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JAPAN

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Preface

This handbook is designed to provide a clear and coherent overview of present-day Japan through statistics.

It provides statistical tables, figures, maps and photographs to portray conditions in modern-day Japan from a variety of perspectives, including demographics, economic and social trends, and culture. Most of the comments and statistical data for this purpose have been drawn from principal statistical publications available from government and other leading sources.

For more in-depth statistical information on Japan, readers are invited to peruse the Japan Statistical Yearbook.

We hope that this handbook will serve as a guide in your search for knowledge about Japan. We are always happy to receive opinions or requests from readers.

You can also view the contents of this handbook on the website of the Statistics Bureau.

September 2020

SAIKI Shuji
Director-General
Statistics Bureau
Ministry of Internal Affairs
and Communications
Japan

Notes for Users

1. The present issue basically contains statistics that became available by May 31, 2020.
2. Unless otherwise indicated, "year" refers to the calendar year and "fiscal year" refers to the 12 months beginning April 1 of the year stated.
3. Metric units are used in all tables and figures in which the data are measured in weight, volume, length or area. Refer to Appendix 2 for conversion factors.
4. Unless otherwise indicated, amounts shown are in Japanese yen. Refer to Appendix 3 for exchange rates of JPY per U.S. dollar.
5. Statistical figures may not add up to the totals due to rounding.
6. The following symbols are used in the tables:

・・・	Data not available
―	Magnitude zero or figures not applicable
0 or 0.0	Less than half of unit employed
#	Marked break in series
*	Provisional or estimate

7. Data relating to "China" generally exclude those for Hong Kong SAR, Macao SAR and Taiwan.
8. All contents of the present issue, including tables, figures, and maps, are also available on the website:

   https://www.stat.go.jp/english/data/handbook/index.html

9. When any contents of the present issue are to be quoted or copied in other media (print or electronic), the title is to be referred to as follows:

   Source: Statistical Handbook of Japan 2020, Statistics Bureau, Ministry of Internal Affairs and Communications, Japan.

10. "Statistics Bureau, MIC" in the tables and figures is an abbreviation of "Statistics Bureau, Ministry of Internal Affairs and Communications, Japan".

Contents

Appendices

List of Tables

List of Figures

Photo Sources

Cover photo .....ENOMOTO Shuji; The Month of Photography, Tokyo 2019
Chapter 1.....KAWASHIMA Toshihiko; The Month of Photography, Tokyo 2020
Chapter 2.....DATE Kanetoshi; The Month of Photography, Tokyo 2020
Chapter 3.....YAMADA Toshiya; The Month of Photography, Tokyo 2017
Chapter 4.....Fukaya City
Chapter 5.....Oma Town Office
Chapter 6.....Kawasaki City
Chapter 7.....Agency for Natural Resources and Energy
Chapter 8.....NANJO Yuka; The Month of Photography, Tokyo 2019
Chapter 9.....Japan Tourism Agency
Chapter 10.....Japan Tourism Agency
Chapter 11.....Port and Harbor Bureau, City of Yokohama
Chapter 12.....At Coworking CoCo place with nursery /photo by Career Mam co.,Ltd.
Chapter 13 ..... SUZUKI Kenichi; The Month of Photography, Tokyo 2017
Chapter 14.....ISHIDA Yusuke
Chapter 15.....IGARASHI Toshinori; The Month of Photography, Tokyo 2017
Chapter 16.....NAKAMURA Yasuhiko; The Month of Photography, Tokyo 2017
Chapter 17.....Supreme Court of Japan

Cover photo: Mt.Fuji

Mt. Fuji at dawn. Mt. Fuji is the highest peak in Japan, with an elevation of 3,776 meters. In June 2013, it was registered as a World Cultural Heritage Site, making it the 17th World Heritage Site in Japan.

Chapter 1

Land and Climate

Japan has four seasons, and beautiful natural scenes can be enjoyed in spring, summer, fall, and winter. June is the rainy season in Japan and the best time to see hydrangea. All over town, one can spot hydrangea in colors like blue, violet, and pink.

1. Land

Japan is an island country situated off the eastern seaboard of the Eurasian continent in the northern hemisphere. The islands form a crescent-shaped archipelago stretching from northeast to southwest parallel to the continental coastline with the Sea of Japan in between. The land is located between approximately 20 to 45 degrees north latitude and between approximately 123 to 154 degrees east longitude. It consists of the main islands of Hokkaido, Honshu, Shikoku, Kyushu and Okinawa, and more than 6,800 smaller islands of various sizes. Its surface area totals 377,975 square kilometers.

Since the Japanese archipelago is located in the world's newest mobile belt, it is particularly prone to various geological phenomena. Therefore, the number of earthquakes in the country is quite high, and so is the proportion of active volcanoes. The land is full of undulations, with mountainous regions including hilly terrain accounting for about three-quarters of its total area. The mountains are generally steep and are intricately carved out by ravines. Hilly terrain extends between the mountainous regions and the plains.

Table 1.1
Surface Area of Japan (2019)
(Square kilometers)

District	Area
Japan	377,975
Honshu	231,236
Hokkaido	83,424
Kyushu	42,231
Shikoku	18,803
Okinawa	2,281

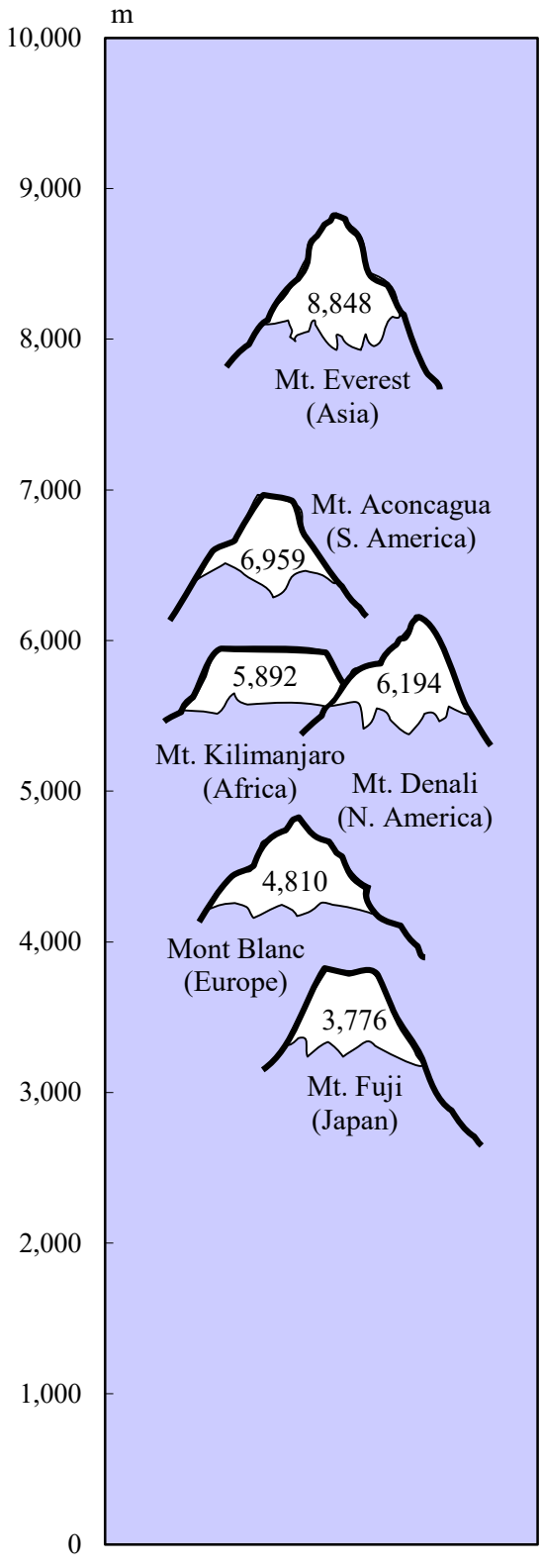
Source: Geospatial Information Authority of Japan.

Table 1.2
Top 10 Countries According to Surface Area (2018) [1)]
(1,000 square kilometers)

Country	Area
World [2)]	130,094
Russia	17,098
Canada	9,985
U.S.A.	9,834
China	9,600
Brazil	8,516
Australia	7,692
India	3,287
Argentina [3)]	2,796
Kazakhstan	2,725
Algeria	2,382

1) Comprising land area and inland waters. Excluding polar regions and uninhabited islands. 2) Land area only. 3) Including islands.
Source: United Nations.

Figure 1.1
Famous Mountains of the World



Source: National Astronomical Observatory of Japan.

Table 1.3
Mountains (As of January, 2020)
(Meters)

Name	Height
Mt. Fuji	3,776
Mt. Kitadake	3,193
Mt. Ainodake	3,190
Mt. Oku-Hotaka	3,190
Mt. Yarigatake	3,180
Mt. Higashidake	3,141
Mt. Akaishi	3,121
Mt. Karasawa	3,110
Mt. Kita-Hotaka	3,106
Mt. Obami	3,101

Source: Geospatial Information Authority of Japan.

Table 1.4
Rivers (As of April, 2019)
(Kilometers)

Name	Length
Shinano River	367
Tone River	322
Ishikari River	268
Teshio River	256
Kitakami River	249
Abukuma River	239
Kiso River	229
Mogami River	229
Tenryu River	213
Agano River	210

Source: Ministry of Land, Infrastructure, Transport and Tourism.

Table 1.5
Lakes (As of January, 2020)
(Square kilometers)

Name	Area
Lake Biwa	669.3
Lake Kasumigaura	168.1
Lake Saroma	151.6
Lake Inawashiro	103.2
Lake Nakaumi	85.7
Lake Kussharo	79.5
Lake Shinji	79.2
Lake Shikotsu	78.5
Lake Toya	70.7
Lake Hamana	64.9

Source: Geospatial Information Authority of Japan.

As of 2016, forestland and fields account for the largest portion of the nation's surface area. There are 25.40 million hectares of forestland and fields (which equates to 67 percent of the nation's surface area), followed by 4.47 million hectares of agricultural land (12 percent) combined. Together, forestland, fields and agricultural land thus cover approximately 80 percent of the nation. There are 1.94 million hectares of developed land (5 percent).

Table 1.6
Surface Area by Use

(million hectares)

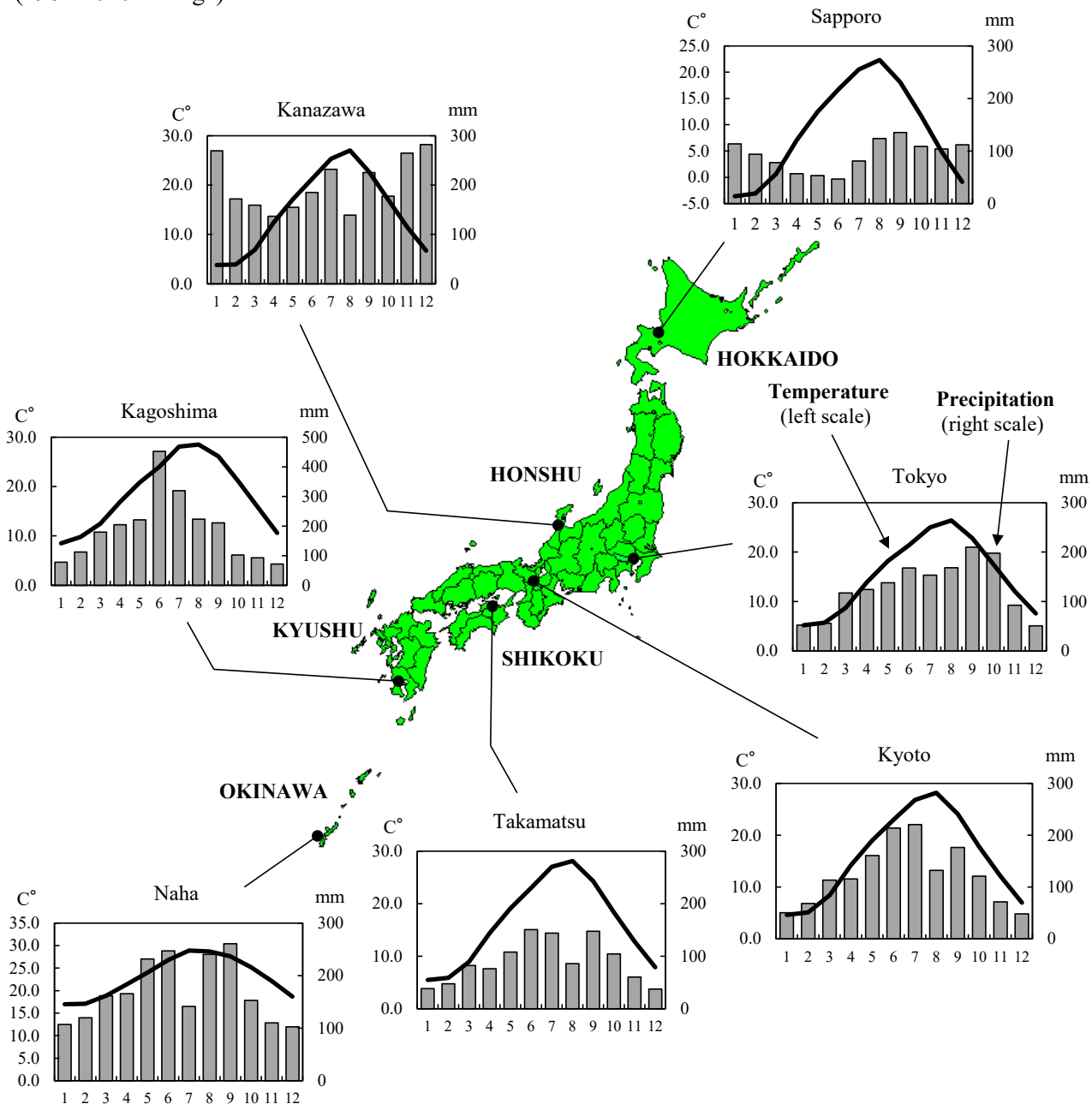
Year	Total	Forestland and fields	Agricultural land	Inland water	Roads [1)]	Developed land [2)]	Others
1980	37.77	25.68	5.59	1.31	0.99	1.39	2.81
1990	37.77	25.52	5.33	1.31	1.14	1.60	2.87
2000	37.79	25.38	4.91	1.35	1.27	1.79	3.09
2010	37.79	25.35	4.67	1.33	1.36	1.90	3.19
2016	37.80	25.40	4.47	1.33	1.39	1.94	3.25
Percentage distribution (%)							
2016	100.0	67.2	11.8	3.5	3.7	5.1	8.6

1) Including farm roads and forest roads, etc. 2) Such as residential and industrial land.
Source: Ministry of Land, Infrastructure, Transport and Tourism.

2. Climate

Although the Japanese archipelago has a temperate marine climate, it differs by region depending on the effects of seasonal winds and ocean currents. Due to the topography of Honshu featuring a series of mountain ranges running from north to south, the northwest monsoon in the winter brings humid conditions with heavy precipitation (snow) to the Sea of Japan side of Honshu but comparatively dry weather with low precipitation to the Pacific Ocean side. In the summer, the southeast monsoon brings high temperatures and low rainfall on the Sea of Japan side, and high temperatures and high humidity on the Pacific Ocean side. Another unique characteristic of Japan's climate is that it has two long spells of rainy seasons, one in early summer when the southeast monsoon begins to blow, and the other in autumn when the winds cease.

Figure 1.2
Temperature and Precipitation (Normal value)
(1981-2010 average)



Source: Japan Meteorological Agency.

Table 1.7
Temperature and Precipitation (Normal value) (1981-2010 average)

Temperature (℃) Precipitation (mm)

Observing station			Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual [1)]
Sapporo	Temp.	High	-0.6	0.1	4.0	11.5	17.3	21.5	24.9	26.4	22.4	16.2	8.5	2.1	12.9
		Low	-7.0	-6.6	-2.9	3.2	8.3	12.9	17.3	19.1	14.2	7.5	1.3	-4.1	5.3
	Prec.		114	94	78	57	53	47	81	124	135	109	104	112	1,107
Tokyo	Temp.	High	9.6	10.4	13.6	19.0	22.9	25.5	29.2	30.8	26.9	21.5	16.3	11.9	19.8
		Low	0.9	1.7	4.4	9.4	14.0	18.0	21.8	23.0	19.7	14.2	8.3	3.5	11.6
	Prec.		52	56	118	125	138	168	154	168	210	198	93	51	1,529
Kanazawa	Temp.	High	6.8	7.3	11.0	16.9	21.6	25.0	28.8	30.9	26.6	21.3	15.5	10.2	18.5
		Low	0.9	0.7	3.0	8.2	13.1	18.0	22.3	23.7	19.5	13.3	7.7	3.4	11.2
	Prec.		270	172	159	137	155	185	232	139	226	177	265	282	2,399
Kyoto	Temp.	High	8.9	9.7	13.4	19.9	24.6	27.8	31.5	33.3	28.8	22.9	17.0	11.6	20.8
		Low	1.2	1.4	4.0	9.0	14.0	18.8	23.2	24.3	20.3	13.6	7.8	3.2	11.7
	Prec.		50	68	113	116	161	214	220	132	176	121	71	48	1,491
Takamatsu	Temp.	High	9.4	10.1	13.4	19.5	24.1	27.3	31.2	32.4	28.4	22.8	17.2	12.1	20.7
		Low	1.6	1.8	4.4	9.4	14.4	19.3	23.6	24.4	20.7	14.2	8.5	3.7	12.2
	Prec.		38	48	83	76	108	151	144	86	148	104	60	37	1,082
Kagoshima	Temp.	High	12.8	14.3	17.0	21.6	25.2	27.6	31.9	32.5	30.1	25.4	20.3	15.3	22.8
		Low	4.6	5.7	8.4	12.7	17.1	21.0	25.3	25.6	22.8	17.5	11.9	6.7	14.9
	Prec.		78	112	180	205	221	452	319	223	211	102	92	71	2,266
Naha	Temp.	High	19.5	19.8	21.7	24.1	26.7	29.4	31.8	31.5	30.4	27.9	24.6	21.2	25.7
		Low	14.6	14.8	16.5	19.0	21.8	24.8	26.8	26.6	25.5	23.1	19.9	16.3	20.8
	Prec.		107	120	161	166	232	247	141	241	261	153	110	103	2,041

1) Annual average for temperature and annual total for precipitation.
Source: Japan Meteorological Agency.

Chapter 2

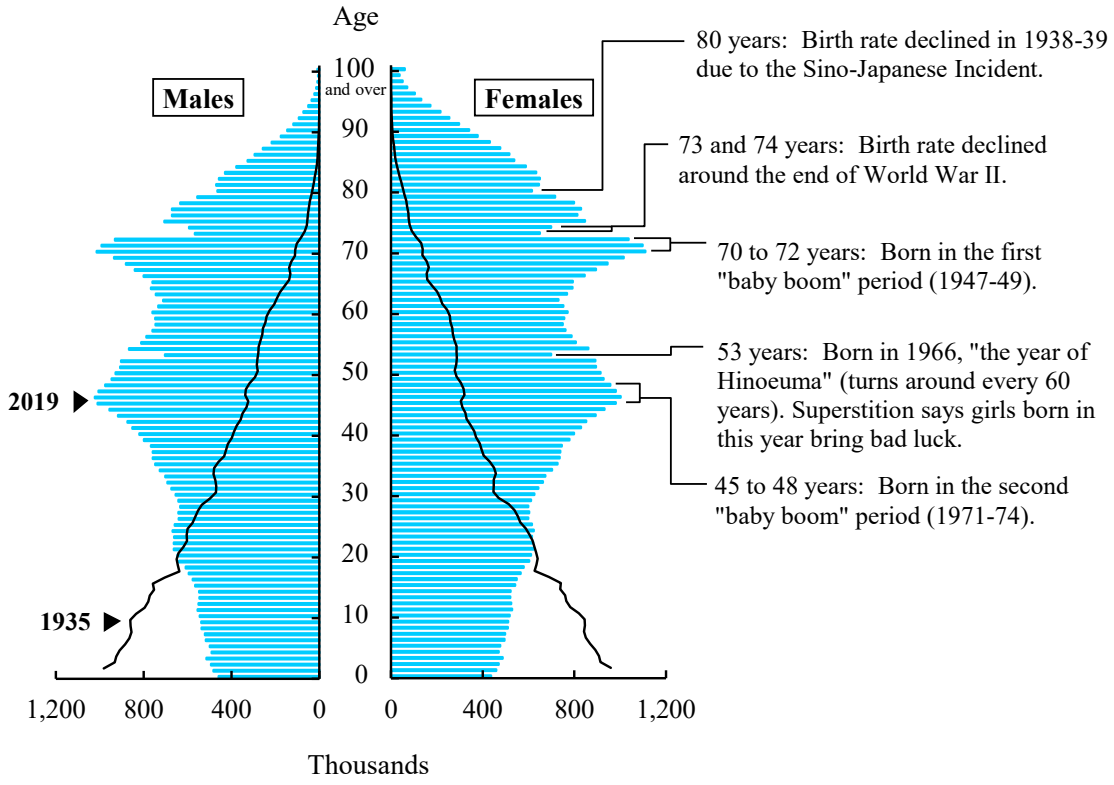
Population

A mother and her baby taking a photo with a monkey.
The number of live births in 2019 was 865,234, a decline of 53,166 births from the previous year's total of 918,400. The total fertility rate fell to 1.36 in 2019 from 1.42 in 2018.

1. Total Population

Japan's total population in 2019 was 126.17 million. This ranked 11th in the world and made up 1.6 percent of the world's total. Japan's population density measured 340.8 persons per square kilometer in 2015, ranking 11th among countries or areas with a population of 10 million or more.

Figure 2.1
Population Pyramid



Source: Statistics Bureau, MIC.

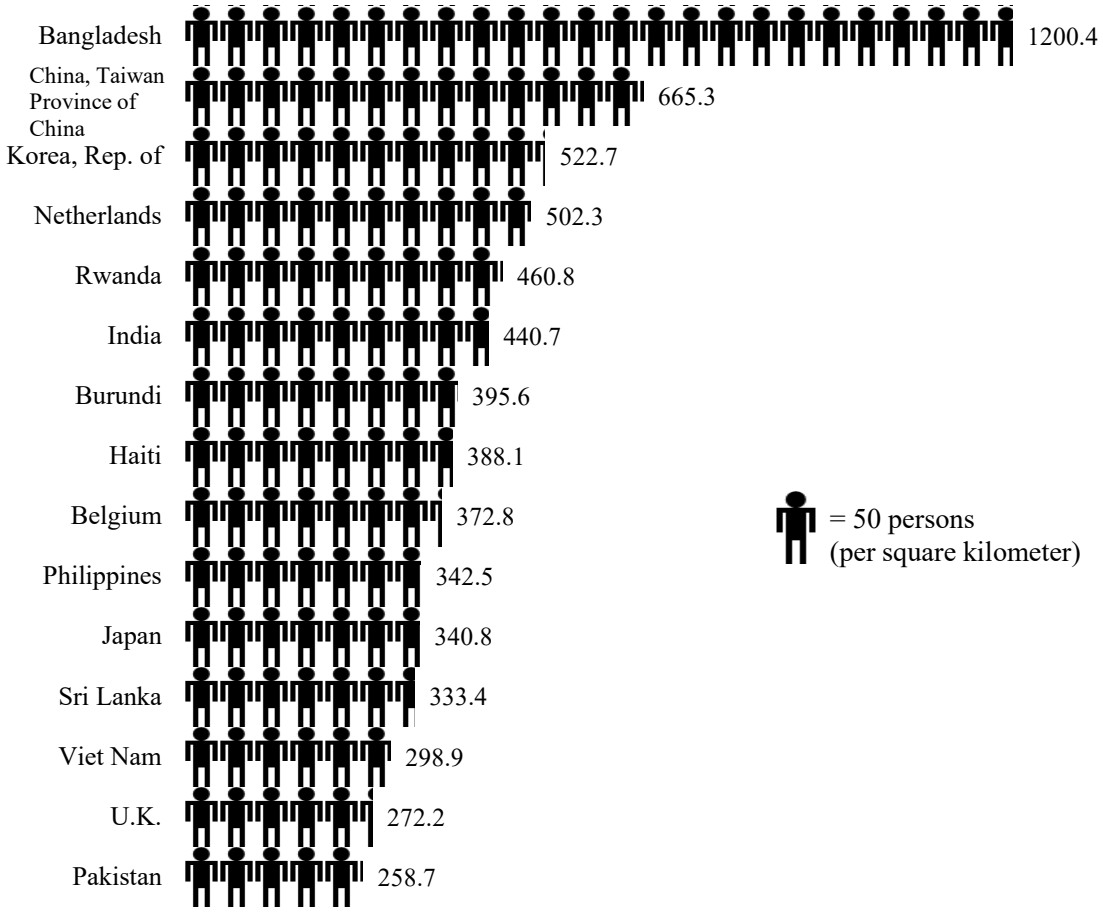
Table 2.1
Countries with a Large Population (2019)

(Millions)

Country	Population	Country	Population
World	7,713	Brazil	211
China	1,434	Nigeria	201
India	1,366	Bangladesh	163
U.S.A.	329	Russia	146
Indonesia	271	Mexico	128
Pakistan	217	Japan	126

Source: Statistics Bureau, MIC; United Nations.

Figure 2.2
Population Density by Country or Area [1] (2015)



1) Top 15 countries or areas with a population of 10 million or more.
Source: Statistics Bureau, MIC; United Nations.

From the 18th century through the first half of the 19th century, Japan's population remained steady at about 30 million. Following the Meiji Restoration in 1868, it began expanding in tandem with the drive to build a modern nation-state. In 1912, it reached 50 million, and in 1967, it surpassed the 100 million mark. However, Japan's population growth slowed afterward, with the rate of population change about 1 percent from the 1960s through the 1970s. Since the 1980s, it has declined sharply. Japan's total population was 127.09 million according to the Population Census in 2015. This was a decrease by 962,607 people as compared to the previous Census (2010), indicating the first population decline since the initiation of the Census in 1920. In 2019, it was 126.17 million, down by 0.28 million from the year before.

Table 2.2
Trends in Population (as of October 1)

Year	Population (1,000)	Age composition (%)			Rate of population change (%)	Population density (per km^2)
		0-14 years old	15-64	65 years old and over		
1872 [1)]	34,806	...	...	...	...	91
1900 [1)]	43,847	33.9	60.7	5.4	0.83	115
1910 [1)]	49,184	36.0	58.8	5.2	1.16	129
1920	55,963	36.5	58.3	5.3	1.30	147
1930	64,450	36.6	58.7	4.8	1.42	169
1940	71,933	36.7	58.5	4.8	1.10	188
1950	84,115	35.4	59.6	4.9	1.58	226
1955	90,077	33.4	61.2	5.3	1.38	242
1960	94,302	30.2	64.1	5.7	0.92	253
1965	99,209	25.7	68.0	6.3	1.02	267
1970	104,665	24.0	68.9	7.1	1.08	281
1975	111,940	24.3	67.7	7.9	1.35	300
1980	117,060	23.5	67.4	9.1	0.90	314
1985	121,049	21.5	68.2	10.3	0.67	325
1990	123,611	18.2	69.7	12.1	0.42	332
1995	125,570	16.0	69.5	14.6	0.31	337
2000	126,926	14.6	68.1	17.4	0.21	340
2005	127,768	13.8	66.1	20.2	0.13	343
2010	128,057	13.2	63.8	23.0	0.05	343
2015	127,095	12.6	60.7	26.6	-0.15	341
2016	126,933	12.4	60.3	27.3	-0.13	340
2017	126,706	12.3	60.0	27.7	-0.18	340
2018	126,443	12.2	59.7	28.1	-0.21	339
2019	126,167	12.1	59.5	28.4	-0.22	338
(Projection, 2017)						
2030	119,125	11.1	57.7	31.2	-0.52	319
2040	110,919	10.8	53.9	35.4	-0.71	297
2050	101,923	10.6	51.8	37.7	-0.84	273
2060	92,840	10.2	51.6	38.1	-0.93	249

1) As of January 1.
Source: Statistics Bureau, MIC; National Institute of Population and Social Security Research; Geospatial Information Authority of Japan.

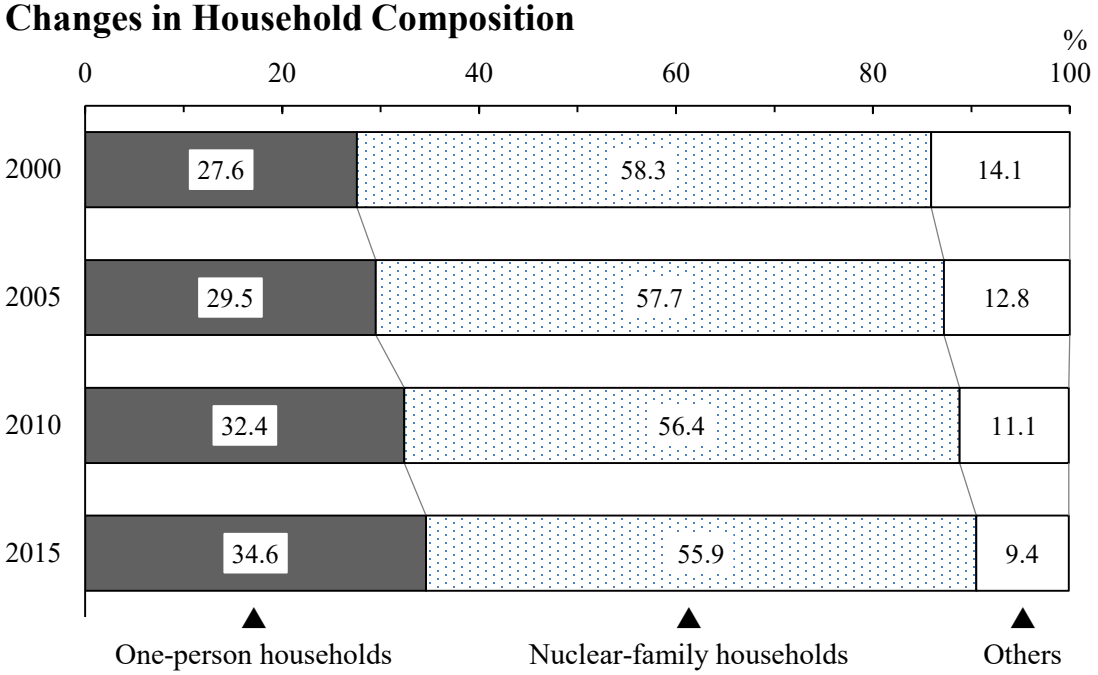
2. Households

(1) Household Size and Household Composition

The Population Census shows that Japan had 53.33 million private households (excluding "institutional households" such as students in school dormitories) in 2015, showing a consistent increase since the

initiation of the Census. Of that total, 55.9 percent were nuclear-family households, and 34.6 percent were one-person households.

Figure 2.3
Changes in Household Composition



Source: Statistics Bureau, MIC.

From the 1920s to the mid-1950s, the average number of household members remained about 5. However, due to the increase in one-person households and nuclear-family households since the 1960s, the average size of households was down significantly in 1970, to 3.41 members. The number of household members has continued to decline, dropping to 2.33 in 2015. Although the Japanese population shifted into the declining phase, the number of households is expected to continue to increase for some years to come, as the size of the average household will shrink at a slow pace. The number of households is projected to peak in 2023 and then decrease thereafter.

Table 2.3
Households and Household Members [1)]

Year	Private house-holds (1,000)	Rate of private households change(%) [2)]	Private household members (1,000)	Members per household	Population (1,000)	Rate of population change(%) [2)]
1960	22,539	…	93,419	4.14	94,302	4.7
1970	30,297	a) 15.9	103,351	3.41	104,665	5.5
1975	33,596	10.9	110,338	3.28	111,940	7.0
1980	35,824	6.6	115,451	3.22	117,060	4.6
1985	37,980	6.0	119,334	3.14	121,049	3.4
1990	40,670	7.1	121,545	2.99	123,611	2.1
1995	43,900	7.9	123,646	2.82	125,570	1.6
2000	46,782	6.6	124,725	2.67	126,926	1.1
2005	49,063	4.9	124,973	2.55	127,768	0.7
2010	51,842	5.7	125,546	2.42	128,057	0.2
2015	53,332	2.9	124,296	2.33	127,095	-0.8

1) In the 1965 Census, the definition of household differs, and it is not possible to recombine the survey subjects into private households.
2) Change over preceding Population Census.
a) The rate of change over 10 years is converted to a rate of change over 5 years.
Source: Statistics Bureau, MIC.

(2) Elderly Households

The number of elderly households (private households with household members aged 65 years old and over) in 2015 was 21.71 million. They accounted for 40.7 percent of the total private households. There were 5.93 million one-person elderly households. Among these, there were approximately two times as many females as males.

Table 2.4
Trends in Elderly Households

(Thousands)

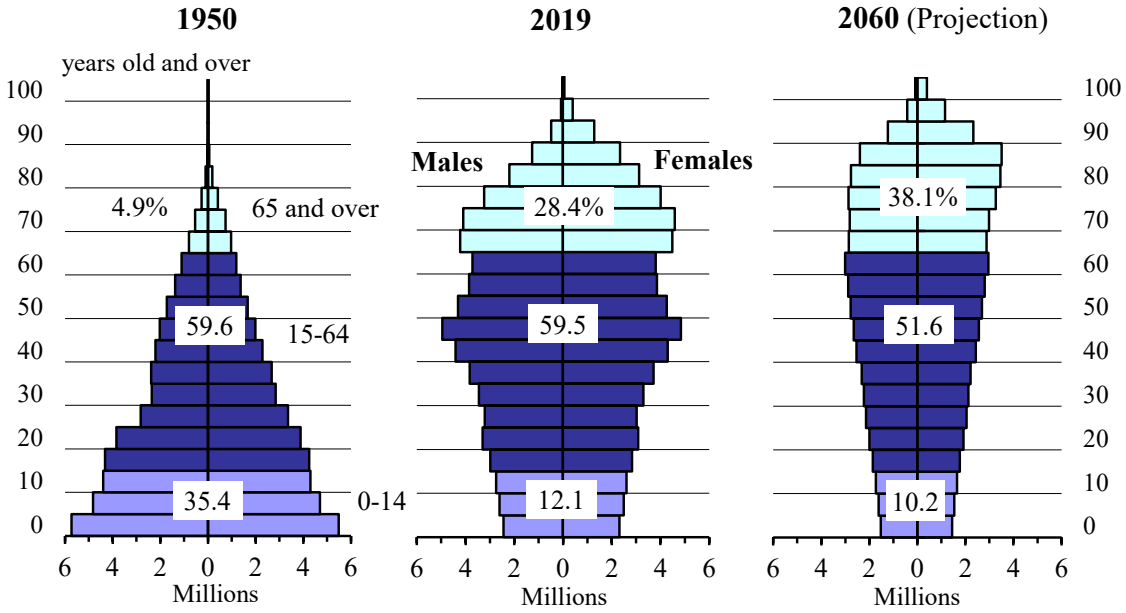
Type of households	1995	2000	2005	2010	2015
Private households	43,900	46,782	49,063	51,842	53,332
Elderly households	12,790	15,057	17,220	19,338	21,713
(percentage)	29.1	32.2	35.1	37.3	40.7
One-person households	2,202	3,032	3,865	4,791	5,928
Males	460	742	1,051	1,386	1,924
Females	1,742	2,290	2,814	3,405	4,003
Nuclear-family households	5,149	6,783	8,398	10,011	11,740
Others	5,439	5,241	4,956	4,536	4,045

Source: Statistics Bureau, MIC.

3. Declining Birth Rate and Aging Population

The population pyramid of 1950 shows that Japan had a standard-shaped pyramid with a broad base. The shape, however, has changed dramatically as both the birth rate and death rate have declined. In 2019, the aged population (65 years old and over) was 35.89 million, constituting 28.4 percent of the total population (i.e., 1 in every 4 persons) and marking a record high.

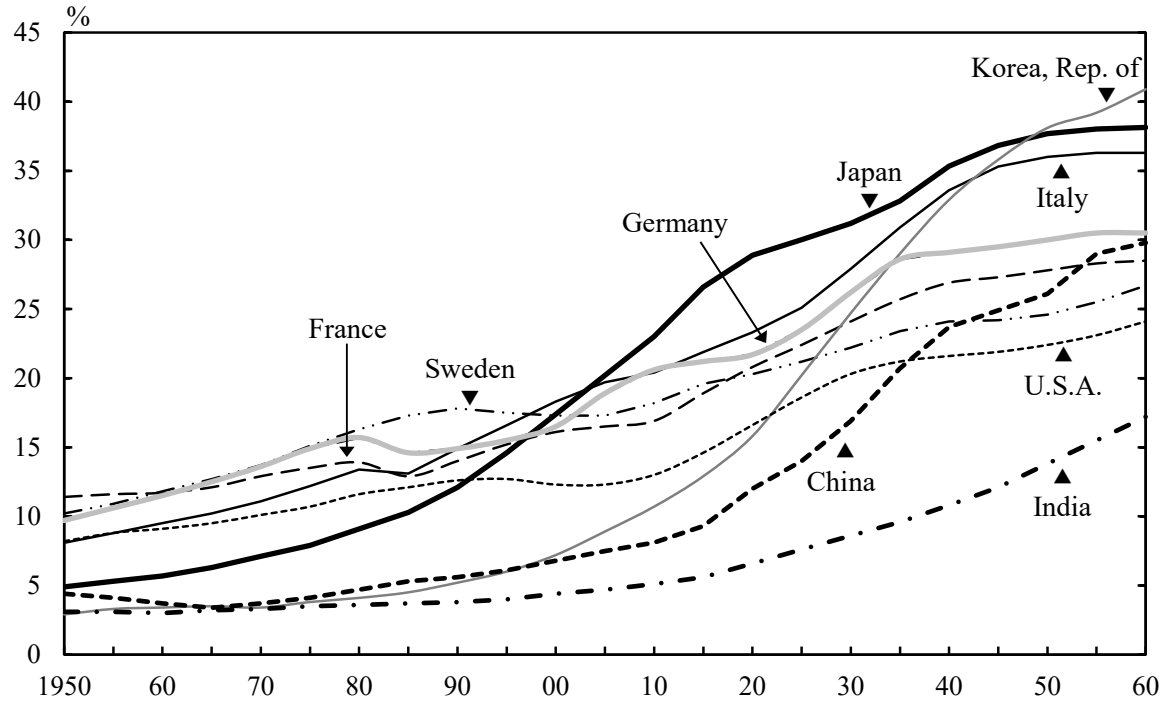
Figure 2.4
Changes in the Population Pyramid



Source: Statistics Bureau, MIC; National Institute of Population and Social Security Research.

In Japan, the percentage of persons aged 65 years old and over exceeded 10 percent in 1985, but as of 1950, this percentage was already 11.4 percent in France and 10.2 percent in Sweden. The percentage exceeded 10 percent in 1955 in Germany, 1965 in Italy, and 1970 in the U.S.A., all earlier than in Japan. However, in 2015, the percentage of the population aged 65 years old and over in Japan was 26.6 percent, exceeding the U.S.A. (14.6 percent), France (18.9 percent), Sweden (19.6 percent), Germany (21.2 percent), and Italy (21.9 percent), indicating that the aging society in Japan is progressing quite rapidly as compared to the U.S.A. and European countries.

Figure 2.5
Proportion of Elderly Population by Country (Aged 65 years old and over)



Source: Statistics Bureau, MIC; National Institute of Population and Social Security Research; United Nations.

Table 2.5
Age Structure of Population by Country

(%)

Country	2015			2060 (projection)		
	0-14 years old	15-64	65 years old and over	0-14 years old	15-64	65 years old and over
Korea, Rep. of	13.8	73.4	12.9	10.0	49.2	40.9
Japan	12.6	60.7	26.6	10.2	51.6	38.1
Italy	13.7	64.3	21.9	11.4	52.3	36.3
Germany	13.2	65.6	21.2	14.2	55.3	30.5
China	18.1	72.6	9.3	14.0	56.2	29.8
France	18.4	62.8	18.9	15.3	56.3	28.5
Brazil	22.4	69.6	8.0	13.7	59.3	27.0
U.K.	17.6	64.5	18.0	15.4	57.6	27.0
Sweden	17.3	63.1	19.6	16.0	57.3	26.7
Canada	16.0	68.0	16.1	14.5	58.9	26.6
Russia	16.9	69.6	13.6	17.3	58.1	24.6
U.S.A.	19.2	66.1	14.6	16.2	59.7	24.1
India	28.4	65.9	5.6	17.1	65.8	17.2

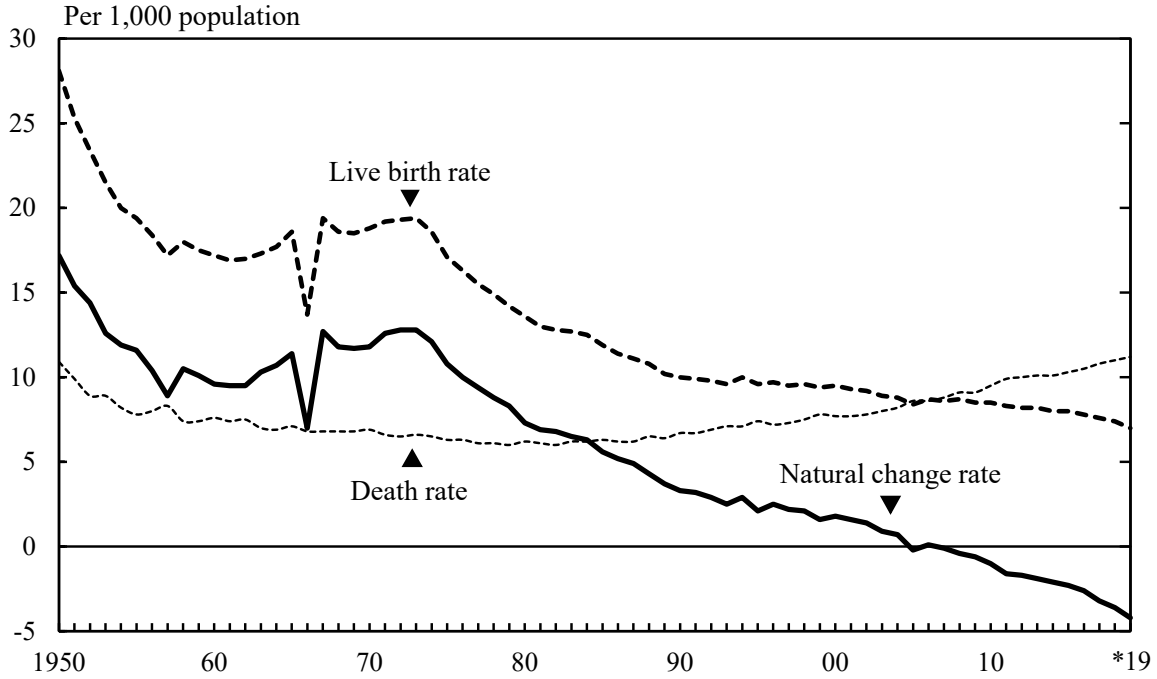
Source: Statistics Bureau, MIC; National Institute of Population and Social Security Research; United Nations.

On the other hand, in 2019, the child population (0-14 years old) in Japan amounted to 15.21 million, accounting for 12.1 percent of the total population, which was the lowest level on record. In terms of their proportion of the total population, the aged (65 years old and over) have surpassed the child population since 1997. The productive-age population (15-64 years old) totaled 75.07 million, accounting for 59.5 percent of the entire population. This population is continuing to decline since 1993. As a result, the ratio of the dependent population (the sum of aged and child population divided by the productive-age population) was 68.1 percent.

4. Births and Deaths

Population growth in Japan had primarily been driven by natural increase, while social increase played only a minor part. However, in 2005, the natural change rate (per 1,000 population) became minus for the first time since 1899, and has been on a declining trend since then. In 2019, the natural change rate was -4.2 and decreased for the 13th consecutive year.

Figure 2.6
Natural Population Change



Source: Ministry of Health, Labour and Welfare.

During the second baby boom between 1971 and 1973, the live birth rate (per 1,000 population) was at a level of 19. Since the late 1970s, it has continued to fall. The rate for 2019 was 7.0. The decline in the live birth rate may partly be attributable to the rising maternal age at childbirth. The average mothers' age at first childbirth rose from 25.6 in 1970 to 30.7 in 2019.

The total fertility rate was on a downward trend after dipping below 2.00 in 1975, and reached a record low of 1.26 in 2005. The rate was on a path of recovery with an increase after that. However, the total fertility rate decreased for 4 consecutive years and dropped to 1.36 in 2019.

The death rate (per 1,000 population) was steady at 6.0 - 6.3 between 1975 and 1987, and has maintained an uptrend since 1988, reflecting the aging of the population. It reached 11.2 in 2019.

Table 2.6
Vital Statistics

Year	Rates per 1,000 population [1]				Total fertility rate [2]	Life expectancy at birth (years)	
	Live births	Deaths	Infant mortality	Natural change		Males	Females
1950	28.1	10.9	60.1	17.2	3.65	a) 59.57	a) 62.97
1955	19.4	7.8	39.8	11.6	2.37	63.60	67.75
1960	17.2	7.6	30.7	9.6	2.00	65.32	70.19
1965	18.6	7.1	18.5	11.4	2.14	67.74	72.92
1970	18.8	6.9	13.1	11.8	2.13	69.31	74.66
1975	17.1	6.3	10.0	10.8	1.91	71.73	76.89
1980	13.6	6.2	7.5	7.3	1.75	73.35	78.76
1985	11.9	6.3	5.5	5.6	1.76	74.78	80.48
1990	10.0	6.7	4.6	3.3	1.54	75.92	81.90
1995	9.6	7.4	4.3	2.1	1.42	76.38	82.85
2000	9.5	7.7	3.2	1.8	1.36	77.72	84.60
2005	8.4	8.6	2.8	-0.2	1.26	78.56	85.52
2010	8.5	9.5	2.3	-1.0	1.39	79.55	86.30
2015	8.0	10.3	1.9	-2.3	1.45	80.75	86.99
2016	7.8	10.5	2.0	-2.6	1.44	80.98	87.14
2017	7.6	10.8	1.9	-3.2	1.43	81.09	87.26
2018	7.4	11.0	1.9	-3.6	1.42	81.25	87.32
2019	* 7.0	* 11.2	* 1.9	* -4.2	* 1.36	81.41	87.45

1) The infant mortality rate is per 1,000 live births.
2) The sum of the age-specific fertility rates from age 15 to 49 years old.
a) 1950-1952 period.
Source: Ministry of Health, Labour and Welfare.

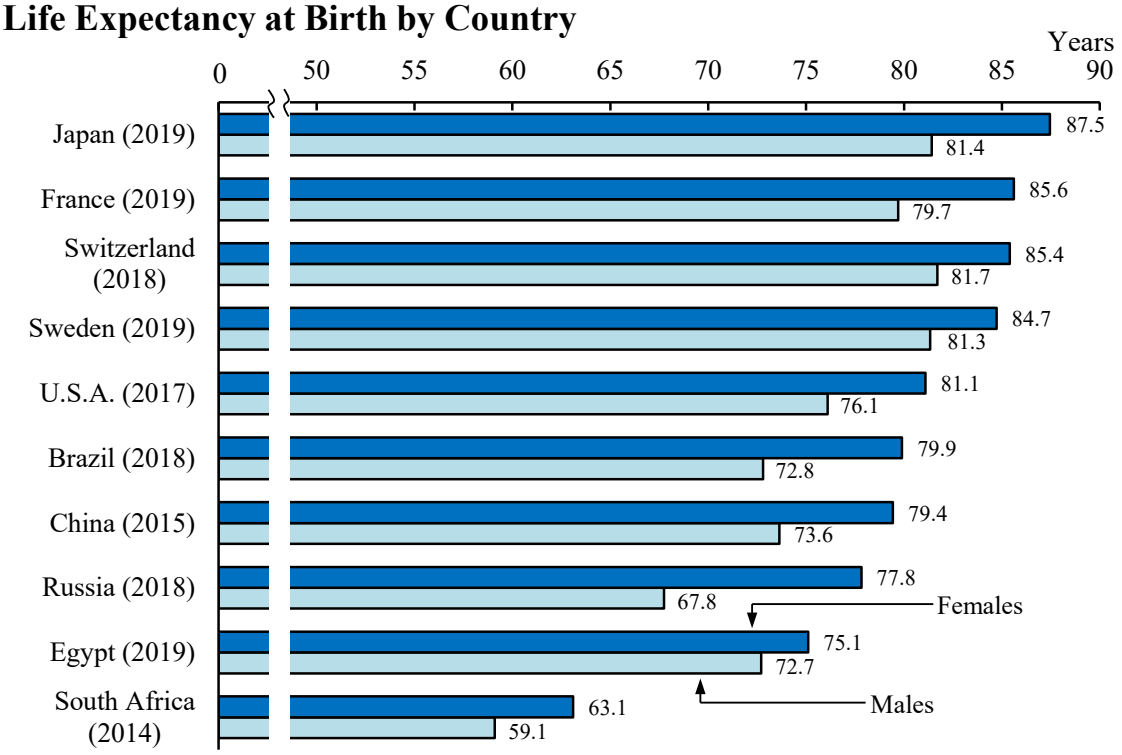
Table 2.7
Changes of Mothers' Age at Childbirth

Year	Number of births (1,000) [1]	Distribution of mothers' age (%) [2]						Mean age bearing first child
		Under 19	20-24	25-29	30-34	35-39	40 and over	
1970	1,934	1.0	26.5	49.2	18.5	4.2	0.5	25.6
1980	1,577	0.9	18.8	51.4	24.7	3.7	0.5	26.4
1990	1,222	1.4	15.7	45.1	29.1	7.6	1.0	27.0
2000	1,191	1.7	13.6	39.5	33.3	10.6	1.3	28.0
2010	1,071	1.3	10.4	28.6	35.9	20.5	3.3	29.9
2015	1,006	1.2	8.4	26.1	36.3	22.7	5.4	30.7
2016	977	1.1	8.4	25.7	36.3	22.9	5.6	30.7
2017	946	1.0	8.4	25.5	36.5	22.9	5.7	30.7
2018	918	1.0	8.4	25.5	36.5	23.0	5.8	30.7
2019*	865	0.9	8.3	25.5	36.1	23.2	5.9	30.7

1) Including mothers' ages that were not reported. 2) Percentage in relation to number of births, excluding those for which mothers' ages were not reported.
Source: Ministry of Health, Labour and Welfare.

Average life expectancy in Japan climbed sharply after World War II, and is today at quite high level in the world. In 2019, it was 87.5 years for females and 81.4 years for males, setting a new all-time record for both genders.

Figure 2.7
Life Expectancy at Birth by Country



Source: Ministry of Health, Labour and Welfare.

5. Marriages and Divorces

It showed an apparent marriage boom in the early 1970s that the annual number of marriages in Japan exceeded 1 million couples coupled with the marriage rate (per 1,000 population) hovering over 10.0. However, both the number of couples and the marriage rate have been on a declining trend thereafter. In 2019, 598,965 couples married, and the marriage rate was 4.8.

The mean age of first marriage was 31.2 for grooms and 29.6 for brides in 2019. The mean age of first marriage for grooms rose by 2.5 years, while that of brides rose by 2.8 years over the past 20 years (in 1999: grooms, 28.7; brides, 26.8). In addition, there has been an increasing trend in the proportion of those who have never married until he or she turns the exact age 50, reaching 23.4 percent for males and 14.1 percent for females in 2015, the highest percentages ever. The declining marriage rate, rising marrying age and increased choice of unmarried life in recent years as described above could explain the dropping birth rate.

Table 2.8
Mean Age of First Marriage

Year	Grooms	Brides
1950	25.9	23.0
1955	26.6	23.8
1960	27.2	24.4
1965	27.2	24.5
1970	26.9	24.2
1975	27.0	24.7
1980	27.8	25.2
1985	28.2	25.5
1990	28.4	25.9
1995	28.5	26.3
2000	28.8	27.0
2005	29.8	28.0
2010	30.5	28.8
2015	31.1	29.4
2016	31.1	29.4
2017	31.1	29.4
2018	31.1	29.4
2019*	31.2	29.6

Source: Ministry of Health, Labour and Welfare.

Table 2.9
Proportion of Never Married at Exact Age 50 by Sex [1)]

(%)

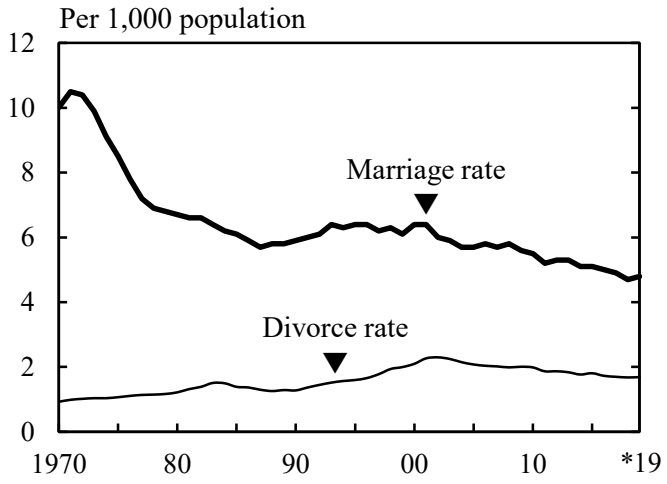
Year	Males	Females
1950	1.5	1.4
1960	1.3	1.9
1970	1.7	3.3
1980	2.6	4.5
1990	5.6	4.3
2000	12.6	5.8
2005	16.0	7.3
2010	20.1	10.6
2015	23.4	14.1

1) The Proportion is computed as the mean value of the proportion remaining single at ages 45-49 and 50-54.

Source: National Institute of Population and Social Security Research.

In contrast, there was an upward trend about the divorces since the late 1960s, hitting a peak of 289,836 couples in 2002. Subsequently, both the number of divorces and the divorce rate have been declining since 2003. In 2019, the number of divorces totaled 208,489 couples, and the divorce rate (per 1,000 population) was 1.69.

Figure 2.8
Changes in Marriage Rate and Divorce Rate



Source: Ministry of Health, Labour and Welfare.

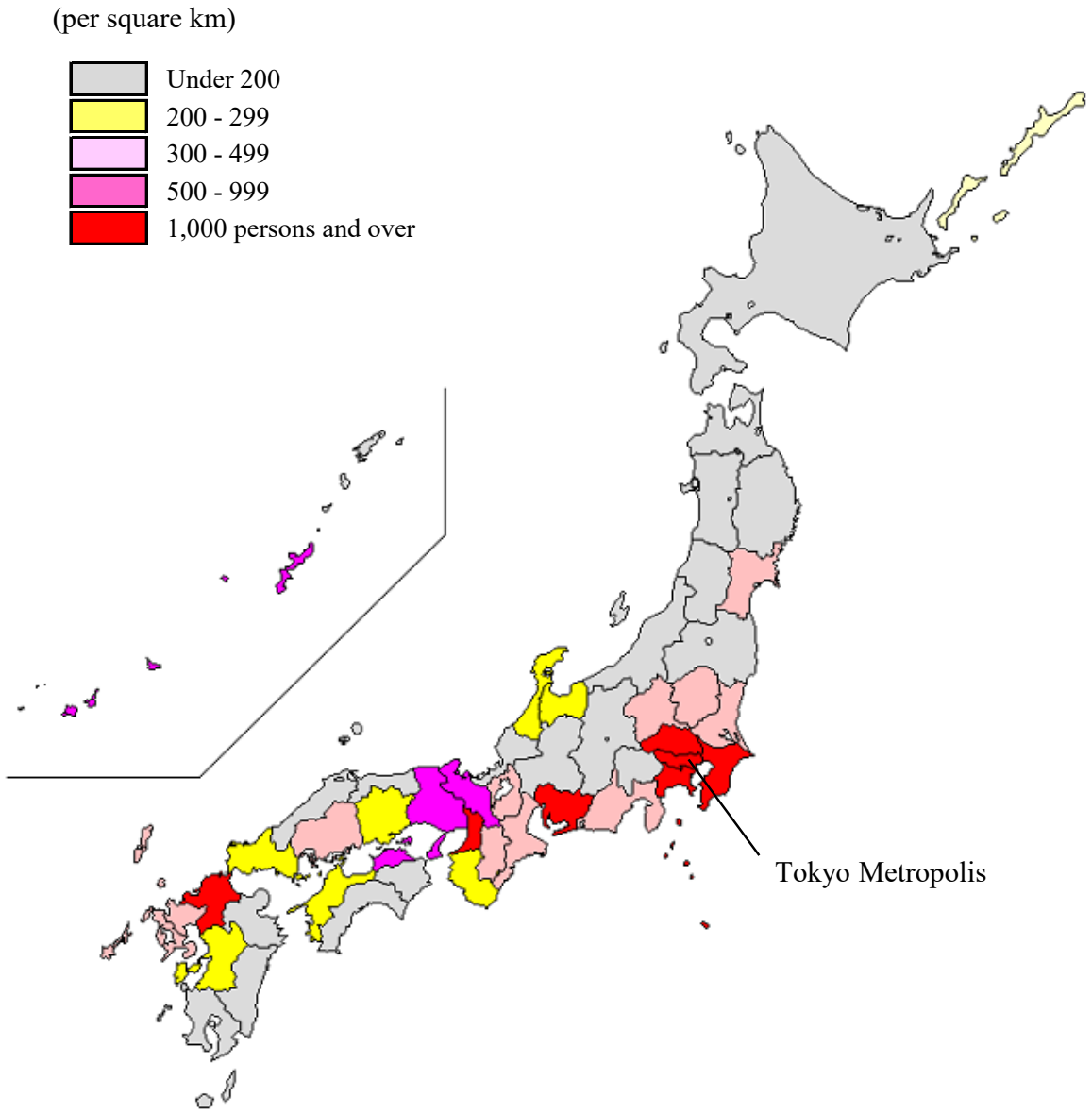
6. Population Density and Regional Distribution

(1) Population Density

In 2015, Tokyo Metropolis had the largest population of 13.52 million among Japan's 47 prefectures, followed in decreasing order by the prefectures of Kanagawa, Osaka, Aichi, and Saitama. These 5 prefectures each had a population of 7 million or more, and together accounted for 36.4 percent of the total population.

In addition, the population density in Tokyo Metropolis was the highest among Japan's prefectures, at 6,168.7 persons per square kilometer. This was almost 18.1 times larger than the national average (340.8 persons per square kilometer).

Figure 2.9
Population Density by Prefecture (2015)



Source: Statistics Bureau, MIC.

In 2015, there were 12 cities in Japan with a population of 1 million or more. Their total population topped 29 million, a figure equivalent to 23.2 percent of the national total. The largest single city was the 23 Cities of Tokyo Metropolis, with 9.27 million citizens. It was followed in decreasing order by Yokohama City (3.72 million), Osaka City (2.69 million), and Nagoya City (2.30 million).

Table 2.10
Population of Major Cities

(Thousands)

Cities	Population		Cities	Population	
	2010	2015		2010	2015
Tokyo, 23 Cities	8,946	9,273	Kobe City	1,544	1,537
Yokohama City	3,689	3,725	Kawasaki City	1,426	1,475
Osaka City	2,665	2,691	Kyoto City	1,474	1,475
Nagoya City	2,264	2,296	Saitama City	1,222	1,264
Sapporo City	1,914	1,952	Hiroshima City	1,174	1,194
Fukuoka City	1,464	1,539	Sendai City	1,046	1,082

Source: Statistics Bureau, MIC.

(2) Population Distribution

The percentage of the urban population started increasing in the late 1950s. In 2015, 51.9 percent of the total population was concentrated in the 3 major metropolitan areas: the Kanto, Chukyo, and Kinki major metropolitan areas. Population density in the Kanto major metropolitan area was 2,771 persons per square kilometer. In the Chukyo major metropolitan area, it was 1,288 persons per square kilometer, and in the Kinki major metropolitan area, it was 1,459 persons per square kilometer.

Table 2.11
Population of 3 Major Metropolitan Areas [1] (2015)

Areas	Population (1,000)	Percentage of the total (%)	Surface Area (km^2)	Population density (per km^2)
Kanto major metropolitan area	37,274	29.3	13,452	2,771
Chukyo major metropolitan area	9,363	7.4	7,271	1,288
Kinki major metropolitan area	19,303	15.2	13,228	1,459
Total of three major metropolitan areas	65,940	51.9	33,951	1,942

1) Major metropolitan areas consist of central cities (Kanto: 23 Cities of Tokyo Metropolis, Yokohama City, Kawasaki City, Sagamihara City, Saitama City, and Chiba City; Chukyo: Nagoya City; Kinki: Osaka City, Sakai City, Kyoto City, and Kobe City) and surrounding areas (cities, towns and villages).
Source: Statistics Bureau, MIC.

Chapter 3

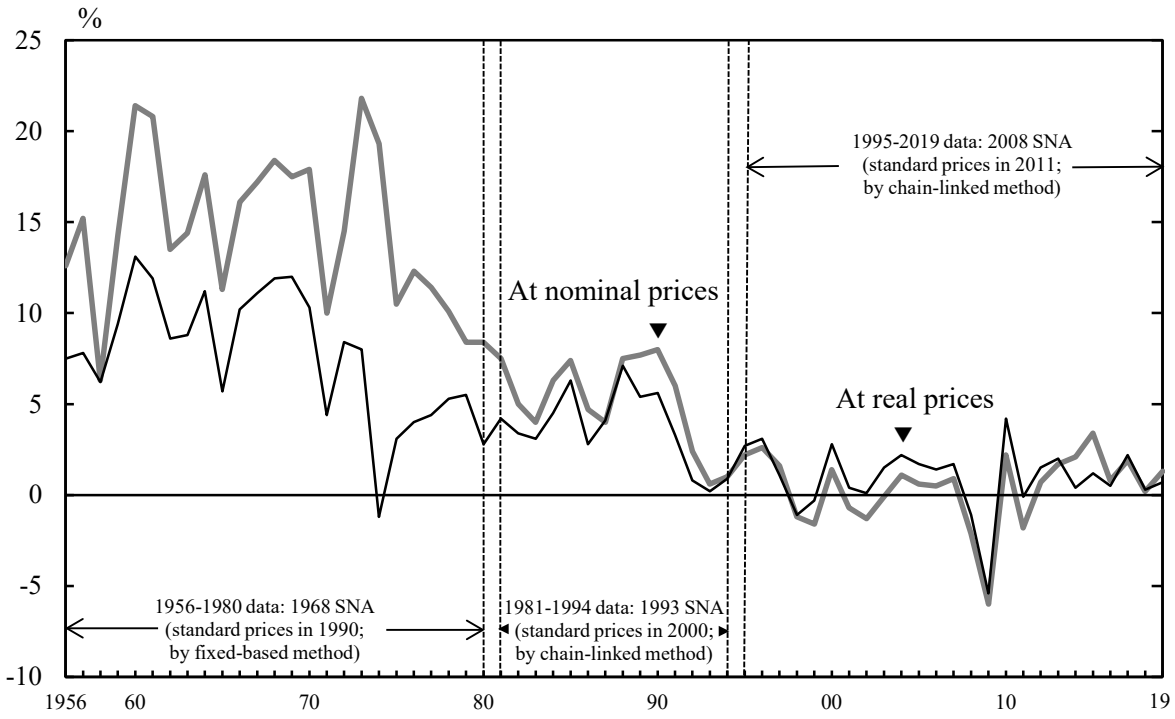
Economy

Night view from the Sumida River Ohashi Bridge. There are walkways on both the north and south sides of the bridge, high enough to provide superb views. The lights of Tokyo, the heart of Japan's economy, dazzle the viewer.
When looking at Japan's net worth (national wealth), it was 3,457 trillion yen at the end of 2018.

1. Economic Development

During the 1960s, Japan's economy grew at a rapid pace of over 10 percent per annum. This rapid economic growth was supported by: (i) the expansion of private investments in plant and equipment, backed by a high rate of personal savings; (ii) a large shift in the working population from primary to secondary industries and "an abundant labour force supplied by a high rate of population growth"; and (iii) an increase in productivity brought about by adopting and improving foreign technologies.

Figure 3.1
Economic Growth Rates



Source: Economic and Social Research Institute, Cabinet Office.

In the 1970s, the sharp increase of Japan's exports of industrial products to the U.S.A. and Europe began to cause international friction. In 1971, the U.S.A. announced it would end the convertibility of the dollar into gold. In December 1971, Japan revalued the yen from 360 yen against the U.S. dollar, which had been maintained for 22 years, to 308 yen. In February 1973, Japan adopted a floating exchange-rate system.

In October 1973, the fourth Middle East War led to the first oil crisis, triggering high inflation. Accordingly, Japan recorded negative economic growth in 1974 for the first time in the post-war period. Following the second oil crisis in 1978, efforts were made to change Japan's industrial structure from "energy-dependent" to "energy-saving", enabling Japan to successfully overcome inflation.

In the 1980s, the trade imbalance with advanced industrial countries expanded because of the yen's appreciation. As part of administrative and financial reforms, Japan National Railways and Nippon Telegraph and Telephone Public Corporation were privatized. As a result, domestic demand-led economic growth was achieved.

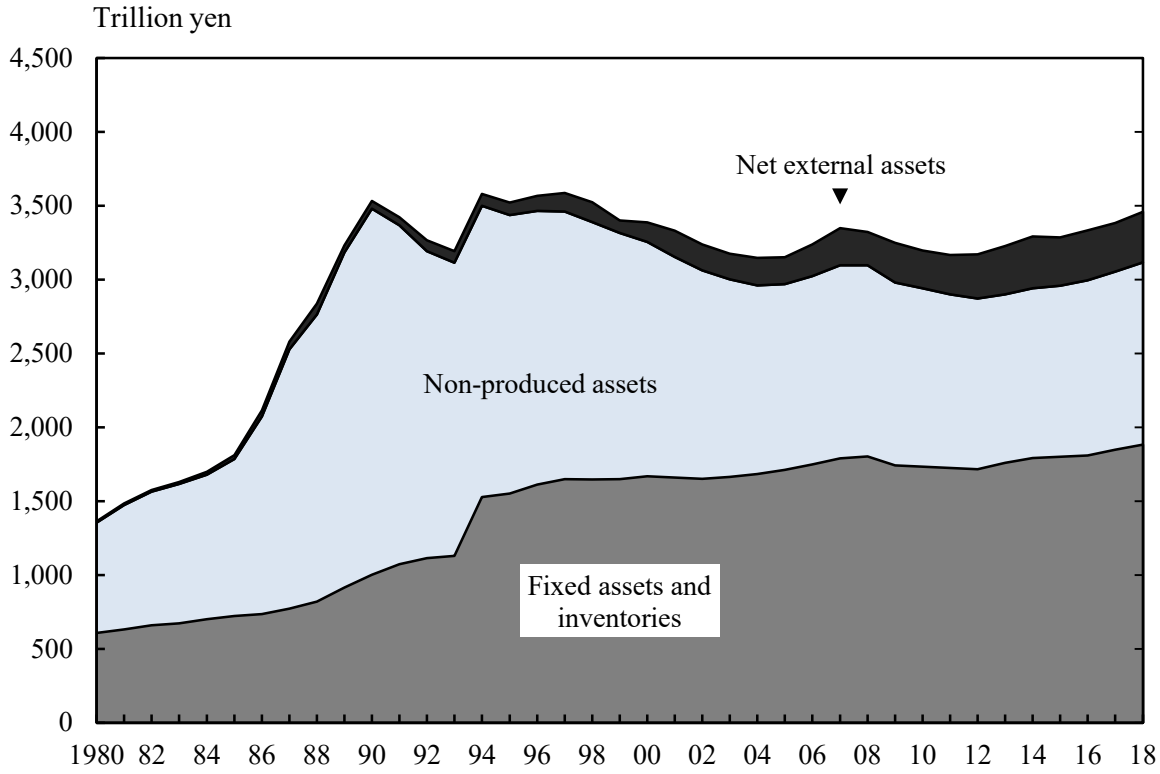
2. Bubble Economy and Its Collapse

At the end of the 1980s, Japan's economy enjoyed favorable conditions, with stable wholesale prices and a low unemployment rate. Corporate profits were at their highest level in history, and corporate failures were at their lowest level, while investments in plant and equipment for manufacturing products, such as semiconductors, were very active. Stock and land prices continued to rise rapidly, and large-scale urban developments and resort facility developments in rural areas progressed at a very fast pace. However, excessive funds flowed into the stock and real estate markets, causing abnormal increases in capital asset values (forming an economic bubble).

At the end of 1980, Japan's net worth (national wealth) stood at 1,363 trillion yen, 5.6 times the GDP. It then increased, reaching 3,531 trillion yen, 8.0 times the GDP, at the end of 1990, owing to increasing land and stock prices. At the beginning of 1990, stock prices plummeted, followed by sharp declines in land prices. This marked the start of major economic recession (collapse of the bubble economy). Japan's financial and economic systems, which were excessively dependent on land, consequently approached collapse.

Due to the collapse of the bubble economy, the national wealth decreased, and while there were fluctuations, continued on a downward trend. Since 2012, it has been on an upward trend. At the end of 2018, it was 3,457 trillion yen.

Figure 3.2
National Wealth [1)]

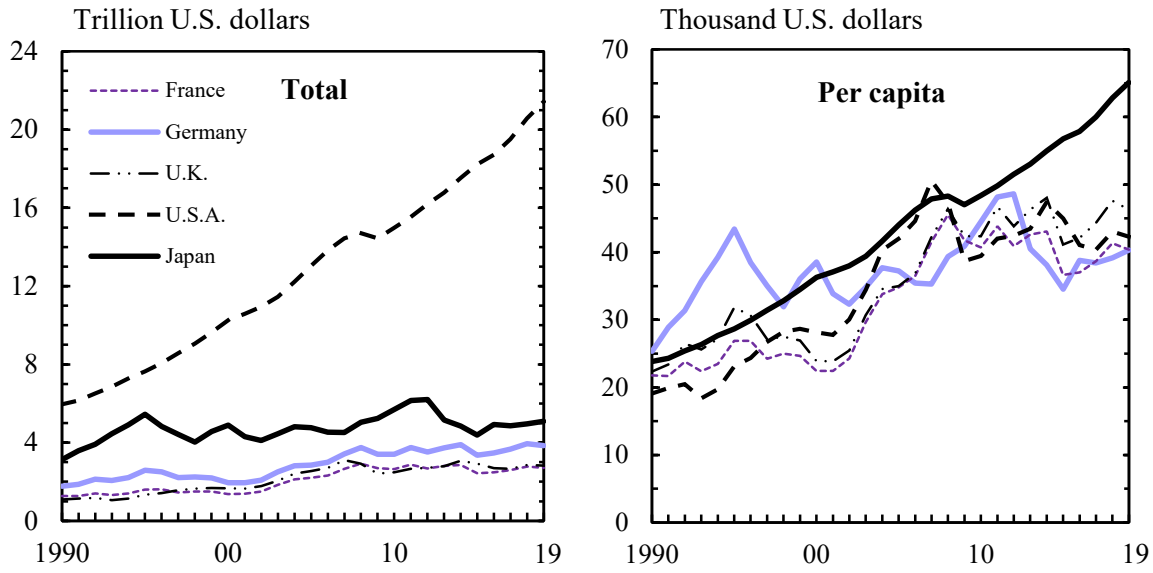


1) Data was estimated using a different method beginning in 1994.
Source: Economic and Social Research Institute, Cabinet Office.

Massive bad debts were created in financial institutions' loan portfolios, as corporate borrowers suffered serious losses due to declining land prices. As a result, shareholders' equity in financial institutions shrank. In 1997, large banks began to fail. In 1998 and 1999, the government injected public money into the banking sector to stabilize the financial system.

The Japanese economy began to make a moderate recovery in February 1999. This, however, was only a temporary phenomenon, as investments in plant and equipment were weak and the recovery was too dependent on foreign demand and information and communication technologies. With the global decline in IT demand from mid-2000, Japan's exports to Asia dropped, necessitating adjustments of excess inventory and production facilities. In line with this, the Japanese economy again entered into an economic downturn in 2001.

Figure 3.3
Gross Domestic Product (Nominal prices, converted into U.S. dollars)



Source: OECD.

On the economic recovery phase starting at the beginning of 2002, the corporate sector, with export-related industries, as the central part, became favorable based on the steady recovery of the global economy, and shifted generally with a bullish tone up until mid-2007.

3. Recent Economic Trends

At the start of 2008, the Japanese economy was faced with a standstill in its path to recovery as private consumption and investments in plant and equipment fell flat and so did production. This occurred against the backdrop of soaring crude petroleum and raw material prices and repercussions from the American subprime mortgage loan problem that, since mid-2007, rapidly clouded future prospects for the world economy further. In addition, the bankruptcy of the major American securities firm Lehman Brothers in September 2008 led to a serious financial crisis in Europe and the U.S.A. Japan was also affected by the yen's rise and the sudden economic contraction in the U.S.A. and other countries. Declining exports contributed to a large drop in production and a sharp rise in unemployment.

Table 3.1

Gross Domestic Product [1] (Expenditure approach)

(Billion yen)

Item	2016	2017	2018	2019
Gross domestic product (GDP)	519,630.5	530,897.5	532,359.9	535,901.3
Domestic demand	523,695.7	532,016.9	533,531.1	537,981.9
Private demand	391,876.5	399,875.0	400,374.9	402,043.9
Private final consumption expenditure	294,945.6	298,821.4	298,783.0	299,206.0
Private Residential Investment	15,932.3	16,196.3	15,117.3	15,421.9
Private plant and equipment	80,360.0	83,600.6	85,396.3	85,982.2
Changes in inventories of private sectors	550.1	1,196.4	1,067.3	1,408.4
Public demand	131,824.6	132,146.3	133,159.0	135,938.1
Government final consumption expenditure	106,018.5	106,188.5	107,102.5	109,177.6
Gross capital formation by public sectors	25,828.1	25,954.3	26,031.4	26,790.0
Changes in inventories of public sectors	-5.8	25.8	58.9	-13.8
Net exports of goods and services	-4,306.7	-1,534.8	-1,800.7	-2,625.2
Exports of goods and services	84,491.5	90,263.7	93,410.3	91,917.7
(less) Imports of goods and services	88,798.2	91,798.5	95,211.1	94,542.9
(Reference)				
Trading gains/losses	9,755.3	6,436.7	2,769.8	3,745.7
Gross domestic income (GDI)	529,385.9	537,334.2	535,129.7	539,647.0
Net income from the rest of the world	17,860.3	19,335.5	19,877.6	19,576.4
Incomes from the rest of the world	28,682.4	31,053.0	33,178.9	33,944.6
(less) Incomes to the rest of the world	10,822.2	11,717.5	13,301.3	14,368.2
Gross national income (GNI)	547,246.1	556,669.7	555,007.2	559,223.4

1) Quarterly estimates of GDP, 2008 SNA (standard prices in 2011; by chain-linked method).
Source: Economic and Social Research Institute, Cabinet Office.

Subsequently, the Japanese economy recovered with foreign demand and economic measures after April 2009, and came to a standstill starting around October 2010. In early 2011, however, it began to rally. The Great East Japan Earthquake taking place on March 11, 2011, and the nuclear power plant accident caused by it weakened the economic recovery.

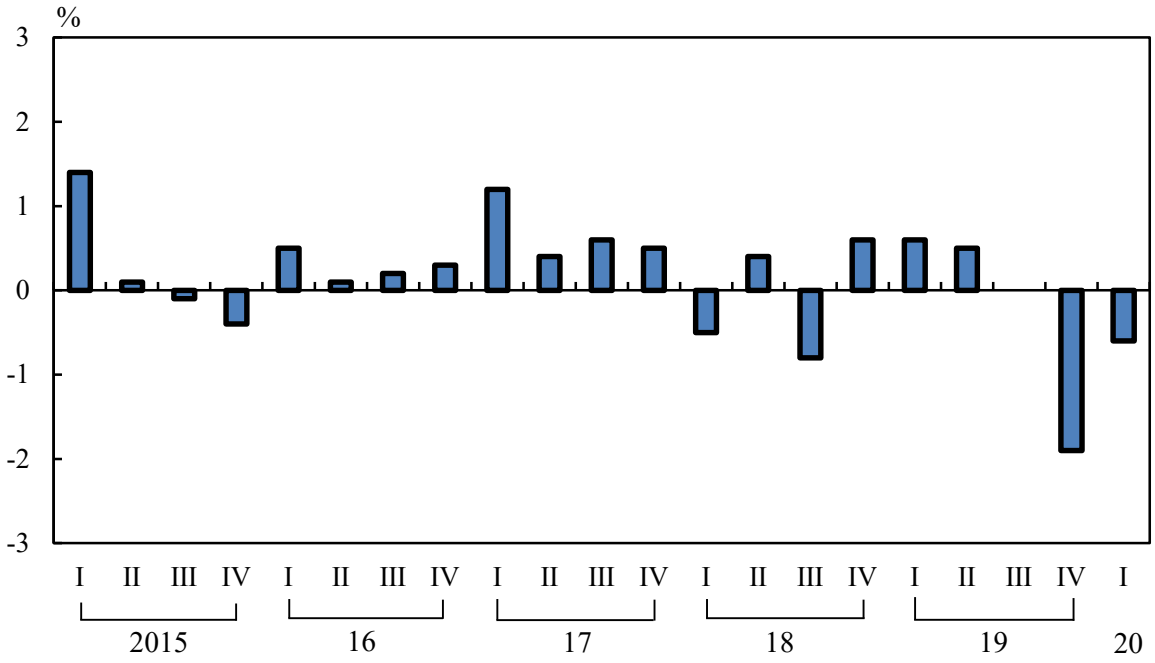
In order to achieve an early end to deflation and break free of economic stagnation, in January 2013, the government set forth its "three-arrows" strategy (also known as "Abenomics").

The first "arrow" is "aggressive monetary policy". The Bank of Japan (BOJ) made it clear that it would set two percent annual growth rate of consumer price index as a "price stabilization target". The BOJ also introduced "quantitative and qualitative monetary easing" to double the monetary base over two years.

The second "arrow" is "flexible fiscal policy". An emergency economic stimulus package with a scale of approximately 10 trillion yen was developed.

The third "arrow" is "growth strategy that promotes private investment". Efforts are being made in growth strategies such as encouraging investments by private corporations based on the easing of regulations.

Figure 3.4
Economic Growth Rates [1] (Quarterly changes)



1) Quarterly estimates of GDP, 2008 SNA (standard prices in 2011; by chain-linked method; seasonally adjusted).
Source: Economic and Social Research Institute, Cabinet Office.

Amidst these initiatives, the Japanese economy has continued to show signs of moderate recovery, with profits of companies at high levels, and continued improvement in the employment and income environment. However, due to factors like the slowdown in the Chinese economy, and a lull in global demand for information-related goods, weakness has been evident in some areas of export and production since the second half of 2018. On the other hand, the increasing trend in domestic demand has been maintained, supported by factors like improvement in the employment and income environment, and high company profits.

4. Industrial Structure

Japan's industrial structure has undergone a major transformation since the end of World War II. The chronological changes in the industrial structure during this period by industry share of employed persons and GDP show that shares in the primary industry in particular have fallen dramatically since 1970, when Japan experienced rapid economic growth. During the 1980s, the secondary industry's share of employed persons and GDP also began to decline gradually. On the other hand, the tertiary industry's share of them have risen consistently.

Table 3.2
Changes in Industrial Structure

(%)

Year	Employed persons [1]			Gross domestic product (GDP) [2]		
	Primary industry	Secondary industry	Tertiary industry	Primary industry	Secondary industry	Tertiary industry
1950	48.6	21.8	29.7	...	...	...
1955	41.2	23.4	35.5	19.2	33.7	47.0
1960	32.7	29.1	38.2	12.8	40.8	46.4
1965	24.7	31.5	43.7	9.5	40.1	50.3
1970	19.3	34.1	46.6	5.9	43.1	50.9
1975	13.9	34.2	52.0	5.3	38.8	55.9
1980	10.9	33.6	55.4	# 3.5	# 36.2	# 60.3
1985	9.3	33.2	57.5	3.0	34.9	62.0
1990	7.2	33.5	59.4	2.4	35.4	62.2
1995	# 6.0	# 31.3	# 62.7	# 1.7	# 31.6	# 66.7
2000	5.2	29.5	65.3	1.5	29.5	69.0
2005	4.9	26.4	68.6	1.1	27.2	71.7
2010	4.2	25.2	70.6	1.1	25.7	73.1
2015	4.0	25.0	71.0	1.1	26.6	72.3

1) Due to the revision of the Japan Standard Industrial Classification, the figures from 1995 onward are not strictly consistent with those for 1990 or earlier. 2) Data from 1955 to 1979 are based on the 1968 SNA. Data from 1980 onward are based on the 1993 SNA. Data in 1994 and afterwards differs in the estimation method.
Source: Statistics Bureau, MIC; Economic and Social Research Institute, Cabinet Office.

In 1970, the primary industry accounted for 19.3 percent of employed persons, the secondary industry for 34.1 percent, and the tertiary industry for 46.6 percent. In 2015, the corresponding shares of these three sectors were 4.0 percent, 25.0 percent and 71.0 percent, respectively.

As for GDP by type of economic activity, in 1970, the primary, secondary and tertiary industries accounted for 5.9 percent, 43.1 percent and 50.9 percent, respectively. In 2015, these figures were 1.1 percent, 26.6 percent and 72.3 percent, respectively.

Table 3.3
Gross Domestic Product by Type of Economic Activity

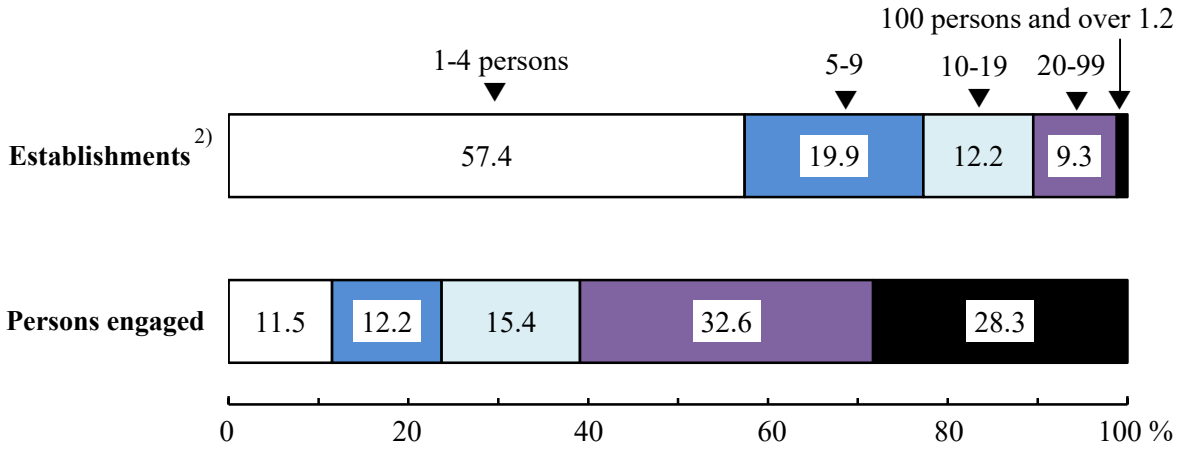
(%)

	1995	2000	2005	2010	2015	2018
Primary industry						
Agriculture, forestry and fishing	1.7	1.5	1.1	1.1	1.1	1.2
Secondary industry						
Mining	0.2	0.1	0.1	0.1	0.1	0.1
Manufacturing	23.5	22.6	21.6	20.8	20.8	20.7
Construction	7.8	6.9	5.6	4.8	5.5	5.7
Tertiary industry						
Electricity, gas and water supply and waste management service	3.0	3.2	2.9	2.8	2.6	2.6
Wholesale and retail trade	13.8	13.1	14.4	13.8	14.0	13.7
Transport and postal services	5.5	4.9	5.1	5.0	5.1	5.2
Accommodation and food service activities	3.1	3.1	2.7	2.6	2.3	2.5
Information and communications	3.2	4.6	4.9	5.1	5.0	4.9
Finance and insurance	5.0	4.9	6.0	4.8	4.4	4.2
Real estate	9.9	10.3	10.4	11.9	11.4	11.3
Professional, scientific and technical activities	4.8	5.8	6.4	7.0	7.2	7.5
Public administration	4.8	5.2	5.1	5.3	5.0	5.0
Education	3.6	3.6	3.6	3.6	3.6	3.6
Human health and social work activities	4.4	5.3	5.5	6.4	6.8	7.2
Other service activities	5.2	5.2	4.9	4.7	4.4	4.2

Source: Economic and Social Research Institute, Cabinet Office.

According to the "2016 Economic Census for Business Activity", there were 5.3 million establishments (excluding businesses whose operational details are unknown, national government services, and local government services) in Japan, at which a total of 56.9 million persons were employed. The average number of persons engaged per establishment was 10.6 and establishments with less than 10 persons accounted for 77.3 percent of the total.

Figure 3.5
Shares of Establishments and Persons Engaged by Scale of Operation [1)]
(2016)



1) Excluding businesses whose operational details are unknown, national government services, and local government services. 2) Excluding establishments consisting of only loaned or dispatched employees.
Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

With regard to the number of establishments by the major groupings of the Japan Standard Industrial Classification, the most numerous category was the "wholesale and retail trade", numbering 1.4 million, followed by "accommodations, eating and drinking services" and "construction". In terms of the number of persons engaged, establishments in the "wholesale and retail trade" ranked first as they employed 12.0 million persons, followed by "manufacturing" and "medical, health care and welfare".

Table 3.4
Number of Establishments and Persons Engaged [1] (2016)

Item	Establishments	Persons engaged
Total	5,340,783	56,872,826
By industry		
Primary industry		
Agriculture, forestry and fisheries	32,676	363,024
Secondary industry		
Mining and quarrying of stone and gravel	1,851	19,467
Construction	492,734	3,690,740
Manufacturing	454,800	8,864,253
Tertiary industry		
Electricity, gas, heat supply and water	4,654	187,818
Information and communications	63,574	1,642,042
Transport and postal activities	130,459	3,197,231
Wholesale and retail trade	1,355,060	11,843,869
Finance and insurance	84,041	1,530,002
Real estate and goods rental and leasing	353,155	1,462,395
Scientific research, professional and technical services	223,439	1,842,795
Accommodations, eating and drinking services	696,396	5,362,088
Living-related and personal services and amusement services	470,713	2,420,557
Education, learning support	167,662	1,827,596
Medical, health care and welfare	429,173	7,374,844
Compound services	33,780	484,260
Services, n.e.c.	346,616	4,759,845
By type of legal organizations		
Individual proprietorships	2,006,773	5,719,403
Corporations	3,305,188	51,032,017
Companies	2,882,491	42,716,541
Organizations other than corporations	28,822	121,406

1) Excluding businesses whose operational details are unknown, national government services, and local government services.
Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

The domestic manufacturing industry has progressed in the relocation of production bases overseas, for the cutback on production costs, the production in consumption areas, and the evasion of fluctuations in exchange rates.

The number of overseas affiliates in the manufacturing industry was 11,344 companies at the end of fiscal 2018, and the overseas production ratio was 25.1 percent in actual performance in fiscal 2018. This was on the same level as the previous fiscal year, when the ratio was the highest ever recorded.

Table 3.5
Trends of Overseas Affiliated Company (Manufacturing industries)

Fiscal year	Number of overseas affiliates [1)]	Value of Sales (Million yen)	Overseas production ratio [2)] (%)	Value of capital investment (Million yen)	Ratio of overseas capital investment [3)] (%)
2009	8,399	78,305,761	17.0	2,058,685	15.9
2010	8,412	89,327,934	18.1	2,325,418	17.1
2011	8,684	88,289,996	18.0	3,082,273	21.5
2012	10,425	98,384,657	20.3	3,815,707	25.8
2013	10,545	116,997,649	22.9	4,646,055	29.4
2014	10,592	129,712,997	24.3	4,649,364	28.1
2015	11,080	134,996,164	25.3	4,571,639	25.5
2016	10,919	123,636,074	23.8	3,766,446	20.7
2017	10,838	138,024,661	25.4	3,961,088	20.8
2018	11,344	138,584,467	25.1	4,384,020	21.5

1) End of fiscal year. 2) Overseas production ratio = Sales of overseas affiliates/(Sales of overseas affiliates + Sales of domestic companies) × 100.
3) Ratio of overseas capital investment = Amount of capital investment in overseas affiliates/(Amount of capital investment in overseas affiliates + Amount of capital investment in domestic companies) × 100.
Source: Ministry of Economy, Trade and Industry.

In the future, it is anticipated that companies in the manufacturing industry in Japan will expand their overseas business. There are many companies that are planning on expanding their business to India, China, Vietnam and Thailand.

Chapter 4

Finance

© Fukaya City

Eiichi Shibusawa, often called the "father of the modern Japanese economy", was born into a farming family in the city of Fukaya in Tenpo 11 (1840). He left a legacy of many achievements, including involvement in the founding of around 500 companies including the First National Bank, support for about 600 social/public projects and welfare/educational organizations, as well as private diplomacy. It has been decided that his image will appear on the new 10,000 yen note starting from 2024.

1. National and Local Government Finance

(1) National Government Finance

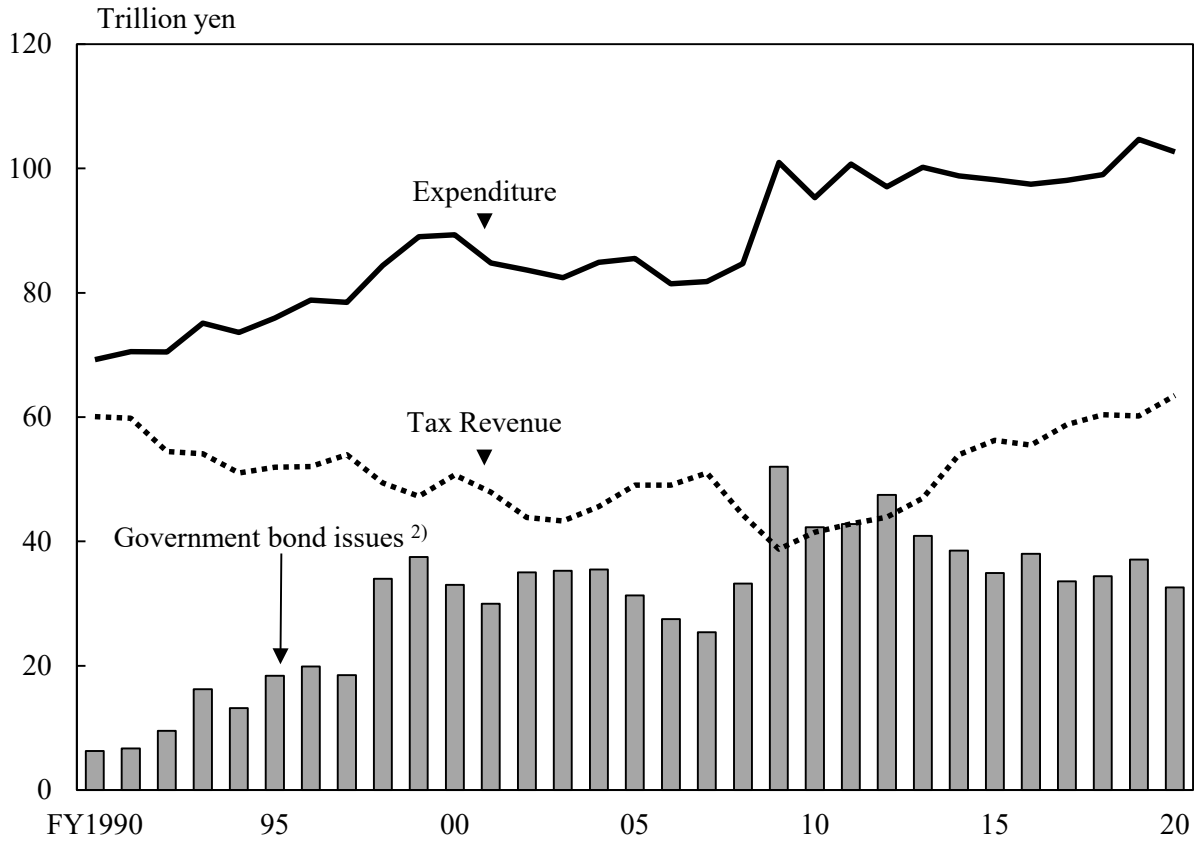
Japan's fiscal year starts in April, and ends in March of the following year. In setting the national budget, the government submits a proposed budget for the upcoming fiscal year to the Ordinary Session of the Diet, which begins in January. The proposal is then discussed, and approved usually before the fiscal year begins in April (initial budget). In the event that the Diet does not approve the budget by the end of March, an interim budget comes into effect. The interim budget is effective from the beginning of April until such time when the proposed budget is approved. If it becomes necessary to amend the budget in the course of a fiscal year, the government submits a supplementary budget for Diet approval. In April 2020, some expenditures were appropriated in a fiscal 2020 supplementary budget as a result of "Emergency Economic Measures for Response to COVID-19".

Japan's national budget consists of the general account budget, special account budgets, and the budgets of government-affiliated agencies. Using revenues from general sources such as taxes, the general account covers core national expenditures such as social security, public works, education and science, and national defense.

Special accounts are accounts established for the national government to carry out projects with specific objectives, and their management and administration are independent of the general account. The number and particulars of special accounts change from year to year; for fiscal 2020, there are a total of 13 special accounts, including the National debt consolidation fund, the Local allocation tax and local transfer tax, and the Reconstruction from the Great East Japan Earthquake.

Government-affiliated agencies are entities established by special laws and are entirely funded by the government. Currently, the Japan Finance Corporation, the Okinawa Development Finance Corporation, Japan Bank for International Cooperation, and the Japan International Cooperation Agency (Finance and Investment Account) are operated.

Figure 4.1
Revenue and Expenditure in the General Account [1)]



1) Based on settled figures until FY2018, draft supplementary budget for FY2019, and draft budget for FY2020. 2) Excludes some special accounts. A figure in FY2019 and FY2020 includes the bond issued for the Temporal and Special Measures.

Source: Ministry of Finance.

In the national government finance, expenditure has continued to surpass revenue. Since fiscal 2008 in particular, the worsening economy has decreased tax revenue, contributing to an increasing gap between revenue and expenditure. From fiscal 2009 to fiscal 2012, bond issues exceeded tax revenue in most years, but starting in fiscal 2013, tax revenue has exceeded borrowing on an initial budget basis.

The size of the general account budget for fiscal 2020 was 103 trillion yen, an increase of 1.2 trillion yen (1.2 percent) from the initial budget of fiscal 2019. This is equivalent to 18.0 percent of the fiscal 2020 GDP, forecasted by the government at 570 trillion yen.

Table 4.1
Expenditures of General Account

(Billion yen)

Fiscal year	Total (A)+(B)+(C)	General expenditures (A)	Social security	Education and science	Pensions	National defense	Public works
2000	89,321	52,046	17,636	6,872	1,418	4,907	11,910
2005	85,520	49,343	20,603	5,701	1,065	4,878	8,391
2010	95,312	56,978	28,249	6,051	709	4,670	5,803
2015	98,230	58,966	31,398	5,574	387	5,130	6,378
2017	98,116	60,028	32,521	5,703	286	5,274	6,912
2018	98,975	60,420	32,569	5,748	241	5,475	6,913
2019 1)	104,652	66,113	34,151	6,304	209	5,675	8,475
2020 2)	102,658	63,495	35,861	5,505	175	5,313	6,857

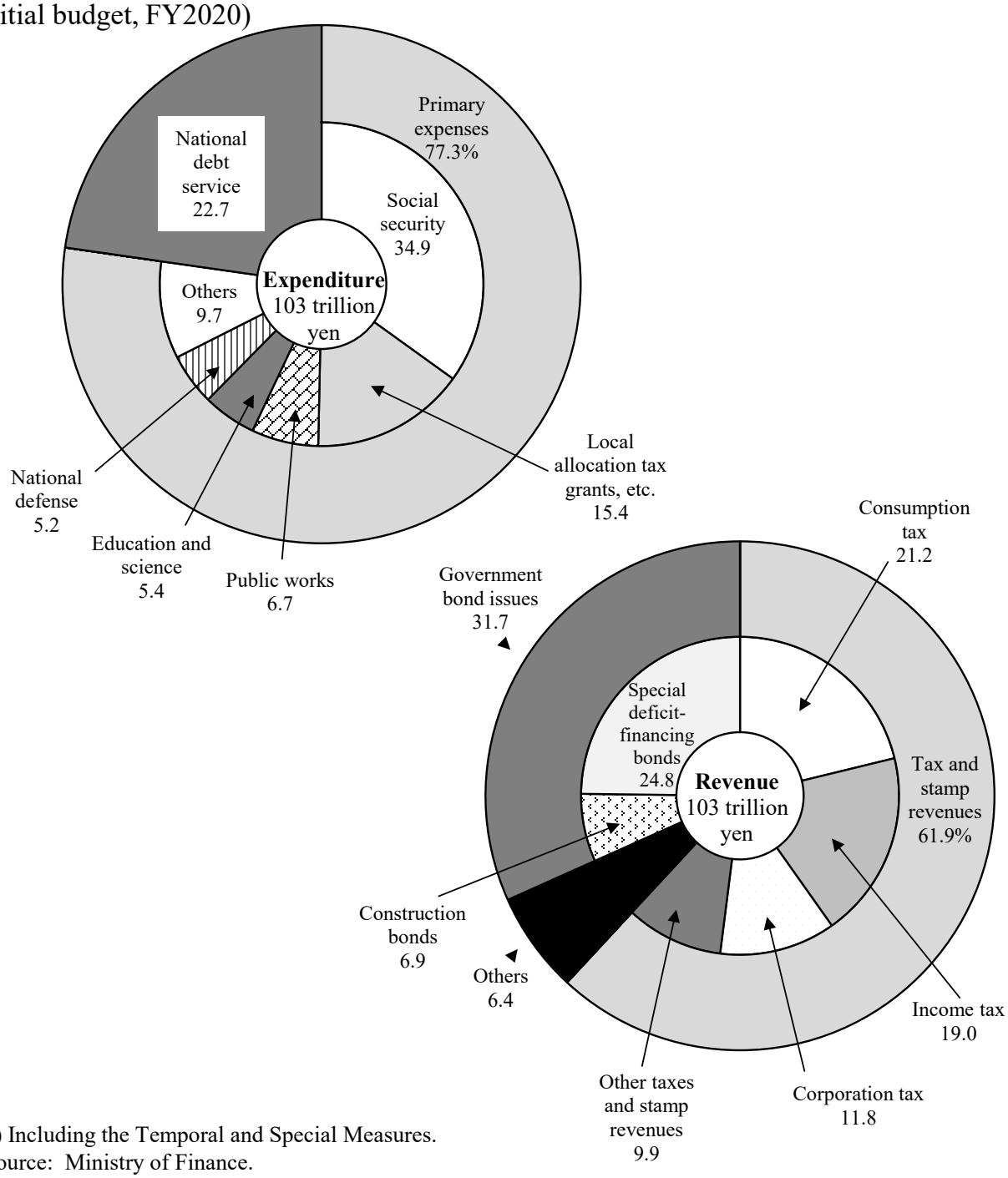
Fiscal year	Economic cooperation	Small and medium-sized business promotion	Energy measures	Food stable supply	Others	National debt service (B)	Local allocation tax grants, etc. (C)
2000	1,012	933	677	247	6,434	21,446	15,829
2005	784	237	493	657	6,536	18,736	17,441
2010	746	830	845	1,122	7,953	19,544	18,790
2015	661	340	968	1,276	6,854	22,464	16,801
2017	651	319	969	1,181	6,211	22,521	15,567
2018	642	525	973	1,122	6,212	22,529	16,026
2019 1)	630	621	1,050	1,202	7,796	22,506	16,032
2020 2)	512	175	949	984	7,164	23,352	15,810

1) Revised budget. 2) Initial budget.
Source: Ministry of Finance.

In fiscal 2020, major expenditures from the initial general account budget include social security (34.9 percent), national debt service (22.7 percent), local allocation tax grants, etc. (15.4 percent), public works (6.7 percent), education and science (5.4 percent), and national defense (5.2 percent).

With regard to revenue sources for the fiscal 2020 initial general account budget, consumption tax, income tax and corporation tax account for 52.0 percent. Even with the addition of other taxes and stamp revenues, these revenue sources only amount to 61.9 percent of the total revenue.

Figure 4.2
Composition of Revenue and Expenditure of General Account Budget 1)
(Initial budget, FY2020)



1) Including the Temporal and Special Measures.
Source: Ministry of Finance.

(2) Local Government Finance

There are two budget categories in local government finance: the ordinary accounts and the public business accounts. The former covers all kinds of expenses related to ordinary activities of the prefectural and municipal governments. The latter covers the budgets of independently accounted enterprises such as public enterprises (water supply and sewerage systems,

hospitals, etc.), the national health insurance accounts, and the latter-stage elderly medical care accounts.

While expenditures such as defense expenses are administered solely by the national government, a large portion of expenditures that directly relate to the people's daily lives are disbursed chiefly through local governments. In particular, a high proportion of the following expenditures are disbursed through local governments: sanitation expenses, which include areas such as medical service and garbage disposal; school education expenses; judicial, police, and fire service expenses; and public welfare expenses, which cover the development and management of welfare facilities for children, the elderly, and the mentally and/or physically challenged.

The revenue composition of local governments usually remains almost the same each fiscal year, while their budget scale and structure vary from year to year. The largest portion of fiscal 2018 (net) revenues came from local taxes, accounting for 40.2 percent of the total. The second-largest source, 16.3 percent, was local allocation tax.

Table 4.2

Local Government Finance [1] (Ordinary accounts)

(Million yen)

Item	FY2014	FY2015	FY2016	FY2017	FY2018
Revenues	102,083,467	101,917,496	101,459,848	101,323,315	101,345,285
Local taxes	36,785,451	39,098,563	39,392,391	39,904,402	40,751,442
Local transfer tax	2,936,867	2,679,246	2,340,232	2,405,224	2,650,873
Special local grants	119,188	118,868	123,300	132,800	154,400
Local allocation tax	17,431,428	17,390,640	17,239,008	16,768,005	16,548,225
National treasury disbursements	15,518,925	15,282,155	15,687,149	15,520,357	14,885,189
Local bonds	11,518,456	10,688,010	10,387,277	10,644,892	10,508,424
Expenditures	98,522,799	98,405,225	98,141,464	97,998,369	98,020,611
General administration	9,869,954	9,608,827	8,901,591	9,121,944	9,285,987
Public welfare	24,450,891	25,254,815	26,340,756	25,983,397	25,665,947
Sanitation	6,143,397	6,301,793	6,258,413	6,262,562	6,236,691
Agriculture, forestry and fishery	3,348,633	3,218,216	3,171,208	3,299,187	3,251,691
Commerce and industry	5,509,540	5,516,105	5,195,146	4,901,049	4,760,301
Civil engineering work	12,050,506	11,707,165	12,018,244	11,919,457	11,880,636
Education	16,658,138	16,795,536	16,745,847	16,888,597	16,878,150

1) Settled figures of the net total of prefectural and municipal government accounts after deducting duplications. The breakdown consists of major items only.

Source: Ministry of Internal Affairs and Communications.

(3) National and Local Government Finance

Finance refers to revenue and expenditure of administrative services from national and local governments. In the initial budget for fiscal 2019, the gross total of national government expenditure was 493 trillion yen, the net total was 245 trillion yen after eliminating duplications between both accounts. Furthermore, the local public finance plan, which consists of the estimated sum of ordinary accounts for the following fiscal year for all local governments, amounted to 91 trillion yen. Therefore, after eliminating duplications between national and local accounts (36 trillion yen), the net total of both national and local government expenditures combined was 300 trillion yen.

Table 4.3
Expenditures of National and Local Governments (Initial budget)

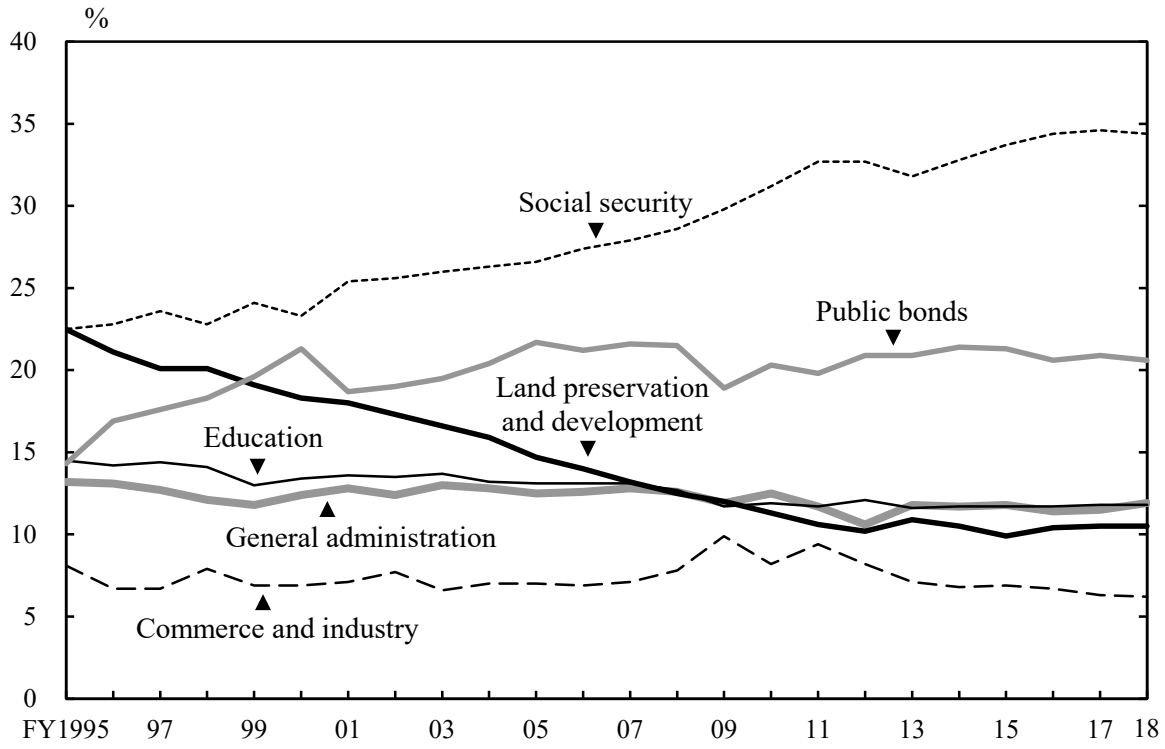
(Billion yen)

Item	FY2000	FY2005	FY2010	FY2015	FY2018	FY2019
General account	84,987	82,183	92,299	96,342	97,713	101,457
Special accounts	318,689	411,944	367,074	403,553	388,496	389,457
Government-affiliated agencies	7,661	4,678	3,135	2,216	1,727	1,817
Gross total (national)	411,337	498,805	462,508	502,111	487,936	492,731
Duplications	200,435	257,490	244,744	262,184	247,460	247,909
Net total (national)	210,902	241,316	217,764	239,927	240,476	244,822
Local public finance plan	88,930	83,769	82,127	87,768	88,109	90,798
Gross total (national + local)	299,832	325,084	299,891	327,694	328,585	335,619
Duplications	37,216	32,689	31,563	35,484	34,100	35,829
Net total (national + local)	262,616	292,395	268,328	292,211	294,485	299,791

Source: Policy Research Institute, Ministry of Finance.

The settlement amount for fiscal 2018, the net total of national and local government expenditures was 169 trillion yen. The national government disbursed 42.5 percent of this amount, while the local governments disbursed 57.5 percent.

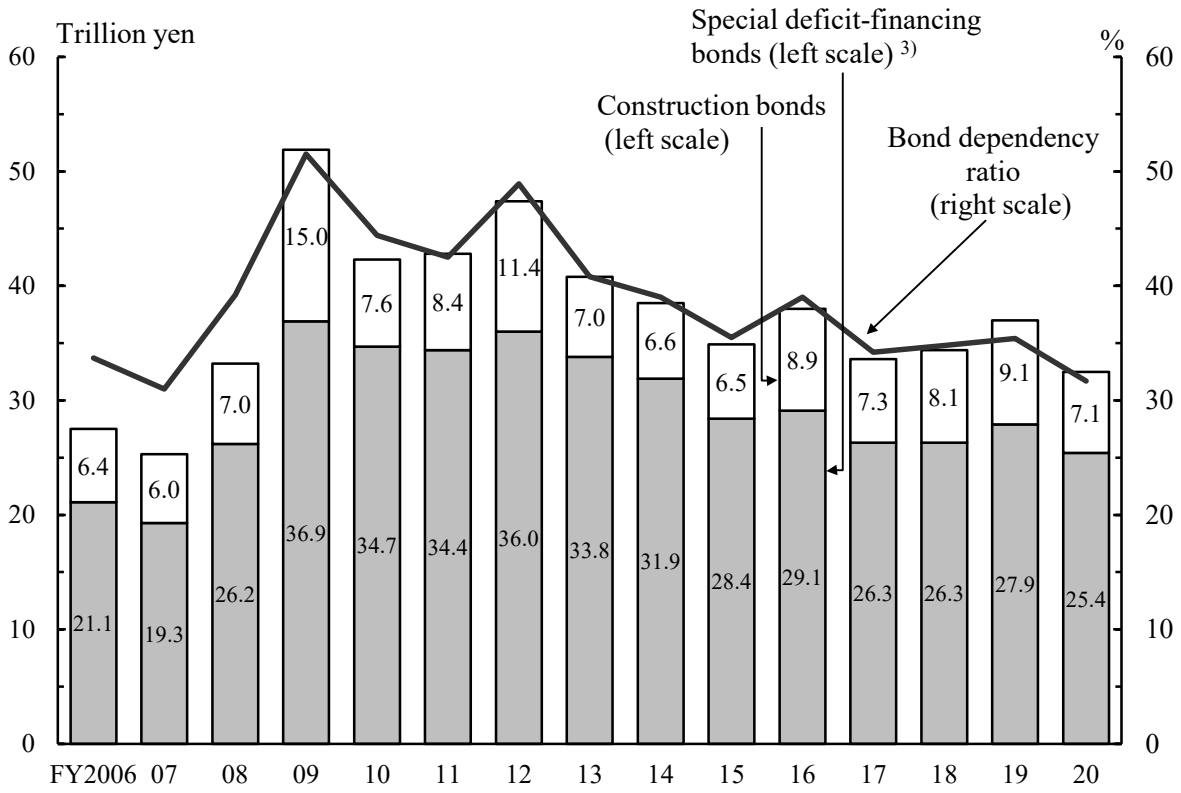
Figure 4.3
Ratio of Net Total National and Local Expenditures by Function



Source: Ministry of Internal Affairs and Communications.

A function-by-function breakdown of these expenditures showed that social security expenditure accounted for the largest portion (34.4 percent), followed by public bonds (20.6 percent), general administration (11.9 percent), education (11.8 percent), and then land preservation and development (10.5 percent). Public bonds are issued to compensate for shortages of national and local revenues. Their issue volumes have increased mainly due to, for example, economic stimulus measures and decreasing tax revenues after the bubble economy ended at the beginning of 1990. A rising amount of public bond redemptions and an increase in social security expenditures associated with the progression of an aging society in recent years have resulted in public bonds and social security expenditures making up a high percentage of net total government expenditures.

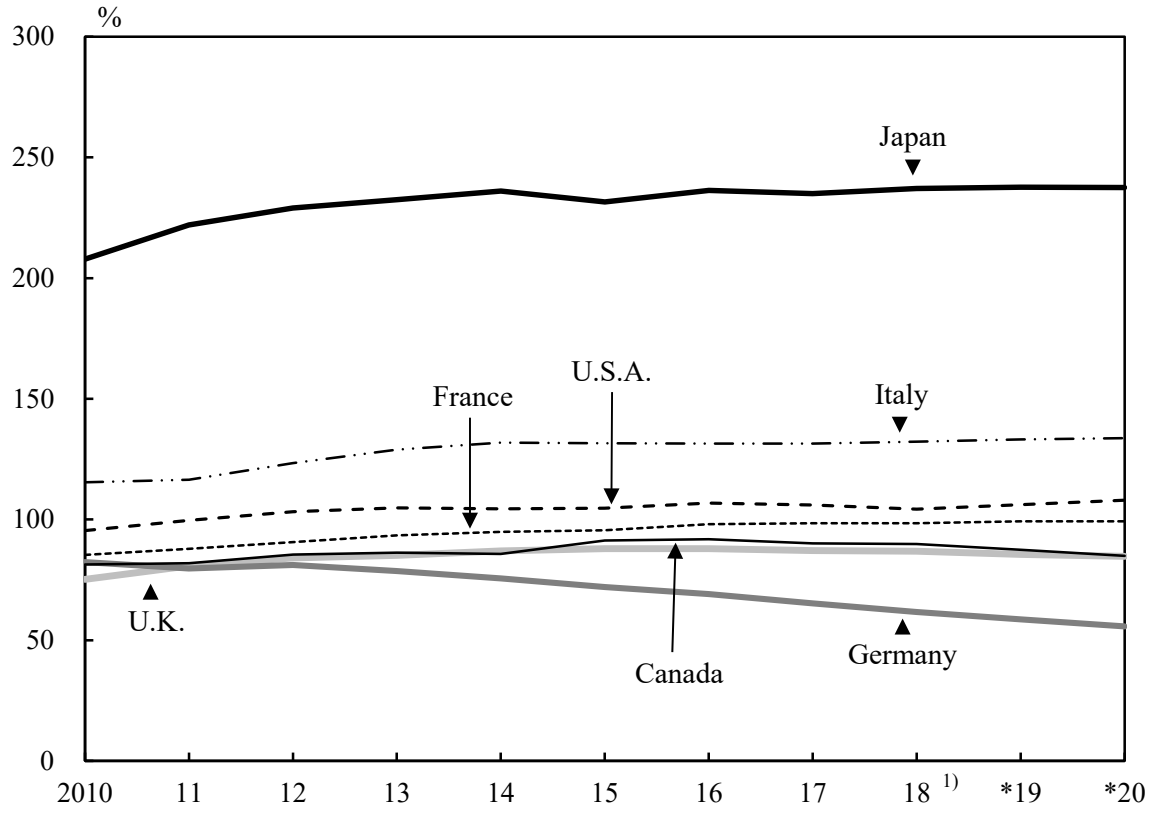
Figure 4.4
National Government Bond Issue and Bond Dependency Ratio [1) 2)]



1) Based on settled figures until FY2018, draft supplementary budget for FY2019, and draft budget for FY2020. 2) A figure in FY2019 and FY2020 includes the bond issued for the Temporal and Special Measures. 3) Excludes some special accounts.
Source: Ministry of Finance.

Japan's ratio of outstanding general government debt to GDP, a stock measure in a fiscal context, has been quite high as compared to major industrial countries achieved a steady advance of fiscal consolidation in the second half of 1990s, and is now the highest among them.

Figure 4.5
Ratio of General Government Gross Debt to GDP



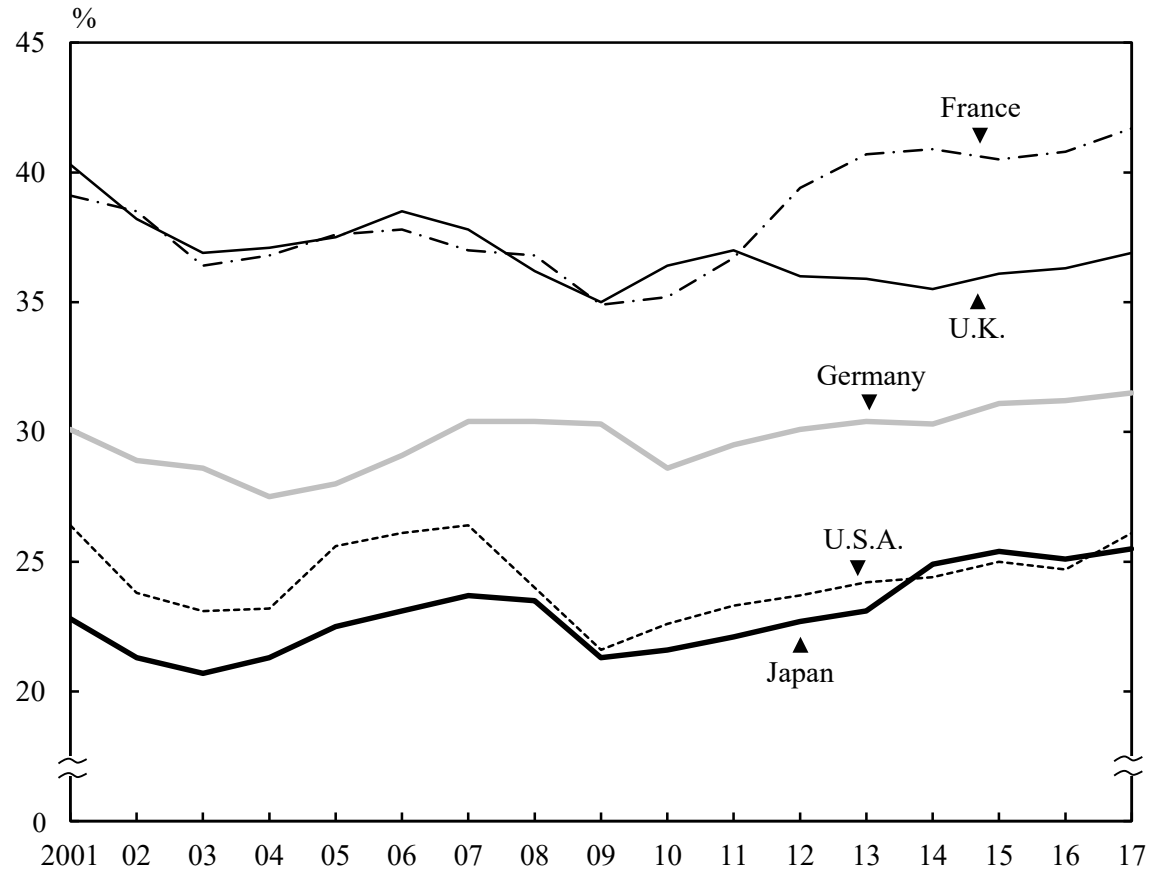
1) The data for Japan indicates estimated figure.
Source: Ministry of Finance.

(4) Tax

Taxes consist of national tax (income tax, corporation tax, etc.), which is paid to the national government, and local tax, which is paid to the local government of the place of payer's residence. The ratio of taxation burden, which is the ratio of national and local taxes to national income, was 18.3 percent in fiscal 1975. This ratio gradually increased thereafter, reaching 27.7 percent in fiscal 1989. The ratio subsequently decreased due to the decline in tax revenue arising from the recession that ensued after the bubble economy ended, reaching 20.7 percent in fiscal 2003. In fiscal 2017, it was 25.5 percent in terms of national and local taxes combined (15.6 percent for national tax and 10.0 percent for local tax). Japan's ratio is

lower in comparison with other major industrial countries. However, the consumption tax rate was raised from 8 to 10 percent on October 1, 2019 due to the need to transition Japan's social security system, which is currently focused on benefits for the elderly, to an "all-generation type" usable by anyone, from children and youth to the elderly.

Figure 4.6
Ratio of Taxation Burden to National Income by Country (Actual basis)



Source: Ministry of Finance.

2. Bank of Japan and Money Stock

As the central bank, the Bank of Japan (i) issues banknotes; (ii) manages and stores treasury funds and provides loans to the government; (iii) provides deposit and loan services to general financial institutions; and (iv) implements monetary policies by adjusting the level of money stock to promote the sound development of the economy.

At the end of 2019, currency in circulation totaled 117.7 trillion yen (112.7 trillion yen in banknotes and 5.0 trillion yen in coins), up 2.2 percent from the year before.

Table 4.4

Currency in Circulation (Outstanding at year-end)

(Billion yen)

Item	2015	2016	2017	2018	2019
Total	103,120	107,203	111,508	115,208	117,695
Banknotes	98,430	102,461	106,717	110,363	112,742
Coins	4,690	4,742	4,792	4,845	4,954

Source: Bank of Japan.

The Bank of Japan compiles and publishes statistics on the following indices of money stock: (i) M1, or currency in circulation plus deposit money deposited at depository institutions; (ii) M2, or currency in circulation plus deposits deposited at domestically licensed banks, etc.; (iii) M3, or currency in circulation plus deposits deposited at depository institutions; and (iv) L, or M3 plus pecuniary trusts plus investment trusts plus bank debentures plus straight bonds issued by banks plus commercial paper issued by financial institutions plus government securities plus foreign bonds. The average amounts outstanding of money stock in 2019 was 796 trillion yen in M1 and 1,027 trillion yen in M2.

Table 4.5

Money Stock [1] (Average amounts outstanding)

(Billion yen)

Year	M2	M3	M1	Quasi-money	CDs	L (Broadly-defined liquidity)
2015	906,406	1,222,534	616,484	568,831	37,220	1,651,484
2016	936,870	1,257,340	659,804	564,753	32,782	1,685,551
2017	973,993	1,299,628	711,885	556,268	31,475	1,736,635
2018	1,002,453	1,332,498	755,601	546,668	30,229	1,772,777
2019	1,026,994	1,360,262	796,075	535,079	29,107	1,806,364

1) "Money stock" indicates the aggregate amount of money, including currency in circulation and deposit money, held by money holders such as non-financial corporations, individuals, and local governments.

Source: Bank of Japan.

In January 2013, the government and the Bank of Japan decided to strengthen policy coordination in order to overcome deflation and achieve sustainable economic growth with stable prices. In April 2013, the Bank of Japan changed the operating target for money market operations from the uncollateralized overnight call rate to a monetary base to facilitate quantitative easing. The Bank of Japan first introduced Quantitative and Qualitative Monetary Easing (QQE) in April 2013; in January 2016, it decided to introduce "QQE with a Negative Interest Rate". In September 2016, it was decided to introduce "QQE with Yield Curve Control" by strengthening these two policy frameworks, in order to achieve as early as possible the "price stability target" of a 2 percent year-on-year increase in consumer prices.

Japan's monetary base is the amount of currency supplied by the Bank of Japan. It is the combined total of banknotes in circulation, coins in circulation, and current account deposit in the Bank of Japan. It was 529.2 trillion yen as of the end of April 2020, up 2.8 percent from the same month of the previous year, and setting a new record high.

Table 4.6
Financial Markets (Interest rates, etc.)

(% per annum)

End of year	Basic discount rate and basic loan rate	Call rates [1)]	Prime lending rates [2)]	Average contract interest rates on loans and discounts [3)]	10 years' newly issued Govt. bonds yields
2010	0.30	0.079	1.475	1.187	1.120
2011	0.30	0.075	1.475	1.102	0.980
2012	0.30	0.076	1.475	1.034	0.795
2013	0.30	0.068	1.475	0.880	0.740
2014	0.30	0.066	1.475	0.850	0.320
2015	0.30	0.038	1.475	0.778	0.265
2016	0.30	-0.058	1.475	0.623	0.040
2017	0.30	-0.062	1.475	0.584	0.045
2018	0.30	-0.055	1.475	0.597	-0.005
2019	0.30	-0.068	1.475	0.602	-0.025

1) Uncollateralized overnight. 2) Principal banks. Short-term loans.
3) Outstanding loans and bills discounted. Short-term loans and discounts. Figures are those of banking accounts of domestically licensed banks (excluding several banks) that conduct transactions with the Bank of Japan.
Source: Bank of Japan.

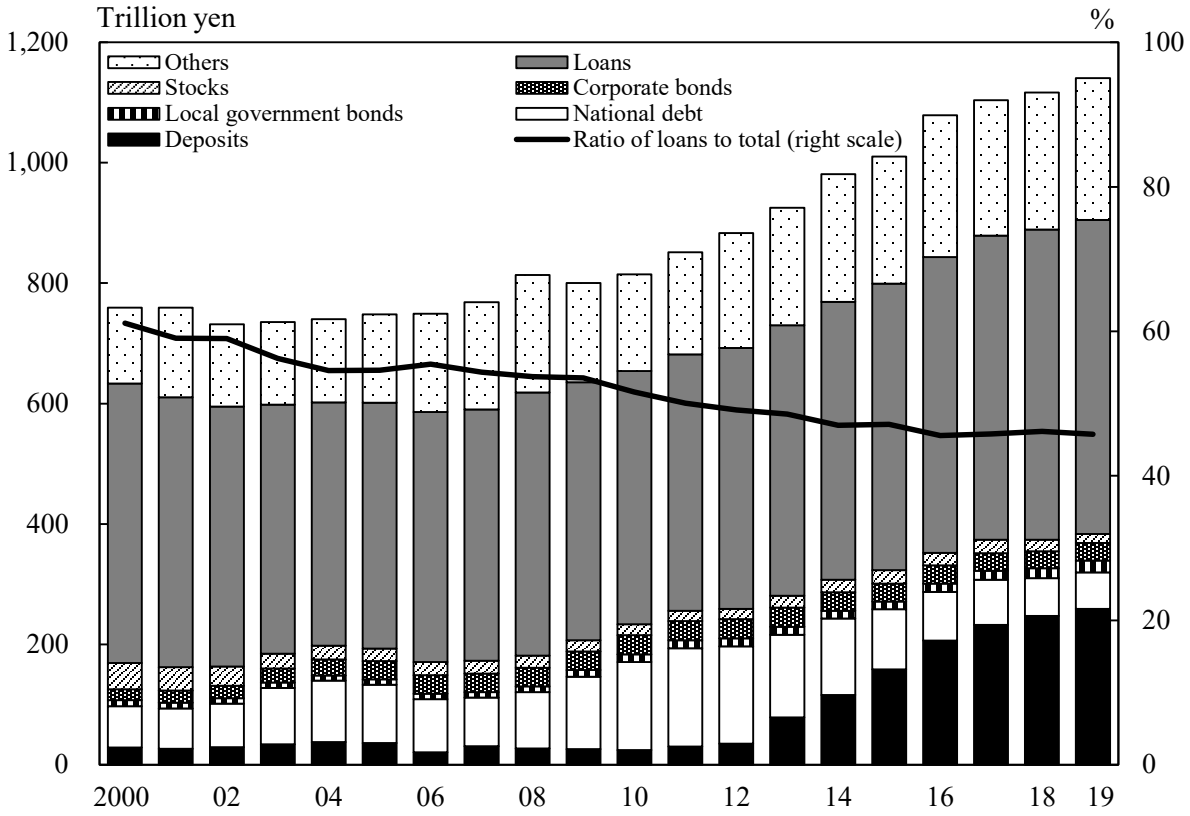
3. Financial Institutions

In addition to the Bank of Japan, Japan's financial system is comprised of private and public financial institutions. Private financial institutions include those that accept deposits (banks, credit depositories, agricultural cooperatives, etc.) and those that do not (securities companies, insurance companies, etc.).

In the course of the financial system reform, mergers and restructuring progressed among major banks, resulting in their being reorganized into three major financial groups. Regional banks and credit depositories operating in their respective regions have been making efforts to expand their operations bases through corporate mergers. As of September 2019, in the number of offices operated domestically, including the branches of financial institutions, post offices had the largest network with 23,930 offices. Domestically licensed banks, including city banks and regional banks, had a combined total of 13,521 offices and branches.

The fundamental role of the bank sector is to adjust the surplus and deficiency of funds. However, the corporate sector has been in a fund surplus throughout the 2019 year, and thus the percentage of loans to bank assets has generally been on a consistent downward trend. The decline in percentage of national debt and the increase in deposits are thought to be a result of the Bank of Japan buying national debt owned by banks due to the abovementioned monetary easing policy.

Figure 4.7
Assets of Domestically Licensed Banks (Banking accounts, end of year)



Source: Bank of Japan.

4. Financial Assets

The Flow of Funds Accounts Statistics, which is a comprehensive set of records of financial transactions, assets and liabilities, indicates that financial assets in the domestic sectors totaled 7,903 trillion yen at the end of March 2019. Of these assets, those of the domestic nonfinancial sector were 3,783 trillion yen. Of this sector, the household sector (including the business funds of individual proprietorships) had assets of 1,855 trillion yen, in the forms of deposits, stocks and other financial assets. In Japan, the household sector holds more than 50 percent of its financial assets in cash and deposits.

Table 4.7
Financial Assets and Liabilities of Japan

(Billion yen)

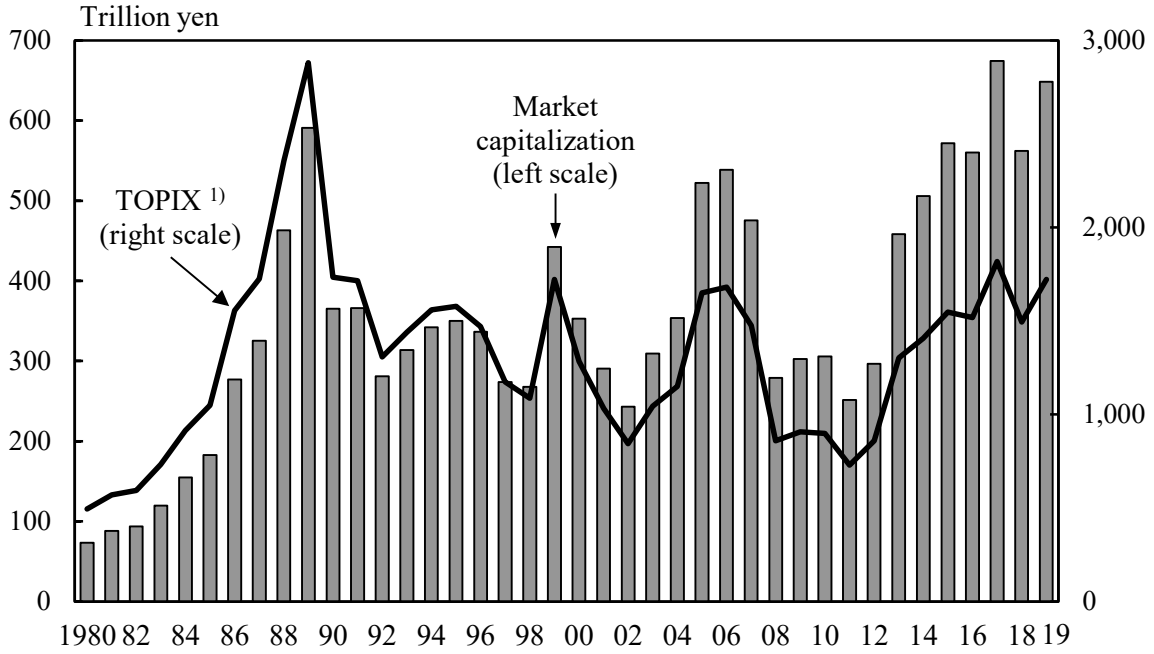
Sectors	March 2018	March 2019	Annual change (%)
Financial assets			
Domestic sectors	7,793,885	7,903,053	1.4
Financial institutions	4,023,315	4,120,106	2.4
Domestic nonfinancial sector	3,770,570	3,782,948	0.3
Nonfinancial corporations	1,259,333	1,244,911	-1.1
General government	607,073	624,195	2.8
Households (incl. individual proprietorships)	1,844,621	1,854,972	0.6
Private nonprofit institutions serving households	59,543	58,870	-1.1
Overseas	666,692	701,370	5.2
Financial liabilities			
Domestic sectors	7,479,904	7,540,988	0.8
Financial institutions	3,892,823	3,963,187	1.8
Domestic nonfinancial sector	3,587,081	3,577,800	-0.3
Nonfinancial corporations	1,949,419	1,906,642	-2.2
General government	1,287,901	1,316,762	2.2
Households (incl. individual proprietorships)	320,039	324,382	1.4
Private nonprofit institutions serving households	29,722	30,014	1.0
Overseas	977,215	1,059,906	8.5

Source: Bank of Japan.

5. Stock Market

Stock prices in Japan rose sharply in the second half of the 1980s, spearheading the bubble economy. However, it started to fall in 1990 ahead of land prices. At the end of 1989, the total market capitalization in the Tokyo Stock Exchange First Section was 591 trillion yen, but only 3 years later, it had dropped by more than 50 percent to 281 trillion yen. Even after recovering to 442 trillion yen at the end of 1999, the stock market repeatedly fell and rose afterwards. The bankruptcy of the major American secrities firm Lehman Brothers in September 2008 led to a fall in total market capitalization, which amounted to 251 trillion yen at the end of 2011. From 2012 to 2019, there was a major upturn due to the effects of various measures including a comprehensive economic policy package called "Abenomics".

Figure 4.8
Stock Price Index and Market Capitalization
(Tokyo Stock Exchange First Section, end of year)



1) A free-float adjusted market capitalization-weighted index that is calculated based on all the domestic common stocks listed on the Tokyo Stock Exchange First Section. It shows the measure of current market capitalization assuming that market capitalization as of the base date (January 4 ,1968) is 100 points.
Source: Tokyo Stock Exchange, Inc.

In 2012, the high yen in Japanese economy was corrected due to

expectations toward anti-deflationary economic and fiscal policies by the new government, and share prices soared. In April 2013, changes in policies of the Bank of Japan were regarded as affecting stocks and markets, and the Nikkei Stock Average at the end of 2013 was 16,291.31 yen, representing an increase of 56.7 percent as compared to that of the end of 2012 (10,395.18 yen) and the first significant gain in 8 years. Afterwards, the Nikkei Stock Average in April 2015 recovered to the 20,000 yen level for the first time in 15 years. The closing value at the end of 2019 was 23,656.62 yen, up 3,641.85 yen, or 18.2 percent for the year, the first rise in 2 years.

Table 4.8
Stock Prices (Tokyo Stock Exchange First Section)

Year		Number of listed companies [1)]	Market capitalization [1)] (million yen)	Total trading value (million yen)	TOPIX [1) 2)] Tokyo stock price index, average	Nikkei Stock Average (225 issues) [1)] (yen)
2000		1,447	352,784,685	242,632,346	1,283.67	13,785.69
2001		1,491	290,668,537	199,844,292	1,032.14	10,542.62
2002		1,495	242,939,136	190,869,955	843.29	8,578.95
2003		1,533	309,290,031	237,905,753	1,043.69	10,676.64
2004		1,595	353,558,256	323,918,214	1,149.63	11,488.76
2005		1,667	522,068,129	459,136,406	1,649.76	16,111.43
2006		1,715	538,629,548	644,308,788	1,681.07	17,225.83
2007		1,727	475,629,039	735,333,528	1,475.68	15,307.78
2008		1,715	278,988,813	568,538,950	859.24	8,859.56
2009		1,684	302,712,168	368,679,737	907.59	10,546.44
2010		1,670	305,693,030	354,598,763	898.80	10,228.92
2011		1,672	251,395,748	341,587,524	728.61	8,455.35
2012		1,695	296,442,945	306,702,280	859.80	10,395.18
2013		1,774	458,484,253	640,193,836	1,302.29	16,291.31
2014		1,858	505,897,342	576,525,070	1,407.51	17,450.77
2015		1,934	571,832,889	696,509,496	1,547.30	19,033.71
2016		2,002	560,246,997	643,205,780	1,518.61	19,114.37
2017		2,062	674,199,186	683,218,254	1,817.56	22,764.94
2018		2,128	562,121,332	740,746,041	1,494.09	20,014.77
2019		2,160	648,224,522	598,213,662	1,721.36	23,656.62
2020	Jan.	2,158	633,726,111	46,059,959	1,684.44	23,205.18
	Feb.	2,160	568,169,555	53,547,232	1,510.87	21,142.96
	Mar.	2,165	530,612,107	84,254,180	1,403.04	18,917.01
	Apr.	2,170	553,960,812	55,216,484	1,464.03	20,193.69

1) End of year or month. 2) A free-float adjusted market capitalization-weighted index that is calculated based on all the domestic common stocks listed on the Tokyo Stock Exchange First Section. It shows the measure of current market capitalization assuming that market capitalization as of the base date (January 4 ,1968) is 100 points.
Source: Tokyo Stock Exchange, Inc.; Nikkei Inc.

At the end of March 2019, the total number of individual stockholders (individuals of Japanese nationality and domestic groups without corporate status) in possession of stocks listed on the Tokyo/Nagoya/Fukuoka/ Sapporo Stock Exchanges totaled 54.7 million. In terms of value, the ratio of stocks they possessed was 17.2 percent, up 0.2 percentage points from the previous fiscal year. The ratio of Japanese stocks held by foreign investors (total of corporations and individuals) was 29.1 percent in terms of value, down 1.2 percentage points from the previous fiscal year.

A survey conducted by the Japan Securities Dealers Association (JSDA) showed that 32.1 percent of 265 securities firms offered Internet trading at the end of September 2019. Internet trading thus accounted for 18.8 percent of the total value of stock brokerage transactions from April to September 2019.

Chapter 5

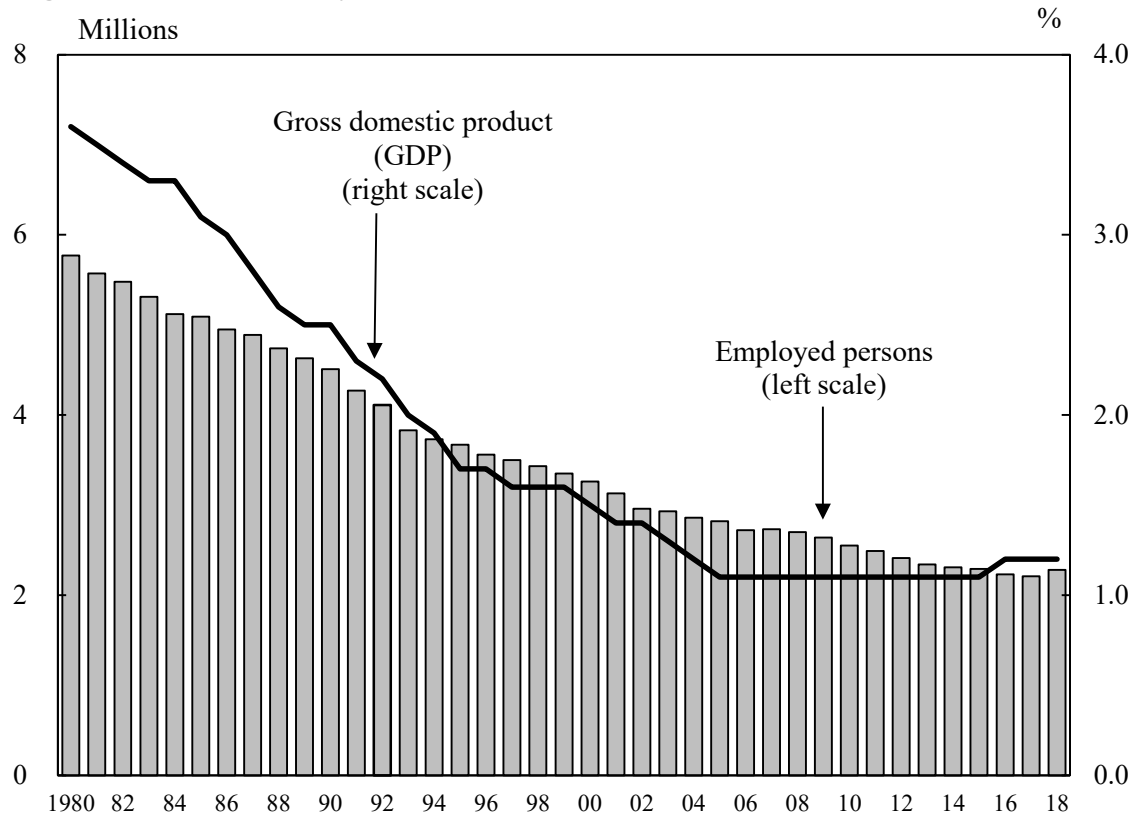
Agriculture, Forestry, and Fisheries

At the Big Catch Prayer Festival held every year on Marine Day in Oma Town, Aomori Prefecture, residents pray for safety on the seas and a bountiful catch, and fishing boats head out to sea in a group flying colorful fishing banners. Offshore, they pray for a big catch by dedicating kagura (sacred Shinto music and dance) to the gods. Fishing boats adorned with colorful fishing banners cutting through the rough waves is a very stirring sight! Maguro (tuna) caught offshore from Oma are called "Oma Maguro". These fish are famous throughout Japan and command high prices.

1. Overview of Agriculture, Forestry, and Fisheries

Over the course of Japan's economic growth, its agricultural, forestry and fishing industries have employed fewer and fewer workers every year, and their nominal GDP share has also dropped. The number of employed persons decreased from 5.77 million in 1980 (10.4 percent of the total employed persons) to 2.28 million in 2018 (3.4 percent), and the GDP share of the industries fell from 3.6 percent in 1980 to 1.2 percent in 2018.

Figure 5.1
Number of Employed Persons [1] **and Percentage of Gross Domestic Product** (Nominal prices) [2] **for Agriculture, Forestry, and Fisheries**



1) 1980-2001 data: The 10th revision of the Japan Standard Industrial Classification (JSIC). 2002-2017 data: The 12th and 13th revisions of JSIC. 2) 1980-1993 data: 1993 SNA, Benchmark year = 2000. 1994-2017 data: 2008 SNA, Benchmark year = 2011.
Source: Statistics Bureau, MIC; Economic and Social Research Institute, Cabinet Office.

2. Agriculture

(1) Agricultural Production

Japan's total agricultural output in 2018 was 9.06 trillion yen, down 2.4 percent from the previous year. Among this, crops yielded 5.78 trillion yen, down 3.0 percent from the previous year. Livestock yielded 3.21 trillion yen, down 1.2 percent from the previous year.

Table 5.1
Total Agricultural Output

(Billion yen)

Item	2014	2015	2016	2017	2018
Total	8,364	8,798	9,203	9,274	9,056
Crops	5,363	5,625	5,980	5,961	5,782
Rice	1,434	1,499	1,655	1,736	1,742
Vegetables	2,242	2,392	2,557	2,451	2,321
Fruits and nuts	763	784	833	845	841
Livestock and its products	2,945	3,118	3,163	3,252	3,213
Beef cattle	594	689	739	731	762
Dairy cattle	805	840	870	896	911
Pigs	633	621	612	649	606
Chickens	853	905	875	903	861

Source: Ministry of Agriculture, Forestry and Fisheries.

Table 5.2
Agricultural Harvest

(Thousand tons)

Products	2014	2015	2016	2017	2018
Cereal grains					
Rice	8,439	7,989	8,044	7,824	7,782
Wheat	852	1,004	791	907	765
Vegetables, sweet potatoes, and beans					
Potatoes	2,456	2,406	2,199	2,395	2,260
Sweet potatoes	887	814	861	807	797
Soybeans	232	243	238	253	211
Cucumbers	549	550	550	560	550
Tomatoes	740	727	743	737	724
Cabbages	1,480	1,469	1,446	1,428	1,467
Chinese cabbages	914	895	889	881	890
Onions	1,169	1,265	1,243	1,228	1,155
Lettuces	578	568	586	583	586
Japanese radishes	1,452	1,434	1,362	1,325	1,328
Carrots	633	633	567	597	575
Fruits					
Mandarins	875	778	805	741	774
Apples	816	812	765	735	756
Grapes	189	181	179	176	175
Japanese pears	271	247	247	245	232
Industrial crops					
Crude tea [1)]	84	80	80	82	86
Sugar beets [2)]	3,567	3,925	3,189	3,901	3,611

1) Production. 2) Area of Hokkaido prefecture.
Source: Ministry of Agriculture, Forestry and Fisheries.

(2) Farmers and Farmland

In 2015, the number of farm households engaged in commercial farming (which refers to households with of cultivated land under management 0.3 hectares and over, or with annual sales of agricultural products amounting to 500,000 yen or more) was 1.33 million. Of these commercial farm households, 33.3 percent were full-time farm households, 12.4 percent were part-time farm households with farming income exceeding non-farming income, and 54.3 percent were part-time farm households with non-farming income exceeding farming income.

Of the commercial farm household members, 2.10 million people were engaged in farming as their principal occupation (commercial farmers) in 2015, 63.5 percent of whom were aged 65 years and over.

Table 5.3
Commercial Farm Households and Commercial Farmers

Year	Commercial farm households (1,000)				Commercial farmers	
	Total	Full-time	Part-time		(1,000)	Aged 65 years and over (%)
			Mainly farming	Mainly other job		
1995	2,651	428	498	1,725	4,140	43.5
2000	2,337	426	350	1,561	3,891	52.9
2005	1,963	443	308	1,212	3,353	58.2
2010	1,631	451	225	955	2,606	61.6
2015	1,330	443	165	722	2,097	63.5

Source: Ministry of Agriculture, Forestry and Fisheries.

In 2018, agricultural gross income per management unit was 6.26 million yen, up 0.4 percent from the previous year. On the other hand, farm expenditures increased 4.4 percent to 4.52 million yen. As a result, agricultural income declined by 8.7 percent to 1.74 million yen.

Japan's cultivated acreage shrank year after year from 6.09 million hectares in 1961 to 4.40 million hectares in 2019. After 1989, the cultivated acreage has continued to decrease due to diversion into residential land, ruined land continuously resulting from devastated land, etc.

3. Forestry

As of 2017, Japan's forest land area is 25.05 million hectares (approximately 70 percent of the entire surface area of the country). Among Japan's forests, natural forests account for 13.48 million hectares, while planted forests, most of which are conifer plantations, make up 10.20 million hectares.

Japan's forest growing stock is 5,242 million cubic meters as of 2017, 3,308 million cubic meters of which are from planted forests. The stock rose mainly with the increase of that from planted forests on deforested sites right after World War II and during the period of rapid economic growth. Such forests are in a period of full-scale use as resources. There is a need to further promote use of domestic timber as lumber in housing, public buildings, etc., and as biomass for energy, for reasons such as effective use of forest resources, proper management and manifestation of the diverse functions of forests, and development of the forestry industry and mountainous areas.

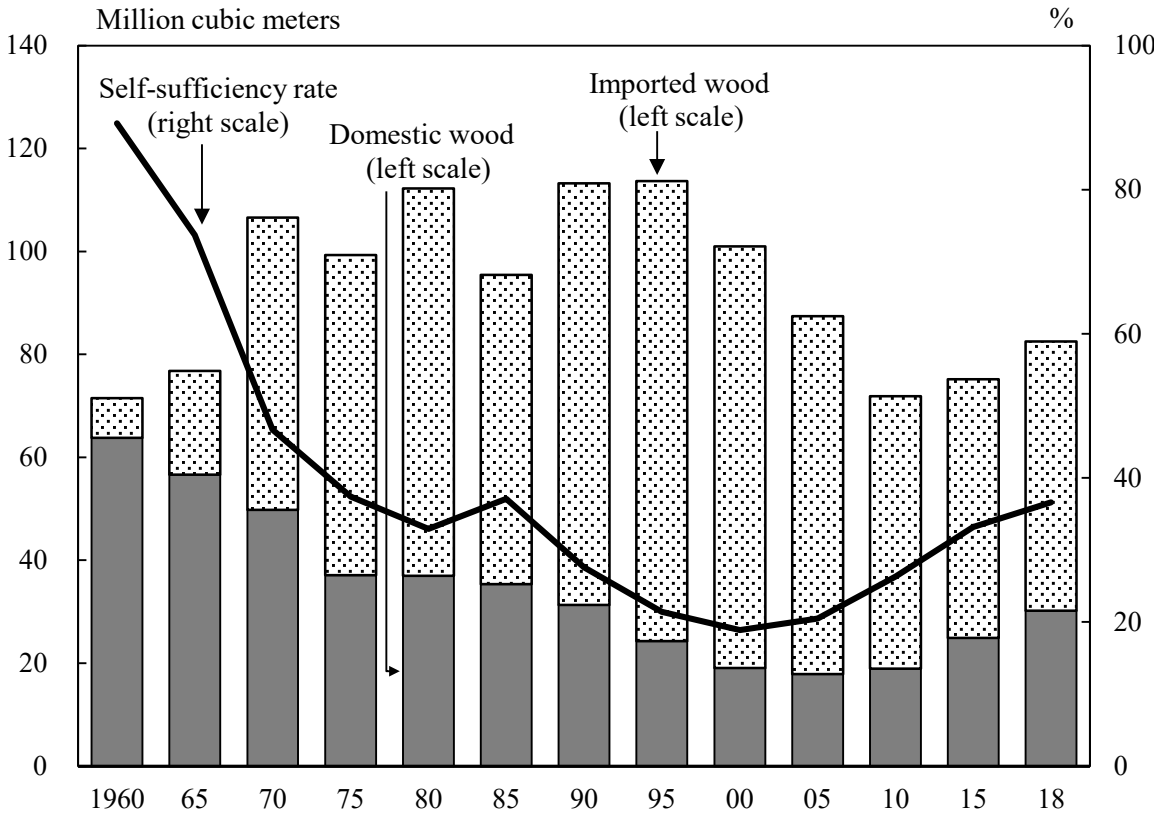
Table 5.4
Forest Land Area and Forest Resources (2017)

Item	Total	National forest	Non-national forest		
			Public	Private	Others
Forest land area (1,000 ha)	25,048	7,659	2,995	14,347	48
Forest growing stock (million m^3) ..	5,242	1,226	616	3,394	6
Planted forest					
Land area (1,000 ha)	10,204	2,288	1,334	6,569	13
Growing stock (million m^3)	3,308	513	397	2,396	3
Natural forest					
Land area (1,000 ha)	13,481	4,733	1,531	7,188	28
Growing stock (million m^3)	1,932	712	218	999	3

Source: Ministry of Agriculture, Forestry and Fisheries.

After reaching a low of 16.9 million cubic meters in 2002, domestic wood supply is on a rising trend, against the background of an enrichment of forest resources, increase in the use of domestic timber such as Japanese cedar for plywood material, increase in use of domestic timber in wood biomass power generation facilities, etc.

Figure 5.2
Wood Supply and Self-Sufficiency Rate [1)]



1) Wood supply refers to the sum of wood for industrial use, fuel wood and wood for mushroom production converted into a log equivalent.
Source: Ministry of Agriculture, Forestry and Fisheries.

Although the number of workers engaged in forestry is declining due to a slowdown in domestic lumber production activities, the pace of decline has slackened in recent years. In 2015, there were 63,663 workers engaged in forestry, approximately one out of five workers was aged 65 and over.

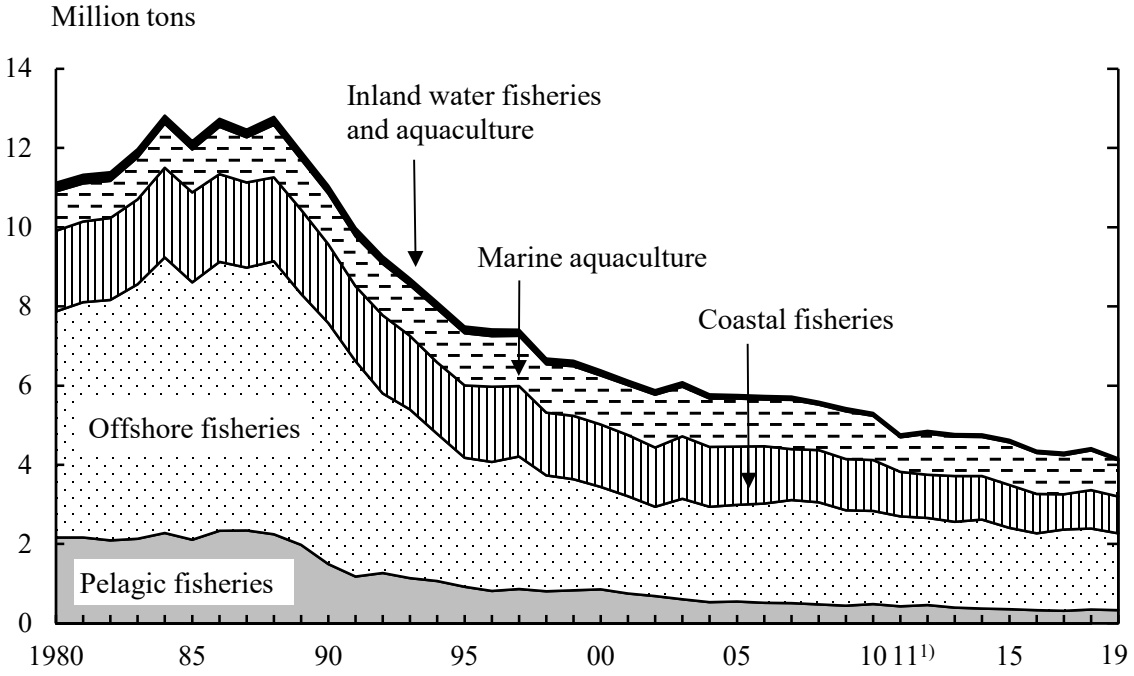
4. Fisheries

(1) Fishery Production

Japan is facing a problem in that its fishery production is in a declining trend over the long term. This is likely due to a variety of factors, such as changes in the marine environment and more intensive operations by foreign fishing boats in waters surrounding Japan. There are thought to be many fishery resources whose decline could have been prevented or mitigated with more appropriate resource management.

After peaking in 1984, Japan's fishery output decreased rapidly until around 1995, and has continued to decrease gradually afterwards. Its 2019 fishery production totaled 4.16 million tons.

Figure 5.3
Production by Type of Fishery



1) Excluding figures lost in Iwate, Miyagi and Fukushima prefectures because of the Great East Japan Earthquake.
Source: Ministry of Agriculture, Forestry and Fisheries.

Table 5.5

Production by Fishery Type and Major Kinds of Fish

(Thousand tons)

Fishery type and species	2015	2016	2017	2018	2019*
Total	4,631	4,359	4,306	4,421	4,163
Marine fishery	3,492	3,264	3,258	3,359	3,197
Tunas	190	168	169	165	163
Skipjack, Frigate mackerel	264	240	227	260	242
Sardine	311	378	500	522	535
Mackerels	530	503	518	542	445
Shellfishes	292	266	284	350	386
Crabs	29	28	26	24	22
Squids	167	110	103	84	75
Marine aquaculture	1,069	1,033	986	1,005	912
Yellowtails	140	141	139	138	136
Oysters	164	159	174	177	162
Laver ("nori")	297	301	304	284	251
Seaweed ("wakame")	49	48	51	51	45
Pearl (tons)	20	20	20	21	19
Inland water fishery	33	28	25	27	# 22
Salmons, trouts	13	8	6	8	# 7
Sweet fish	2	2	2	2	# 2
Shellfishes	13	12	13	13	# 10
Inland water aquaculture	36	35	37	30	31
Eel	20	19	21	15	17
Trouts	8	8	8	7	7
Sweet fish	5	5	5	4	4

Source: Ministry of Agriculture, Forestry and Fisheries.

(2) Fishery Workers

The number of workers in the marine fishery/aquaculture industry (those who engage in work at sea for 30 days or more yearly) has been decreasing constantly. In 2018, the number of such workers was 151,701 workers, down 1.2 percent.

Table 5.6
Enterprises and Workers Engaged in the Marine Fishery/ Aquaculture Industry

Year	Enterprises			Workers		
	Total	Individual households	Corporate entities	Total	Self-employed	Hired
2005	126,020	118,930	7,090	222,170	…	…
2010	103,740	98,300	5,440	202,880	128,270	74,610
2015	85,210	80,570	4,640	166,610	100,520	66,100
2017	78,890	74,470	4,420	153,490	91,950	61,530
2018	79,067	74,526	4,541	151,701	86,943	64,758

Source: Ministry of Agriculture, Forestry and Fisheries.

While the aging of workers and fishing vessels progresses fisheries have been gaining attention as a place for employment, based on the diversification of values regarding work and life, and support is being provided for new fishery workers.

5. Self-Sufficiency in Food

With regard to Japan's food self-sufficiency ratio on a calorie supply basis, although there is a downward trend over the long term, it has been fluctuating at a level of around 40 percent since fiscal 1996. Whereas the ratio was 53 percent in fiscal 1980, it was 37 percent in fiscal 2018. The major reason behind the decrease in the food self-sufficiency ratio is that while declining in consumption of rice, for which demand can be met with domestic production, diversification of the Japanese dietary life has led to increased consumption of livestock products and oils and fats, for which overseas dependence for feed and raw materials is inevitable.

In fiscal 2018, the self-sufficiency ratio per item (on weight basis) was 97 percent for rice, 12 percent for wheat, 7 percent for beans, 77 percent for vegetables, 38 percent for fruits, 51 percent for meat, and 55 percent for seafood. While almost completely self-sufficient in rice, the staple food of its people, Japan rely almost entirely on imports for the supply of wheat and beans.

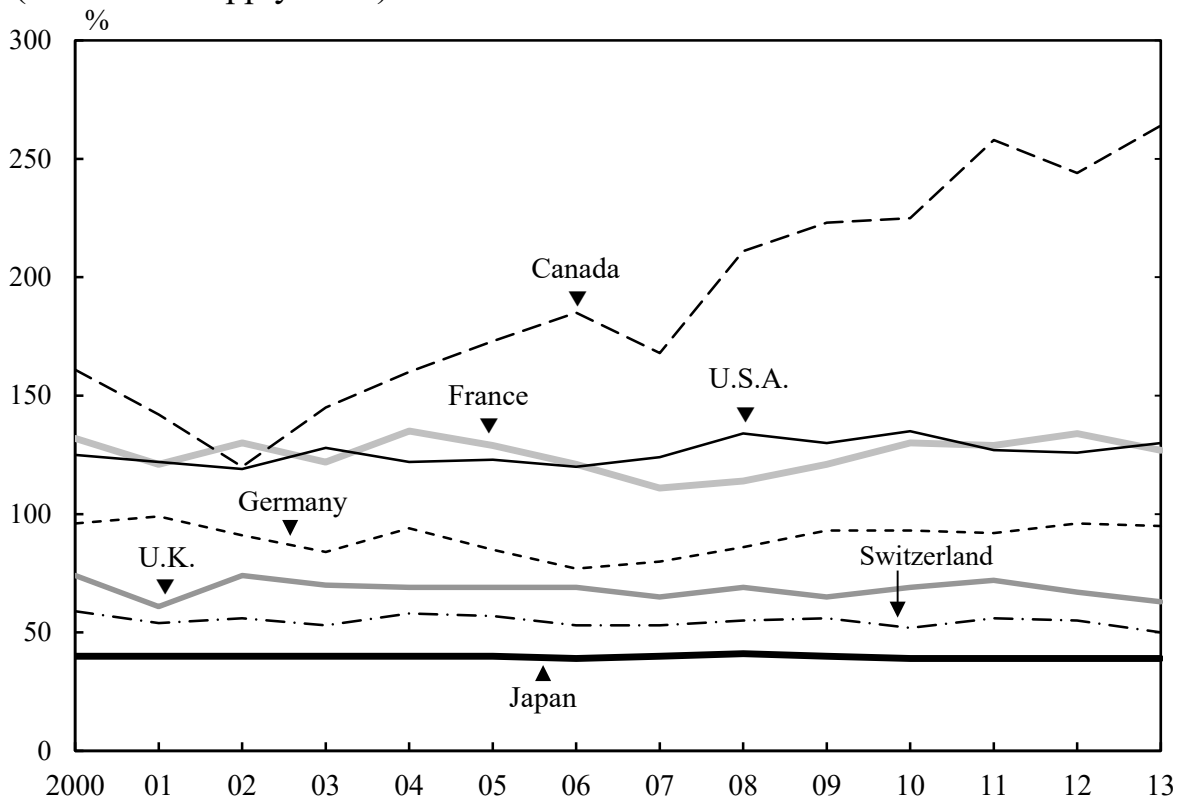
Table 5.7
Domestic Production, Supplies for Domestic Consumption, Food Self-Sufficiency Ratio, and Imports

Fiscal year	Domestic production (1,000 t)	Supplies for domestic consumption (1,000 t)	Food self-sufficiency Ratio (%)	Imports (1,000 t)
Rice				
2000	9,490	9,790	95	879
2005	8,998	9,222	95	978
2010	8,554	9,018	97	831
2015	8,429	8,600	98	834
2018*	8,208	8,446	97	787
Wheat				
2000	688	6,311	11	5,688
2005	875	6,213	14	5,292
2010	571	6,384	9	5,473
2015	1,004	6,583	15	5,660
2018*	765	6,510	12	5,638
Beans				
2000	366	5,425	7	5,165
2005	352	4,790	7	4,482
2010	317	4,035	8	3,748
2015	346	3,789	9	3,511
2018*	280	3,946	7	3,530
Vegetables				
2000	13,704	16,826	81	3,124
2005	12,492	15,849	79	3,367
2010	11,730	14,508	81	2,783
2015	11,856	14,776	80	2,941
2018*	11,306	14,605	77	3,310
Fruits				
2000	3,847	8,691	44	4,843
2005	3,703	9,036	41	5,437
2010	2,960	7,719	38	4,756
2015	2,969	7,263	41	4,351
2018*	2,833	7,430	38	4,661
Meat				
2000	2,982	5,683	52	2,755
2005	3,045	5,649	54	2,703
2010	3,215	5,769	56	2,588
2015	3,268	6,035	54	2,769
2018*	3,366	6,545	51	3,196
Seafood				
2000	5,736	10,812	53	5,883
2005	5,152	10,201	51	5,782
2010	4,782	8,701	55	4,841
2015	4,194	7,663	55	4,263
2018*	3,923	7,157	55	4,049

Source: Ministry of Agriculture, Forestry and Fisheries.

Japan's present food self-sufficiency ratio is the lowest among major industrialized countries, and Japan is thus the world's leading net importer of agricultural products.

Figure 5.4
Trends in Food Self-Sufficiency Ratio of Major Countries [1)]
(On calorie supply basis)



1) Estimates except for Japan.
Source: Ministry of Agriculture, Forestry and Fisheries.

Chapter 6

Manufacturing and Construction

Extending over the Kawasaki coast, the Keihin region is Japan's leading industrial zone. Infrastructure and advanced technology industries are currently concentrated here, including petroleum, steel, electric, machinery, and environmental industries. When night falls, lights for work switch on at the region's densely concentrated factories. These night views have attracted attention as "industrial night scenery".

1. Overview of the Manufacturing Sector

The proportion of added value produced in Japan's manufacturing sector to its nominal GDP has been around 20 percent recently, and the sector has a large ripple effect on other sectors.

In Japan, the bankruptcy of the major American securities firm Lehman Brothers in September 2008 led to a sharp drop in worldwide demand for the mainstays of Japan's manufacturing industries, namely, consumer durables such as automobiles and capital goods such as machine tools. Additionally, in 2011, the Great East Japan Earthquake, the historically high yen, and the slowing global economy contributed to sluggish domestic production. Against such background, the Japanese government announced an economic policy ("Abenomics") in January 2013, resulting in the Japanese economy shifting to a recovery. Afterwards, in April 2014, there were impacts caused by a response to last-minute demand associated with the increase in consumption tax. However, the economy has continued a gradual upward momentum, and improvements in earnings can also be seen in enterprises in the manufacturing industry, which are also linked to an expansion in employment and rise in wages, leading to a "virtuous economic cycle". Against the backdrop of worsening labour shortages in recent years, Japan has faced major structural changes such as strengthening of domestic business sites due to automation and labour-savings achieved through the use of IT and digital technology.

In 2018, there were 188,249 establishments (with 4 or more persons engaged) in the manufacturing sector. By industry, "fabricated metal products" had the most, with 25,543 establishments (component ratio of 13.5 percent), followed by "food" with 24,892 establishments (13.2 percent) and "production machinery" with 18,476 establishments (9.8 percent).

In 2018, there were 7.70 million persons engaged, and by industry, "food" had the most, with 1.14 million persons engaged (component ratio of 14.8 percent), followed by "transportation equipment" with 1.08 million persons engaged (14.1 percent) and "fabricated metal products" with 0.61 million persons engaged (7.9 percent).

The value of manufactured goods shipments in 2017 was 319.0 trillion yen, and by industry, "transportation equipment" had the most at 68.3 trillion yen (component ratio of 21.4 percent), followed by "food" at 29.1 trillion

yen (9.1 percent) and "chemical and related products" at 28.7 trillion yen (9.0 percent).

Table 6.1
Establishments, Persons Engaged, and Value of Manufactured Goods Shipments of the Manufacturing Industry [1)]

Industries	Number of establish-ments (2018)	Number of persons engaged (2018)	Value of manu-factured goods shipments (2017) (billion yen)
Manufacturing	188,249	7,697,321	319,036
Food	24,892	1,138,973	29,056
Beverages, tobacco and feed	3,975	102,129	9,516
Textile products	11,582	251,923	3,762
Lumber and wood products [2)]	5,014	90,819	2,717
Furniture and fixtures	4,907	95,505	1,957
Pulp, paper and paper products	5,519	186,657	7,384
Printing and allied industries	10,245	258,298	5,076
Chemical and allied products	4,610	366,260	28,724
Petroleum and coal products	912	25,573	13,287
Plastic products [3)]	12,302	435,564	12,443
Rubber products	2,325	115,472	3,168
Leather tanning, leather products and fur skins	1,204	21,301	354
Ceramic, stone and clay products	9,343	239,873	7,533
Iron and steel	4,051	220,408	17,556
Non-ferrous metals and products	2,457	140,144	9,762
Fabricated metal products	25,453	606,216	15,199
General-purpose machinery	6,724	327,617	11,780
Production machinery	18,476	610,154	20,521
Business oriented machinery	3,816	206,822	6,927
Electronic parts, devices and electronic circuits	3,975	406,874	15,930
Electrical machinery, equipment and supplies	8,466	485,679	17,259
Information and communication electronics equipment	1,250	128,446	6,707
Transportation equipment	9,884	1,083,760	68,263
Miscellaneous manufacturing industries	6,867	152,854	4,156

1) Establishments with 4 or more persons engaged. 2) Excluding furniture.
3) Excluding plastic furniture, plastic plate making for printing, etc., which are included in other industrial classification.
Source: Ministry of Economy, Trade and Industry.

With regard to the "Indices on Mining and Manufacturing" (2015 average=100), the production index for 2019 was 101.1, down 3.0 percent from the previous year, while shipments stood at 100.2, a decrease of 2.7 percent from the year before.

Table 6.2

Indices on Mining and Manufacturing (2019)

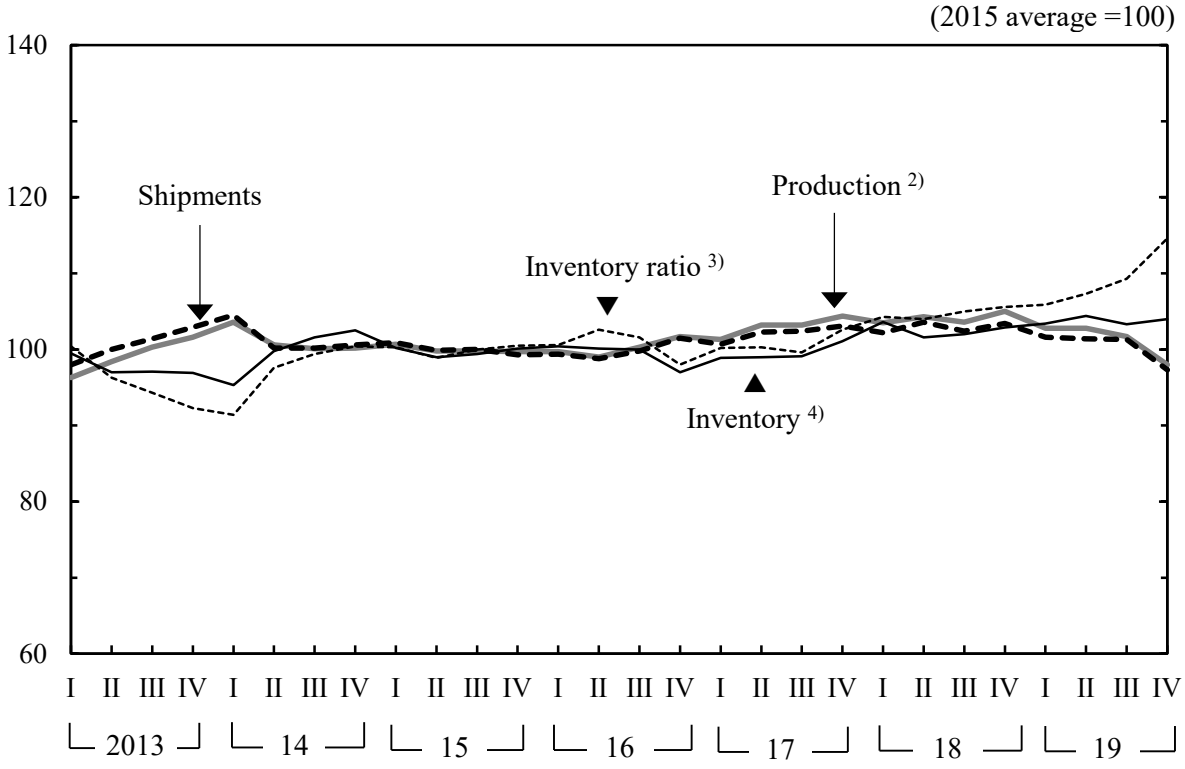
(2015 average =100)

Industries	Production [1]		Shipments		Inventory [2]		Inventory Ratio [3]	
		Annual growth (%)		Annual growth (%)		Annual growth (%)		Annual growth (%)
Mining and manufacturing	101.1	-3.0	100.2	-2.7	101.7	1.2	109.6	4.8
Manufacturing	101.1	-3.0	100.2	-2.7	101.8	1.3	109.6	4.8
Iron, steel and non-ferrous metals	97.5	-5.3	97.7	-5.4	105.2	3.8	110.2	8.3
Iron and steel	96.4	-5.5	96.4	-5.9	105.7	4.2	112.6	8.6
Fabricated metals	97.7	-1.9	98.2	-1.6	99.0	3.1	104.6	3.1
Production machinery	106.3	-8.6	106.7	-9.0	87.9	4.9	95.7	10.8
General-purpose and business oriented machinery	102.4	-5.3	100.8	-6.0	111.5	4.0	119.0	23.4
General-purpose machinery	102.2	-6.4	102.7	-6.4	110.5	0.1	108.2	16.7
Electronic parts and devices	95.0	-11.0	91.9	-7.8	66.3	-11.6	90.2	5.9
Electrical machinery, and information and communication electronics equipment	98.2	-4.0	98.2	-3.8	96.8	-9.4	121.8	0.2
Electrical machinery	101.0	-6.1	99.9	-6.0	101.4	-2.7	122.2	-1.2
Transport equipment	104.8	-0.8	106.9	-0.1	78.8	-6.5	85.1	-3.2
Ceramics, stone and clay products	97.9	-4.2	98.0	-4.3	100.1	1.0	108.1	8.1
Chemicals	106.5	-0.7	103.7	-0.6	122.6	7.3	115.3	11.5
Petroleum and coal products	93.0	-0.5	91.9	-1.3	89.0	-9.6	100.2	-1.6
Plastic products	104.2	-1.4	104.8	-1.2	108.4	3.6	108.4	6.6
Pulp, paper and paper products	98.2	-2.1	95.3	-4.3	102.9	12.1	110.2	6.1
Foods and tobacco	100.6	1.2	98.5	0.0	108.2	0.6	136.5	-9.2
Other manufacturing	93.9	-2.5	93.7	-2.5	103.0	0.3	107.2	4.6
Mining	92.7	-5.1	99.2	-2.5	98.7	-2.4	105.8	0.3
(Reference) Electricity, gas, heat supply and water	99.4	-1.9	99.7	-1.8	-	-	-	-

1) Value added weights. 2) End of the year. 3) Inventory ratio = Inventory quantity / Shipments quantity.

Source: Ministry of Economy, Trade and Industry.

Figure 6.1
Trends in Indices on Mining and Manufacturing [1)]



1) Seasonal adjustment indices. 2) Value added weights. 3) Inventory ratio = Inventory quantity / Shipments quantity. 4) End of the quarter.
Source: Ministry of Economy, Trade and Industry.

2. Principal Industries in the Manufacturing Sector

This section describes the major industries in the manufacturing sector. For each industry, (a) is described by the "Census of Manufacture 2017 (with 4 or more persons engaged)", and (b) is described by the "Indices on Mining and Manufacturing" (2015 average = 100).

(1) Machinery Industry

(A) Transport Equipment Industry

(a) In 2018, a total of 9,884 establishments employed 1,083,760 persons, and shipped 68.3 trillion yen worth of products in 2017.

(b) In 2019, production and shipments decreased by 0.8 percent and 0.1 percent, respectively, from the previous year, representing their first

decrease in four years. These decreases (in both production and shipments) were due to a decrease in "car body and automobile parts", "trucks", etc.

(B) Production Machinery Industry

(a) In 2018, a total of 18,476 establishments employed 610,154 persons, and shipped 20.5 trillion yen worth of products in 2017.

(b) In 2019, production and shipments decreased by 8.6 percent and 9.0 percent, respectively, from the previous year, representing their first decrease in three years. These decreases (in both production and shipments) were due to a decrease in "semiconductor and flat-panel display manufacturing equipment", "metal forming machinery", etc.

(C) Electrical Machinery Industry

(a) In 2018, a total of 8,466 establishments employed 485,679 persons, and shipped 17.3 trillion yen worth of products in 2017.

(b) In 2019, production and shipments decreased by 6.1 percent and 6.0 percent, respectively, from the previous year, representing their first decrease in four years. These decreases (in both production and shipments) were due to a decrease in "switching devices", "electrical rotating machinery", etc.

(D) Electronic Parts and Devices Industry

(a) In 2018, a total of 3,975 establishments employed 406,874 persons, and shipped 15.9 trillion yen worth of products in 2017.

(b) In 2019, production and shipments decreased by 11.1 percent and 7.8 percent, respectively, from the previous year, representing their first decrease in three years. These decreases (in both production and shipments) were due to a decrease in "integrated circuits", "electronic devices", etc.

(E) General-Purpose Machinery Industry

(a) In 2018, a total of 6,724 establishments employed 327,617 persons, and shipped 11.8 trillion yen worth of products in 2017.

(b) In 2019, production and shipments both decreased by 6.4 percent from the previous year, representing their first decrease in three years. These decreases (in both production and shipments) were due to a decrease in "parts of general-purpose machinery", "pumps and compressors", etc.

(2) Foods and Tobacco Industry

(a) In 2018, a total of 24,892 establishments employed 1,138,973 persons, and shipped 29.1 trillion yen worth of products in 2017.

(b) In 2019, production increased by 1.2 percent, and shipments were on the same level, compared to the previous year. This marked the first increase in production in three years. The increase in production was due to an increase in "alcoholic beverages", "bakery and confectionery", etc.

(3) Chemical Industry

(a) In 2018, a total of 4,610 establishments employed 366,260 persons, and shipped 28.7 trillion yen worth of products in 2017.

(b) In 2019, production and shipments decreased by 0.7 percent and 0.6 percent, respectively, from the previous year. This marked the first decrease in five years in production, and the second consecutive year of decrease in shipments. The decrease in production was due to a decrease in "cosmetics" and "plastic", etc. The decrease in shipments was due to a decrease in "plastic", "cyclic intermediate", etc.

(4) Iron and Steel Industry

(a) In 2018, a total of 4,051 establishments employed 220,408 persons, and shipped 17.6 trillion yen worth of products in 2017.

(b) In 2019, production and shipments decreased by 5.5 percent and 5.9 percent, respectively, from the previous year, representing their first

decrease in three years. The decrease in production was due to a decrease in "hot rolled steel", "iron and steel crude products", etc. The decrease in shipments was due to a decrease in "hot rolled steel", "cold finished steel", etc.

(5) Fabricated Metals Industry

(a) In 2018, a total of 25,453 establishments employed 606,216 persons, and shipped 15.2 trillion yen worth of products in 2017.

(b) In 2019, production and shipments decreased by 1.9 percent and 1.6 percent, respectively, from the previous year, representing their first decrease in three years. The decrease in production was due to a decrease in "cans", "sintered products", etc. The decrease in shipments was due to a decrease in "cans", "metal products of building", etc.

3. Construction

The construction industry is indispensable in supporting the development of social capital, and fulfills a large role in building a vibrant future for Japan, such as through urban regeneration and regional revitalization. It also plays an extremely important role as a local guardian in disaster recovery, disaster prevention/reduction, deterioration countermeasures, maintenance, etc.

Construction investments at nominal prices was on a declining trend after reaching a peak of 84 trillion yen in fiscal 1992, and fell to half of this peak (42 trillion yen) in fiscal 2010. Since then, they have been on a recovery trend due to such factors as the recovery from the Great East Japan Earthquake.

Construction investments in fiscal 2018 amounted to 60.9 trillion yen at nominal prices, up 0.3 percent compared to the previous fiscal year; they totaled 54.6 trillion yen at constant fiscal 2011 prices, down 2.8 percent from the previous fiscal year.

A breakdown of construction investment (nominal prices) shows that building construction totaled 40.5 trillion yen (up 0.7 percent from the previous fiscal year), while civil engineering works amounted to 20.4 trillion yen (down 0.3 percent).

In terms of public and private construction investment (nominal prices) in fiscal 2018, public investment amounted to 20.7 trillion yen (down 2.6 percent from the previous fiscal year), while private investment totaled 40.2 trillion yen (up 1.9 percent). Public investment accounted for 34.0 percent of total construction investment, while private investment accounted for 66.0 percent.

Table 6.3
Construction Investment (Nominal prices)

(Billion yen)

Item	FY2015	FY2016	FY2017*	FY2018*
Total	56,647	58,740	60,680	60,880
Building construction	37,092	38,306	40,220	40,490
Dwellings	16,481	17,221	17,450	17,470
Public sector	790	758	610	550
Private sector	15,691	16,463	16,840	16,920
Non-dwellings	13,082	13,722	15,160	15,500
Public sector	3,491	3,480	3,730	3,730
Private sector	9,592	10,243	11,430	11,770
Extension and renovation	7,528	7,363	7,610	7,520
Public sector	1,328	1,343	1,320	1,340
Private sector	6,200	6,020	6,290	6,180
Civil engineering works	19,555	20,434	20,460	20,390
Public sector	14,596	15,405	15,600	15,080
Private sector	4,959	5,029	4,860	5,310
Total				
Public investment	20,205	20,986	21,260	20,700
Private investment	36,442	37,754	39,420	40,180
Building construction				
Public investment	5,609	5,581	5,660	5,620
Private investment	31,483	32,725	34,560	34,870
Civil engineering works				
Public investment	14,596	15,405	15,600	15,080
Private investment	4,959	5,029	4,860	5,310

Source: Ministry of Land, Infrastructure, Transport and Tourism.

The number of new construction starts of dwellings (in the case of apartment buildings, the number of apartment units was counted) in 2019 was 0.90 million housing units (down 4.0 percent from the previous year), representing a decrease for the third consecutive year. When compared according to owner-occupant relations, the number of owned housing units and the number of housing units built for sale increased; however, this was because the number of housing units for rent decreased.

The floor space (public and private) of the entire building whose construction started in 2019 was 127.56 million square meters, down 2.7 percent compared to the previous year.

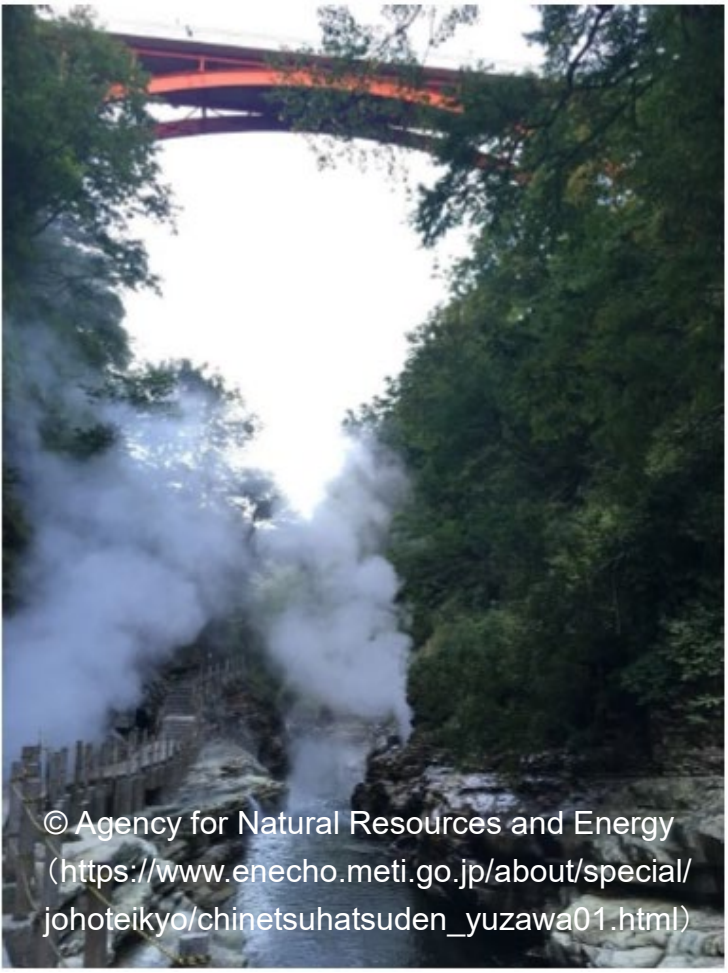
Table 6.4
Building Construction Started by Types of Investor, Dwellings and Industries, and Structure

Types	Floor space (1,000 m^2)		Construction cost (billion yen)	
	2018	2019	2018	2019
Total	131,149	127,555	26,718	27,281
Investor				
Public	6,253	5,938	1,916	1,977
Private	124,896	121,617	24,801	25,304
Dwellings and Industries				
Dwelling	78,718	78,868	15,265	15,930
Non-dwelling	52,432	48,687	11,453	11,351
Structure				
Wooden	55,456	55,718	9,349	9,479
Non-wooden	75,693	71,837	17,369	17,802

Source: Ministry of Land, Infrastructure, Transport and Tourism.

Chapter 7

Energy



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（https://www.enecho.meti.go.jp/about/special/johoteikyo/chinetsuhatsuden_yuzawa01.html）

With geothermal power, electricity is produced using geothermal energy lying latent underground. This is a highly-stable, domestically-produced form of energy with almost zero carbon emissions, no fuel costs, and no variation due to factors like the weather.
In Yuzawa City, Akita Prefecture, there are vestiges of an ancient volcanic eruption, and even today, this area has plentiful reserves of geothermal energy available underground. The abundance of this energy is also evident in the area's hot spring spas and other tourist destinations.

1. Supply and Demand

Japan is dependent on imports for 88.2 percent of its energy supply. Since experiencing the two oil crises of the 1970s, Japan has taken measures to promote energy conservation, introduce alternatives to petroleum such as nuclear power, natural gas, coal, etc., and secure a stable supply of petroleum through stockpiling and other measures. As a result, its dependence on petroleum declined from 75.5 percent in fiscal 1973 to 40.3 percent in fiscal 2010. However, since the Great East Japan Earthquake, the percentage of fossil fuels has been increasing, as a substitute for nuclear power as fuel for power generation. The level of dependence on petroleum, which had been on a declining trend, increased to 44.5 percent in fiscal 2012. However, it is once again on a declining trend as the switch to LNG power and renewable energy progresses.

In fiscal 2018, the domestic supply of primary energy in Japan was 19,728 petajoules, down 1.8 percent from the previous fiscal year. Its breakdown was: 37.6 percent in petroleum, 25.1 percent in coal, 22.9 percent in natural gas and city gas, 3.5 percent in hydro power, and 2.8 percent in nuclear power. Other sources were also used, including energy from waste, geothermal, and natural energy (photovoltaic, wind power, biomass energy, etc.).

Energy units

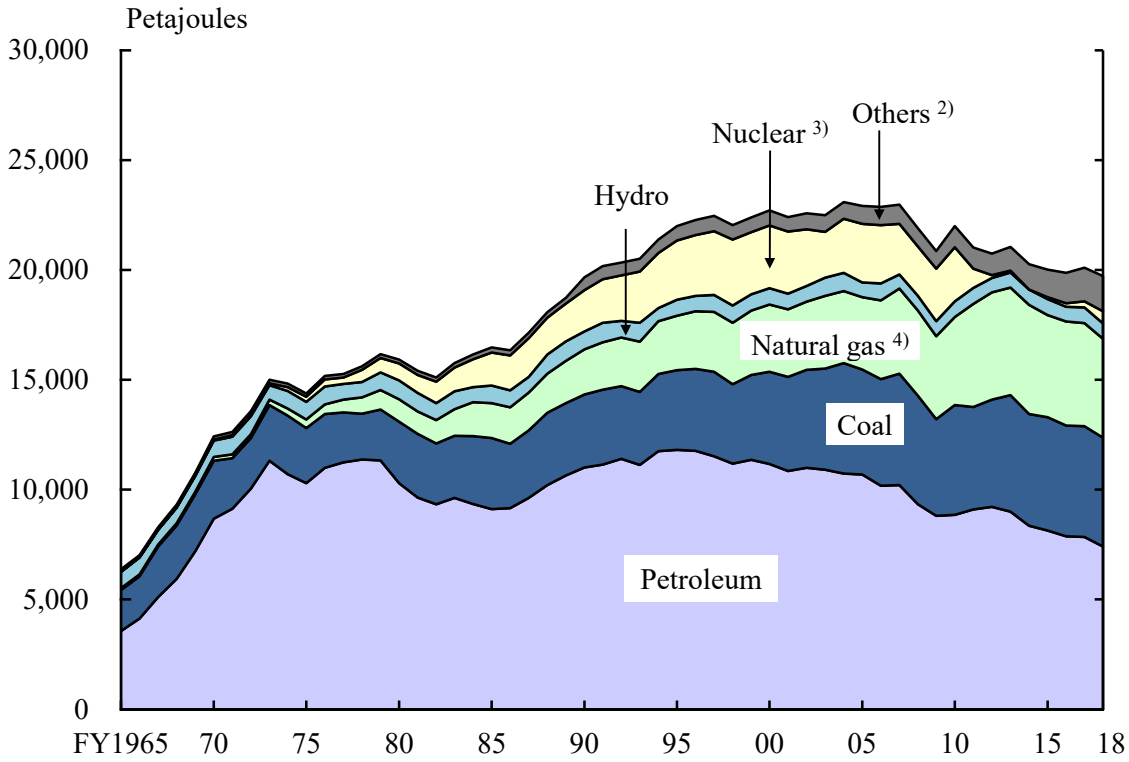
Joule (J) is employed as a common unit (International System of Units: SI) for energy across all energy sources in presenting international statistical information. The unit Petajoule (PJ: 10^{15} or quadrillion joules), etc. is used here to reduce the number of digits. The energy of one kiloliter of petroleum is calculated using the following formulae:

1 kiloliter of petroleum = 3.87×10^{10} joules
1 gigajoule = 10^{9} joules
1 petajoule = 10^{15} joules
1 exajoule = 10^{18} joules

Petroleum is traded internationally using the volume unit of barrels. One barrel equals approximately 158.987 liters.

The government has been working to construct a new energy supply-demand structure oriented toward stable supply of energy and lowering energy costs. In this process, energy-saving and renewable energy that takes global warming into consideration has been introduced, and aims are being made toward reducing dependency on nuclear power.

Figure 7.1
Domestic Supply of Primary Energy by Energy Source [1)]



1) A different statistical method was used for the figures since FY1990. 2) Photovoltaic, wind power, geothermal energy, etc. 3) In fiscal 2014, the domestic supply of nuclear energy was zero due to the suspended operation of all nuclear power plants in Japan. 4) Natural gas and city gas.
Source: Ministry of Economy, Trade and Industry.

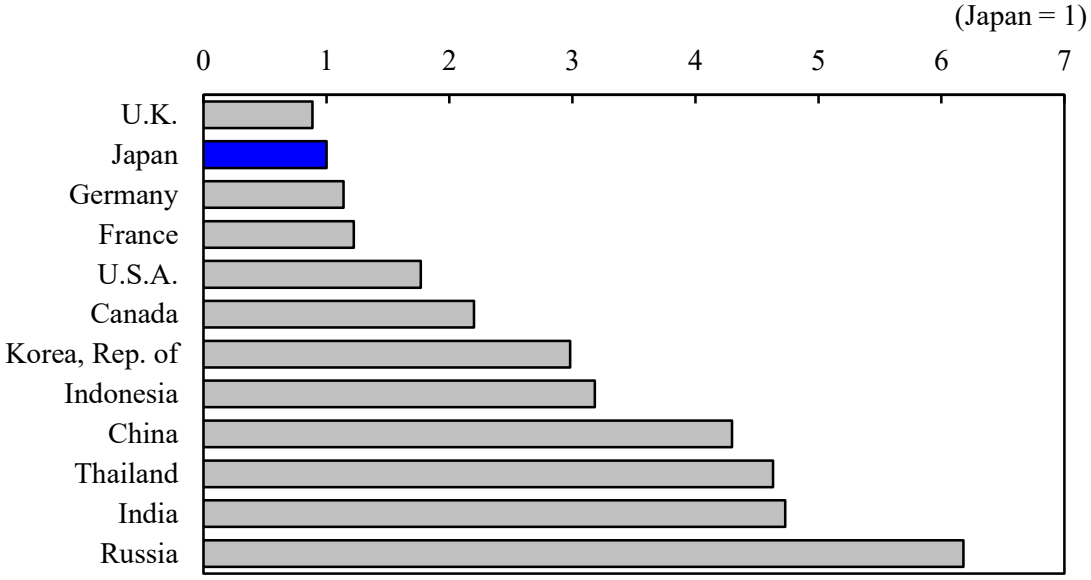
Table 7.1
Trends in Domestic Supply of Primary Energy and Percentage by Energy Source

(Petajoules)

Item	FY2005	FY2010	FY2015	FY2017	FY2018
Domestic supply of primary energy ..	22,906	21,995	20,019	20,099	19,728
Energy self-sufficiency (%) [1]	19.6	20.3	7.4	9.5	11.8
Petroleum	10,691	8,858	8,138	7,842	7,415
Coal	4,782	4,997	5,154	5,043	4,947
Natural gas and city gas	3,291	3,995	4,657	4,696	4,510
Hydro	671	716	726	714	690
Nuclear	2,660	2,462	79	281	553
Others [2]	809	967	1,266	1,523	1,613
Percentage					
Petroleum	46.7	40.3	40.6	39.0	37.6
Coal	20.9	22.7	25.7	25.1	25.1
Natural gas and city gas	14.4	18.2	23.3	23.4	22.9
Hydro	2.9	3.3	3.6	3.6	3.5
Nuclear	11.6	11.2	0.4	1.4	2.8
Others [2]	3.5	4.4	6.3	7.6	8.2

1) Domestic production of primary energy (including nuclear) / Domestic supply of primary energy × 100. 2) Photovoltaic, wind power, geothermal energy, etc.
Source: Ministry of Economy, Trade and Industry.

Figure 7.2
International Comparison of Energy/GDP Ratio [1] (2017)

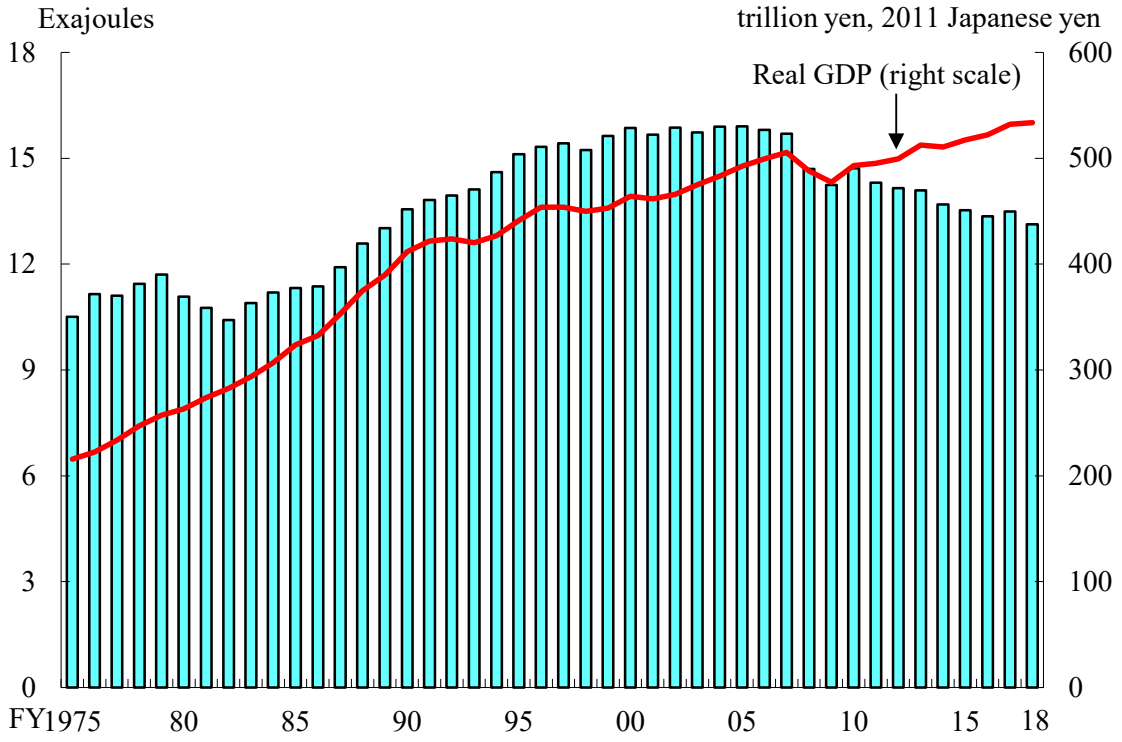


1) Primary energy consumption (tons of oil equivalent) / Real GDP (2010 U.S. dollars).
Source: Ministry of Economy, Trade and Industry.

Energy consumption per GDP is lower in Japan than in other industrialized countries. This indicates that Japan is one of the most energy-efficient countries in the world.

Energy consumption in Japan was suppressed due to greater energy conservation brought on by two oil shocks in the 1970s. After that, consumption increased until the 1990s due to a decrease in crude oil prices. However, in the 2000s, as crude oil prices rose again, final energy consumption peaked in fiscal 2005, and then started decreasing. In fiscal 2018, real GDP was higher than in fiscal 2017, but final energy consumption decreased for the first time in 2 years.

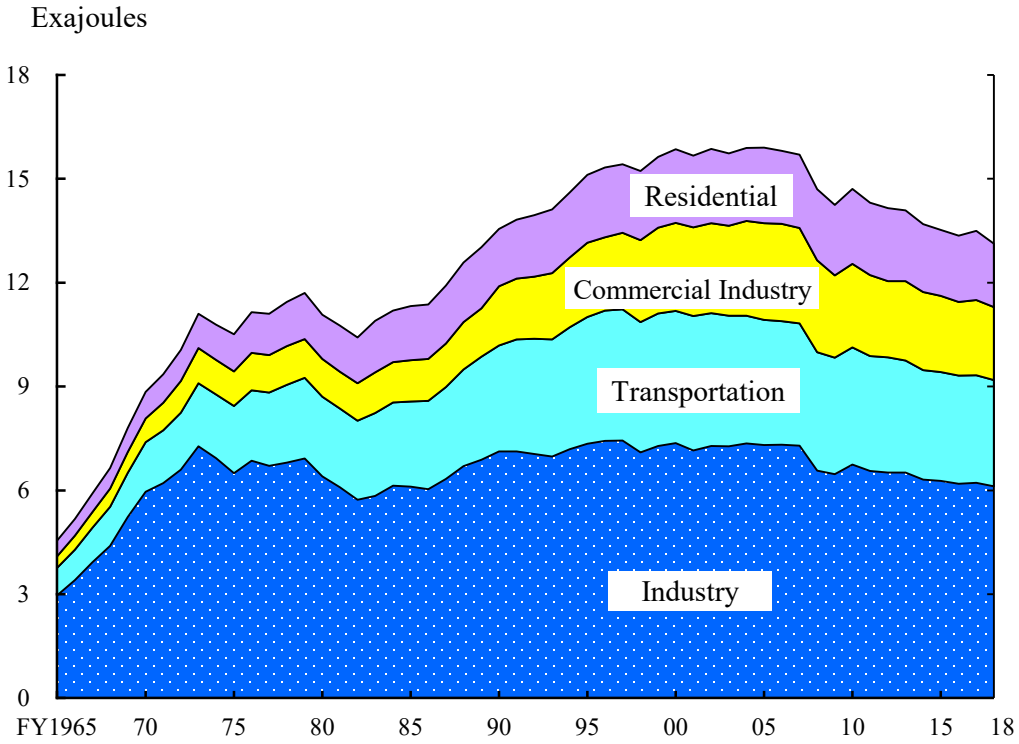
Figure 7.3
Trends in Final Energy Consumption and Real GDP 1)



1) A different statistical method was used for the figures since FY1990.
Source: Cabinet Office; Ministry of Economy, Trade and Industry.

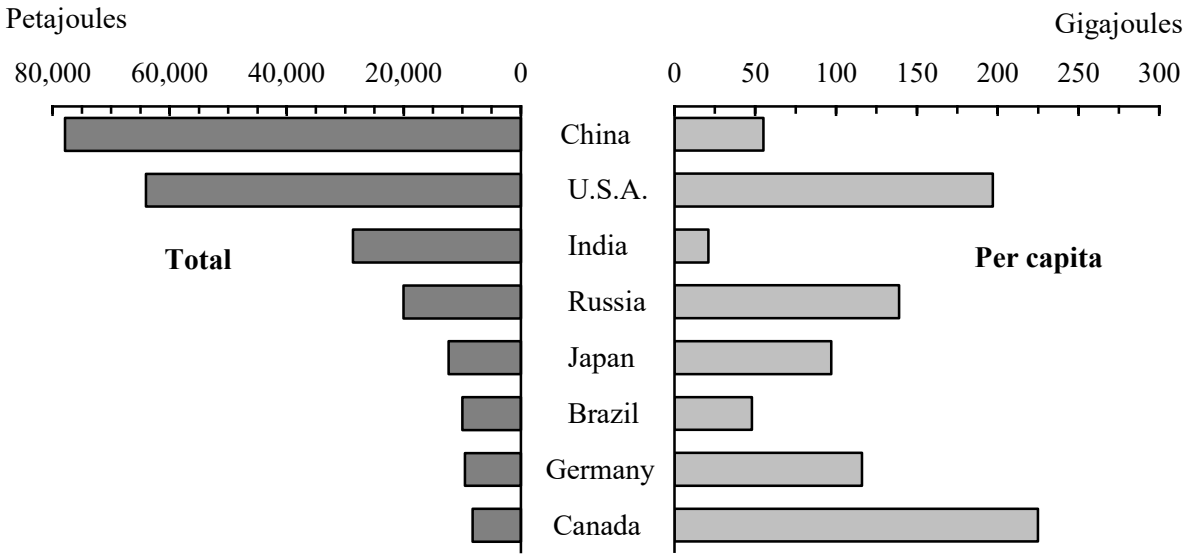
Final energy consumption in fiscal 2018 decreased 2.7 percent from the previous fiscal year, and even by sector, it has decreased in the industry sector, commercial industry sector, residential sector, and transportation sector.

Figure 7.4
Trends in Final Energy Consumption by Sector [1)]



1) A different statistical method was used for the figures since FY1990.
Source: Ministry of Economy, Trade and Industry.

Figure 7.5
Final Energy Consumption by Country (2017)



Source: United Nations.

2. Electric Power

Approximately half of Japan's primary energy supply of petroleum, coal and other energy sources is converted into electric power.

Electricity output (including in-house power generation) in Japan totaled 1,000 billion kWh in fiscal 2018, down 0.7 percent from the previous fiscal year. Of this total, thermal power accounted for 82.3 percent; hydro power, 8.7 percent; nuclear power, 6.2 percent.

Table 7.2
Trends in Electricity Output and Power Consumption [1)]

(Million kWh)

Item	FY2005	FY2010	FY2015	FY2017	FY2018
Electricity Output					
Total	1,157,926	1,156,888	1,024,179	1,007,341	1,000,409
Thermal	761,841	771,306	908,779	861,435	823,589
Hydro	86,350	90,681	91,383	90,128	87,398
Nuclear	304,755	288,230	9,437	31,278	62,109
Others [2)]	4,980	6,671	14,580	24,500	27,313
Percentage					
Total	100.0	100.0	100.0	100.0	100.0
Thermal	65.8	66.7	88.7	85.5	82.3
Hydro	7.5	7.8	8.9	8.9	8.7
Nuclear	26.3	24.9	0.9	3.1	6.2
Others [2)]	0.4	0.6	1.4	2.4	2.7
Electricity Power Consumption [3)]					
Total	1,043,800	1,056,441	955,345	984,335	973,376
Generated by electric power suppliers	918,265	931,059	841,542	914,374	896,199
Consumption of in-house generation	125,535	125,382	113,803	69,960	77,177

1) Including in-house generation. 2) Photovoltaic, wind power, geothermal energy, etc.
3) Changes were made to the categorization of Electricity Suppliers since FY2016.
Source: Ministry of Economy, Trade and Industry.

3. Gas

Gas production was 1,688 petajoules in fiscal 2018, down 2.6 percent from the previous fiscal year. Of this total, natural gas plus vaporized liquefied natural gas accounted for 96.5 percent; and the remaining 3.5 percent was made up of petroleum gases, such as vaporized liquefied petroleum gas and other petroleum-based gas. Gas purchases for fiscal 2018 totaled 578 petajoules.

Gas sales for fiscal 2018 totaled 1,740 petajoules, or a year-on-year drop of 2.0 percent. Of this total, 59.0 percent was sold to industry, 22.2 percent to residential use, and 10.2 percent to the commercial sector.

Table 7.3
Trends in Production and Purchases, and Sales of Gas [1) 2)]

(Petajoules)

Item	FY2010		FY2015		FY2017		FY2018	
Production and purchases [3)]	1,547		1,610		2,308		2,267	
Production	1,288	(100.0)	1,372	(100.0)	1,734	(100.0)	1,688	(100.0)
Petroleum gases [4)]	46	(3.6)	48	(3.5)	58	(3.3)	59	(3.5)
Natural gas and vaporized liquefied natural gas [5)]	1,241	(96.4)	1,324	(96.5)	1,676	(96.7)	1,629	(96.5)
Others	…	(…)	…	(…)	…	(…)	…	(…)
Purchases	259	(100.0)	238	(100.0)	575	(100.0)	578	(100.0)
Petroleum gases [6)]	6	(2.4)	3	(1.1)	…	(…)	…	(…)
Natural gas and vaporized liquefied natural gas	253	(97.6)	236	(98.9)	571	(99.5)	575	(99.4)
Others	0	(0.0)	0	(0.0)	0	(0.0)	0	(0.0)
Sales	1,477	(100.0)	1,526	(100.0)	1,776	(100.0)	1,740	(100.0)
Residential	410	(27.7)	387	(25.3)	413	(23.3)	387	(22.2)
Commercial	198	(13.4)	177	(11.6)	183	(10.3)	178	(10.2)
Industrial	738	(50.0)	842	(55.2)	1,025	(57.7)	1,027	(59.0)
Others	131	(8.9)	120	(7.9)	155	(8.7)	148	(8.5)

1) Figures in parentheses indicate a percentage. 2) A different statistical method was used for the figures since FY2017. 3) Since there are some concealed sources, the breakdown totals may not match the overall totals. 4) Figures up until FY2016 are a total of volatile oil gas, liquefied petroleum gas, and other petroleum-based gas. Starting FY2017, figures are a total of vaporized liquefied petroleum gas and other petroleum-based gas. 5) Figures up until FY2016 are a total of natural gas and liquefied natural gas. 6) Vaporized liquefied petroleum gas, other petroleum-based gas.

Source: Ministry of Economy, Trade and Industry.

Chapter 8

Science and Technology/ Information and Communication

Woman taking a selfie with a smartphone.
According to the "Communications Usage Trend Survey" in 2019, the individual ownership rate of smartphones was 67.6%. By age group, this rate exceeded 80 percent in each age group between 13 and 59 years old.

1. Science and Technology

(1) Researchers and R&D Expenditures

Japan's expenditures for the research and development (R&D) of science and technology are at a top level among major countries, and support the technology-based nation of Japan. Researchers in the fields of science and technology (including social sciences and humanities) as of the end of March 2019 totaled 874,800. The total R&D expenditures in fiscal 2018 amounted to 19.5 trillion yen, an increase of 2.5 percent from the previous fiscal year. Relative to GDP, R&D expenditures was 3.56 percent and has increased for 2 consecutive years.

Table 8.1
Trends in Researchers and Expenditures on R&D

Year [1]	Number of Researchers [2]	Females (%)	Fiscal year	R&D expenditures (billion yen)	GDP (billion yen)	Ratio of R&D expenditures to GDP (%)
2010	840,300	13.6	2009	17,246	491,957	3.51
2011	842,900	13.8	2010	17,110	499,429	3.43
2012	844,400	14.0	2011	17,379	494,043	3.52
2013	835,700	14.4	2012	17,325	494,370	3.50
2014	841,600	14.6	2013	18,134	507,255	3.57
2015	866,900	14.7	2014	18,971	518,235	3.66
2016	847,100	15.3	2015	18,939	532,786	3.55
2017	853,700	15.7	2016	18,433	536,851	3.43
2018	867,000	16.2	2017	19,050	547,586	3.48
2019	874,800	16.6	2018	19,526	548,367	3.56

1) As of the end of March. 2) Business enterprises, non-profit institutions and public organizations: Prorated by the percentage of time that researchers are actually engaged in R&D activities. Universities and colleges: headcount.

Source: Statistics Bureau, MIC.

As of the end of March 2019, the number of researchers amounted to 504,700 persons in business enterprises, 38,600 persons in non-profit institutions and public organizations, and 331,400 persons in universities and colleges. In terms of R&D expenditures in fiscal 2018, business enterprises spent 14.2 trillion yen (72.9 percent of total R&D expenditures), non-profit institutions and public organizations spent 1.6 trillion yen (8.3 percent), and universities and colleges spent 3.7 trillion yen (18.8 percent).

Universities and colleges spent more than 90 percent of their R&D expenditure on natural sciences and engineering for basic research and applied research, while business enterprises allocated over 70 percent for development purposes.

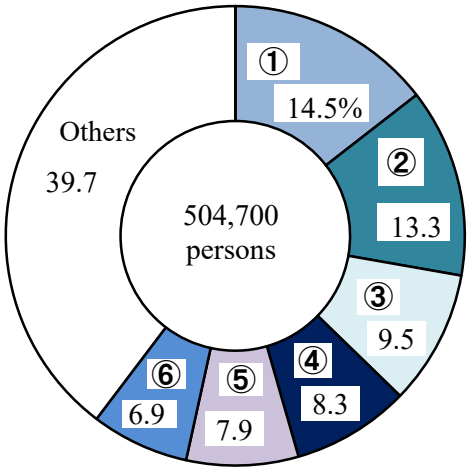
With regard to the portion in the R&D expenditures in fiscal 2018 by specific objective, 3.1 trillion yen went to the life sciences field (16.0 percent of total R&D expenditures), 2.5 trillion yen (12.6 percent) to the information technology field, 1.2 trillion yen (6.3 percent) to the environmental science and technology field and 1.6 trillion yen (5.4 percent) to the energy field, etc.

Approximately 90 percent of the 504,700 researchers at business enterprises at the end of March 2019, or 441,500 persons, were in the manufacturing industries; the largest number was in the motor vehicles, parts and accessories industry, followed by the information and communication electronics equipment industry, then by the business oriented machinery industry.

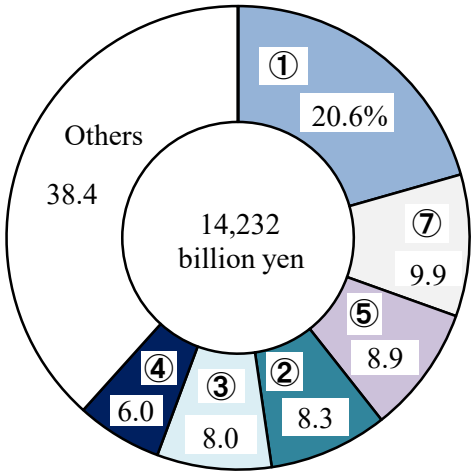
In terms of R&D expenditures in fiscal 2018, of 14.2 trillion yen spent by business enterprises, 12.3 trillion yen was spent by manufacturing industries. The motor vehicles, parts and accessories industry spent the most, followed by the medicines industry, then by the electrical machinery, equipment and supplies industry.

Figure 8.1
Researchers and Expenditures by Industry (Business enterprises)

Researchers (as of end-March 2019)



Expenditures (FY2018)



① Motor vehicles, parts and accessories ② Information and communication electronics equipment
③ Business oriented machinery ④ Electronic parts, devices and electronic circuits
⑤ Electrical machinery, equipment and supplies ⑥ Chemical products ⑦ Medicines
Source: Statistics Bureau, MIC.

(2) Technology Balance of Payments (Technology Trade)

Technology trade is defined as the export or import of technology by business enterprises with other countries, such as patents, expertise, and technical guidance. In fiscal 2018, Japan earned 3,871.1 billion yen from technology exports, which was down 0.3 percent from the previous fiscal year. This was the first decrease in 2 years. Of the total receipts, 74.3 percent was from overseas parent/subsidiary companies. Meanwhile, payments to technology imports stood at 591.0 billion yen, a decrease of 6.2 percent compared with the previous fiscal year. It decreased for the first time in 2 years. Of this figure, 30.5 percent was for payments to overseas parent/subsidiary companies.

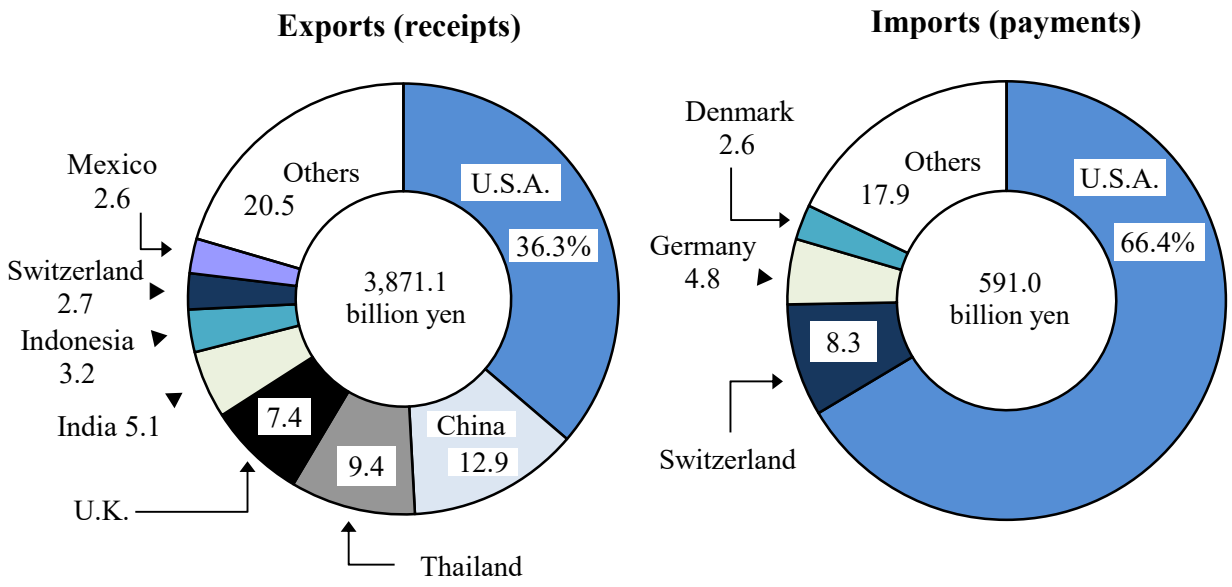
Table 8.2
Technology Trade by Business Enterprises [1)]

Fiscal year	Exports		Imports		Exports value / Imports value
	Value (billion yen)	Annual increase rate (%)	Value (billion yen)	Annual increase rate (%)	
1990	339.4	3.0	371.9	12.7	0.91
1995	562.1	21.6	391.7	5.7	1.43
2000	1,057.9	10.1	443.3	8.0	2.39
2005	2,028.3	14.6	703.7	24.0	2.88
2010	2,436.6	20.9	530.1	-0.9	4.60
2015	3,949.8	7.9	602.6	17.5	6.55
2017	3,884.4	8.7	629.8	39.1	6.17
2018	3,871.1	-0.3	591.0	-6.2	6.55

1) The survey coverage was expanded in FY1996 and FY2001.
Source: Statistics Bureau, MIC.

In fiscal 2018, Japan exported 3,871.1 billion yen of technologies; major export destinations were: the U.S.A. (1,406.2 billion yen, or 36.3 percent of total exports), followed by China (498.7 billion yen), Thailand (364.2 billion yen), and the U.K. (285.3 billion yen). On the other hand, Japan imported 591.0 billion yen of technologies, mainly from the U.S.A. (392.6 billion yen, or 66.4 percent of total imports), followed by Switzerland (49.2 billion yen), Germany (28.2 billion yen) and Denmark (15.4 billion yen).

Figure 8.2
Composition of Technology Trade by Major Country (FY2018)



Source: Statistics Bureau, MIC.

2. Patents

The total number of patent applications remained robust in and after 1998 as more than 400,000 applications were filed every year, but a gradual drop has been seen since 2006. Applications fell significantly in 2009, and after 2015, have continued to be flat. In 2018, there were 313,567 applications (down 1.54 percent from the previous year).

Table 8.3
Patents

(Cases)

Item	2000	2005	2010	2015	2018
Applications	436,865	427,078	344,598	318,721	313,567
Registrations	125,880	122,944	222,693	189,358	194,525
Existing vested rights	1,040,607	1,123,055	1,423,432	1,946,568	2,054,276

Source: Japan Patent Office.

Table 8.4
PCT International Applications by Country

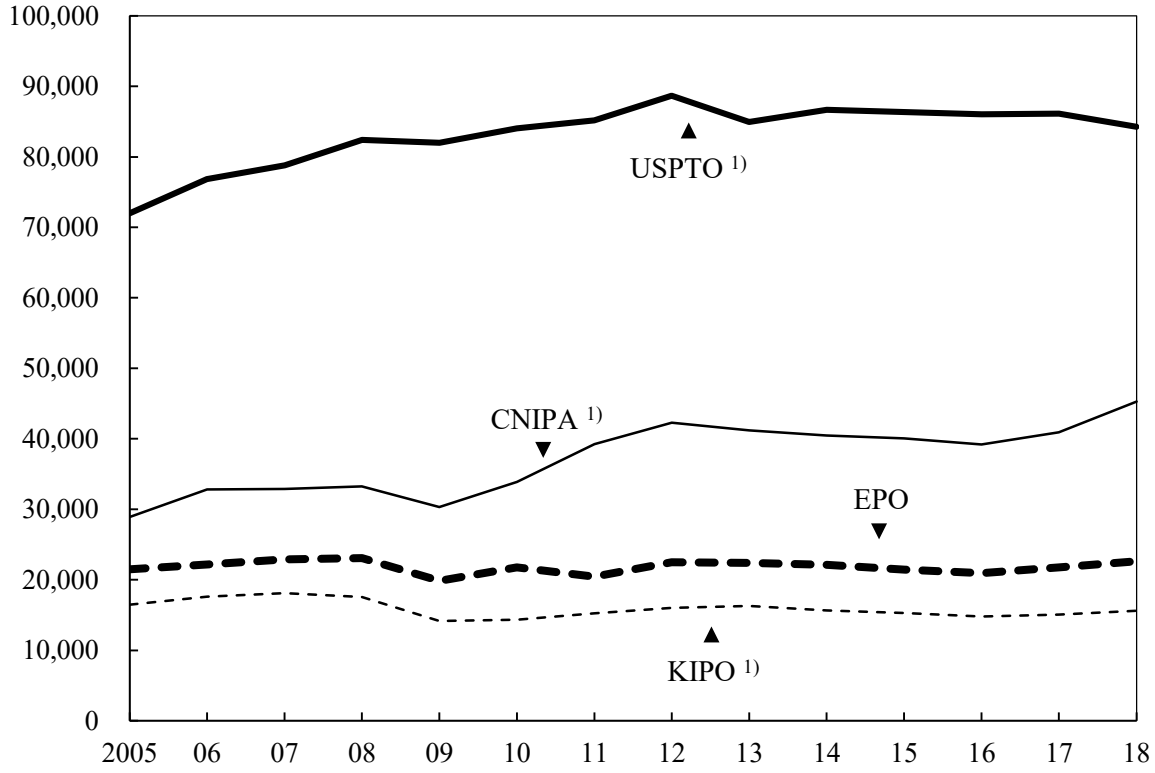
Country	2016	2017	2018*	Change from 2017 (%)
Total	232,907	243,511	253,000	3.9
U.S.A.	56,591	56,676	56,142	-0.9
China	43,091	48,905	53,345	9.1
Japan	45,209	48,205	49,702	3.1
Germany	18,307	18,951	19,883	4.9
Korea, Rep. of	15,555	15,751	17,014	8.0
France	8,210	8,014	7,914	-1.2
U.K.	5,504	5,568	5,641	1.3
Switzerland	4,369	4,488	4,568	1.8
Sweden	3,719	3,975	4,162	4.7
Netherlands	4,675	4,430	4,138	-6.6

Source: World Intellectual Property Organization.

Over 150 countries, including Japan, have joined the international patent system of the World Intellectual Property Organization (WIPO) as of October 2019. In 2018, the number of international patent applications filed under the Patent Cooperation Treaty (PCT) was 253,000, of which 49,702 were from Japan, accounting for 19.6 percent.

The United States Patent and Trademark Office ranked first among major patent offices for applications filed by Japanese applicants in 2018, with 84,280 applications. The number of patent applications filed by Japanese applicants at China National Intellectual Property Administration was 45,284.

Figure 8.3
Changes in Patent Applications with Major Offices by Japanese Applicants



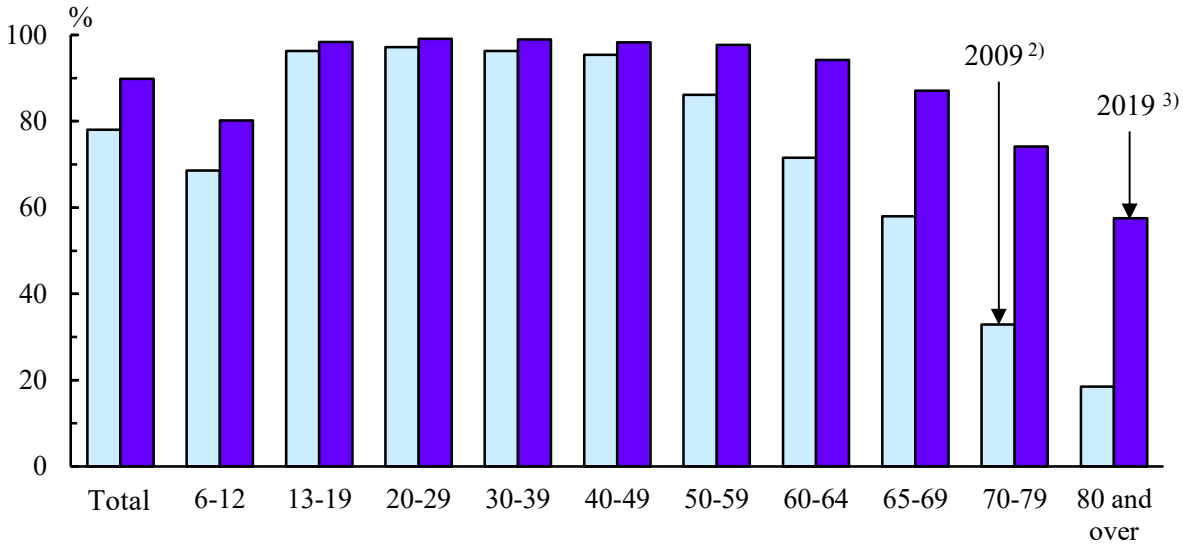
1) The USPTO, CNIPA and KIPO data for 2018 are provisional.
EPO: European Patent Office; KIPO: Korean Intellectual Property Office; CNIPA: China National Intellectual Property Administration; USPTO: United States Patent and Trademark Office.
Source: Japan Patent Office.

3. Information and Communication

(1) Diffusion of the Internet

The ratio of individuals using the Internet, of which commercial usage started in 1993, exceeded 80 percent in 2013. At the end of September 2019, the ratio of individuals who had used the Internet in the past year (individuals who are 6 years of age and older) was 89.8 percent, which was a significant increase from 79.8 percent the previous year. According to the individual Internet usage rate by age group, the usage rate exceeded 90 percent in each age group between 13 and 69 years old.

Figure 8.4
Trends in Internet Usage Rate by Age Group [1)]



1) Ages 6 years and over. 2) End of 2009. 3) End of September 2019.
Source: Ministry of Internal Affairs and Communications.

According to the status of Internet use by device by age group as of the end of September 2019, the usage rate of smartphones was the highest (63.3 percent), followed by computers (50.4 percent). Figures for the rate of Internet use by device by age group show that more than 70 percent use smartphones in each age group between 13 and 59 years old.

Table 8.5
Status of Internet Use by Device by Age Group (2019)

(%)

Item	Usage rate	6-12 years	13-19	20-29	30-39	40-49	50-59	60-69	70-79	80 and over
Smartphones	63.3	35.0	76.7	87.9	87.7	83.5	79.3	55.6	27.2	7.8
Computers	50.4	23.6	42.3	66.0	68.9	64.8	63.9	49.0	31.4	11.3
Tablets	23.2	36.6	28.8	26.3	33.2	30.0	26.2	17.1	8.3	3.3
Mobile phones [1)]	10.5	4.9	6.4	9.1	11.4	9.9	11.7	12.4	14.3	8.8

1) Cell phones and PHS (Personal Handyphone System).
Source: Ministry of Internal Affairs and Communications.

As of the end of September 2019, 20.2 percent of enterprises had introduced telework. The most frequent telework pattern was mobile work, 63.2 percent, followed by working from home, 50.4 percent and working from a satellite office, 16.4 percent.

(2) Progress of Communication Technologies

The number of broadband (connection) subscribers as of the end of March 2019 was 243 million. Among the number of broadband subscribers, those with subscriptions for 3.9-4G mobile phones (LTE) were the highest, amounting to 137 million subscriptions and accounting for 56.2 percent of the total. Those with BWA (Broadband Wireless Access) service (access service connecting to networks via broadband wireless access systems using the 2.5GHz band [WiMAX, etc.]) was the second highest, with 66 million subscribers, making up 27.2 percent of the total.

Meanwhile, IP phone services (voice phone services that use Internet Protocol technology across part or all of the communication network), which use broadband circuits as access lines, entered full-scale use between 2002 and 2003. As of the end of March 2019, the total number of IP phone subscribers was 43 million.

Table 8.6
Subscribers to Telecommunications Services [1)]

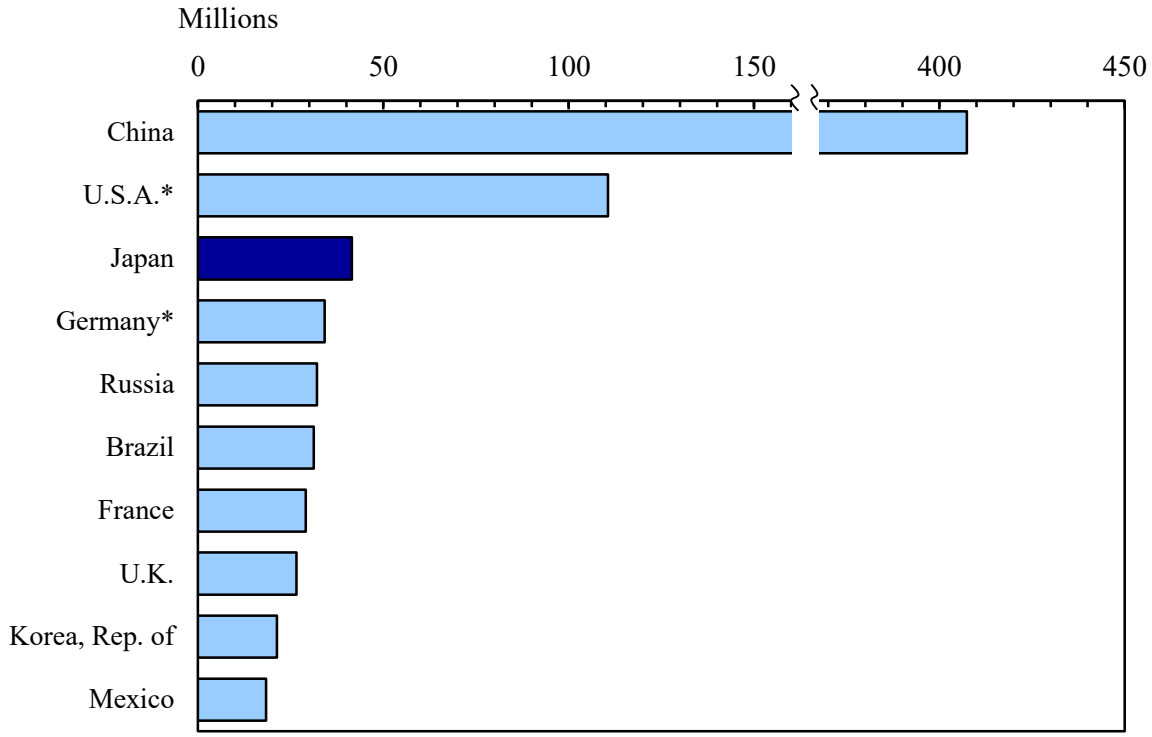
(Thousands)

Item	2015	2016	2017	2018	2019
Public phones (NTT [2)] only)	184	171	161	158	155
Fixed phone services	24,081	21,703	19,868	18,450	17,242
Mobile phones [3)]	157,857	160,560	166,853	172,790	179,873
IP phone	35,641	38,456	40,954	42,443	43,298
ISDN (Integrated Services Digital Network)	3,652	3,374	3,116	2,904	2,715
DSL (Digital Subscriber Line)	3,753	3,203	2,512	2,146	1,730
Cable Internet	6,428	6,727	6,847	6,881	6,855
FTTH (Fiber To The Home)	26,676	27,975	29,460	30,604	31,661
BWA (Broadband Wireless Access)	19,466	35,137	47,888	58,226	66,241
3.9-4G mobile phones (LTE)	67,781	87,472	102,942	120,727	136,642
International phone calls, sent and received	614,600	512,600	472,200	493,400	448,500

1) End of March. 2) Nippon Telegraph and Telephone Corporation.
3) Cell phones and PHS (Personal Handyphone System).
Source: Ministry of Internal Affairs and Communications.

In 2018, the number of fixed-broadband subscribers in Japan was 41 million, the third-largest after China, 407 million and the U.S.A., 111 million.

Figure 8.5
International Comparison of Fixed-Broadband Subscribers (2018)

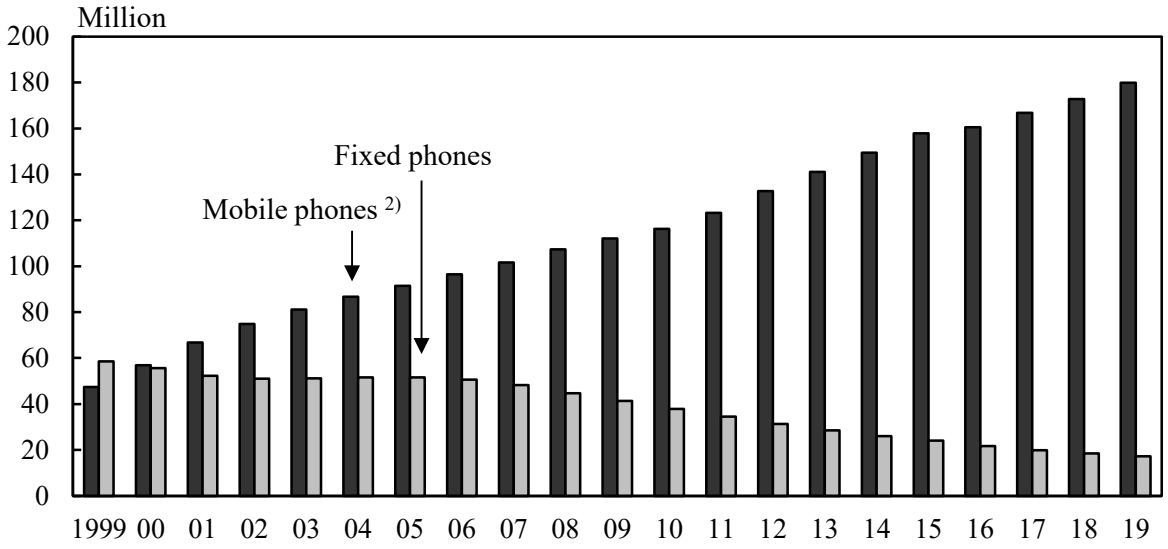


Source: International Telecommunication Union.

(3) Telephones

The number of fixed phone service subscription contracts has continued to decrease in recent years. As of the end of March 2019, the number of fixed phone subscribers was 17 million (down 6.5 percent from the previous year). Meanwhile, the number of mobile phone subscribers (cell phones and personal handyphone systems) totaled 173 million at the end of March 2018, marking a rise by 4.1 percent year-on-year to 180 million at the end of March 2019.

Figure 8.6
Telephone Service Subscribers [1)]



1) End of March. 2) Subscribers of cell phones and PHS (Personal Handyphone System).
Source: Ministry of Internal Affairs and Communications.

(4) Postal Service

As of the end of March 2020, Japan Post Co., Ltd. had 24,341 post offices nationwide. In fiscal 2019, post offices handled 20.9 billion items of domestic mail (including parcels), which was a 2.2 percent decrease from the previous fiscal year. Furthermore, the total quantity of international mail (letters, Express Mail Services [EMS], and parcels) sent in fiscal 2019 amounted to 41.2 million items, a decrease of 0.8 percent from the previous fiscal year.

Table 8.7
Postal Services

(Millions)

Item	FY2000	FY2005	FY2010	FY2015	FY2018	FY2019
Domestic						
Letters	26,114.4	22,666.1	19,757.9	17,981.0	16,739.0	16,308.9
Parcels	310.5	2,075.0	2,968.4	4,052.4	4,592.6	4,543.1
International						
Sent	106.0	77.5	54.2	48.9	41.5	41.2
Letters [1)]	104.3	76.1	52.8	44.1	38.0	38.4
Parcels	1.7	1.5	1.4	4.8	3.5	2.8

1) Including Express Mail Services (EMS).
Source: Japan Post Co., Ltd.

Chapter 9

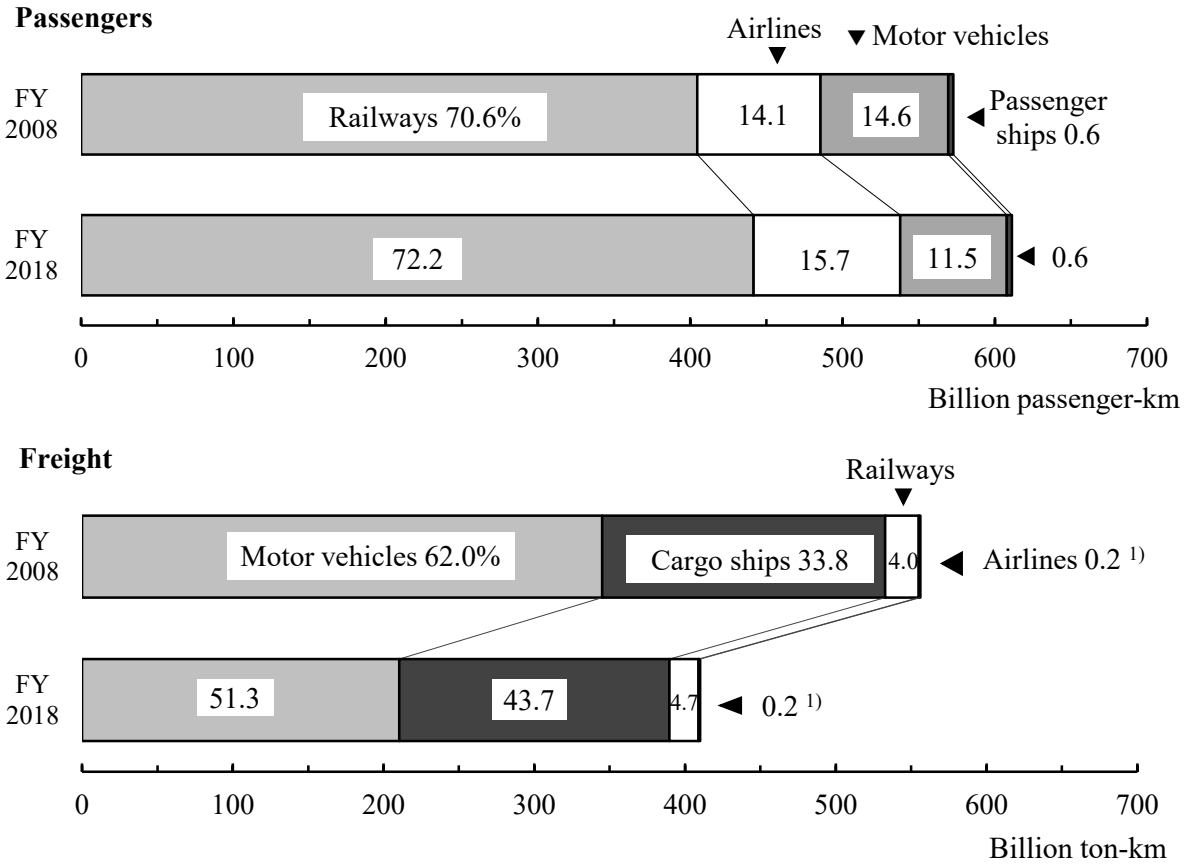
Transport

The JR Tadami Line connecting Fukushima and Niigata Prefectures is a local line known for its superb views of the Tadami River and the surrounding steep mountains. The region boasts its beautiful autumn leaves and snowy scenery.
According to statistics from the Ministry of Land, Infrastructure, Transport and Tourism, the number of passengers traveling on JR railways in fiscal 2018 was 9,556 million.

1. Domestic Transport

Various modes of domestic transport are used in Japan; almost all passenger transport is by railway, while nearly all freight transport is by motor vehicle and cargo ship.

Figure 9.1
Composition of Domestic Transport



1) Including overweight baggage and postal mail.
Source: Ministry of Land, Infrastructure, Transport and Tourism.

(1) Domestic Passenger Transport

No major changes have been observed in recent years in the volume of domestic passenger transport. Under these circumstances, a shift from private automobiles to public transportation should be promoted as a measure against global warming, along with promotion of the development and distribution of environment-friendly vehicles and measures for traffic flow improvement. Therefore, in addition to the promotion of

computerization, such as adoption of IC cards (multiple-use IC [integrated circuit] cards) and increased convenience in public transportation through the improvement of transfers, workplace "eco-commuting" measures have been promoted.

In fiscal 2018, the number of domestic transport passengers was 31.50 billion (up 0.8 percent from the previous fiscal year). The total volume of passenger transport was 611.25 billion passenger-kilometers (up 1.1 percent).

Table 9.1
Domestic Passenger Transport

Item	Passengers carried (thousands)		Passenger kilometers (millions)	
	FY2017	FY2018	FY2017	FY2018
Total transport volume	31,247,891	31,497,580	604,796	611,250
Railways	24,972,608	25,269,494	437,363	441,614
JR (Japan Railways)	9,488,030	9,555,915	275,124	277,670
Other than JR	15,484,578	15,713,579	162,239	163,944
Motor vehicles	6,084,966	6,036,558	69,815	70,101
Buses (Commercial use)	4,639,579	4,645,762	63,524	64,108
Taxis and limousine hires	1,445,386	1,390,797	6,290	5,993
Airlines	102,119	103,903	94,427	96,171
Passenger ships	88,198	87,625	3,191	3,364

Source: Ministry of Land, Infrastructure, Transport and Tourism.

In fiscal 2018, the Japan Railways (JR) group reported 9.56 billion passengers (up 0.7 percent from the previous fiscal year) and 277.67 billion passenger-kilometers (up 0.9 percent). Railways other than JR reported 15.71 billion passengers (up 1.5 percent) and 163.94 billion passenger-kilometers (up 1.1 percent).

To promote the use of buses, approaches to improve punctuality and speed using bus lanes and to make buses more convenient, such as by introducing a bus location system that provides locational information of buses as well as an IC card system that enables smooth bus rides, are being carried out. Commercial buses transported 4.65 billion passengers (up 0.1 percent from the previous fiscal year) and 64.11 billion passenger-kilometers (up 0.9 percent); both figures of passengers and passenger-kilometers increased in fiscal 2018.

In recent years, the development of aviation networks has been underway, such as through enhancing the functions of metropolitan airports and promoting the entry of LCCs, in order to strengthen Japan's international competitiveness in both business and tourism. In promoting the entry of LCCs, there are expectations for creation of new demand, such as through the expansion of foreign tourists visiting Japan as well as of domestic tourism. Fiscal 2018 air transport records show that there were 103.90 million passengers (up 1.7 percent from the previous fiscal year), and passenger-kilometers amounted to 96.17 billion (up 1.8 percent).

In fiscal 2018, passenger ships reported 87.63 million passengers (down 0.6 percent from the previous fiscal year) and 3.36 billion passenger-kilometers (up 5.4 percent).

(2) Domestic Freight Transport

In the area of domestic freight, a total of 4.73 billion metric tons (down 1.3 percent from the previous fiscal year) of freight was transported for a total of 409.9 billion ton-kilometers (down 1.1 percent) in fiscal 2018. As for transport tonnage volume in fiscal 2018, motor vehicle transport accounted for more than 90 percent of the total.

Table 9.2
Domestic Freight Transport

Item	Freight tonnage (thousands)		Ton kilometers (millions)	
	FY2017	FY2018	FY2017	FY2018
Total transport volume	4,787,542	4,727,467	414,492	409,902
Railways	45,170	42,321	21,663	19,369
Motor vehicles	4,381,246	4,329,784	210,829	210,467
Commercial use	3,031,940	3,018,819	182,526	182,490
Non-commercial use	1,349,306	1,310,965	28,303	27,977
Cargo ships	360,127	354,445	180,934	179,089
Airlines [1)]	999	917	1,066	977

1) Including overweight baggage and postal mail.
Source: Ministry of Land, Infrastructure, Transport and Tourism.

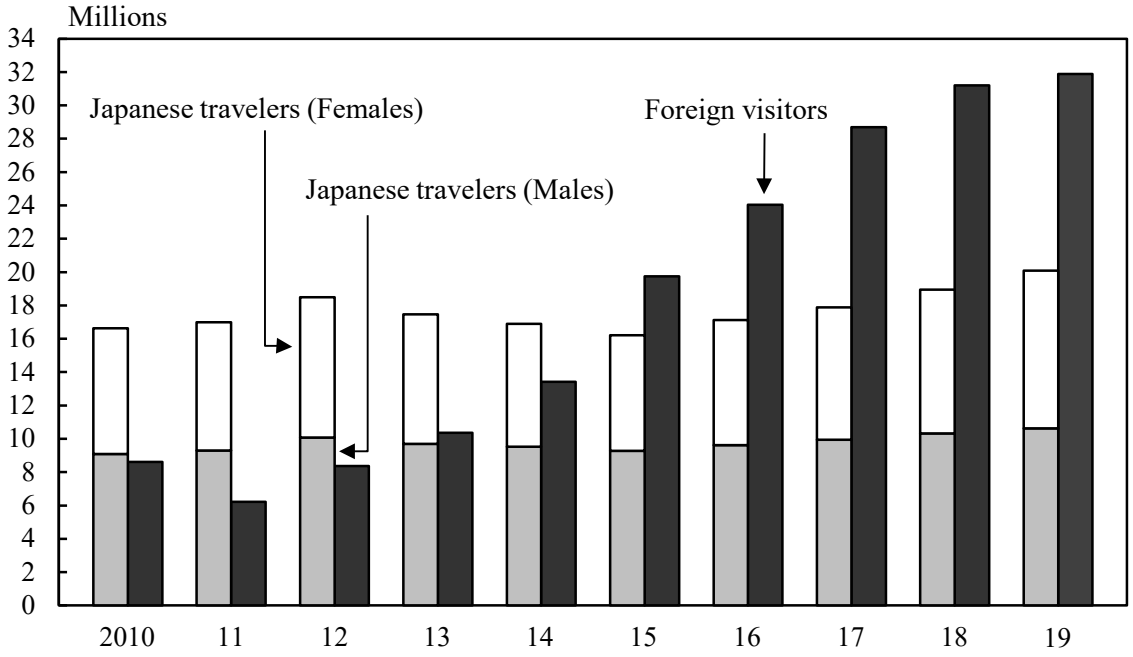
2. International Transport

(1) International Passenger Transport

The global economic downturn after September 2008, the spread of a new influenza in early 2009, and the effects of the Great East Japan Earthquake in 2011 reduced international air passenger transport on Japanese airlines. In 2012, this trend reversed to an increase, and in 2018, Japanese airlines transported 23.30 million passengers (up 5.2 percent from the previous year) on international flights, and registered 102.44 billion passenger-kilometers (up 5.0 percent). Both recorded their seventh consecutive year of increase.

The number of Japanese overseas travelers in 2019 was 20.08 million (up 5.9 percent from the previous year). The number of foreign visitors to Japan in 2019 was 31.88 million, representing an increase of 2.2 percent from the previous year. The number of visitors was the highest ever since statistics came to be recorded in 1964.

Figure 9.2
Japanese Overseas Travelers and Foreign Visitor Arrivals



Source: Ministry of Justice; Japan National Tourism Organization.

According to reports on arrivals by tourist offices in countries around the world, the U.S.A., the Republic of Korea and China had many Japanese visitors in 2018.

Table 9.3
Japanese Overseas Travelers by Destination

Country or area of destination	2016		2017		2018	
	Number of arrivals	Annual change (%)	Number of arrivals	Annual change (%)	Number of arrivals	Annual change (%)
U.S.A. [1) 2)]	3,603,786	-5.0	3,595,607	-0.2	3,493,313	-2.8
Korea, Rep. of [3)]	2,297,893	25.0	2,311,447	0.6	2,948,527	27.6
China [3)]	2,587,440	3.6	2,680,033	3.6	2,689,662	0.4
Taiwan [4)]	1,895,702	16.5	1,898,854	0.2	1,969,151	3.7
Thailand [5)]	1,439,510	4.2	1,544,442	7.3	1,655,996	7.2
Hong Kong SAR [2)] ..	692,529	9.4	813,207	17.4	852,192	4.8
Germany [6)]	545,013	-15.8	584,871	7.3	613,248	4.9
Spain [2)]	463,420	-23.7	444,518	-4.1	550,681	23.9

1) Including territories and dependencies (Northern Mariana Islands, Guam, American Samoa, Puerto Rico and United States Virgin Islands, etc.). 2) Arrivals of non-resident tourists at national borders, by country of residence. 3) Arrivals of non-resident visitors at national borders, by nationality. 4) Arrivals of non-resident visitors at national borders, by country of residence. 5) Arrivals of non-resident tourists at national borders, by nationality. 6) Arrivals of non-resident tourists in all types of accommodation establishments, by country of residence.
Source: Japan National Tourism Organization.

The number of foreign visitors to Japan in 2019 broken down by country/region, the number of visitors from Asian countries was highest, totaling 26.82 million (up 0.2 percent from the previous year). Among Asian countries, the number of visitors from China was highest, amounting to 9.59 million, and surpassed 9.5 million people for the first time. The figure accounted for 30.1 percent of the total number of foreign visitors to Japan.

This increase is attributed to factors such as expansion of aviation routes, expansion of the previous consumption tax exemption program, and establishment of a "Temporary duty-free shop system", etc.

Table 9.4
Foreign Visitors

Region, country or area of origin	2017		2018		2019	
	Number of arrivals	Percentage distribution	Number of arrivals	Percentage distribution	Number of arrivals	Percentage distribution
Total arrivals [1]	28,691,073	100.0	31,191,856	100.0	31,882,049	100.0
Asia	24,716,396	86.1	26,757,918	85.8	26,819,278	84.1
China	7,355,818	25.6	8,380,034	26.9	9,594,394	30.1
Korea, Rep. of	7,140,438	24.9	7,538,952	24.2	5,584,597	17.5
Taiwan	4,564,053	15.9	4,757,258	15.3	4,890,602	15.3
Hong Kong SAR	2,231,568	7.8	2,207,804	7.1	2,290,792	7.2
Thailand	987,211	3.4	1,132,160	3.6	1,318,977	4.1
Singapore	404,132	1.4	437,280	1.4	492,252	1.5
Europe	1,525,662	5.3	1,720,064	5.5	1,986,529	6.2
U.K.	310,499	1.1	333,979	1.1	424,279	1.3
Africa	34,803	0.1	38,151	0.1	55,039	0.2
North America	1,756,732	6.1	1,939,719	6.2	2,187,557	6.9
U.S.A.	1,374,964	4.8	1,526,407	4.9	1,723,861	5.4
Canada	305,591	1.1	330,600	1.1	375,262	1.2
South America	92,106	0.3	104,804	0.3	111,200	0.3
Oceania	564,527	2.0	630,527	2.0	721,718	2.3
Australia	495,054	1.7	552,440	1.8	621,771	2.0

1) Including stateless people, etc.
Source: Japan National Tourism Organization.

In 2019, of the total number of foreign visitors to Japan, tourists numbered 28.26 million people, or 89.0 percent of total foreign visitors. The highest number of tourists came from China, with 8.58 million travelers, followed by the Republic of Korea, with 5.04 million travelers.

(2) International Freight Transport

The volume of seaborne foreign transport in 2018 was 1,032 million tons, up 3.5 percent over the previous year. Of this figure, total exports increased by 14.5 percent to 79 million tons, and total imports increased by 5.0 percent to 536 million tons.

Table 9.5
Seaborne Foreign Transport

(Thousand tons)

Year	Total	Exports	Imports	Cross Transport
2000	739,377	34,960	538,875	165,542
2005	779,108	45,303	529,705	204,100
2010	819,075	44,758	465,898	308,419
2015	1,056,144	60,802	544,702	450,639
2017	997,068	68,756	510,768	417,544
2018*	1,032,337	78,717	536,171	417,449

Source: Ministry of Land, Infrastructure, Transport and Tourism.

Air-shipped international freight in 2018 totaled 1.54 million tons in terms of volume (down 12.2 percent from the previous year) and 8.42 billion tons in terms of ton-kilometers (down 13.2 percent).

Chapter 10

Commerce

The Dogo Onsen in Ehime Prefecture.
According to the "2016 Economic Census for Business Activity", there were 4,822 public bathhouses operating as of June 1, 2016.

1. Wholesale and Retail

The "2016 Economic Census for Business Activity" showed that 1.36 million wholesale and retail establishments were in operation in Japan. The number of persons engaged at such establishments became 11.84 million. Sales in the wholesale and retail industries amounted to 500.79 trillion yen, accounting for 30.8 percent of the total of all industries.

(1) Wholesale Trade

The number of wholesale establishments in operation was 364,814 in 2016. Observed by size of operation in terms of persons engaged, establishments with less than 20 persons accounted for 88.6 percent of the total. By type of corporate form, 88.5 percent of them were corporations, while 11.4 percent were individual proprietorships.

Table 10.1
Establishments and Persons Engaged in the Wholesale and Retail Sector (2016)

Item	Total	Wholesale	Retail
Number of Establishments	1,355,060	364,814	990,246
Size of operation (persons engaged)			
1-4 persons	760,706	177,364	583,342
5-9	292,638	92,194	200,444
10-19	177,270	53,546	123,724
20-29	55,114	17,221	37,893
30-49	32,380	11,856	20,524
50-99	19,112	6,592	12,520
100 and over	9,367	3,644	5,723
Loaned or dispatched employees only	8,473	2,397	6,076
Persons engaged	11,843,869	4,003,909	7,839,960
Regular employees	10,226,010	3,532,625	6,693,385
Full-time employees	5,375,398	2,891,265	2,484,133
Other than full-time employees [1)]	4,850,612	641,360	4,209,252
Temporary employees	247,780	62,263	185,517
Loaned or dispatched employees from the separately operated establishments	366,511	144,921	221,590
Loaned or dispatched employees to the separately operated establishments	102,266	79,829	22,437

1) Among regular employees, excludes workers generally referred to as "full-time employees" and "regular members of staff" and includes those referred to as "contract employees", "non-regular members of staff", "part-timers", and similar appellations.

Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

The number of persons engaged in the wholesale sector was 4 million in 2016, 703,623 of which were persons other than full-time employees (including those who are referred to as "contract employees", "non-regular members of staff", "part-timers", and similar appellations) and temporary employees, making up 17.6 percent of the total.

(2) Retail Trade

The number of retail establishments in operation totaled 990,246 in 2016. Observed by size of operation in terms of persons engaged, establishments with less than 10 persons accounted for 79.2 percent of the total. By type of corporate form, 60.6 percent of them were corporations, while 39.2 percent were individual proprietorships. The proportion of individual proprietorships was higher than that in the wholesale sector.

The number of persons engaged in retail was 7.84 million in 2016, 4.39 million of which were persons other than full-time employees (including those referred to as "contract employees", "non-regular members of staff", "part-timers", and similar appellations) and temporary employees, comprising 56.1 percent of the total.

2. Eating and Drinking Places

There were 590,847 eating and drinking places establishments in operation and 4.12 million persons engaged at them in 2016.

Table 10.2
Eating and Drinking Places (2016)

Size of operation (persons engaged)	Establishments		Persons engaged	
	Number	Ratio (%)	Number	Ratio (%)
Total	590,847	100.0	4,120,279	100.0
1-4 persons	357,056	60.4	767,493	18.6
5-9	114,499	19.4	746,638	18.1
10-19	69,512	11.8	945,207	22.9
20-29	27,877	4.7	662,134	16.1
30 and over	21,025	3.6	998,807	24.2
Loaned or dispatched employees only	878	0.1	-	-

Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

Chapter 11

Trade, International Balance of Payments, and International Cooperation

© Port and Harbor Bureau, City of Yokohama

The Port of Yokohama opened as an international trade port on June 2, 1859.
While developing into one of Japan's leading commercial ports, it has also played a key role as an industrial port, and has evolved into a general port combining both functions. In 2019, the port marked the 160th anniversary of its opening.
The Honmoku Pier was completed in 1970, and for many years has played a central role at the Port of Yokohama.

1. Trade

(1) Overview of Trade

In 2019, Japan's international trade on a customs clearance basis decreased, together with exports and imports. Exports (in FOB value) amounted to 76.9 trillion yen, which was a 5.6 percent decrease as compared to the previous year, and a decrease for the first time in 3 years. Imports (in CIF value) amounted to 78.6 trillion yen, which was a 5.0 percent decrease as compared to the previous year, and a decrease for the first time in 3 years. Trade balance totaled -1.7 trillion yen. This was the red figure for the second consecutive year.

Figure 11.1
Foreign Trade

Source: Ministry of Finance.

Table 11.1
Trends in Foreign Trade and Indices of Trade

Year	Value (billion yen) (Customs clearance basis)			Indices of trade (2015=100)					
				Exports			Imports		
	Exports (FOB)	Imports (CIF)	Balance	Value index	Quantum index 1)	Unit value index	Value index	Quantum index 1)	Unit value index
2010	67,400	60,765	6,635	89.1	111.4	80.0	77.5	97.1	79.8
2011	65,546	68,111	-2,565	86.7	107.2	80.9	86.9	99.6	87.2
2012	63,748	70,689	-6,941	84.3	102.0	82.7	90.2	102.0	88.4
2013	69,774	81,243	-11,468	92.3	100.5	91.8	103.6	102.3	101.3
2014	73,093	85,909	-12,816	96.7	101.1	95.7	109.6	102.9	106.5
2015	75,614	78,406	-2,792	100.0	100.0	100.0	100.0	100.0	100.0
2016	70,036	66,042	3,994	92.6	100.5	92.2	84.2	98.8	85.3
2017	78,286	75,379	2,907	103.5	105.9	97.8	96.1	102.9	93.4
2018	81,479	82,703	-1,225	107.8	107.7	100.1	105.5	105.8	99.7
2019	76,932	78,600	-1,668	101.7	103.0	98.8	100.2	104.6	95.9

1) Quantum index = Value index / Unit value index × 100
Source: Ministry of Finance.

With regard to unit value index, Japan's 2019 exports decreased by 1.3 percent from the previous year (the first decrease in 3 years), and quantum index also decreased by 4.4 percent from the previous year (the first decrease in 4 years).

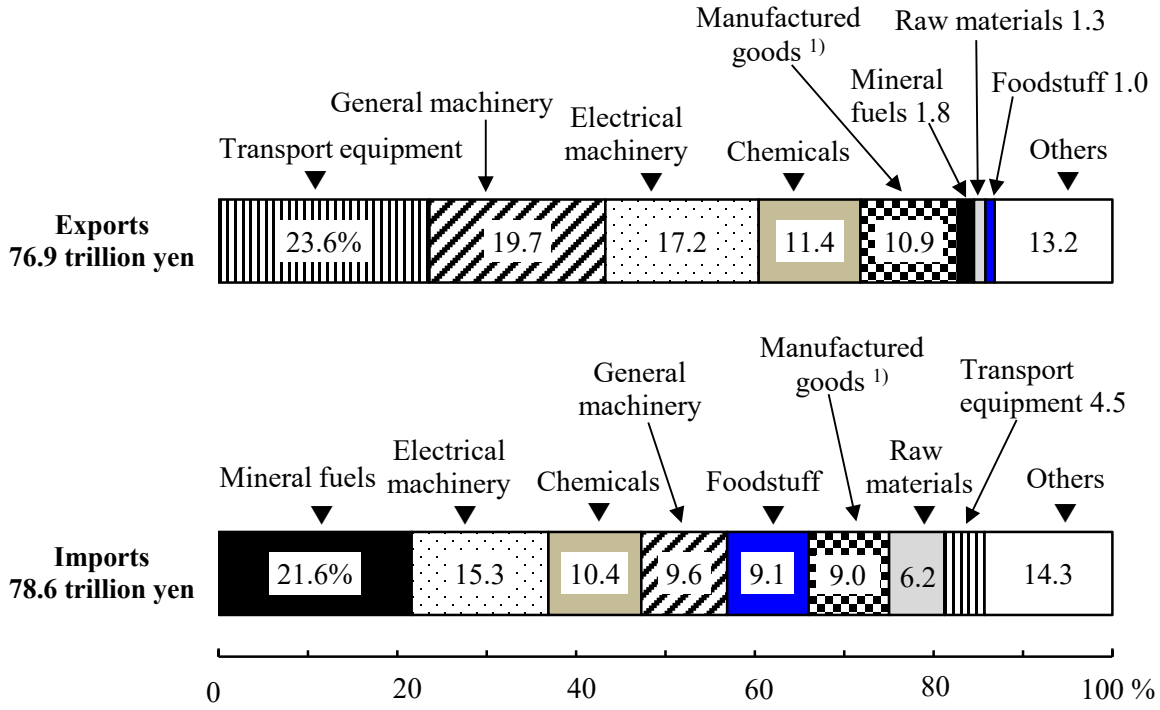
With regard to Japan's imports in 2019, unit value index and quantum index, decreased by 3.8 percent and 1.1 percent compared to the previous year; both indices recorded the first decrease in 3 years.

(2) Trade by Commodity

As for Japan's exports in 2019 by commodity, transport equipment accounted for the largest portion of the total export value, 23.6 percent, followed by general machinery and electrical machinery, making up 19.7 percent and 17.2 percent, respectively. Motor vehicles, which are in the transport equipment category, constituted 15.6 percent of the total export value, down 0.2 percent in quantity and down 2.7 percent in value from the previous year. One characteristic of Japan's exports is the large proportion of high value-added products manufactured with advanced technology, such as motor vehicles, iron and steel products, and semiconductors, etc.

The leading import item category was mineral fuels, which represented 21.6 percent of the total value imported, followed by electrical machinery and chemicals, with 15.3 percent and 10.4 percent, respectively. Petroleum, in the mineral fuels category, constituted 10.1 percent of the total import value, down 1.2 percent in quantity and down 10.5 percent in value from the previous year.

Figure 11.2
Component Ratios of Foreign Trade by Commodity (2019)



1) Consisting of iron and steel products, nonferrous metals, textile yarn and fabrics, etc.
Source: Ministry of Finance.

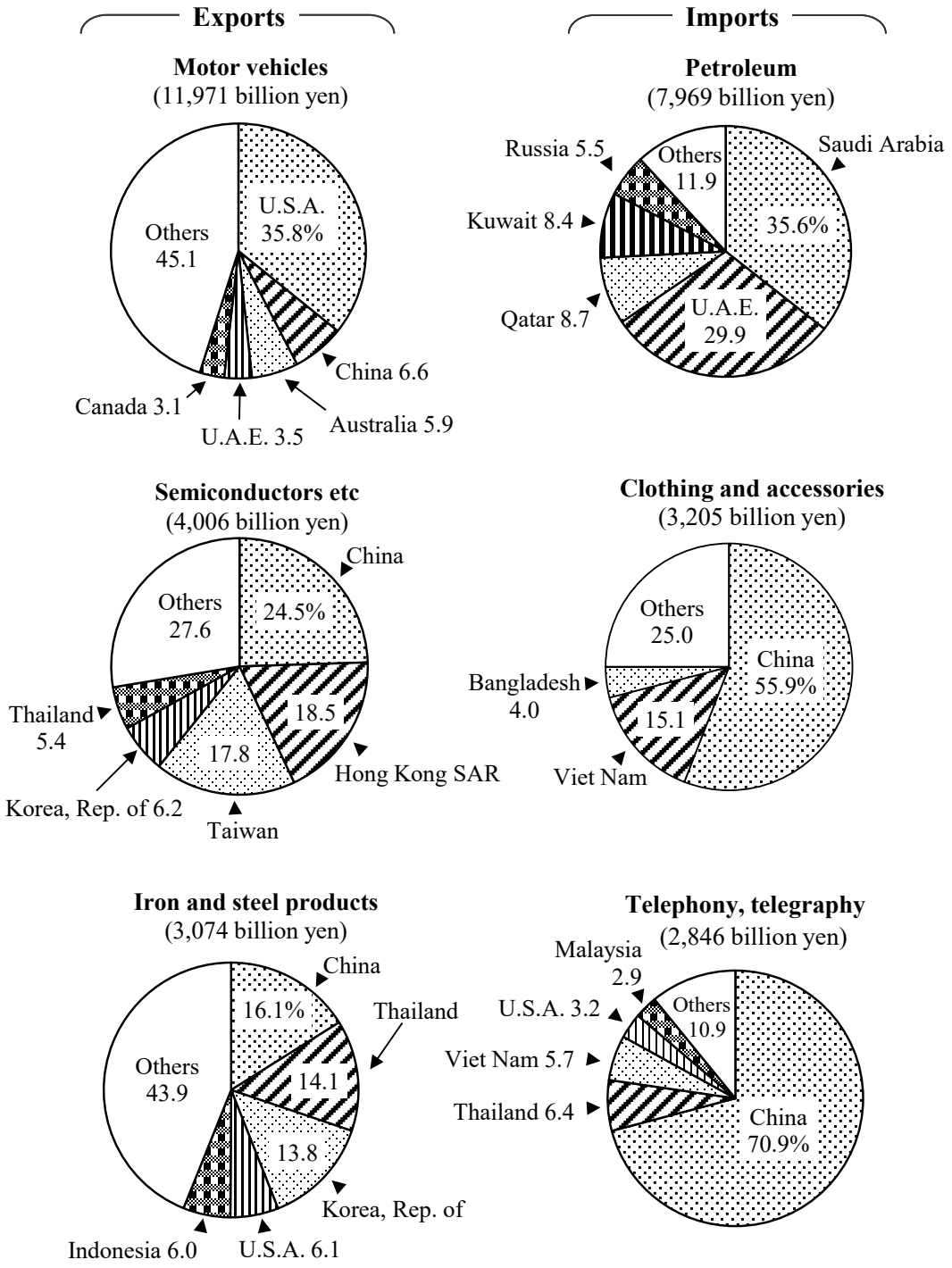
Table 11.2
Value of Exports and Imports by Principal Commodity

(Billion yen)

Item	2016	2017	2018	2019	Annual growth (%)
Exports, total	70,036	78,286	81,479	76,932	-5.6
Foodstuff	607	645	741	754	1.8
Raw materials	947	1,127	1,156	1,034	-10.6
Mineral fuels	898	1,117	1,304	1,383	6.0
Chemicals	7,123	8,192	8,922	8,739	-2.0
Plastic materials	2,272	2,511	2,557	2,430	-5.0
Manufactured goods [1)]	7,847	8,686	9,136	8,407	-8.0
Iron and steel products	2,843	3,284	3,441	3,074	-10.7
General machinery	13,613	15,685	16,508	15,122	-8.4
Power generating machine	2,416	2,745	2,949	2,728	-7.5
Electrical machinery	12,322	13,695	14,142	13,208	-6.6
Semiconductors, etc.	3,607	4,022	4,150	4,006	-3.5
Transport equipment	17,338	18,232	18,877	18,118	-4.0
Motor vehicles	11,333	11,825	12,307	11,971	-2.7
Others	9,340	10,907	10,694	10,167	-4.9
Scientific, optical inst	2,046	2,416	2,314	2,130	-8.0
Imports, total	66,042	75,379	82,703	78,600	-5.0
Foodstuff	6,363	7,018	7,247	7,192	-0.8
Fish and fish preparation	1,480	1,649	1,663	1,609	-3.2
Raw materials	4,012	4,725	4,992	4,861	-2.6
Ore of nonferrous	1,183	1,380	1,563	1,378	-11.8
Mineral fuels	12,052	15,840	19,294	16,951	-12.1
Petroleum	5,532	7,155	8,906	7,969	-10.5
Chemicals	7,111	7,567	8,550	8,163	-4.5
Medical products	2,780	2,645	2,962	3,092	4.4
Manufactured goods [1)]	6,068	6,849	7,459	7,068	-5.2
Nonferrous metals	1,344	1,736	2,000	1,750	-12.5
General machinery	6,357	7,214	7,950	7,583	-4.6
Computers and units	1,724	1,966	2,029	2,211	9.0
Electrical machinery	10,792	12,048	12,338	11,992	-2.8
Telephony, telegraphy	2,722	3,109	3,087	2,846	-7.8
Transport equipment	3,094	3,170	3,490	3,561	2.0
Motor vehicles	1,178	1,307	1,428	1,408	-1.4
Others	10,193	10,949	11,383	11,229	-1.4
Clothing and accessories	2,998	3,109	3,307	3,205	-3.1

1) Consisting of iron and steel products, nonferrous metals, textile yarn and fabrics, etc.
Source: Ministry of Finance.

Figure 11.3
Component Ratios of the Value of Major Export and Import Commodities by Country/Region (2019)



Source: Ministry of Finance.

(3) Trade by Country/Region

Japan has maintained a trade surplus with Asia and the U.S.A., while having a continuous trade deficit with the Middle East and Oceania.

Table 11.3
Trends in Value of Exports and Imports by Country/Region

(Billion yen)

Year	Total	Asia	China	Korea, Rep. of	Taiwan	U.S.A.	EU 28	Middle East	Oceania
Exports from Japan									
2015	75,614	40,329	13,223	5,327	4,473	15,225	7,985	3,167	2,099
2016	70,036	37,107	12,361	5,020	4,268	14,143	7,982	2,585	2,010
2017	78,286	42,920	14,890	5,975	4,558	15,113	8,657	2,350	2,301
2018	81,479	44,736	15,898	5,793	4,679	15,470	9,209	2,434	2,402
2019	76,932	41,327	14,682	5,044	4,689	15,255	8,955	2,356	2,053
Imports to Japan									
2015	78,406	38,358	19,429	3,244	2,817	8,060	8,625	9,571	4,887
2016	66,042	33,199	17,019	2,722	2,495	7,322	8,152	6,501	3,843
2017	75,379	37,026	18,459	3,153	2,848	8,090	8,757	8,243	4,969
2018	82,703	39,218	19,194	3,550	2,998	9,015	9,718	10,375	5,659
2019	78,600	37,413	18,454	3,227	2,928	8,640	9,722	8,852	5,587

Source: Ministry of Finance.

(A) Trade with Asia

Japan's 2019 trade balance with Asia resulted in a 3.9 trillion yen in surplus, a decrease for the second consecutive year (down 29.1 percent from the previous year). Exports (in FOB value) totaled 41.3 trillion yen (down 7.6 percent), a decrease for the first time in 3 years; this was mainly due to the contributions for the decrease in general machinery and electrical machinery. Imports (in CIF value) amounted to 37.4 trillion yen (down 4.6 percent), a decrease for the first time in 3 years; this was mainly contributed to the decrease in mineral fuels and electrical machinery.

In 2019, Japan's trade with China amounted to 14.7 trillion yen in exports and 18.5 trillion yen in imports. The percentage of the total amount of Japan's imports and exports that is accounted for by imports and exports between Japan and China is approximately 20 percent, signifying that China is Japan's largest trading counterpart.

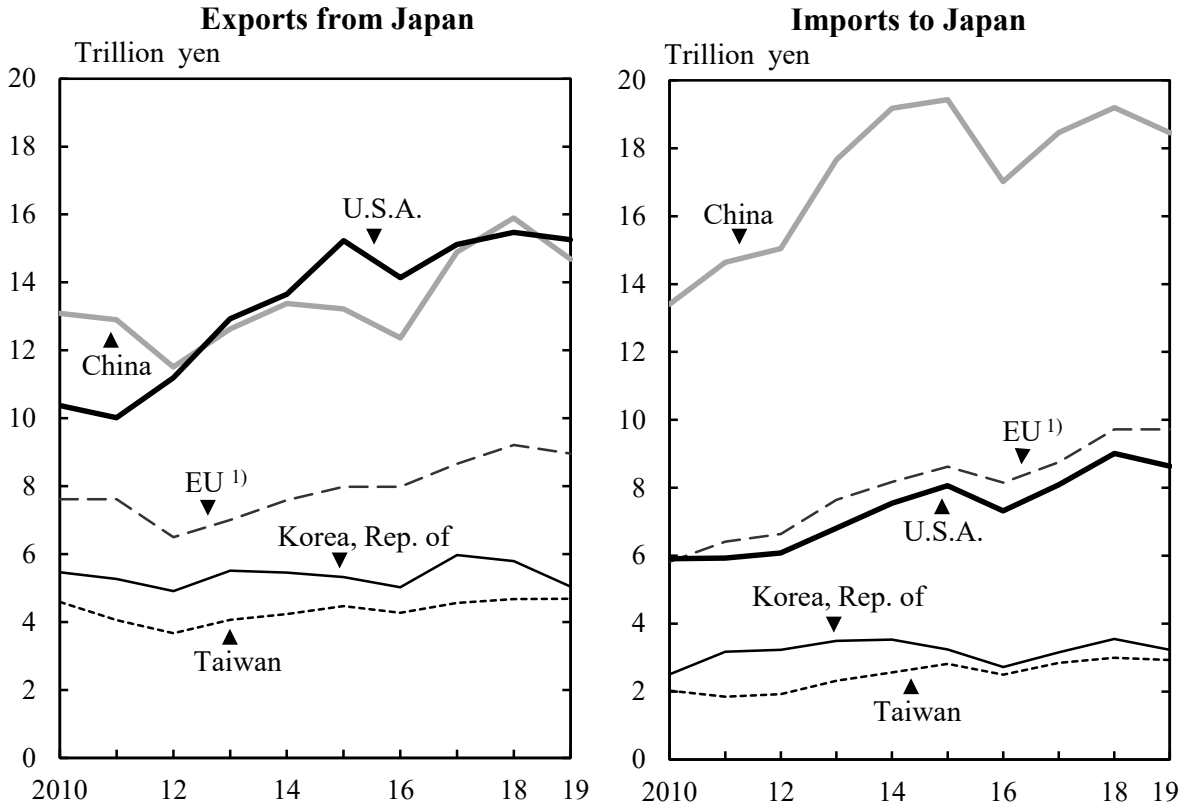
(B) Trade with U.S.A.

Japan's 2019 trade balance with the U.S.A. showed a surplus of 6.6 trillion yen (up 2.5 percent from the previous year), an increase for the first time in 2 years. The U.S.A. was the biggest export counterpart for Japan for the first time in 2 years. Exports (in FOB value) totaled 15.3 trillion yen (down 1.4 percent), a decrease for the first time in 3 years. The drop was due mainly to the contributions of transport equipment and electrical machinery. Imports (in CIF value) totaled 8.6 trillion yen (down 4.2 percent), a decrease for the first time in 3 years. The drop was due mainly to the contributions of general machinery and foodstuff.

(C) Trade with EU

Japan's 2019 trade balance with the EU (28 countries) registered a deficit of 0.8 trillion yen. Exports (in FOB value) to the EU (28 countries) decreased by 2.8 percent year-on-year, to 9.0 trillion yen. Commodities such as general machinery and electrical machinery contributed to the drop in exports. Imports (in CIF value) from the EU (28 countries) totaled 9.7 trillion yen, up 0.04 percent from the previous year. Commodities such as transport equipment and foodstuff contributed to the growth in imports.

Figure 11.4
Trends in Value of Exports and Imports by Country/Region



1) 27 countries: from Jan. 2007 to June 2013, 28 countries: from July 2013 onward.
Source: Ministry of Finance.

2. International Balance of Payments

The current account in 2019 totaled 20.1 trillion yen, and its surplus increased for the first time in 2 years, due to the service balance turning into a surplus, etc. Breaking down the current account, goods and services rose by 0.4 trillion yen from the previous year to 0.5 trillion yen, recording a surplus for the fourth consecutive year. Primary income amounted to 21 trillion yen, which was a 1.4 percent decrease in its surplus from the previous year.

The financial account amounted to 24.3 trillion yen in 2019, due to an increase in net assets both for direct investment and portfolio investment.

Table 11.4
International Balance of Payments

(Billion yen)

Item	2016	2017	2018	2019
Current account	21,391.0	22,777.9	19,374.3	20,115.0
Goods and services	4,388.8	4,220.6	105.2	506.0
Goods	5,517.6	4,911.3	1,126.5	381.2
Exports	69,092.7	77,253.5	81,226.3	76,030.9
Imports	63,575.1	72,342.2	80,099.8	75,649.8
Services	-1,128.8	-690.7	-1,021.3	124.8
Primary income	19,147.8	20,684.3	21,272.2	20,984.5
Secondary income	-2,145.6	-2,127.1	-2,003.1	-1,375.5
Capital account	-743.3	-280.0	-210.5	-413.1
Financial account [1)]	28,605.9	18,811.3	20,005.7	24,305.5
Direct investment	14,858.7	17,411.8	14,778.9	23,120.5
Portfolio investment	29,649.6	-5,651.3	10,052.8	9,333.7
Financial derivatives (other than reserves)	-1,658.2	3,452.3	123.9	377.8
Other investment	-13,666.2	946.7	-7,612.7	-11,330.5
Reserve assets	-578.0	2,651.8	2,662.8	2,803.9
Net errors and omissions	7,958.3	-3,686.6	841.9	4,603.5

1) Positive figures (+) show increase in net assets, negative figures (-) show decrease in net assets.
Source: Ministry of Finance.

Japan's external assets (overseas assets held by residents in Japan) as of the end of 2019 amounted to 1,097.7 trillion yen, while its external liabilities (assets held in Japan by nonresidents) were 733.2 trillion yen. As a result, Japan's net international investment position (external assets minus external liabilities) were 364.5 trillion yen.

Table 11.5
Trends in Japan's International Investment Position [1)]

(Billion yen)

Item	2015	2016	2017	2018	2019
Assets	938,398	986,289	1,013,364	1,018,047	1,097,731
Liabilities	611,209	649,982	684,062	676,597	733,206
Net assets	327,189	336,306	329,302	341,450	364,525

1) End of year.
Source: Ministry of Finance.

Japan's reserve assets remained at around 220 billion U.S. dollars during the period from 1996 to 1998. Beginning in 1999, reserve assets increased continuously. A downward trend started at the end of 2012, but the end of 2017, they began to increase again, and amounted to 1,323.8 billion U.S. dollars (up 4.2 percent) at the end of 2019, marking the third consecutive annual increase.

Table 11.6
Reserve Assets

(Million U.S. dollars)

End of year	Total	Foreign currency reserves [1)]	IMF reserve position	SDRs	Gold [2)]	Other reserve assets [3)]
2015	1,233,214	1,179,004	9,531	18,048	26,134	497
2016	1,216,903	1,157,790	12,019	18,087	28,516	491
2017	1,264,283	1,202,071	10,582	19,195	31,897	538
2018	1,270,975	1,208,958	11,464	18,484	31,531	538
2019	1,323,750	1,255,322	11,202	19,176	37,469	581

1) Including securities in market value. 2) Market value. 3) Including Asian Bond Fund 2.
Source: Ministry of Finance.

The yen began appreciating sharply in late 2008. From 2011 into 2012, the exchange rate of yen to the U.S. dollar stayed between the higher 70 yen range and the lower 80 yen range. In April 2013, the Bank of Japan introduced Quantitative and Qualitative Monetary Easing (QQME) to put an end to deflation. Based on this, the exchange rate shifted towards yen depreciation. Subsequently, the yen strengthened from early to mid 2016, followed by a weakening of the yen with recovery of the global economy and a leveling off phase from 2017. As of April 2020, the exchange rate was 106.6 yen per U.S. dollar.

Figure 11.5
Yen Exchange Rate against the U.S. Dollar

Source: Bank of Japan.

3. International Cooperation

In Japan, there are diverse international cooperation donors: Official Development Assistance (ODA) by the government, direct investments and export credits by private corporations, grants by private non-profit organizations, assistance activities by NGOs and volunteer citizen groups, etc. With regard to ODA, there are various forms, including bilateral assistance, which assists developing countries or regions directly, and multilateral assistance, which contributes to international organizations.

Table 11.7
Financial Flows to Developing Countries

(Million U.S. dollars)

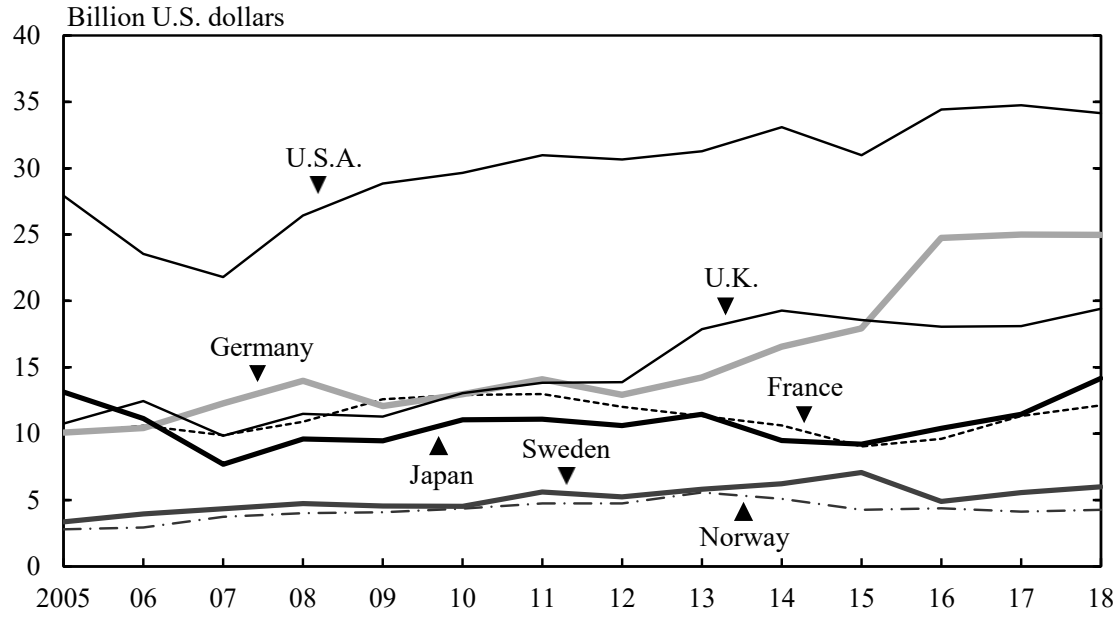
Item	Net disbursements [1]					Grant equivalent [2]
	2014	2015	2016	2017	2018	2018
Total value	40,718	37,908	39,834	37,699	53,667	…
Official flows	8,584	8,148	8,655	9,051	11,444	…
Official Development Assistance (ODA)	9,483	9,203	10,417	11,463	10,064	14,164
Bilateral official development assistance [3]	6,129	6,166	7,048	8,080	6,099	10,756
Grants [3]	5,197	5,010	5,583	5,500	5,278	5,278
Grant assistance [3]	2,567	2,641	2,807	2,617	2,631	2,631
Technical assistance	2,630	2,369	2,776	2,883	2,648	2,648
Loans	932	1,156	1,466	2,580	820	5,478
Contributions to multilateral institutions	3,355	3,037	3,368	3,382	3,965	3,407
Other Official Flows (OOF)	-899	-1,055	-1,762	-2,412	1,380	…
Export credits (over 1 year)	-56	-66	599	503	328	…
Direct investment and others	-843	-990	-2,361	-2,915	1,052	…
Contributions to multilateral institutions	-	-	-	-	-	-
Private Flows (PF)	31,667	29,262	30,814	28,173	41,701	…
Export credits (over 1 year)	-736	2,694	1,358	1,040	-1,002	…
Direct investment	27,329	25,800	29,588	23,935	30,916	…
Other bilateral securities and claims	6,254	576	354	4,111	11,546	…
Contributions to multilateral institutions	-1,180	193	-484	-913	241	…
Grants by private non-profit organizations	467	498	365	475	522	…
ODA as percentage of GNI (%)	0.20	0.20	0.20	0.23	…	0.28
ODA as percentage of GNI (DAC average) (%)	0.30	0.30	0.32	0.31	…	0.31

1) Net disbursements at current prices and exchange rate designated by DAC. Negative figures (-) indicate that loan repayments, etc., exceeded the disbursed amount. 2) Grant equivalent at current prices and exchange rate designated by DAC. 3) Including bilateral grants through multilateral institutions.
Source: Ministry of Foreign Affairs; Ministry of Finance; OECD.

In the ODA framework, Japan's spending (on a grant equivalent basis at current prices) in 2018 was 14.2 billion U.S. dollars. Japan contributed to the growth of developing countries as the world's number-one ODA donor for 10 consecutive years up until 2000. Recently, Japan's ODA budget has been levelling off because of the country's severe fiscal situation.

With regard to the comparison of the ODA grant equivalents in 2018 of the member countries of the Development Assistance Committee (DAC) of the OECD, Japan was the fourth-largest contributor behind the U.S.A., Germany and the U.K. The ratio of Japan's ODA grant equivalent to Gross National Income (GNI) was 0.28 percent.

Figure 11.6
Trends in ODA by Country [1)]



1) 2005-2017 data: Net disbursement at current prices and exchange rate designated by DAC.
2018 data: Grant equivalent at current prices and exchange rate designated by DAC.
Source: OECD.

Of the 14.2 billion U.S. dollars in ODA grant equivalent provided by Japan in 2018, 10.8 billion was bilateral ODA, and 3.4 billion was ODA contributed through multilateral institutions.

Bilateral ODA (grant equivalent at current prices) provided in 2018 consisted of 2.6 billion U.S. dollars of grant assistance, 2.6 billion of technical assistance, and 5.5 billion of loans.

By region, bilateral ODA (net disbursement at current prices, including assistance to graduated countries) was distributed as follows: Asia, 1,493 million U.S. dollars; Sub-Saharan Africa, 1,215 million U.S. dollars; Middle East and North Africa, 934 million U.S. dollars; Oceania, 200 million U.S. dollars; Latin America and the Caribbean, 191 million U.S. dollars; and Europe, 8 million U.S. dollars.

Table 11.8

Regional Distribution of Bilateral ODA [1)]

(Million U.S. dollars)

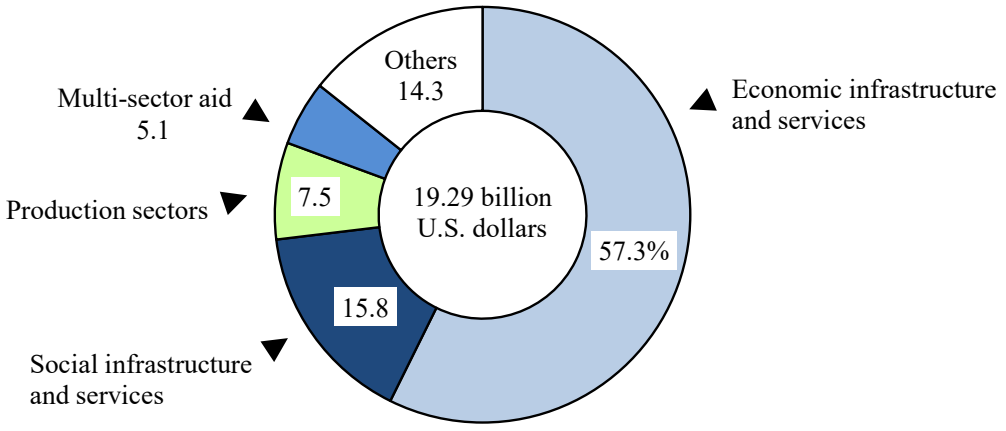
Region	1990	2000	2010	2015	2018
Total	6,940	9,640	7,428	6,134	6,061
Asia	4,117	5,284	2,529	1,626	1,493
ASEAN [2)]	2,299	# 3,126	902	570	-533
Middle East and North Africa	666	727	1,592	864	934
Sub-Saharan Africa	831	970	1,733	1,807	1,215
Latin America and the Caribbean	561	800	-344	-17	191
Oceania	114	151	176	112	200
Europe	158	118	181	48	8
Multiple regions, etc.	494	1,592	1,562	1,694	2,020

1) Net disbursement at current prices and exchange rate designated by DAC. Including assistance to graduated countries. The negative figure (-) indicates that repayments of loans, etc. exceeded the disbursed amount. 2) The data in 1990: 6 countries, the data from 2000: 10 countries.

Source: Ministry of Foreign Affairs.

Bilateral ODA in 2018 (including assistance to graduated countries) was broken down by purpose (on a commitments basis) as follows: 57.3 percent for improving economic infrastructure and services (including transport, storage and energy), followed in descending order by social infrastructure and services, with 15.8 percent, and production sectors, with 7.5 percent.

Figure 11.7
Distribution of Bilateral ODA by Sector [1)] (2018)



1) Commitments basis. Including assistance to graduated countries.
Source: Ministry of Foreign Affairs.

In addition to the financial assistance described above, Japan has also been active in the areas of human resources development and technology transfer through its ODA activities, both of which are vital to the growth of developing countries.

Table 11.9
Number of Persons Involved in Technical Cooperation by Type [1)]

Type of cooperation	FY2010	FY2015	FY2016	FY2017	FY2018
Total	41,212	46,771	39,327	39,932	34,577
Trainees received	23,978	25,203	17,613	17,138	14,890
Dispatched					
Experts	8,296	11,134	10,284	11,098	9,874
Research team	7,046	8,914	9,955	10,228	8,584
Japan Overseas					
Cooperation Volunteers	1,459	1,198	1,132	1,171	1,029
Other volunteers	433	322	343	297	200

1) Numbers of persons newly received/dispatched in the aforementioned fiscal year.
Source: Japan International Cooperation Agency.

Chapter 12

Labour

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In a coworking space (where individuals can work independently while sharing an open workspace) with a nursery room, a mother can check on her child as she works. The trend of a declining birthrate and aging population is expected to continue, and against that backdrop there is a need for greater diversity enabling individual workers to select workstyles suited to their personal situations.

Because of the effects of the Great East Japan Earthquake which occurred in March 2011, the data on labour in 2011 (1. Labour Force - 3. Unemployment) are supplementary estimated figures.

1. Labour Force

After the population in Japan aged 15 years old and over peaked at 111.17 million people in 2011, it has been broadly flat since 2012. In 2019, this population reached 110.92 million people.

On the other hand, the labour force (among the population aged 15 years old and over, the total of employed persons and unemployed persons) was decreasing in the 2000s in association with aging of the population, but shifted to an increase in 2013. The number of labour force was 68.9 million people in Japan in 2019, up 0.56 million (0.8 percent) for the seventh consecutive year of increase.

The labour force participation rate (the rate of the labour force to the population aged 15 years old and over) was 62.1 percent in 2019 (up 0.6 percentage points from the previous year). Observed by gender, the rate was 71.4 percent for males (up 0.2 percentage points) and 53.3 percent for females (up 0.8 percentage points).

Table 12.1
Population by Labour Force Status

(Thousands)

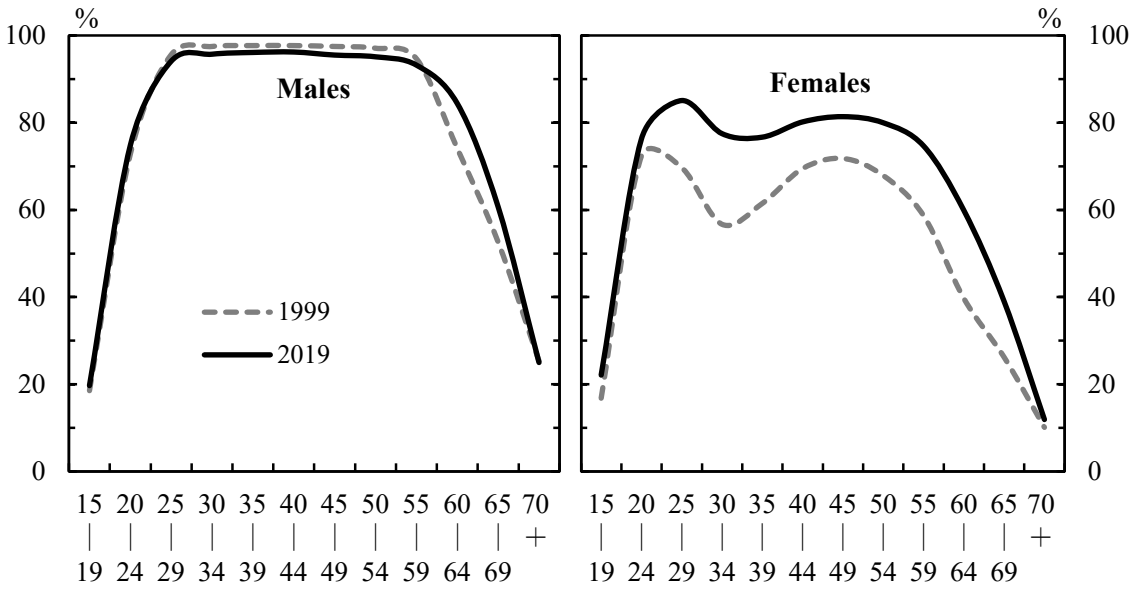
Year	Population aged 15 years old and over	Labour force			Not in labour force	Unemployment rate (%)
		Total	Employed	Unemployed		
Total						
2005	110,080	66,510	63,560	2,940	43,460	4.4
2010	111,110	66,320	62,980	3,340	44,730	5.1
2015	111,100	66,250	64,010	2,220	44,790	3.4
2016	111,110	66,730	64,650	2,080	44,320	3.1
2017	111,080	67,200	65,300	1,900	43,820	2.8
2018	111,010	68,300	66,640	1,660	42,630	2.4
2019	110,920	68,860	67,240	1,620	41,970	2.4
Males						
2005	53,230	39,010	37,230	1,780	14,160	4.6
2010	53,650	38,500	36,430	2,070	15,130	5.4
2015	53,650	37,730	36,390	1,350	15,880	3.6
2016	53,660	37,810	36,550	1,260	15,820	3.3
2017	53,650	37,840	36,720	1,120	15,780	3.0
2018	53,620	38,170	37,170	990	15,420	2.6
2019	53,590	38,280	37,330	960	15,260	2.5
Females						
2005	56,850	27,500	26,330	1,160	29,300	4.2
2010	57,460	27,830	26,560	1,280	29,600	4.6
2015	57,460	28,520	27,640	890	28,910	3.1
2016	57,450	28,920	28,100	820	28,500	2.8
2017	57,430	29,370	28,590	780	28,030	2.7
2018	57,390	30,140	29,460	670	27,210	2.2
2019	57,330	30,580	29,920	660	26,700	2.2

Source: Statistics Bureau, MIC.

The female labour force participation rate by age group is in an M-shaped curve, which implies that females leave the labour force when they get married or give birth and then rejoin the labour force after their child has grown. However, the shape of the M-shaped curve has been changing in recent years. A comparison with the data from 20 years ago (1999) shows that, in 2019, the 35-39 age group replaced the 30-34 age group to form

the bottom of the M-shaped curve. The participation rate rose by 20.8 percentage points in the 30-34 age group and by 15.2 percentage points in the 35-39 age group, making the bottom of the M-shaped curve flatter and more gradual. While this is thought to be greatly affected by the progression of enhancement of the legal system to balance work and childcare, and the improvement of work environment of companies, there are also effects from the trend of getting married and having children later in life.

Figure 12.1
Labour Force Participation Rate by Gender and Age Group



Source: Statistics Bureau, MIC.

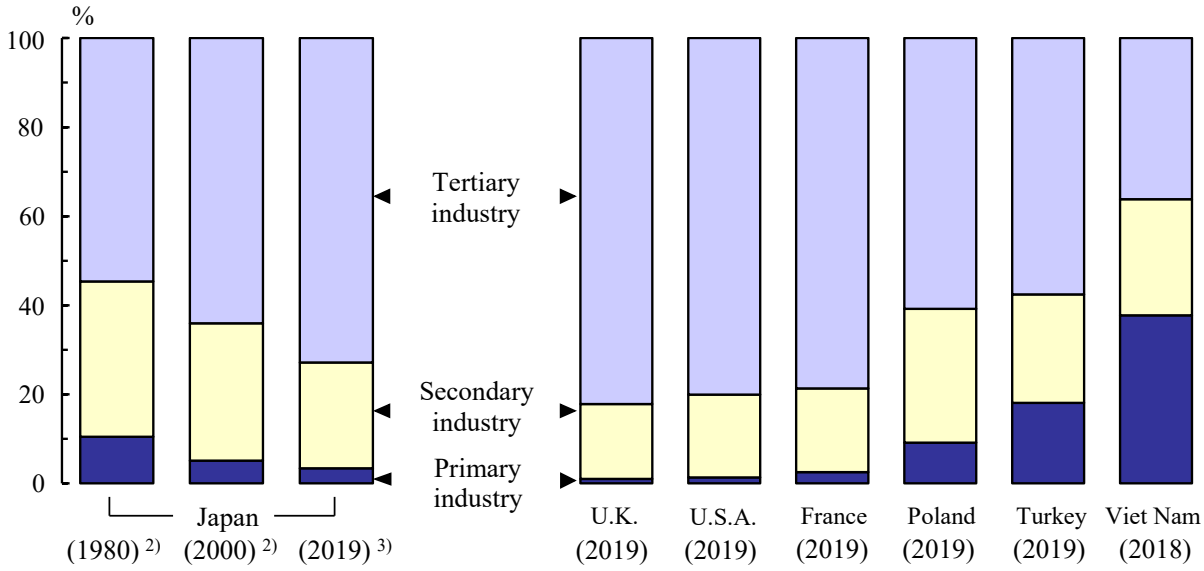
2. Employment

The number of employed persons declined between 1998 and 2003, and increased between 2004 and 2007. After a downward trend between 2008 and 2012, the number of employed persons started increasing again in 2013. The increase amounted to 0.6 million in 2019, from 66.64 million (60.0 percent of the population aged 15 years old and over) in the previous year to 67.24 million (60.6 percent).

(1) Employment by Industry

In 2019, the primary industry accounted for 3.4 percent of the total of employed persons; the secondary industry, 23.8 percent; and the tertiary industry, 72.8 percent.

Figure 12.2
Structure of Employment by Country 1)



1) As to the countries other than Japan, the industrial classification is the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC Rev.4).
2) The industrial classification is the 10th revision of the Japan Standard Industrial Classification (JSIC).
3) The industrial classification is the 13th revision of the JSIC.
Source: Statistics Bureau, MIC; International Labour Organization.

Over the long term, the percentage of persons employed in the primary industry and in the secondary industry have been continually falling, while the percentage of persons employed in the tertiary industry has been continually rising. Within the tertiary industry, the number of those in "medical, health care and welfare" has been increasing.

Depending on the industrial sector, a difference was seen in the employment tendency between males and females. In 2019, the percentage of male employment was highest in "mining and quarrying of stone and gravel", followed by "electricity, gas, heat supply and water" and "construction". The percentage of female employment was highest in "medical, health care and welfare", followed by "accommodations, eating and drinking services" and "living-related and personal services and amusement services".

Table 12.2
Employment by Industry

(Thousands)

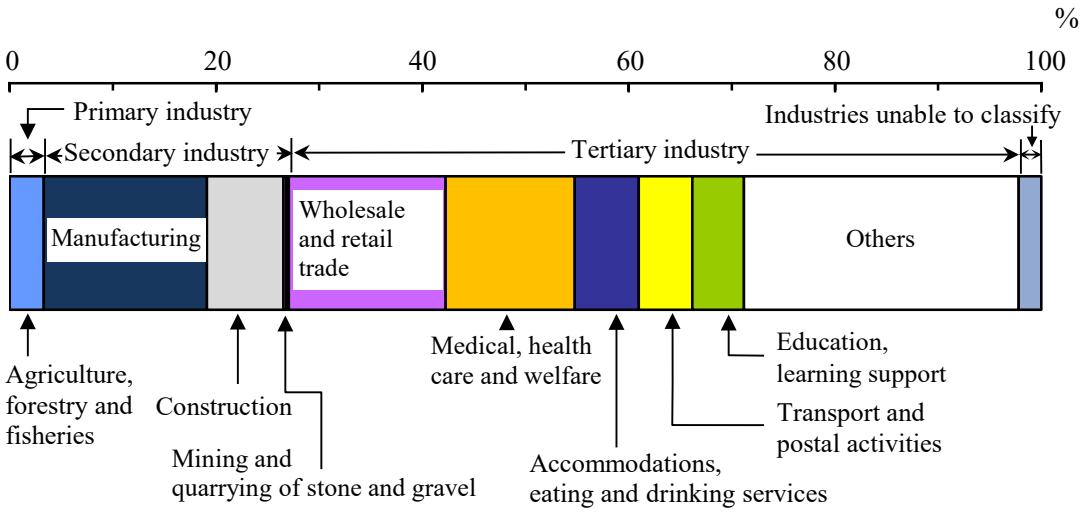
Industries	2016	2017	2018	2019	Percentage [1]	
					Males	Females
Total [2]	64,650	65,300	66,640	67,240	55.5	44.5
Primary industry	**2,230**	**2,210**	**2,280**	**2,220**	**61.2**	**38.8**
Agriculture and forestry	2,030	2,010	2,100	2,070	60.1	39.9
Fisheries	200	200	180	150	75.0	25.0
Secondary industry	**15,430**	**15,530**	**15,660**	**15,640**	**74.2**	**25.8**
Mining and quarrying of stone and gravel	30	30	30	20	100.0	-
Construction	4,950	4,980	5,030	4,990	83.2	16.8
Manufacturing	10,450	10,520	10,600	10,630	70.0	30.0
Tertiary industry	**46,000**	**46,490**	**47,310**	**47,870**	**49.2**	**50.8**
Electricity, gas, heat supply and water	300	290	280	280	85.7	14.3
Information and communications	2,080	2,130	2,200	2,290	71.6	28.4
Transport and postal activities	3,390	3,400	3,410	3,470	78.7	21.3
Wholesale and retail trade	10,630	10,750	10,720	10,590	47.9	52.1
Finance and insurance	1,630	1,680	1,630	1,660	47.0	53.0
Real estate and goods rental and leasing	1,240	1,250	1,300	1,290	59.7	40.3
Scientific research, professional and technical services	2,210	2,300	2,390	2,400	64.6	35.4
Accommodations, eating and drinking services	3,910	3,910	4,160	4,200	37.6	62.4
Living-related and personal services and amusement services	2,340	2,340	2,360	2,420	39.8	60.2
Education, learning support	3,080	3,150	3,210	3,340	41.9	58.1
Medical, health care and welfare	8,110	8,140	8,310	8,430	24.7	75.3
Compound services	620	570	570	540	59.3	40.7
Services, N.E.C.	4,150	4,290	4,450	4,550	59.4	40.6
Government [3]	2,310	2,290	2,320	2,410	72.2	27.8

1) Calculated from figures rounded to thousands. "-" indicates figures where the numerator is "0", due to it being less than half of the given unit.

2) Including "Industries unable to classify". 3) Excluding elsewhere classified.

Source: Statistics Bureau, MIC.

Figure 12.3
Distribution of Employment by Industry (2019)



Source: Statistics Bureau, MIC.

(2) Employment by Occupation

In terms of occupation, the "administrative and managerial workers" has been declining in recent years. The number was 1.28 million in 2019, down 4.5 percent from the previous year's 1.34 million. In contrast, "service workers" such as home-care workers have been on a rising trend over the past few years due to a trend toward a service-oriented economy, the aging population, and improvements on welfare services. There is also a rising trend in the number of "professional and engineering workers". The number was 11.74 million in 2019, which accounted for approximately 17.5 percent of the total employed persons.

Table 12.3
Employment by Occupation

(Thousands)

Occupation	2016	2017	2018	2019	Percentage	
					Males	Females
Total [1]	64,650	65,300	66,640	67,240	55.5	44.5
Administrative and managerial workers	1,470	1,440	1,340	1,280	85.3	14.7
Professional and engineering workers	10,850	11,110	11,310	11,740	52.2	47.8
Clerical workers	12,820	12,950	13,110	13,190	39.4	60.6
Sales workers	8,550	8,620	8,640	8,560	55.5	44.5
Service workers	8,050	8,080	8,440	8,500	31.8	68.2
Security workers	1,270	1,240	1,310	1,320	93.2	6.8
Agricultural, forestry and fishery workers	2,170	2,170	2,220	2,170	63.3	36.7
Manufacturing process workers	8,800	8,890	9,120	9,070	71.1	28.9
Transport and machine operation workers	2,180	2,190	2,180	2,210	96.8	3.2
Construction and mining workers	2,990	3,020	2,980	2,930	97.6	2.4
Carrying, cleaning, packaging, and related workers	4,580	4,640	4,750	4,910	54.1	45.9

1) Including figures unclassifiable or not reported.

Source: Statistics Bureau, MIC.

In 2019, the percentages of male and female employed persons by occupation show that males were particularly prominent among "construction and mining workers" (97.6 percent) and "transport and machine operation workers" (96.8 percent). Females were prominent among "service workers" (68.2 percent) and "clerical workers" (60.6 percent).

(3) Employment by Employment Pattern

With regard to the trends in the number of employed persons by employment pattern, non-regular staff members, such as part-time workers and agency-dispatched workers, have been increasing continuously for the 10th consecutive year since 2010. The number of regular staff members was on a slight declining trend in the 2000s and the early 2010s, but began to rise in 2015 and has continued to rise for 5 years in a row.

In 2019, there were 56.5 million employees (excluding company executives), 21.65 million of whom, or 38.3 percent, were non-regular staff members. The ratio of non-regular staff members among all male employees was 22.8 percent, while the corresponding ratio for females was

56.0 percent, revealing a large difference between the genders.

With regard to the percentage of non-regular staff members to the total of regular and non-regular staff members by gender and age group, for males, the percentages of young people aged 15 to 24 years old, and the elderly aged 65 years old and over were high. Among females, non-regular staff members accounted for more than 50 percent across all age groups, with the exception of females aged 25 to 34 years old.

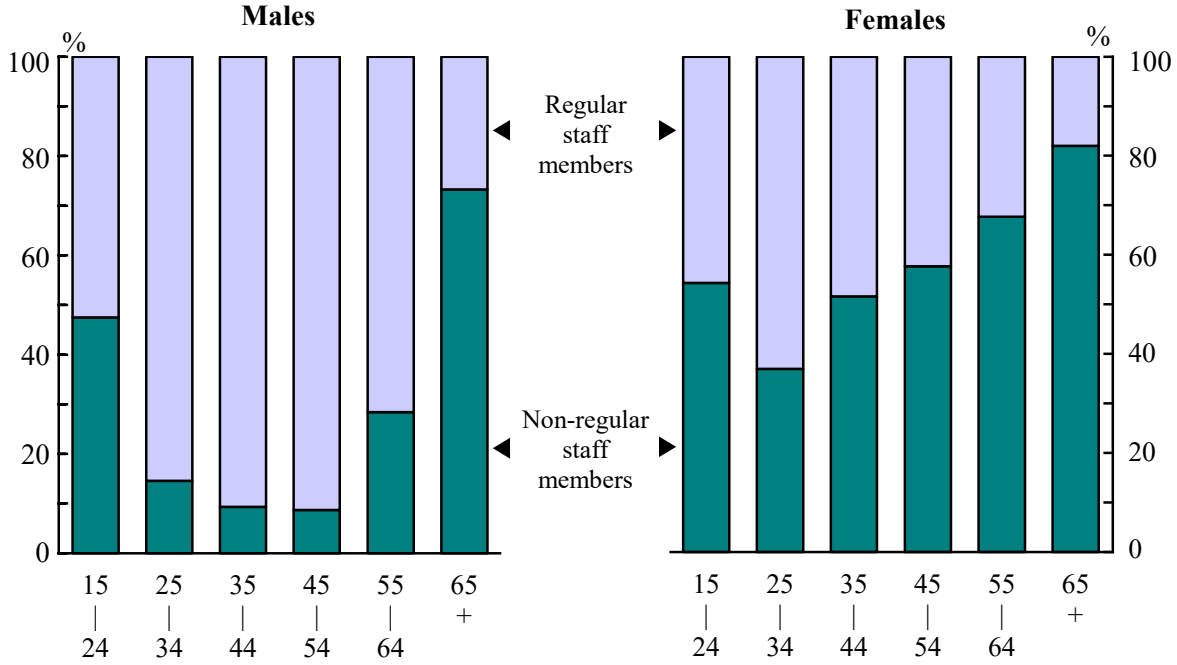
Table 12.4
Employment by Employment Pattern (2019)

(Thousands)

	Employees[1)]	Regular staff members	Percentage	Non-regular staff members	Percentage
Total	56,600	34,940	61.7	21,650	38.3
Males	30,240	23,340	77.2	6,910	22.8
Females	26,350	11,600	44.0	14,750	56.0

1) Excluding company executives.
Source: Statistics Bureau, MIC.

Figure 12.4
Employment Pattern by Gender and Age Group (2019)



Source: Statistics Bureau, MIC.

With regard to the main reasons for the current employment patterns of males and females who are non-regular staff members, for males, the reason "For working at convenient times" was the most popular, on average in 2019, with 1.87 million males (29.3 percent) choosing this reason, up 0.16 million people as compared to the previous year. The most popular reason among females was also "For working at convenient times", with 4.38 million females (31.2 percent) choosing this reason, up 0.11 million people.

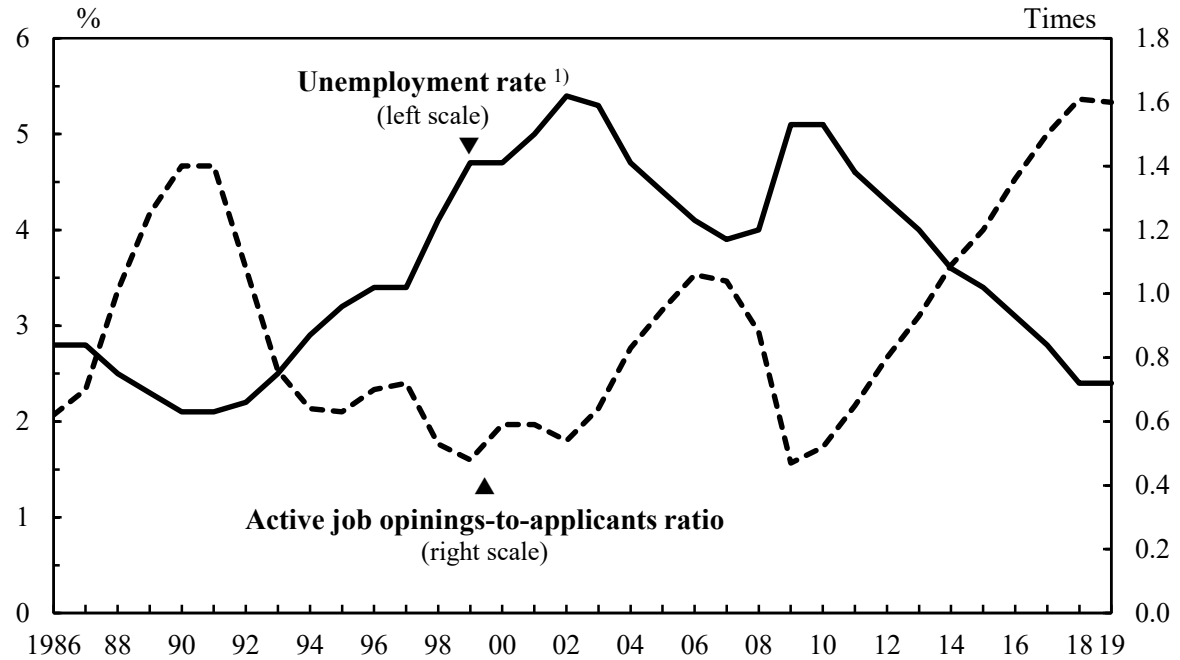
The employment rate of new graduates was not good as a result of the economic slowdown since 2008, but in recent years, their employment situation has been improving continuously and they have maintained high levels of employment.

3. Unemployment

In 2019, the unemployed persons numbered 1.62 million people, down 2.4 percent from the previous year and representing a decline for the 10th consecutive year. The unemployment rate was 2.4 percent, the same as the previous year.

After the active job openings-to-applicants ratio peaked in 2006, it was on a falling trend. Since 2009, the ratio has been increasing. The ratio was 1.60 times in 2019, down 0.01 points from the previous year. This marked the third highest level in history, just under the ratio of 1.76 times attained in 1973 at the end of the period of rapid economic growth.

Figure 12.5
Unemployment Rate and Active Job Openings-to-Applicants Ratio

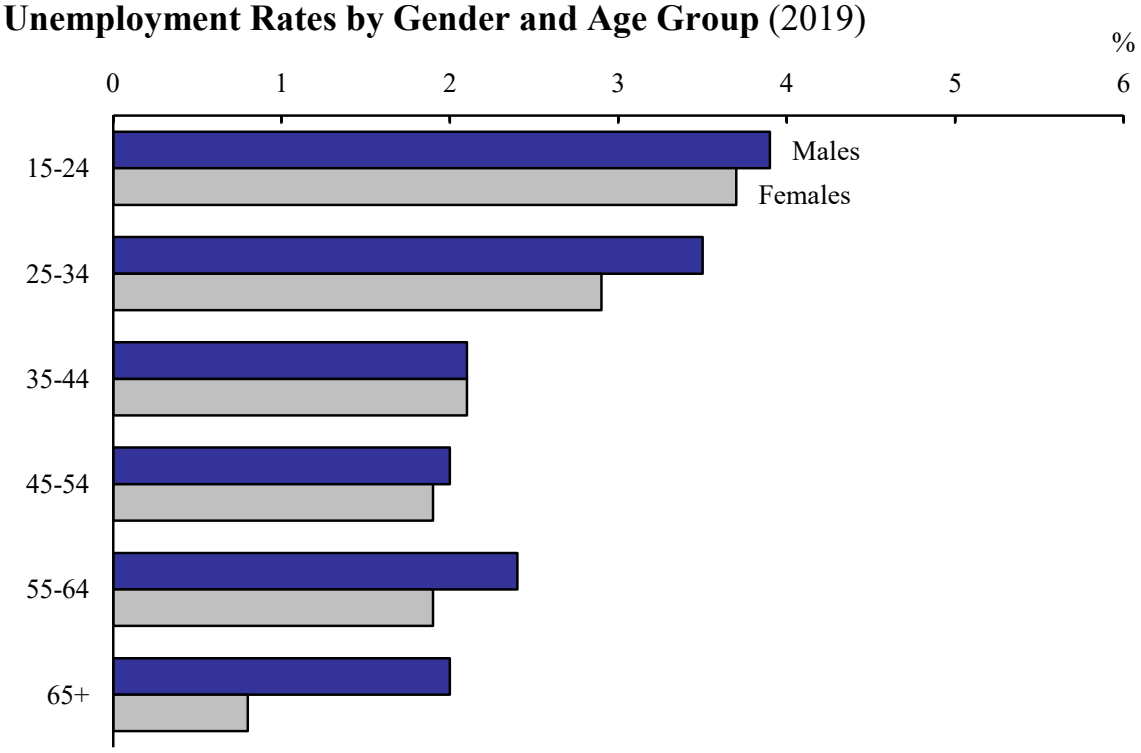


1) The data for 2011 indicates supplementary estimated figure.
Source: Statistics Bureau, MIC; Ministry of Health, Labour and Welfare.

The breakdown by gender shows that the unemployment rate in 2019 was 2.5 percent among males, and 2.2 percent among females. The unemployment rate among males has been higher since 1998.

The unemployment rate was higher in younger age groups than in other age groups, in males and females alike.

Figure 12.6
Unemployment Rates by Gender and Age Group (2019)

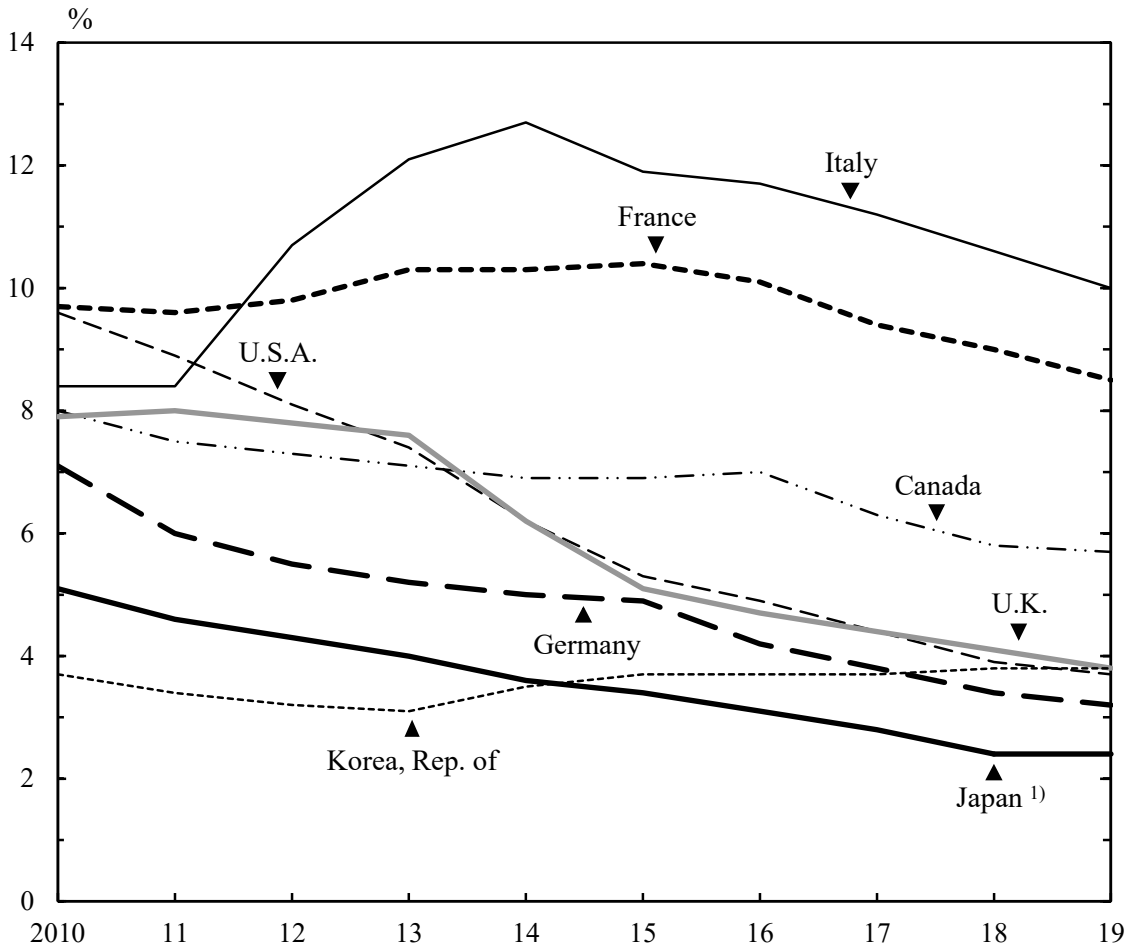


Source: Statistics Bureau, MIC.

With regard to the total number of unemployed persons in 2019, by reason for job-seeking, the major reasons were: (i) involuntary separation due to corporate or business circumstances, or reaching retirement age limit, 0.37 million persons; (ii) voluntary separation for personal or family reasons, 0.7 million persons; (iii) new job seekers due to the necessity to earn income, 0.19 million; and (iv) new job seekers just graduated from school, 0.05 million.

In terms of the duration of unemployment, the largest was unemployed for "less than 3 months" (0.62 million persons), followed by "1 year or more" (0.51 million persons).

Figure 12.7
Unemployment Rates by Country



1) The data for 2011 indicates supplementary estimated figure.
Source: Statistics Bureau, MIC; Cabinet Office.

4. Hours Worked and Cash Earnings

In 2019, the monthly average of total hours worked was 139.1 per regular employee (in establishments with 5 or more regular employees), down 2.2 percent from the previous year, and an annual average was 1,669 hours.

Of the total monthly hours worked per regular employee, 128.5 were scheduled hours worked, representing a decrease of 2.2 percent from the previous year. Non-scheduled hours worked such as overtime work were 10.6 hours, representing a decrease of 1.9 percent from the previous year. Monthly days worked per regular employee were 18.0 days in 2019.

In 2019, the monthly average of total cash earnings per regular employee (in establishments with 5 or more regular employees) was 322,612 yen. This total amount consists of 264,216 yen in "contractual cash earnings" (total for "scheduled cash earnings" and "non-scheduled cash earnings" for working overtime, on holidays and late at night, as well as other allowances), and 58,396 yen in "special cash earnings" (which include summer and year-end bonuses, payments to celebrate employees' marriages, etc.).

Table 12.5

Hours Worked and Cash Earnings [1] (Monthly average)

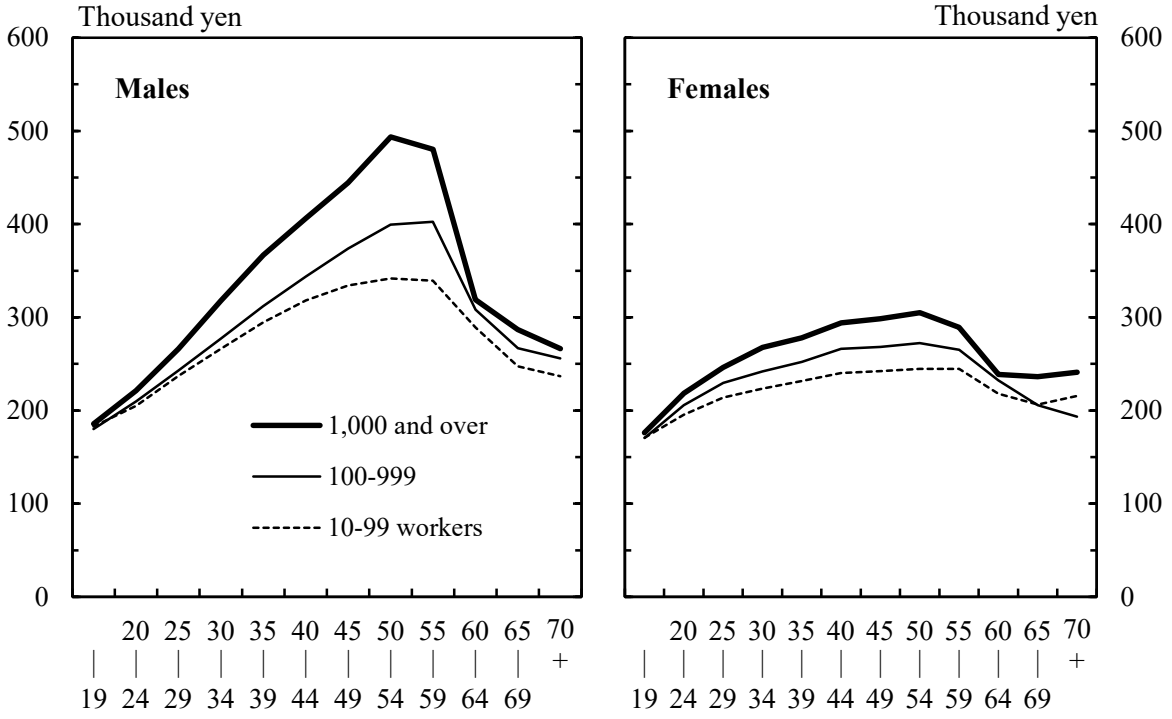
Year	Days worked	Hours Worked			Cash Earnings (1,000 yen)				
		Total	Scheduled	Non-scheduled	Total	Contractual	Scheduled	Non-scheduled	Special [2]
2015	18.7	144.5	133.5	11.0	316	261	241	20	55
2016	18.6	143.7	132.9	10.8	318	261	242	20	57
2017	18.5	143.3	132.4	10.9	319	262	243	20	57
2018	18.4	142.2	131.4	10.8	324	265	245	20	59
2019	18.0	139.1	128.5	10.6	323	264	244	20	58
Indices (2015 average = 100)									
2015	-	100.0	100.0	100.0	100.0	100.0	100.0	-	-
2016	-	99.5	99.6	98.5	100.7	100.2	100.3	-	-
2017	-	99.3	99.2	99.6	101.1	100.7	100.8	-	-
2018	-	98.5	98.4	98.1	102.5	101.6	101.6	-	-
2019	-	96.3	96.2	96.2	102.2	101.4	101.5	-	-

1) Establishments with 5 or more regular employees. 2) Bonuses and other special allowances.

Source: Ministry of Health, Labour and Welfare.

The average earnings (scheduled cash earnings) in Japan go up with age until roughly the 40s to mid-50s and then decline. In revising salaries, the majority of companies emphasize "corporate performance", but in the context of worsening labour shortages, a rising percentage of companies in recent years have been placing the greatest emphasis on "securing and retaining their labour force".

Figure 12.8
Monthly Scheduled Cash Earnings by Size of Enterprise, Gender, and Age Group (2019)



Source: Ministry of Health, Labour and Welfare.

Chapter 13

Family Budgets and Prices

According to the "2018 Comprehensive Survey of Living Conditions", there were 24.93 million households with persons aged 65 years and over, accounting for 48.9 percent of all households (50.99 million households) as of 2018. In terms of the structure of households with persons aged 65 years and over, the most common pattern was a "household of a couple only". There were 8.05 million such households, or 32.3 percent of all households with persons aged 65 years and over.

1. Family Budgets

In 2015, there were approximately 53 million private households in Japan, of which about 65 percent are two-or-more-person households and about 35 percent are one-person households. Family budgets vary significantly depending on the employment situation and ages of their members. In this section, family budgets in various types of households are described on the basis of the 2019 results of the "Family Income and Expenditure Survey".

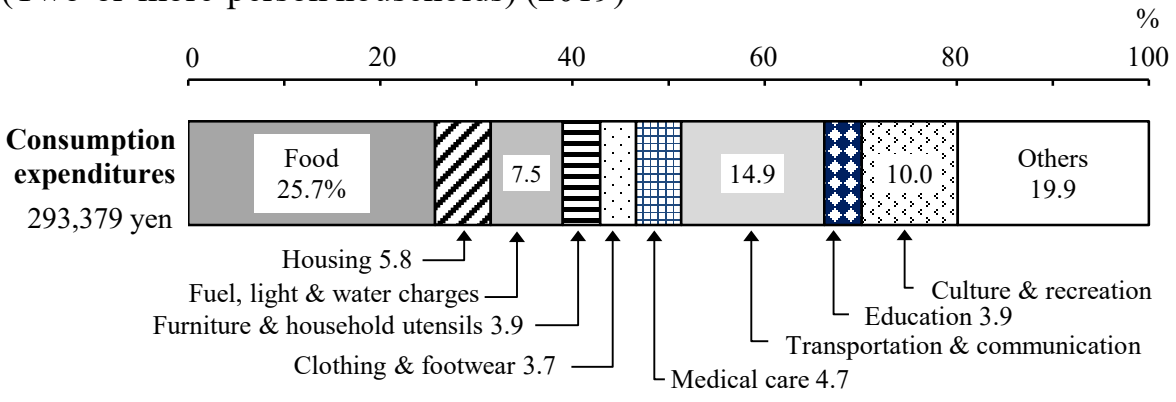
(1) Income and Expenditure

(A) Two-or-more-person Households

The 2019 average monthly consumption expenditures per two-or-more-person household (the average number of household members being 2.97 and the average age of the household head being 59.4 years) was 293,379 yen. Compared to the previous year, it increased by 1.5 percent in nominal terms and increased by 0.9 percent in real terms. The share of food expenses to total consumption expenditures (Engel's coefficient) was 25.7 percent.

Results for 2019 marked the first increase, in the six years since 2013, in the real annual change rate in consumption expenditures.

Figure 13.1
Average Monthly Consumption Expenditures per Household 1)
(Two-or-more-person households) (2019)



1) Use Classification.
Source: Statistics Bureau, MIC.

(a) Workers' Households

A workers' household means a household of which the head is employed by a company, public office, school, factory, store, etc. The average income of workers' households (the average number of household members being 3.31 and the average age of the household head being 49.6 years) was 586,149 yen in 2019. With regard to the breakdown of income, regular income by the household head makes up the majority. The ratio of income by spouses has been increasing little by little, however.

Table 13.1

Average Monthly Income and Expenditures per Household (Workers' households [1])

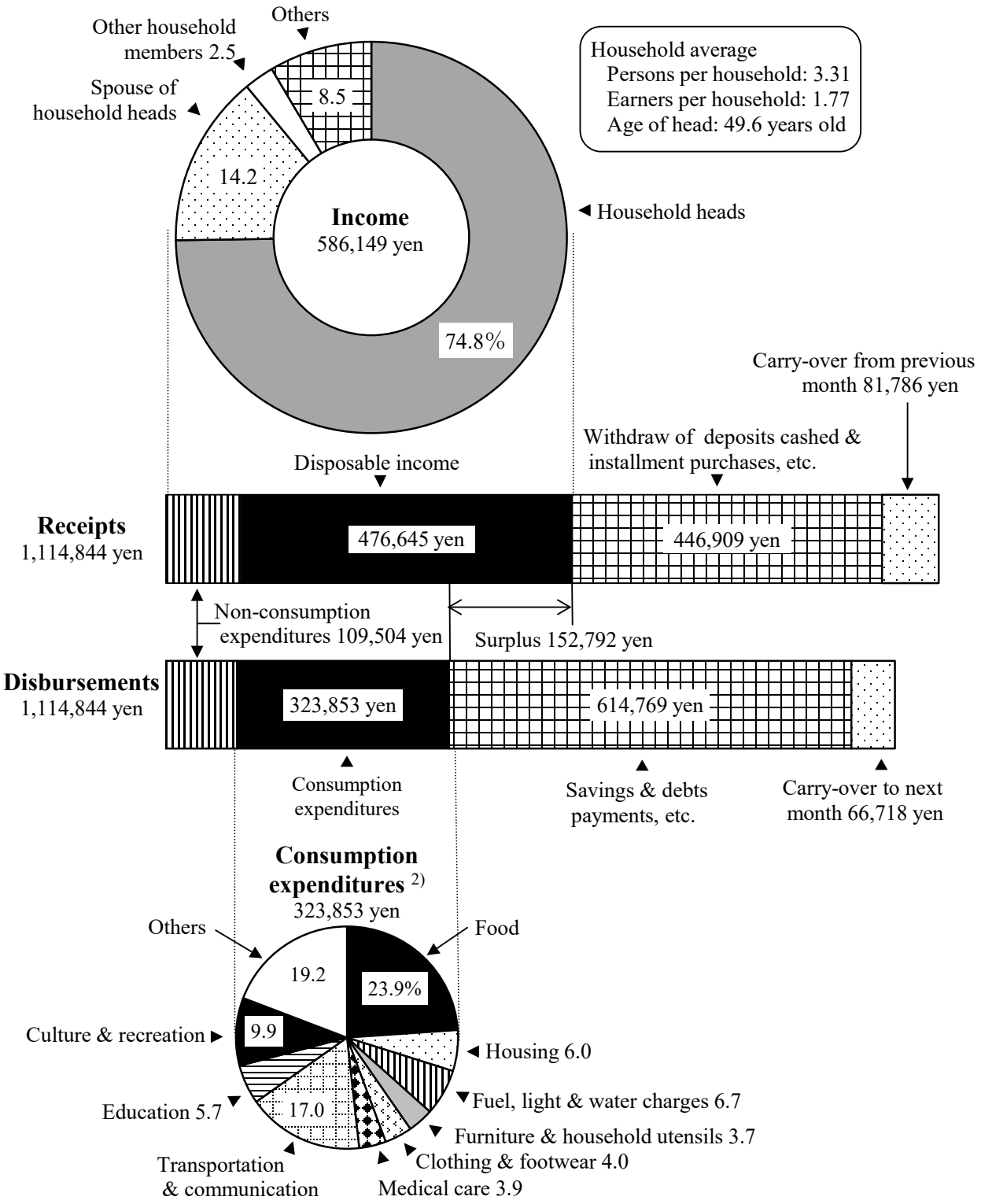
(Thousand yen)

Item	2015	2016	2017	2018	2019
Income (A)	525.7	527.0	533.8	558.7	586.1
Wages and salaries	485.6	487.9	493.8	512.6	536.3
Others	40.1	39.0	40.0	46.1	49.8
Disposable income (A-C)	427.3	428.7	434.4	455.1	476.6
Expenditures	413.8	407.9	412.5	418.9	433.4
Consumption expenditures (B)	315.4	309.6	313.1	315.3	323.9
Non-consumption expenditures (C) [2]	98.4	98.3	99.4	103.6	109.5
Surplus ((A-C)-B)	111.9	119.1	121.4	139.8	152.8
Net increase in deposits and insurance	84.4	91.3	97.0	121.1	149.7
Average propensity to consume (%) [3]	73.8	72.2	72.1	69.3	67.9
Ratio of net increase in deposits and insurance (%) [4]	19.8	21.3	22.3	26.6	31.4
Engel's coefficient (%)	23.6	24.2	23.8	24.1	23.9
Annual change (%) (real terms) [5]					
Disposable income	-0.1	0.4	0.7	-0.4	0.4
Consumption expenditures	-2.1	-1.7	0.5	-1.5	1.2

1) Two-or-more-person households. 2) Direct taxes, social insurance contributions, etc.
3) Ratio of consumption expenditures to disposable income. 4) Ratio of net increase in deposits and insurance to disposable income.
5) Figure of 2018 and 2019 is "discontinuity-adjusted figure".
Source: Statistics Bureau, MIC.

Disposable income, calculated as income minus non-consumption expenditures such as taxes and social insurance contributions, was 476,645 yen. Of this disposable income, 323,853 yen was used for living expenses (consumption expenditures), such as food and housing expenses, while the remainder (surplus), totaling 152,792 yen, was applied to savings, life insurance premiums and repaying debt such as housing loans.

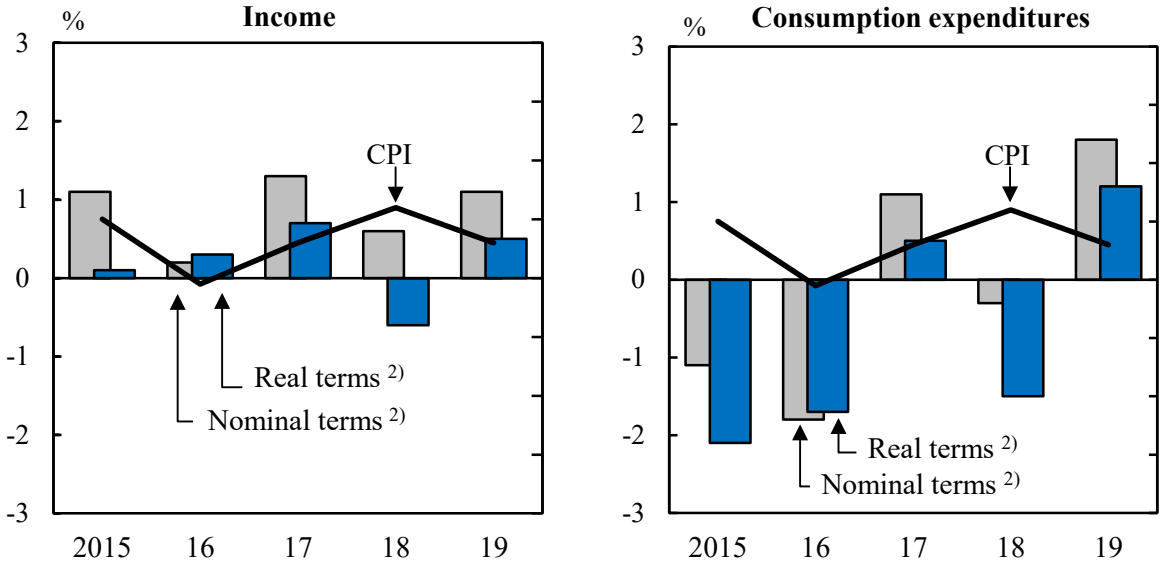
Figure 13.2
Balance of Income and Expenditures
(Monthly average per household, workers' households [1]) (2019)



1) Two-or-more-person households. 2) Use Classification.
Source: Statistics Bureau, MIC.

A comparison of consumption expenditures by category showed that spending on "transportation and communication" and "culture and recreation", etc. increased from the previous year in real terms, while spending on "fuel, light and water charges", "education", etc. decreased in real terms.

Figure 13.3
Year-on-Year Change in Average Monthly Income and Consumption Expenditures per Household (Workers' households [1])

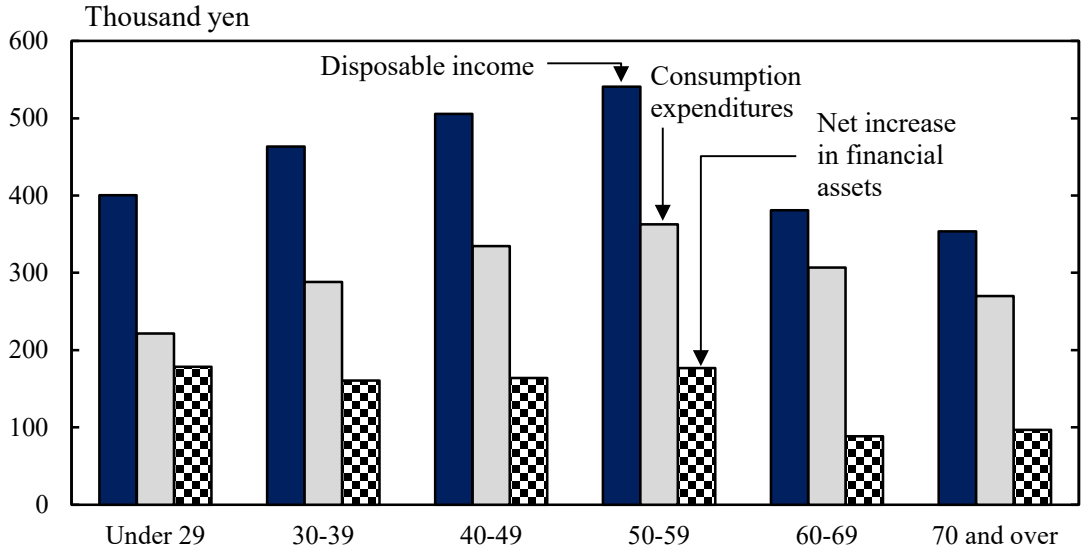


1) Two-or-more-person households. 2) Figure of 2018 and 2019 is "discontinuity-adjusted figure".
Source: Statistics Bureau, MIC.

Family budgets differ among households according to their stages in life. Observed by age group of the household head, the 2019 average monthly disposable income of workers' households was the highest in households in the 50s group (540,739 yen), followed by those in the 40s group (505,444 yen) and the 30s group (463,299 yen).

The 2019 average propensity to consume (the ratio of consumption expenditures to disposable income) was the lowest in households in the under 29 group (55.3 percent). The figure was 62.2 percent for households in the 30s group, 66.2 percent in the 40s group, 67.1 percent in the 50s group, 80.6 percent in the 60s group, and 76.4 percent in the 70 and over group. The percentage tends to be higher as the age goes up, except for the 70 and over group. Meanwhile, a net increase in financial assets (an amount added to savings) was the highest in households in the under 29 group, followed by those in the 50s group.

Figure 13.4
Average Monthly Family Income and Consumption Expenditures per Household by Age Group of Household Head
(Workers' households [1]) (2019)



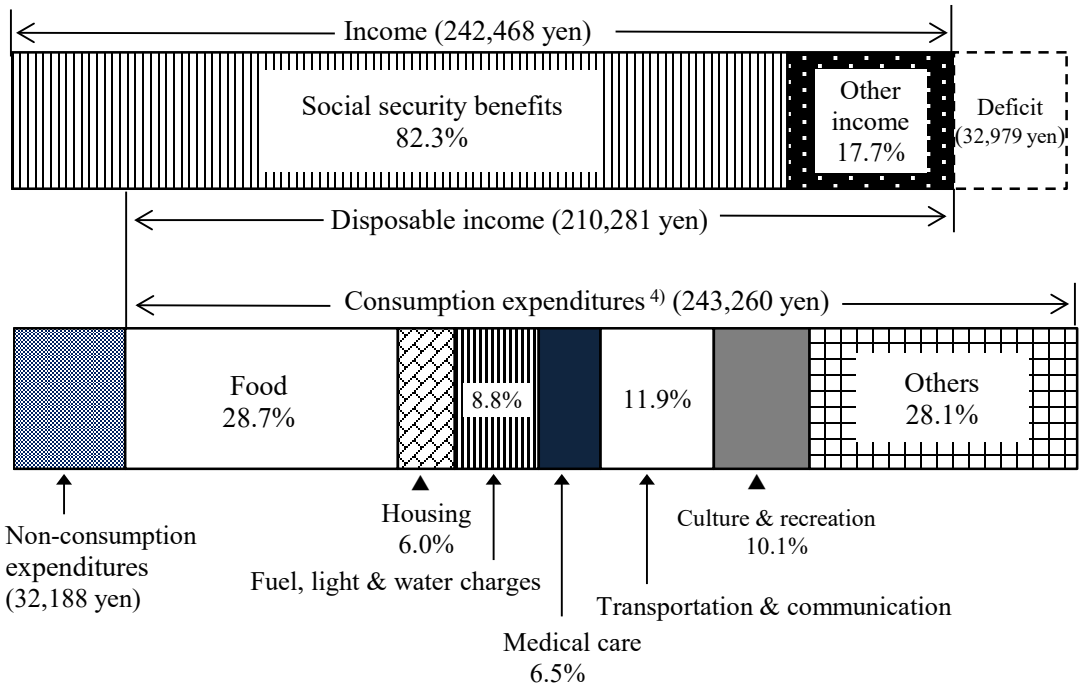
1) Two-or-more-person households.
Source: Statistics Bureau, MIC.

(b) Non-working Elderly Households

According to an analysis of the average monthly income and expenditures of non-working elderly households (two-or-more-person households where the age of the household head is 60 and over), the average income was 242,468 yen in 2019. Social security benefits amounted to 199,651 yen, thus accounting for 82.3 percent of income.

Disposable income averaged 210,281 yen, while consumption expenditures averaged 243,260 yen. The average propensity to consume in non-working elderly households was 115.7 percent, which means consumption expenditures exceeded disposable income. The deficit of disposable income to consumption expenditures (32,979 yen) decreased from that of the previous year (47,455 yen). This deficit was financed by withdrawing financial assets such as deposits, etc.

Figure 13.5
Average Monthly Income and Expenditures per Household [1) 2)]
(Non-working elderly households [3)]) (2019)



1) The percentage of "Social security benefits" and "Other income" in the graph is in proportion to the income. 2) The percentage from "Food" to "Others" in the graph is in proportion to the consumption expenditures. 3) Two-or-more-person households.
4) Use Classification.
Source: Statistics Bureau, MIC.

(B) One-person Households

The average monthly consumption expenditures of one-person households in 2019 was 163,781 yen, down 0.4 percent in nominal terms and down 1.0 percent in real terms from the previous year. By age group, the average monthly consumption expenditure was 172,324 yen for the under 34 group, 188,697 yen for the 35-59 age group, and 148,601 yen for the 60 and over group. Spending on categories such as "fuel, light and water charges" and "medical care" tended to be larger in older age groups. Meanwhile, older age groups were found to spend increasingly less on categories such as "housing" and "clothing and footwear".

Table 13.2
Average Monthly Consumption Expenditures per Household by Age Group
(One-person households) (2019)

(Yen)

Item	Average		Under 34		35-59		60 and over	
	Actual figures	ratio (%)	Actual figures	ratio (%)	Actual figures	ratio (%)	Actual figures	ratio (%)
Consumption expenditures [1] ...	163,781	100.0	172,324	100.0	188,697	100.0	148,601	100.0
Food	40,331	24.6	44,048	25.6	44,074	23.4	37,210	25.0
Housing	20,847	12.7	33,458	19.4	25,277	13.4	14,309	9.6
Fuel, light and water charges	11,652	7.1	7,265	4.2	11,743	6.2	13,126	8.8
Furniture and household utensils	5,308	3.2	3,682	2.1	5,492	2.9	5,781	3.9
Clothing and footwear	5,720	3.5	8,217	4.8	7,125	3.8	4,168	2.8
Medical care	7,666	4.7	4,580	2.7	7,304	3.9	8,922	6.0
Transportation and communication	20,989	12.8	27,205	15.8	29,129	15.4	14,819	10.0
Education	19	0.0	0	0.0	0	0.0	36	0.0
Culture and recreation	18,746	11.4	20,096	11.7	20,904	11.1	17,213	11.6
Others	32,503	19.8	23,774	13.8	37,650	20.0	33,018	22.2
Annual change (%) (real terms) [2]								
Consumption expenditures	-1.0		…		…		…	

1) Use Classification. 2) Discontinuity-adjusted figure.
Source: Statistics Bureau, MIC.

(2) Savings and Debts

Two-or-more-person households in 2019 showed that the average amount of savings per workers' household was 13.76 million yen, resulting in a ratio to yearly income (7.36 million yen) of 187.0 percent. The median value of household savings (the value of household savings that is in the middle when households are lined up in order from those with the lowest amount of savings to those with the highest amount of savings) was 8.01 million yen. On the other hand, the average amount of debt per household was 8.55 million yen, which was 116.2 percent relative to yearly income. The median value of households holding debts was 14.49 million yen. The portion of household debt accounted for by "housing and/or land" averaged 7.98 million yen. A total of 44.8 percent of workers' households held "debts for housing and/or land".

Table 13.3

Average Amount of Savings and Debts (Workers' households [1])

(Thousand yen)

Year	Yearly income	Savings	Ratio of savings to yearly income (%)	Debts	Housing and/or land	Ratio of debts to yearly income (%)	Ratio of households holding debts (%)
2015	7,090	13,090	184.6	7,550	6,980	106.5	53.8
2016	7,150	12,990	181.7	7,810	7,160	109.2	53.9
2017	7,220	13,270	183.8	7,940	7,390	110.0	54.1
2018	7,290	13,200	181.1	8,210	7,610	112.6	54.6
2019	7,360	13,760	187.0	8,550	7,980	116.2	55.3

1) Two-or-more-person households.

Source: Statistics Bureau, MIC.

By age group of household head, the average amount of savings was found to be the highest in the 60s group, while debts were the highest in the 30s group.

Table 13.4

Amount of Savings and Debts by Age Group of Household Head

(Workers' households [1]) (2019)

(Million yen)

Item	Average	Under 29	30-39	40-49	50-59	60-69	70 and over
Yearly income	7.36	5.00	6.48	7.68	8.70	6.39	5.35
Savings	13.76	3.57	7.21	10.57	17.28	21.35	19.12
Financial institutions	13.16	3.45	6.90	9.95	16.28	20.88	19.12
Demand deposits	4.27	1.80	3.57	3.89	4.41	5.46	5.91
Time deposits	4.38	0.55	1.47	2.78	5.81	7.83	8.82
Life insurance, etc.	3.00	0.92	1.31	2.25	4.20	4.59	2.95
Securities	1.50	0.17	0.56	1.02	1.85	3.01	1.44
Non-financial institutions	0.61	0.12	0.31	0.62	1.00	0.47	0.00
Debts	8.55	8.85	14.17	11.20	6.61	2.29	0.68
Housing and/or land	7.98	8.23	13.65	10.53	5.95	1.90	0.50
Other than housing and/or land	0.36	0.39	0.34	0.45	0.36	0.25	0.06
Monthly and yearly installments	0.21	0.22	0.18	0.21	0.29	0.14	0.11

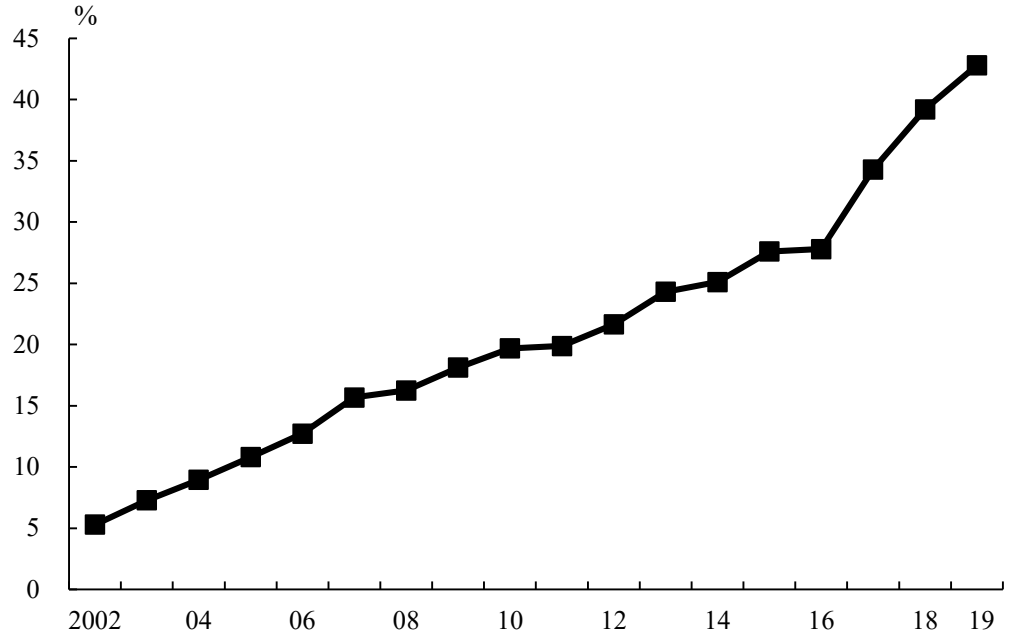
1) Two-or-more-person households.

Source: Statistics Bureau, MIC.

(3) Internet Shopping by Households

Due to popularization of computers, smartphones, etc., the use of Internet shopping has been increasing. According to the "Survey of Household Economy", the percentage of two-or-more-person households that utilize Internet shopping has continued to increase since 2002, reaching 42.8 percent in 2019. Total monthly expenditures used on Internet shopping amounted to an average of 14,332 yen per household.

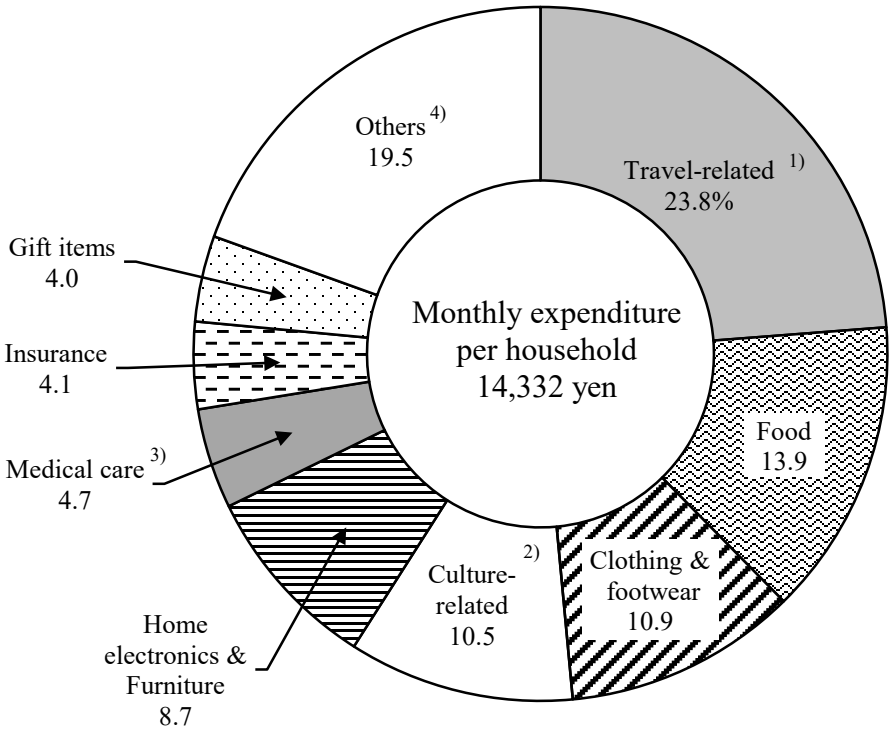
Figure 13.6
Proportion of Households Ordered over the Internet
(Two-or-more-person households)



Source: Statistics Bureau, MIC.

Looking at the breakdown of total expenditures per two-or-more-person households spent on Internet shopping, "travel-related" were the highest at 23.8 percent, followed by "food" at 13.9 percent, "clothing and footwear" at 10.9 percent, "culture-related" (such as books and music software) at 10.5 percent, and "home electronics and furniture" at 8.7 percent, etc.

Figure 13.7
Ratio of Expenditure on Goods and Services Ordered over the Internet
(Two-or-more-person households) (2019)

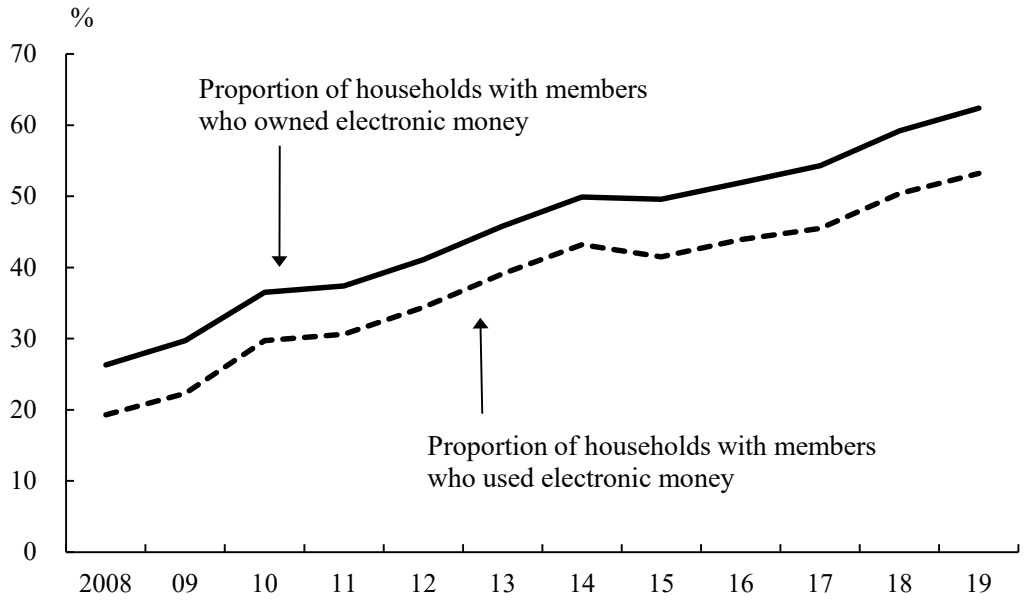


1) Total of accommodation services, fares and package tours. 2) Total of books and other reading materials, software (music, video, personal computer, TV game), digital books, download music, video, applications and tickets. 3) Total of medicines and health foods.
4) Total of cosmetics, private transportation, other goods and services.
Source: Statistics Bureau, MIC.

(4) Electronic Money

Use of electronic money has been increasing, as a means for settling accounts that can be easily used at transportation facilities, convenience stores, supermarkets, etc. Based on two-or-more-person households in the "Survey of Household Economy", the percentage of households with members who own electronic money and the percentage of households with members who have used electronic money have been on an increasing trend starting in 2008. In 2019, the percentage of households with electronic money was 62.4 percent, and the percentage of households that have used electronic money was 53.2 percent, indicating increases as compared to the previous year.

Figure 13.8
Trends in Ownership and Utilization of Electronic Money
(Two-or-more-person households)



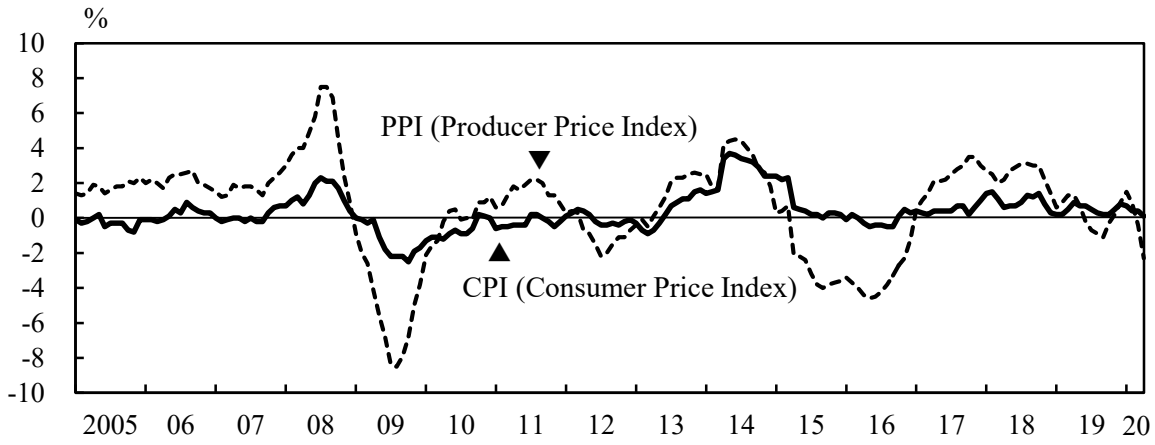
Source: Statistics Bureau, MIC.

2. Prices

From 2010 to the first quarter of 2013, producer prices fluctuated in the range of plus or minus 2 percent, and after that rose until the first quarter of 2015 due to depreciation of the yen. From the second quarter of 2015 to the fourth quarter of 2016, producer prices fell due to a decline of international commodity prices and a stronger yen, but from the second quarter of 2017 to the fourth quarter of 2018, they fluctuated around 2 to 3 percent compared to the previous year. Since 2018, global resource prices have declined due to a worldwide economic slowdown brought on by trade friction between the U.S.A. and China, and as a result, the size of the increase contracted in 2019, and shifted to a decline in the third quarter.

Consumer prices began a rising trend from the fourth quarter of 2007 due to sharp increases in imported raw material prices, but they began to fall from the first quarter of 2009 as a result of falling imported raw material prices after the bankruptcy of the major American securities firm Lehman Brothers in September 2008. Since 2010, the trend was generally downwards, but it turned upward starting in the third quarter of 2013 due to weakening of the yen. As a result of the increase in the consumption tax from 5 percent to 8 percent in April 2014, the size of the increase grew, but by the second quarter of 2015, the stimulative effects of the tax increase subsided. Since the fourth quarter of 2016, an upward trend has continued, due to global resource prices (such as crude oil) and exchange rates, but since 2018, trade friction between the U.S.A. and China has diminished the effect of rising resource prices, and increasing food prices have become a greater factor.

Figure 13.9
Price Trends (Percent change from previous year)



Source: Statistics Bureau, MIC; Bank of Japan.

(1) Consumer Price Index (CPI)

The all items index of consumer prices (with base year 2015 = 100) was 101.8 in 2019, up 0.5 percent from the previous year.

Table 13.5
CPI for Major Categories of Goods and Services

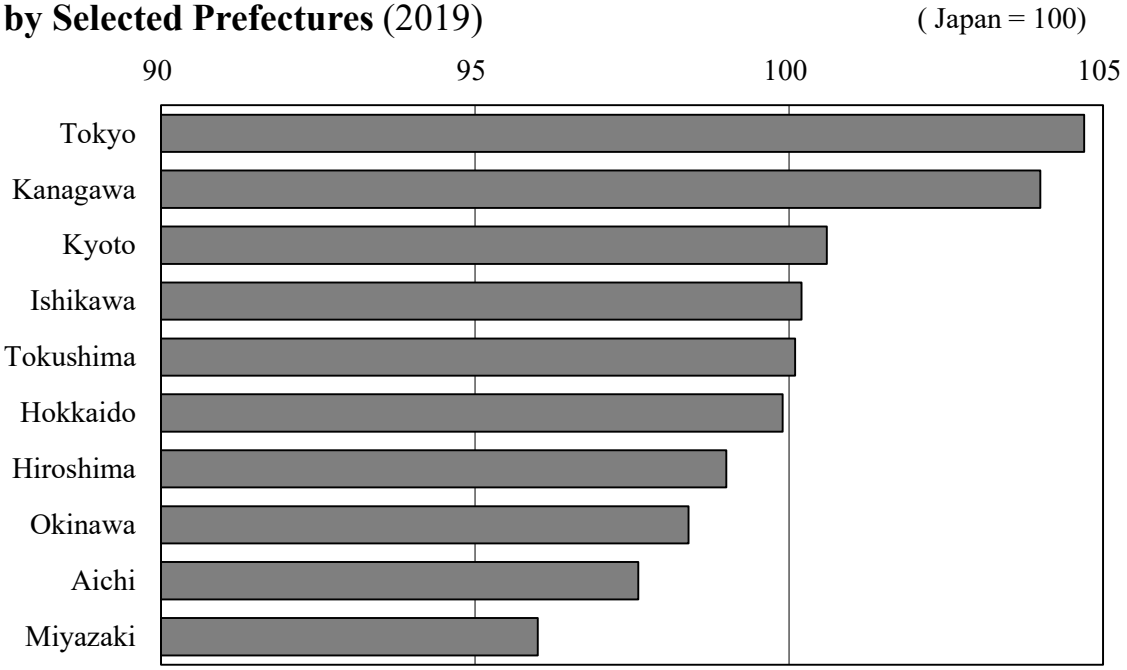
(CY2015=100)

Item	Weight	2005	2010	2017	2018	2019
All items	10000	96.9	96.5	100.4	101.3	101.8
All items, less imputed rent	8501	95.9	95.6	100.5	101.7	102.3
Food	2623	90.9	93.9	102.4	103.9	104.3
Housing	2087	101.5	100.9	99.7	99.6	99.8
Fuel, light and water charges	745	81.3	86.0	95.2	99.0	101.3
Furniture and household utensils	348	118.1	105.8	99.1	98.0	100.2
Clothing and footwear	412	95.9	95.7	102.0	102.2	102.6
Medical care	430	101.3	100.1	101.8	103.3	104.0
Transportation and communication	1476	98.1	96.5	98.3	99.6	99.0
Education	316	105.0	97.8	102.2	102.7	101.1
Culture and recreation	989	109.1	101.1	101.3	102.1	103.8
Miscellaneous	574	88.5	91.1	100.9	101.4	101.4
Goods	4969	95.5	95.4	100.4	102.1	102.8
Services	5031	98.3	97.6	100.3	100.6	100.9

Source: Statistics Bureau, MIC.

According to the general index (all items, less imputed rent) in the regional difference index of consumer prices, which compares the difference in consumer price levels by prefecture, Tokyo had the highest score in 2019, with a figure of 104.7 against the national average set at 100, followed by Kanagawa, with 104.0. On the other hand, Miyazaki registered the lowest score, with 96.0. The index for Tokyo was 9.1 percent higher than that of Miyazaki.

Figure 13.10
Regional Difference Index of Consumer Prices by Selected Prefectures (2019)



Source: Statistics Bureau, MIC.

(2) Corporate Goods and Services Producer Price Indices

The Corporate Goods Price Index measures price changes of goods traded in the corporate sector. It is comprised of the Producer Price Index (price index of domestically-produced and domestically-traded goods in the corporate sector), the Export Price Index, and the Import Price Index.

In 2019, the Producer Price Index (CY2015 as the base year = 100) was 101.5, up 0.2 percent from the previous year.

In 2019, the Export Price Index decreased to 99.5 on a contract currency basis (down 2.6 percent from the previous year), and to 93.1 on a yen basis

(down 3.8 percent from the previous year). Meanwhile, the Import Price Index fell to 102.2 on a contract currency basis (down 4.2 percent from the previous year) and to 94.4 on a yen basis (down 5.3 percent from the previous year).

The Services Producer Price Index measures price movements of services traded between companies. In 2019, the Services Producer Price Index (CY2015 as the base year = 100) was 103.3, up 1.1 percent from the previous year.

Table 13.6
Corporate Goods and Services Producer Price Indices

(CY2015=100)

Item	Weight	2016	2017	2018	2019
Corporate Goods Price Index					
Producer Price Index	1000.0	96.5	98.7	101.3	101.5
Manufacturing industry products	888.3	97.0	98.9	101.1	101.2
Export Price Index (yen basis)	1000.0	90.7	95.5	96.8	93.1
Import Price Index (yen basis)	1000.0	83.6	92.7	99.7	94.4
Services Producer Price Index					
All items	1000.0	100.3	101.0	102.2	103.3
Information and communications	228.3	100.1	100.2	101.0	101.4
Transportation and postal activities	158.0	98.8	100.2	102.7	104.4
Real estate services	94.5	101.0	102.4	103.6	104.9
Leasing and rental	79.2	99.5	99.1	99.2	99.6

Source: Bank of Japan.

Chapter 14

Environment and Life

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Yakushima was registered in 1993, together with Shirakami-Sanchi, as the first World Natural Heritage site in Japan. However, problems have arisen in recent years such as widening of trails and soil erosion due to the increase in mountain climbers, and the effects of acid rain. At present, efforts to protect the environment are underway on Yakushima such as restoring vegetation, adopting restrictions on private cars, and promoting ecotourism.

1. Environmental Issues

The list of environmental issues is wide-ranging, from waste management to global warming. Japan is, while pursuing regional development at home, taking the initiative in efforts to prevent global warming and conserve the natural environment to help achieve sustainable growth of the entire world.

In fiscal 2018, Japan's total emission of greenhouse gases, which are a major cause of global warming, amounted to 1.2 billion tons (calculated after their conversion into carbon dioxide), representing a decrease of 3.9 percent from the previous fiscal year. Carbon dioxide accounted for 91.7 percent of these greenhouse gases, with an emission volume of 1.1 billion tons. A breakdown of carbon dioxide emissions by sector revealed that emissions from the industrial sector accounted for 35.0 percent of the total, followed in order by emissions from the transport sector, the commercial industry sector (office buildings, etc.), the residential sector, and the energy industry sector (electric power plants, etc.).

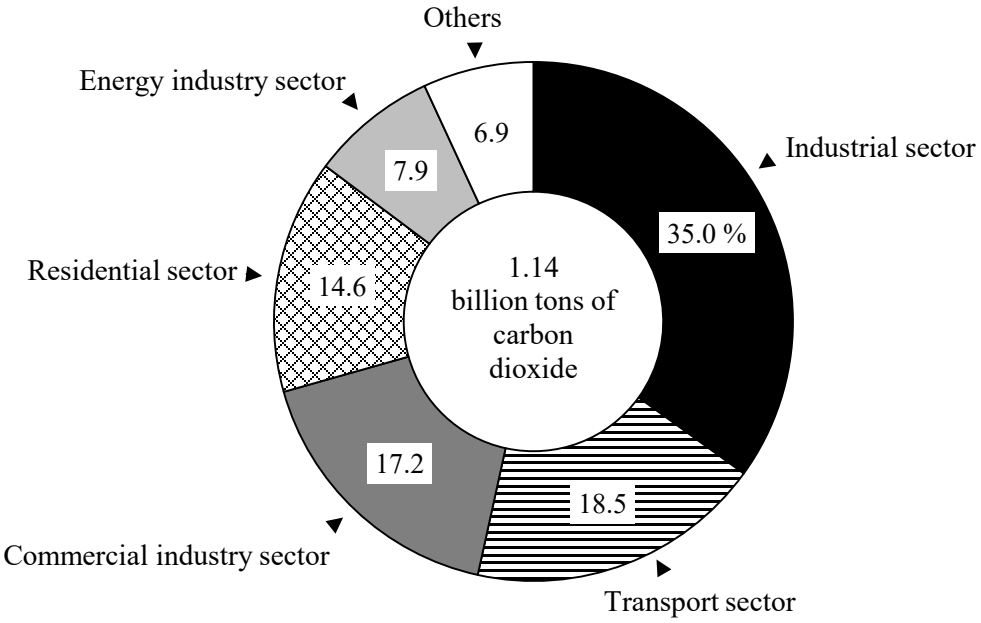
Table 14.1
Breakdown of Carbon Dioxide Emissions [1) 2)]

(Million tons)

Category	FY1990	FY2005	FY2010	FY2015	FY2017	FY2018
Total	1,068	1,201	1,137	1,146	1,110	1,059
Industrial sector	503	467	430	429	410	398
Transport sector	207	244	229	217	213	210
Commercial industry sector	130	220	200	219	210	196
Residential sector	131	170	179	187	186	166
Energy industry sector	96	98	99	94	91	89
Industrial processes and product use	66	56	47	47	47	46
Waste (incineration, etc.)	24	32	29	29	30	29
Others	7	5	4	3	3	3

1) Volume of carbon dioxide after reallocation to the end-use sector. 2) Due to the revision of the Electricity Business Act (liberalization of electricity retail sales), the emission intensity of electricity used in each sector has changed since FY2016.
Source: Ministry of the Environment.

Figure 14.1
Sources of Carbon Dioxide Emissions [1)] (FY2018)



1) Volume of carbon dioxide after reallocation to the end-use sector.
Source: Ministry of the Environment.

The state of waste management in Japan had remained serious due to the shrinking remaining capacity of final disposal sites and increased illegal dumping. This led to the Basic Act on Establishing a Sound Material-Cycle Society (brought into force in January 2001), which defines basic principles for the creation of a sound material-cycle society. This Act has established a legal framework to address issues such as waste disposal and recycling of automobile and electrical appliance. Furthermore, in Japan, the "3Rs" (reduce, reuse and recycle) in waste management including R&D on waste recycling technology and appropriate management of materials of hazards have been promoted, but recently, socio-economic systems have been developed to especially implement the "2Rs" (reduce and reuse) from among the "3Rs".

Of various types of waste generated as a result of business activities, 20 of them, including sludge, waste oil, soot and dust, and imported waste, are designated as "industrial waste". The fiscal 2017 nationwide industrial waste generation totaled 384 million tons. Sludge, animal excreta, and debris, which account for approximately 80 percent of the total industrial waste, are now increasingly recycled into construction materials, fertilizers, and other materials. Thanks to this development, the volume of final disposal (to be put into landfills) fell from 89 million tons in fiscal 1990 to 10 million tons in fiscal 2017.

Meanwhile, a total of 43 million tons of "nonindustrial waste" (household waste and also shop, office, and restaurant waste) was generated in fiscal 2017. This translates to 920 grams per person per day. The total volume of processed nonindustrial waste was 41 million tons in fiscal 2017. The total volume of recycled waste was 9 million tons, with the recycling rate at 20.2 percent.

Table 14.2
Waste Generation and Disposal

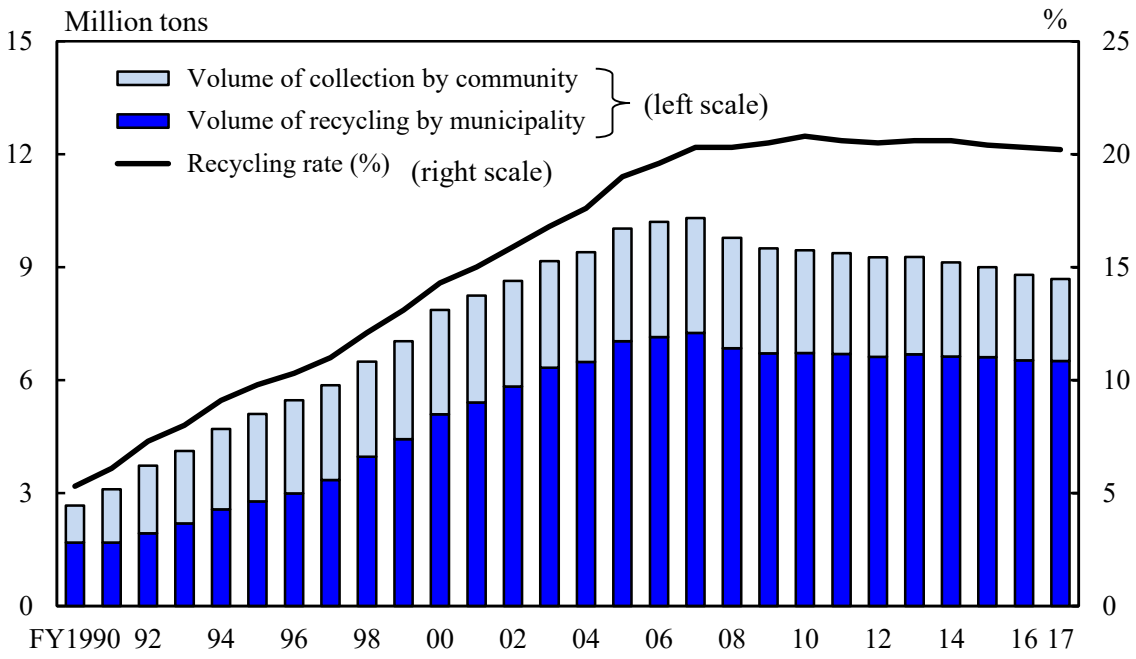
(Thousand tons)

Item	FY1990	FY2000	FY2005	FY2010	FY2017
Industrial waste					
Total volume of waste generation	394,736	406,037	421,677	385,988	383,544
Recycling	150,568	184,237	218,888	204,733	200,217
Treatment for waste reduction	154,443	176,933	178,560	167,000	173,630
Final disposal	89,725	44,868	24,229	14,255	9,697
Nonindustrial waste [1]					
Total volume of waste generation	50,257	54,834	52,720	45,359	42,894
Municipally scheduled and collected	42,495	46,695	44,633	38,827	37,092
Directly brought to waste treatment facilities	6,776	5,373	5,090	3,803	3,630
Recyclable waste collected by community	986	2,765	2,996	2,729	2,172
Waste generated daily per person (in grams)	1,115	1,185	1,131	976	920
Total volume of processed waste	49,282	52,090	49,754	42,791	40,771
Direct incineration	36,192	40,304	38,486	33,799	32,725
Intermediate treatment for recycling, etc.	3,300	6,479	7,283	6,161	5,687
Direct recycling		2,224	2,541	2,170	1,941
Direct final disposal	9,790	3,084	1,444	662	419

1) Due to the Great East Japan Earthquake, figures for FY2010 exclude those for Minamisanriku Town, Miyagi Prefecture. Figures for FY 2017 exclude disaster waste.

Source: Ministry of the Environment.

Figure 14.2
Recycling of Nonindustrial Waste [1)]



$$\text{Recycling rate (\%)} = \frac{\text{Total volume of recycled waste}}{\text{Total volume of processed waste} + \text{Volume of collection by community}} \times 100$$

$$\text{Total volume of recycled waste} = \text{Volume of recycling by municipality} + \text{Volume of collection by community}$$

1) Due to the Great East Japan Earthquake, figures for FY2010 exclude those for Minamisanriku Town, Miyagi Prefecture. Figures after FY2011 exclude disaster waste.

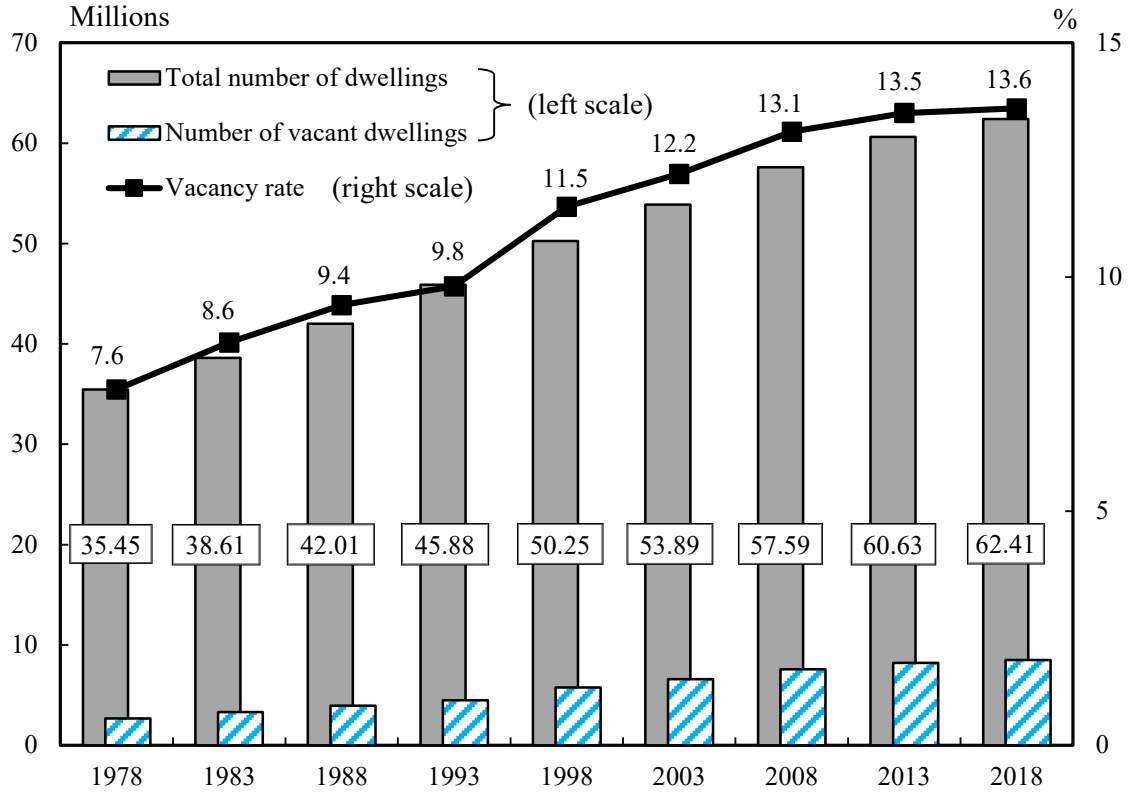
Source: Ministry of the Environment.

2. Housing

The total number of dwellings (the number of individual units in the case of apartment buildings) in Japan was 62 million in 2018, up by 2 million, 2.9 percent from 2013. The number of households was 54 million, representing the excess in number of dwellings over households by 8 million.

In 2018, the number of occupied dwellings (where people usually live) amounted to 54 million, accounting for 85.9 percent of the total number of dwellings. Of these, the number of dwellings used exclusively for living totaled 53 million, accounting for 98.2 percent of the occupied dwellings. Meanwhile, the number of vacant dwellings increased by 0.3 million, 3.6 percent from 2013, to 8 million. That vacancy rate represented 13.6 percent of the total number of dwellings, the highest-ever ratio.

Figure 14.3
Trends in Dwellings, Vacant Dwellings, and Vacancy Rate



Source: Statistics Bureau, MIC.

A breakdown of occupied dwellings by category of ownership showed that owned houses totaled 33 million, accounting for 61.2 percent of the total, which represented a decrease of 0.5 percentage points from the figure of 61.7 percent in 2013. Rented houses, on the other hand, numbered 19 million, accounting for 35.6 percent of the total.

Table 14.3
Housing Conditions

(Thousands)

Year	Total households	Total number of dwellings [1]	Occupied dwellings [2]	Ownership		Dwellings exclusively for living	Floor space per dwelling (m^2) [2]
				Owned	Rented		
1988	37,812	42,007	37,413	22,948	14,015	34,701	85.0
1993	41,159	45,879	40,773	24,376	15,691	38,457	88.4
1998	44,360	50,246	43,922	26,468	16,730	41,744	89.6
2003	47,255	53,891	46,863	28,666	17,166	45,258	92.5
2008	49,973	57,586	49,598	30,316	17,770	48,281	92.4
2013	52,453	60,629	52,102	32,166	18,519	50,982	93.0
2018	54,001	62,407	53,616	32,802	19,065	52,642	92.1

1) Including dwellings without occupying households.
2) Including ownership of dwelling "Not reported".
Source: Statistics Bureau, MIC.

Table 14.4
Occupied Dwellings by Type of Building

(Thousands)

Year	Total	Detached houses	Tenement houses	Apartments	Others
1988	37,413	23,311	2,490	11,409	203
1993	40,773	24,141	2,163	14,267	202
1998	43,922	25,269	1,828	16,601	224
2003	46,863	26,491	1,483	18,733	156
2008	49,598	27,450	1,330	20,684	134
2013	52,102	28,599	1,289	22,085	130
2018	53,616	28,759	1,369	23,353	136

Source: Statistics Bureau, MIC.

Occupied dwellings by building type showed that 29 million or 53.6 percent were detached houses, and 23 million or 43.6 percent were apartments. The proportion of apartments has consistently increased in recent years.

In terms of construction materials, 27 million or 92.6 percent of the detached houses were wood-frame houses (including fire-resistant ones). On the other hand, 17 million or 72.3 percent of the apartments were steel-framed concrete structures.

The number of principal households with household members aged 65 years old and over was 22.53 million. Of these households, there were 9.56 million households living in houses that are handrail-equipped at 2 or more locations or have a step-free interior (constant barrier-free houses), accounting for 42.4% of households with elderly members. This marked an increase of 1.2 percentage points compared to 2013.

Table 14.5
Ratio of Barrier-Free Houses with Elderly Members

Year	Principal households [1] with household members aged 65 years old and over					
	Number (1,000)			Ratio (%)		
	Total	Constant barrier-free houses [2]	High barrier-free houses [3]	Total	Constant barrier-free houses [2]	High barrier-free houses [3]
2013	20,844	8,584	1,775	100.0	41.2	8.5
2018	22,534	9,556	1,988	100.0	42.4	8.8

1) When a single household lives in 1 house, it is called a "principal household", and if 2 or more households live in 1 house, then the main household from among the multiple households is regarded as the "principal household". 2) Houses that are handrail-equipped at 2 or more locations, or have step-free interiors, as equipment for the elderly etc.
3) Houses that are handrail-equipped at 2 or more locations, and have step-free interiors and wheelchair-accessible hallways, as equipment for the elderly etc.
Source: Statistics Bureau, MIC.

3. Traffic Accidents

In 1970, the annual number of fatalities from traffic accidents hit a record high of 16,765, leading to the enactment of the Traffic Safety Measures Basic Acts in the same year. Based on this, the government has promoted traffic safety measures in a comprehensive and systematic manner. As a result, the number of traffic accident fatalities was 3,532 in 2018, which is the lowest number since 1948 when the current traffic accident statistics were adopted, and this represented approximately one-fifth of the number in 1970.

In 2018, the number of traffic accident fatalities per 100,000 population was 2.8 persons, while that per 10,000 motor vehicles was 0.4 persons.

Table 14.6
Traffic Accidents and Casualties

Year	Traffic accidents	Injuries	Traffic accident fatalities [1)]	per 10,000 motor vehicles	per 100,000 population
1970	718,080	981,096	16,765	9.0	16.2
1980	476,677	598,719	8,760	2.2	7.5
1990	643,097	790,295	11,227	1.9	9.1
2000	931,950	1,155,707	9,073	1.2	7.1
2010	725,924	896,297	4,948	0.6	3.9
2017	472,165	580,850	3,694	0.5	2.9
2018	430,601	525,846	3,532	0.4	2.8

1) Death within 24 hours of the accident.
Source: National Police Agency.

4. Crime

The police organization consists of the National Public Safety Commission and the National Police Agency, both of which are state organizations, as well as the Prefectural Public Safety Commission and prefectural police, both of which are organizations under the authority of individual prefectures. As of April 1, 2019, the prefectural police operated police headquarters, police academies, 1,160 police stations, 6,253 police boxes and 6,296 police substations in 47 prefectures.

Community police officers at their respective police boxes/substations are engaged in standing guard over their communities, patrolling, and dealing with criminal cases and accidents to prevent crime and catch criminals.

In 2019, the reported number of penal code offenses was 748,559, a decrease of 68,779, or 8.4 percent compared to the previous year. The proportion of thefts was the highest, accounting for 71.1 percent, or 532,565 cases (down 8.5 percent from the previous year).

The number of persons arrested for penal code offenses was 192,607 in 2019, a decrease of 13,487, or 6.5 percent compared to the previous year, marking a decline for the 15th consecutive year.

The ratio of arrests to reported number of offenses marked 19.8 percent in 2001, the lowest since World War II. From 2002 to 2007, this ratio increased, and levelled off afterwards. From 2014 it exhibited a rising

trend, and in 2019, it was 39.3 percent, an increase of 1.4 percentage points from the previous year.

Table 14.7
Trends in Crime (Penal code offenses)

Year	Reported offenses	Resultant arrests	Persons arrested	Arrest rate [1] (%)	Crime rate per 100,000 population
1980	1,357,461	811,189	392,113	59.8	1,159.6
1985	1,607,697	1,032,879	432,250	64.2	1,328.1
1990	1,636,628	692,593	293,264	42.3	1,324.0
1995	1,782,944	753,174	293,252	42.2	1,419.5
2000	2,443,470	576,771	309,649	23.6	1,925.5
2005	2,269,293	649,503	386,955	28.6	1,775.7
2010	1,604,019	497,356	322,620	31.0	1,252.6
2015	1,098,969	357,484	239,355	32.5	864.7
2018	817,338	309,409	206,094	37.9	646.4
2019	748,559	294,206	192,607	39.3	593.3

1) The ratio of arrests to reported number of offenses.
Source: National Police Agency; Ministry of Justice.

Various kinds of computers and computer networks are currently playing an essential role as a social foundation. In line with this, crimes utilizing computer networks are becoming increasingly diversified. The number of arrests for cybercrime (violation of the Unauthorized Computer Access Act, offenses involving computers or electromagnetic records, offenses related to creation of unauthorized commands for electromagnetic records, etc.) in 2019 was 9,519, up 5.3 percent from the previous year. This represented about a tenfold increase from the 913 cases registered in 2000.

Chapter 15

Social Security, Health Care, and Public Hygiene

A traditional New Year's event in the snow country, to divine whether there will be a good rice harvest for the year.
Japan's life expectancy remains at a high level in the world. Life expectancy at birth was 87.5 years for women and 81.4 years for men in 2019.

1. Social Security

In Japan, the birth rate has been falling, while the number of elderly people has been growing. Meanwhile, its social security system is required to address various changes in the socioeconomic environment.

In April 2000, a long-term care insurance system was launched. When the system was first established, there were 2.18 million people certified as needing care or needing support. This number grew by approximately 3.0-fold, to 6.44 million people as of April 2018, and the long-term care insurance system has become anchored in society. Today, there are approaches aimed at enhancing services for promoting "the Community-based Integrated Care System" (system where medical care, nursing care, preventive care, and livelihood support are provided integrally in regions where one is used to living), as well as realizing a local, inclusive society.

The number of monthly users of long-term care insurance services totaled, on average, 5.53 million per month in fiscal 2017, and increased by approximately 3.0-fold over 17 years in comparison to the approximately 1.84 million users in fiscal 2000, when the system was initiated. In addition, the amount of nursing care costs in fiscal 2017 (including allowances for high-cost long-term care service, for high-cost medical care and long-term care service, and for long-term care service to a person admitted to a specified facility), totaled 10.2 trillion yen.

Table 15.1
Trends in Social Security Benefit Expenditures by Institutional Scheme

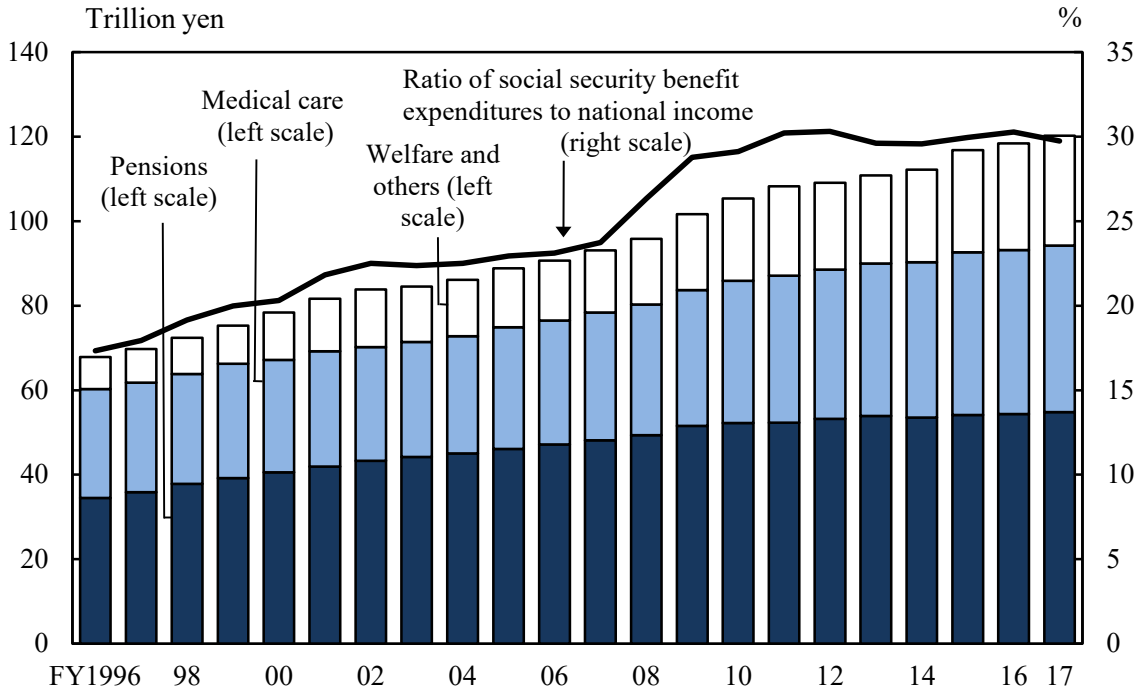
(Billion yen)

Item	FY2000	FY2005	FY2010	FY2015	FY2016	FY2017
Total	78,399	88,853	105,365	116,840	118,409	120,244
Medical insurance	14,798	16,418	19,060	21,079	21,022	21,062
Health and medical services for the aged	10,447	10,754	11,718	14,047	14,261	14,841
Long-term care insurance	3,262	5,815	7,434	9,311	9,508	9,897
Pension benefits	39,172	45,124	51,674	53,939	54,130	54,620
Employment insurance [1]	2,665	1,522	2,461	1,843	1,858	1,870
Workers' accident compensation insurance	1,053	990	952	924	916	916
Family allowance [2]	712	1,158	3,042	2,844	2,803	2,791
Public assistance	1,939	2,594	3,330	3,713	3,715	3,701
Social welfare	2,186	2,726	3,487	5,094	6,152	6,475
Public health	555	548	1,388	3,587	3,655	3,715
Gratuities for retired public employees	1,420	1,059	702	381	330	281
Aid for war victims	188	146	116	78	60	75

1) Including unemployment benefits for Seamen's insurance. 2) Including child allowance, child-rearing allowance and special child dependent's allowance for child covered.
Source: National Institute of Population and Social Security Research.

In fiscal 2017, social security benefit expenditures totaled 120.2 trillion yen (up 1.6 percent from the previous fiscal year), a figure which amounted to 949,000 yen per person. The ratio of Japan's social security benefit expenditures to national income registered 29.8 percent. Benefits for the aged accounted for 66.3 percent of total social security benefit expenditures.

Figure 15.1
Trends in Social Security Benefit Expenditures by Sector 1) 2) 3) 4)



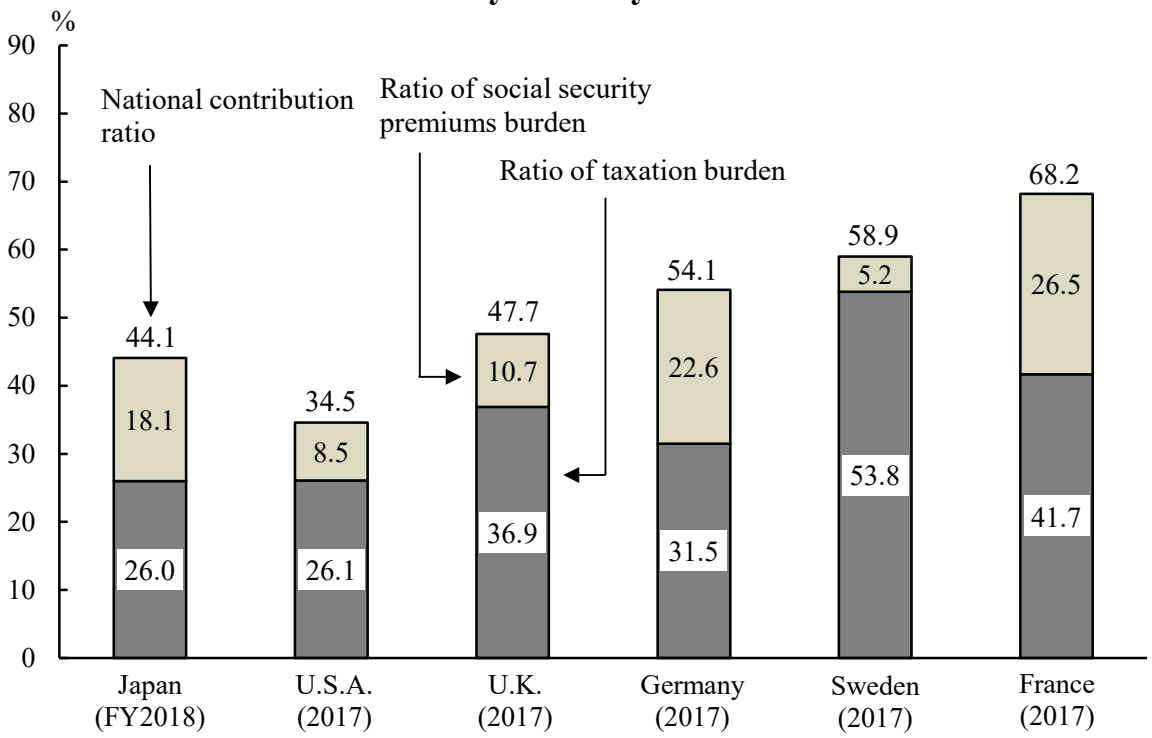
1) Because of retrospective tabulation up to FY2005 of expenditure items data that were added in FY2011, a gap has occurred with FY2004 data.
2) Since FY 2011, Employees' Accident Compensation has been added for special national public servants in the House of Representatives, House of Councillors, courts, Ministry of Foreign Affairs, and Ministry of Defense.
3) In addition to expenses for early childhood care services, expenses for early childhood education are included in total social security benefit expenditures from FY2015.
4) There is a gap between FY 2014 and FY 2015 because of the change in the scope of the services operated independently by local public entities that were targeted for tabulation in FY 2015.
Source: National Institute of Population and Social Security Research.

In fiscal 2017, pensions accounted for 45.6 percent of total social security benefit expenditures, while medical care accounted for 32.8 percent, and social welfare and others for 21.6 percent. Social security benefit expenditures are forecasted to continue growing.

In accordance with the rise in social security benefit expenditures, the amount of funds necessary to cover these expenditures has also increased, reaching 141.6 trillion yen in fiscal 2017. This was financed by 70.8 trillion yen from social insurance contributions, 49.9 trillion yen from taxes and 20.8 trillion yen from other sources. The government is making approaches toward drastic reform of the tax system, including raising the consumption tax, as the first step towards simultaneously ensuring stable funding for social security and achieving sound public finance.

The national contribution ratio (the combined ratios of taxes and social security costs to national income) was 44.1 percent in fiscal 2018 (taxation burden: 26.0 percent; social security premiums: 18.1 percent), up 0.8 percentage points from 43.3 percent in fiscal 2017 (taxation burden: 25.5 percent; social security premiums: 17.7 percent). The national contribution ratio in 2017 was 34.5 percent in the U.S.A., 47.7 percent in the U.K., and 68.2 percent in France. While the ratio in Japan was higher than that of the U.S.A., it was lower than European countries.

Figure 15.2
National Contribution Ratio by Country



Source: Ministry of Finance.

2. Health Care and Public Hygiene

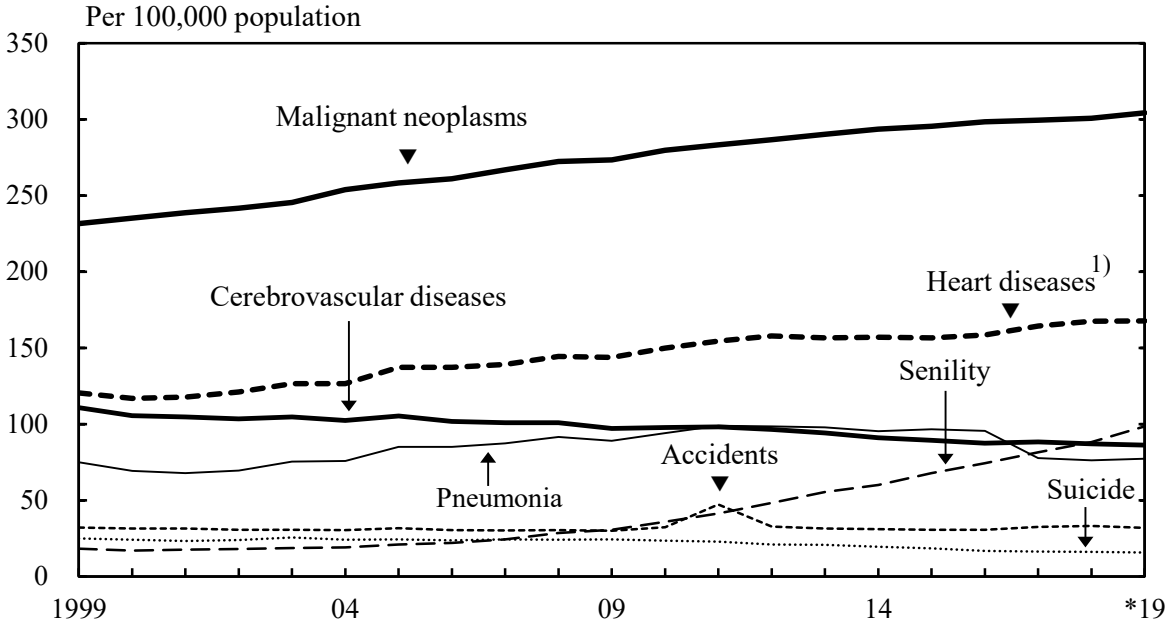
Japan has a universal health insurance regime to ensure that anyone can receive necessary medical treatment. Under this regime, every citizen enters a publicly regulated medical insurance system, such as employees' health insurance, national health insurance or the latter-stage elderly's medical insurance.

This medical care system has contributed to Japan's achieving the highest life expectancy in the world, as well as a high standard of healthcare along with improvements in the living environment and better nutrition.

Currently, reform of the whole system is being undertaken in order to preserve the stability of this medical insurance system in the future.

Life expectancy at birth was 87.5 years for women and 81.4 years for men in 2019. Japan's life expectancy remains at a high level in the world. Even with regard to healthy life expectancy, which is the "period during which one can lead a daily life without being restricted by health problems", Japan was among the world's highest as of 2016, with 74.8 years for women and 72.1 years for men. Japan's infant mortality rate was 1.9 per 1,000 births in 2019.

Figure 15.3
Death Rates by Major Cause



1) Excluding hypertensive diseases.
Source: Ministry of Health, Labour and Welfare.

The death rate was 1,116.2 per 100,000 population in 2019. The leading cause of death was malignant neoplasms (304.2 per 100,000 population), followed by lifestyle diseases such as heart diseases (167.8; excluding hypertensive diseases), in which people's daily diet and behavior are significant factors, and senility (98.5). Malignant neoplasms became the leading cause of death in 1981. The death rate by malignant neoplasms has continued to increase since, reaching 27.3 percent of all deaths in 2019.

The number of deaths caused by suicide in Japan hovered at around 30,000 annually in 1998 and onwards, but for 10 consecutive years, this number

has been below 30,000, and the number of annual suicides has also been decreasing for the last 10 years. The number of suicides in 2019 was 19,415, dropping under 20,000 for the first time in 28 years. In 2019, suicide was the leading cause of deaths for people aged between 15 and 39.

In the past, human beings have faced the threat of various epidemic diseases, including new strains of influenza. In 2014, cases of infection from Dengue fever in Japan were confirmed for the first time in approximately 70 years. In 2018, the number of patients with rubella increased. Currently, in Japan, infection control measures are being advanced, such as through the implementation of vaccinations, with the objective of preventing the occurrence and spread of infectious diseases.

In terms of healthcare provision, Japan had 324,737 physicians engaged in medical care, or 256.8 physicians per 100,000 population, in 2018. While the number of physicians providing healthcare is increasing nationwide, their uneven distribution has become a problem due to the lack of physicians specializing in certain areas of medicine and the lack of physicians operating in regional parts of the country.

Table 15.2
Medical Personnel at Work

Personnel	2010	2012	2014	2016	2018
Number					
Physicians	292,338	300,664	308,651	317,162	324,737
Dentists	100,161	101,110	102,534	103,127	103,418
Pharmacists	258,713	262,520	271,364	284,069	294,430
Nurses and Assistant nurses	1,320,871	1,373,521	1,426,932	1,472,508	1,523,085
Rates per 100,000 population					
Physicians	228.3	235.6	242.6	249.9	256.8
Dentists	78.2	79.2	80.6	81.2	81.8
Pharmacists	202.0	205.7	213.3	223.8	232.9
Nurses and Assistant nurses	1,031.5	1,076.5	1,121.5	1,160.1	1,204.6

Source: Statistics Bureau, MIC; Ministry of Health, Labour and Welfare.

As of October 1, 2018, the number of hospitals in Japan (excluding medical clinics and dental clinics) totaled 8,372. The number of hospital beds amounted to 1,546,554 (1,223.1 per 100,000 population).

Table 15.3
Medical Care Institutions and Beds

Type of Institution	2008	2011	2014	2017	2018
Institutions					
Total	175,656	176,308	177,546	178,492	179,090
Hospitals	8,794	8,605	8,493	8,412	8,372
Medical clinics	99,083	99,547	100,461	101,471	102,105
Dental clinics	67,779	68,156	68,592	68,609	68,613
Rates per 100,000 population					
Total	137.6	138.0	139.7	140.9	141.6
Hospitals	6.9	6.7	6.7	6.6	6.6
Medical clinics	77.6	77.9	79.1	80.1	80.8
Dental clinics	53.1	53.3	54.0	54.1	54.3
Beds					
Total	1,756,115	1,712,539	1,680,712	1,653,303	1,641,468
Hospitals	1,609,403	1,583,073	1,568,261	1,554,879	1,546,554
Medical clinics	146,568	129,366	112,364	98,355	94,853
Dental clinics	144	100	87	69	61
Rates per 100,000 population					
Total	1,375.3	1,340.0	1,322.5	1,304.8	1,298.2
Hospitals	1,260.4	1,238.7	1,234.0	1,227.2	1,223.1
Medical clinics	114.8	101.2	88.4	77.6	75.0
Dental clinics	0.1	0.1	0.1	0.1	0.0

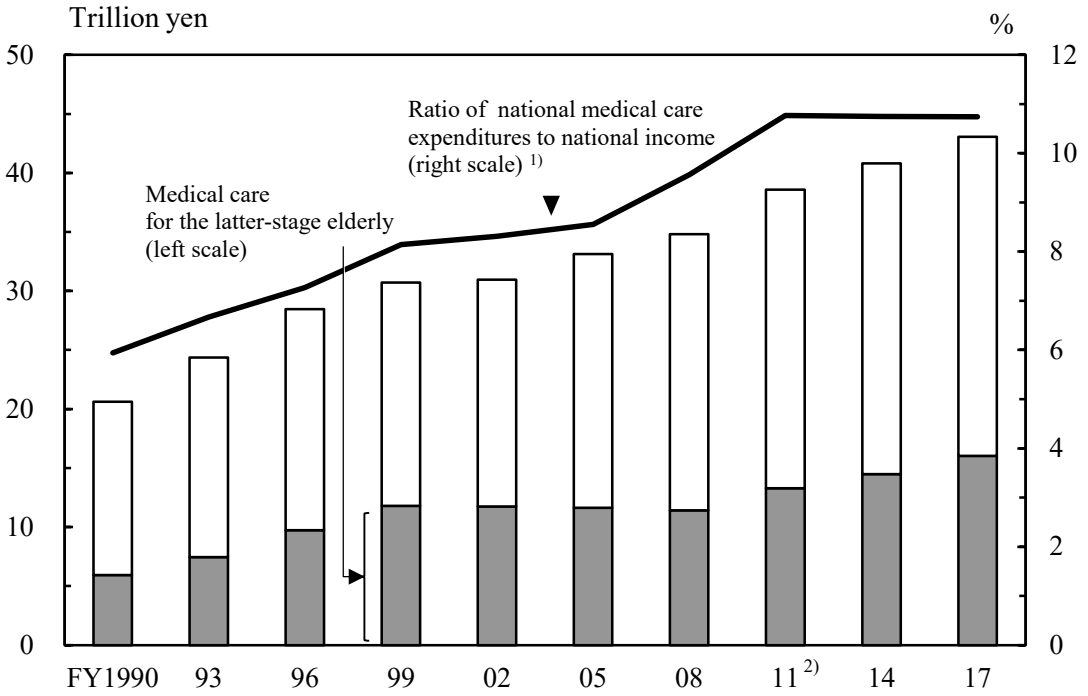
Source: Ministry of Health, Labour and Welfare.

In fiscal 2017, national medical care expenditures totaled 43.1 trillion yen or 10.66 percent of Japan's national income. The cost of medical care per person averaged 339,900 yen in fiscal 2017.

Medical costs for treating the latter-stage elderly in fiscal 2017 were 16.0 trillion yen, or 37.2 percent of national medical care expenditure, and accounted for 4.00 percent of the national income. The per-capita cost of medical care for the latter-stage elderly averaged 944,561 yen for the year. The percentage of national medical care expenditures accounted for by medical care costs for the late-stage elderly decreased when the age of

persons eligible to receive later-stage elderly medical care was raised in a phased manner over 5 years from 70 years to 75 years old in October 2002, but in recent years, there has been a slight uptrend.

Figure 15.4
Trends in Medical Care Expenditures



1) National income data between FY1996-2014 represents data before re-estimation.
2) Excluding medical care expenditures pertaining to the Great East Japan Earthquake (4.5 billion yen in total, combining the payment for estimated billing and the medical care expenditures of unidentified insurers).
Source: Ministry of Health, Labour and Welfare.

Chapter 16

Education and Culture

Beautiful fireworks are a Japanese summer tradition, lighting the night sky in brilliant colors at fireworks displays all over the country. They say that fireworks displays first began at the Water God Festival, held in the Edo Period to console the spirits of those who died from famine or epidemics, and to expel disease.

1. School-Based Education

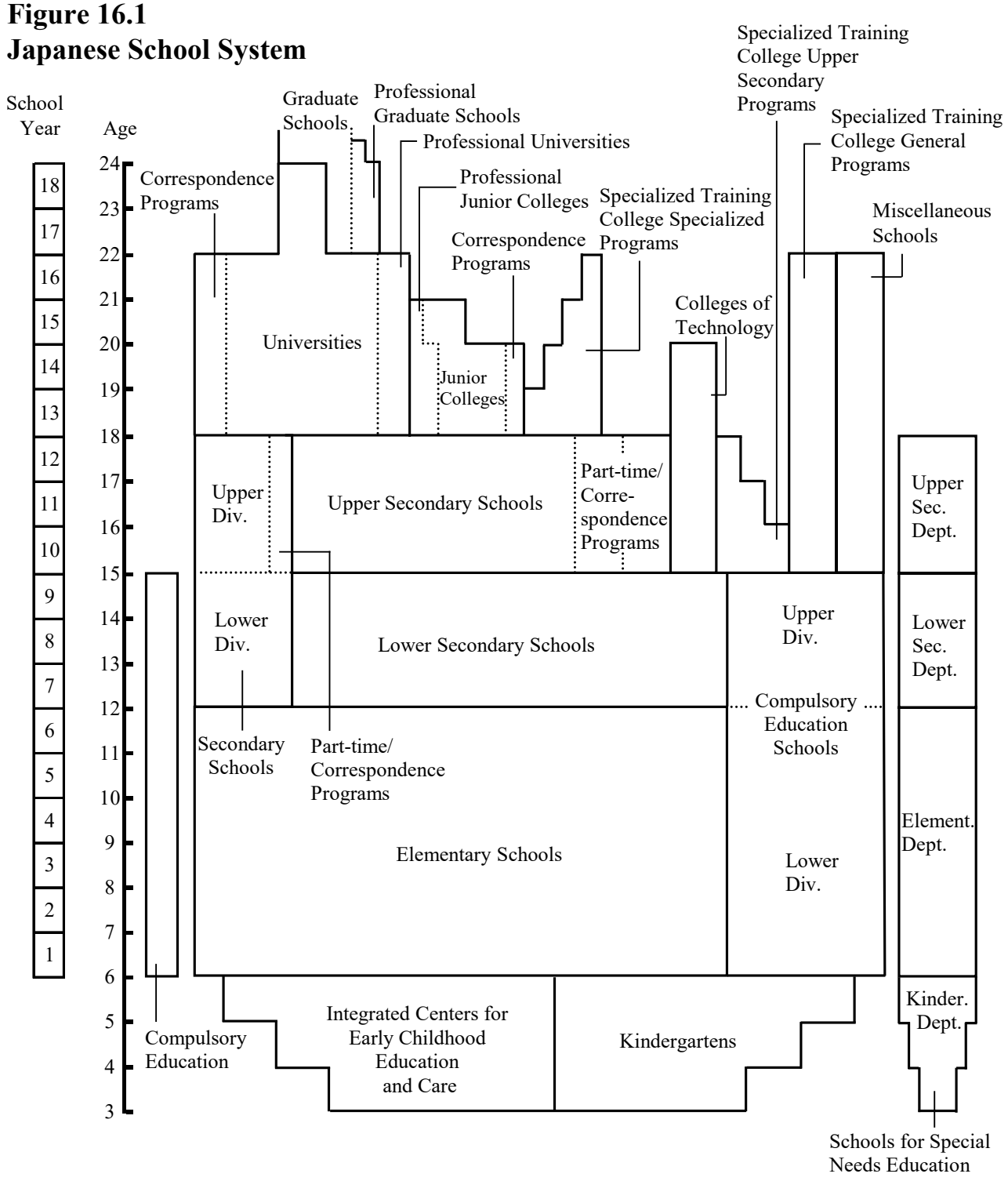
Japan's primary and secondary education is based on a 6-3-3 system: 6 years in elementary school, 3 years in lower secondary school, and 3 years in upper secondary school. The period of compulsory schooling is the 9 years at elementary and lower secondary schools. Higher education institutions are universities, junior colleges, and colleges of technology. Other education establishments include kindergartens and integrated centers for early childhood education and care, which provide pre-school education, and schools for special needs education. There are also specialized training colleges and miscellaneous schools for a wide range of vocational and other practical skills learning. In order to promote diversity of the school education system, unified lower-upper secondary schooling began at some schools in 1999. Furthermore, in 2016, compulsory education schools, where compulsory education for elementary schools to lower secondary schools is carried out consistently, were established. On an additional note, the school year in Japan starts in April and ends in March of the following year.

Table 16.1
Educational Institutions in Japan (as of May 1, 2019)

Type of institution	Schools				Full-time teachers (1,000)	Students (1,000)	
	Total	National	Public	Private		Males	Females
Kindergartens	10,070	49	3,483	6,538	94	580	565
Integrated centers for early childhood education and care	5,276	-	743	4,533	110	356	339
Elementary schools	19,738	69	19,432	237	422	3,258	3,110
Lower secondary schools	10,222	70	9,371	781	247	1,645	1,573
Compulsory education schools	94	3	91	-	4	21	20
Upper secondary schools	4,887	15	3,550	1,322	231	1,602	1,566
Secondary schools	54	4	32	18	3	16	16
Schools for special needs education [1)]	1,146	45	1,087	14	85	95	50
Colleges of technology	57	51	3	3	4	46	11
Junior colleges	326	-	17	309	7	13	100
Universities	786	86	93	607	188	1,626	1,293
Graduate schools	642	86	84	472	105	172	82
Specialized training colleges	3,137	9	187	2,941	41	293	367
Miscellaneous schools	1,119	-	6	1,113	9	63	54

1) Schools for mentally and/or physically challenged children, inclusive of kindergarten to upper secondary school levels.
Source: Ministry of Education, Culture, Sports, Science and Technology.

Figure 16.1
Japanese School System



Source: Ministry of Education, Culture, Sports, Science and Technology.

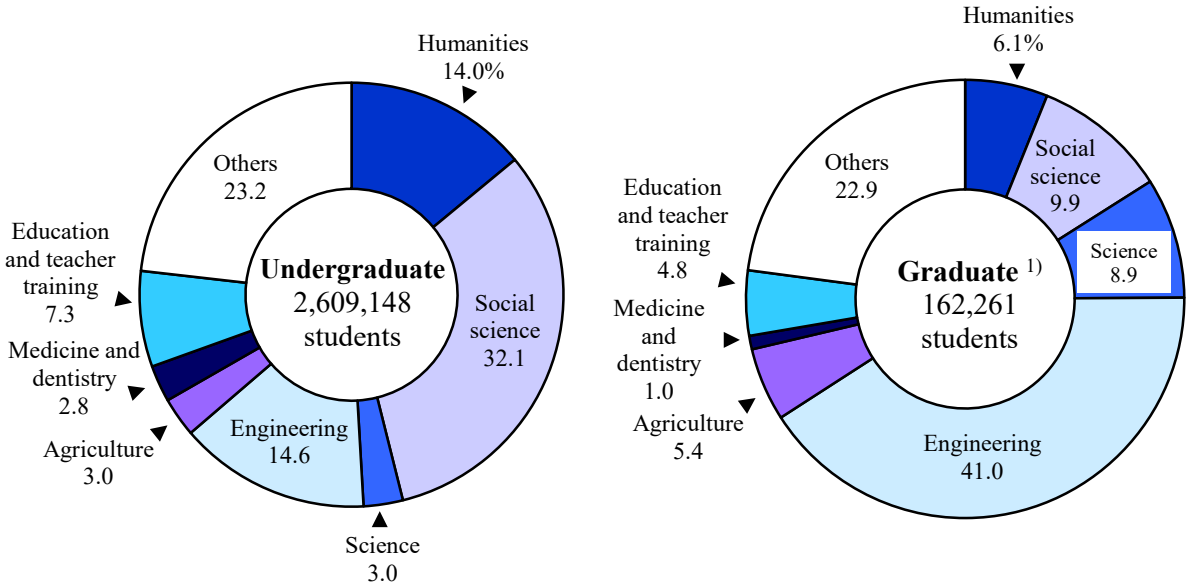
Of the March 2019 upper secondary school and upper division of secondary school graduates, 54.8 percent went straight on to enter a university, junior college, etc. The ratio of graduates of upper secondary school, etc. who entered a university or junior college in 2019 was 58.1 percent (57.6 percent of male and 58.7 percent of female graduates), including graduates from previous years.

Table 16.2
Number of University Students (as of May 1)

	2010	2015	2017	2018	2019
Total	2,887,414	2,860,210	2,890,880	2,909,159	2,918,668
Undergraduate	2,559,191	2,556,062	2,582,670	2,599,684	2,609,148
Graduate schools	271,454	249,474	250,891	254,013	254,621
Others [1)]	56,769	54,674	57,319	55,462	54,899
Females	1,185,580	1,231,868	1,263,893	1,280,406	1,293,095
Undergraduate	1,077,782	1,127,372	1,156,021	1,172,170	1,183,962
Graduate schools	82,133	77,831	79,793	81,464	82,427
Others [1)]	25,665	26,665	28,079	26,772	26,706
National	625,048	610,802	609,473	608,969	606,449
Public	142,523	148,766	152,931	155,520	158,176
Private	2,119,843	2,100,642	2,128,476	2,144,670	2,154,043

1) "Others" include advanced students, short-term students, non-degree students, auditing students and research students.
Source: Ministry of Education, Culture, Sports, Science and Technology.

Figure 16.2
University Students by Field of Study (as of May 1, 2019)

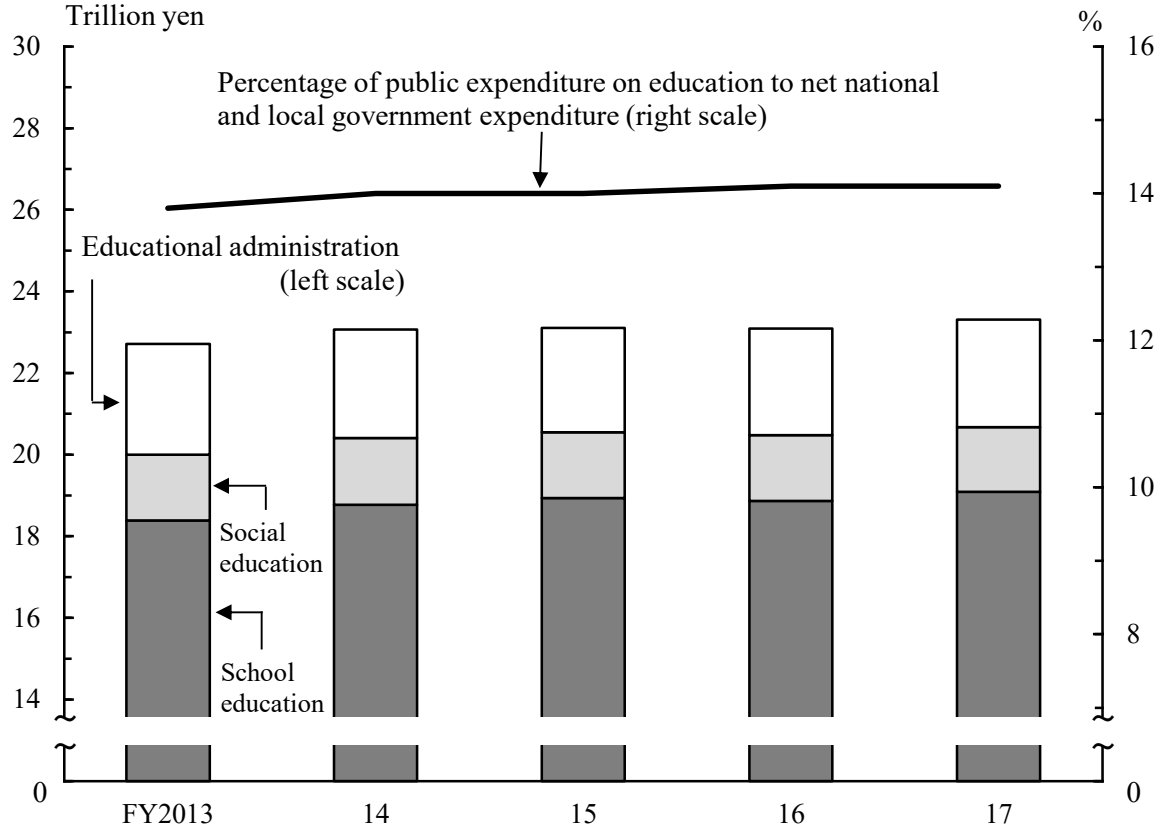


1) Master's course.
Source: Ministry of Education, Culture, Sports, Science and Technology.

As of May 1, 2018, a total of 137,480 foreign students were enrolled in Japanese junior colleges, universities, and graduate schools. Of the total foreign students, 89.4 percent were from Asia, including 68,706 from China, 15,870 from Vietnam and 11,879 from the Republic of Korea.

Fiscal 2017 public expenditure on education in Japan was 23 trillion yen, which is equivalent to 14.1 percent of the net expenditure of national and local governments.

Figure 16.3
Public Expenditures on Education



Source: Ministry of Education, Culture, Sports, Science and Technology.

Fiscal 2018 school expenditure by households with children attending public school averaged 63,102 yen per elementary school pupil, 138,961 yen per lower-secondary school student and 280,487 yen per upper-secondary school student.

2. Lifelong Learning

As society approaches a major turning point in heading towards a "100-year-life", there is increasing importance in realizing a "Lifelong Learning Society" in which people are able to select learning opportunities whenever they want during their life, and their learning outcomes are evaluated appropriately.

Today, in order to develop a society where people can engage in learning any time they like throughout their lives, efforts are being made to provide learning opportunities such as school education, social education, cultural activities, sports activities, recreational activities, volunteer activities, and corporate in-house education. In providing places and opportunities for such lifelong learning, educational institutions and social education facilities (citizens' public halls, libraries, museums, and sports facilities, etc.) play a vital role.

Table 16.3
Social Education Facilities and Users

Facilities	Number [1]		Users (1,000) [2]	
	2015	2018	2014	2017
Citizens' public halls [3]	14,841	14,281	193,464	166,517
Libraries [4]	3,331	3,360	181,364	177,899
Museums	1,256	1,286	129,579	142,456
General museums	152	154	8,499	9,349
Science museums	106	104	16,439	16,830
Historical museums	451	470	22,950	28,611
Art museums	441	453	30,724	39,811
Outdoor museums	16	16	2,601	2,157
Zoological gardens	35	34	20,631	19,396
Botanical gardens	10	11	860	1,117
Zoological and botanical gardens	7	6	4,498	4,538
Aquariums	38	38	22,377	20,646
Facilities similar to museums	4,434	4,452	150,417	160,613
Centers for children and youths	941	891	20,058	19,729
Women's education centers	367	358	9,716	11,310
Public sports facilities	47,536	46,981	501,557	526,725
Private sports facilities	14,987	16,397	123,630	107,939
Theaters, concert halls, etc.	1,851	1,827	…	…
Lifelong learning centers	449	478	26,218	27,290

1) As of October 1. 2) Total of fiscal year. 3) Including similar facilities.
4) Including the same type of facilities.
Source: Ministry of Education, Culture, Sports, Science and Technology.

3. Leisure Activities

The results of the "2016 Survey on Time Use and Leisure Activities" conducted on people living in this country, aged 10 years old and over, show that the amount of free time each person has spent was 6 hours and 22 minutes, which was the time remaining after activities that were physiologically necessary (sleeping, eating, etc.) and societally essential (work, housework, etc.).

Table 16.4
Major Leisure Activities by Sex (Aged 10 years old and over) (2016)

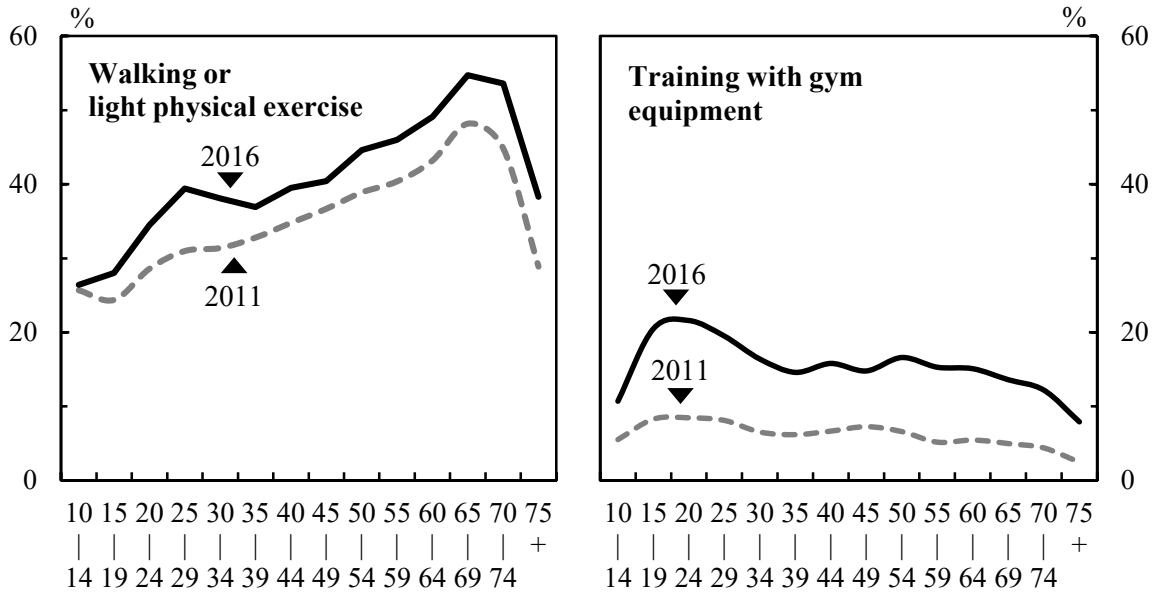
Leisure Activities	Total	Males	Females
Free time per day (hours. minutes)	6.22	6.36	6.09
Participation rate (%) [1]			
Hobbies and amusements	87.0	87.2	86.8
Travel and excursion	73.5	71.1	75.8
Sports [2] [3]	68.8	73.5	64.4
Learning, self-education, and training [2] [4]	36.9	36.5	37.4
Volunteer activities	26.0	25.0	26.9

1) Participants in the activity / Population × 100. 2) Including club activities at school. 3) Excluding sports performed by professional players as their job and by students in PE class. 4) Excluding worker training at the workplace, and study and research activities performed by children, pupils or students as schoolwork, such as study in class, preparation for class and review of lessons.
Source: Statistics Bureau, MIC.

The participation rate for "hobbies and amusements" was 87.0 percent (percentage of people (aged 10 years old and over) who engaged in the activity within the past 12 months), and by sex, the participation rate for males was 87.2 percent and that for females was 86.8 percent. In addition, for participation rates by type of activity, "watching movies other than movie theater" was the highest at 52.1 percent, followed by "listening to music by CD, smartphone, etc." at 49.0 percent, "watching movies in a movie theater" at 39.6 percent, and so on.

The participation rate for "sports" was 68.8 percent, and by sex, the participation rate for males was 73.5 percent and that for females was 64.4 percent. In addition, for participation rates by type of sport, "walking or light physical exercise" was the highest at 41.3 percent, followed by "training with gym equipment" at 14.7 percent, and so on.

Figure 16.4
Participation Rates for Major "Sports" that Showed Participation Rate Increase by Age Group



Source: Statistics Bureau, MIC.

4. Publishing and Mass Media

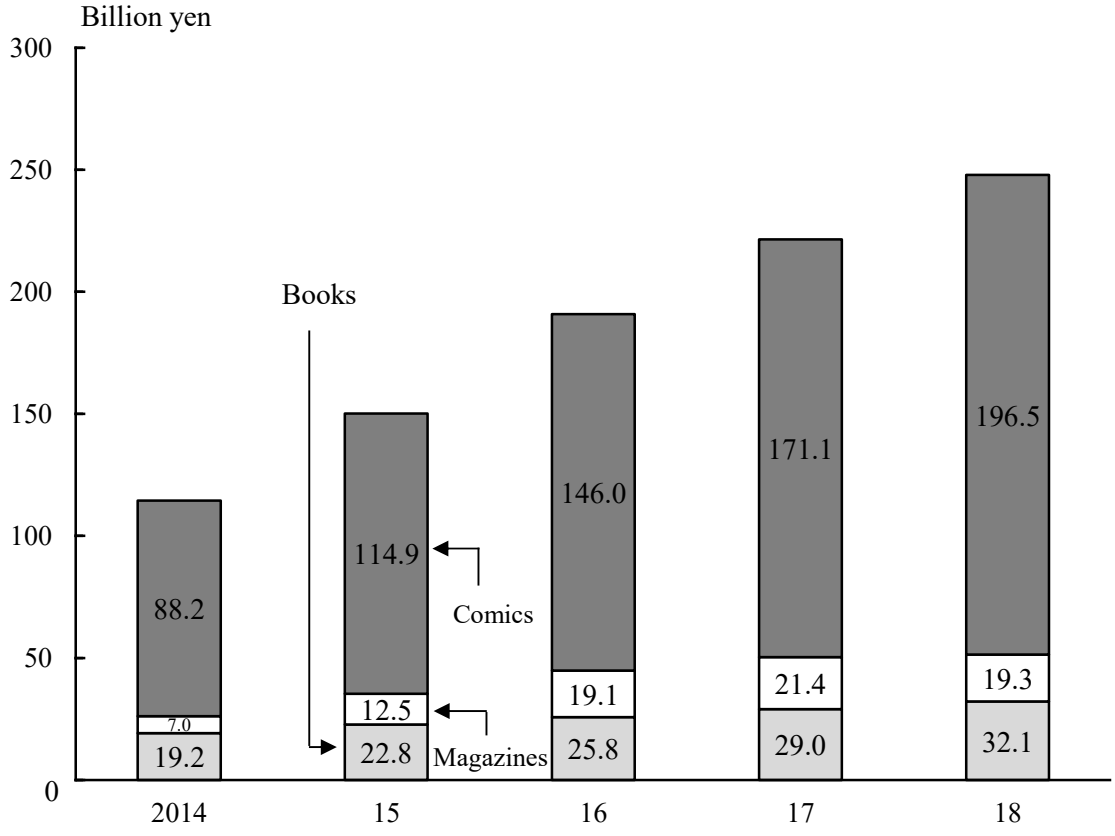
A total of 71,661 new book titles were released in 2018. The number of magazine titles published was 2,821 (including 2,739 monthlies and 82 weeklies). In recent years, the electronic books market has been growing.

Table 16.5
Number of New Book Titles Published

Subject	2014	2015	2016	2017	2018
Total	76,465	76,445	75,039	73,057	71,661
General works	844	828	763	858	767
Philosophy	4,131	4,199	4,176	3,932	3,955
History and geology	3,634	3,953	3,685	3,404	3,530
Social sciences	16,067	16,745	16,078	15,422	15,220
Natural sciences	6,030	6,044	5,639	5,757	5,325
Technology and engineering ..	4,644	4,327	4,391	4,176	3,906
Industry and commerce	2,703	2,565	2,625	2,652	2,492
Art and life	13,895	12,939	13,299	12,676	11,856
Languages	1,761	1,615	1,604	1,628	1,535
Literature	13,391	13,478	13,270	13,327	13,048
Children's books	4,455	4,305	4,319	4,350	4,721
School textbooks	4,910	5,447	5,190	4,875	5,306

Source: The Research Institute for Publications, The All Japan Magazine and Book Publisher's and Editor's Association.

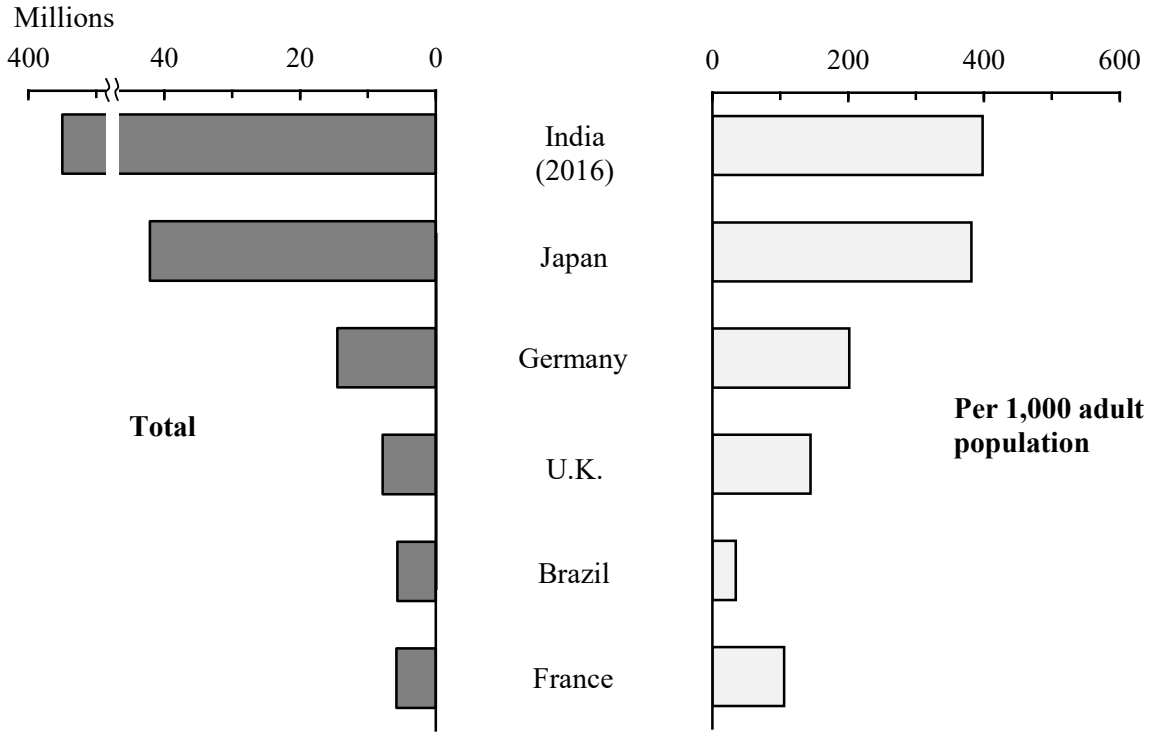
Figure 16.5
Trends in the Size of the Electronic Publication Market



Source: The Research Institute for Publications, The All Japan Magazine and Book Publisher's and Editor's Association.

A total of 116 daily newspapers were in circulation, and the penetration rate was 0.66 newspapers per household as of October 2019.

Figure 16.6
Newspaper Circulation by Country (2017)



Source: World Association of Newspapers and News Publishers.

Japan has a public broadcasting network (NHK: Nippon Hoso Kyokai, or Japan Broadcasting Corporation), as well as commercial networks. NHK is the pioneer broadcasting station in Japan, and has been funded through fees paid by subscribers.

Major broadcasting services can be divided roughly into 3 categories: terrestrial, satellite, and cable television. Terrestrial digital broadcasting was launched in some areas of the Kanto, Kinki and Chukyo regions in December 2003 and then also in other areas, including all prefectural capitals, in December 2006. By March 31, 2012, analog broadcasting ended and was completely replaced with terrestrial digital broadcasting in all parts of Japan. Currently, 4K and 8K broadcast services with 4 and 16 times the pixel number of existing full high definition are being promoted, and new 4K and 8K satellite broadcast services began in December 2018.

In 2019, advertising expenditures in the 4 major mass media types in Japan (newspapers, magazines, radio and television) totaled 2.6 trillion yen, down compared with the previous year. This accounted for 37.6 percent of total advertising expenditures, which were 6.9 trillion yen. Spending on Internet advertising reached 2.1 trillion yen (up 19.7 percent from the previous year), maintaining a double-digit growth rate. This amounted to 30.3 percent of the total advertising expenditures.

Table 16.6
Advertising Expenditures by Medium

Year	Total	News-papers	Maga-zines	Radio	Tele-vision [1)]	Satellite media-related	Internet	Promo-tional media
Advertising expenditures (billion yen)								
2010	5,842.7	639.6	273.3	129.9	1,732.1	78.4	774.7	2,214.7
2015	6,171.0	567.9	244.3	125.4	1,932.3	-	1,159.4	2,141.7
2017	6,390.7	514.7	202.3	129.0	1,947.8	-	1,509.4	2,087.5
2018	6,530.0	478.4	184.1	127.8	1,912.3	-	# 1,758.9	2,068.5
2019	6,938.1	454.7	167.5	126.0	1,861.2	-	# 2,104.8	# 2,223.9
Percentage distribution (%)								
2010	100.0	11.0	4.7	2.2	29.6	1.3	13.3	37.9
2015	100.0	9.2	4.0	2.0	31.3	-	18.8	34.7
2017	100.0	8.1	3.2	2.0	30.4	-	23.6	32.7
2018	100.0	7.3	2.8	2.0	29.3	-	26.9	31.7
2019	100.0	6.6	2.4	1.8	26.8	-	30.3	32.1

1) Television including Satellite Media-Related advertising after 2015.
Source: Dentsu Inc.

5. Cultural Assets

Throughout its long history, Japan has been endowed with an abundance of valuable cultural assets, including works of art, historic landmarks, and many natural monuments. To pass on this cultural heritage to future generations, the Japanese government has accorded many of the most important assets as national treasures, designated important cultural properties, historic sites, places of scenic beauty, or natural monuments, based on the Act on Protection of Cultural Properties. In addition to preserving cultural assets, measures to utilize such assets are being established, such as expansion of viewing opportunities through exhibitions.

Table 16.7
Cultural Properties Designated by the National Government
(as of June 1, 2020)

Type of cultural properties	Number	
Important cultural properties	13,281	a) 1,120
Fine arts and crafts	10,772	a) 893
Structures	2,509	a) 227
Historic sites, places of scenic beauty and natural monuments	3,300	b) 174
Historic sites	1,847	b) 63
Places of scenic beauty	422	b) 36
Natural monuments	1,031	b) 75
Important tangible folk cultural properties	223	
Important intangible folk cultural properties	318	
Important intangible cultural properties		
Individual recognition	76	
Performing arts	37	
Craft techniques	39	
Group recognition	30	
Performing arts	14	
Craft techniques	16	
Traditional building preservation areas	120	

a) National treasures only. b) Specially designated places only.
Source: Agency for Cultural Affairs.

As of June 1, 2020, 13,281 items were designated as important cultural properties, of which 1,120 were classified as national treasures. In addition, the government has provided support for such activities as theatrical performances, music, handicrafts, and other important intangible cultural properties. It also has worked to preserve important folk-cultural properties, such as annual cultural events and folk performing arts, as well as to train people to carry on such traditions.

Japan accepted the UNESCO World Heritage Convention (the Convention Concerning the Protection of the World Cultural and Natural Heritage) in 1992.

In June 2018, sites connected to "Hidden Christian Sites in the Nagasaki Region" were inscribed on the World Heritage List as the 22nd World Heritage site in Japan. It is a series of sites that testify the traditions of the hidden Christians in Nagasaki and Amakusa district who maintained their faith while co-existing with the extant society and religions, whose faith began from the 16th century when Christianity was introduced to Japan, a country of the Far East, and continued through the ban on religion during the Tokugawa shogunate.

Subsequently, in July 2019, "Mozu-Furuichi Kofun Group: Mounded Tombs of Ancient Japan" were inscribed on the World Heritage List as Japan's 23rd World Heritage Site. The Mozu-Furuichi Kofun Group, which was built during the peak of the Kofun Period from the latter half of the 4th century to the latter half of the 5th century, represents the terminus of the unique techniques used to build earthen buildings. The Group is remarkable material evidence that recounts the history of people on the Japanese archipelago, who symbolized authority through tombs.

Table 16.8
Heritage Sites Inscribed on the World Heritage List [1)]

Year	Type of heritage	World heritage	Prefecture
1993	Cultural	Buddhist Monuments in the Horyu-ji Area	Nara
	Cultural	Himeji-jo (castle)	Hyogo
	Natural	Shirakami-Sanchi (mountains)	Aomori, Akita
	Natural	Yakushima (island)	Kagoshima
1994	Cultural	Historic Monuments of Ancient Kyoto	Kyoto, Shiga
1995	Cultural	Historic Villages of Shirakawa-go and Gokayama	Gifu, Toyama
1996	Cultural	Hiroshima Peace Memorial (Genbaku Dome)	Hiroshima
	Cultural	Itsukushima Shinto Shrine	Hiroshima
1998	Cultural	Historic Monuments of Ancient Nara	Nara
1999	Cultural	Shrines and Temples of Nikko	Tochigi
2000	Cultural	Gusuku Sites and Related Properties of the Kingdom of Ryukyu	Okinawa
2004	Cultural	Sacred Sites and Pilgrimage Routes in the Kii Mountain Range	Mie, Nara, Wakayama
2005	Natural	Shiretoko (peninsula)	Hokkaido
2007	Cultural	Iwami Ginzan Silver Mine and its Cultural Landscape	Shimane
2011	Cultural	Hiraizumi-Temples, Gardens and Archaeological Sites Representing the Buddhist Pure Land	Iwate
	Natural	Ogasawara Islands	Tokyo
2013	Cultural	Fujisan, Sacred Place and Source of Artistic Inspiration	Yamanashi, Shizuoka
2014	Cultural	Tomioka Silk Mill and Related Sites	Gunma
2015	Cultural	Sites of Japan's Meiji Industrial Revolution: Iron and Steel, Shipbuilding and Coal Mining	Fukuoka, Saga, Nagasaki, Kumamoto, Kagoshima,Yamaguchi, Iwate, Shizuoka
2016	Cultural	The National Museum of Western Art - The Architectural Work of Le Corbusier, an Outstanding Contibution to the Modern Movement	Tokyo
2017	Cultural	Sacred Island of Okinoshima and Associated Sites in the Munakata Region	Fukuoka
2018	Cultural	Hidden Christian Sites in the Nagasaki Region	Nagasaki, Kumamoto
2019	Cultural	Mozu-Furuichi Kofun Group: Mounded Tombs of Ancient Japan	Osaka

1) As of July, 2019.
Source: Agency for Cultural Affairs.

In 2006, the UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage entered into force. As of March 2019, Japan has 21 entries on its list, including: Nogaku Theater, Ningyo Johruri Bunraku Puppet Theater, Kabuki Theater (the kind of Kabuki performed using a traditional method of acting and directing), and Washoku, the traditional dietary culture of Japan.

Chapter 17

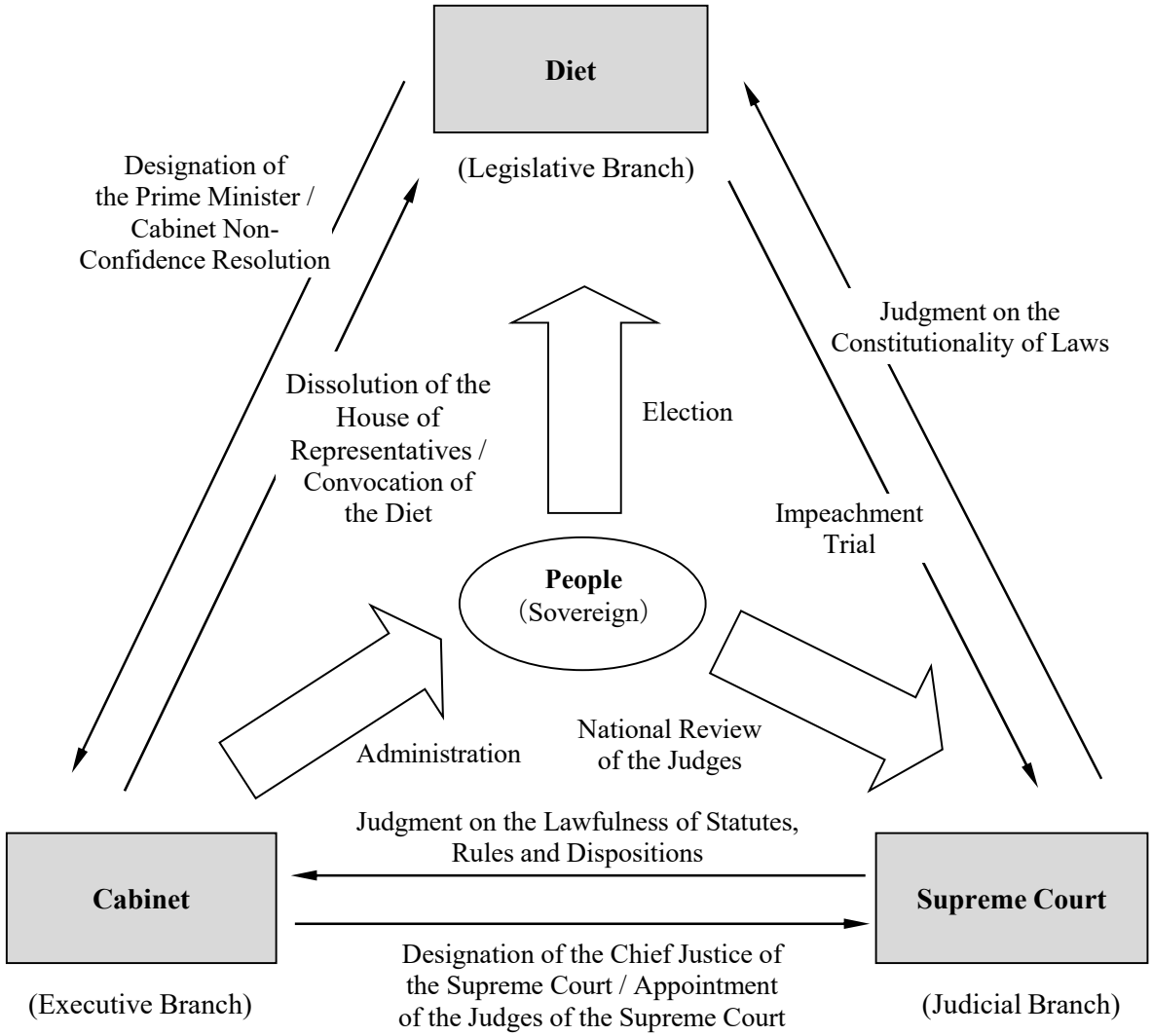
Government System

The Supreme Court is the highest court in Japan, and the only court established by the Constitution. It is composed of a Chief Justice and 14 other justices. The Chief Justice of the Supreme Court is appointed by the Emperor following designation by the Cabinet. The 14 justices are appointed by the Cabinet, and approved by the Emperor.

1. Separation of Powers

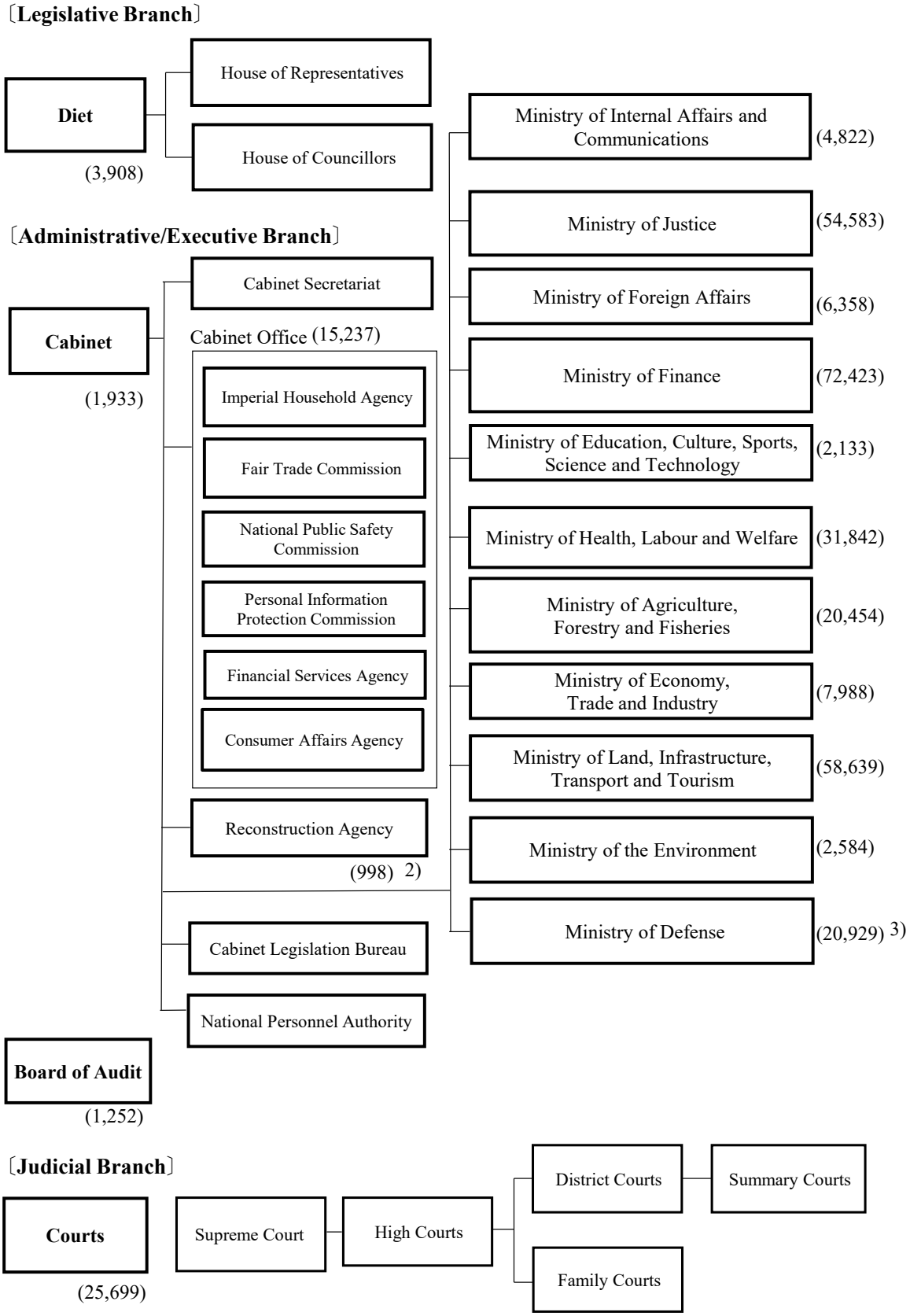
The Constitution of Japan, which went into effect on May 3, 1947, is based on three core principles: sovereignty of the people, respect for fundamental human rights and pacifism. To control governmental power effectively through checks and balances, governmental power is separated into three independent branches: legislative, executive and judicial, and each contains a separate set of agencies and personnel.

Figure 17.1
Separation of Powers under the Constitution of Japan



Source: Prime Minister of Japan and His Cabinet.

Figure 17.2
Government Organization [1] (FY2020)



1) Figures in parentheses refer to budgetary fixed number of national government employees.
2) Of the 998 employees, 218 are from the Reconstruction Agency and 780 are from other ministries.
3) Excluding the number of the personnel of the Self-Defense Forces.
Source: Cabinet Bureau of Personnel Affairs, Cabinet Secretariat; Ministry of Finance.

2. Legislative Branch

The Diet is the highest organ of state power, and is the sole law-making organ of the State. The Diet consists of the House of Representatives and the House of Councillors. Both Houses consist of elected members, representative of all the people.

The most important responsibility of the Diet is to enact legislation. The Diet also has the authority to fulfill a number of additional functions, including the deliberation and passage of the budget and other matters of fiscal importance, the approval of treaties, the designation of the Prime Minister and the initiation of motions to amend the Constitution. Each House may conduct investigations relating to the government, and demand the presence and testimony of witnesses, and the production of records. For the Diet to pass a resolution, the agreement of both Houses of the Diet is necessary. However, when the two Houses differ in their resolutions regarding legislative bills, draft budgets, the approval of treaties or the designation of the Prime Minister, under the terms of the Constitution, the decision of the House of Representatives overrides that of the House of Councillors.

The term of office for Diet members is set by the Constitution. Members of the House of Representatives serve a 4-year term, while members of the House of Councillors, 6 years. Elections for the latter are held every 3 years, so that one half of the seats are contested in each election.

The House of Representatives has 465 members. Of these, 289 are elected under a single-seat constituency system, while 176 are elected under a proportional representation system in which the nation is divided into 11 regions. The last general election was held in October 2017. The House of Councillors has 248 members, of whom 100 are elected through proportional representation, and 148 are elected as representatives from 45 electoral districts of the nation, based upon prefectures. The last regular election was held in July 2019.

In June 2015, revisions to the Public Offices Election Law, which consist mainly of lowering the voting age from 20 to 18 years or older, were established and promulgated. The revisions were applied starting with the House of Councillors regular election, which was officially announced in June 2016. Both men and women above the qualifying age are eligible to run in elections. The qualifying age for members of the House of

Representatives is 25 years or older, while the qualifying age for members of the House of Councillors is 30 years or older.

Table 17.1
Diet Members by Political Group

House of Representatives (as of April 27, 2020) Membership 465, Vacancies 0			House of Councillors (as of May 31, 2020) Membership [1] 245, Vacancies 0		
Name	Males	Females	Name	Males	Females
Incumbents	419	46	Incumbents	189	56
Liberal Democratic Party	264	21	Liberal Democratic Party and Voice of The People	95	19
The Constitutional Democratic Party of Japan, Democratic Party For the People, The Reviewing Group on Social Security Policy, and the Independent	102	17	The Constitutional Democratic Party of Japan and Democratic Party For the People and The Shin-Ryokufukai and Social Democratic Party	42	18
Komeito	25	4	Komeito	23	5
Japanese Communist Party	9	3	Nippon Ishin (Japan Innovation Party)	13	3
Nippon Ishin (Japan Innovation Party)	10	1	Japanese Communist Party	8	5
The Party of Hope	2	0	Okinawa Whirlwind	2	0
			REIWA SHINSENGUMI	1	1
			Hekisuikai	0	2
			Your Party	2	0
Independents	7	0	Independents	3	3

1) Due to the revision of the Public Offices Election Law in July 2018, the constant number of seats increased from 242 to 248. In the July 2019 regular election, half of this number, or 124 seats, were re-elected.
Source: The House of Representatives; The House of Councillors.

3. Executive Branch

The Cabinet exercises its executive power on the basis of the laws and budgets adopted by the Diet. The Cabinet, composed of the Prime Minister and other Ministers of State, is collectively responsible to the Diet, regarding the exercise of the executive power. The Prime Minister is elected in the Diet from among its members. The Ministers of State are appointed by the Prime Minister, and the majority of them must be Diet members. Thus, Japan adopts the parliamentary Cabinet system, in which the organization and existence of the Cabinet rest on the confidence in the Diet.

The Cabinet's powers include the following: (i) implementing laws; (ii) engaging in foreign diplomacy; (iii) signing treaties; (iv) overseeing the operational affairs of public officers; (v) formulating a budget and

submitting it to the Diet; (vi) enacting Cabinet orders; and (vii) deciding amnesty. In addition, the Cabinet powers also include designating the Chief Justice of the Supreme Court and appointing other judges. The Cabinet also gives advice and approval to the Emperor in matters of state, and bears the responsibility for this.

Table 17.2
Successive Prime Ministers

Date [1]	Name	Date [1]	Name
Dec. 26, 2012	ABE Shinzo	Apr. 26, 2001	KOIZUMI Junichiro
Sep. 2, 2011	NODA Yoshihiko	Apr. 5, 2000	MORI Yoshiro
Jun. 8, 2010	KAN Naoto	Jul. 30, 1998	OBUCHI Keizo
Sep. 16, 2009	HATOYAMA Yukio	Jan. 11, 1996	HASHIMOTO Ryutaro
Sep. 24, 2008	ASO Taro	Jun. 30, 1994	MURAYAMA Tomiichi
Sep. 26, 2007	FUKUDA Yasuo	Apr. 28, 1994	HATA Tsutomu
Sep. 26, 2006	ABE Shinzo	Aug. 9, 1993	HOSOKAWA Morihiro

1) Date of initial cabinet formation.
Source: Prime Minister of Japan and His Cabinet.

4. Judicial Branch

Judicial power resides in the courts and is independent from the executive branch and the legislative branch.

The Constitution provides for the establishment of the Supreme Court as the highest court with final judgment, while the Court Act provides for 4 lower-level courts (High Court, District Court, Family Court and Summary Court). At present, there are 8 High Courts, 50 District Courts, 50 Family Courts, and 438 Summary Courts throughout the nation.

To ensure fair judgments, Japan uses a three-tiered judicial system. The first courts in the court hierarchy are the District Courts, the second are the High Courts, and the highest court is the Supreme Court. The system thus allows a case to be heard and ruled on up to 3 times in principle, should a party involved in the case so desire. The Summary Courts and Family Courts handle simple cases, domestic relations and cases involving juveniles as first courts.

The Supreme Court has the authority to deliver the final judgment on the legitimacy of any law, ordinance, regulation, or disposition. It is chaired by the Chief Justice and 14 judges.

A lay judge system began in May 2009. This is a system under which citizens participate in criminal trials as judges to determine, together with professional judges, whether the defendant is guilty or not and, if found guilty, what sentence should apply. What is hoped for is that the public's participation in criminal trials will make citizens feel more involved in the justice process and make the trials easier to understand, thus leading to the public's greater trust in the justice system. A total of 12,542 people were tried in lay judge trials held between the start of the system and December 2019.

Table 17.3
Judicial Cases Newly Commenced, Terminated or Pending (All courts)

(Thousands)

Year	Civil and administrative cases			Criminal cases [1]		
	Commenced	Terminated	Pending	Commenced	Terminated	Pending
2005	2,713	2,827	576	1,568	1,572	47
2010	2,179	2,241	536	1,158	1,161	36
2015	1,432	1,425	409	1,033	1,030	34
2017	1,529	1,526	400	959	961	30
2018	1,553	1,537	416	937	936	31
Year	Domestic cases			Juvenile cases [1]		
	Commenced	Terminated	Pending	Commenced	Terminated	Pending
2005	718	713	99	237	238	32
2010	815	815	106	165	168	25
2015	970	959	133	95	98	13
2017	1,050	1,052	131	75	76	10
2018	1,066	1,061	137	66	67	10

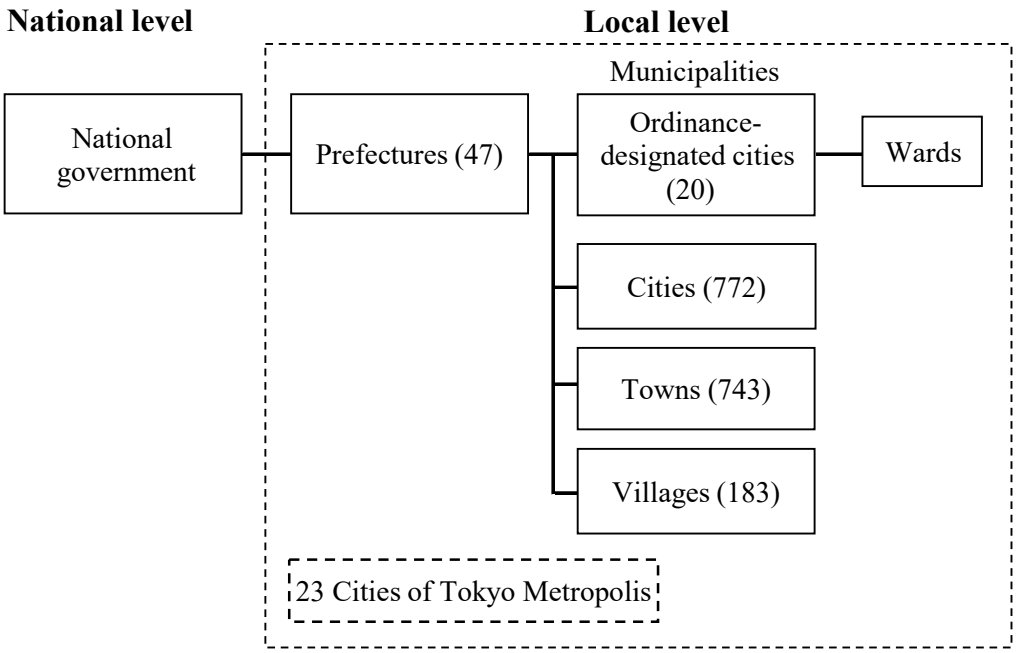
1) The number of persons.
Source: Supreme Court of Japan.

5. Local Governments

The affairs of local governments in Japan are conducted by ordinary local governments (prefectures and municipalities within each prefecture) and by special local governments, such as special wards. As of October 1, 2018, Japan has 47 prefectures, within which there are 1,718 municipalities, plus the 23 Cities in metropolitan Tokyo. In order to strengthen the administrative and fiscal foundation of the municipalities, municipal mergers were promoted by law. Consequently, the number of municipalities was reduced by nearly half from the 3,232 existing at the end of March 1999.

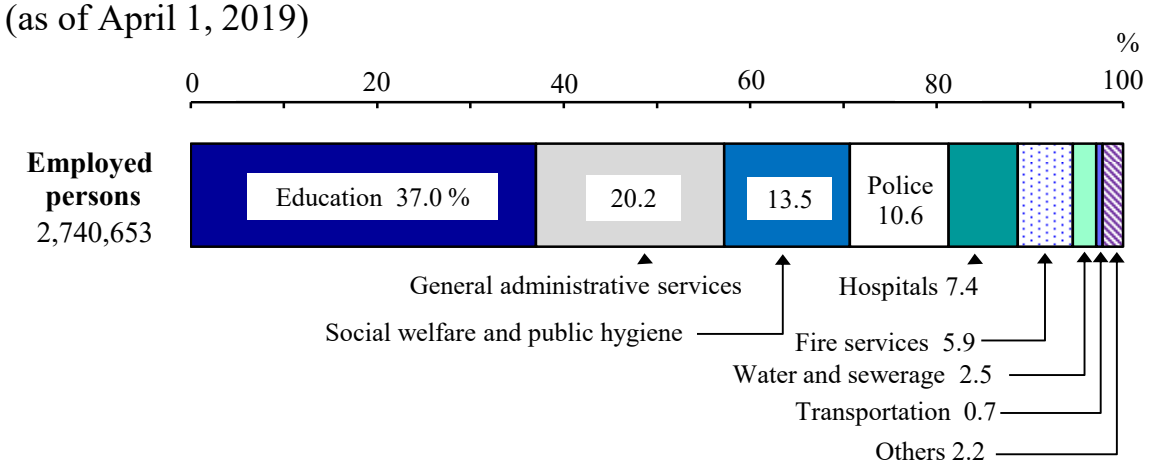
Municipalities that satisfy certain population criteria (i.e., 500,000 people or more) are eligible for designation as "Ordinance-designated cities". This designation gives them administrative and fiscal authority equivalent to those of prefectures. With the addition of Kumamoto City in April 2012, there are presently 20 cities that have earned this designation. See the map on the inside back cover.

Figure 17.3
Government System by Level [1] (as of October 1, 2018)



1) Figures in parentheses indicate number.
Source: Ministry of Internal Affairs and Communications.

Figure 17.4
Local Government Employees by Type of Administrative Services
(as of April 1, 2019)



Source: Ministry of Internal Affairs and Communications.

Appendix 1
Population, Surface Area, and Population Density by Prefecture

Prefectures	Prefectural capital cities	Population (1,000)		Surface area (km²)		Population density (per km²)	
				Total area	Inhabitable	Total area	Inhabitable
		2015 [1]	2019 [2]	2018	2018	2018	2018
Japan		127,095	126,167	377,974	122,634	339	1,031
Hokkaido	Sapporo City	5,382	5,250	83,424	22,372	67	236
Aomori	Aomori City	1,308	1,246	9,646	3,230	131	391
Iwate	Morioka City	1,280	1,227	15,275	3,714	81	334
Miyagi	Sendai City	2,334	2,306	7,282	3,155	318	734
Akita	Akita City	1,023	966	11,638	3,204	84	306
Yamagata	Yamagata City	1,124	1,078	9,323	2,885	117	378
Fukushima	Fukushima City	1,914	1,846	13,784	4,217	135	442
Ibaraki	Mito City	2,917	2,860	6,097	3,975	472	724
Tochigi	Utsunomiya City	1,974	1,934	6,408	2,983	304	652
Gunma	Maebashi City	1,973	1,942	6,362	2,279	307	856
Saitama	Saitama City	7,267	7,350	3,798	2,585	1,930	2,836
Chiba	Chiba City	6,223	6,259	5,158	3,554	1,213	1,760
Tokyo	23 Cities of Tokyo	13,515	13,921	2,194	1,421	6,300	9,724
Kanagawa	Yokohama City	9,126	9,198	2,416	1,471	3,798	6,239
Niigata	Niigata City	2,304	2,223	12,584	4,535	179	495
Toyama	Toyama City	1,066	1,044	4,248	1,843	247	570
Ishikawa	Kanazawa City	1,154	1,138	4,186	1,392	273	821
Fukui	Fukui City	787	768	4,191	1,077	185	719
Yamanashi	Kofu City	835	811	4,465	954	183	856
Nagano	Nagano City	2,099	2,049	13,562	3,226	152	640
Gifu	Gifu City	2,032	1,987	10,621	2,211	188	903
Shizuoka	Shizuoka City	3,700	3,644	7,777	2,749	471	1,331
Aichi	Nagoya City	7,483	7,552	5,173	2,988	1,457	2,522
Mie	Tsu City	1,816	1,781	5,774	2,059	310	870
Shiga	Otsu City	1,413	1,414	4,017	1,307	352	1,080
Kyoto	Kyoto City	2,610	2,583	4,612	1,174	562	2,207
Osaka	Osaka City	8,839	8,809	1,905	1,331	4,626	6,623
Hyogo	Kobe City	5,535	5,466	8,401	2,783	653	1,971
Nara	Nara City	1,364	1,330	3,691	856	363	1,565
Wakayama	Wakayama City	964	925	4,725	1,115	198	839
Tottori	Tottori City	573	556	3,507	901	160	622
Shimane	Matsue City	694	674	6,708	1,299	101	524
Okayama	Okayama City	1,922	1,890	7,114	2,219	267	855
Hiroshima	Hiroshima City	2,844	2,804	8,480	2,311	332	1,219
Yamaguchi	Yamaguchi City	1,405	1,358	6,113	1,707	224	803
Tokushima	Tokushima City	756	728	4,147	1,010	178	729
Kagawa	Takamatsu City	976	956	1,877	1,006	513	957
Ehime	Matsuyama City	1,385	1,339	5,676	1,673	238	808
Kochi	Kochi City	728	698	7,104	1,163	99	607
Fukuoka	Fukuoka City	5,102	5,104	4,987	2,762	1,024	1,849
Saga	Saga City	833	815	2,441	1,336	336	613
Nagasaki	Nagasaki City	1,377	1,327	4,131	1,675	325	801
Kumamoto	Kumamoto City	1,786	1,748	7,410	2,796	237	628
Oita	Oita City	1,166	1,135	6,341	1,799	180	636
Miyazaki	Miyazaki City	1,104	1,073	7,735	1,850	140	584
Kagoshima	Kagoshima City	1,648	1,602	9,187	3,313	176	487
Okinawa	Naha City	1,434	1,453	2,281	1,169	635	1,239

1) Population census. 2) Population estimates.

Source: Statistics Bureau, MIC; Geospatial Information Authority of Japan.

Appendix 2
Conversion Factors

	Metric units	British Imperial and U.S. equivalents
Length:	1 centimeter (cm)	0.39370 inches
	1 meter (m)	3.28084 feet 1.09361 yards
	1 kilometer (km)	0.62137 miles
Area:	1 square meter (m^2)	10.76391 square feet 1.19599 square yards
	1 square kilometer (km^2)	0.38610 square miles
	1 hectare (ha) 10,000 square meters (m^2)	2.47105 acres
Volume:	1 cubic meter (m^3)	35.31467 cubic feet 1.30795 cubic yards
Weight:	1 kilogram (kg)	35.27396 ounces 2.20462 pounds
	1 ton (t)	0.98421 long tons 1.10231 short tons
Capacity:	1 liter (L)	0.87988 imp. Quarts 1.05669 U.S. liq. Quarts
Temperature:	centigrade (℃)	5 / 9 ×(Fahrenheit - 32)

Appendix 3
Foreign Exchange Rates [1)]

(Yen per U.S. dollar)

Year	Average	End of year
2000	107.77	114.90
2001	121.53	131.47
2002	125.31	119.37
2003	115.93	106.97
2004	108.18	103.78
2005	110.16	117.48
2006	116.31	118.92
2007	117.76	113.12
2008	103.37	90.28
2009	93.54	92.13
2010	87.78	81.51
2011	79.81	77.57
2012	79.81	86.32
2013	97.63	105.37
2014	105.85	119.80
2015	121.03	120.42
2016	108.84	117.11
2017	112.16	112.65
2018	110.39	110.40
2019	109.01	109.15

1) Midpoint rate in the interbank foreign exchange market in Tokyo.
Source: Bank of Japan.