General Characteristics Of Japan's Economy

Japan is known to be highly evolved, industrialized and advanced with their technology. They are currently the only country close to stage 5 of the demographic transition model. This means the death rate is much higher than the birth rate. This could affect economic activity as people will most likely have to take up other jobs meaning they will need to learn new skills. This has raised a lot of concern for the workforce due to the majority of the population of Japan being old people, hence why they've reached stage 5 of the demographic transition model. Japan is a constitutional monarchy where they have a prime minister, who right now is Shinzo Abe. They are divided into three branches: Judicial, Legislative and Executive. The executive branch is made up of the Prime Minister and Cabinet of Ministries. The legislative branch is made up of the National Diet. Finally, the judiciary branch is made up of the Supreme court, high courts, district courts, family courts and summary courts.

Japan is the third largest due to nominal GDP and fourth by purchasing power parity (PPP). Japan has a nominal GDP of $5.18 trillion or 56617918000000000.00 yen. However, the GDP per capita is $39,286 or 4292031.67 yen. The GDP per sector is; services: 71.4% (including but not limited to real estate, insurance, retail, banking, telecommunication and transport), industry; 27.5%, agriculture: 1.2%. Only .2% of Japan's population lives under the poverty line as to which people only get paid $1.90 or less a day, which is roughly about 207.67 yen. Japan does a lot of exporting to the United States to which they account for 20% of it. They also export to many other countries like China: 17.55%, South Korea: 7.1%, Hong Kong: 5.6%, and Thailand being part of 4.5% of all their exports. Aside from exports, Japan imports closely from China: 24.8%, the United States 10%, Australia: 5.4%, and finally South Korea with 4.1% of all imports. Japan spends an estimated amount of $632 million or 69078232000.00 yen. They are currently the third largest importers of agricultural products, natural gas and coal.

Japan is not quite abundant in natural resources, they have plenty but few are profitable. However, fishing is one of the major activities for Japan. Aside from its massive decline due to the 1973 crisis, it remains the largest. They have over 2,000 fishing ports, some of which include: Abashiri, Nagasaki, Kushiro, and Otaru. The fishing market has been able to profit an average of $15.5 million which is roughly about 1639515000.00 yen. Their most popular marine life is Tuna, Bonito, Sardines, Alaskan Pollock, crabs and squid. Therefore making fishery one part of their key industries. Aside from fishing, they also dominate the whaling industry, not being hesitant to dispute with the protests involving such activity, They claim it is all for research. They only hunt for sperm whales, mink, western gray and humpback whales.

Agriculture is also one of their primary natural resources. Even though only 20% of Japan's land is suitable for agriculture and cultivation. Farming has been quite substantial with about 4 million households. Rice paddies are the most common, especially on the country side since they have alluvial plains, wetlands and terraced slopes available to them. 1.4% of the national GDP is contributed due to agriculture even though only 12% of the land is suitable for farming. However, they are in the lead for having the highest level of crop outputs per year in the entire world. This makes agriculture another one of their key industries.

Tourism is the next key industry. In the year of 2018 alone, there was a massive spike of 8.7%

to 31.9 million foreign tourists visiting the country. Japan currently holds third place yet again for being such a tourist country, Germany in fourth. Japan makes about $367.7 billion dollars which is about 40,604.2 billion yen. Since the 2020 Summer Olympics will be held in Tokyo, tourism numbers are estimated to rise a lot more than what they have been. Shinzo Abe - the prime minister of Japan - estimates numbers to be 40 million of tourists in 2020 and 60 million in the year 2030.

Although the grass is greener on the other side, there's also a dark side. Tourism has heavily affected local traditional markets have seen a hefty decline in sales. Instead of locals getting their groceries done for daily needs, foreigners are seen on the streets trying delicacies. Everyday customers have stopped going to these markets, avoiding the rush and overcrowding of tourists. Furthermore, there's been many cases of overcrowding in the city of Kyoto. The sights and temples have been bombarded with foreign tourists - not so much domestic tourists - that even they can't explore the places properly. This has also affected the locals, calling it a shame since they can't visit such sacred places. Especially now with the media driven world, sights are not being respected causing a cultural sensitivity in the society. With that being said though, tourism remains and will remain a key industry for Japan.

Another major key industry of Japan is manufacturing. It is the most diverse and advanced. This includes the manufacturing of automobiles, electronics, and semiconductors. Some companies involved are; Nissan, Mazda, Mitsubishi, Suzuki, Yamaha, Kawasaki and Honda just to name a few. Japan is one of the largest automobile parts manufacturing industries. The country also takes part in the biochemistry and fermentation process of the food industry. In fact they take the lead in the food industry with such manufacturing. The three most heavy manufacturing cities are: Tohoku which is where they get renewable energy, Chubu is where Toyota is located (which will be mentioned later in the report), and finally Shikoku - although it's one of the smaller cities - it is the city responsible for agriculture, fisheries, shipbuilding, electronics and paper manufacturing. Contract manufacturing is now also gaining its popularity in Japan. Therefore, it's easy to see why Japan is filled with manufacturing everywhere, it's expected since they are so highly industrialized and definitely advanced with technology.

Along with manufacturing, Japan's third largest company is the Mitsubishi United Financial Of Japan Financial group. Not only is it the largest bank in Japan, it's also one of the largest in the world. Their market value is $65 billion with assets estimated at about $2.8 trillion. They also obtains sizeable holdings with different institutions, some of which include Morgan Stanley from the US. They also share Toyota, Chase bank and Nippon. Japan has profited about $9 Billion dollars in 2018 with the Mitsubishi UNF company. Fun fact, they have a location here in Dallas, Texas.

The second largest company is the Softbank. Softbank is a multinational conglomerate holding company whose headquarters is placed in Tokyo, Japan. The Softbanks market value is valued at $112.4 Billion dollars. However, it assets around $332 billion. Softbank is handy in finance, media, telecommunications and technology. They are partnered with many different companies, some of which include but not limited to; Yahoo! Japan, Sprint Corporations, Boston Dynamics, and Brightstar Corporations.

Finally, the largest company Japan owns is the Toyota Motors Corporation. Toyota Motors Corporation is the second largest manufacturer in cars, Volkswagen being first. Toyota profits over $17.2 Billion from sales of $272 billion. They asset about $466 billion while their market

value stand at $176.6 billion. Toyota has manufactured over 10 million vehicles in the past year (making them the first country to achieve this), while Ford has only produced about 6 million for some comparison.

Japan is a free-market economy and it is the third largest in the world. However, they have entered a recession in November 2014. The economy's depression is still reflecting on the impact of the growth bubble from the 1980's. After the burst in 1990, households, financial/industrial firms's investment in real estate and stocks were worth a whole lot less than during the bubble. An increase in tax rates has discouraged the people and businesses to spend less. Japan continues to face a shrinking labor force and more homeless people on the streets, most of them being men. They are facing the highest employment rate ever seen from the past 50 years. On the other hand, it's normal to have a "lifetime" job. Especially since students who graduate from college go straight into the workforce, committing to one company for most of their life. Only a few change their jobs yearly, but it's uncommon. Dealing with such issues, the prime minister delayed a tax hike, this will also further affect Japan's plan of restoring fiscal health by 2020.