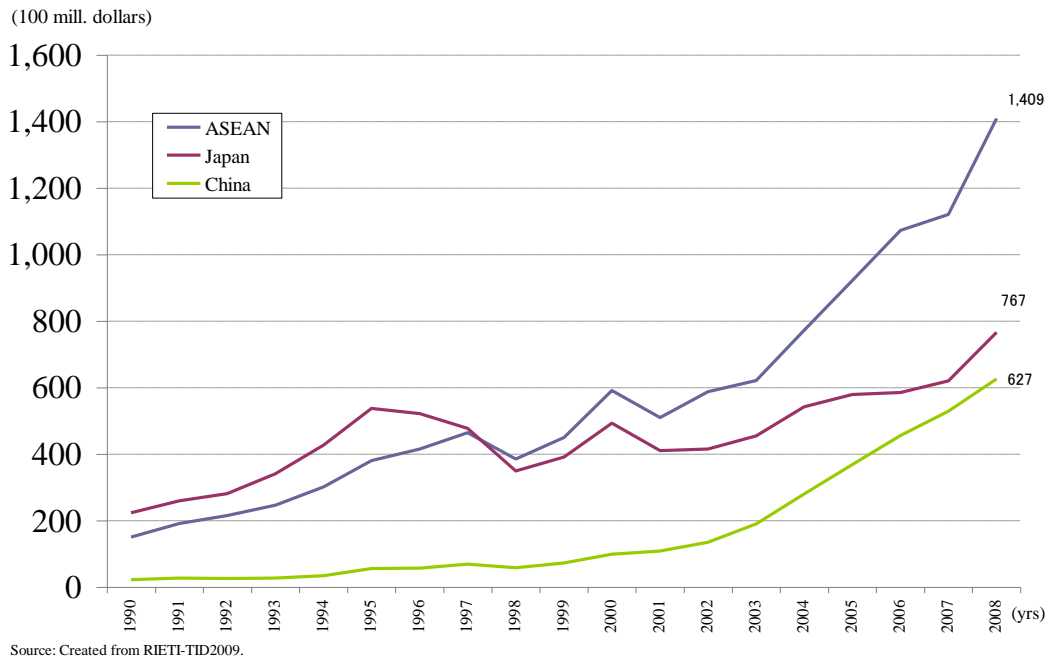


Source: Created from RIETI-TID2009.

(2) China's dominance in final goods export to the U.S. and Europe being ahead of Japan, ASEAN and Korea

The final goods export to the U.S. and Europe shows that the exports from China exceeded that of Japan in 2001, the year that China joined WTO. The exports from China is continuously growing and registered \$466.1 billion in 2008, the triple of the exports from Japan (see Figure 2-2-2-3).

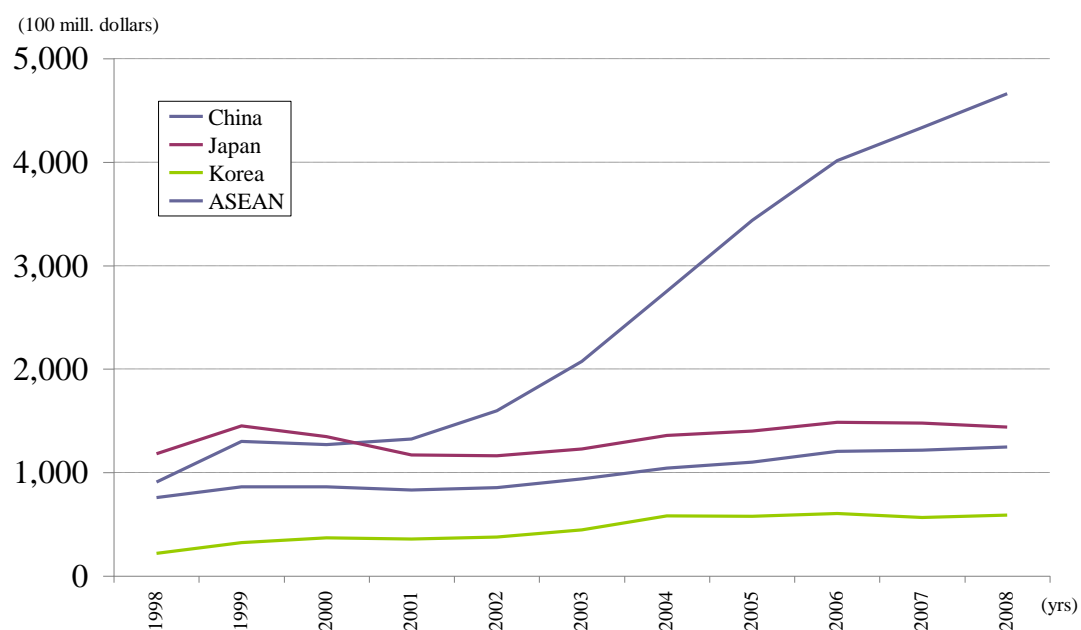
Figure 2-2-2-2: Trend of total value of intermediate goods export to ASEAN



(3) Weakening presence of Japan as a consumer market in East Asia

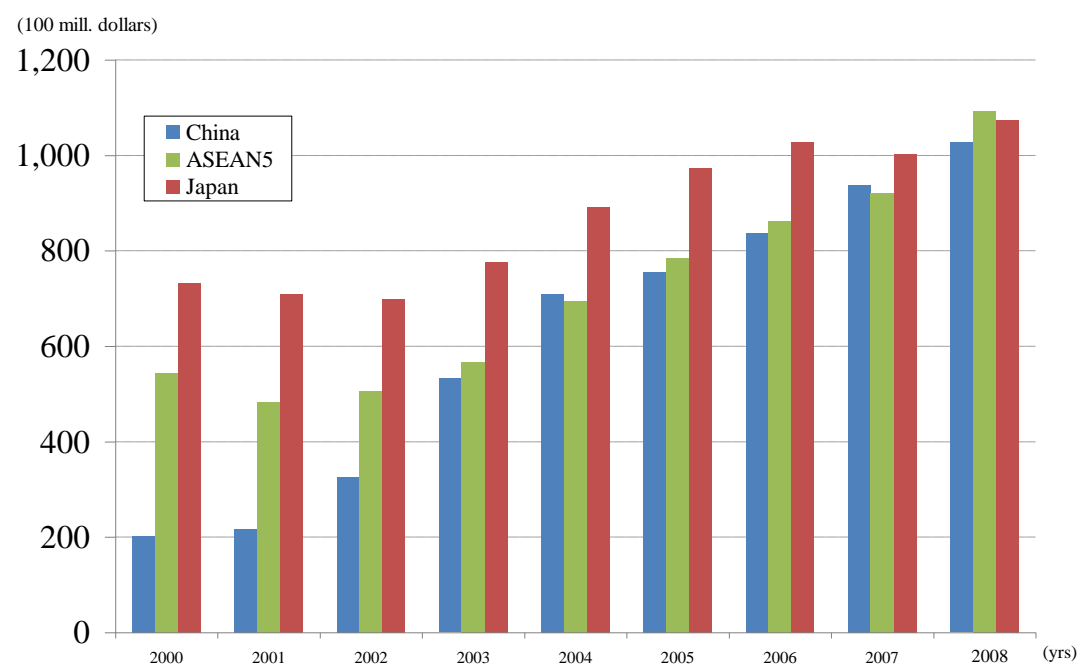
Japan has been contributing as a consumer market in East Asia such as through its \$73.2 billion of final products import from the region in 2000 which was the triple of the amount of China (see Figure 2-2-2-4). However, recently ASEAN and China's imports from East Asia are expanding due to their increased income brought by economic growth. In 2008, while Japan imported \$107.5 billion of final products from the region, ASEAN registered \$109.3 billion exceeding the number of Japan. Meanwhile, the imports of China are approaching to that of Japan marking \$102.7 billion.

Figure 2-2-2-3: Trend of total value of final products export from China, Japan, Korea and ASEAN to US and EU



Note: Total value of finished goods to US and EU.
Source: Created from RIETI-TID2009.

Figure 2-2-2-4: Trend of total value of final products export from East Asia to Japan, China and ASEAN



Source: Created from RIETI-TID2009.