

# Current Economic Climate in Kyushu

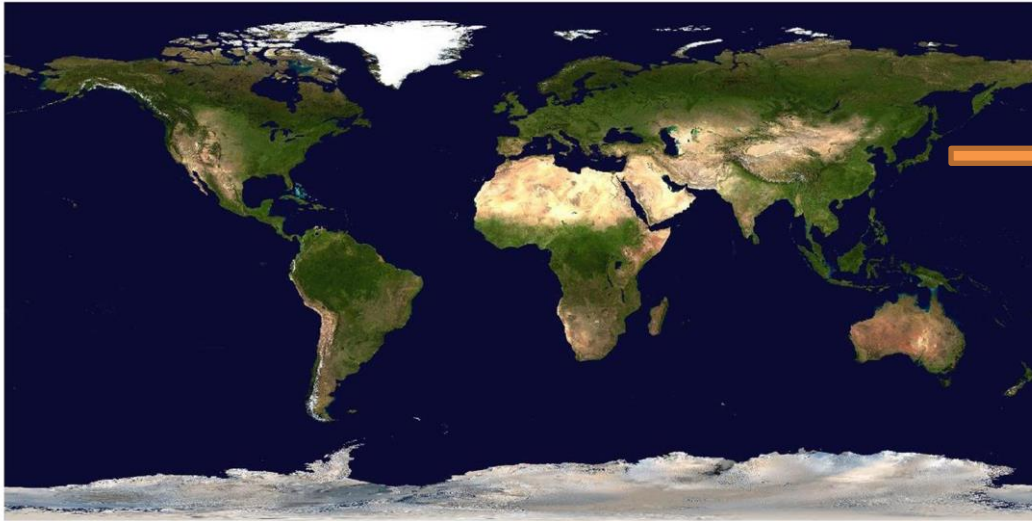


公益財団法人 九州経済調査協会  
KYUSHU ECONOMIC RESEARCH CENTER

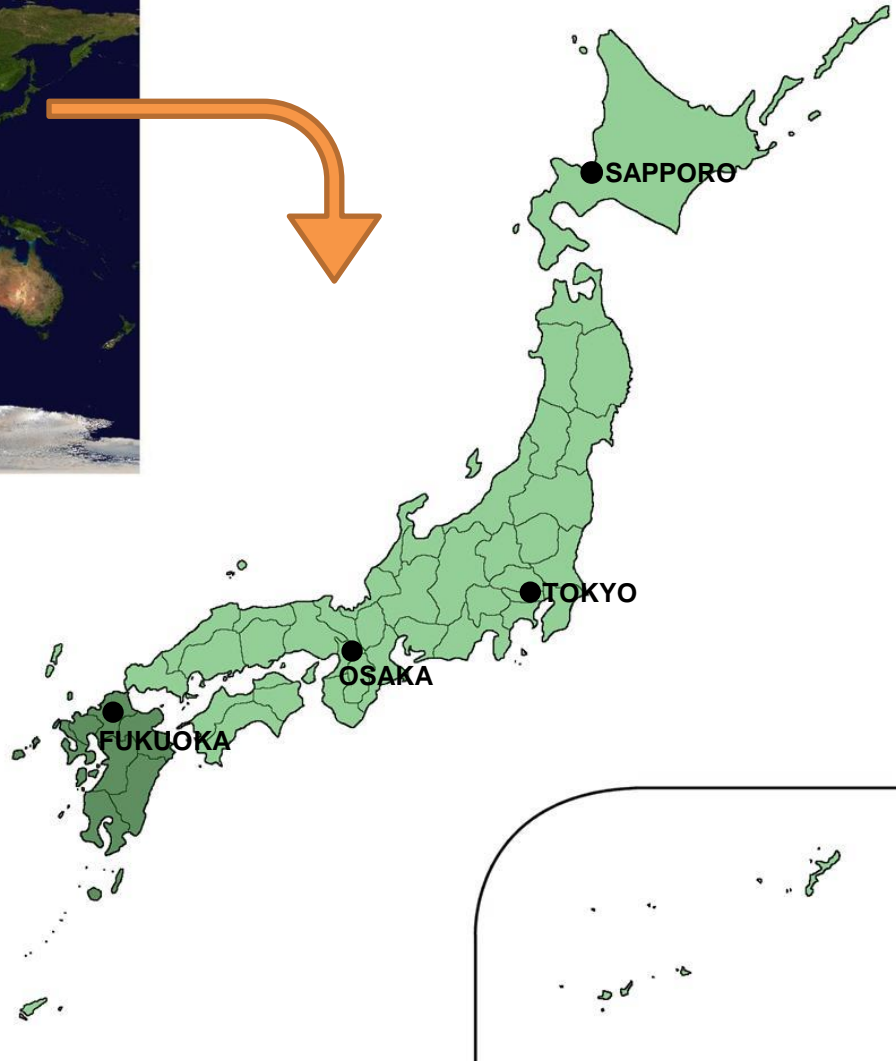
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- ◆ Location and size of Kyushu
- ◆ Characteristics of Kyushu's economy
- ◆ Kyushu's main industries
- ◆ Kyushu's largest city: Fukuoka City
- ◆ Current economic conditions in Kyushu

# Location of Kyushu



**KYUSHU**



# Asian continent and Japan/Kyushu



Source: Prepared by Kyushu Economic Research Center

# Geographic location of Kyushu

from FUKUOKA

- 200 km: **Busan**, Hiroshima
- 500 km: **Seoul**, Osaka
- 1,000 km: **Shanghai**, **Dalian**, Tokyo
- 1,500 km: **Beijing**, **Taipei**, Sapporo



# Kyushu represents 10% of Japan

## = 10% of Japan's economy

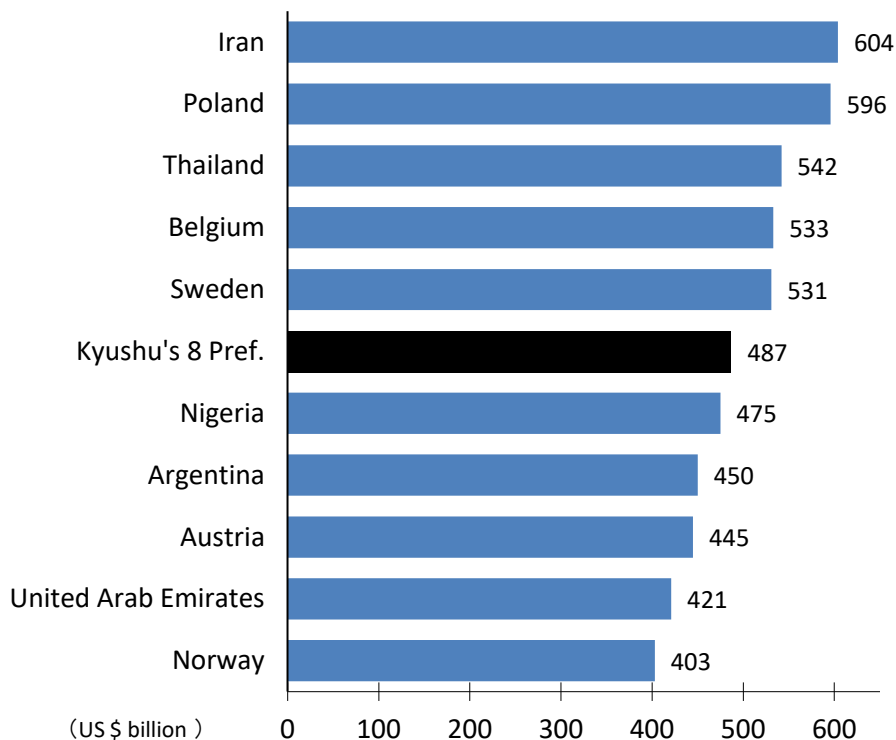
- In terms of population and GRP, Kyushu follows three metropolitan areas (i.e. Kanto (Tokyo area), Kinki (Osaka area), and Tokai (Nagoya area)), with the highest statistics for a local area.

- Land area: 44,512 km<sup>2</sup> ... **11.8%** (2022)
- Population: 14.17 million ... **11.3%** (2021)
  - About 27% of Korea's population, about 60% of Taiwan's, about 105% of those of Hong Kong and Singapore combined, and about 80% of that of the Netherlands
- Nominal GDP: 53.0 trillion yen ... **9.1%** (FY2019)
  - About 28% of GDP of Korea, about 75% of Taiwan's, about 100% of Austria, and about 125% of that of Singapore
- Retail sales: 14.9 trillion yen ... **10.7%** (2019)
- Electricity sales: 89.6 billion kWh ... **10.7%** (FY2021)
- Value of construction starts: 2.9 trillion yen ... **11.0%** (FY2021)
- New housing starts: 97,452 housing units ... **11.4%** (2021)
- Value of contracted public works: 3.0 trillion yen ... **14.4%** (FY2021)

\*8 prefectures in Kyushu (including Okinawa)

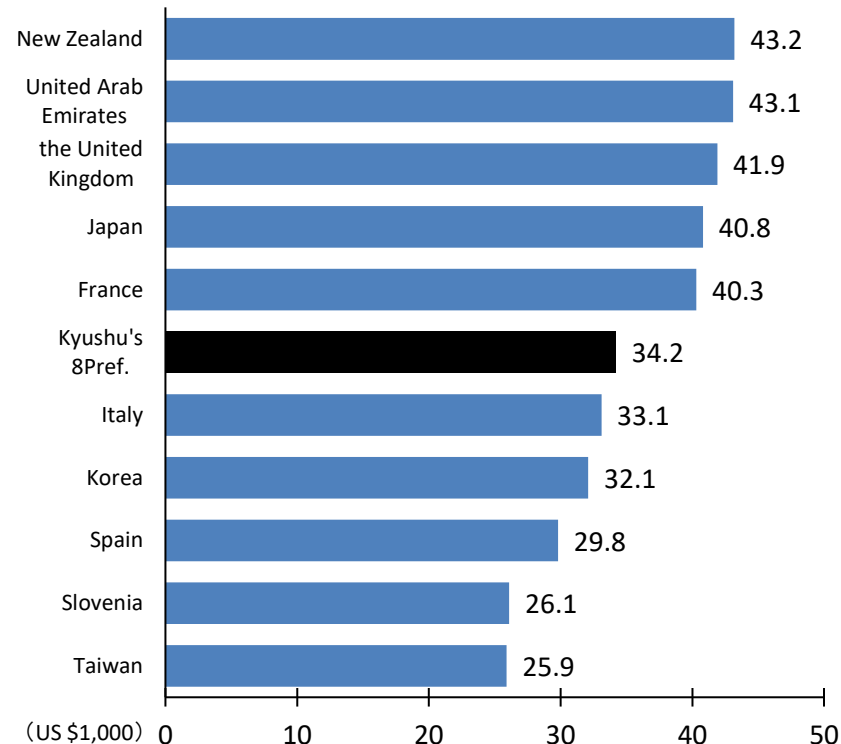
# Kyushu's position in the global economy

GDP of major countries (2019)



Note: Kyushu's 8 Pref.=F.Y.2019  
 Source: "International Statistics" published by Ministry of Internal Affairs and Communications, "Prefectural Accounts" published by the Cabinet Office

GDP per capita of major countries (2019)



Note: Kyushu's 8 Pref.=F.Y.2019  
 Source: "International Statistics" published by Ministry of Internal Affairs and Communications, "Prefectural Accounts" published by the Cabinet Office



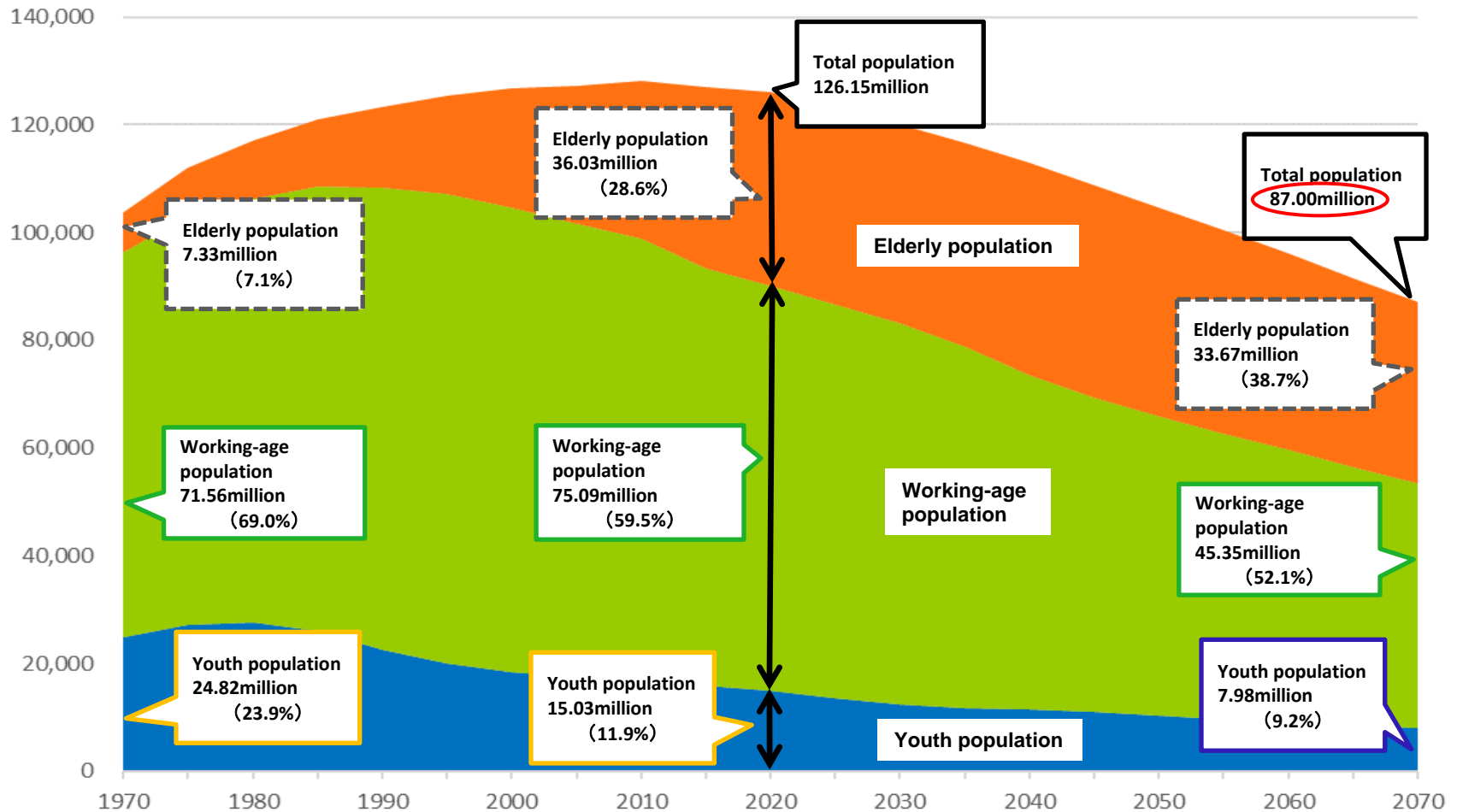
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# Japan is transforming into a society with a shrinking population

Japan's long-term population projection (by population composition)



Note: Youth population 0~14, Working-age population 15~64, Elderly population 65~

Source: "Population Projection for Japan: 2021-2070 (April 2023)" by National Institute of Population and Social Security Research

# Kyushu's population is also increasingly shrinking

- Kyushu/Okinawa: 2020 → 2050
  - 14.24 million → 10.87 million
  - A decrease of 3.37 million (23.6%)

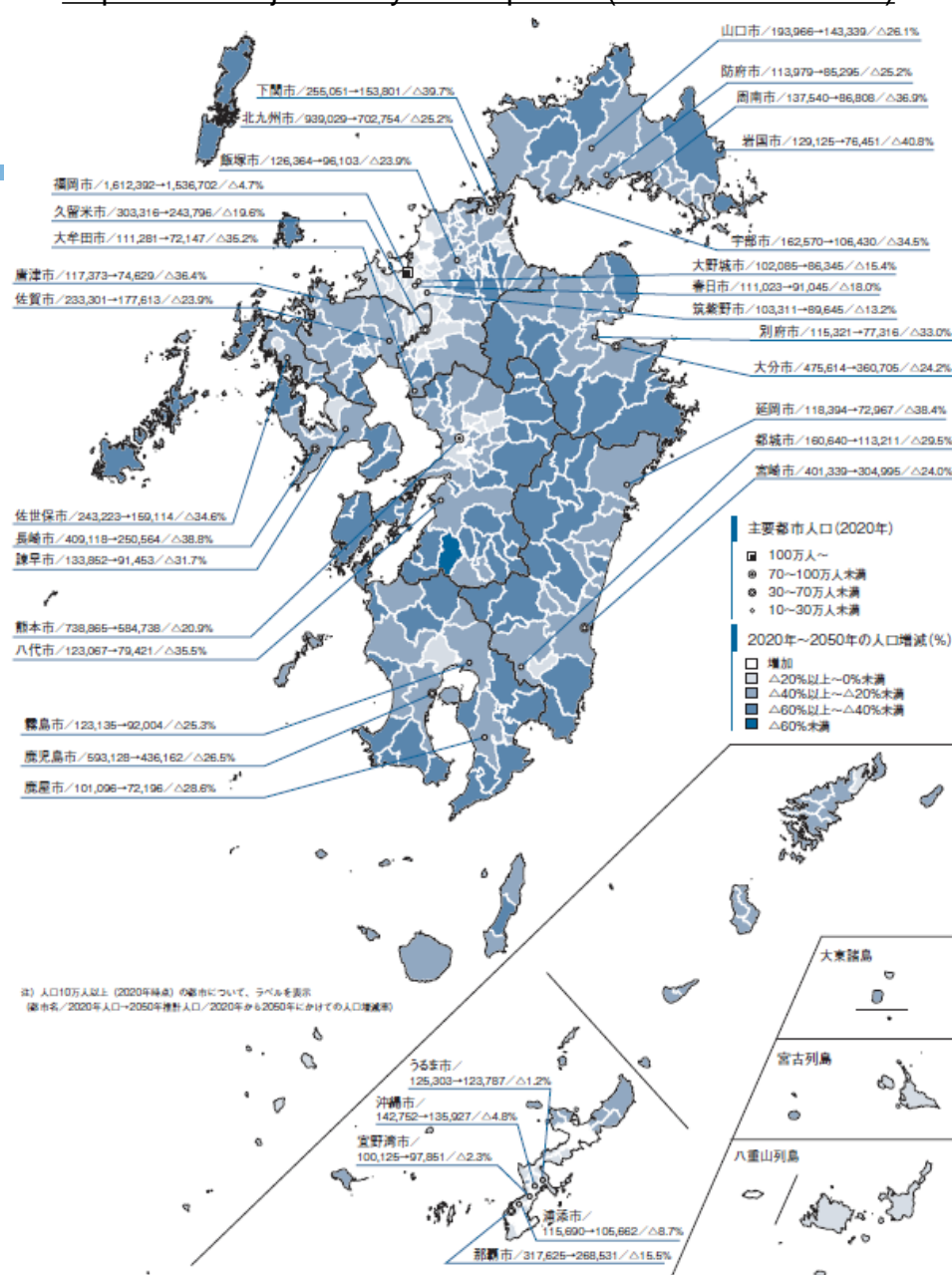
## Population change and forecast

(10,000 people)

	1960	1980	2000	2010	2015	2020	2030	2040	2050
全 国 Japan	9,430.2	11,706.0	12,692.6	12,805.7	12,709.5	12,622.7	11,816.6	10,727.9	9,615.3
九州 8 県 Kyushu's 8 Pref.	1,378.7	1,407.2	1,476.4	1,459.7	1,445.0	1,424.6	1,336.9	1,214.0	1,087.8
福岡 県 Fukuoka Pref.	400.7	455.3	501.6	507.2	510.2	513.5	495.9	463.1	427.0
佐賀 県 Saga Pref.	94.3	86.6	87.7	85.0	83.3	81.1	74.6	66.3	58.1
長崎 県 Nagasaki Pref.	176.0	159.1	151.7	142.7	137.7	131.2	116.3	99.4	83.6
熊本 県 Kumamoto Pref.	185.6	179.0	185.9	181.7	178.6	173.8	159.5	141.5	123.8
大分 県 Oita Pref.	124.0	122.9	122.1	119.7	116.6	112.4	101.3	88.3	76.0
宮崎 県 Miyazaki Pref.	113.5	115.2	117.0	113.5	110.4	107.0	96.9	84.6	72.8
鹿児島 県 Kagoshima Pref.	196.3	178.5	178.6	170.6	164.8	158.8	143.8	125.8	108.3
沖縄 県 Okinawa Pref.	88.3	110.7	131.8	139.3	143.4	146.7	148.5	144.9	138.1
山口 県 Yamaguchi Pref.	160.2	158.7	152.8	145.1	140.5	134.2	118.8	101.8	86.6

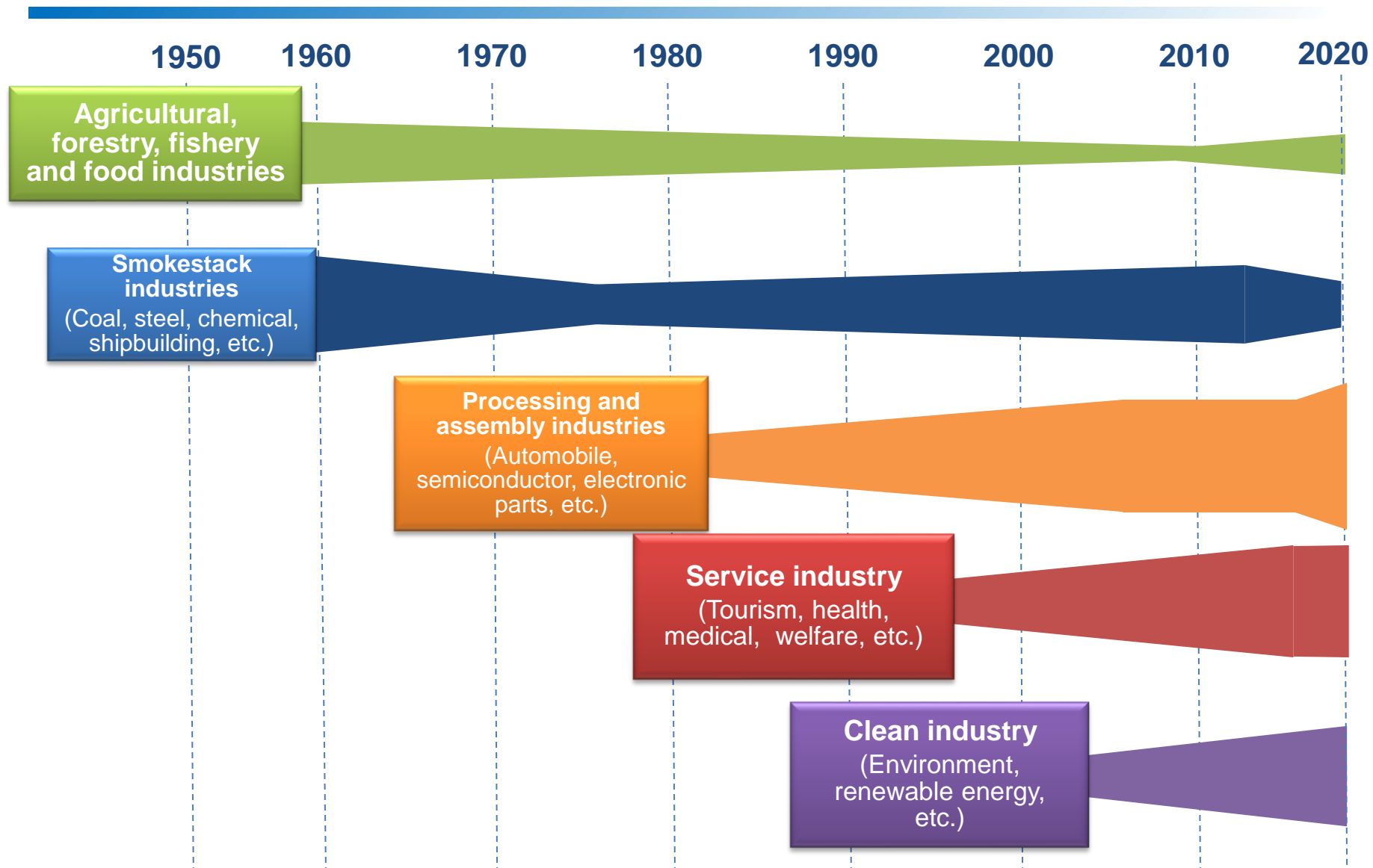
Source: 2023 Outline of Kyushu's Economy (page 18)

## Population Projection by Municipalities(From 2020 to 2050)



Source: 2023 Outline of Kyushu's Economy (page 19)

# Kyushu's industries have grown in a multi-layered manner.



# Industries representing over 10% in terms of size in Japan– Industry groups earning foreign currencies

• Agricultural production	1.8 trillion yen	... 20.5%	(2020)
• Production of forest raw materials	5.44 million m <sup>3</sup>	... 24.9%	(2021)*
• Fish catch including fish farming	330.6 billion yen	... 27.3%	(2020)
• Crude steel production	14.32 million tons	... 14.9%	(2021)*
• Steel ship production	3.66 million gross tons	... 33.5%	(2021)#
• Integrated circuit production	773.3 billion yen	... 40.8%	(2021)*
• Vehicle production	1.15 million vehicles	... 14.7%	(2021)*

Note: Figures are those for eight prefectures in Kyushu (including Okinawa).

\*: Excludes Okinawa. #: Includes Yamaguchi Prefecture.



# Kyushu's export ratio is high—Building an economic structure for achieving growth together with Asia

Trends of export ratios by regional bloc (manufacturers)

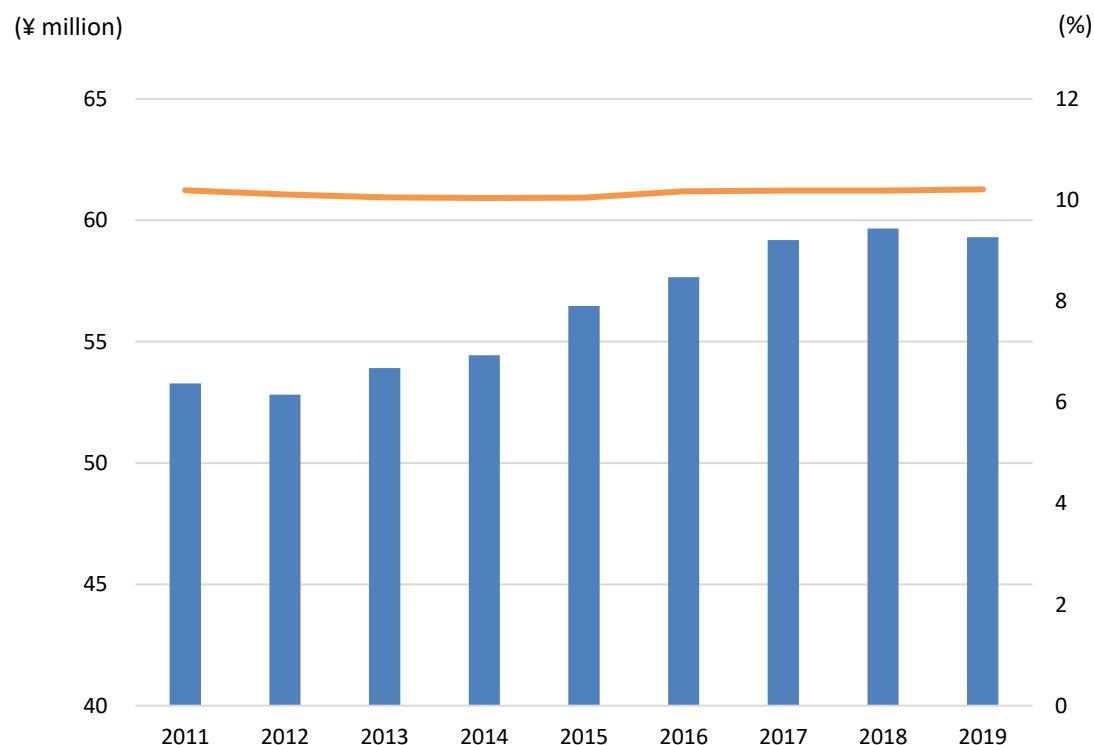
	Hokkaido	Tohoku	Kanto (Tokyo area )	Chubu (Nagoya area)	Kinki (Osaka area)	Chugoku	Shikoku	Kyushu	Okinawa	All Japan
	北海道	東北	関東	中部	近畿	中国	四国	九州	沖縄	全国
1970	3.8	2.7	8.2	8.4	8.8	7.5	8.5	6.1	—	7.8
1975	3.9	4.1	11.3	11.1	11.0	12.3	10.9	9.1	1.2	10.6
1980	—	—	—	—	—	—	—	8.5	1.2	11.6
1985	2.1	8.8	14.8	15.2	13.2	12.0	12.4	8.5	3.1	13.3
1990	1.4	8.4	11.2	14.3	10.5	9.8	7.8	8.6	8.3	10.9
1995	2.5	8.1	12.6	14.9	10.8	11.8	12.2	12.1	13.8	12.1
2000	3.0	13.2	14.8	17.6	14.7	13.9	15.0	19.0	5.4	15.2
2005	3.1	16.3	17.1	20.9	17.4	17.9	17.6	26.5	3.5	18.4

Source: "Interregional Input-Output Table" published by Ministry of Economy, Trade and Industry.

# Kyushu's Gross Domestic Product (GDP) is 10 of national GDP

- Ratio of Kyushu's GDP among national GDP is stable in around 10%.

Trends of GDP of Kyushu and Yamaguchi as a percentage of national GDP

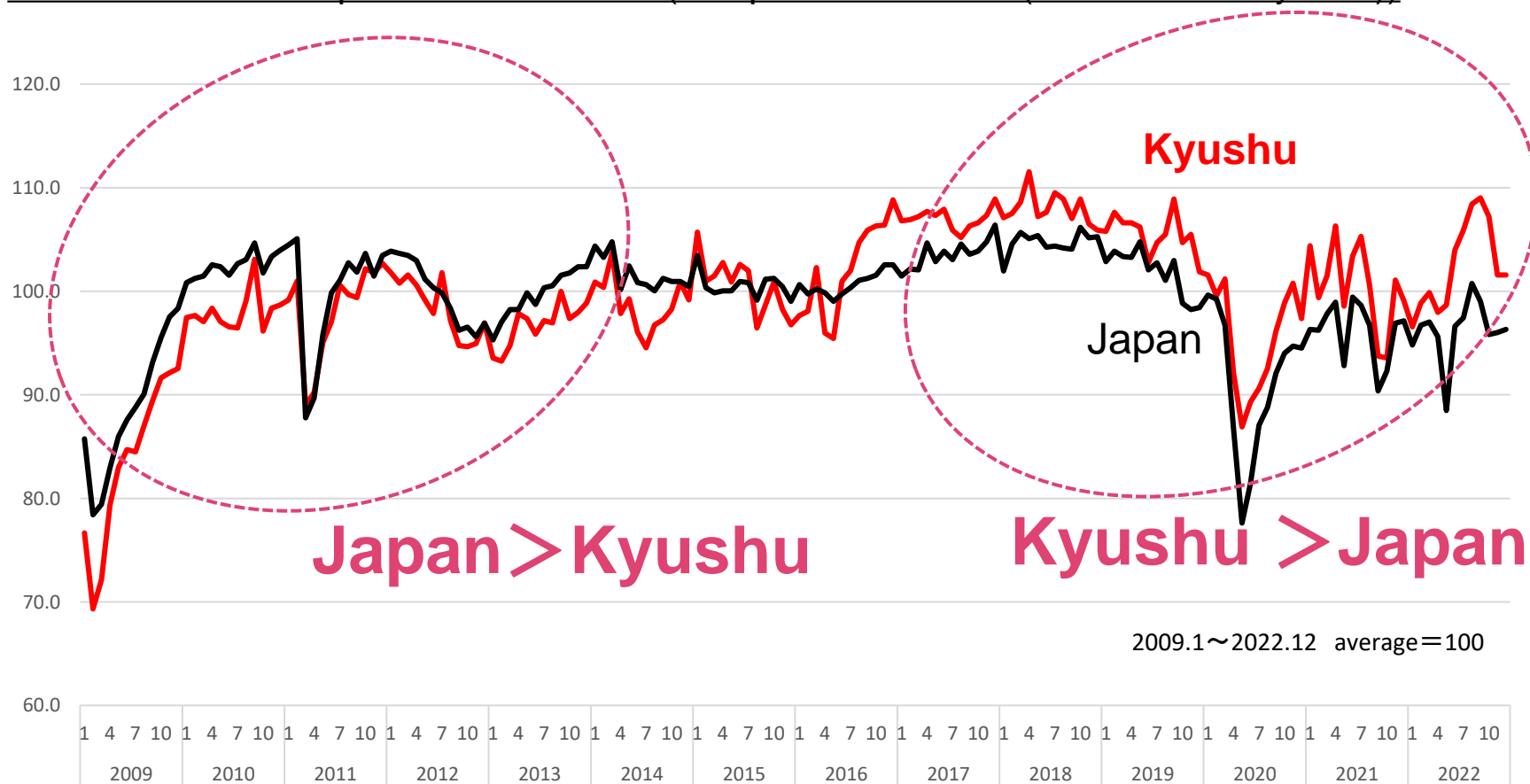


Source: "Annual Report on Prefectural Accounts" published by Cabinet Office

# Manufacturers are maintaining high operating rates

- Kyushu's industrial production has started to surpass national figure.

Trends of industrial production indexes (comparison of rates (national and Kyushu))



Source: "Industrial Production Index" published by Ministry of Economy, Trade and Industry  
"Kyushu's Industrial Production Index" by Kyushu Bureau of Economy, Trade and Industry



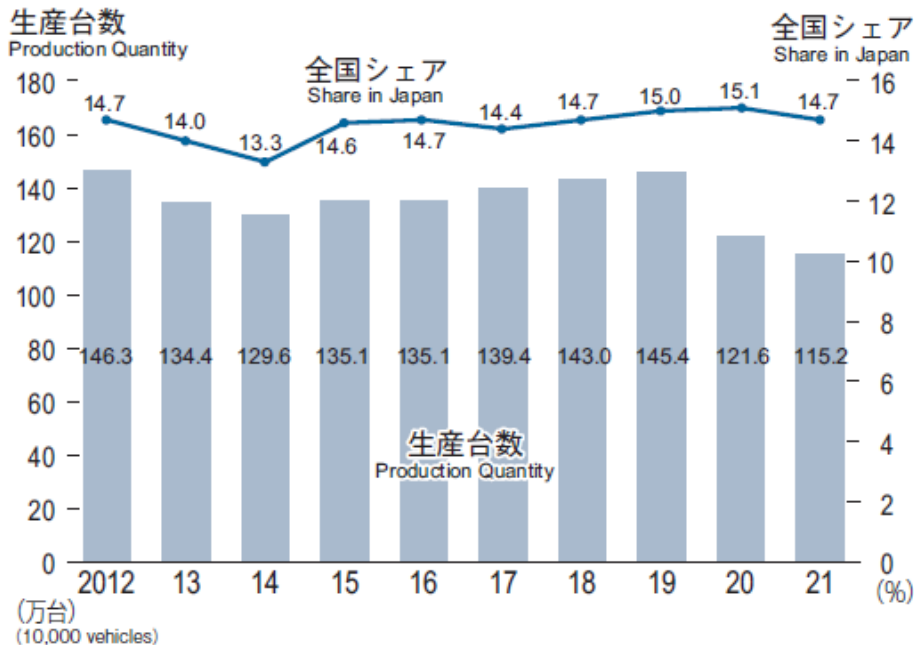
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# Car Island Kyushu

- Four automotive companies (Nissan Motor Kyushu, Nissan Shatai Kyushu, Toyota Motor Kyushu, and Daihatsu Motor Kyushu) have their finished vehicle plants in Kyushu, with a total production capacity of 1.54 million vehicles.
- In 2020, 1.22 million vehicles were produced.

## Trends of number of vehicles produced <7 prefectures in Kyushu>



九州経済産業局調べ、経済産業省「生産動態統計年報」

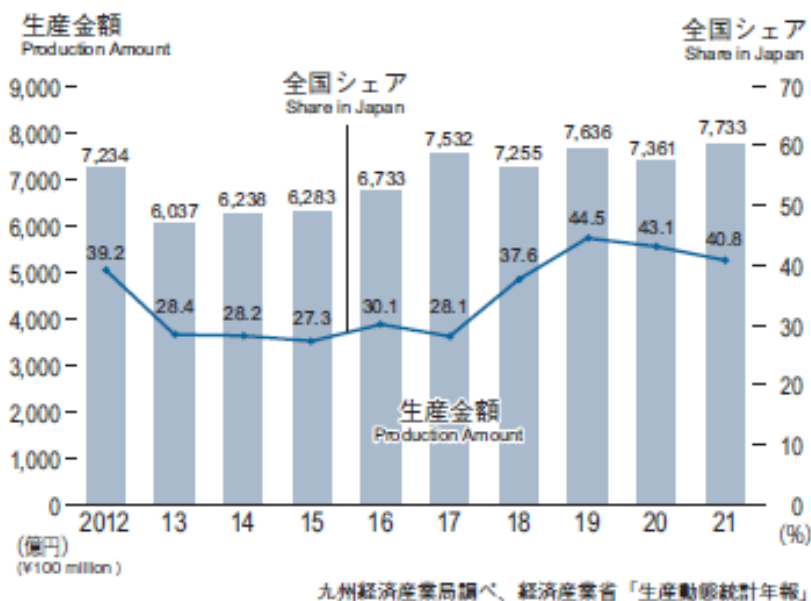
Company	Location	Established	Production capacity (10 thousand)
NISSAN MOTOR KYUSHU	Fukuoka Prefecture	1976	53
TOYOTA MOTOR KYUSHU	Fukuoka Prefecture	1992	43
DAIHATSU MOTOR KYUSHU	Oita Prefecture	2004	46
NISSAN SHATAI KYUSHU	Fukuoka Prefecture	2009	12
MAZDA MORTOR	Yamaguchi Prefecture	1982	41.6

Source: 2023 Outline of Kyushu Economy (page 37)

# Silicon Island Kyushu

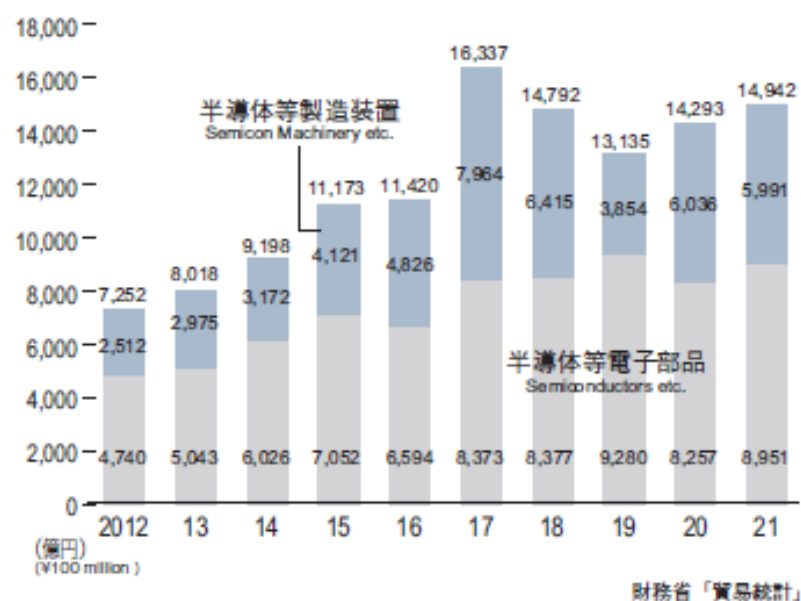
- In Japan, many semiconductor factories have been forced to reorganize, but one-fourth of semiconductor production in Japan is still carried out in Kyushu.
- The main factories of semiconductor manufacturing equipment and silicon wafers are also located in Kyushu.

## Trends of IC production < 7 prefectures in Kyushu >



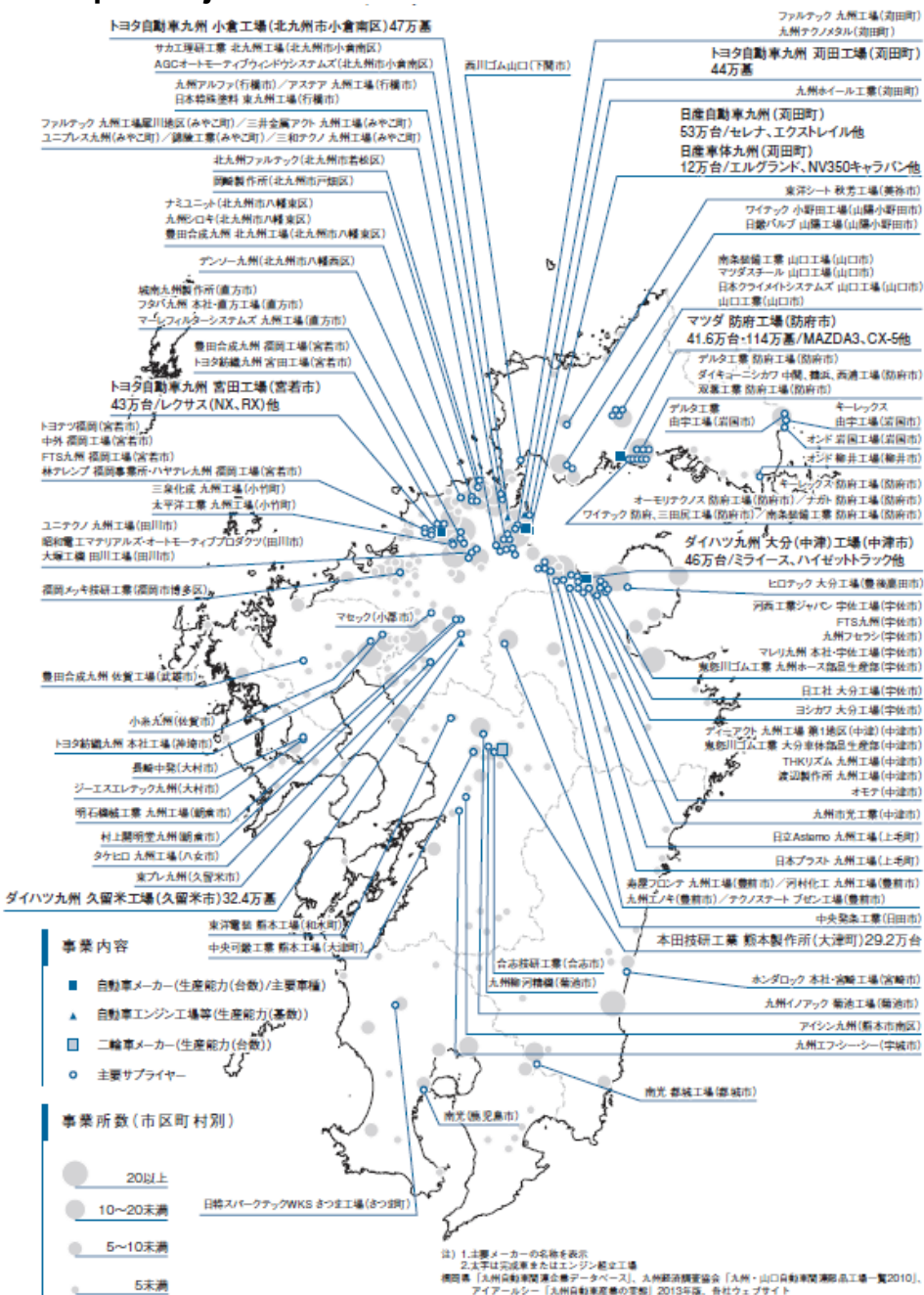
Source: 2023 Outline of Kyushu Economy (page 37)

## Exports of Semiconductor related product < 8 prefectures in Kyushu and Yamaguchi >

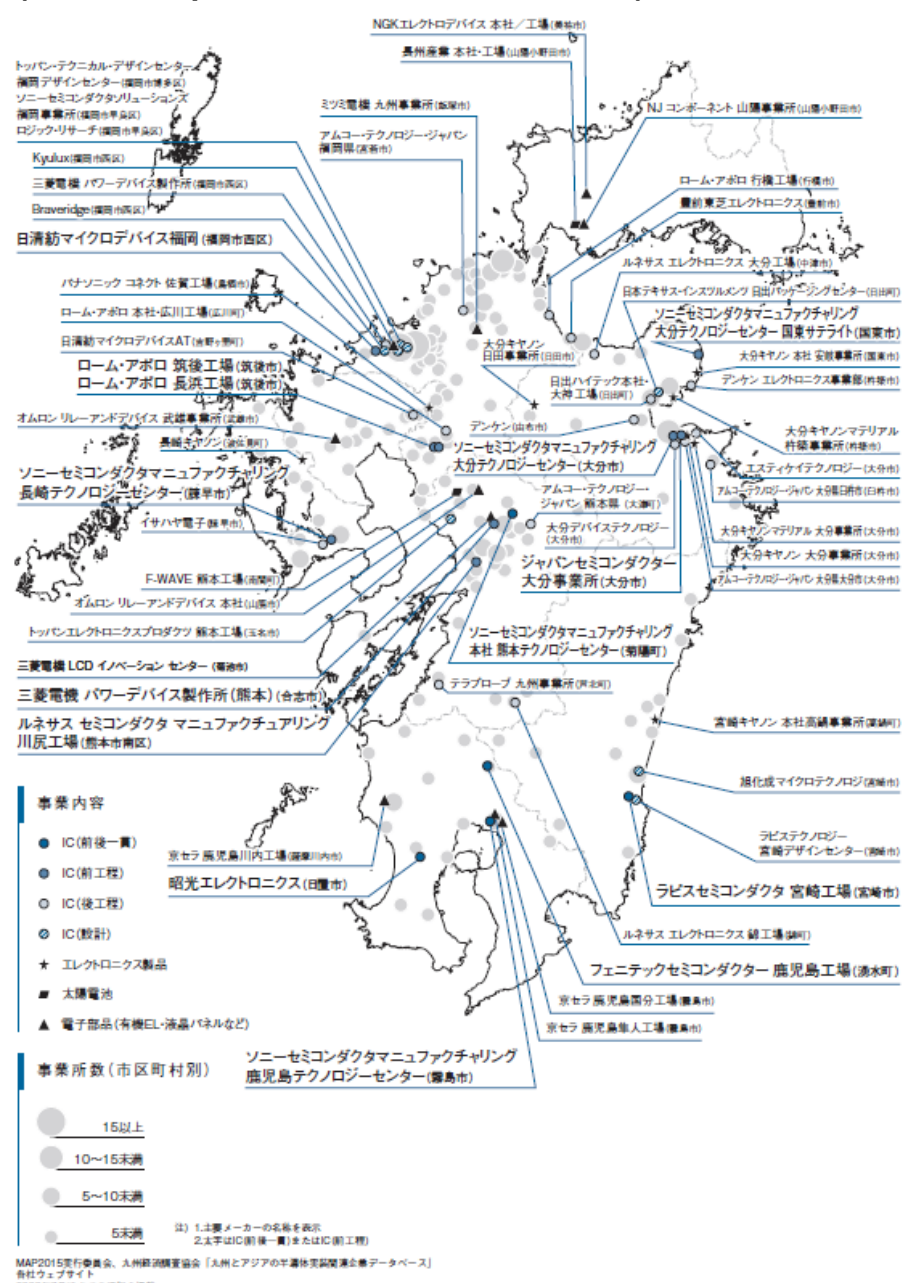


Source: 2023 Outline of Kyushu Economy (page 37)

## Map of Major Automobile-related Factories



## Map of Major Electronics-related Factories (Electronic products & Electronic Device)

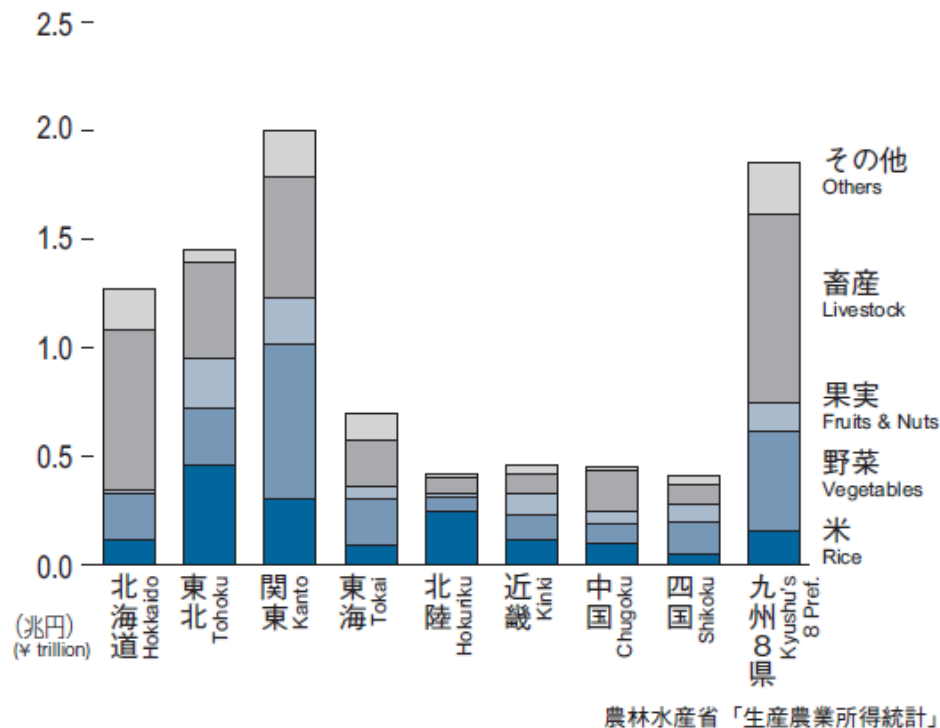




# Food Island Kyushu

- Agricultural production amounted to 1.8 trillion yen, 20.7% of national production.
- South Kyushu is famous for its livestock farming, as well as forestry and fishery industries.
- Fresh food materials are available for its prospering food industry.

**Agricultural Output  
by Region & Category (2020)**



Source: 2023 Outline of Kyushu Economy (page 30)



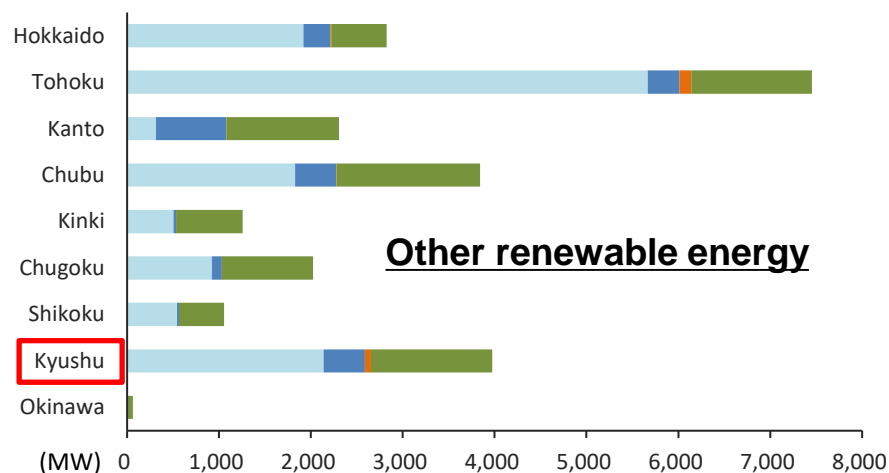
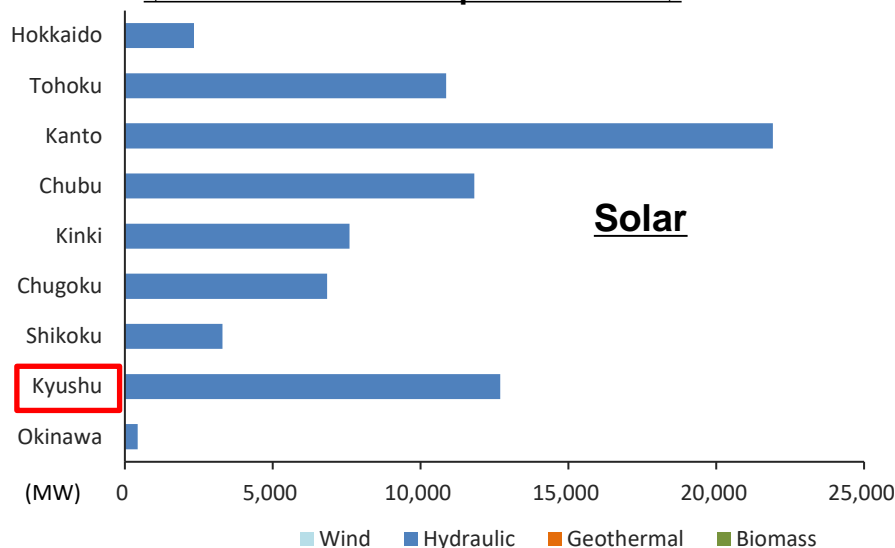
# Onsen Island Kyushu

- There are a variety of tourist attractions (e.g. nature, history, and foods) across Kyushu, with *onsen* as the central attraction because there are more hot spring sources and larger volumes of hot spring water than in any other region.
- The number of foreigner visitors to Kyushu had been increasing very much till the coronavirus pandemic.  
(2009: 598,000 -> 2019: 3,107,000)



# Solar & Geothermal Island Kyushu

The authorized facilities output of the renewable energy  
(As of the end of September 2022)

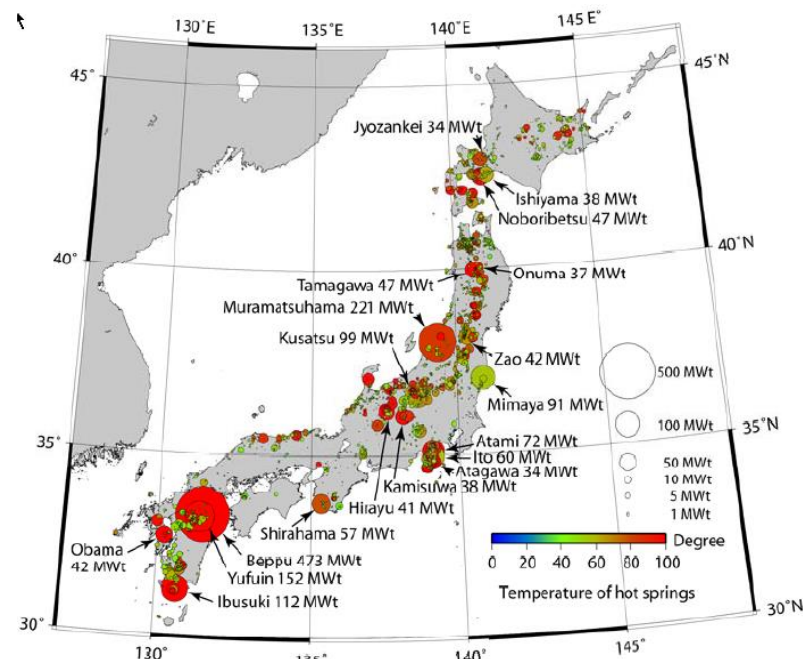


**Geothermal power plant for business**

	The number of the power stations	The authorization output (kW)
Hokkaido	1	25,000
Tohoku	9	240,398
Tokai	1	1,998
<b>Kyushu</b>	<b>14</b>	<b>235,883</b>

Source: Geothermal Engineering Co., Ltd. (2023.04)

**main hot springs targeted for an application of the hot spring heat generation without digging**



Source: NEDO(2010)



# Leading companies headquartered in Kyushu



# Companies in Kyushu that carry on Japanese traditions



Mechanical dolls



Two-arm robot of Yasukawa Electric  
(Kita Kyushu City)



Ceramics  
(Kyushu is a leading  
region for ceramic  
production in Japan.)

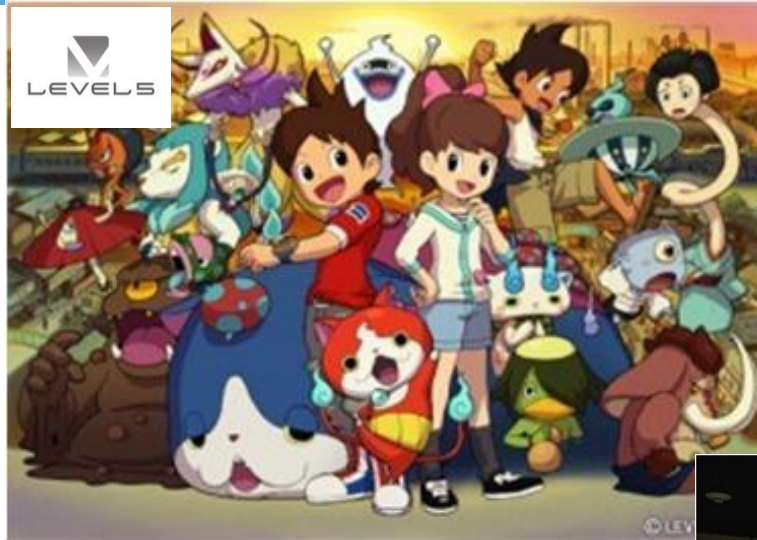


Latest model of washlet toilet of TOTO (Kita Kyushu City)

# Companies in Kyushu that carry on Japanese traditions



Animal-human Caricatures  
(12th – 13th century)



Yokai Watch 2, a video game released by Level-5  
(Fukuoka City)



Zen (Zen meditation)



Pinball game



Aji Shuchu Counter (individually partitioned counter) of Ichiran, a Hakata ramen restaurant (Fukuoka City)

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# Kyushu's largest city: Fukuoka City

- ◆ City population: 1.6 million; Population of the city and surrounding areas: 2.6 million
- ◆ Compact city with urban functions, airport, railway stations, and port located within a radius of 3 km



Waterfront  
Convention zone  
International seaport



Downtown



City hotel 40,000 rooms



Fukuoka Airport



Hakata Station

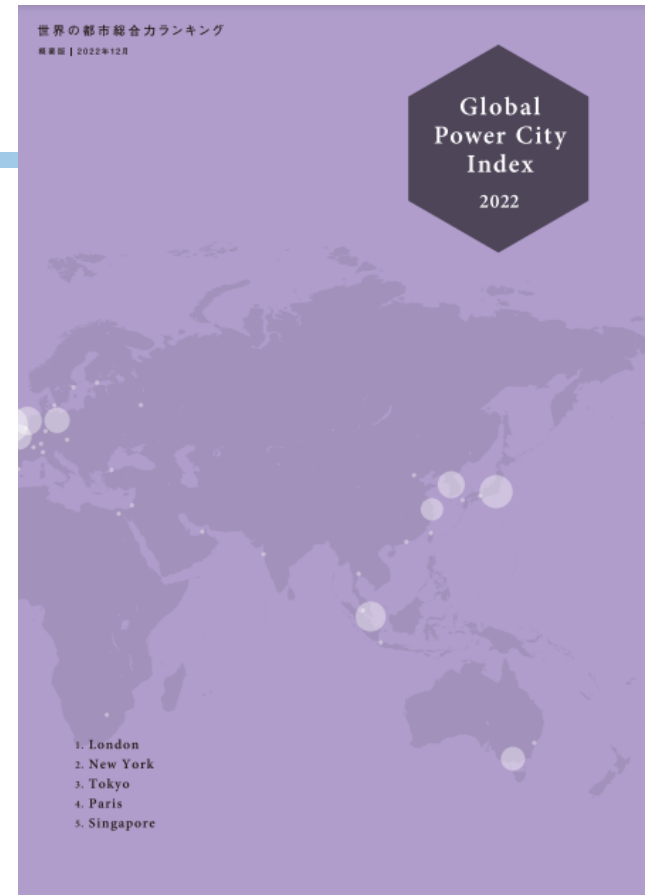


Kyushu Sinkansen

# Global Power City Index (JAPAN)

1	London
2	New York
3	Tokyo
4	Paris
5	Singapore
6	Amsterdam
7	Seoul
8	Berlin
9	Melbourne
10	Shanghai
11	Dubai
12	Madrid
13	Sydney
14	Copenhagen
15	Vienna

16	Los Angeles
17	Beijing
18	Zurich
19	Stockholm
20	Barcelona
21	Frankfurt
	⋮
36	Taipei
37	Osaka
38	Sao Paulo
	⋮
41	Kuala Lumpur
42	Fukuoka
43	Buenos Aires
	⋮



Source: "Global Power City Index 2022" published by the Institute for Urban Strategies (Mori Memorial Foundation) in December 2022

# WORLD'S BEST CITIES

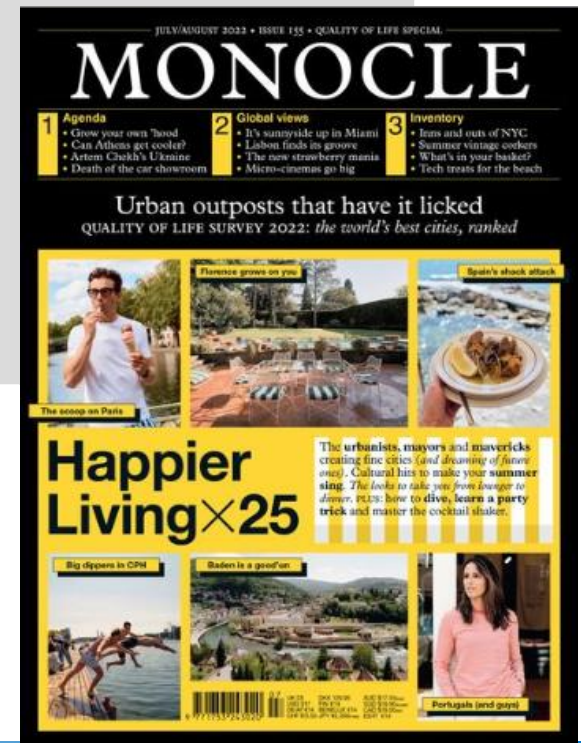
1 LONDON	21 LAS VEGAS	41 MUNICH	61 TAIPEI	81 FUKUOKA
2 PARIS	22 MILAN	42 HOUSTON	62 VALENCIA	82 SEVILLE
3 NEW YORK	23 BUDAPEST	43 AUSTIN	63 MINNEAPOLIS	83 RIYADH
4 TOKYO	24 TORONTO	44 BUENOS AIRES	64 PHILADELPHIA	84 JERUSALEM
5 DUBAI	25 SYDNEY	45 NAPLES	65 CALGARY	85 NANJING
6 BARCELONA	26 SEOUL	46 COPENHAGEN	66 PORTLAND	86 MINSK
7 ROME	27 DOHA	47 DALLAS	67 NASHVILLE	87 SALT LAKE CITY
8 MADRID	28 ABU DHABI	48 HELSINKI	68 AUCKLAND	88 PHOENIX
9 SINGAPORE	29 OSAKA	49 FRANKFURT	69 VANCOUVER	89 JAKARTA
10 AMSTERDAM	30 BANGKOK	50 ATLANTA	70 SANTIAGO	90 GOTHENBURG
11 PRAGUE	31 VIENNA	51 STOCKHOLM	71 MEXICO CITY	91 PERTH
12 LOS ANGELES	32 SAN DIEGO	52 MIAMI	72 MUMBAI	92 GLASGOW
13 CHICAGO	33 SAO PAULO	53 ATHENS	73 SHANGHAI	93 NAGOYA
14 SAN FRANCISCO	34 MELBOURNE	54 RIO DE JANEIRO	74 SAN JOSE	94 BALTIMORE
15 BERLIN	35 ZURICH	55 HAMBURG	75 LYON	95 STUTTGART
16 HONG KONG	36 BOSTON	56 DENVER	76 BILBAO	96 OTTAWA
17 WASHINGTON	37 LISBON	57 MONTREAL	77 LIVERPOOL	97 HANOI
18 BEIJING	38 WARSAW	58 BRUSSELS	78 NEW ORLEANS	98 SENDAI
19 DUBLIN	39 SEATTLE	59 TEL AVIV	79 BRISBANE	99 COLOGNE
20 ISTANBUL	40 ORLANDO	60 OSLO	80 MANCHESTER	100 MARSEILLE

Source: "THE WORLD'S 100 BEST CITIES" by Resonance Consultancy Ltd. (2023)



# Most Livable Cities

1	Copenhagen	11	Munich	21	Milan
2	Zurich	12	Seoul	22	Fukuoka
3	Lisbon	13	Berlin	23	Oslo
4	Helsinki	14	Amsterdam	24	Singapore
5	Stockholm	15	Madrid	25	Brisbane
6	Tokyo	16	Auckland		
7	Vienna	17	Paris		
8	Sydney	18	Barcelona		
9	Vancouver	19	Melbourne		
10	Taipei	20	Kyoto		

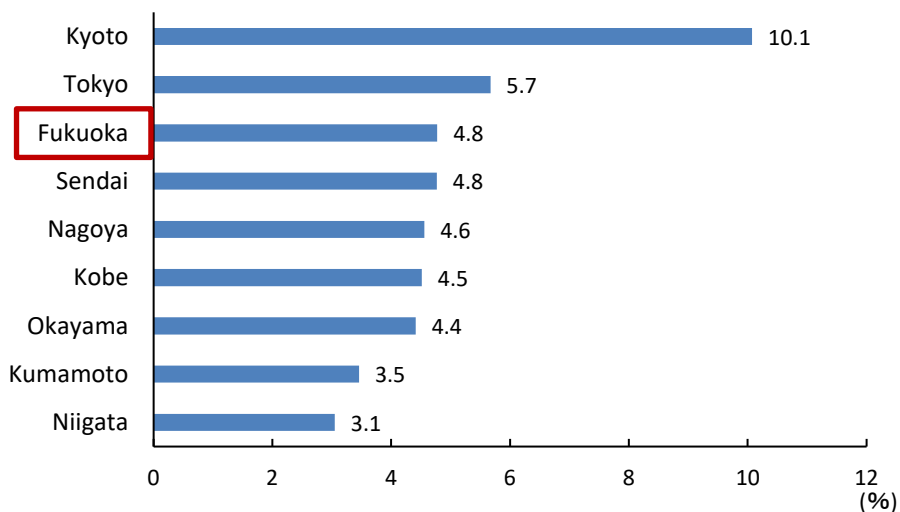


Source: "Most Livable Cities Index (Monocle's Quality of Life Survey 2022)," Monocle (2022)

# Fukuoka City has plentiful human resources and affordable rents

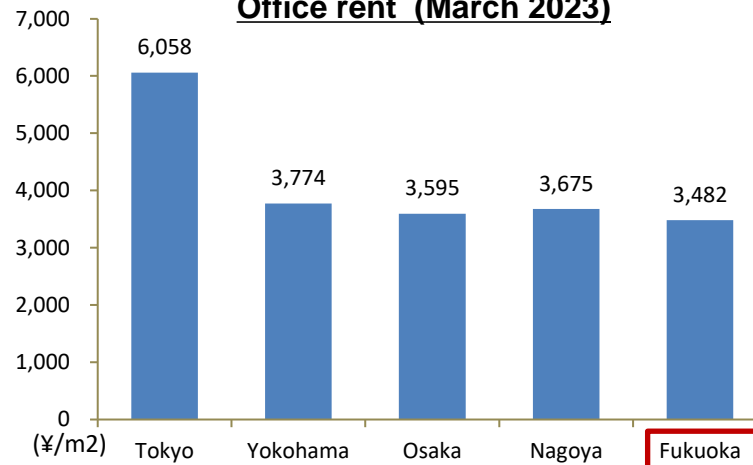
- Students to population ratio ranks third in Japan.
- Office rent is about 50% of that in Tokyo.
- Residential rent is about 50% of that in Tokyo.

**Students to population ratio**

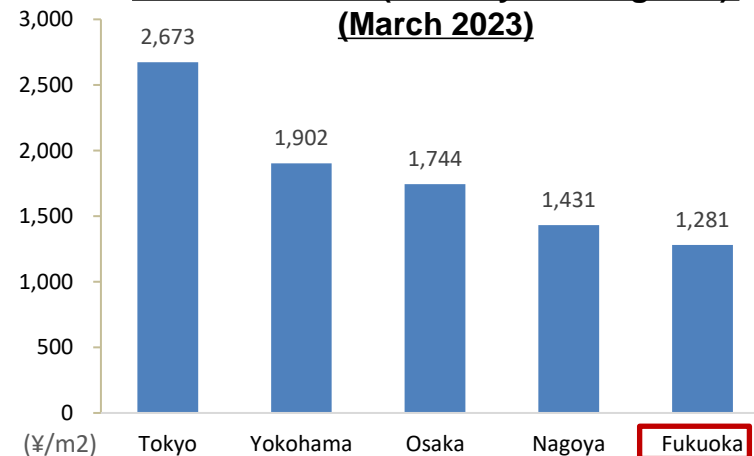


Source : Comparative Statistical Chronology of Major Cities(2020)

**Office rent (March 2023)**



**Residential rent (monthly housing rent) (March 2023)**



Source : "MIKI OFFICE REPORT" published by Miki Shoji Co.,Ltd.,  
"Retail price survey" published by Statistics Bureau, Ministry of Internal  
Affairs and Communications

# National Strategic Special Zones

Fukuoka City has been designated National Strategic Special Zones . Fukuoka City aims to be a Special Zone for Global Startups and Job Creation.



◀ FUKUOKA growth next is the facility for supporting start-ups. It was established by public-private partnerships in 2017 and reopened in May 2019.

The Startup Café in FUKUOKA growth next will continue to provide professional consultation, as well as free advice on matters such as financing and legal affairs.



Source : FUKUOKA NOW

<http://www.fukuoka-now.com/en/startup-cafe-moves-fukuoka-growth-next/>

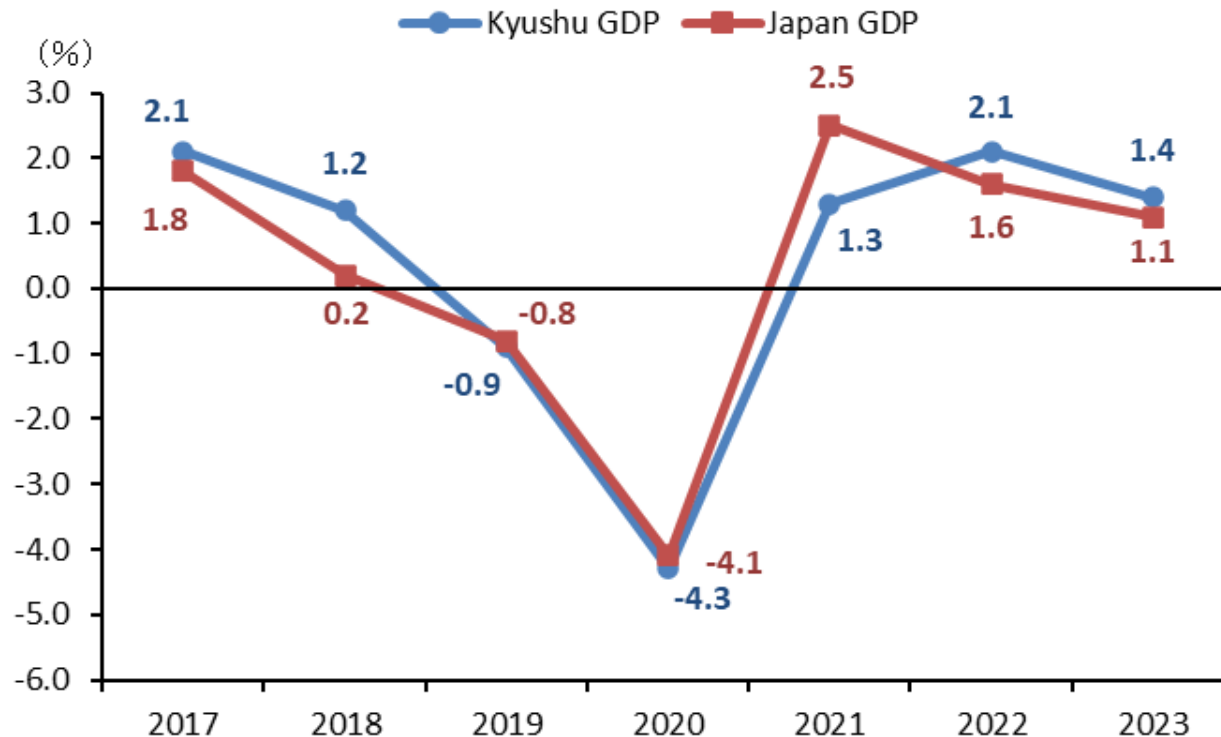
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# Kyushu's economy in 2023

- In 2023, the rate of Kyushu is forecasted that it will decrease to 1.4%, because consumer price index rose sharply by 3.3% year-on-year, slowing the pace of recovery in private.

Trends of real economic growth rates



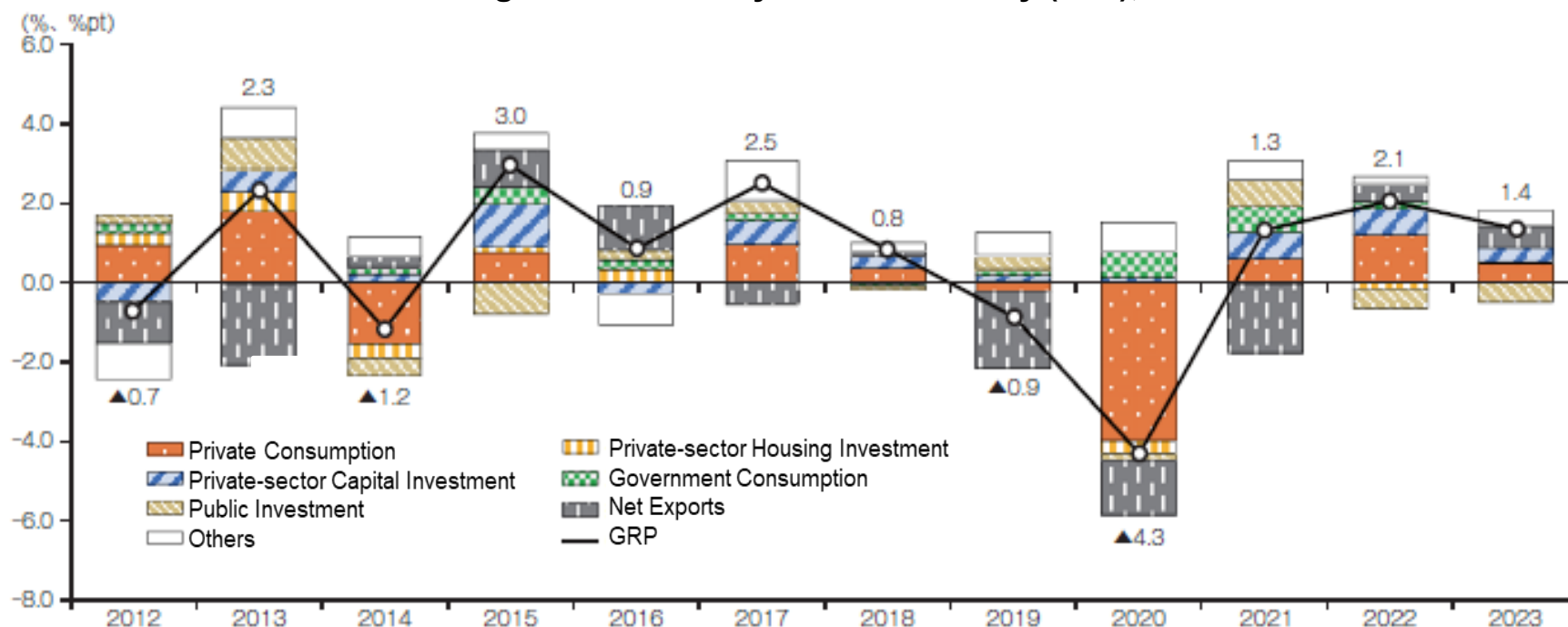
Source: Monthly Bulletin of Kyushu Economic Research(2023.02) by Kyushu Economic Research Center

# Characteristics of Kyushu's Economy

GRP	FY2022	FY2023
Kyushu	2.1%	1.4%
Japan	1.6%	1.1%

- In 2023, private consumption, private capital investment, and production activity will all increase.
- Investments related to industries such as semiconductor, medical, and environmental will increase.
- In general, expanding private demand will drive the economy.

**Trends of growth rate of Kyushu's economy (real); Contribution**



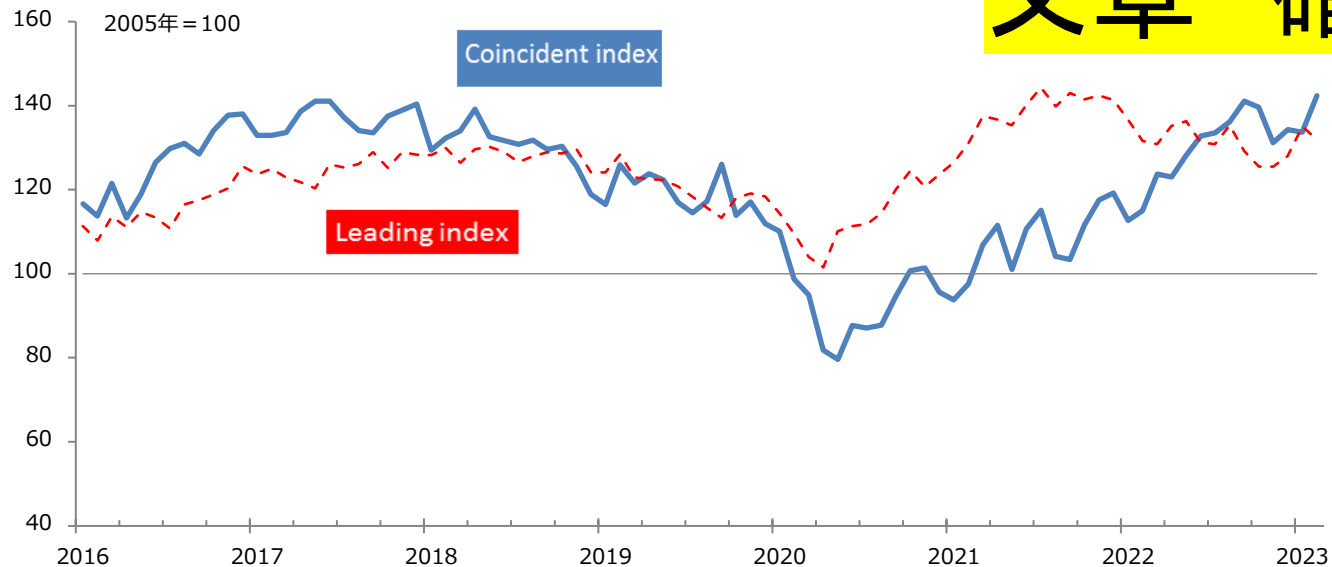
Source: "Prefectural Accounts" published by the Cabinet Office, and estimates and predictions by Kyushu Economic Research Center

# Beyond the Corona Disaster, Kyushu Economy Recovers in Earnest

- The Kyushu CI bottomed out in the first quarter of 2020 and continues to recover. However, leading indicators continue to move back and forth.
- The future of the economy is unpredictable.

## Kyushu region's composite economic indexes (Kyushu CI)

文章 確認



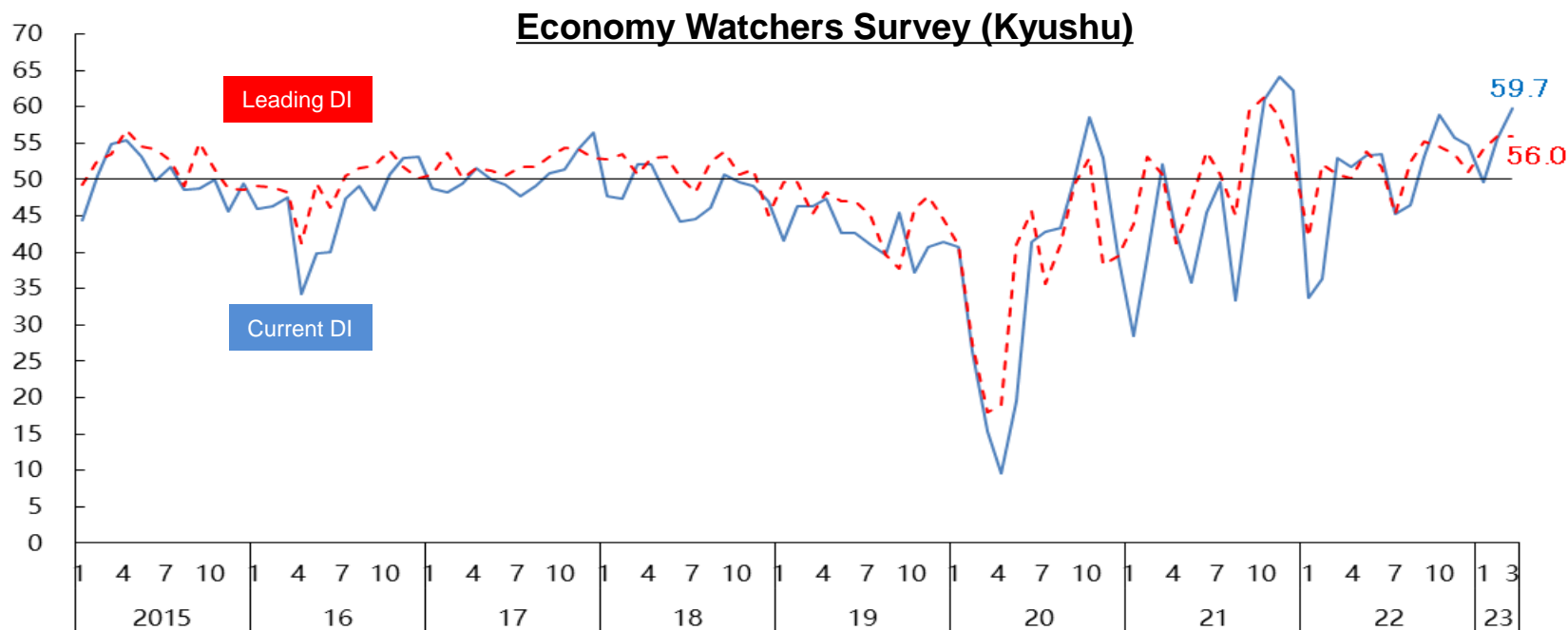
Source: Prepared by Kyushu Economic Research Center.

- CI: Composite Index covers all economic trends, and captures the magnitude of economic fluctuations and tempo by combining rates of changes in indexes adopted.
- Kyushu Economic Research Center prepared coincident and leading indexes as “Kyushu region's composite economic indexes (Kyushu CI).”



# Economy Watchers Survey (Street Corner Economy)

- This survey of economic trends was conducted at the initiative of the Cabinet Office. Surveys of Kyushu region were conducted by Kyushu Economic Research Center (Number of watchers: 210 in Kyushu; 2,050 nationwide)
- Current DI: Current economy compared to that three months ago. Leading DI: Future economic conditions that may change within three months compared to current conditions. If DI exceeds 50, it indicates the economy is improving.
- In 3/2023, Current DI was 59.7



Source: "Economy Watchers Survey" published by the Cabinet Office

# Thank you for your attention.



(Hakata Doll)