



# The Business Environment in Okinawa Prefecture

① 沖縄銀行

# (1) Competitive Advantage of Okinawa's Ideal Location



With major Asian cities within range of 4 hours, located in the heart of East Asia

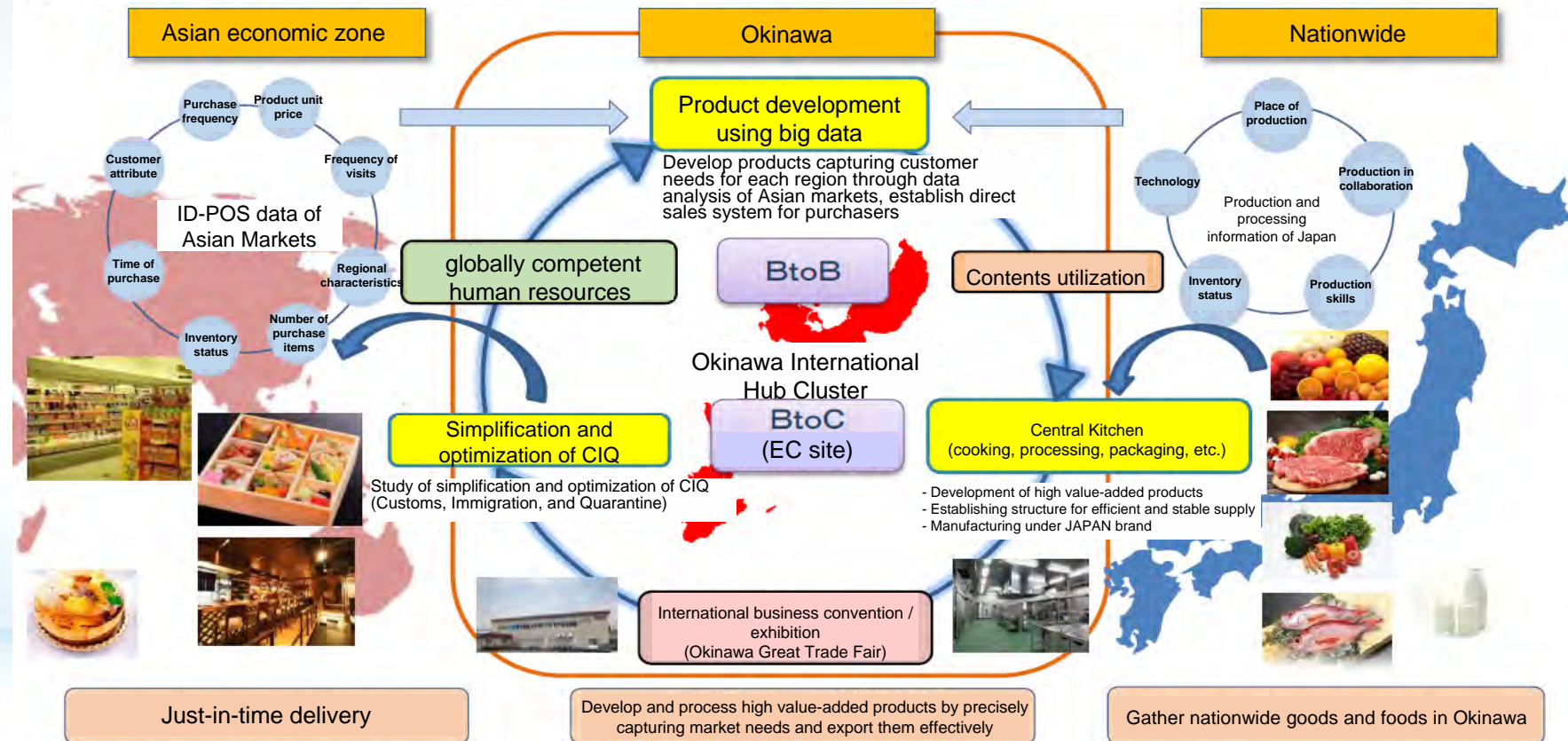


Okinawa	City	Flight Time
→	Seoul	2h 10min
→	Tsingtao	2h 50min
→	Shanghai	2h 5min
→	Taipei	1h 30min
→	Hong Kong	2h 35min
→	Bangkok	4h 25min
→	Singapore	5h
→	Amoy <small>(From October 2015)</small>	2h
→	Manila <small>(From October 2015)</small>	3h
→	Narita	2h 25min
→	Haneda	2h 20min
→	Nagoya	2h 15min
→	Kansai	1h 50min



# Okinawa International Hub Cluster Strategy for Asian Market

We will build a logistics and distribution channels innovation cycle for Asian economic zone to contribute to the development of an environment for B to B and B to C business of small and medium-sized businesses through opportunities such as business conventions by pursuing reduction in CIQ process load in trading business, while aiming to build development, processing, and production bases of high value-added products as "Central Kitchen" by concentrating nationwide foods and goods in Okinawa in order to export safe and trusted foods of Japan, according to the market needs. Furthermore, we will take initiative to develop systems to nurture human resources who would boldly challenge businesses in Asian region.



Source: International Hub Cluster Office



# Strategy for further development as international logistics hub point



## (1) Completion of logistics center (2015)

- ◆ Parts center for electronic components
- ◆ EC inventory control center for Asia

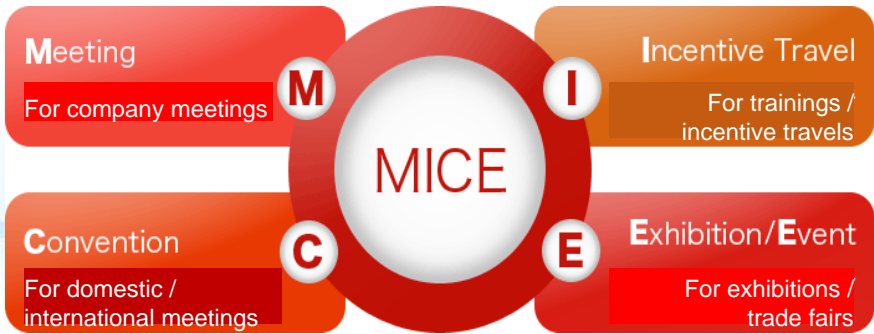
## (2) Collaboration with other regions in Japan

- ◆ Gather nationwide foods and goods in Okinawa to build a business model to expand into Asia

## (3) Development of large-scale MICE facility with capacity of around 20,000 people (2020)

< Example of collaborated business between Okinawa and other regions (budgeted by METI, etc.)>

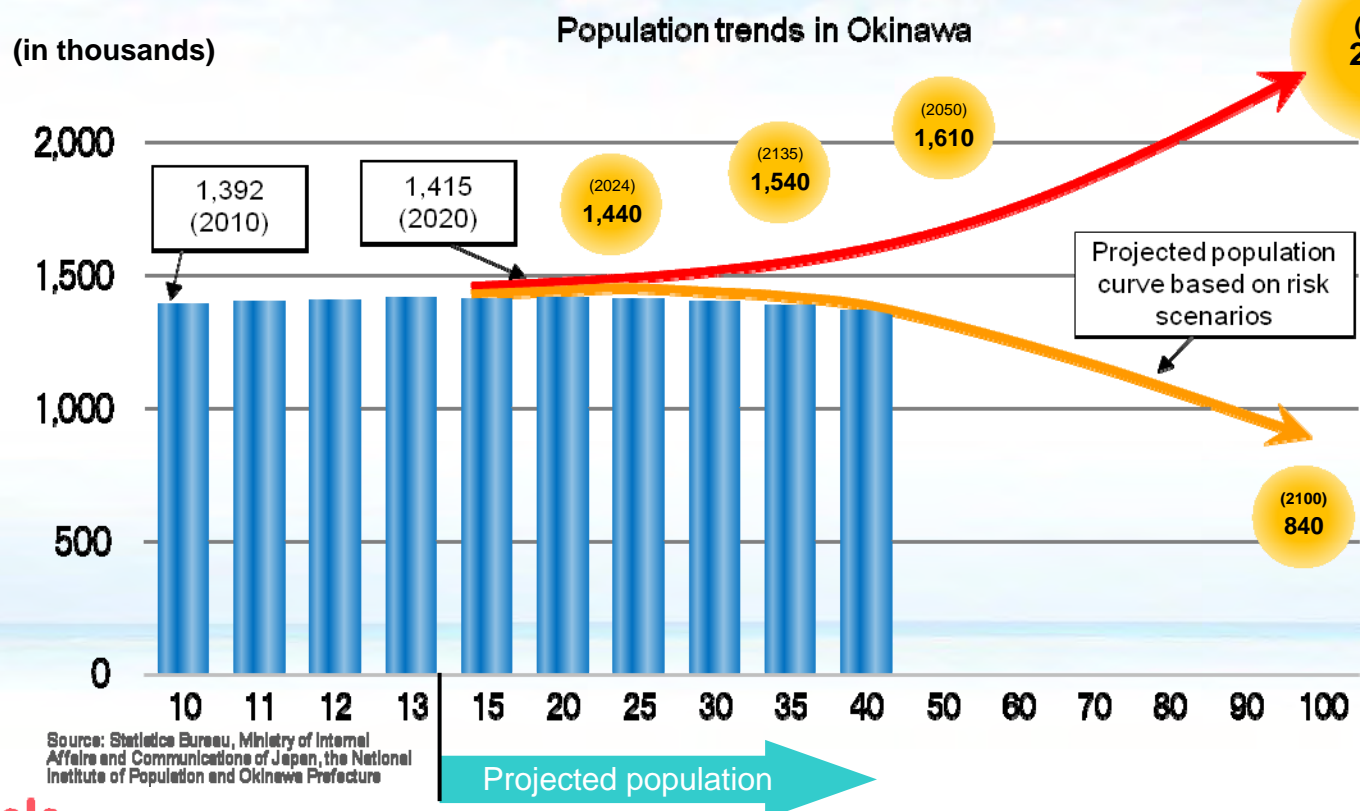
- Product development using commercial products of Okinawa (Hokkaido x Okinawa)
- Project to develop food market in Middle Eastern Gulf area (Hokkaido x Kyushu x Okinawa)
- Global collaboration project of agriculture, commerce and industry (Hokkaido x Okinawa)
- Global collaboration project of agriculture, commerce and industry (Mie x Okinawa)
- Okinawa International Hub Cluster Project (Okinawa x wider region)
- Asia global human resource development project (Okinawa x Kyushu)
- Regional brand overseas development project (Okinawa x Hokkaido x other regions)



## Population of Okinawa (Future Prospects)



The population of Okinawa is expected to take a downward turn in and after 2025. Population is on the increase at this stage, but active steps towards population growth are being taken now.



#### Efforts to facilitate natural increase in population

(Creation of a society that allows people to marry, give birth to and raise children without undue worries)

- ◆ Elimination of childcare waiting list
- ◆ Promotion of "health and longevity in Okinawa" campaign

#### Efforts to enhance growth of society

(Creation of a dynamic society that is open to the world)

- ◆ Job creation and securing diverse human resources
- ◆ Addressing to increase tourists and visitors

#### Aims to resolve challenges faced by isolated islands and depopulated regions

(Creation of a society that delivers well-balanced and sustainable population growth)

- ◆ Improvement of conditions for long-term residence
- ◆ Industrial development by demonstrating attractive regional characteristics



# Number of Visitors to Okinawa

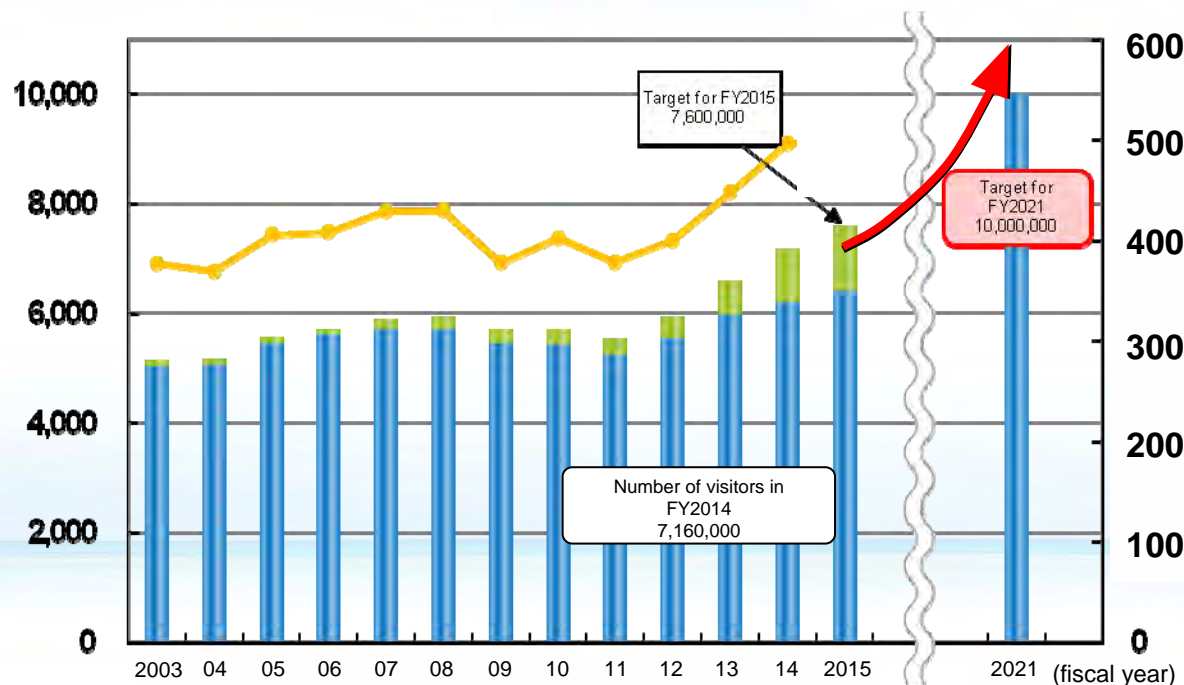


FY2014 marked a record 7.16 million tourists visiting Okinawa  
 The number of overseas tourists was 980,000 (up 57% YoY), reaching a record high

(in thousands)

(¥ billion)

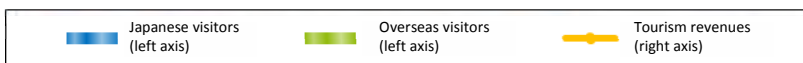
Trends in the number of visitors and tourism revenues



Number of port call by cruise ships in 2014: 162

Scheduled number of port call in 2015: **212 (up 30%)**

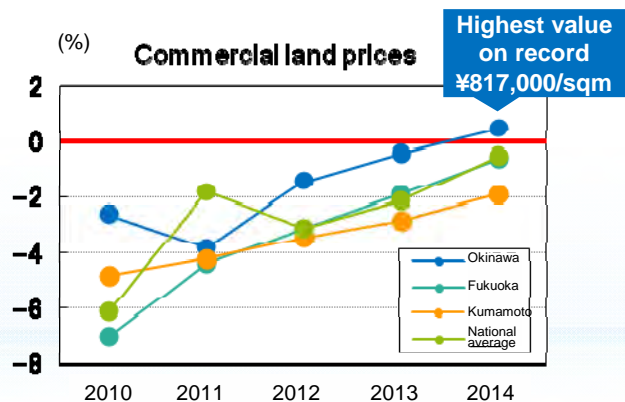
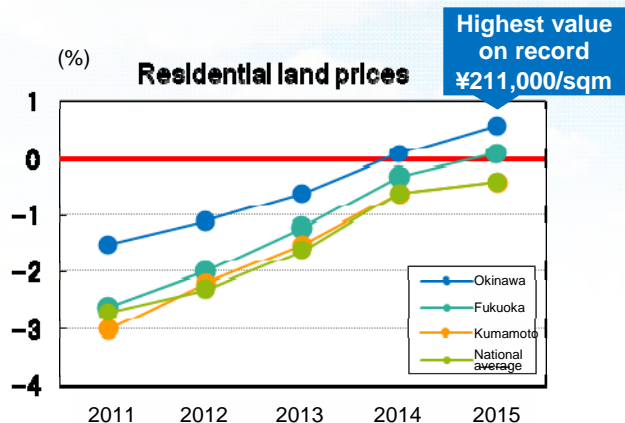
Source: Tourism Handbook, Okinawa Prefecture



# Recent Economic Trends 1

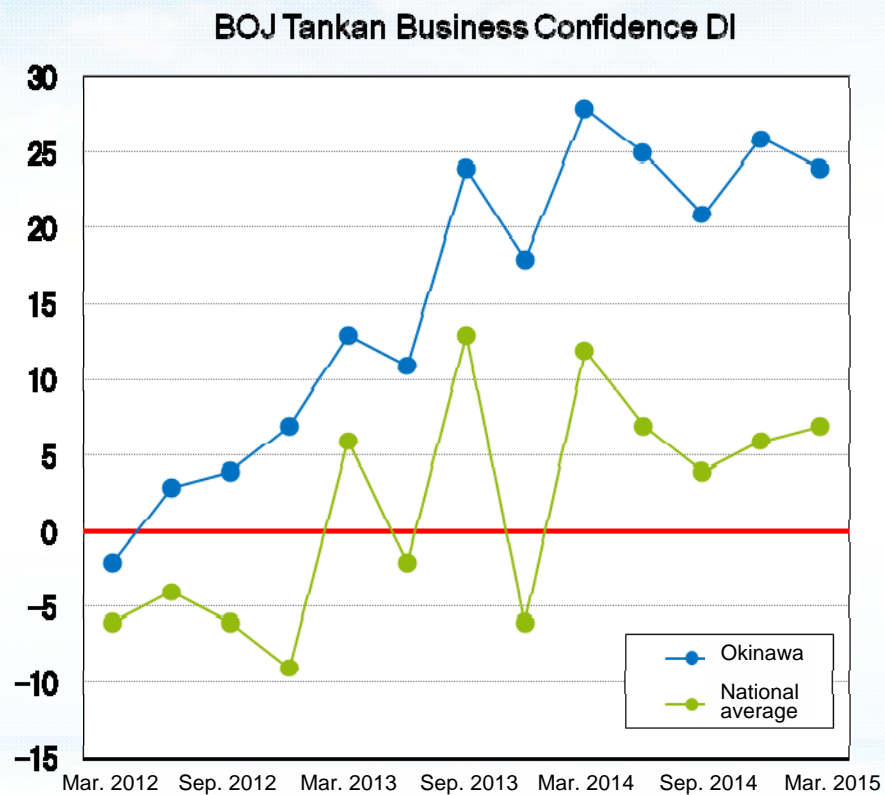


## Official land prices



Source: Ministry of Land, Infrastructure, Transport and Tourism

## BOJ Tankan



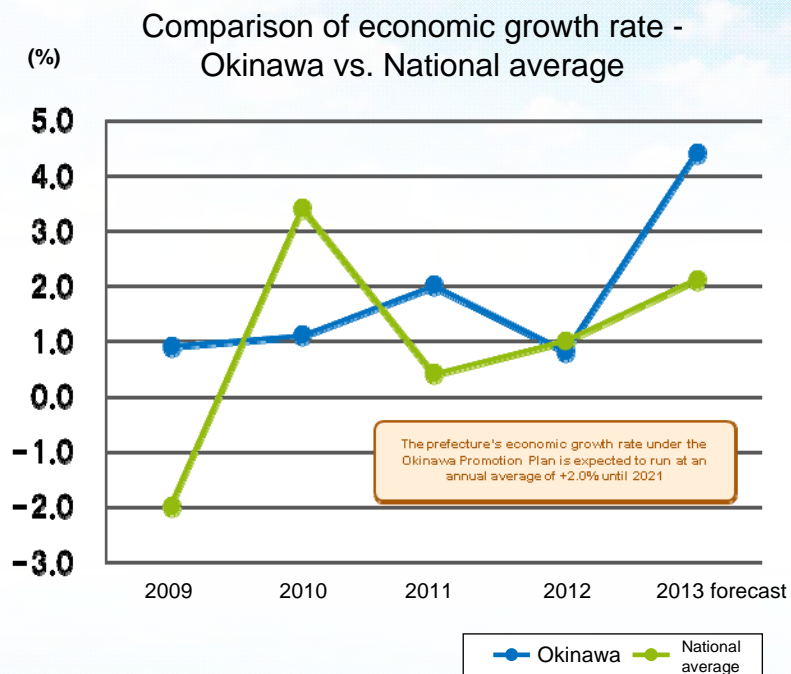
Source: BOJ Naha Branch



## Recent Economic Trends 2

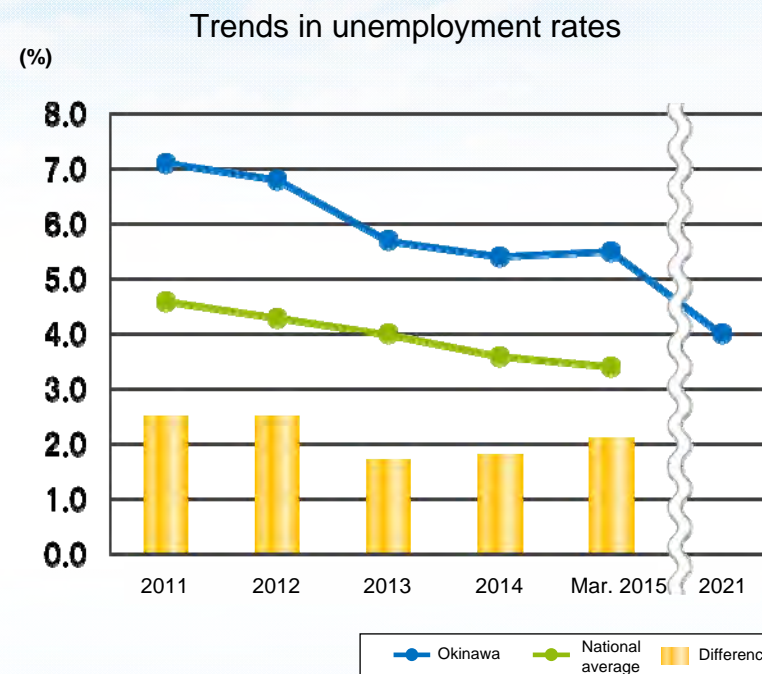


### Economic growth rate (actual)



Source: Okinawa Prefecture, Cabinet Office, Government of Japan

### Unemployment rate



Source: Okinawa Prefecture, Ministry of Internal Affairs and Communications

- ◆ Okinawa has maintained higher rates of economic growth than the national average
- ◆ In the past, Okinawa suffered nearly twice the unemployment rate of the national average, but the rates have steadily fallen, becoming closer to the national level.

