The Business Environment in Okinawa
Competitive Advantage of Okinawa’s Ideal Location

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

Locations within 4-hour flight from Okinawa

- Seoul: 2h 10min
- Tsingtao: 2h 50min
- Shanghai: 2h 5min
- Taipei: 1h 30min
- Hong Kong: 2h 35min
- Bangkok: 4h 25min
- Singapore: 5h
- Amoy: 2h (From October 2015)
- Narita: 2h 25min
- Haneda: 2h 20min
- Nagoya: 2h 15min
- Kansai: 1h 50min
Implement five key strategies leveraging the advantages of Okinawa and four industrial growth strategies utilizing the characteristics of Okinawa. With the promoting function that supports these strategies, Okinawa aims to become a strategic hub connecting Asia and Japan by capturing Asian market needs that are becoming increasingly sophisticated and diversified.
One page of a document with the following content:

**Five Key Strategies Leveraging the Advantages of Okinawa (1)**

1. **Forming a logistics hub that connects Asian countries**
   - (1) Expand aircraft parking aprons at Naha Airport and further enhance logistics function through the mitigation of aviation fuel tax and other measures
   - (2) Establish logistics platform and accumulate the related industries to enable quick delivery of Japanese specialty goods to Asian countries

2. **Realizing world-class tourist resort destination**
   - (1) Prepare large-scale MICE facilities
   - (2) Prepare reception facilities for large cruise ships

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**MICE**

- **Meeting**
  - For company meetings
- **Incentive Travel**
  - For trainings / incentive travels
- **Convention**
  - For domestic / international meetings
- **Exhibition/Event**
  - For exhibitions / trade fairs

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Source: Naha Port Authority, Okinawa prefecture
Five Key Strategies Leveraging the Advantages of Okinawa (2)

3. Forming an aviation industry cluster

(1) Secure industrial premises, conduct investigation and invitation necessary for forming an aviation industry cluster centered around aircraft maintenance business
(2) Public and private sectors come together to establish a hub for nurturing aviation industry human resources such as aircraft maintenance technicians

4. Forming “Smart Hub,” an Asia’s leading international telecommunications hub

(1) Establish Okinawa IT Industry Strategies Center (tentative name) charged with formulating IT industry’s mid- to long-term strategies under the industry-government-academia partnership
(2) Foster human resources capable of contributing to business alliances across IT companies in the prefecture and their business development in Asia

5. Promoting new manufacturing industry

(1) Encourage manufacturing industry through promoting industry-government-academia alliance and business collaborations, and facilitating the development of advanced technology and strategic products
(2) Encourage new manufacturing industry based on sophistication of supporting industry and development of EV-related industry

Source: Okinawa Asia Economic Strategy Initiative Plan
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.

**Population of Okinawa (Future Prospects)**

The projected population trends in Okinawa are as follows:

- **2010**: 1,392 (in thousands)
- **2020**: 1,415
- **2024**: 1,440
- **2035**: 1,540
- **2050**: 1,610
- **2010**: 2,030

**Efforts to facilitate natural increase in population**
- Elimination of childcare waiting list
- Promotion of “health and longevity in Okinawa” campaign

**Efforts to enhance growth of society**
- 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

**Projected population curve based on risk scenarios**

*Source: Statistics Bureau, Ministry of Internal Affairs and Communications of Japan, the National Institute of Population and Okinawa Prefecture*
FY2015 marked a record 7.93 million tourists visiting Okinawa
The number of overseas tourists was 1.67 million (up 69% YoY), renewing a record high
Housing Market in Okinawa

- Housing market in Okinawa remains strong
- According to the national census 2015, growth rate of population and number of households are both the highest in Japan

![Graph showing population and number of households in Okinawa]

![Graph showing number of new housing starts by housing type]

- Consumption tax rate raised to 8% in April 2014

![Graph showing number of new housing starts by housing type]

- Owner-occupied
- House for rent
- Company-owned
- Condominiums and detached housing
Recent Economic Trends 1

Land prices in the prefecture have been increasing for three consecutive years. The growth rate is also higher than the national average.

Business Confidence DI has been positive for 16 consecutive periods, renewing the record-high for three consecutive periods.
Recent Economic Trends 2

Economic growth rate (actual)

Comparison of economic growth rate - Okinawa vs. National average

Unemployment rate

Trends in unemployment rates

Source: Okinawa Prefecture, Cabinet Office, Government of Japan
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.