



# The Business Environment in Okinawa

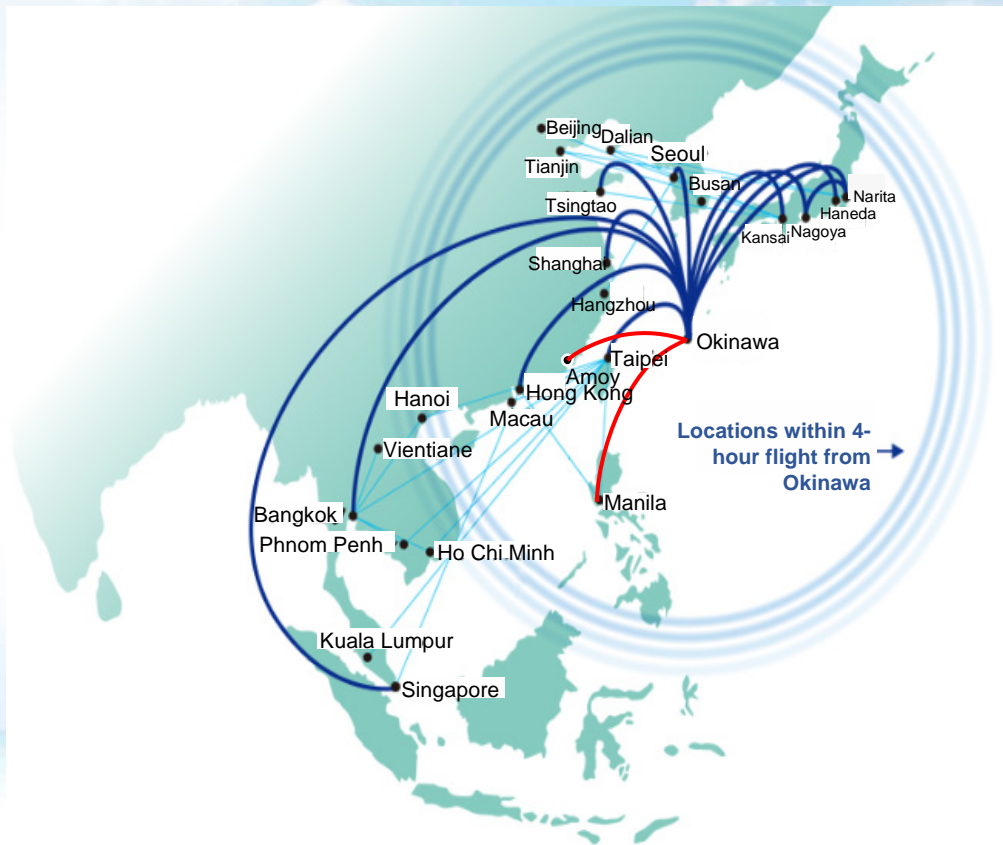


① 沖縄銀行

## Competitive Advantage of Okinawa's Ideal Location



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

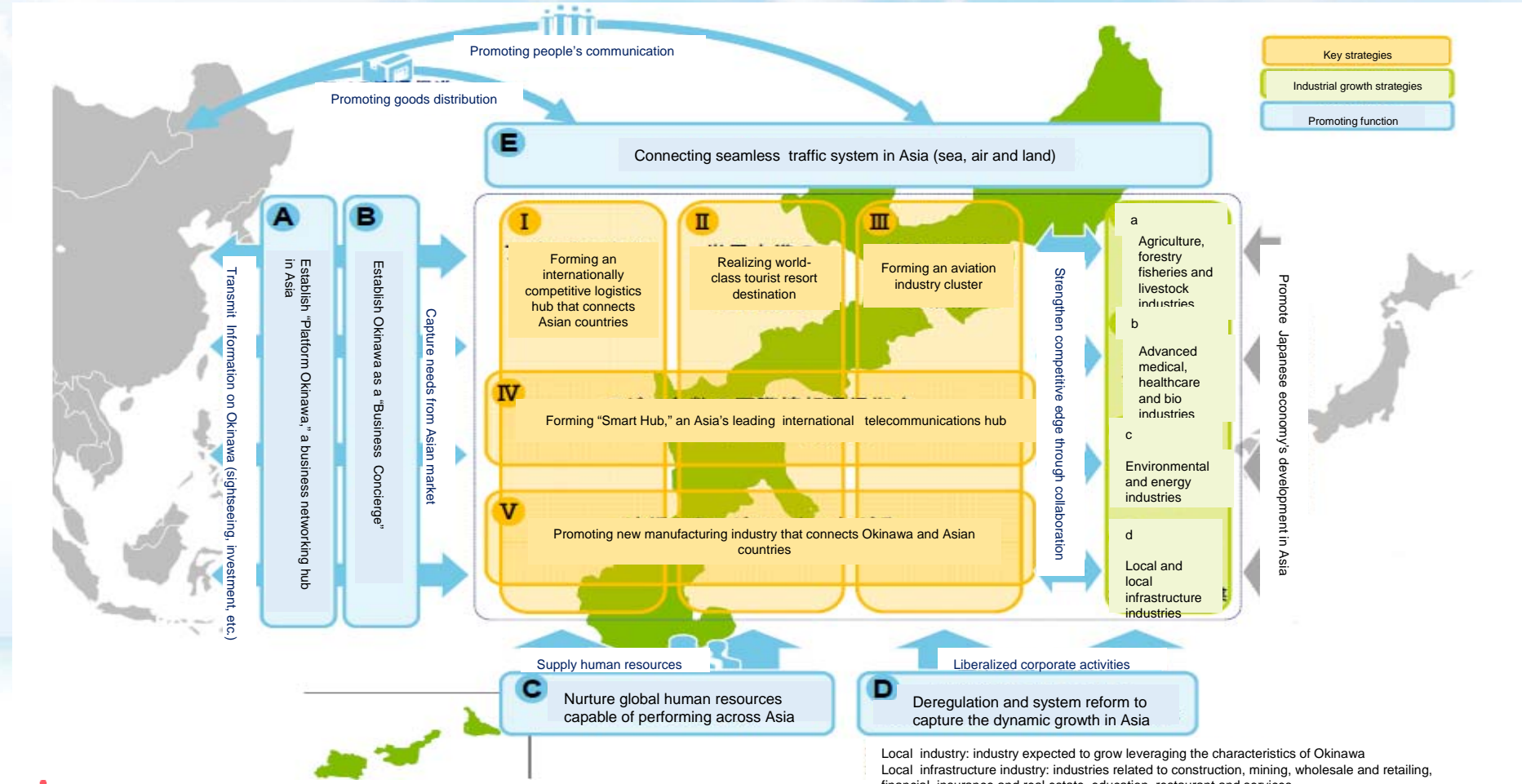


Okinawa	City	Flight Time
→	Seoul	2h 10min
→	Tsingtao	2h 50min
→	Shanghai	2h 5min
→	Taipei	1h 30min
→	Hong Kong	2h 35min
→	Bangkok	4h 25min
→	Singapore	5h
→	Amoy <small>(From October 2015)</small>	2h
→	Narita	2h 25min
→	Haneda	2h 20min
→	Nagoya	2h 15min
→	Kansai	1h 50min



# Okinawa Asia Economic Strategy Initiative (Image)

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.



Source: Okinawa Asia Economic Strategy Initiative Plan





# 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

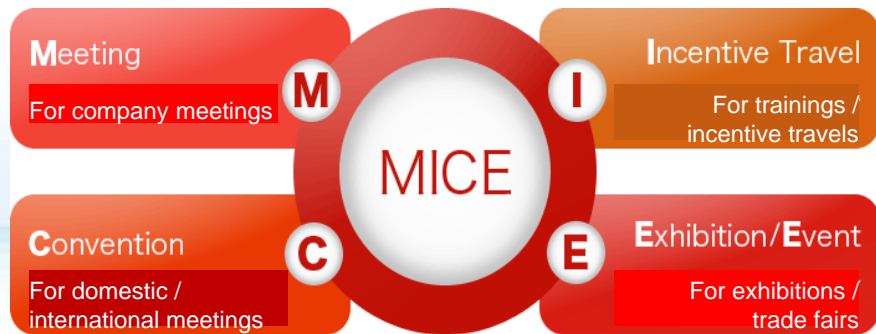


## 2. Realizing world-class tourist resort destination

- (1) Prepare large-scale MICE facilities
- (2) Prepare reception facilities for large cruise ships

Basic functions of the facility	
Multi-purpose hall	Approx. 7,500 m <sup>2</sup>
Foyer	Approx. 2,500 m <sup>2</sup>
Exhibition hall	30,000 m <sup>2</sup>
Mid- and small-sized meeting rooms (2-storied)	Approx. 7,500 m <sup>2</sup>

**Layout image**  
This map is a diagram to show the function and scale of each facility in accordance with the actual shape of the property. Basic functions and other necessary functions of facilities are placed effectively to design at the stage of development.



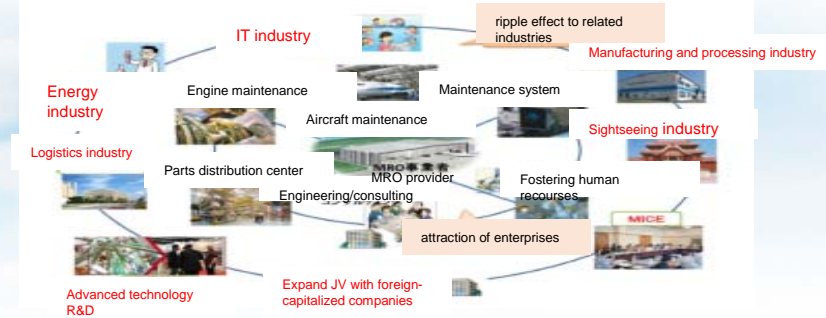
Source: Naha Port Authority, Okinawa prefecture



## Five Key Strategies Leveraging the Advantages of Okinawa (2)

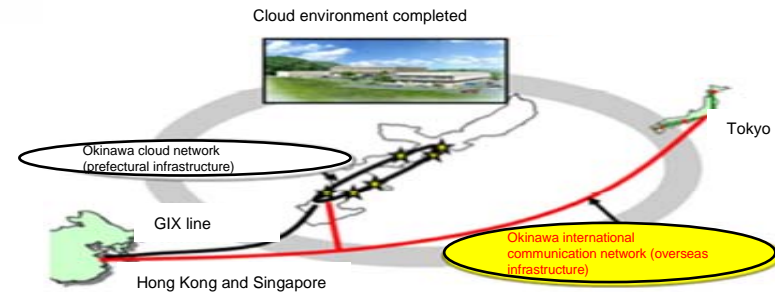
### 3. Forming an aviation industry cluster

- (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



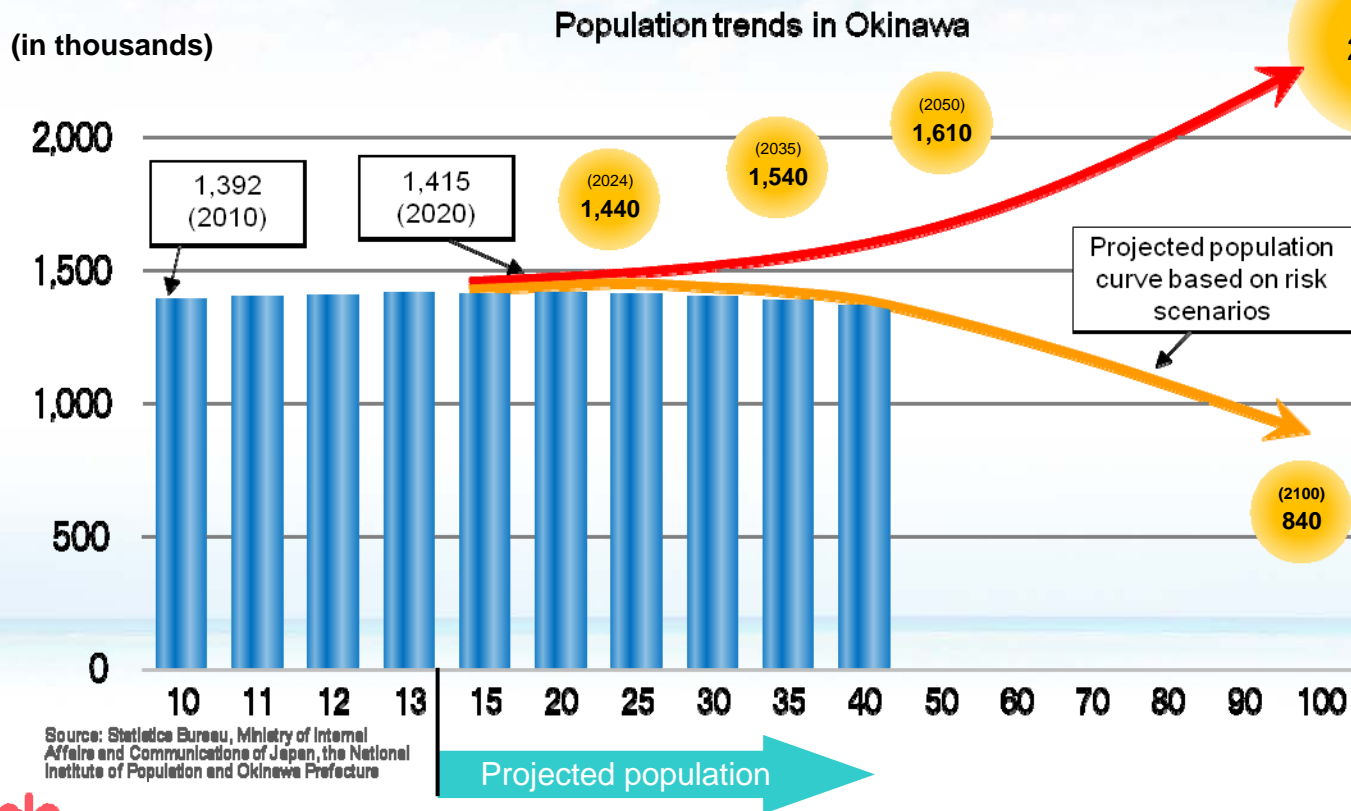
Source: Okinawa Asia Economic Strategy Initiative Plan



## 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



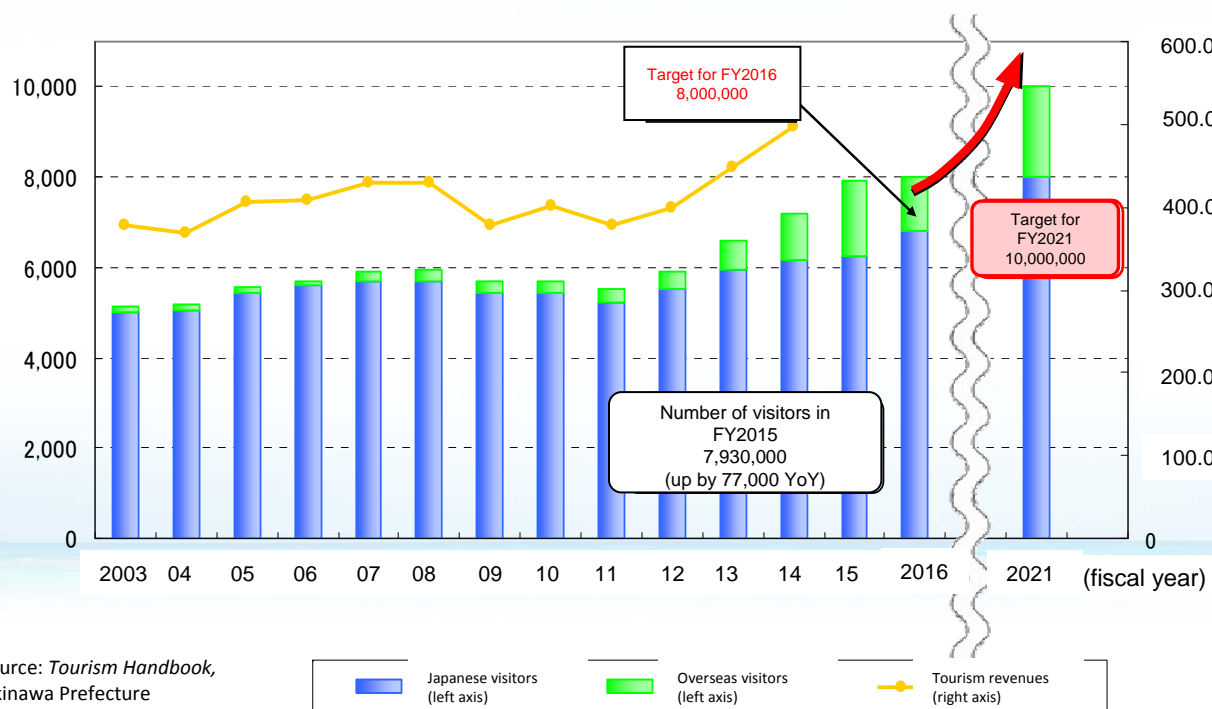


## Number of Visitors to Okinawa



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

(in thousands) Trends in the number of visitors and tourism revenues (¥ billion)



Number of port call by cruise ships in 2015: 219

Scheduled number of port call in 2016: **457 (up 108%)**

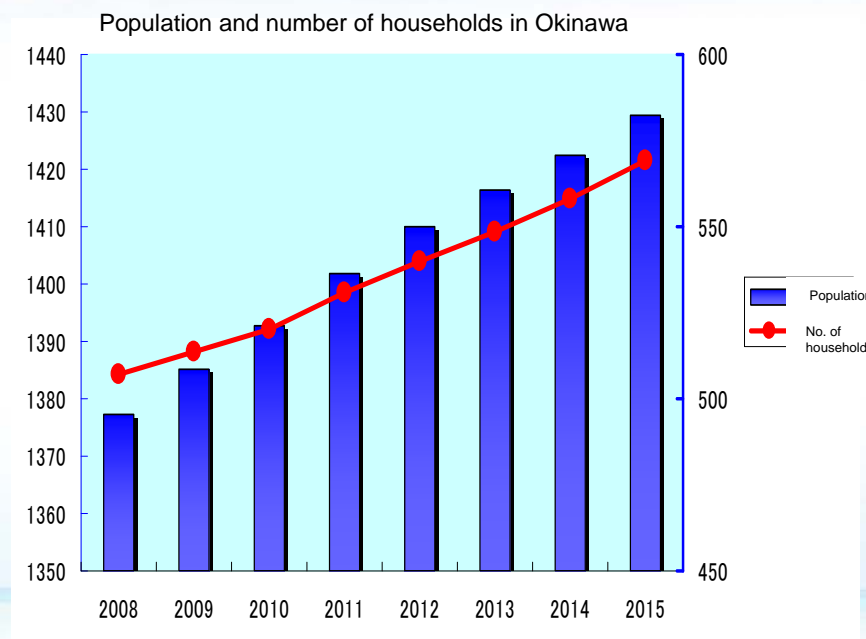
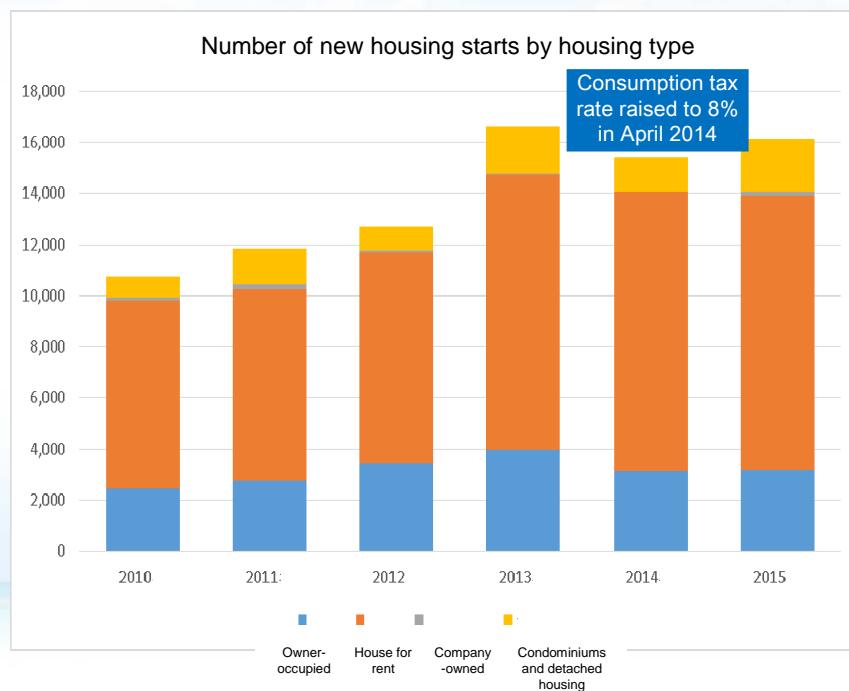
Source: *Tourism Handbook*, Okinawa Prefecture



## 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

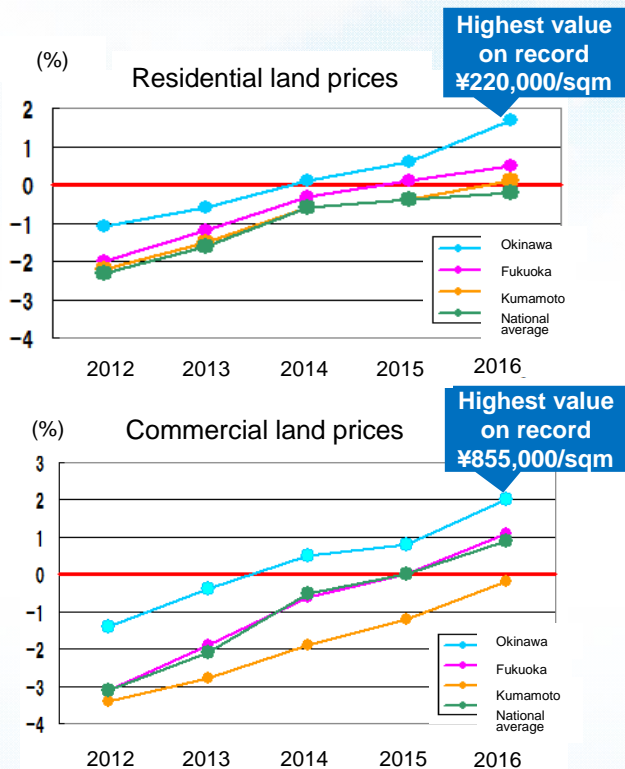




# Recent Economic Trends 1

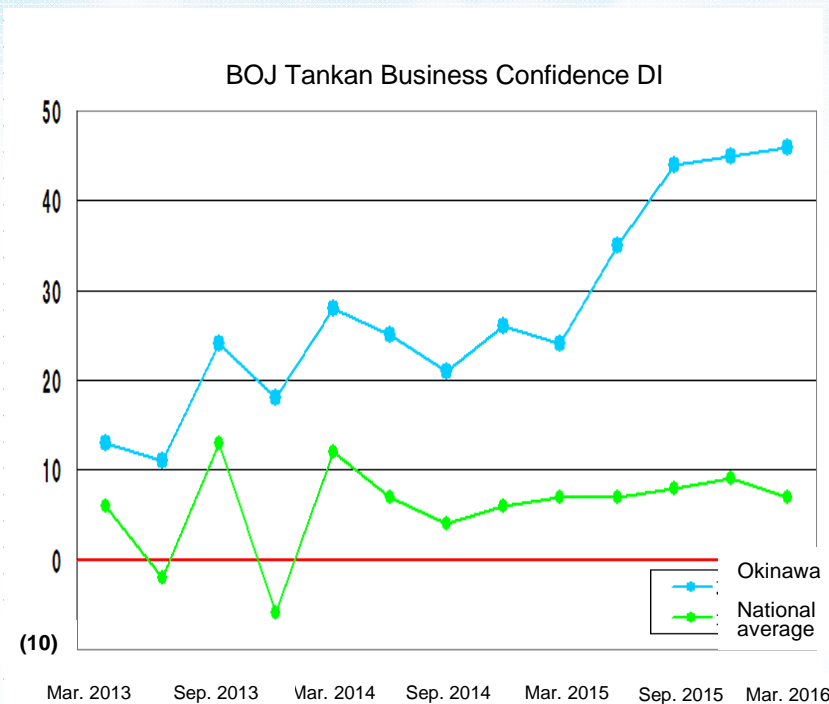


## Official land prices



Source: Ministry of Land, Infrastructure, Transport and Tourism

## BOJ Tankan



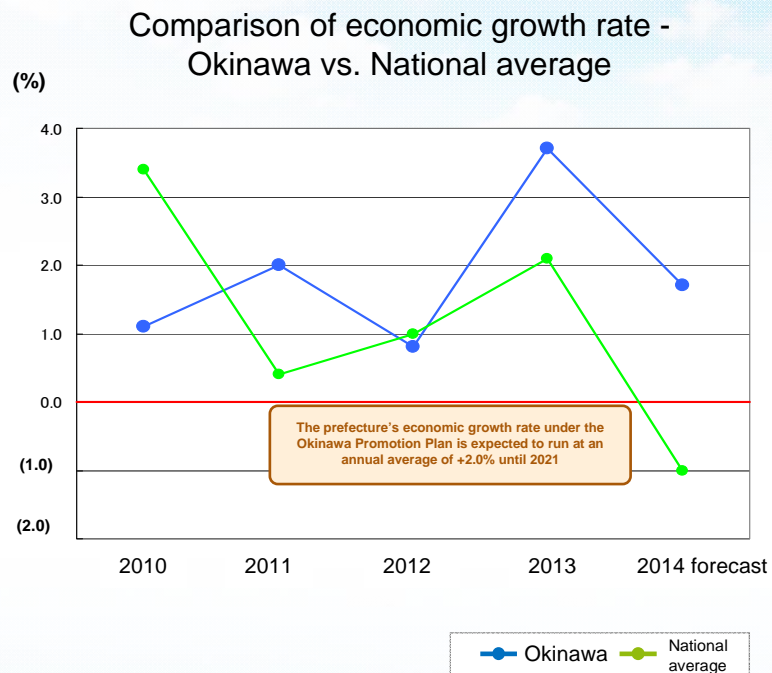
Source: BOJ Naha Branch

- ◆ 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.

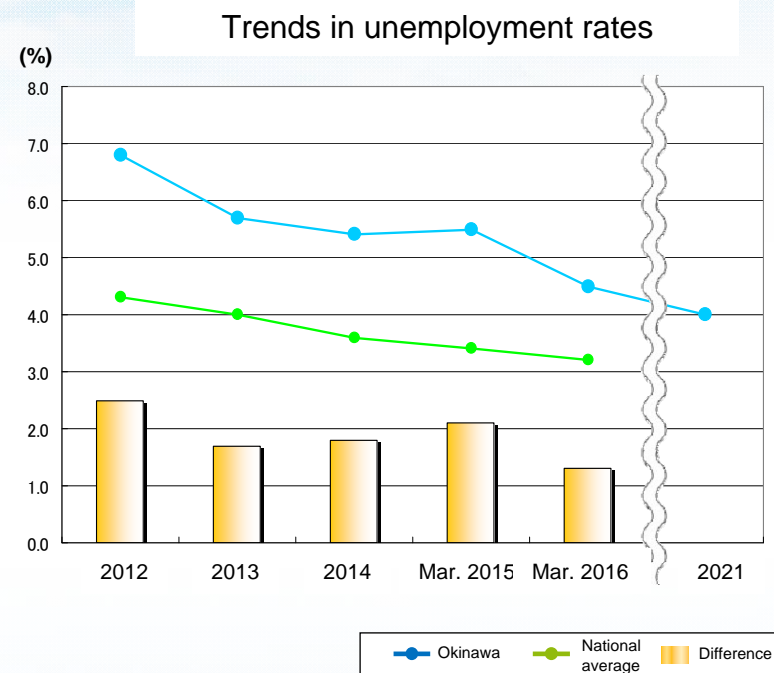
## Recent Economic Trends 2



### Economic growth rate (actual)



### Unemployment rate



- ◆ 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.

