



## IMD World Competitiveness Yearbook 2022

COUNTRY  
PROFILE

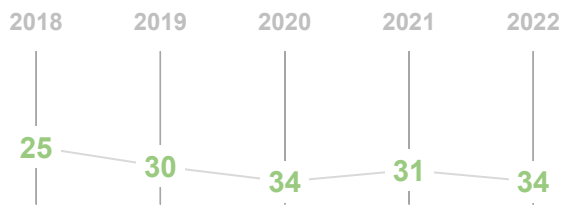
JAPAN



# Japan

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (63 countries)



### CHALLENGES IN 2022

- Achieve a new form of capitalism based on sustainability and human capital.
- Realize a virtuous cycle of growth and distribution.
- Promoting efforts to realize a science and technology nation.
- Resolve the issue of the rapidly aging population.
- Revitalize rural areas through a Vision for a Digital Garden City Nation.

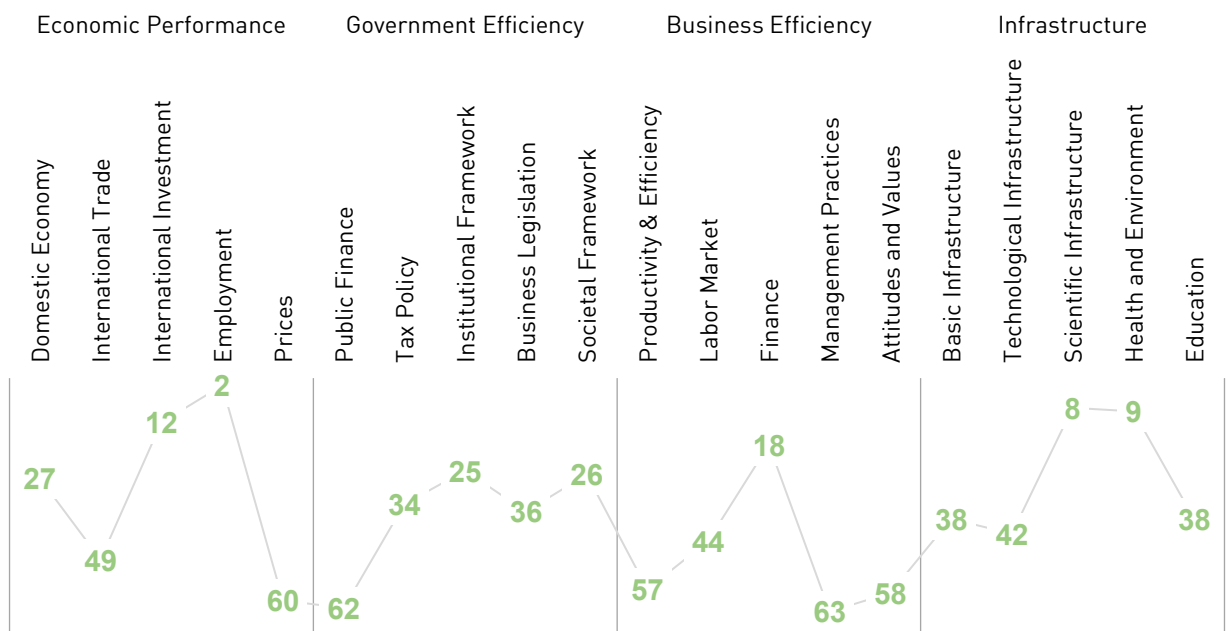
### BASIC FACTS

Rank

Capital	Tokyo	
Land area (square km '000)	378	<sup>2021</sup>
Exchange Rate (per \$)	0.110	<sup>2021</sup>
Population - market size (millions)	125.47	<sup>2021</sup> 07
Gross Domestic Product (GDP) (US\$ billions)	4,937.4	<sup>2021</sup> 03
GDP (PPP) per capita (US\$)	44,752	<sup>2021</sup> 30
Real GDP growth (%)	1.6	<sup>2021</sup> 59
Consumer price inflation (%)	-0.26	<sup>2021</sup> 02
Unemployment rate (%)	2.80	<sup>2021</sup> 04
Labor force (millions)	69.07	<sup>2021</sup> 06
Current account balance (% of GDP)	2.85	<sup>2021</sup> 22
Direct investment stocks inward (\$bn)	243.0	<sup>2020</sup> 26
Direct investment flows inward (% of GDP)	1.24	<sup>2020</sup> 38

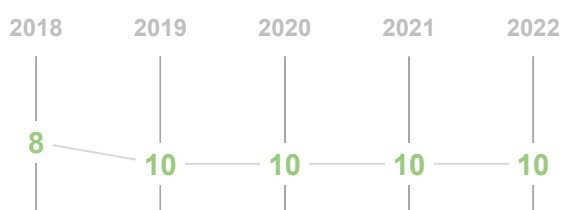
PROVIDED BY: Mitsubishi Research Institute Inc., Tokyo

### COMPETITIVENESS LANDSCAPE

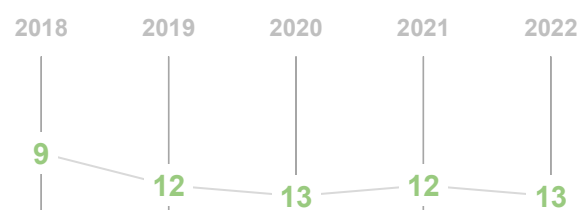


### PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)



POPULATIONS > 20 MILLION (27 countries)



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## Competitiveness Evolution & Attractiveness Indicators

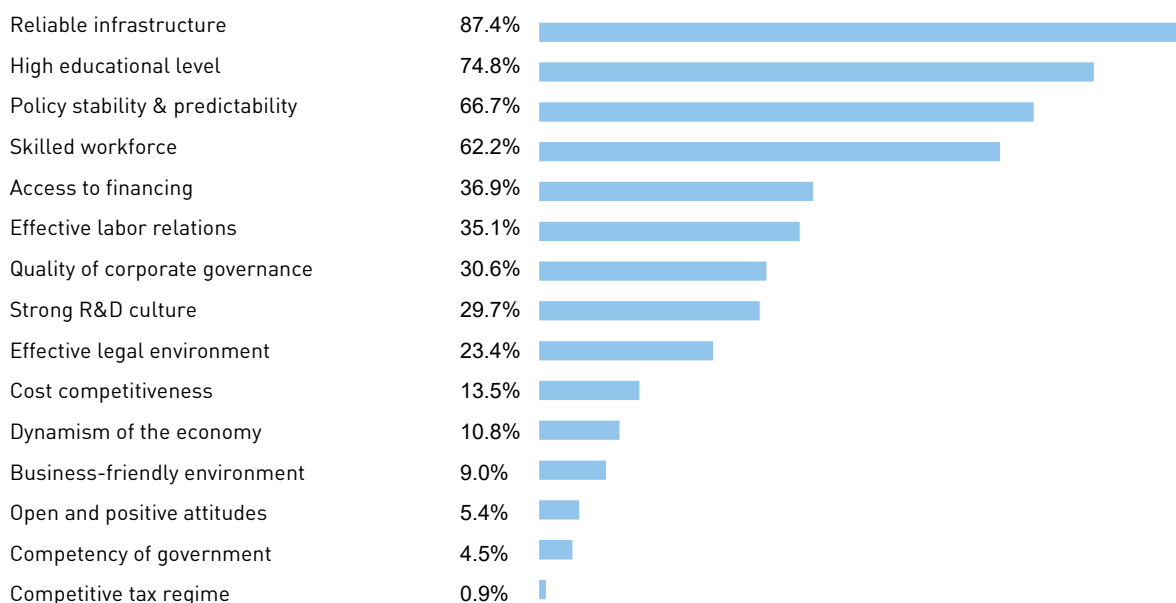
### COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY 2021	WCY 2022	DECLINES	WCY 2021	WCY 2022
1.1.15 Real GDP growth per capita	-4.55	1.92	1.1.18 Gross fixed capital formation - real growth	0.87	-1.51
1.1.14 Real GDP growth	-4.8	1.6	1.2.25 Tourism receipts	0.89	0.21
2.1.02 Government budget surplus/deficit (%)	-12.61	-7.62	1.4.08 Long-term unemployment	0.80	0.96
2.3.11 Transparency	3.51	4.44	4.5.17 University education index	22.10	18.20
2.2.07 Corporate tax rate on profit	30.62	23.20	1.1.19 Resilience of the economy	5.04	4.16
2.3.08 Exchange rate stability	0.049	0.038	3.1.07 Workforce productivity	4.78	3.95
1.2.09 Exports of goods (%)	12.70	15.31	4.1.07 Population - growth	-0.25	-0.29
1.2.08 Exports of goods (\$bn)	641.38	756.03	1.5.06 Gasoline prices	1.18	1.34
1.4.09 Youth unemployment	5.60	4.63	4.5.16 Management education	4.82	4.18
3.4.14 Total early-stage Entrepreneurial Activity	5.35	6.27	1.2.02 Current account balance	3.28	2.85
3.2.14 Labor force - long-term growth	3.81	4.42	3.4.02 Changing market conditions	5.42	4.77
3.2.23 International experience	2.61	3.01	3.4.13 Entrepreneurial fear of failure	43.51	47.86
4.4.18 Renewable energies (%)	5.5	6.3	2.4.07 Government subsidies	0.54	0.59
2.1.07 Public finances	3.56	4.02	4.2.10 Qualified engineers	5.72	5.17
2.4.17 Unemployment legislation	5.08	5.71	3.4.03 Opportunities and threats	4.41	4.00

### KEY ATTRACTIVENESS INDICATORS

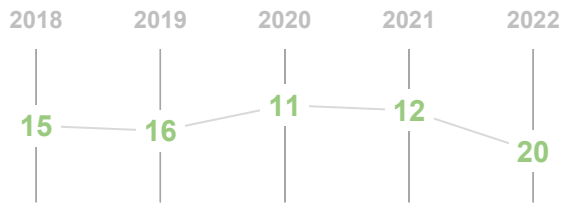
From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



# Japan

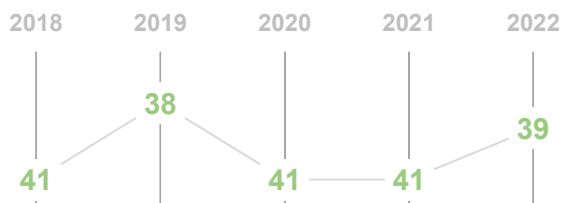
## Competitiveness Trends – Factor Breakdown

### ECONOMIC PERFORMANCE



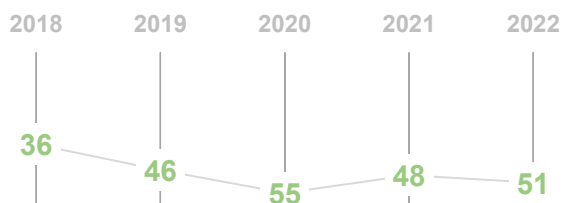
SUB-FACTOR RANKINGS :	2021	2022
Domestic Economy	08	27
International Trade	43	49
International Investment	09	12
Employment	02	02
Prices	61	60

### GOVERNMENT EFFICIENCY



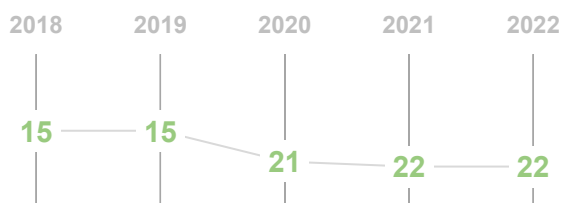
SUB-FACTOR RANKINGS :	2021	2022
Public Finance	63	62
Tax Policy	42	34
Institutional Framework	24	25
Business Legislation	34	36
Societal Framework	27	26

### BUSINESS EFFICIENCY



SUB-FACTOR RANKINGS :	2021	2022
Productivity & Efficiency	57	57
Labor Market	43	44
Finance	15	18
Management Practices	62	63
Attitudes and Values	55	58

### INFRASTRUCTURE



SUB-FACTOR RANKINGS :	2021	2022
Basic Infrastructure	43	38
Technological Infrastructure	32	42
Scientific Infrastructure	08	08
Health and Environment	09	09
Education	32	38

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## Balance Sheet – Factor Breakdown

### ECONOMIC PERFORMANCE

STRENGTHS		Rank	WEAKNESSES		Rank
1.1.13	Economic complexity index	01	1.3.08	Direct investment stocks inward (% of GDP)	63
1.4.10	Youth exclusion	01	1.5.04	Office rent	60
1.5.01	Consumer price inflation	02	1.5.02	Cost-of-living index	59
1.3.01	Direct investment flows abroad (\$bn)	03	1.1.14	Real GDP growth	59
1.4.09	Youth unemployment	03	1.2.25	Tourism receipts	59
1.4.07	Unemployment rate	04	1.2.23	Trade to GDP ratio	59
1.3.03	Direct investment stocks abroad (\$bn)	05	1.1.15	Real GDP growth per capita	57
1.2.08	Exports of goods (\$bn)	05	1.2.09	Exports of goods (%)	56
1.4.04	Employment - long-term growth	08	1.1.18	Gross fixed capital formation - real growth	55
1.3.05	Direct investment flows inward (\$bn)	08	1.1.19	Resilience of the economy	52

### GOVERNMENT EFFICIENCY

STRENGTHS		Rank	WEAKNESSES		Rank
2.4.19	Redundancy costs	01	2.1.04	Total general government debt (%)	62
2.3.03	Interest rate spread	02	2.4.18	Immigration laws	61
2.5.02	Homicide	04	2.1.02	Government budget surplus/deficit (%)	58
2.4.09	State ownership of enterprises	07	2.4.12	New business density	56
2.4.10	Competition legislation	08	2.4.06	Investment incentives	55
2.5.13	Unemployment rate - gender ratio	08	2.3.10	Adaptability of government policy	54
2.4.07	Government subsidies	10	2.4.03	Public sector contracts	51
2.2.08	Consumption tax rate	11	2.2.10	Employee social security tax rate	51
2.3.07	Foreign currency reserves per capita	13	2.3.05	Central bank policy	50
2.5.05	Social cohesion	13	2.3.09	Legal and regulatory framework	49

### BUSINESS EFFICIENCY

STRENGTHS		Rank	WEAKNESSES		Rank
3.3.01	Banking sector assets	03	3.4.09	Entrepreneurship	63
3.4.10	Social responsibility	04	3.4.01	Agility of companies	63
3.2.14	Labor force - long-term growth	04	3.4.03	Opportunities and threats	63
3.2.20	Attracting and retaining talents	04	3.4.02	Changing market conditions	63
3.2.12	Labor force (%)	10	3.2.23	International experience	63
3.4.08	Customer satisfaction	11	3.4.07	Use of big data and analytics	63
3.3.10	Stock market capitalization (%)	11	3.5.04	Flexibility and adaptability	63
3.3.04	Access to financial services	13	3.5.06	Digital transformation in companies	63
3.3.16	Credit	15	3.1.08	Large corporations	62
3.3.07	Regulatory compliance (banking laws)	20	3.5.03	National culture	61

### INFRASTRUCTURE

STRENGTHS		Rank	WEAKNESSES		Rank
4.2.07	Broadband subscribers	01	4.1.09	Dependency ratio	63
4.4.23	Environment-related technologies	02	4.2.09	Digital/Technological skills	62
4.4.06	Life expectancy at birth	02	4.5.19	Language skills	62
4.3.18	Number of patents in force	03	4.2.03	Mobile Telephone costs	60
4.3.16	Patent applications per capita	04	4.5.16	Management education	60
4.4.25	Sustainable development	04	4.5.15	University education	59
4.3.05	Business expenditure on R&D (%)	05	4.2.10	Qualified engineers	56
4.5.12	Students who are not low achievers - PISA	05	4.2.16	ICT service exports	56
4.3.02	Total expenditure on R&D (%)	07	4.5.01	Total public expenditure on education	53
4.4.01	Total health expenditure	07	4.1.07	Population - growth	52

# JAPAN

## Extended Country Profile

### 1 - Economic Performance

#### 1.1 - Domestic Economy

	Value	Average	Rank	Year
1.1.00 - Exchange Rate National currency per US\$ (average)	0.110	21,532.090		2021
1.1.01 - Gross Domestic Product (GDP) US\$ billions	4,937.4	1,394.4	3	2021
1.1.02 - GDP (PPP) Estimates ; US\$ billions at purchasing power parity	5,615.0	1,981.9	4	2021
1.1.03 - World GDP contribution Percentage share of world GDP in market prices	5.13	1.44	3	2021
1.1.04 - Household consumption expenditure (\$bn) US\$ billions	2,574.6	735.2	3	2021
1.1.05 - Household consumption expenditure (%) Percentage of GDP	52.1	53.4	33	2021
1.1.06 - Government consumption expenditure (\$bn) US\$ billions	1,058.3	232.9	3	2021
1.1.07 - Government consumption expenditure (%) Percentage of GDP	21.4	18.3	17	2021
1.1.08 - Gross fixed capital formation (\$bn) US\$ billions	1,250.3	351.9	3	2021
1.1.09 - Gross fixed capital formation (%) Percentage of GDP	25.3	22.7	16	2021
1.1.10 - Gross domestic savings (\$bn) US\$ billions	1,304.5	379.1	3	2021
1.1.11 - Gross domestic savings (%) Percentage of GDP	26.4	28.3	33	2021
1.1.12 - Economic sectors Breakdown of the economic sectors, percentage of GDP				2020
Economic sectors / Agriculture	1.0	3.7		2020
Economic sectors / Industry	29.0	29.1		2020
Economic sectors / Services	69.9	67.0		2020
1.1.13 - Economic complexity index Measures knowledge intensity, by considering exports	2.20	0.86	1	2019
1.1.14 - Real GDP growth Percentage change, based on national currency in constant prices	1.6	5.6	59	2021
1.1.15 - Real GDP growth per capita Percentage change, based on national currency in constant prices	1.92	5.35	57	2021
1.1.16 - Household consumption expenditure - real growth Percentage change, based on constant prices	1.10	4.78	51	2021
1.1.17 - Government consumption expenditure - real growth Percentage change, based on constant prices	2.11	4.01	45	2021
1.1.18 - Gross fixed capital formation - real growth Percentage change, based on constant prices	-1.51	6.32	55	2021
1.1.19 - Resilience of the economy Resilience of the economy to economic cycles is strong	4.16	5.88	52	2022
1.1.20 - GDP per capita US\$ per capita	39,351	34,279	24	2021
1.1.21 - GDP (PPP) per capita Estimates; US\$ per capita at purchasing power parity	44,752	44,580	30	2021
1.1.22 - Forecast: Real GDP growth Percentage change, based on national currency in constant prices	3.2	3.7	40	2022
1.1.23 - Forecast: Inflation Percentage change	0.9	38.4	1	2022
1.1.24 - Forecast: Unemployment Percentage of total labor force	2.4	6.3	2	2022
1.1.25 - Forecast: Current account balance Percentage of GDP	2.8	1.7	18	2022



## 1.2 · International Trade

Value Average Rank Year

1.2.01 · Current account balance (\$bn) US\$ billions (minus sign = deficit)	140.6	10.4	3	2021
1.2.02 · Current account balance Percentage of GDP	2.85	1.64	22	2021
1.2.03 · Balance of trade (\$bn) US\$ billions (minus sign = deficit)	-12.9	-2.5	48	2021
1.2.04 · Balance of trade (%) Percentage of GDP	-0.26	0.27	34	2021
1.2.05 · Balance of commercial services (\$bn) US\$ billions (minus sign = deficit)	-40.73	8.39	61	2021
1.2.06 · Balance of commercial services (%) Percentage of GDP	-0.82	1.84	44	2021
1.2.07 · World exports contribution Percentage share of world exports (goods and commercial services)	3.26	1.45	5	2021
1.2.08 · Exports of goods (\$bn) US\$ billions	756.03	321.20	5	2021
1.2.09 · Exports of goods (%) Percentage of GDP	15.31	41.98	56	2021
1.2.10 · Exports of goods per capita US\$ per capita	6,026	15,049	39	2021
1.2.11 · Exports of goods - growth Percentage change, based on US\$ values	17.89	27.30	55	2021
1.2.12 · Exports of commercial services (\$bn) US\$ billions	163.88	88.34	10	2021
1.2.13 · Exports of commercial services (%) Percentage of GDP	3.32	15.10	49	2021
1.2.14 · Exports of commercial services - growth Percentage change, based on US\$ values	3.75	17.14	53	2021
1.2.15 · Exports of goods & commercial services US\$ billions	919.91	408.43	5	2021
1.2.16 · Exports breakdown by economic sector Percentage of total exports				2020
Exports breakdown by economic sector / Agriculture	1.5	11.3		2020
Exports breakdown by economic sector / Industry	78.8	64.4		2020
Exports breakdown by economic sector / Services	19.8	24.3		2020
1.2.17 · Export concentration by partner Exports to top 5 countries, percentage of total exports	59.5	55.0	44	2020
1.2.18 · Export concentration by product Top 5 products, percentage of total exports	58.7	57.6	42	2020
1.2.19 · Imports of goods & commercial services (\$bn) US\$ billions	973.6	402.5	58	2021
1.2.20 · Imports of goods & commercial services (%) Percentage of GDP	19.7	54.7	8	2021
1.2.21 · Imports of goods & commerc. services growth Percentage change, based on US\$ values	17.23	24.33	12	2021
1.2.22 · Imports breakdown by economic sector Percentage of total imports				2020
Imports breakdown by economic sector / Agriculture	9.3	9.0		2020
Imports breakdown by economic sector / Industry	67.3	67.7		2020
Imports breakdown by economic sector / Services	23.5	23.3		2020
1.2.23 · Trade to GDP ratio (Exports + Imports) / GDP	32.34	102.61	59	2020
1.2.24 · Terms of trade index Unit value of exports over unit value of imports	106.5	99.4	9	2020
1.2.25 · Tourism receipts International tourism receipts as a percentage of GDP	0.21	1.54	59	2020

### 1.3 · International Investment

Value Average Rank Year

1.3.01 · Direct investment flows abroad (\$bn) US\$ billions	152.31	14.96	3	2020
1.3.02 · Direct investment flows abroad (% of GDP) Percentage of GDP	3.02	4.62	11	2020
1.3.03 · Direct investment stocks abroad (\$bn) US\$ billions	1,982.1	612.1	5	2020
1.3.04 · Direct investment stocks abroad (% of GDP) Percentage of GDP	39.33	109.57	26	2020
1.3.05 · Direct investment flows inward (\$bn) US\$ billions	62.72	16.61	8	2020
1.3.06 · Direct investment flows inward (% of GDP) Percentage of GDP	1.24	4.86	38	2020
1.3.07 · Direct investment stocks inward (\$bn) US\$ billions	243.0	613.9	26	2020
1.3.08 · Direct investment stocks inward (% of GDP) Percentage of GDP	4.82	122.21	63	2020
1.3.09 · Balance of direct investment flows (\$bn) US\$ billions (flows abroad minus flows inward)	89.59	-1.64	3	2020
1.3.10 · Balance of direct investment flows (%) Percentage of GDP (flows abroad minus flows inward)	1.78	-0.24	10	2020
1.3.11 · Net position in direct investment stocks (\$bn) US\$ billions (stocks abroad minus stocks inward)	1,739.1	-1.8	1	2020
1.3.12 · Net position in direct investment stocks (%) Percentage of GDP (stocks abroad minus stocks inward)	34.50	-12.64	6	2020
1.3.13 · Relocation threats of business Relocation of business is not a threat to the future of your economy	5.15	5.36	36	2022
1.3.14 · Portfolio investment assets US\$ billions	159.28	38.51	7	2020
1.3.15 · Portfolio investment liabilities US\$ billions	124.87	34.92	7	2020

### 1.4 · Employment

Value Average Rank Year

1.4.01 · Employment Total employment in millions	67.12	38.16	6	2021
1.4.02 · Employment (%) Percentage of population	53.50	47.14	9	2021
1.4.03 · Employment - growth Estimates: percentage change	0.03	1.54	44	2021
1.4.04 · Employment - long-term growth Estimates: five year percentage change	4.18	-0.41	8	2021
1.4.05 · Employment by sector Percentage of total employment				2021
Employment by sector / Agriculture	3.1	7.7		2021
Employment by sector / Industry	23.3	23.5		2021
Employment by sector / Services	73.6	68.8		2021
1.4.06 · Employment in the public sector Percentage of total employment	10.47	17.83	16	2020
1.4.07 · Unemployment rate Percentage of labor force	2.80	8.00	4	2021
1.4.08 · Long-term unemployment Percentage of labor force	0.96	2.81	16	2021
1.4.09 · Youth unemployment Percentage of youth labor force (under the age of 25)	4.63	17.13	3	2021
1.4.10 · Youth exclusion Share of youth population (15-24) not in education, employment or training	3.1	14.6	1	2019



## 1.5 · Prices

Value Average Rank Year

<b>1.5.01 · Consumer price inflation</b>	-0.26	29.25	2	2021
Average annual rate				
<b>1.5.02 · Cost-of-living index</b>	116.90	78.37	59	2021
Index of a basket of goods & services in the main city, including housing (New York City = 100)				
<b>1.5.03 · Apartment rent</b>	2,352	1,530	50	2018
3-room apartment monthly rent in major cities, US\$				
<b>1.5.04 · Office rent</b>	1,575	656	60	2021
Total occupation cost in the main city (US\$/Sq.M. per year)				
<b>1.5.05 · Food costs</b>	15.63	17.58	28	2021
Percentage of household final consumption expenditures				
<b>1.5.06 · Gasoline prices</b>	1.34	1.26	31	2021
Premium unleaded gasoline (95 Ron) US\$ per litre				

# JAPAN

## Extended Country Profile

### 2 · Government Efficiency

#### 2.1 · Public Finance

	Value	Average	Rank	Year
2.1.01 · Government budget surplus/deficit (\$bn) US\$ billions	-376.07	-91.93	61	2021
2.1.02 · Government budget surplus/deficit (%) Percentage of GDP	-7.62	-4.00	58	2021
2.1.03 · Total general government debt (\$bn) US\$ billions	12,992.39	1,436.31	61	2021
2.1.04 · Total general government debt (%) Percentage of GDP	263.14	71.59	62	2021
2.1.05 · Total general government debt-real growth Percentage change, based on national currency in constant prices	2.57	8.58	17	2021
2.1.06 · Interest payment (%) Percentage of current revenue	14.84	5.98	56	2021
2.1.07 · Public finances Public finances are being efficiently managed	4.02	4.92	42	2022
2.1.08 · Tax evasion Tax evasion is not a threat to your economy	6.50	5.05	13	2022
2.1.09 · Pension funding Pension funding is adequately addressed for the future	3.98	4.77	47	2022
2.1.10 · General government expenditure Percentage of GDP	43.2	38.2	38	2021

#### 2.2 · Tax Policy

	Value	Average	Rank	Year
2.2.01 · Collected total tax revenues Percentage of GDP	31.40	27.09	35	2019
2.2.02 · Collected personal income tax On profits, income and capital gains, as a percentage of GDP	6.01	6.00	36	2020
2.2.03 · Collected corporate taxes On profits, income and capital gains, as a percentage of GDP	3.13	2.70	43	2020
2.2.04 · Collected indirect tax revenues Taxes on goods and services as a percentage of GDP	6.56	9.41	16	2020
2.2.05 · Collected capital and property taxes Percentage of GDP	2.62	1.47	52	2020
2.2.06 · Collected social security contribution Compulsory contribution of employees and employers as a percentage of GDP	12.89	7.28	47	2019
2.2.07 · Corporate tax rate on profit Maximum tax rate, calculated on profit before tax	23.20	22.34	35	2021
2.2.08 · Consumption tax rate Standard rate of VAT/GST	10.00	16.37	11	2021
2.2.09 · Employer social security tax rate %	16.2	16.0	36	2021
2.2.10 · Employee social security tax rate %	15.3	10.4	51	2021
2.2.11 · Real personal taxes Real personal taxes do not discourage people from working or seeking advancement	4.67	5.12	40	2022

## 2.3 · Institutional Framework

Value Average Rank Year

2.3.01 · Real short-term interest rate Real discount / bank rate	0.23	-3.07	54	2021
2.3.02 · Cost of capital Cost of capital encourages business development	6.09	5.63	25	2022
2.3.03 · Interest rate spread Lending rate minus deposit rate	0.67	3.49	2	2017
2.3.04 · Country credit rating Index (0-60) of three country credit ratings: Fitch, Moody's and S&P	46.7	43.0	28	2021
2.3.05 · Central bank policy Central bank policy has a positive impact on the economy	5.72	6.31	50	2022
2.3.06 · Foreign currency reserves US\$ billions	1,405.75	216.77	2	2021
2.3.07 · Foreign currency reserves per capita US\$ per capita	11,204	9,199	13	2021
2.3.08 · Exchange rate stability Parity change from national currency to SDR, 2021 / 2019	0.038	0.072	39	2021
2.3.09 · Legal and regulatory framework The legal and regulatory framework encourages the competitiveness of enterprises	4.13	5.37	49	2022
2.3.10 · Adaptability of government policy Adaptability of government policy to changes in the economy is high	3.21	4.83	54	2022
2.3.11 · Transparency Transparency of government policy is satisfactory	4.44	4.87	40	2022
2.3.12 · Bureaucracy Bureaucracy does not hinder business activity	4.33	3.72	23	2022
2.3.13 · Bribery and corruption Bribery and corruption do not exist	6.68	4.77	18	2022
2.3.14 · Rule of law Rule of Law Index	90.87	72.47	16	2020
2.3.15 · Sustainable Development Goals Country performance on the 17 SDGs	79.8	75.1	18	2021
2.3.16 · Democracy Index EIU Overall Democracy Index, © The Economist Intelligence Unit Limited 2021	8.15	6.97	16	2021

## 2.4 · Business Legislation

Value Average Rank Year

<b>2.4.01 · Tariff barriers</b>	2.22	2.32	46	2020
Tariffs on imports: Applied weighted mean tariff rate for all products				
<b>2.4.02 · Protectionism</b>	5.28	5.74	43	2022
Protectionism of your government does not impair the conduct of your business				
<b>2.4.03 · Public sector contracts</b>	4.68	5.96	51	2022
Public sector contracts are sufficiently open to foreign bidders				
<b>2.4.04 · Foreign investors</b>	5.84	6.82	49	2022
Foreign investors are free to acquire control in domestic companies				
<b>2.4.05 · Capital markets</b>	6.52	6.57	38	2022
Capital markets (foreign and domestic) are easily accessible				
<b>2.4.06 · Investment incentives</b>	4.70	5.93	55	2022
Investment incentives are attractive to foreign investors				
<b>2.4.07 · Government subsidies</b>	0.59	2.02	10	2020
To private and public companies as a percentage of GDP				
<b>2.4.08 · Subsidies</b>	5.50	5.52	34	2022
Subsidies do not distort fair competition and economic development				
<b>2.4.09 · State ownership of enterprises</b>	7.75	6.04	7	2022
State ownership of enterprises is not a threat to business activities				
<b>2.4.10 · Competition legislation</b>	7.24	5.84	8	2022
Competition legislation is efficient in preventing unfair competition				
<b>2.4.11 · Parallel economy</b>	6.54	5.14	16	2022
Parallel (black-market, unrecorded) economy does not impair economic development				
<b>2.4.12 · New business density</b>	0.4	5.8	56	2019
Registered new businesses per 1'000 people aged 15-64				
<b>2.4.13 · Creation of firms</b>	6.54	6.63	42	2022
Creation of firms is supported by legislation				
<b>2.4.14 · Start-up days</b>	11.0	15.1	37	2019
Number of days to start a business				
<b>2.4.15 · Start-up procedures</b>	8.0	6.0	48	2019
Number of procedures to start a business				
<b>2.4.16 · Labor regulations</b>	5.27	5.50	37	2022
Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities				
<b>2.4.17 · Unemployment legislation</b>	5.71	4.99	23	2022
Unemployment legislation provides an incentive to look for work				
<b>2.4.18 · Immigration laws</b>	3.98	5.83	61	2022
Immigration laws do not prevent your company from employing foreign labor				
<b>2.4.19 · Redundancy costs</b>	0.0	9.4	1	2019
Number of weeks of salary				

## 2.5 · Societal Framework

Value Average Rank Year

<b>2.5.01 · Justice</b> Justice is fairly administered	7.64	5.72	14	2022
<b>2.5.02 · Homicide</b> Intentional homicide, rate per 100'000 population	0.25	4.28	4	2019
<b>2.5.03 · Ageing of population</b> Population over 65, percentage of total population	29.1	14.8	63	2021
<b>2.5.04 · Risk of political instability</b> The risk of political instability is very low	7.54	5.80	19	2022
<b>2.5.05 · Social cohesion</b> Social cohesion is high	7.17	5.68	13	2022
<b>2.5.06 · Gini coefficient</b> Equal distribution of income scale: 0 (absolute equality) to 100 (absolute inequality)	33.90	35.03	30	2016
<b>2.5.07 · Income distribution - lowest 10%</b> Percentage of household incomes going to lowest 10% of households	-	2.75		
<b>2.5.08 · Income distribution - highest 10%</b> Percentage of household incomes going to highest 10% of households	-	26.98		
<b>2.5.09 · Income distribution - lowest 40%</b> Percentile going to the lowest 40% of households	-	18.99		
<b>2.5.10 · Income distribution - lowest 40% growth</b> Percentile going to the lowest 40% of households - growth	-	0.34		
<b>2.5.11 · Equal opportunity</b> Equal opportunity legislation in your economy encourages economic development	6.95	6.17	19	2022
<b>2.5.12 · Females in parliament</b> Percentage of total seats in Parliament	9.68	29.11	62	2021
<b>2.5.13 · Unemployment rate - gender ratio</b> Ratio of the female and male unemployment rates	0.83	1.25	8	2021
<b>2.5.14 · Gender inequality</b> Gender Inequality Index (UNDP)	0.094	0.183	26	2019
<b>2.5.15 · Disposable Income</b> Female / male ratio	67.5	72.2	46	2021
<b>2.5.16 · Freedom of the Press</b> Reporters Without Borders: World Press Freedom Score	28.88	27.85	39	2021

# JAPAN

## Extended Country Profile

### 3 · Business Efficiency

#### 3.1 · Productivity & Efficiency

Value Average Rank Year

<b>3.1.01 · Overall productivity (PPP)</b> Estimates: GDP (PPP) per person employed, US\$	79,558	84,576	37	2021
<b>3.1.02 · Overall productivity (PPP) - real growth</b> Estimates: Percentage change of GDP (PPP) per person employed	2.12	2.84	43	2021
<b>3.1.03 · Labor productivity (PPP)</b> Estimates: GDP (PPP) per person employed per hour, US\$	47.95	48.28	32	2021
<b>3.1.04 · Agricultural productivity (PPP)</b> Estimates: Related GDP (PPP) per person employed in agriculture, US\$	26,002	55,834	48	2020
<b>3.1.05 · Productivity in industry (PPP)</b> Estimates: Related GDP (PPP) per person employed in industry, US\$	97,488	107,180	34	2020
<b>3.1.06 · Productivity in services (PPP)</b> Estimates: Related GDP (PPP) per person employed in services, US\$	75,442	86,235	41	2020
<b>3.1.07 · Workforce productivity</b> Workforce productivity is competitive by international standards	3.95	6.15	59	2022
<b>3.1.08 · Large corporations</b> Large corporations are efficient by international standards	4.45	6.67	62	2022
<b>3.1.09 · Small and medium-size enterprises</b> Small and medium-size enterprises are efficient by international standards	3.60	6.12	61	2022
<b>3.1.10 · Use of digital tools and technologies</b> Companies are very good at using digital tools and technologies to improve performance	5.12	6.29	60	2022



## 3.2 · Labor Market

Value Average Rank Year

3.2.01 · Compensation levels	19.45	15.09	40	2021
Total hourly compensation in manufacturing (wages + supplementary benefits), US\$				
3.2.02 · Unit labor costs for total economy	0.40	1.59	17	2021
Percentage change				
3.2.03 · Remuneration in services professions	45,806	28,619	46	2018
Gross annual income including supplements such as bonuses, US\$				
Remuneration in services professions / Call center agent	33,172	19,099		2018
Remuneration in services professions / Nurse	46,441	30,277		2018
Remuneration in services professions / Primary school	58,544	30,970		2018
Remuneration in services professions / Product Manager	61,928	49,302		2018
Remuneration in services professions / Sales Assistant	35,976	19,165		2018
Remuneration in services professions / Secretary / Personal	38,772	22,903		2018
3.2.04 · Remuneration of management	269,256	169,169	55	2019
Total base salary plus bonuses and long-term incentives, US\$				
Remuneration of management / CEO	471,672	306,535		2019
Remuneration of management / Director manufacturing	215,599	149,356		2019
Remuneration of management / Engineer	145,325	80,327		2019
Remuneration of management / Human resources director	244,430	140,455		2019
3.2.05 · Remuneration spread	11.98	17.99	21	2018
Ratio of CEO to personal assistant remuneration				
3.2.06 · Working hours	1,659	1,843	42	2021
Average number of working hours per year				
3.2.07 · Worker motivation	5.84	5.87	32	2022
Worker motivation in companies is high				
3.2.08 · Industrial disputes	0.06	12.21	16	2018
Working days lost per 1,000 inhabitants per year (average 2018-2020)				
3.2.09 · Apprenticeships	5.62	5.20	22	2022
Apprenticeships are sufficiently implemented				
3.2.10 · Employee training	6.22	6.03	30	2022
Employee training is a high priority in companies				
3.2.11 · Labor force	69.07	40.47	6	2021
Employed and registered unemployed (millions)				
3.2.12 · Labor force (%)	55.05	50.09	10	2021
Percentage of population				
3.2.13 · Labor force growth	0.07	1.18	42	2021
Percentage change				
3.2.14 · Labor force - long-term growth	4.42	-0.67	4	2021
Estimates: five year percentage change				
3.2.15 · Part-time employment	25.78	15.19	8	2020
Percentage of total employment				
3.2.16 · Female labor force	44.59	42.68	37	2021
Percentage of total labor force				
3.2.17 · Foreign labor force - migrant stock	3.23	17.76	52	2020
Migrant stock, age 20-64, % of population				
3.2.18 · Skilled labor	5.03	5.21	36	2022
Skilled labor is readily available				
3.2.19 · Finance skills	5.62	6.07	43	2022
Finance skills are readily available				
3.2.20 · Attracting and retaining talents	8.13	6.82	4	2022
Attracting and retaining talents is a priority in companies				
3.2.21 · Brain drain	4.13	4.93	43	2022
Brain drain (well-educated and skilled people) does not hinder competitiveness in your economy				
3.2.22 · Foreign highly-skilled personnel	3.64	5.39	54	2022
Foreign highly-skilled personnel are attracted to your country's business environment				
3.2.23 · International experience	3.01	5.62	63	2022
International experience of senior managers is generally significant				
3.2.24 · Competent senior managers	3.50	5.45	61	2022
Competent senior managers are readily available				

### 3.3 · Finance

Value Average Rank Year

3.3.01 · Banking sector assets Percentage of GDP	299.38	157.54	3	2019
3.3.02 · Financial cards in circulation Number of cards per capita	11.07	3.45	3	2021
3.3.03 · Financial card transactions US\$ per capita	9,328	11,334	30	2021
3.3.04 · Access to financial services Proportion of adults with a bank account or mobile-money-service provider	98.24	82.66	13	2017
3.3.05 · Access to financial services - gender ratio Ratio of the female and male access to a bank account or mobile-money-service provider	1.00	0.96	24	2017
3.3.06 · Banking and financial services Banking and financial services do support business activities efficiently	6.13	6.24	35	2022
3.3.07 · Regulatory compliance (banking laws) Regulatory compliance is sufficiently developed	7.55	6.92	20	2022
3.3.08 · Stock markets Stock markets provide adequate financing to companies	6.38	5.83	24	2022
3.3.09 · Stock market capitalization (\$bn) US\$ billions	6,861.0	1,470.4	3	2021
3.3.10 · Stock market capitalization (%) Percentage of GDP	138.96	105.47	11	2021
3.3.11 · Value traded on stock markets US\$ per capita	50,361	23,478	6	2020
3.3.12 · Listed domestic companies Number of listed domestic companies	3,754	718	5	2020
3.3.13 · Stock market index Percentage change on index in national currency	27.00	26.39	25	2021
3.3.14 · Shareholders' rights Shareholders' rights are sufficiently implemented	6.07	6.91	52	2022
3.3.15 · Initial Public Offerings By acquiror nation (average 2019-2021) US\$ millions	4,763.2	4,258.5	10	2021
3.3.16 · Credit Credit is easily available for business	7.06	6.05	15	2022
3.3.17 · Venture capital Venture capital is easily available for business	5.29	5.34	34	2022
3.3.18 · M&A Activity Deals per listed company (average 2018-2020)	0.736	1.193	25	2020
3.3.19 · Corporate debt Corporate debt does not restrain the ability of enterprises to compete	6.54	5.83	21	2022

3.4 · Management Practices	Value	Average	Rank	Year
3.4.01 · Agility of companies Companies are agile	3.53	6.08	63	2022
3.4.02 · Changing market conditions Companies are generally extremely aware of changing market conditions	4.77	6.69	63	2022
3.4.03 · Opportunities and threats Companies are very good at responding quickly to opportunities and threats	4.00	6.29	63	2022
3.4.04 · Credibility of managers Credibility of managers in society is strong	6.05	6.15	36	2022
3.4.05 · Corporate boards Corporate boards do supervise the management of companies effectively	5.40	6.17	52	2022
3.4.06 · Auditing and accounting practices Auditing and accounting practices are adequately implemented in business	7.32	7.25	33	2022
3.4.07 · Use of big data and analytics Companies are very good at using big data and analytics to support decision-making	3.22	5.33	63	2022
3.4.08 · Customer satisfaction Customer satisfaction is emphasized in companies	7.68	6.95	11	2022
3.4.09 · Entrepreneurship Entrepreneurship of managers is widespread in business	3.66	6.07	63	2022
3.4.10 · Social responsibility Social responsibility of business leaders is high	7.87	6.16	4	2022
3.4.11 · Women in management Female share of senior and middle management (% of management)	13.18	31.46	56	2020
3.4.12 · Women on boards Boardmembers of all companies analyzed by MSCI	12.60	24.22	47	2021
3.4.13 · Entrepreneurial fear of failure % indicating that fear of failure would prevent them from setting up a business	47.86	42.81	35	2021
3.4.14 · Total early-stage Entrepreneurial Activity % who are either a nascent entrepreneur or owner-manager of a new business	6.27	12.11	43	2021

3.5 · Attitudes and Values	Value	Average	Rank	Year
3.5.01 · Attitudes toward globalization Attitudes toward globalization are generally positive in your society	5.89	6.47	48	2022
3.5.02 · Image abroad or branding The image abroad of your country encourages business development	6.63	6.44	35	2022
3.5.03 · National culture The national culture is open to foreign ideas	4.88	6.82	61	2022
3.5.04 · Flexibility and adaptability Flexibility and adaptability of people are high when faced with new challenges	4.67	6.63	63	2022
3.5.05 · Need for economic and social reforms The need for economic and social reforms is generally well understood	5.64	5.88	38	2022
3.5.06 · Digital transformation in companies Digital transformation in companies is generally well implemented	4.42	5.95	63	2022
3.5.07 · Value system The value system in your society supports competitiveness	4.97	6.23	57	2022

# JAPAN

## Extended Country Profile

### 4 · Infrastructure

#### 4.1 · Basic Infrastructure

Value Average Rank Year

	Value	Average	Rank	Year
4.1.01 · Land area Square kilometers ('000)	378	1,207	25	2021
4.1.02 · Arable area Square meters per capita	349	2,704	55	2019
4.1.03 · Water resources Total internal renewable per capita in cubic meters	3,380	18,375	30	2018
4.1.04 · Access to water Access to water is adequately ensured and managed	9.35	7.90	10	2022
4.1.05 · Management of cities Management of cities supports business development	7.53	6.61	16	2022
4.1.06 · Population - market size Estimates in millions	125.47	81.51	7	2021
4.1.07 · Population - growth Percentage change	-0.29	0.30	52	2021
4.1.08 · Dependent Population Percentage of total population	40.8	33.6		2021
Population over 65 years	29.1	14.8		2021
Population under 15 years	11.8	18.7		2021
4.1.09 · Dependency ratio Population under 15 and over 64 years old, divided by active population (15 to 64 years)	69.0	51.2	63	2021
4.1.10 · Roads Density of the network, km roads/square km land area	3.39	1.39	4	2019
4.1.11 · Railroads Density of the network, km per square km	0.050	0.049	19	2020
4.1.12 · Air transportation Number of passengers carried by main companies, thousands	51,131	27,297	5	2020
4.1.13 · Quality of air transportation Quality of air transportation encourages business development	8.41	7.07	12	2022
4.1.14 · Distribution infrastructure The distribution infrastructure of goods and services is generally efficient	8.41	7.12	15	2022
4.1.15 · Energy infrastructure Energy infrastructure is adequate and efficient	6.87	6.81	33	2022
4.1.16 · Total indigenous energy production Millions MTOE	49.83	169.14	24	2019
4.1.17 · Total indigenous energy production (%) Percentage of total requirements in tons of oil equivalent	12.0	106.4	57	2019
4.1.18 · Total final energy consumption Millions MTOE	279.11	122.04	60	2019
4.1.19 · Total final energy consumption per capita MTOE per capita	2.21	2.46	35	2019
4.1.20 · Electricity costs for industrial clients US\$ per kwh	0.162	0.107	51	2020

## 4.2 · Technological Infrastructure

Value Average Rank Year

4.2.01 · Investment in Telecommunications Percentage of GDP	0.38	0.42	32	2021
4.2.02 · Mobile Broadband subscribers 4G & 5G market, % of mobile market	90.8	71.5	12	2020
4.2.03 · Mobile Telephone costs Monthly Blended Average Revenue per User	42.2	15.7	60	2020
4.2.04 · Communications technology Communications technology (voice and data) meets business requirements	7.56	7.67	42	2022
4.2.05 · Secure internet servers publicly-trusted TLS/SSL certificates, Netcraft Secure Server Survey.	22,926	36,109	29	2020
4.2.06 · Internet users Number of internet users per 1000 people	924	839	21	2021
4.2.07 · Broadband subscribers Number of subscriptions per 1000 inhabitants	898	381	1	2020
4.2.08 · Internet bandwidth speed Average speed	128.9	93.5	19	2021
4.2.09 · Digital/Technological skills Digital/Technological skills are readily available	4.02	6.79	62	2022
4.2.10 · Qualified engineers Qualified engineers are available in your labor market	5.17	6.35	56	2022
4.2.11 · Public-private partnerships Public and private sector ventures are supporting technological development	5.75	6.08	41	2022
4.2.12 · Development & application of tech. Development and application of technology are supported by the legal environment	6.13	6.46	41	2022
4.2.13 · Funding for technological development Funding for technological development is readily available	5.59	5.98	41	2022
4.2.14 · High-tech exports (\$) US\$ millions	102,751	47,160	8	2020
4.2.15 · High-tech exports (%) Percentage of manufactured exports	18.60	18.12	24	2020
4.2.16 · ICT service exports Percentage of service exports	2.5	9.7	56	2018
4.2.17 · Cyber security Cyber security is being adequately addressed by corporations	5.19	5.89	45	2022

### 4.3 · Scientific Infrastructure

Value Average Rank Year

4.3.01 · Total expenditure on R&D (\$) US\$ millions	165,043	31,953	3	2020
4.3.02 · Total expenditure on R&D (%) Percentage of GDP	3.27	1.63	7	2020
4.3.03 · Total expenditure on R&D per capita (\$) US\$ per capita	1,311.6	647.1	14	2020
4.3.04 · Business expenditure on R&D (\$) US\$ millions	129,814	24,238	3	2020
4.3.05 · Business expenditure on R&D (%) Percentage of GDP	2.58	1.11	5	2020
4.3.06 · Total R&D personnel Full-time work equivalent (FTE thousands)	911.6	233.3	2	2020
4.3.07 · Total R&D personnel per capita Full-time work equivalent (FTE) per 1000 people	7.24	5.37	18	2020
4.3.08 · Total R&D personnel in business enterprise Full-time work equivalent (FTE thousands)	624.7	183.3	3	2020
4.3.09 · Total R&D personnel in business per capita Full-time work equivalent (FTE) per 1000 people	4.96	3.31	15	2020
4.3.10 · Researchers in R&D per capita Full-time work equivalent (FTE) per 1000 people	5.5	3.6	14	2020
4.3.11 · Graduates in Sciences % of graduates in ICT, Engineering, Math & Natural Sciences	21.77	24.75	42	2019
4.3.12 · Scientific articles Scientific articles published by origin of author	101,040	39,473	6	2019
4.3.13 · Nobel prizes Awarded in physics, chemistry, physiology or medicine and economics since 1950	21	9	5	2021
4.3.14 · Nobel prizes per capita Awarded in physics, chemistry, physiology or medicine and economics since 1950 per million people	0.17	0.19	18	2021
4.3.15 · Patent applications Number of applications filed by applicant's origin	423,264	52,962	3	2020
4.3.16 · Patent applications per capita Number of applications filed by applicant's origin, per 100,000 inhabitants	336.36	80.01	4	2020
4.3.17 · Patent grants Number of patents granted by applicant's origin (average 2018-2020)	282,309	25,007	3	2020
4.3.18 · Number of patents in force by applicant's origin, per 100,000 inhabitants	2,452.0	491.7	3	2020
4.3.19 · Medium- and high-tech value added Proportion of total manufacturing value added, expressed as a percentage	56.57	38.63	8	2019
4.3.20 · Scientific research legislation Laws relating to scientific research do encourage innovation	5.12	5.97	49	2022
4.3.21 · Intellectual property rights Intellectual property rights are adequately enforced	6.52	6.59	34	2022
4.3.22 · Knowledge transfer Knowledge transfer is highly developed between companies and universities	4.68	5.52	49	2022



#### 4.4 · Health and Environment

Value Average Rank Year

4.4.01 · Total health expenditure Percentage of GDP	10.7	7.5	7	2019
4.4.02 · Total health expenditure per capita US\$ per capita	4,362	2,614	18	2019
4.4.03 · Public expenditure on health (%) Percentage of total health expenditure	83.86	65.44	4	2019
4.4.04 · Health infrastructure Health infrastructure meets the needs of society	6.49	5.97	31	2022
4.4.05 · Universal health coverage index Coverage index for essential health services (0-100)	85	78	15	2019
4.4.06 · Life expectancy at birth Average estimate	84.6	78.4	2	2020
4.4.07 · Healthy life expectancy Average estimate	74.2	68.3	2	2021
4.4.08 · Infant mortality Under five mortality rate per 1000 live births	2.5	7.9	7	2020
4.4.09 · Medical assistance Number of inhabitants per physician and per nurse			32	2021
Medical assistance / Per nurse	84.68	302.83		2021
Medical assistance / Per physician	395.78	533.91		2021
4.4.10 · Urban population Percentage of total population	92	77		2021
4.4.11 · Human development index Combines economic - social - educational indicators/ Source: Human Development Report	0.919	0.862	19	2019
4.4.12 · Energy intensity Total energy consumed for each 1000 US\$ of GDP in MTOE	57	102	12	2018
4.4.13 · Safely treated waste water Percentage of waste water	97.8	76.7	9	2020
4.4.14 · Water use efficiency US\$ per cubic meter	57.08	97.67	29	2019
4.4.15 · CO2 emissions Metric tons of carbon dioxide from fuel combustion	1,024.1	420.2	60	2020
4.4.16 · CO2 emissions intensity CO2 emissions from fuel combustion in metric tons per one million US\$ of GDP	203.2	354.2	24	2020
4.4.17 · Exposure to particle pollution Mean population exposure to PM2.5, Micrograms per cubic metre	13.65	20.45	25	2019
4.4.18 · Renewable energies (%) Share of renewables in total energy requirements, %	6.3	16.8	50	2019
4.4.19 · Forest area growth Five year percentage change of hectares	0.0	0.4	42	2020
4.4.20 · Total biocapacity Global hectares per capita of biologically productive space	0.59	3.26	51	2018
4.4.21 · Ecological footprint Global hectares per person	4.6	5.0	30	2018
4.4.22 · Ecological balance (reserve/deficit) Total biocapacity minus total footprint in global hectares per capita	-4.02	-1.73	49	2018
4.4.23 · Environment-related technologies Development of environment-related technologies, % inventions worldwide	18.33	1.60	2	2019
4.4.24 · Environmental agreements Multilateral agreements on hazardous waste, proportion fulfilled	95.83	83.34	11	2015
4.4.25 · Sustainable development Sustainable development is a priority in companies	8.11	6.21	4	2022
4.4.26 · Pollution problems Pollution problems do not seriously affect your economy	7.43	5.71	8	2022
4.4.27 · Environmental laws Environmental laws and compliance do not hinder the competitiveness of businesses	7.30	6.17	9	2022
4.4.28 · Quality of life Quality of life is high	7.35	6.76	30	2022

## 4.5 · Education

Value Average Rank Year

4.5.01 · Total public expenditure on education Percentage of GDP	3.4	5.0	53	2020
4.5.02 · Total public expenditure on education per capita US\$ per capita	1,369	1,562	28	2020
4.5.03 · Total public exp. on education per student Spending per enrolled pupil/student, all levels	7,984	6,944	23	2019
4.5.04 · Pupil-teacher ratio (primary education) Ratio of students to teaching staff	15.90	15.95	37	2019
4.5.05 · Pupil-teacher ratio (secondary education) Ratio of students to teaching staff	12.15	13.74	34	2019
4.5.06 · Secondary school enrollment Percentage of relevant age group receiving full-time education	98.3	92.7	14	2019
4.5.07 · Higher education achievement Percentage of population that has attained at least tertiary education for persons 25-34	61.5	44.2	8	2019
4.5.08 · Women with degrees Share of women who have a degree in the population 25-65	53.9	39.7	8	2019
4.5.09 · Student mobility inbound Foreign tertiary-level students per 1000 inhabitants	1.61	4.01	44	2019
4.5.10 · Student mobility outbound National tertiary-level students studying abroad per 1000 inhabitants	0.26	2.62	59	2019
4.5.11 · Educational assessment - PISA PISA survey of 15-year olds	520	471	5	2018
Educational assessment - PISA / Mathematics	527	472		2018
Educational assessment - PISA / Reading	504	468		2018
Educational assessment - PISA / Sciences	529	472		2018
4.5.12 · Students who are not low achievers - PISA % of students who are not low achievers in maths, sciences and reading	79.2	58.5	5	2018
4.5.13 · English proficiency - TOEFL TOEFL scores	73	92	63	2020
4.5.14 · Primary and secondary education Primary and secondary education meets the needs of a competitive economy	6.11	6.10	36	2022
4.5.15 · University education University education meets the needs of a competitive economy	4.38	6.40	59	2022
4.5.16 · Management education Management education meets the needs of the business community	4.18	6.34	60	2022
4.5.17 · University education index Country score calculated from Times Higher Education university ranking	18.20	14.07	15	2021
4.5.18 · Illiteracy Adult (over 15 years) illiteracy rate as a percentage of population	1.0	2.4	1	2020
4.5.19 · Language skills Language skills are meeting the needs of enterprises	3.11	6.41	62	2022

## About the International Institute for Management Development (IMD)

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