



The Japanese Economy and the Kansai Region

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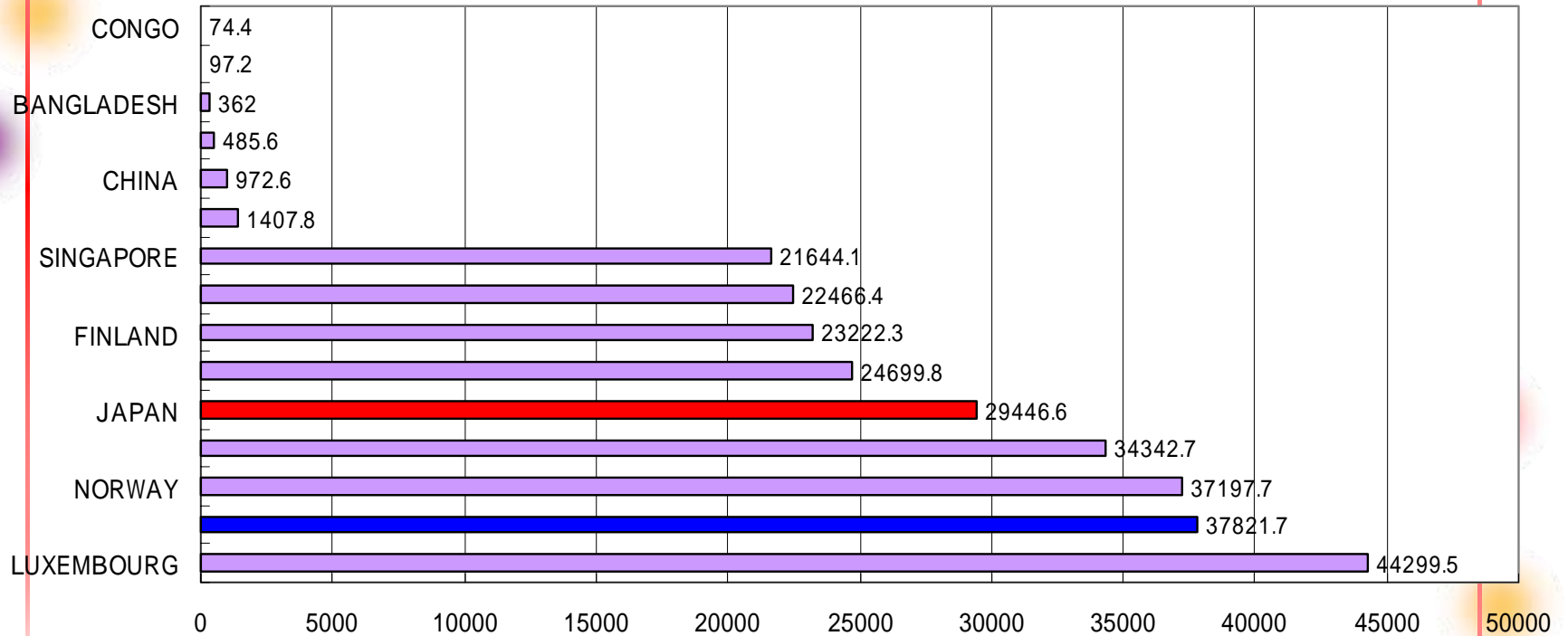
<http://www.hayashiland.com>

University of the Air

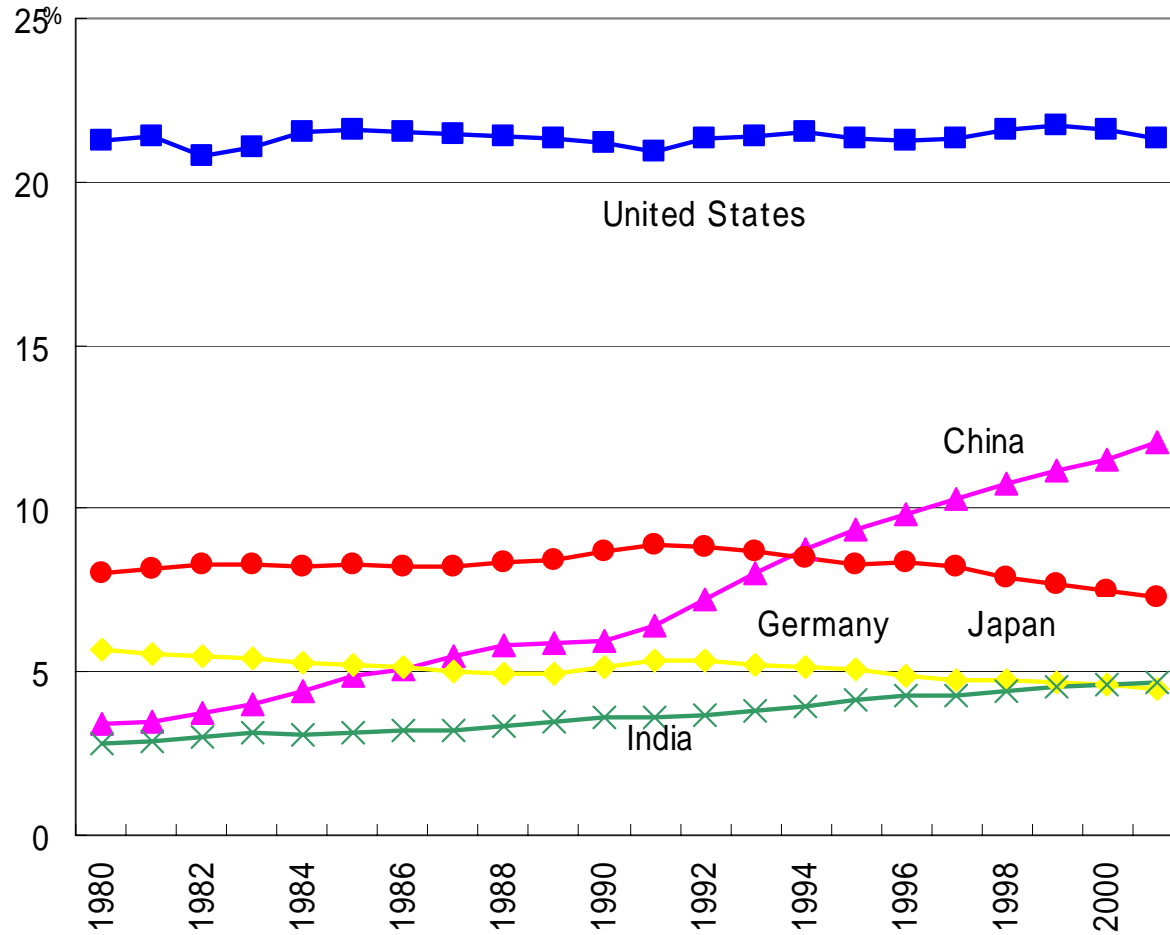
Stanford Japan Center-Research

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GDP per capita



World's GDP Share (PPP)





Average Distance Between People

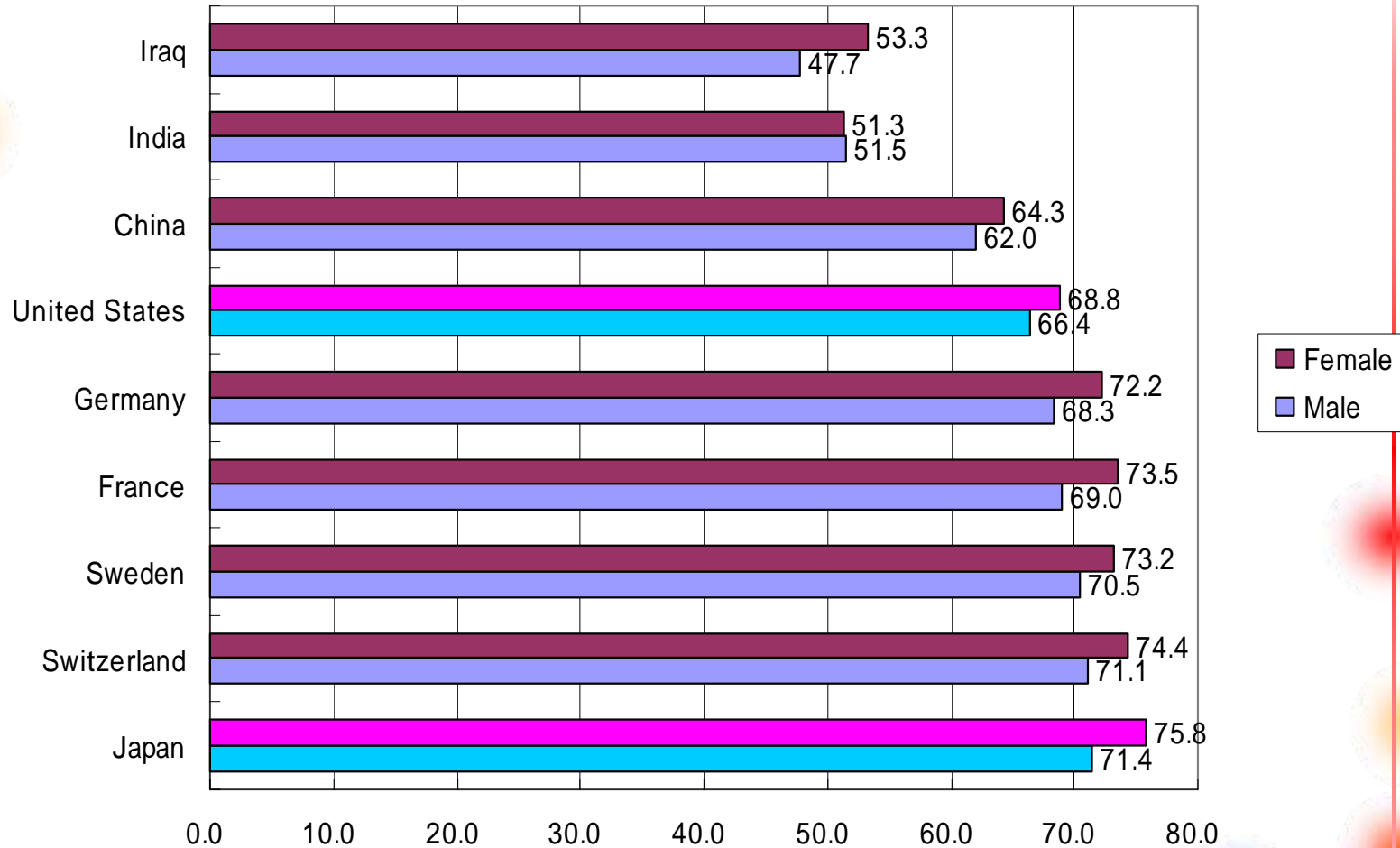
| <u>Country</u> | <u>Average Distance (m)</u> |
|----------------------|-----------------------------|
| Australia | 710.2 |
| Canada | 636.3 |
| United States | 200.9 |
| South Africa | 180.4 |
| Indonesia | 104.9 |
| France | 104.3 |
| China | 94.4 |
| Italy | 77.7 |
| Germany | 70.9 |
| United Kingdom | 69.0 |
| India | 63.0 |
| Japan | 58.8 |
| Netherlands | 55.6 |
| Korea | 49.9 |



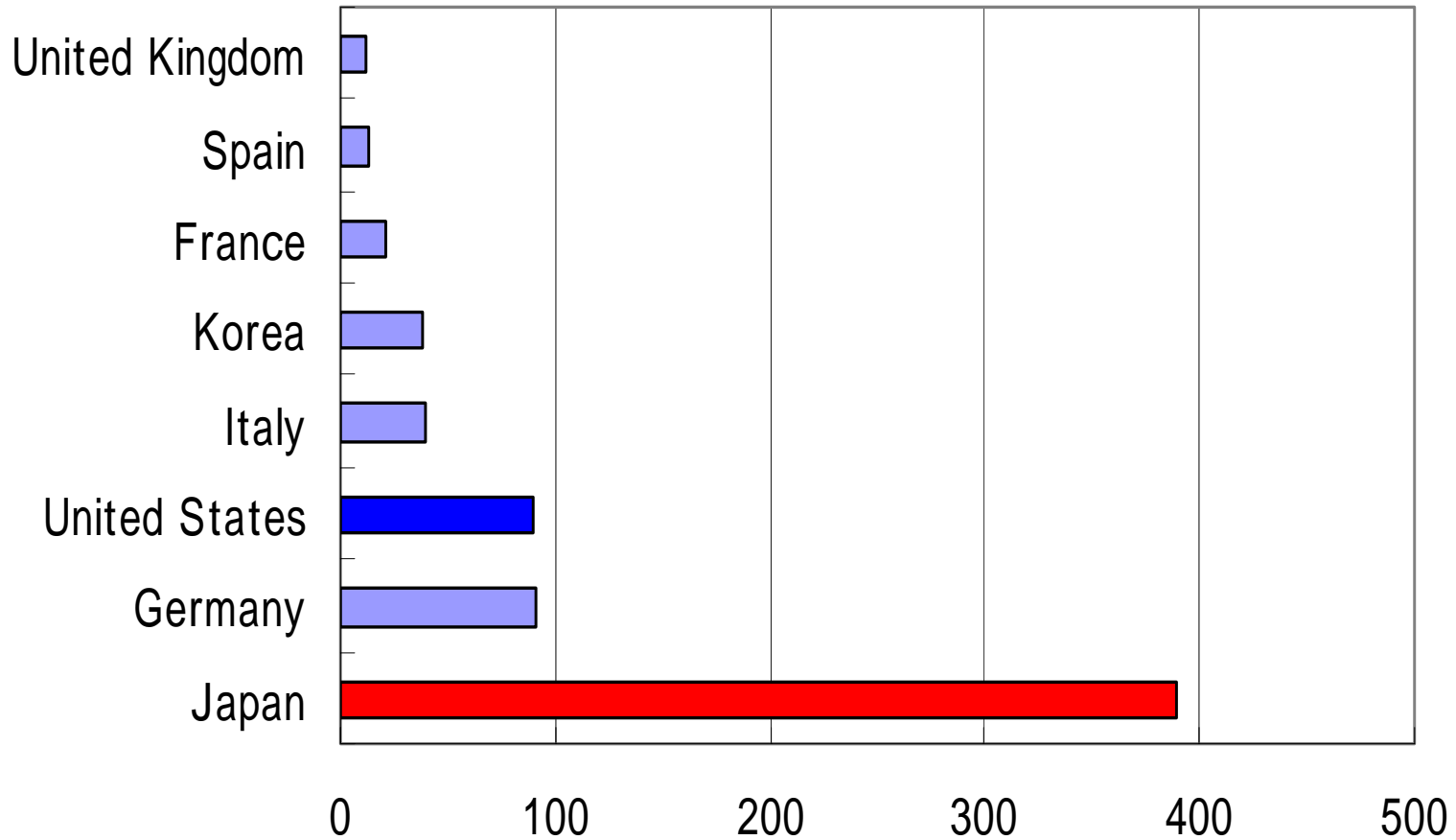
Crime and Arrest Rates

| Homicides | Rate of Incidence | | Arrest Rate (%) | |
|----------------|-------------------|------|-----------------|------|
| | 1990 | 1999 | 1990 | 1999 |
| United States | 9.4 | 5.7 | 67.2 | 69.1 |
| United Kingdom | 2.3 | 2.9 | 92.0 | 87.1 |
| Germany | 3.9 | 3.6 | 94.2 | 94.4 |
| France | 4.5 | 3.4 | 77.2 | 81.4 |
| Japan | 1.0 | 1.1 | 96.7 | 95.2 |

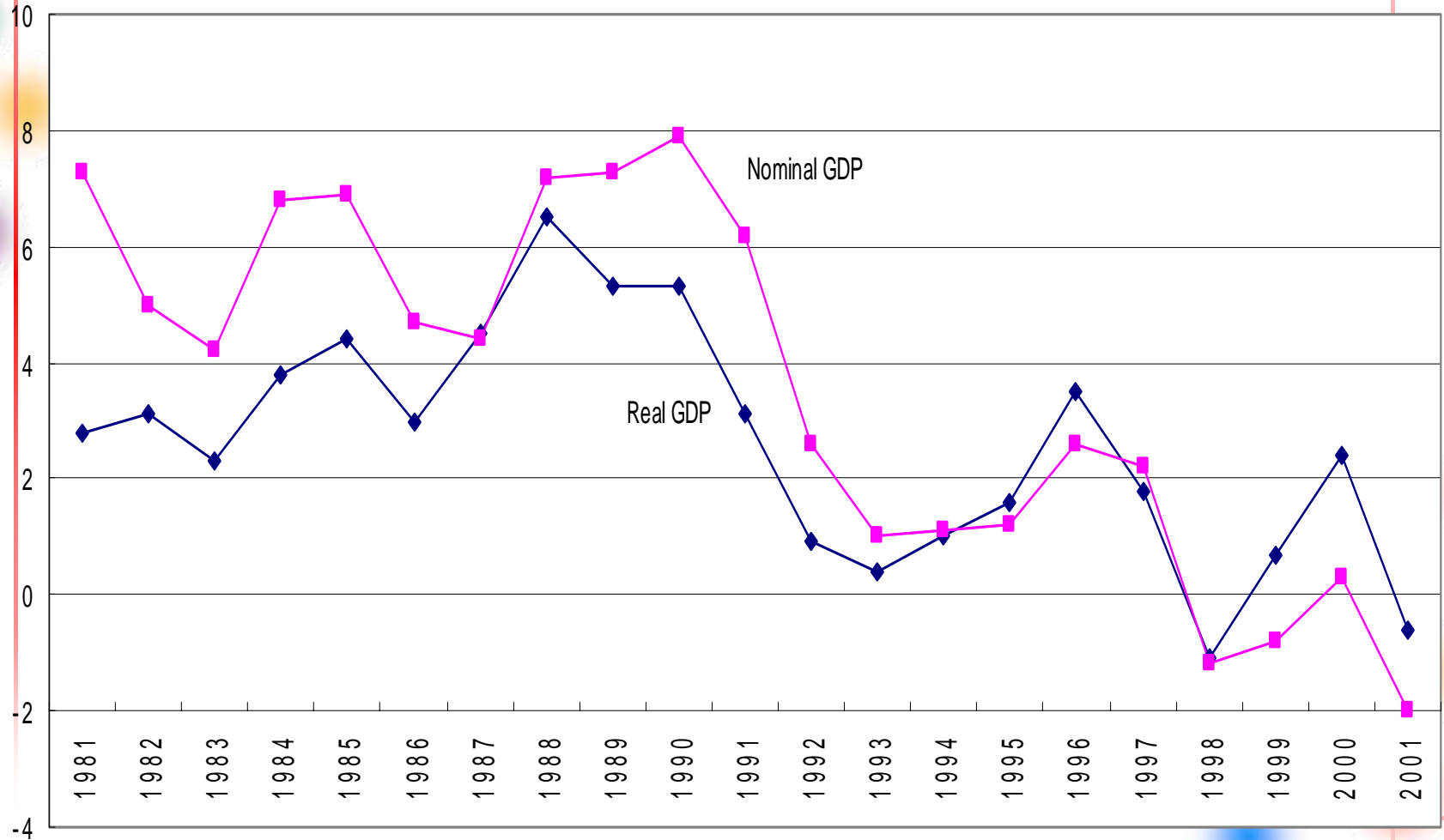
Healthy Life Expectancy at Birth



Industrial-use Robots in Operation (2000)



GDP Growth Rate





Bubble and Its Aftermath

- From Stable Growth to Bubble
 - Asset Price, Self-perpetuating Expectation
- Bubble Burst
 - Asset Prices Fall
- Vicious Cycle
 - Negative Asset Effect, Shattered Expectation
- Old Keynesian Prescription Ineffective
 - Fiscal Stimulus



The Earth Quake of 1995

- The Great Hanshin-Awaji Earthquake
 - Killed 6,432 / Economic Damage ¥10 Trillion

- Illusionary Affluence
 - Material Abundance for What?

- Quest for New Value
 - Security, Redundancy, Quality of Life, Meaning of Life



Towards a New Economy

■ Structural Change

- Political System, Government Reform, Industrial Restructuring

■ New Sense of Direction

- Social Concern and Participation, Private Initiative

■ New Economy

- Information Technology, Quality of Life, Environment, Welfare, Sustainable Growth



Kansai :
People, Culture and Economy

The Kansai Region





The Word “Kansai”

- Kansai=West of Gateway “Osaka” in Shiga Prefecture or West of Three Gates, “Aichi”, “Miho” and “Suzuka”
- Kansai=Cultural Extension-Kansai Dialect, Kansai Culture and Kansai Economy
- Kinki=Region Surrounding Kyoto
- Kinki=Geographical Retion-Kinki Region



The Kansai Region

- Normally includes Osaka, Kyoto, Shiga, Nara, Wakayama and Hyogo Prefectures.
- Sometimes Mie, Fukui and Tokushima Prefectures are added.

The Kansai Region





Natural environment

- Area = 27,000 square kilometers
- Woody mountains, flat land and the sea
- Population = 20 million
- Clear four seasons



Infrastructure

- Airports: Kansai Osaka (Kobe)
- Seaports: Kobe Osaka Sakai
- Highways and road system
- Public transportation
- Underground towns
- Telecommunications



Tale of Three Cities

■ Osaka

CBD of Kansai ; Merchant City

■ Kyoto

Historic and Creative

■ Kobe

Gateway to Heaven

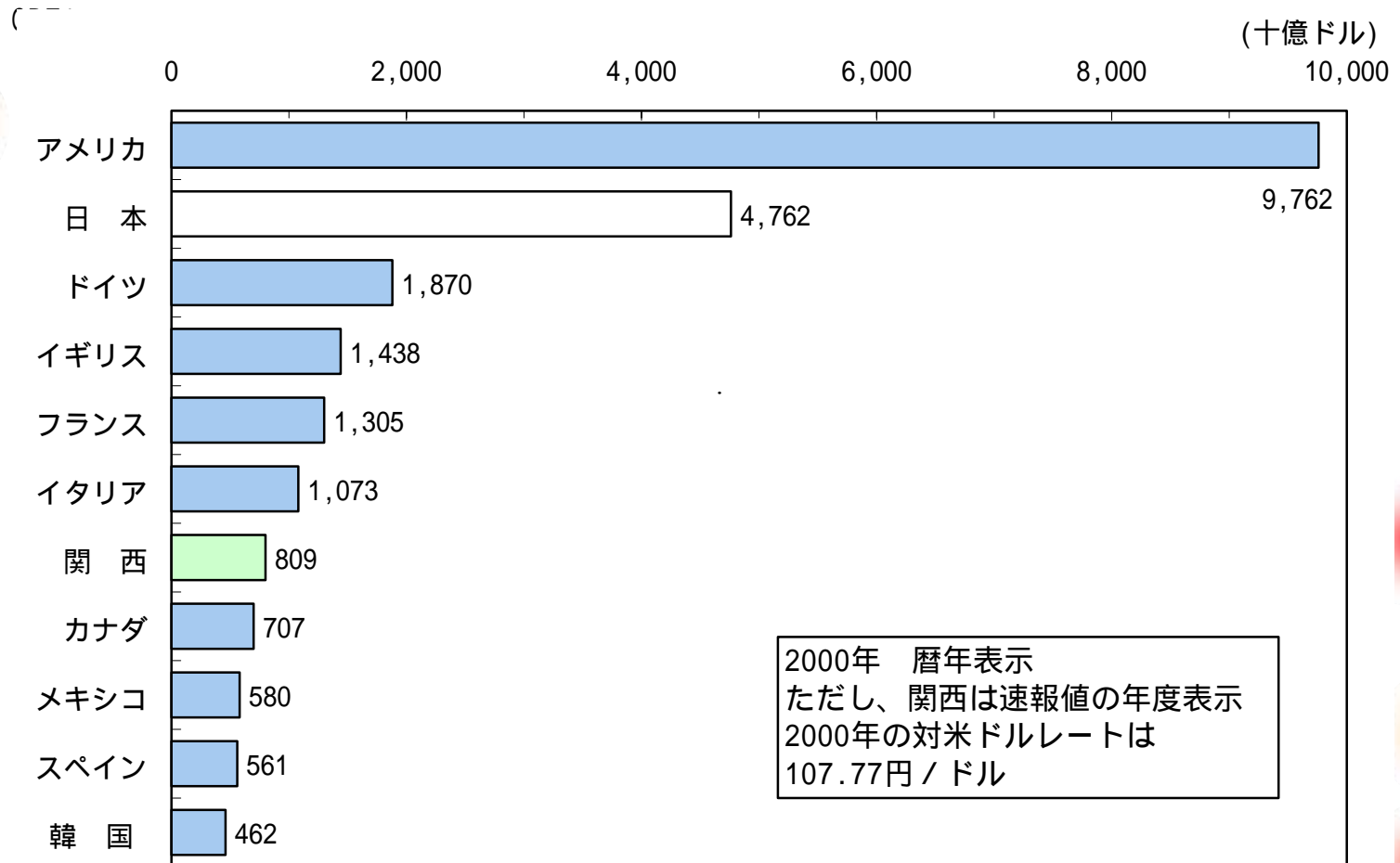


The Kansai Economy

- World's seventh largest country
- Japan's second largest region
- Industrial but increasingly service oriented
- Small and medium sized enterprises
- Relative decline and potentials

The Seventh Largest Economy

図3 - 7 主要各国との対比



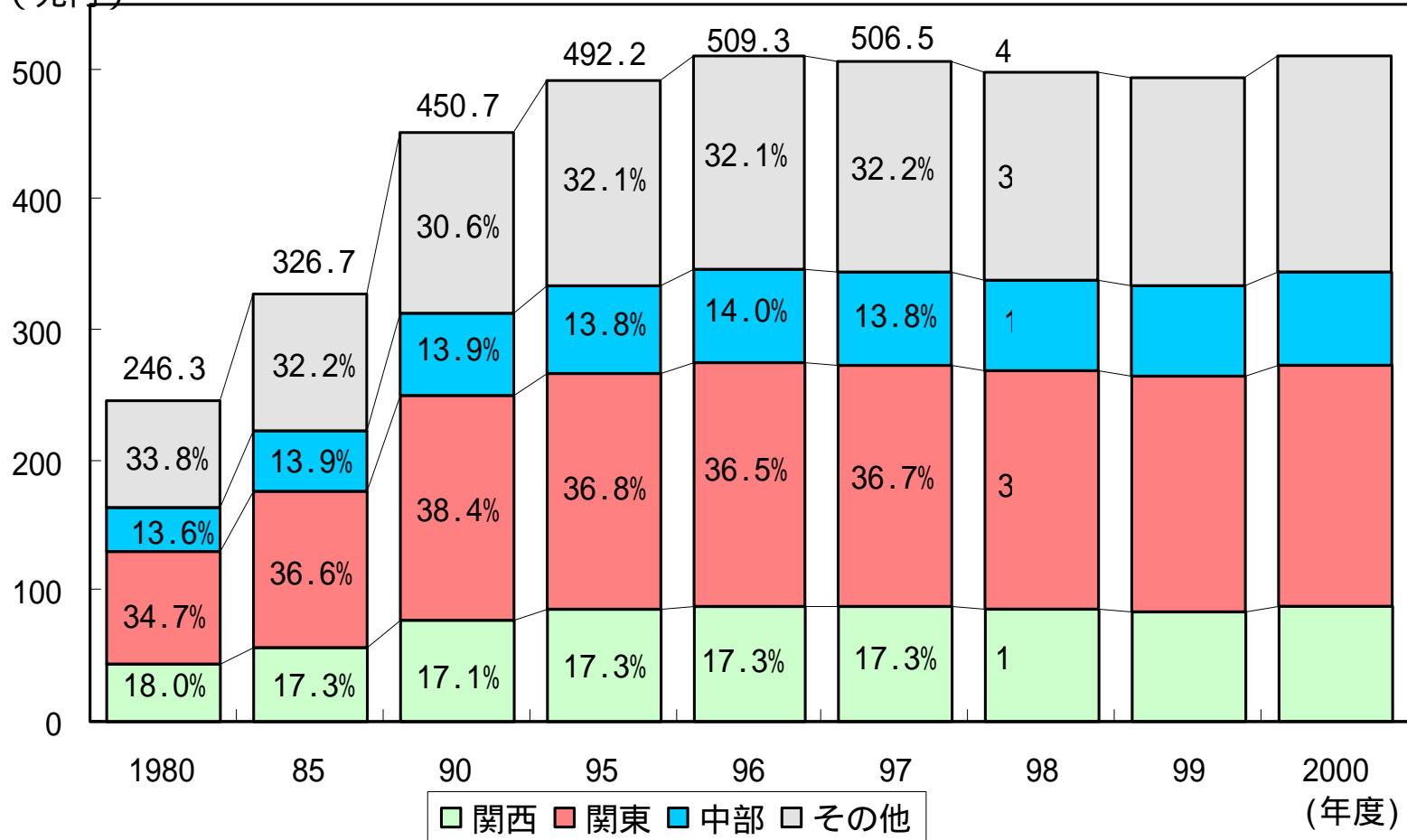
(資料) 「国民経済計算年報」「県民経済計算年報」内閣府

Relative Decline

図3 - 6 域内総生産の推移

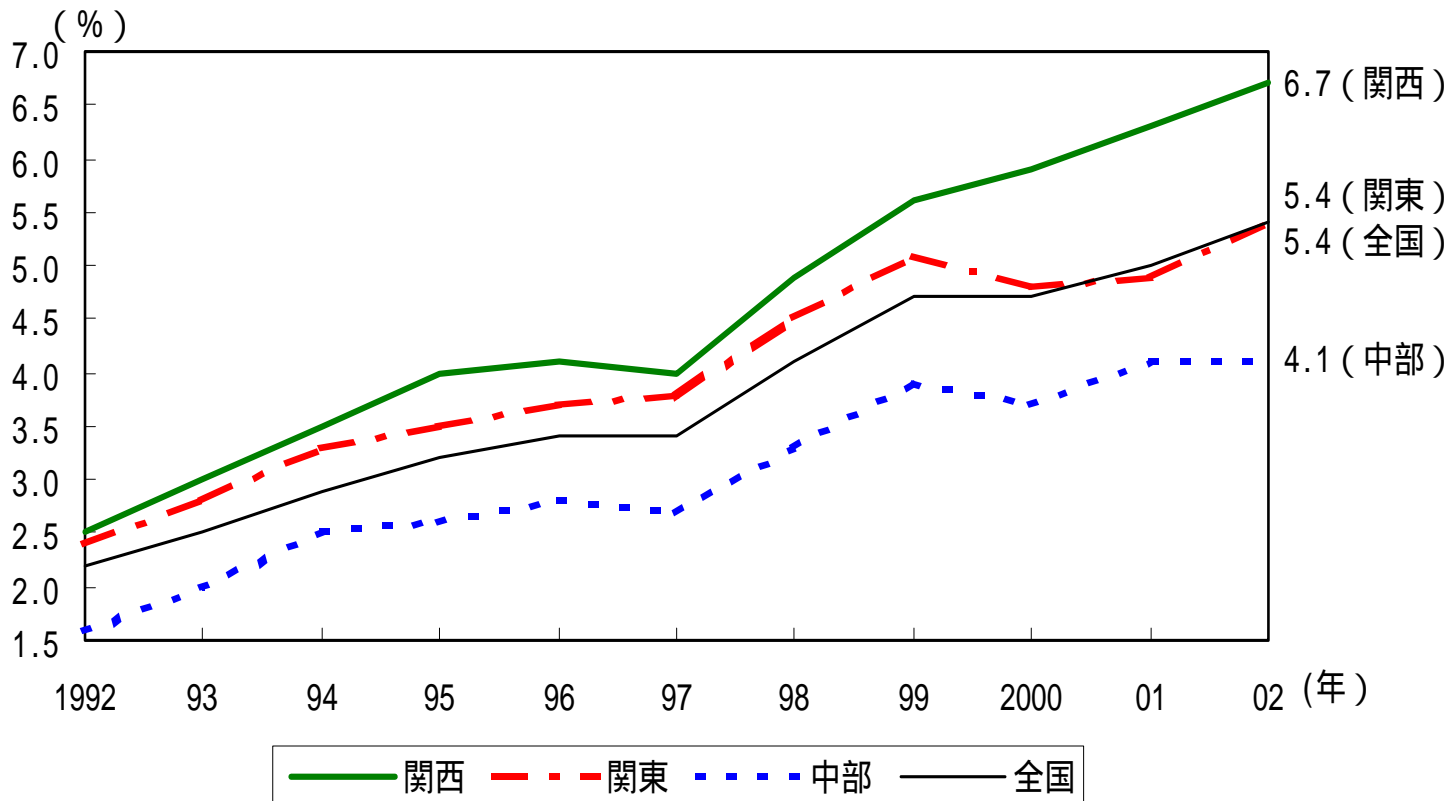
DATA

(兆円)



Unemployment Rate is high

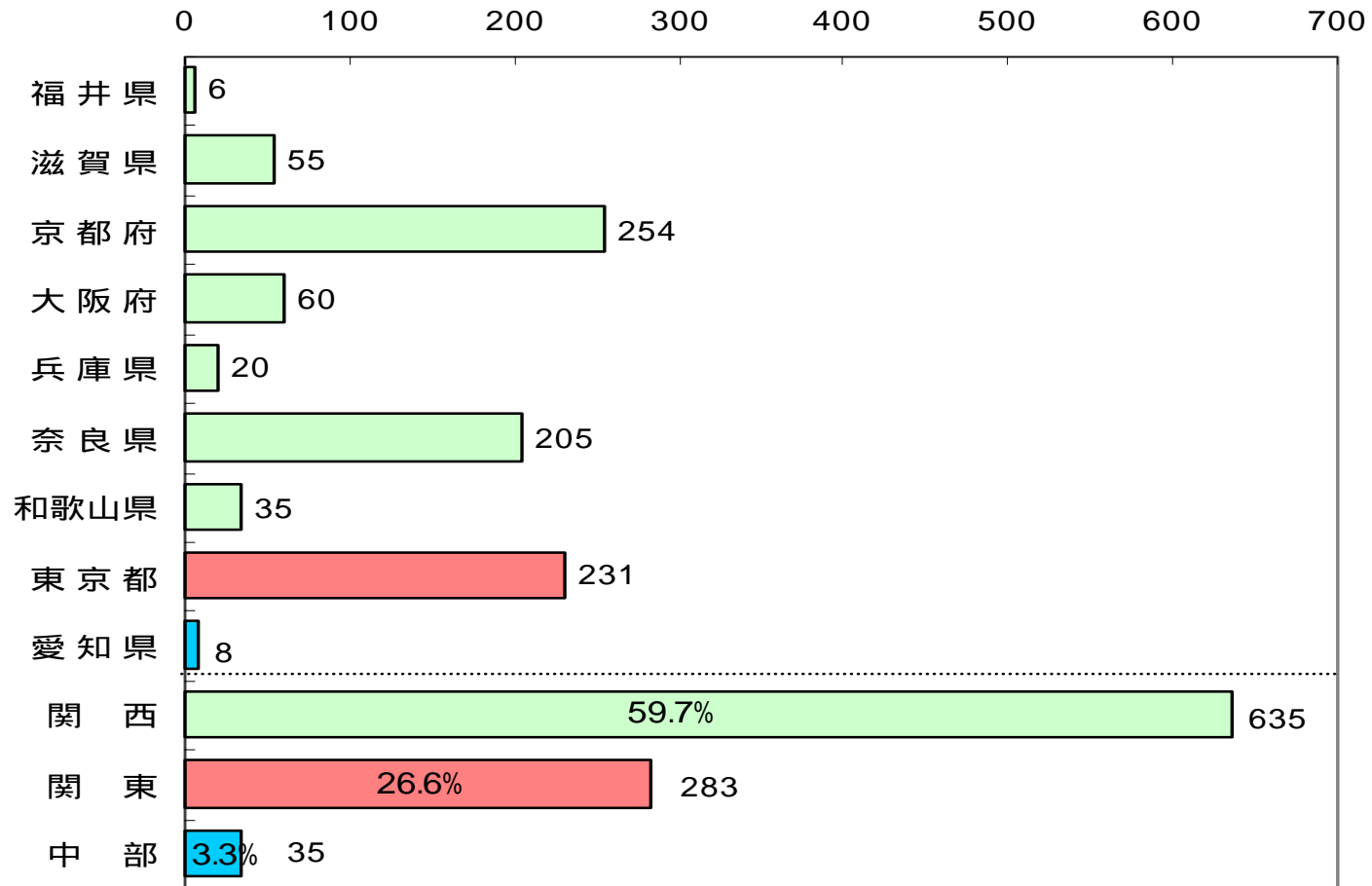
図3 - 54 完全失業率の推移



(資料)「労働力調査」総務省

(注)「関西」、「関東」、「中部」はそれぞれ「労働力調査」の「近畿」、「南関東」、「東海」の

Number of National Treasure





People in Kansai and Tokyo

- Individualistic / Herd
 - Casual / Formal
 - Fun loving / Austere
 - Pragmatic / Authoritative
 - Price Speaks / Quality Speaks
 - Money Making Admired
- / Achievement Respected



Business Ideas from Kansai

- Asahi Newspaper, Mainichi Newspaper
- Sumitomo bank, Sanwa bank
- Textiles
- Pharmaceutical
- Electric Appliances
- Whisky
- Prefabricated Houses
- Supermarket



Business Ideas from Kansai 2

- “Terminal” Department Store
- Moving Service Company
- “Capsule” Hotel
- Sushi Conveyer
- Futures Market
- Instant Ramen
- Kansai Through



Small Businesses in Kansai

- Bicycles (Sakai)
- Blanket (Izumi-Otsu)
- Artificial Pearl (Sakai)
- Hand Tools (Higashi-Osaka)
- Carpet (Sakai)
- Thermos



Some Recent Ventures

- Computer Software

Nintendo, CSK, ASCII, Capcom

- Personnel Service

Pasona

- Entertainment

Yoshimoto

- Business Matching

VentureLinks



New Business Model

■ Deregulation

Banking, Communications, Energy

■ Privatization

JR, NTT West, Postal Services

■ Decentralization

Public Works, Project Development

■ Value for Money

Private Finance Initiative



Kansai Potentials

- Cultural Heritage
- Cyber Society in Natural Environment
- Big Market
- Production Base
- Gateway to South East Asia
- Free Market Tradition
- Open to New Ideas



Welcome to Kansai !

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