Chapter 3 Japan's current situation and direction of progress after the economic crisis
Section 1 The future image of Japan that corresponds to global changes

2. Factors that support the globalization of Japanese economy

We confirmed the growing importance of international relationship for Japanese economy. In that case, has Japan established the foundation to deal with economical globalization? For example, English skill is essential in the global society, but Japan is ranked 137th in the world ranking of TOEFL score. We have to say that our English skill is poor (see figure 3-1-2-1).

Here, we will analyze the elements that support our globalization from various points of view and recognize the course we should take in order to absorb the vitality of global economic growth.

(1) Foreign talent:

For Japan's economy to go global, the international flow of people should become more active. The two-way flow of people, foreign talent flowing into Japan, and Japanese talent going overseas, are essential.

The ratio of foreign workers in total workforce is 1.1% in Japan. We are not using foreign talent as much as advanced western countries (see Figure 3-1-2-2). The U.S., Germany and Great Britain, which accept many immigrants, show high ratios. These countries absorb the vitality of immigrants, such as personal consumption, which, we believe, has been a cause of growth in these countries.

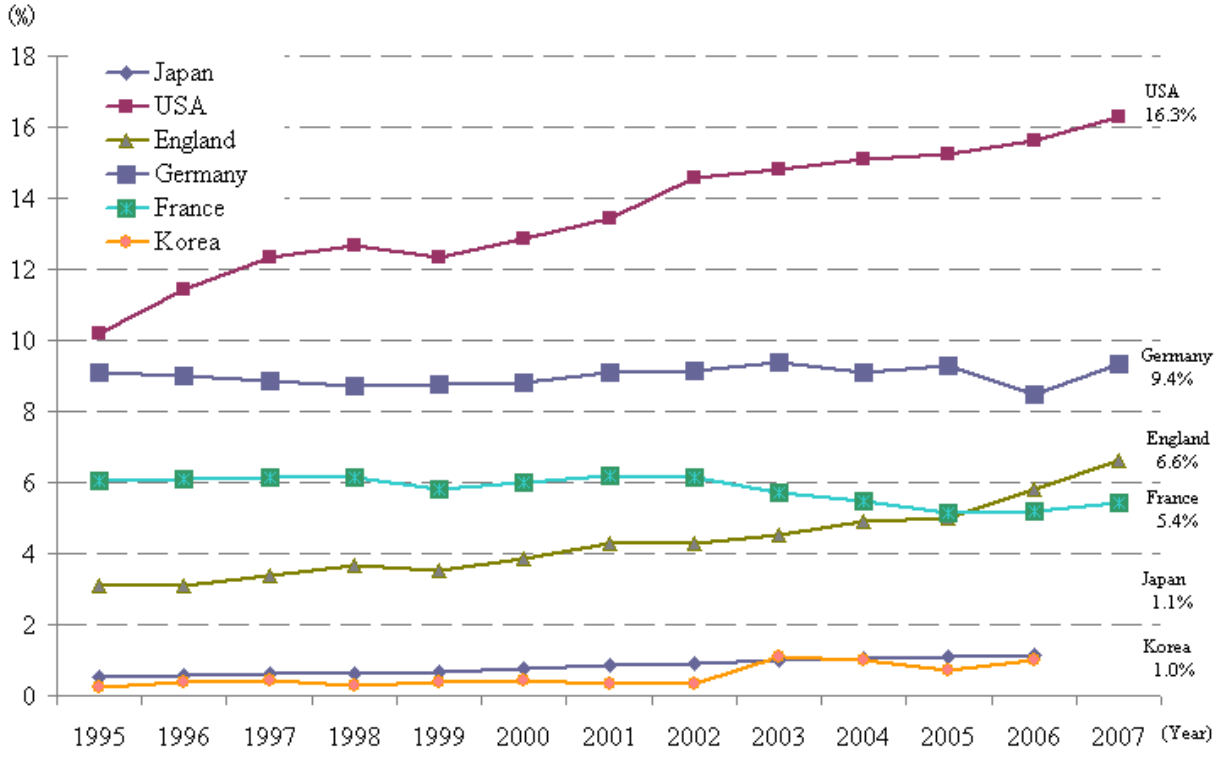
It is very important to create the flow of highly talented foreign people. We can anticipate a productivity improvement etc. by the innovation, and it would become a great driving force to establish human network with foreign countries. In terms of the ratio of foreign residents with bachelors or higher degree against population, Japan has relatively small numbers of highly skilled foreign residents. We can say that we have a room for accepting more of such people from now on (see Figure 3-1-2-3).

Table 3-1-2-1 TOEFL score world ranking (2008)

Ranking	Country	Score
Ranking	Denmark	102
2	Netherlands	102
3	Austria	100
4	Singapore	100
5	Belgium	98
6	Slovenia	98
7	South Africa	98
8	Finland	97
9	Germany	97
10	Portugal	97
93	Korea	78
99	China	76
137	Japan	66

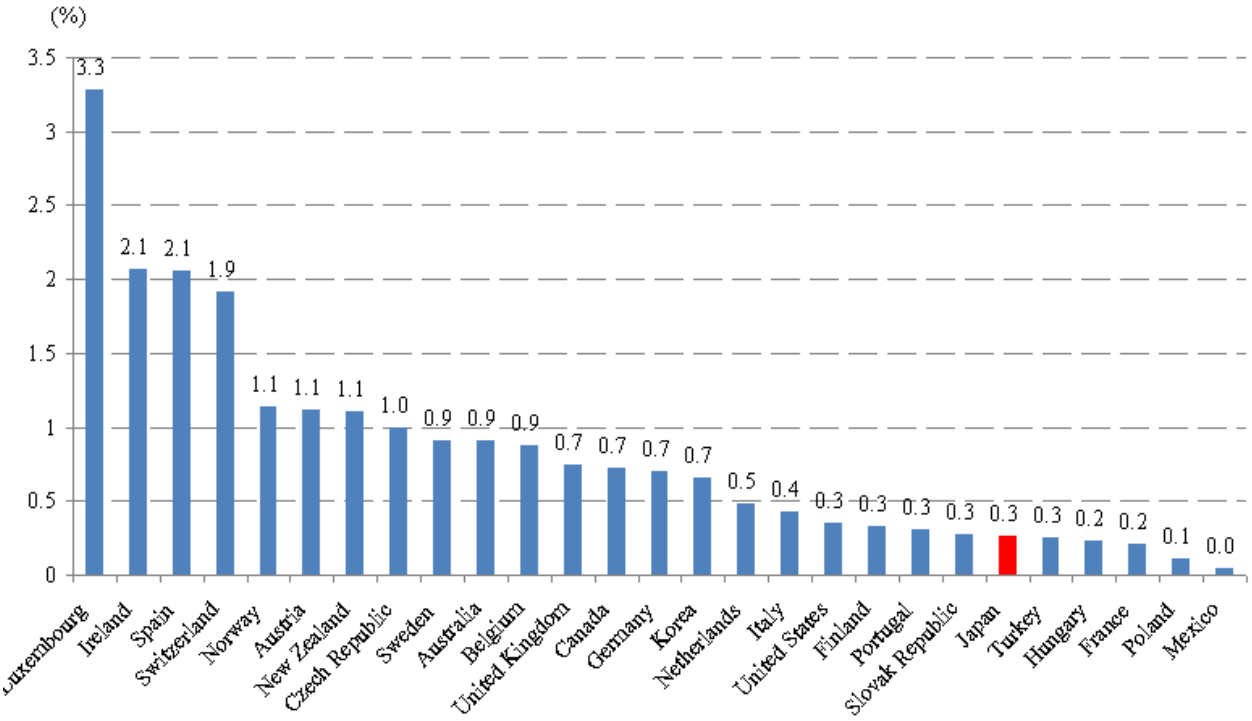
Source : *ETS report*

Figure 3-1-2-2 Proportion of foreign labors in overall labor population



Source: *Data book international labor comparison 2010* (The Labor policy research and training organization)

Figure 3-1-2-3 Proportion of college graduate foreign immigrants in overall population(2007)



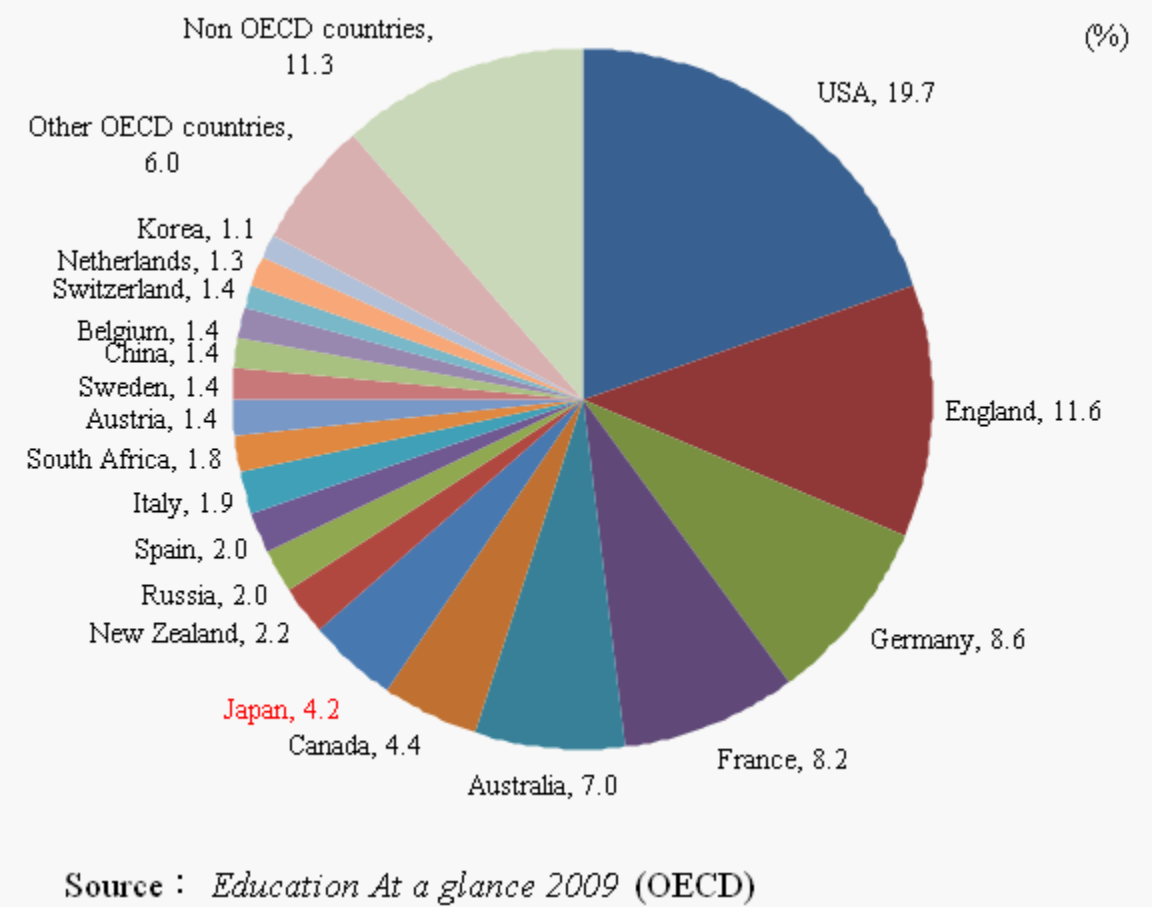
Source： *World Economic Outlook* (IMF) and OECD Stat

(2) Foreign student:

Thinking of the flow of highly skilled people, foreign students, who will be highly skilled in the future, are an important factor that supports the globalization of Japanese economy. Foreign students have various academic backgrounds and international understanding, which they gained from the experience of living in different countries. They are precious pipes between the host countries and their home countries as well.

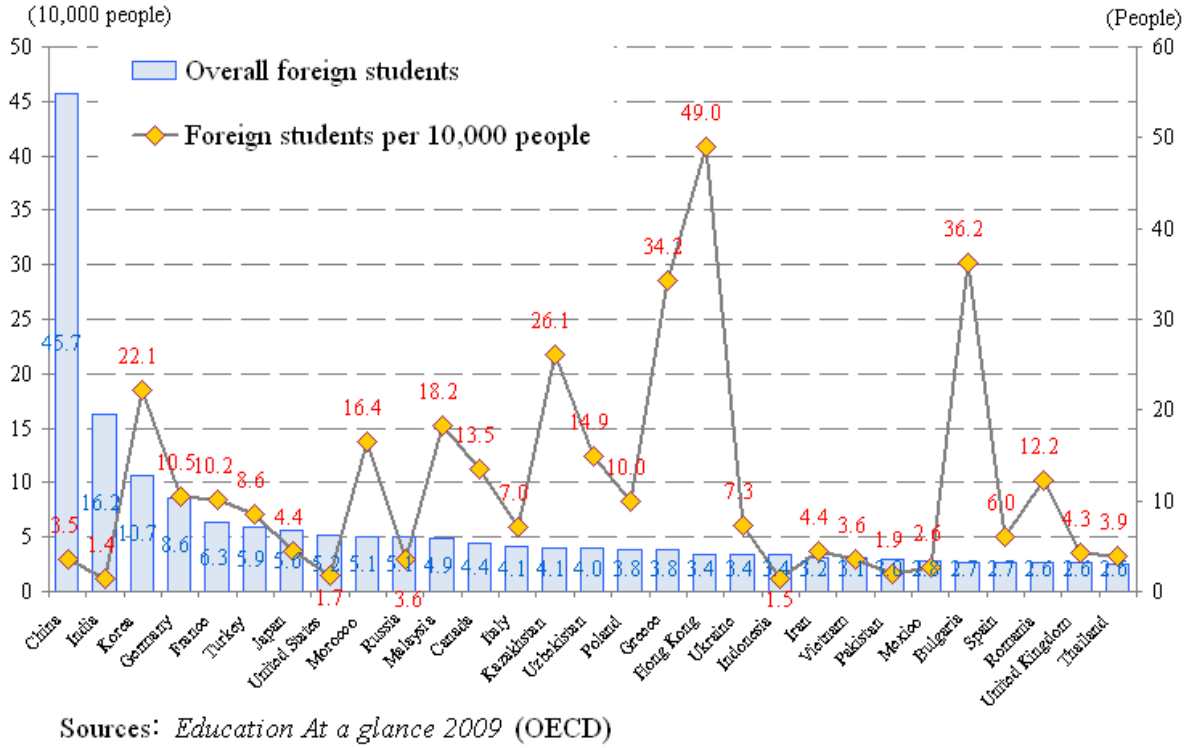
As for the countries where international students study, advanced western countries have large percentage (see Figure 3-1-2-4). We hope that Japan, as one of the advanced countries, will become a popular host county among international students to be.

Figure 3-1-2-4 World's foreign students by countries(2007)



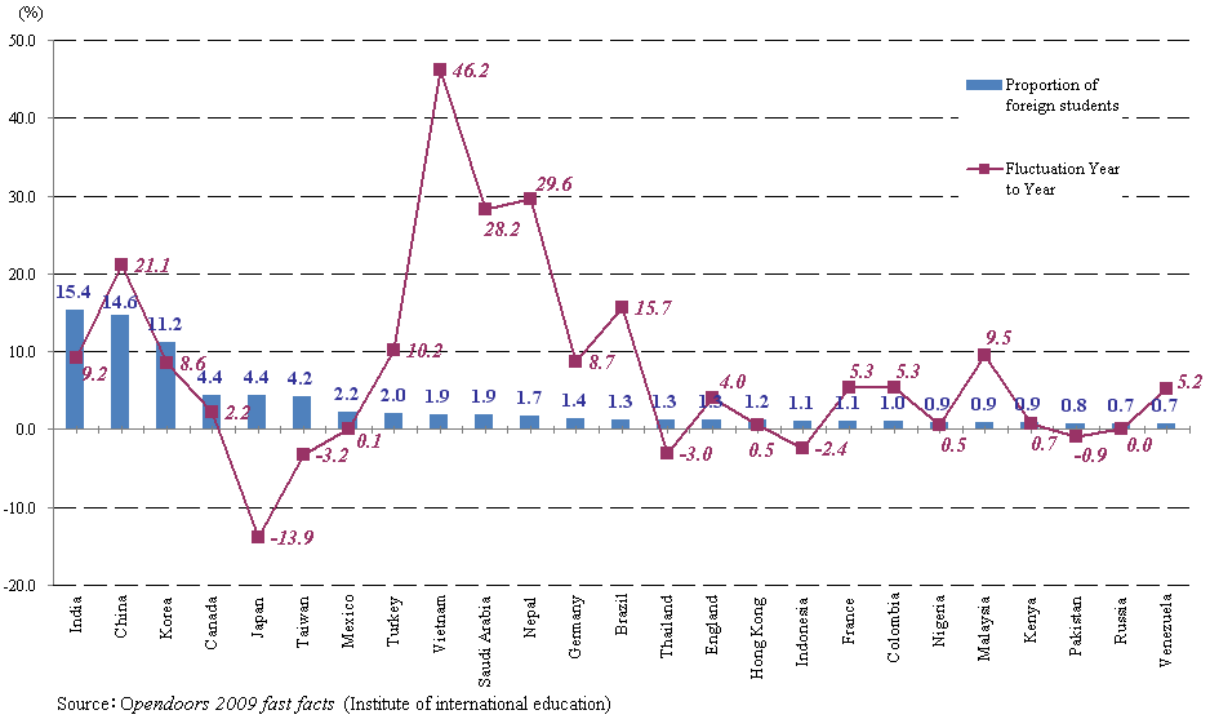
The number of international students in Japan is related to the progress of our globalization of economy. Many students cross the border and study under various environments in Korea and some European countries. It is important for Japanese students to aggressively go abroad, but the number of students who is studying abroad per 10 thousand people is only 1/5 of the number of Korea (see Figure 3-1-2-5).

Figure 3-1-2-5 World's overall foreign students and proportion per population of 10,000 (2007)



Sources: *Education At a glance 2009* (OECD)

Figure 3-1-2-6 Proportion and fluctuation of top 25 country of origin of foreign students studying in the U.S.



Source: *Opendoors 2009 fast facts* (Institute of international education)

When we classify the foreign students in the U.S. by their home country, Japanese students have fewer shares than China and Korea and the number of students dropped significantly from the last year (see Figure 3-1-2-6).

The status of international joint authorship of thesis and joint patent application with overseas inventors can be indicators of globalization of research and development activities. In Japan, both percentages of international joint authorship and joint patent application are lower than other advanced countries (see Figure 3-1-2-7 and 3-1-2-8).

By building an intellectual network with more channels, we have a better chance of creating a global current in research and development and elevate it to another level, too. If the level of the research keeps rising, for example, it would be shown in the relative citation rate, which indicates the quality of thesis (see Figure 3-1-2-9).

Figure 3-1-2-7 Percentage of international co-authorship of science thesis in each country

Source: *Science technology index* 2009 (The Ministry of Education, science technology policy research institute)

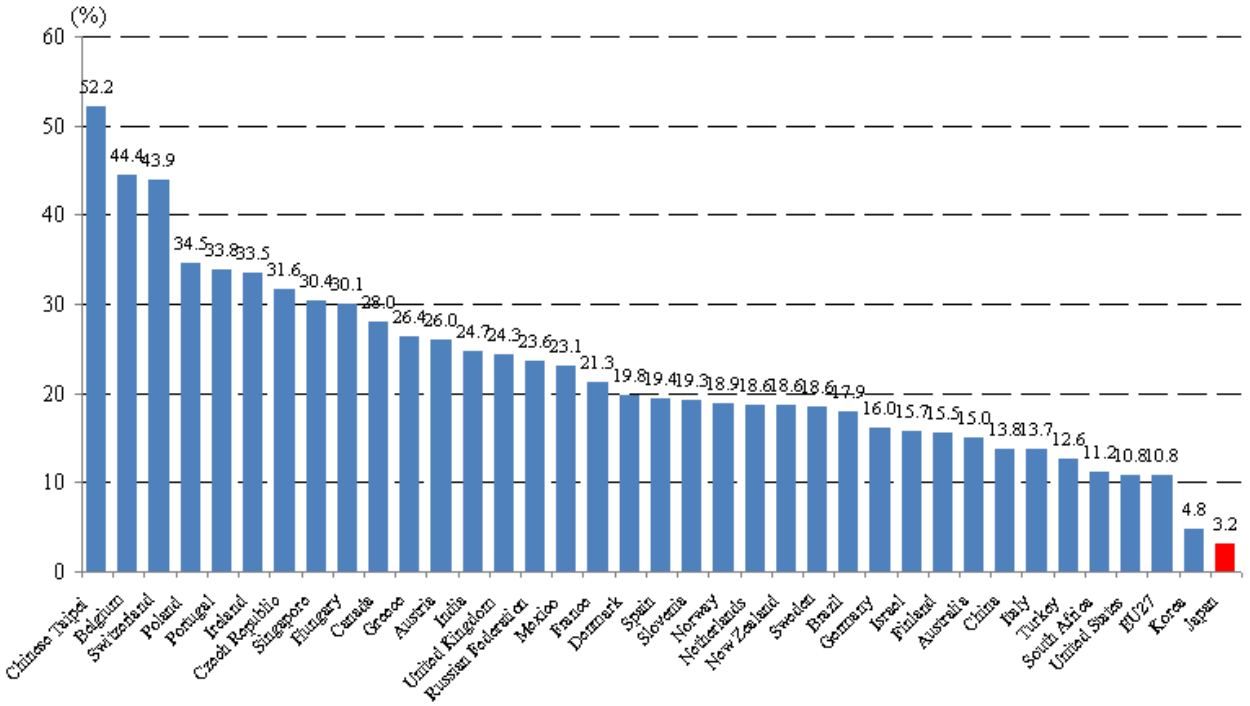
(3) Inclination to overseas:

The inclination to move overseas among the younger generation of Japanese, who are expected to be active as international talent in the future, is declining. The number of people who leave Japan has leveled off, and the rate of people who leave Japan in their 20s, the generation which will shoulder the future of Japan, has been hovering low (see Figure 3-1-2-10).

In addition, the trend of the acceptance of overseas services by new employees is dropping. In other words, the rate of new employees who prefer domestic work is increasing (see Figure 3-1-2-11).

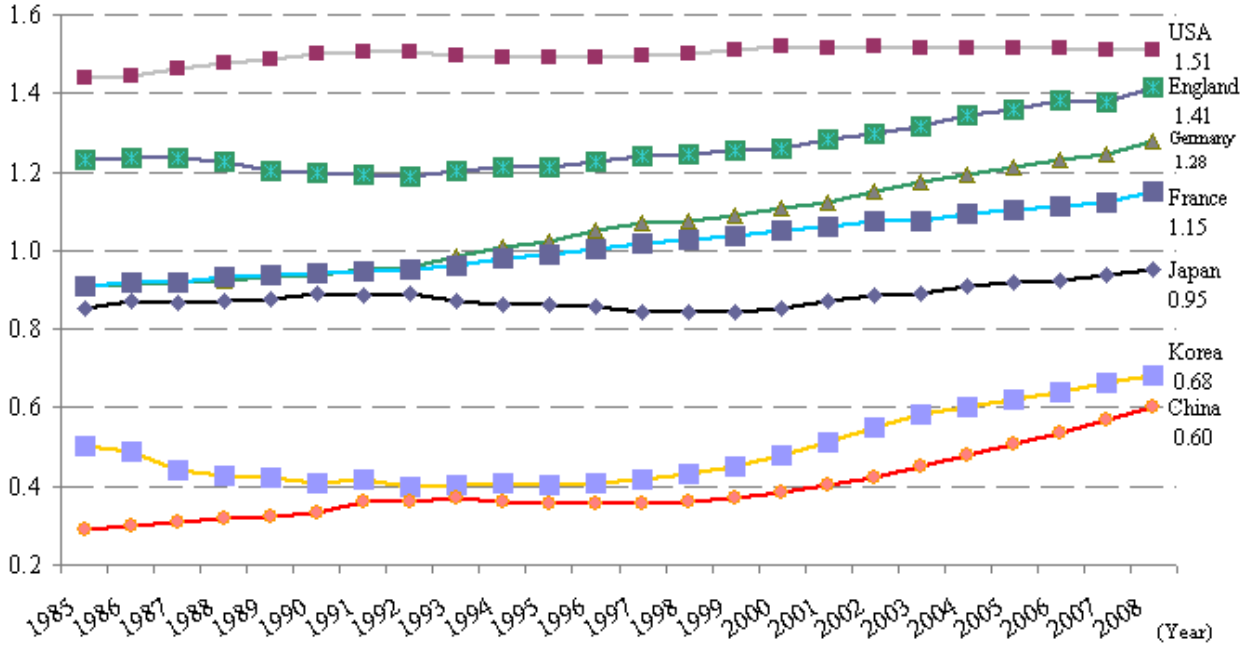
Refer to the survey on children from elementary school to high school, the ratios of children who imagined themselves as adult to be “internationally active,” “famous,” or “rich” are relatively low (see figure 3-1-2-12). It seems that many children tend to imagine their future to be something familiar and realistic.

Figure 3-1-2-8 Proportion of world's inventors and patent joint applications



Source: *Science, Technology and Industry Scoreboard 2009* (OECD)

Figure 3-1-2-9 Changes in relative citation index of thesis in each country



Note:Relative citation index=(Number of citation index per one thesis by country)/(Number of citation index per one thesis in the world)Value for each year is an accumulation value for 5 years. For example, the value for 2008 is the accumulated value between 2004 and 2008. Excluding humanities and social sciences.

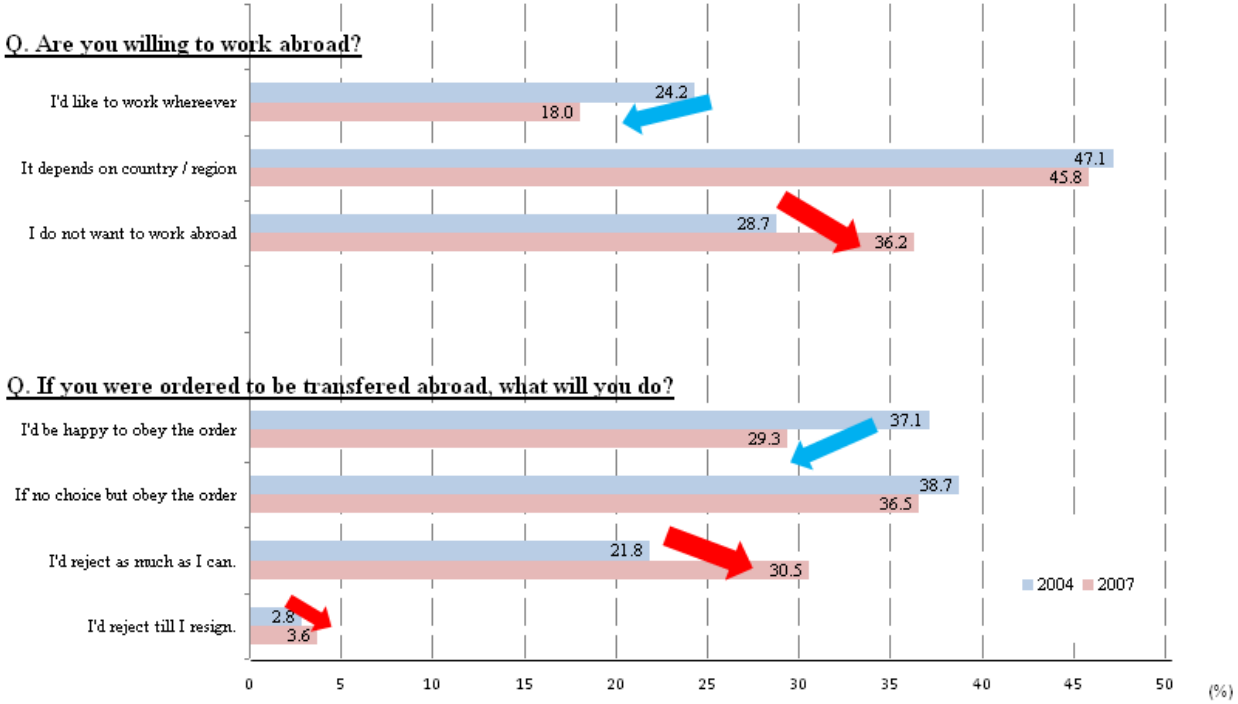
Source:*National Science Indicators, 1981-2008 (Standard version)* (The Thomson Corporation)

Table 3-1-2-10 Changes in Japanese travelling abroad by age

	1997	2002	2007
Below teens	5.0%	5.3%	5.9%
20s	24.1%	19.9%	19.4%
30s	20.4%	20.2%	19.9%
40s and above	12.2%	12.5%	13.5%

Source: *Population estimate* (The ministry of Internal affairs and communication) *and Immigration statistics*

Figure 3-1-2-11 Global awareness with Japan's new employees (on working abroad) (Re-cited)



Original source: *The 3rd new employee global awareness research* (Sangyou-Nouritsu University)
Source: *Industry-Academy human resource development committee's material* (The Ministry of Industry, Trade and Economy)

(4) Research and development:

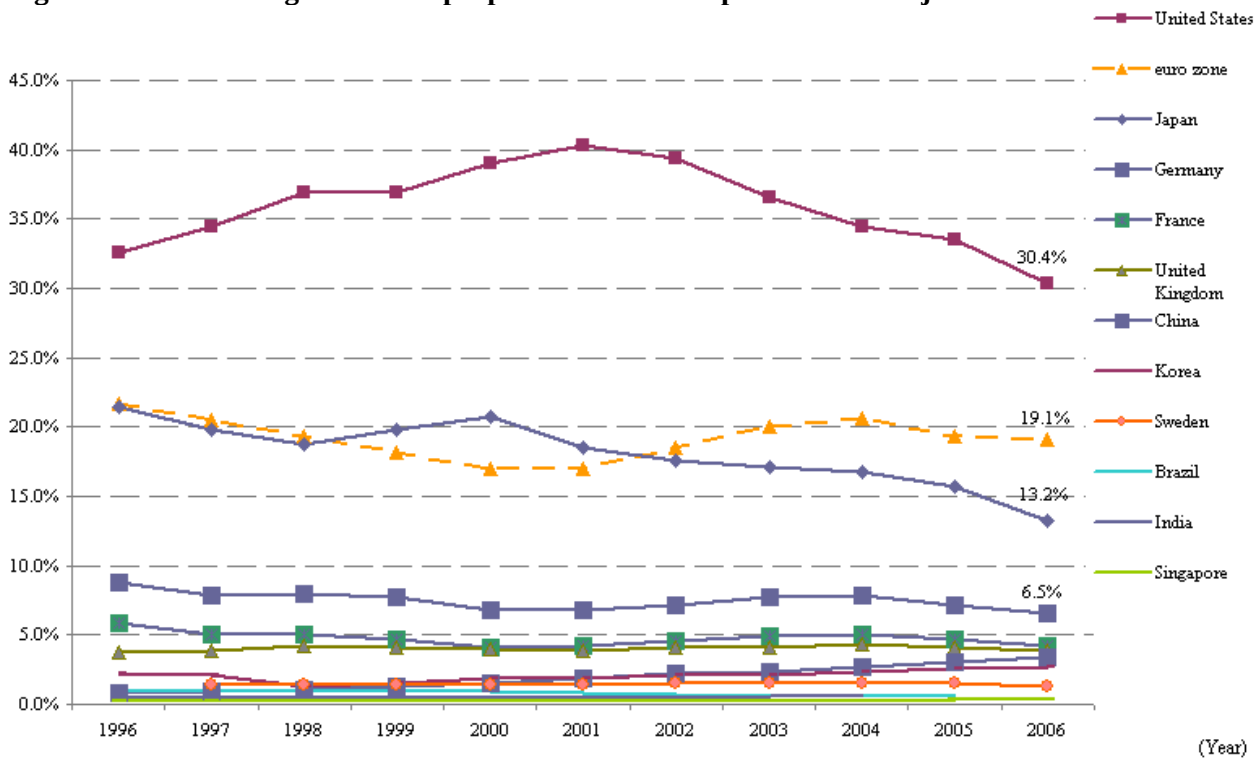
What significantly influences the economic activity is technological innovation, and the key to this innovation is research and development (R&D). For Japan to maintain its presence in the ever-changing global economy, productivity improvement by R&D is essential.

As for the world share of R&D expenditure, Japan's expenditure is in a declining trend, although it has been maintaining a significant share (see Figure 3-1-2-13). We need to recognize the importance of research and development since population aging from low birth rate is in progress in Japan.

Figure 3-1-2-12 Global awareness with Japan's new employees (on working abroad) (Re-cited)

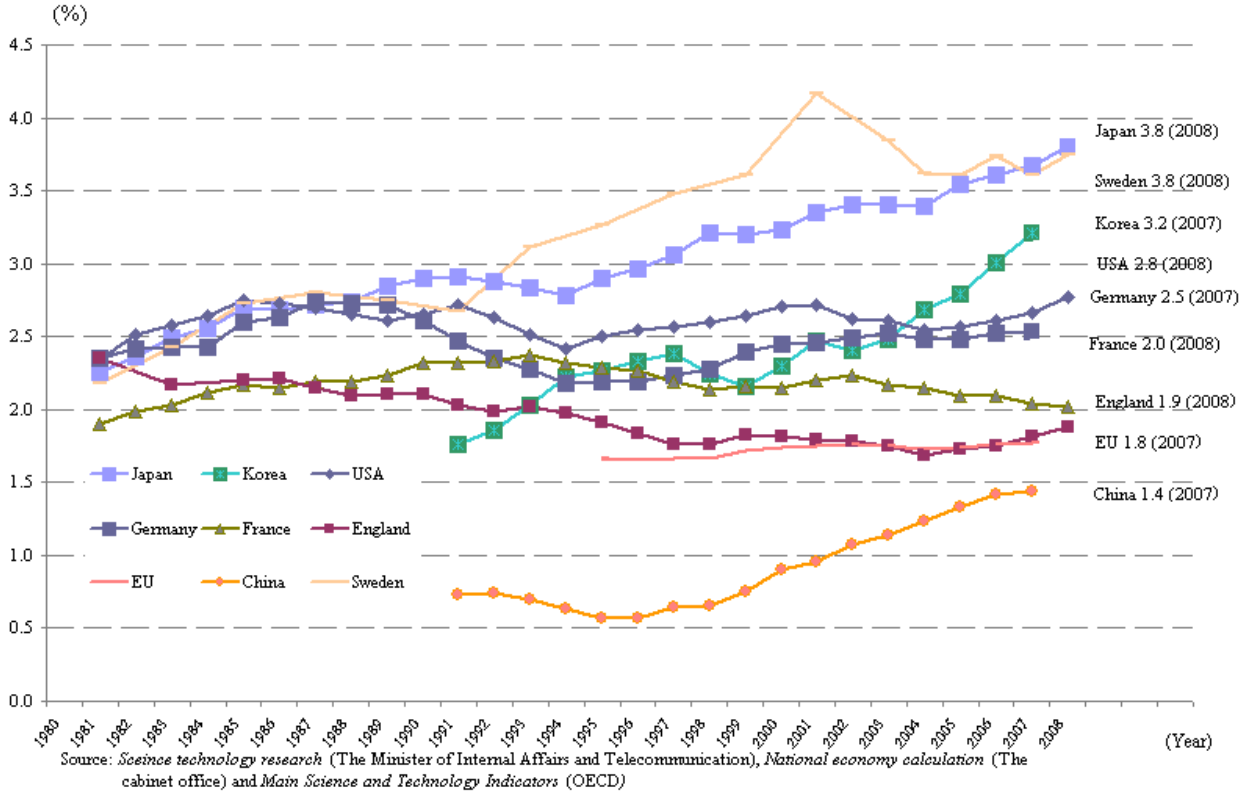
Note:Total of replies of "Believe very much so" and "Think so".
Source:*The 2nd children living status quo basic survey* (Benesse education research development center)

Figure 3-1-2-13 Changes in world proportion of R&D expenditure of major countries



Source： *World Development Indicators* (The World Bank)

Figure 3-1-2-14 Changes in R&D expenditure to GDP in major countries



Source: *Sceince technology research* (The Minister of Internal Affairs and Telecommunication), *National economy calculation* (The cabinet office) and *Main Science and Technology Indicators* (OECD)

Japan has been spending considerable amount of money on R&D for its own economic scale (see Figure 3-1-2-14). However, we anticipate to increase our investment in R&D in order to achieve the goal, "Increase the R&D investment by the government and private organizations altogether to be more than 4% of GDP by 2020" written in the "New Growth Strategy (Basic Policy)" (resolved in the Cabinet meeting on December 30, 2009). In addition, expenditures on R&D by companies account for big percentage in Japan (see figure 3-1-2-15). Therefore, we need to increase our government's expenditure on R&D to secure our international competitiveness.

Figure 3-1-2-15 Proportion of R&D expenditure borne by the government in overall R&D expenditure in major countries

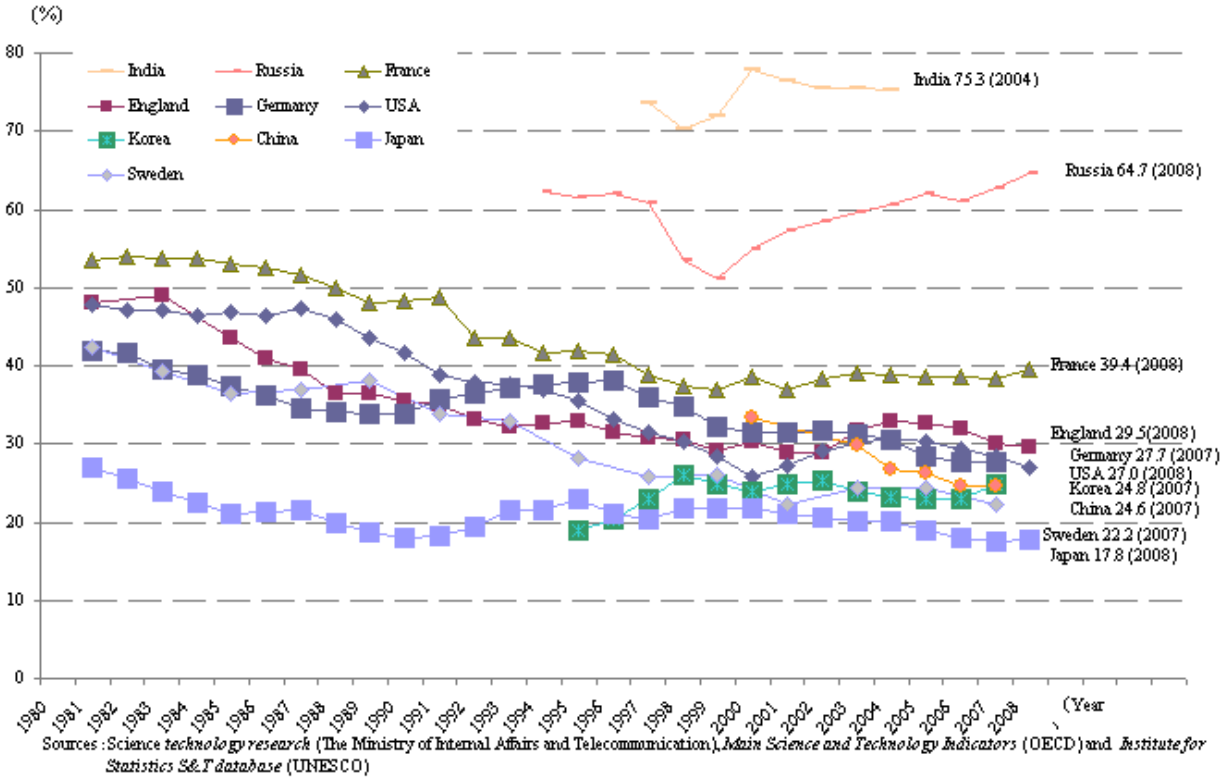


Figure 3-1-2-16 Most attractive country / region in Asia by hub function

Survey in 2007

	Japan	China	India	Singapore	Korea	Hong Kong
Asia regional head office hub	1) 23%	18%	8%	16%	4%	2) 20%
Manufacturing hub	3%	1) 62%	2) 12%	2%	5%	5%
R&D hub	1) 30%	2) 25%	16%	9%	4%	6%
Back office	2) 15%	1) 24%	2) 15%	12%	5%	2) 15%
Logistic hub	11%	1) 41%	8%	9%	7%	2) 13%
Financial hub	-	-	-	-	-	-
Sales hub	-	-	-	-	-	-

* One country or region was selected for each hub function
* The ratios were figured out using percentage. 100 = The number of companies responded (209, including 51 companies which already advanced themselves into Japan) minus companies which did not answer. (Europe 78 companies, North America 74 companies and Asia 57 companies)

Note: Figures only related to the major countries were extracted. The hub function of 1st and 2nd place selected are indicated in red circle.

Sources: The Ministry of Industry, Trade and Economy,
(Survey on interest level in investment in Japan with foreign companies in Europe/USA/Asia).

Survey in 2009

	Japan	China	India	Singapore	Korea	Hong Kong
Asia regional head office hub	10%	1) 42%	10%	2) 16%	2%	13%
Manufacturing hub	1%	1) 64%	2) 14%	2%	2%	2%
R&D hub	2) 21%	1) 33%	20%	8%	4%	2%
Back office	8%	1) 39%	2) 19%	15%	2%	9%
Logistic hub	3%	1) 63%	8%	2) 11%	2%	6%
Financial hub	10%	1) 30%	9%	21%	4%	2) 23%
Sales hub	7%	1) 50%	7%	11%	4%	2) 13%

* One country or region was selected for each hub function
* The ratios were figured out using percentage. 100 = The number of companies responded (180, including 30 companies which already advanced themselves into Japan) minus companies which did not answer, including answers which stated no country of interest in Asia. (Europe 60 companies, North America 60 companies and Asia 60 companies)

(5) Location condition of business:

Advancement and acceptance of businesses are also important to support globalization of Japanese economy. As it was described in earlier section, Japanese companies has been getting more active about going overseas. However, we have to say that the status of foreign companies that are coming to Japan has not progressed much. We conducted inquiries mainly on companies that had not come into Japan. According to the inquiry, Japan lost the competitiveness as a center of Asia in all functions since two years ago. Especially, we have slipped down from the first place in the functions of a unification base of Asian region and an R&D base. Japan's status in Asia is declining (see Figure 3-1-2-16).

When a company go overseas, the destination country's market size is considered important naturally, but the condition of the business location is also a big factor that influence the decision. Since the difference of the system that each government adopt affect business actions, it is important to design the system carefully.

Corporate income tax is one of the factors that companies evaluate about a location condition. When we compare the effective corporate income tax rate (calculated by adjusting the nominal corporate income tax rate with other local tax etc.), Japan's rate is high from an international point of view (see figure 3-1-2-17). Great Britain lowered the rate from 30% to 28% in 2008, and China lowered the rate from 33% to 28% in 2008, too. Korea is planning on lowering their corporate tax rate.

In addition, each country has been adjusting their systems to give favorable treatment to foreign investing parties, because, as we mentioned in this section, getting investment from overseas leads to not only increase tax income but also activate the domestic economy. Here, we check the measures that other countries take to support the competition of location conditions for overseas investment (see Figure 3-1-2-18).

The U.S. is reinforcing their support for the next-generation automobile and batteries. They pay 50% of the building cost of factories that manufacture batteries and parts of electric cars in order to promote location of such businesses. In addition, based on the Energy Independence and Security Act, they offer a loan of 80% of estimated investment amount for facilities that manufacture environment friendly cars and car-parts.

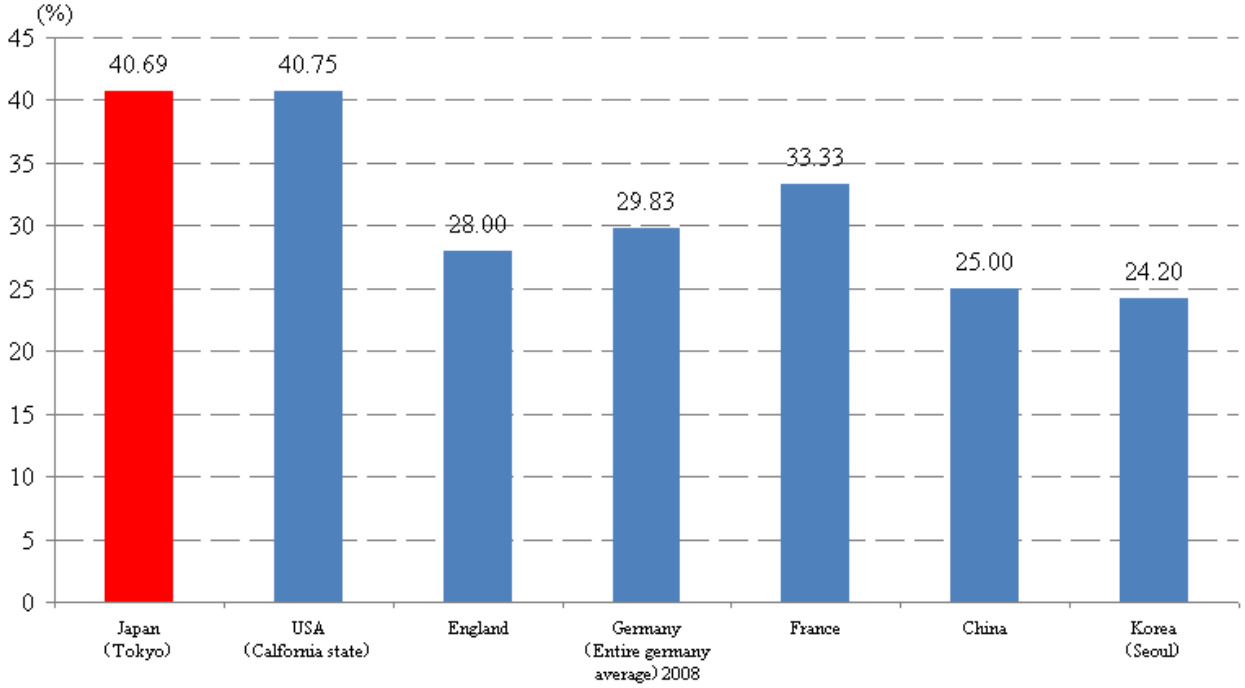
In France, specific areas are set to be eligible of subsidies. In the areas, large corporations can receive subsidy of 10~15% of total investment and medium- and small corporations can receive subsidies of 20~35% of the total investment. It promotes investment in plants and equipment and job creation in the area, where economic development is slow or is in the middle of an industrial transition period. In the public support system, companies can receive a combination of reduction or exemption from tax and social security payments, and the Regional Development Subsidy etc. In terms of the Regional Development Subsidy, it can be granted for not only new development, but also business expansion, change, purchase or transfer and the subsidy amount is determined depending on the number of jobs created.

In Germany, Joint Agreement for the Improvement of Regional Economic Structures is implemented. It covers up to 50%, maximum of 500 thousand Euros, of investment in plant and equipment and the wage of employees who work at the plant for two years. The facility, which accepted the subsidy, has to

operate in the invested location at least for 5 years etc., as a condition. There is a similar system limited to the areas in eastern Germany area. The rate is different but it can be used along with the other subsidy.
In China, as a campaign to invite businesses in the industrial parks, they developed an economic technology development district, a high technology development district and various industry bases. Regardless of the business field, preferential treatments, such as subsidies, reduction or exemption of value-added tax and corporate income tax, favorable communication charge and price support, are offered. In the meantime, as a favorable treatment for electric communication equipments etc., acknowledgement of National Indigenous Innovation Product is given to a product if the product has a trademark or intellectual property right. The product is treated with special favor when the company provides their product to the government.

In Korea, a new system that 20% (30% for medium and small-businesses) of the R&D expenditure in the field of new growing powerhouse industries, like green technology industry, advanced interdisciplinary industry and high–value-added service industry, or in the field of basic indigenous technologies defined by the National Science and Technology Council, is tax deductible and is in place from 2010.
When a company advances into overseas markets, foe example, the degree of hub system use for logistics is a great influence on the decision-making. Locating the company near the base of logistics leads to cost saving. When we take a look at the ranking of numbers of containers handled by ports, we can see that Japanese ports are not used much as base of logistics that use ships (see Figure 3-1-2-19).
An expansion of Japan's aviation related logistics for goods and people has a potential to globalize Japanese economy furthermore. The growth rate of the airports as logistics bases in emerging countries is remarkable. The development of those countries near Japan gives us many suggestions. From the viewpoint of human traveling, we anticipate the status of Japanese international airports to be improved (see Figure 3-1-2-20).
Moreover, comparing the number of destination cities of international flights, Narita Airport had 95 cities in April 2010, while Incheon Airport was connected with 170 cities at the end of 2008, diversifying the airway as an infrastructure.

Figure 3-1-2-17 The effective tax rate of corporate income tax



Source:The Ministry of Finance

Table 3-1-2-18 Examples of corporate incentives in each country

USA	○Aids for plant location (Batteries and parts for electric cars): 50% ○Loans for capital spending(Eco cars and parts related ）:Maximum 80%
Germany	○Capital spending aids, wage support for relevant plants:Upper limit 50%, up to 500,000 euro, for 2 years
France	○Investment aids for each region:Large companies 10~15%, small and medium enterprises 20~35%
China	○Economy and technology development zones: Subsidiaries, tax incentives, communication cost incentive, price aids. ○Government procurement incentives:National voluntarily creation new products which were accredited in the country.
Korea	○Research and development investment tax system (tax incentive): 20%(For Small and medium enterprises, 30%)

Source: The Ministry of Industry, Trade and Economy

Table 3-1-2-19 Number of containers handled by port worldwide

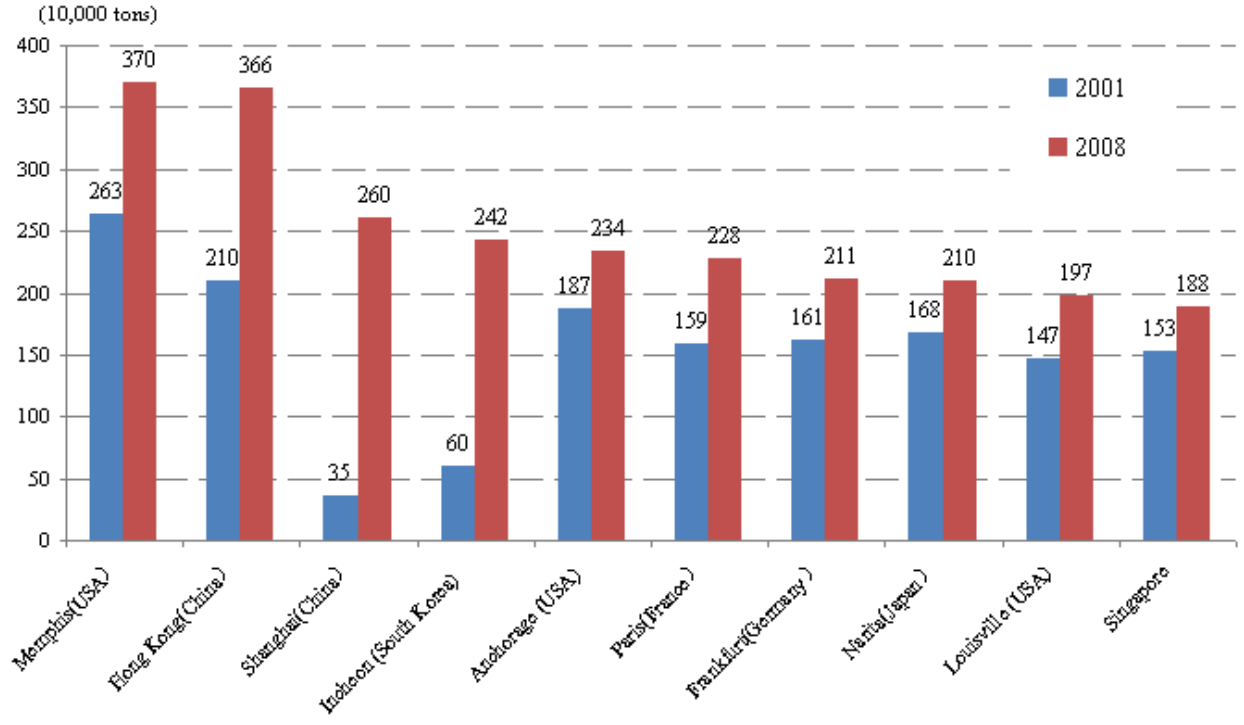
(Unit:TEU)

	2006		2007	
Ranking	Part	Handling volume	Port	Handling volume
1	Singapore	24,792,400	Singapore	27,932,000
2	Hong Kong(China)	23,538,580	Shanghai(China)	26,150,000
3	Shanghai (China)	21,710,000	Hong Kong(China)	23,998,449
4	Shenzhen(China)	18,468,900	Shenzhen(China)	21,099,000
5	Pusan(Korea)	12,038,786	Pusan(Korea)	13,270,000
6	Kaohsiung (Taiwan)	9,774,670	Rotterdam(Nederland)	10,790,604
7	Rotterdam(Nederland)	9,654,508	Dubai(United Arab Emirates)	10,653,026
8	Dubai(United Arab Emirates)	8,923,465	Kaohsiung (Taiwan)	10,256,829
9	Hamburg(Germany)	8,861,545	Hamburg(Germany)	9,900,000
10	Los Angeles(USA)	8,469,853	Qingdao (China)	9,462,000
11	Qingdao (China)	7,702,000	Ningbo	9,360,000
12	Long Beach(USA)	7,290,365	Guangzhou	9,200,000
13	Ningbo	7,068,000	Los Angeles(USA)	8,355,039
14	Antwerp(Belgium)	7,018,899	Antwerp(Belgium)	8,175,952
15	Guangzhou	6,600,000	Long Beach(USA)	7,312,465
	•	•	•	•
	Tokyo(23rd)	3,969,015	Tokyo(24th)	4,123,920
	•	•	•	•
	Yokohama(28th)	3,799,883	Yokohama(28th)	3,428,112
	•	•	•	•
	Nagoya(33rd)	2,751,677	Nagoya(35th)	2,896,221
	•	•	•	•
	Kobe(38th)	2,412,767	Kobe(44th)	2,472,808
	•	•	•	•
	Osaka(44th)	2,231,516	Osaka(46th)	2,309,820

Original source:*CONTAINERISATION INTERNATIONAL YEAR BOOK 2009* (Informa UK Ltd.)

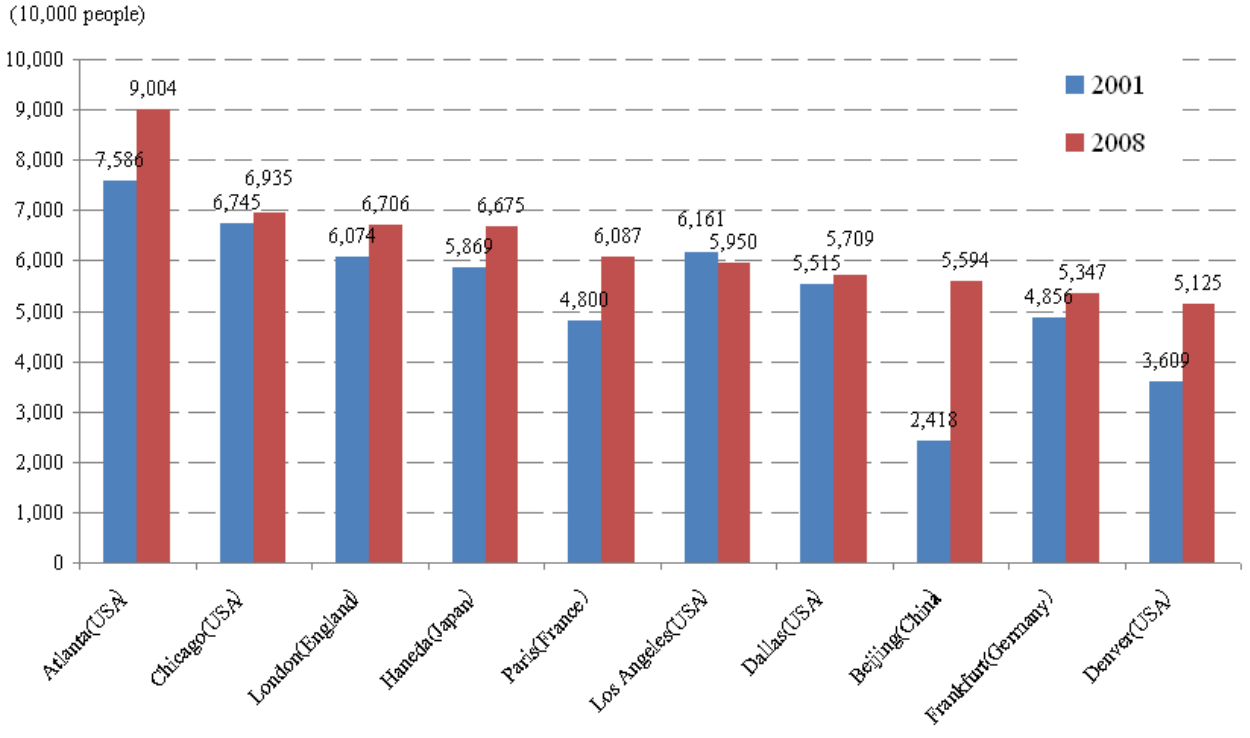
Source:*Container handling volumeranking categorized by world's port* (The Ministry of Land, Infrastructure, Transport and Tourism)

Figure 3-1-2-20 Air cargo volume handled by airports worldwide



Source:*Annual Traffic Data* (Airports council international)

Figure 3-1-2-21 Number of passengers by airport



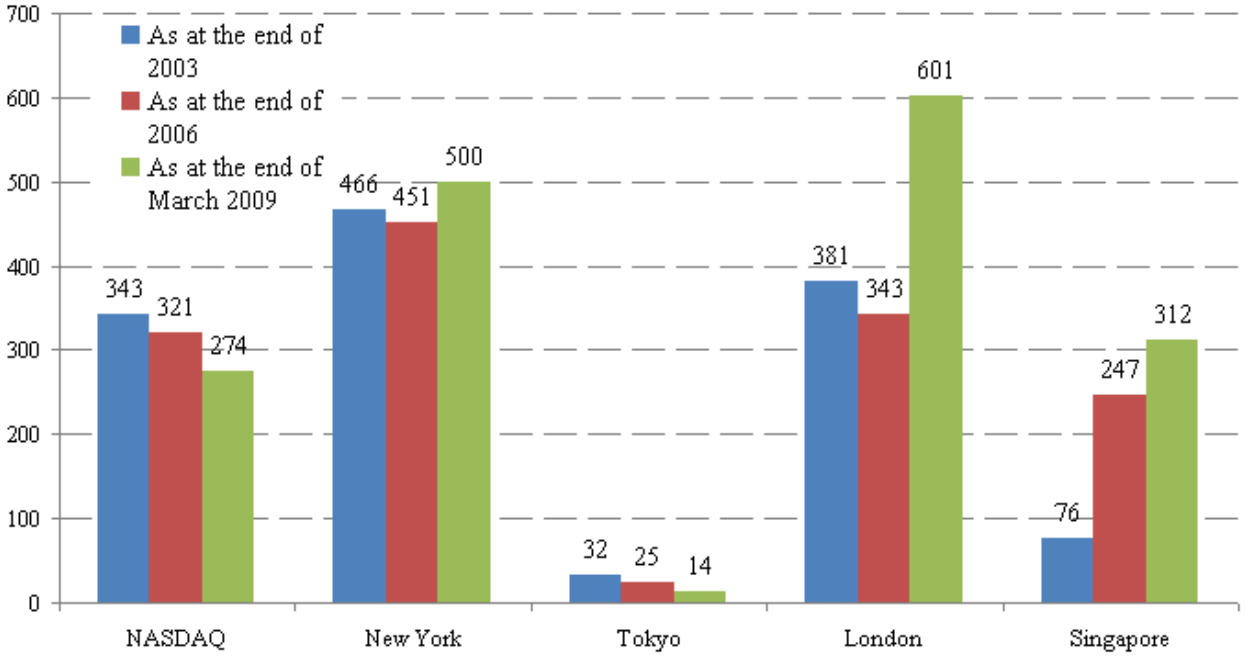
Source: *Annual Traffic Data* (Airport council international)

(6) Equities investment:

Besides the conditions of business location, flows of capitals and funds are deeply related to the investment destinations. Many companies come to the country with an attractive financial capital market, which promote the progress of the country's economic globalization. It is important to create such positive economic cycle.

When we look at the number of newly listed foreign companies at each country's financial capital market, or stock exchange, we can see that Japanese market is not attractive (see Figure 3-1-2-22). One of the aims of listing the company name in foreign country's market is to raise the name recognition in the country to create business opportunities. Therefore, it indicates the decline of Japan's attractiveness as a business stage.

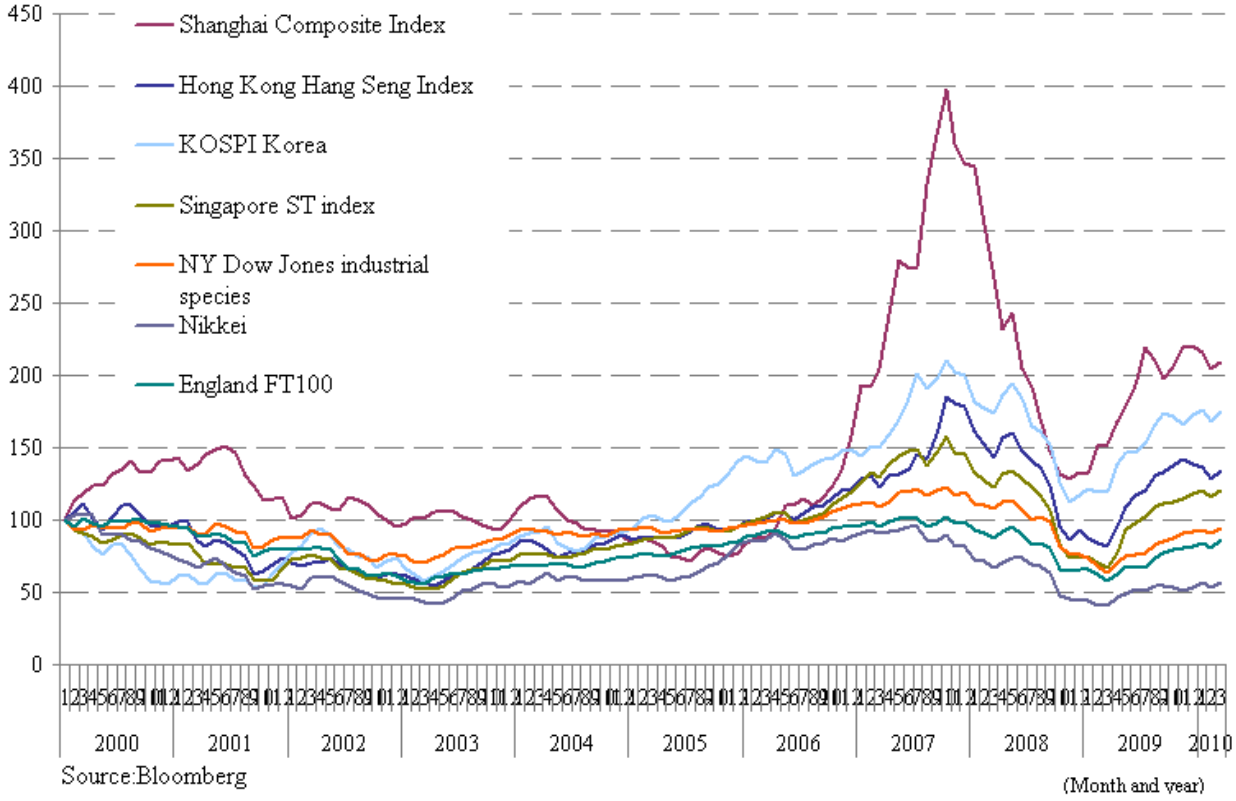
Figure 3-1-2-22 Changes in number of listed foreign companies in financial market in each country



Source:*Year-To-Date monthly statistics* (WFE)

In connection with such trend, when we look at the trend of Total Market Value in major countries, Japan's trend is sluggish compared to other advanced countries (see Figure 3-1-2-23). On the other hand, emerging countries' growth is striking. We hope that Japan's appeal as an investment destination will grow larger.

Figure 3-1-2-23 Changes in market capitalization index in each country (Jan 2000 = 100)



As for the amount of cross-border M&A, the scale of both purchases and sellouts by Japanese companies is greater than emerging countries, but smaller than other advanced countries (see Figure 3-1-2-24). Having diverse backgrounds, talents and distribution channels etc., may improve the international competitiveness; therefore, it is important to progress the globalization of Japanese economy further through making alliances with foreign companies.

(7) Service businesses and medium- and small-businesses:

In the globalization of economy after year 2000, Japan's economic recovery was lead by manufacturers and large corporations supported by the overseas demand; however, service industry and medium- and small-businesses were having hard time. In Japan, more than half of working population is in service industry and medium- and small-businesses. For our economy, it is important to create an industrial structure where service industry and medium- and small-businesses can strengthen their ability to correspond the global economy and more workers benefit from the economic growth.

It is very meaningful for service industry to have a subsidiary in overseas in order to grasp the local needs efficiently. In our industrial structure, service industry has greater share of GDP than manufacturers. However, if we see Japan's Foreign Direct Investment (FDI) by business type, the status of shares are reversed, which indicates the possibility that our service industry mainly focuses on domestic operations (see Figure 3-1-2-25). Comparing to the other advanced country's service industries, which have a similar share in terms of industrial structure, we hope to see more active FDI by our service industry.

In addition, progress of IT introduction in medical care will enhance the international competitiveness of the industry and contribute to the growth, such as promotion of acceptance of foreign patients to Japanese medical facilities. It is essential to promote an introduction of electronic medical record (EMR), which has a low penetration rate in Japan.

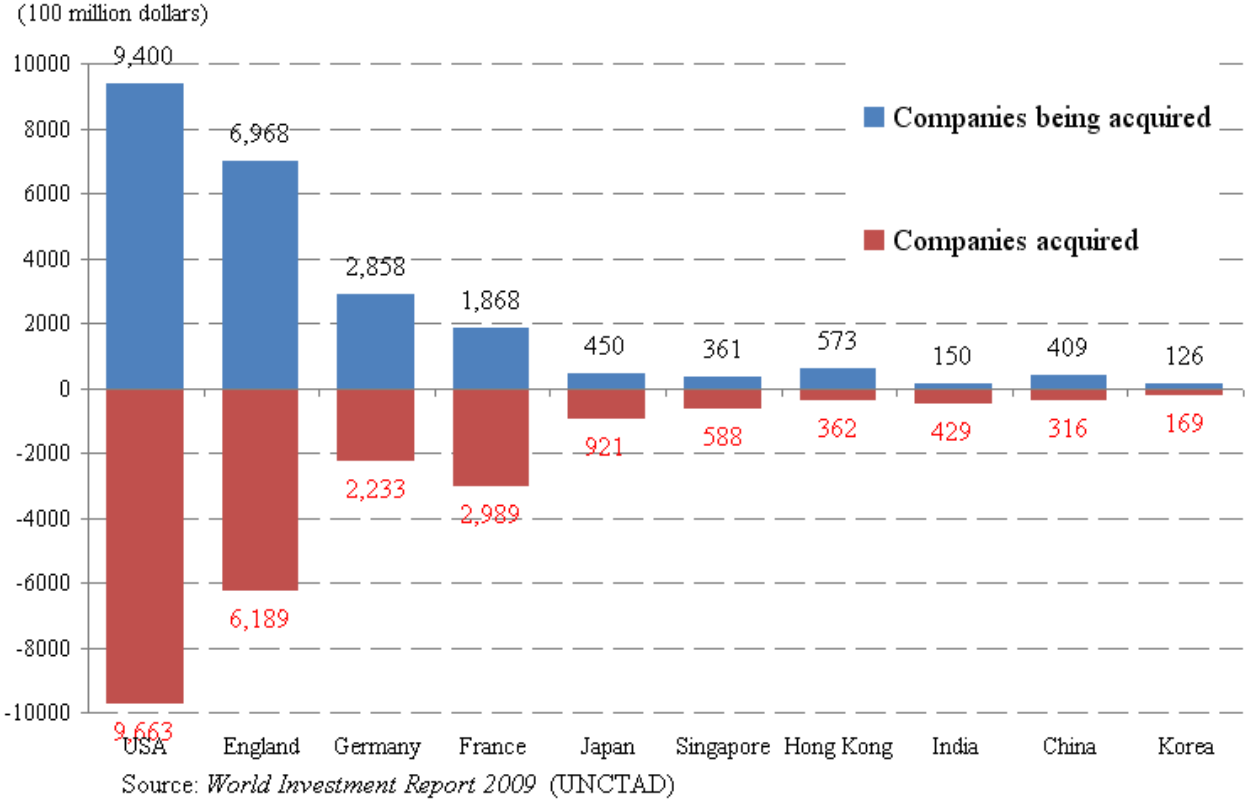
Meanwhile, medium- and small-businesses occupy 99.7% of 4.21million businesses in Japan and or hold 69% of total working population out of 40.13 million. Thus, it is more important to take in the vitality from overseas for our stable economic recovery and maintenance.

When we take a look at the number of companies which export or participate in FDI by the scale of employees, the less the scale of employees, the less number of companies that has something to do with foreign countries (see Figure 3-1-2-27).

If we compare large manufacturers and medium- and small-manufacturers in terms of the overseas production rate calculated by sales base, medium- and small-manufacturers are overwhelmingly low (see Figure 3-1-2-28).

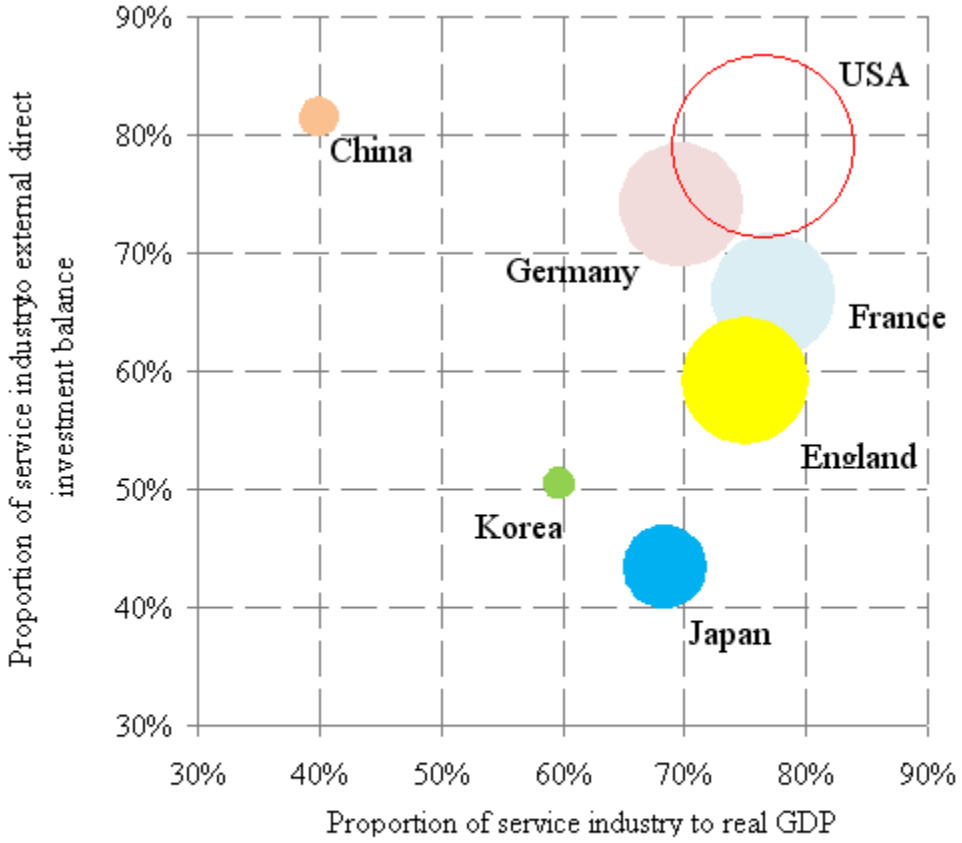
There are many factors that are important for economic recovery and growth under global economy. We saw many possibilities to globalize Japanese economy and take in foreign vitalities. It is essential to find our course of direction as we learn the world situation.

Figure 3-1-2-24 Close border M&A in each country (Total amount between 2004 and 2007)



Source: *World Investment Report 2009* (UNCTAD)

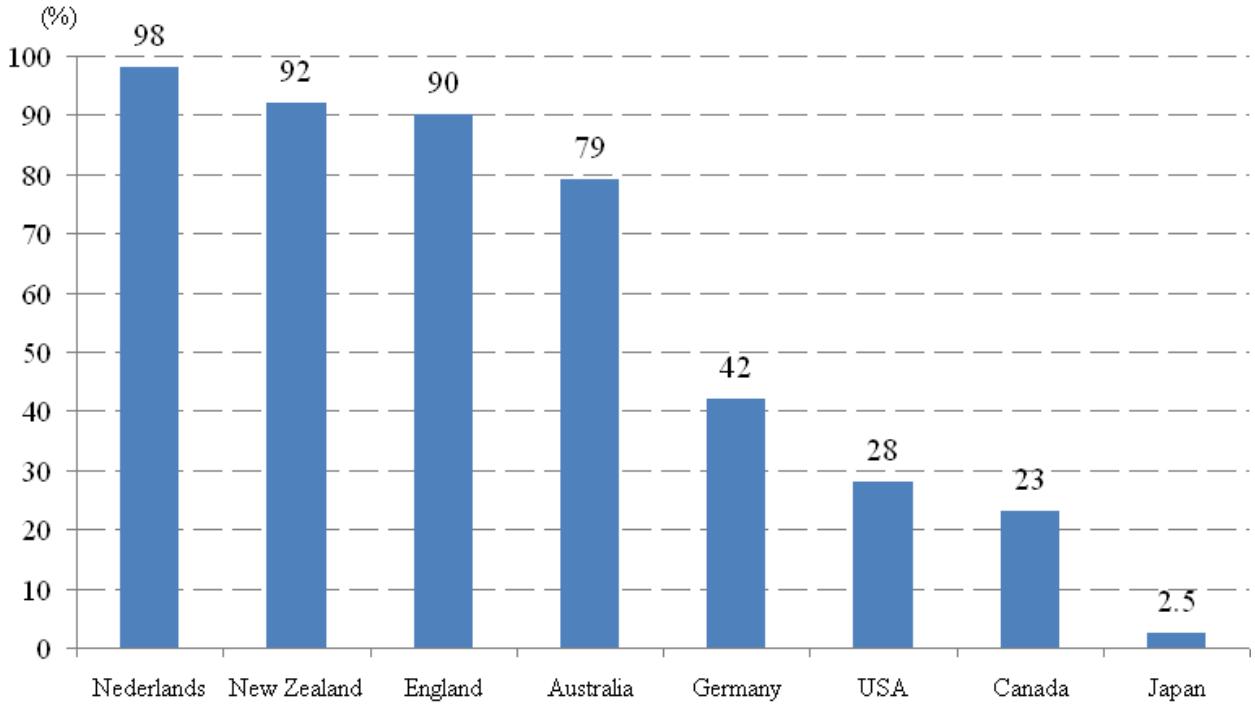
Figure 3-1-2-25 Proportion of service industry to GDP and to external direct investment balance in each country



Note:The size of a circle indicates the external direct investment balance.

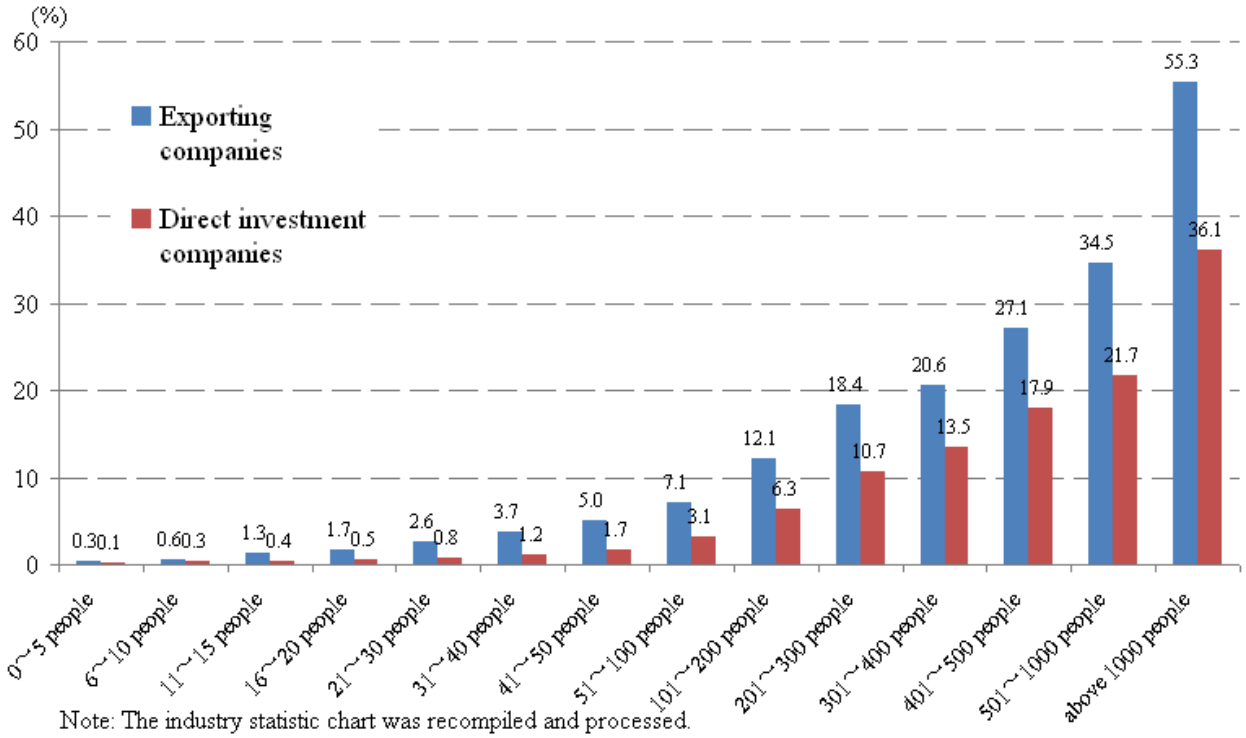
Source: *World Development Indicators* (The World Bank) and *World Investment Report* (UNCTAD), *World major countries direct investment* statistics (International trading investment research center)

Figure 3-1-2-26 Electric health record introduction ratio



Source: *International Health Policy Survey of Primary Care Physicians* (Commonwealth Fund)

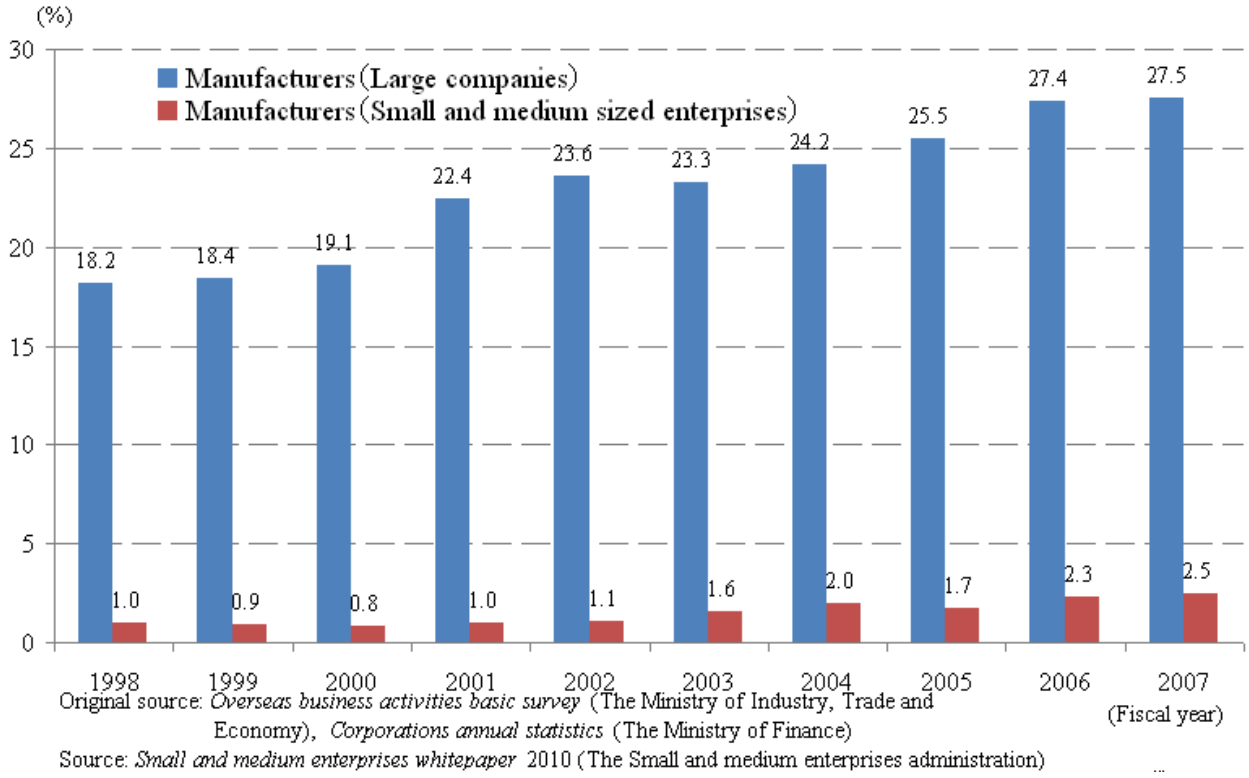
Figure 3-1-2-27 Proportion of companies of export and direct investment by the numer of employees



Note: The industry statistic chart was recompiled and processed.

Source: *Small and medium enterprises whitepaper 2010* (The small and medium enterprise bureau)

Figure 3-1-2-28 Changes in overseas manufacturing ratio by company scale



Original source: *Overseas business activities basic survey* (The Ministry of Industry, Trade and Economy), *Corporations annual statistics* (The Ministry of Finance)

Source: *Small and medium enterprises whitepaper* 2010 (The Small and medium enterprises administration)

Column 24 " Japan's technical standard (level) read in the "International Competitiveness Index in East Asia from the Viewpoint of Industrial Sector"

The position of Japan in "International Competitiveness Index in East Asia from the Viewpoint of Industrial Sector" (JAPIC edition, International Competitiveness Index "JADEX2009") made by Japan Project-Industry Council (JAPIC) is the third. We can see that the level of our competitive edge in East Asia is still high. However, China held the second place[24]; thus, our pressing business is to improve our competitiveness (see Column Figure 24-1).

JADEX index consists of the four items, Competitive edge (away), Attractiveness (home), Partnership and Fundamental Strength. When we take a look at the details of the items, Competitive Edge and Partnership, which Japan has relatively high deviation values, we notice that we lack vitality of domestic talents and business activity efficiency in Competitive Edge (see Column Figure 24-2). As for Partnership, Japan is placed low in commonness of standards and we need to make an improvement on it (see Column Figure 24-3).

Japan has the strength and potential with its technical skills as a core. However, we can see that Japan fell behind on raising the vitality level of talented people, which becomes the source of new competitive strength, and improving business models like efficiency of business activities and commonness of standards. Consequently, we need to build our foundation to improve international competitive power of the industries in Japan once again.

[24] Each country's deviation value of comprehensive evaluation is as follows: 1st place, U.S.A (63.7); 2nd place, China (56.5); 3rd place, Japan (56.1); 4th place, Great Britain (53.6).

Column 24-1 JADEX Index – International Competitiveness Index Rankings

Subject country	2009		2008	
	Rank	Point	Rank	Point
U.S.	1 (→)	63.7 (↑)	1	63.3
China	2 (↑)	56.5 (↑)	3	54.9
Japan	3 (↓)	56.1 (↓)	2	56.4
UK	4 (→)	53.6 (↓)	4	53.9
Australia	5 (↑)	53.6 (↑)	6	53.3
Germany	6 (↑)	53.4 (↑)	7	53.0
Singapore	7 (↓)	52.9 (↓)	5	53.9
Korea	8 (↑)	52.5 (↓)	9	52.5
Hong Kong	9 (↓)	51.4 (↓)	8	52.8
Switzerland	10 (↑)	51.3 (↑)	16	50.6

Source: Japan Project-Industry Council (JAPIC)
"SANGYOUKAIKARAMITA HIGASHIAJIANIOKERU KOKUSAIKYOURYOKUSHIRYOU" (International competitive index of East Asia from the viewpoint of industry circle)" (2009)

Column 24-2 JADEX Index – Competition superiority in East Asian market

Rank	Actual trade with East Asia		Industry technology standard		Market maturity		Efficiency and productivity of company activity		Power of domestic labor		Accumulation of intellectual knowledge		Country's brand power		Competitiveness total ranking	
	Weight	9.8	Weight	21.4	Weight	14.6	Weight	13.6	Weight	17.0	Weight	11.3	Weight	12.3	Weight	24.7
	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point
1	China	76.0	Germany	65.7	U.S.	90.8	U.S.	66.0	Thailand	65.9	U.S.	76.6	U.S.	108.1	U.S.	67.8
2	Japan	69.3	Japan	65.6	UK	59.9	Luxembourg	58.5	New Zealand	63.4	Germany	70.7	Japan	65.8	Japan	59.7
3	Saudi Arabia	61.4	Korea	60.7	Germany	58.8	Hong Kong	54.6	Greek	59.3	Japan	61.5	Germany	55.3	Germany	56.8
4	Singapore	60.0	Switzerland	58.3	Japan	58.7	Singapore	54.6	Argentine	59.1	Israel	60.7	France	54.9	Korea	54.2
5	Taiwan	57.9	Italy	56.2	France	57.7	UK	54.4	Korea	58.9	UK	60.7	UK	52.9	France	53.7
6	Korea	57.1	France	56.1	Netherlands	55.9	France	54.0	U.S.	57.4	Sweden	60.2	Switzerland	51.5	UK	53.4
7	Australia	54.0	Sweden	54.3	Switzerland	55.9	Germany	52.6	Australia	56.7	China	56.6	China	50.9	Switzerland	52.6
8	Malaysia	53.5	Singapore	54.2	Luxembourg	54.3	Japan	52.6	Finland	56.5	France	56.3	Italy	50.7	Sweden	52.4
9	UAE	52.5	Denmark	54.2	Italy	53.8	Taiwan	52.4	Philippines	55.6	Switzerland	52.9	Korea	50.5	Finland	51.9
10	Indonesia	51.8	Finland	53.9	Canada	53.5	UAE	52.2	Iceland	55.0	Iceland	52.2	Canada	50.1	Taiwan	51.6
									28th Japan	47.4						

Source: Japan Project-Industry Council (JAPIC) "SANGYOUKAIKARAMITA HIGASHIAJIANIOKERU KOKUSAIKYOURYOKUSHIRYOU" (International competitive index of East Asia from the viewpoint of industry circle)" (2009)

Column 24-3 JADEX Index – Competition superiority as a partner in East Asia

Rank	Barrier for transportation		Closeness with East Asia		Bilateral preferential treatment		International cooperation & support		Commonality of standard		Commonality of culture and race		Partnership total ranking	
	Weight	21.4	Weight	22.0	Weight	18.1	Weight	13.7	Weight	13.7	Weight	11.1	Weight	26.5
	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point	Country & region	Point
1	China	72.4	Indonesia	67.9	Singapore	70.7	Italy	65.0	Singapore	61.8	Singapore	71.5	Singapore	63.4
2	Hong Kong	69.3	Philippines	66.8	Thailand	63.9	Australia	62.6	Indonesia	60.8	Malaysia	67.9	Malaysia	61.0
3	Japan	66.8	Malaysia	66.7	Malaysia	63.8	Norway	59.5	China	59.8	Hong Kong	62.9	Thailand	59.9
4	Korea	64.3	Singapore	65.0	Philippines	60.6	China	57.7	Hong Kong	59.8	Taiwan	60.6	China	59.4
5	Singapore	63.1	Vietnam	64.7	Indonesia	59.7	New Zealand	56.6	Malaysia	59.8	Thailand	60.4	Japan	58.7
6	Thailand	62.5	Thailand	63.8	Japan	58.6	Germany	56.5	Thailand	59.8	China	59.9	Indonesia	58.6
7	Taiwan	61.1	Korea	61.1	UK	55.2	Luxembourg	56.1	India	59.8	Indonesia	57.2	Philippines	57.1
8	Malaysia	60.6	Australia	60.6	Australia	55.2	Japan	55.1	Australia	55.8	Vietnam	56.5	Korea	56.4
9	Vietnam	56.7	Hong Kong	60.5	New Zealand	55.2	Finland	54.0	New Zealand	55.8	Japan	55.5	Hong Kong	56.4
10	Indonesia	56.7	Japan	59.0	U.S.	54.1	Sweden	53.7	Korea	55.0	Ireland	53.2	Vietnam	55.9
									14th Japan	51.5				

Source: Japan Project-Industry Council (JAPIC) "SANGYOUKAIKARAMITA HIGASHIAJIANIOKERU KOKUSAIKYOURYOKUSHIRYOU" (International competitive index of East Asia from the viewpoint of industry circle)" (2009)