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Supporting Your Global Challenges



Survey Report on Overseas Business Operations by Japanese Manufacturing Companies

Results of the JBIC FY2020 Survey



We would like to express our deep gratitude to all the companies who cooperated in this survey as COVID-19 has a great impact on the socio-economic situation. We hope that the results of this survey will serve as a reference for future business activities.

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1. Survey Overview



1. Objective and Targets

This survey aimed to research and analyze the current status and future prospects for the overseas business development of the Japanese companies. The companies targeted in this survey are Japanese companies which have three or more overseas affiliates (including at least one production base).

2. Number of Surveyed Companies and Methods

(1) Number of surveyed companies: 954

(2) Methods: Questionnaires were sent via post and emails.

During the survey period, telephone interviews were also performed.

3. Responses

(1) Number of respondents: 530 companies (168 by post, 362 online)

(2) Response rate: 55.6%

4. Survey Period

August 21, 2020 (surveys sent) to September 30, 2020 (deadline)

(*Responses received by November 12 are counted as valid)

5. Survey Items

(1) Survey Overview

(2) Overseas Business Performance

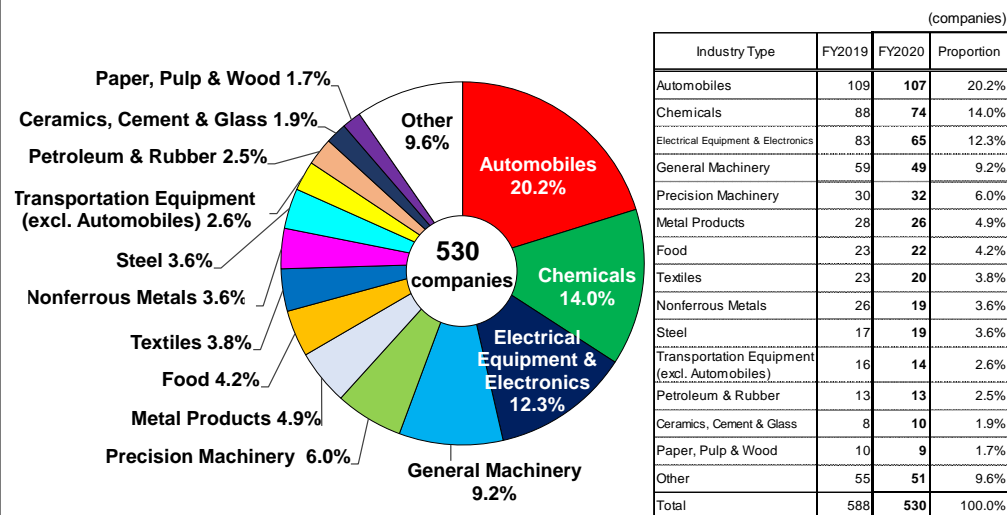
(3) Business Prospects and Promising Countries/Regions

(4) Impact of COVID-19 on Supply Chain *

(5) Prospects for SDGs *

(Items with asterisks (*) indicate this year's independent topics)

Chart 1-1. Number of Responding Companies (Industry)



Note: In this survey, automobiles, electrical equipment & electronics, chemicals, and general machinery industries are collectively referred to as "4 major industries". "Chemicals" combines "chemicals (including plastics)" and "pharmaceuticals." The respective totals for "automobiles," "electrical equipment & electronics," "general machinery," and "precision machinery" combine "assembled" and "parts."

Chart 1-2. Number of Responding Companies (Capital, Non-Consolidated)

Paid-in Capital	FY2019	FY2020	Proportion
Less than ¥300 mn.	127	119	22.5%
¥300 mn. up to ¥1 bn.	79	81	15.3%
¥1 bn. up to ¥5 bn.	127	107	20.2%
¥5 bn. up to ¥10 bn.	66	60	11.3%
¥10 bn. or more	168	142	26.8%
Holding company	21	21	4.0%
No response	0	0	0.0%
Total	588	530	100.0%

Note: In this survey, small and medium-sized enterprises(SMEs) are defined as a company with a capital of less than 1 billion yen.

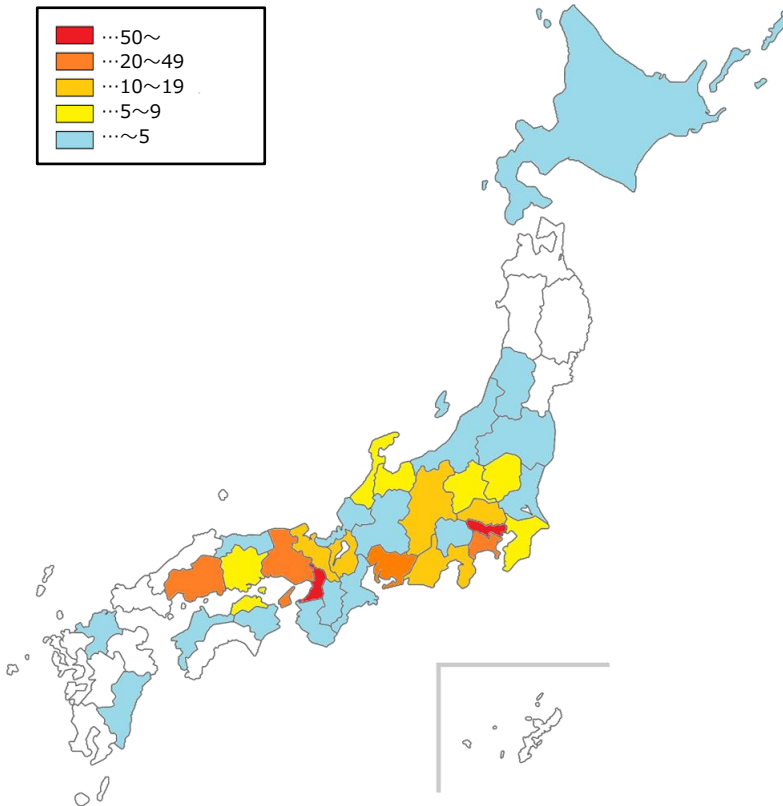
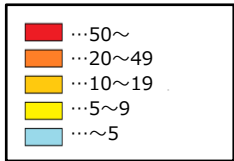
Chart 1-3. Profile of Responding Companies

Headquarters Location

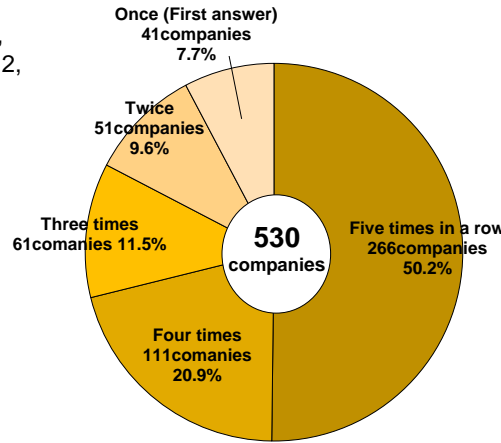
(# companies: 530)

Tokyo180, Osaka69, Aichi48, Kanagawa29, Hyogo26, Hiroshima22, Kyoto16, Saitama16, Nagano16, Shizuoka13, Shiga11, Okayama 8, Tochigi 8, Toyama 8, Chiba 7, Ishikawa 6, Kagawa 6, Gunma 6, Gifu 4, Fukui 4, Mie 4, Ehime 3, Fukuoka 3, Yamagata 3, Ibaraki 2, Tokushima 2, Niigata 2, Yamanashi 2, Tottori 1, Nara 1, Fukushima 1, Hokkaido 1, Miyazaki 1, Wakayama 1

Note: Plot of the headquarters address of the responding companies



Number of Times (last 5 years)



Listed/Unlisted (this year)

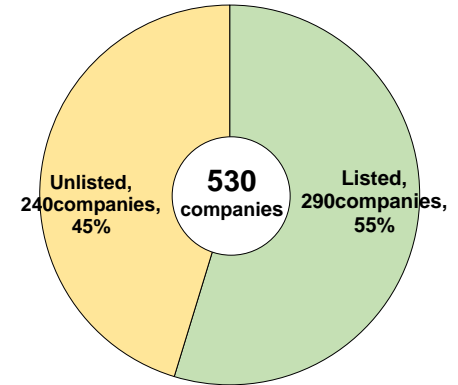
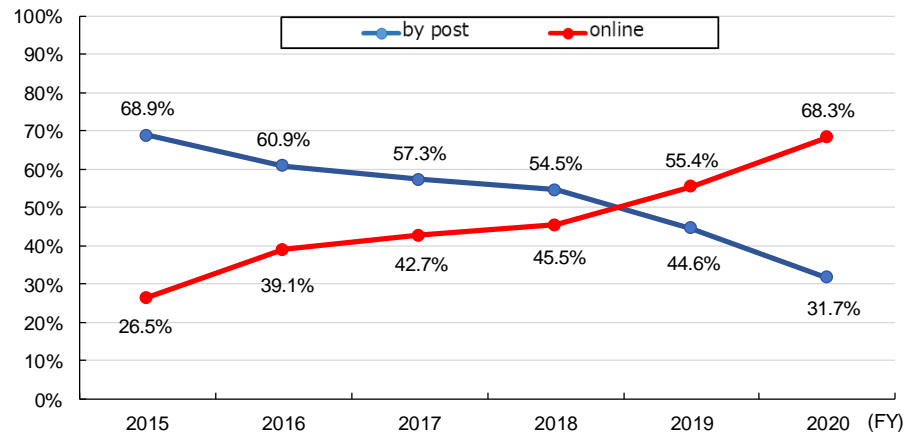


Chart 1-4. Change in Methods



Source : This map was prepared by JBIC based on "CraftMAP."

1. Overseas business slows down sharply and the recovery from COVID-19 impact is expected in 2023

This year's survey was conducted under the influence of the COVID-19 in addition to the US-China conflict. It seems that the supply chain was disrupted in Japan and overseas simultaneously due to the lockdown implemented in each country, and its impact was beyond short-term inventory adjustment. According to this survey, overseas production ratio has dropped sharply from 36.8% to 33.9%, which is almost same as 10 years' back, and the recovery is expected in 2023 at this moment. Against this backdrop, manufacture's willingness to strengthen and expand overseas business in near future dropped dramatically from 71.4% to 59.3%, the lowest level since the survey started.

2. China returned to the top of the promising countries ranking and new countries of interest have been emerged

Regarding promising prospects for business operations over the next three years, China overtook India and returned to the top position again. It seems that COVID-19 divided the light and dark, that is, China was quick to resume economic activity while suppressing the spread of infection, while in India the economic slowdown was worsening due to a long-term lockdown, which reversed the lead. In the ASEAN region, Vietnam was particularly promising as it was last year. In addition, it is noteworthy that the previously inconspicuous countries such as Bangladesh attracted attention was also a feature of this year's ranking.

3. Supply chain reinforcement is underway, "local production for local consumption" is the keyword for after COVID-19

According to this survey, the impact of COVID-19 on the supply chain was the greatest from April to May in 2020, and it is now being resolved. As for the regional breakdown, China and ASEAN seemed to be more affected than Japan and the US, reaffirming the importance of the production network in this region for Japanese manufacturers. Each company intends to continue investing to strengthen its supply chain in preparation for the next pandemic, but few respondent are thinking reshoring to Japan, therefore supply chain reinforcement will be conducted with maintaining its overseas activities. Among them, a certain number of companies answered that they have decoupled the supply chains between the US and China, and some have the intention to do so. In this regard, in the so-called "after Covid-19 (or after Trump)" world, it is suggested that the reorganization of supply chain to "local production for local consumption" type production network is being recognized as one of the promising solutions.

4. Almost half of the companies are challenging to accommodate SDGs under the growing social awareness

Regarding the relationship between the SDGs and the manufacturing industry, this survey found that almost half of the companies are working on the SDGs in some way, such as business strategy and CSR. Many companies have chosen "increasing interest from consumer, buyer and industry", "self motivated" and "RM with investor" as their motives, which implies growing awareness of stakeholders of all industrial sectors. This survey also implies this awareness is trickling down to the supply chain activities of SMEs. Lastly, a certain number of companies who acknowledge themselves as "no introduction" of SDGs selected some of the "current" activities relating to the SDGs goals simultaneously, which implies the Japanese manufacturers' potential approach toward SDGs materiality.

5. Companies are trying to overcome this situation with adopting new framework

In our process of conducting this survey, there were quite a few voices recognizing that the Covid-19 and the US presidential election as a game changer. Although the situation is very volatile and it is difficult to draw a picture of the mid-term business, some are looking for a shift and optimization to a "local production for local consumption" production network to adapt this new business environment and some are putting more resources on their network digitalization. Other than these, we found that the efforts to rediscover corporate value using a new framework of SDGs have begun.

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2. Overseas Business Performance



Chart 2-1. Number of Overseas Affiliates (Increases and Decreases in FY2019)

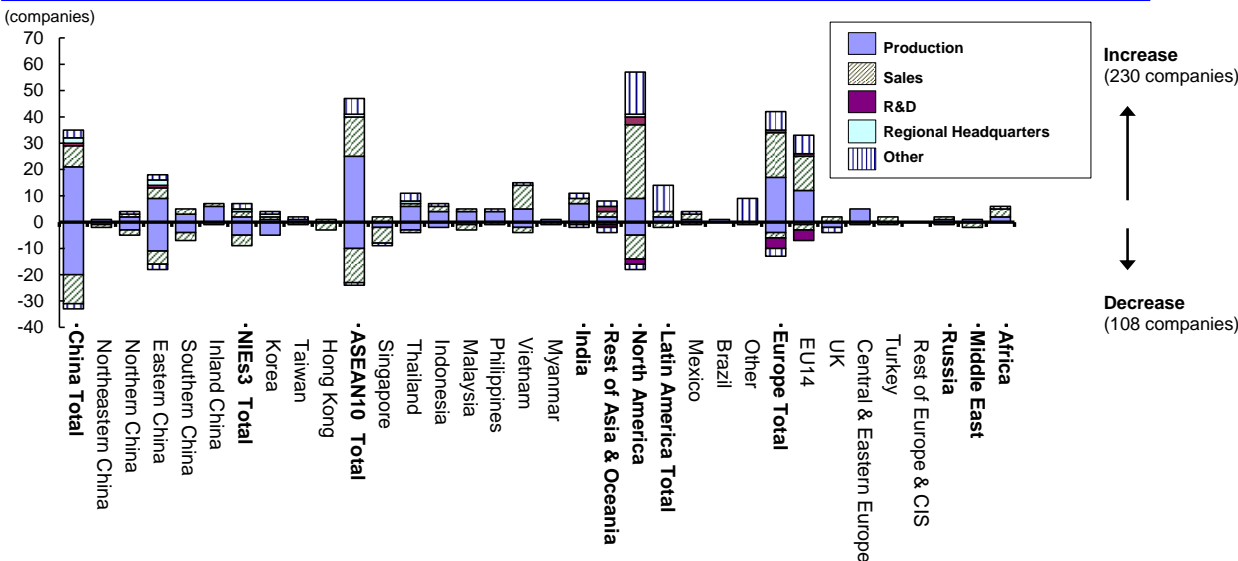


Chart 2-2. Distribution of Overseas Affiliates

(1) One or more overseas affiliates for production

	Country/Area	No. of respondents (company)	Proportion
1	China	385	73.2%
2	Thailand	253	48.1%
3	North America	215	40.9%
4	Indonesia	174	33.1%
5	India	127	24.1%
6	Vietnam	122	23.2%
7	Mexico	105	20.0%
8	Taiwan	103	19.6%
9	EU14	96	18.3%
10	Malaysia	94	17.9%
11	Korea	91	17.3%
12	Philippines	79	15.0%
13	Brazil	53	10.1%
14	Central & Eastern Europe	47	8.9%
15	Singapore	44	8.4%

(2) One or more overseas affiliates for sales

	Country/Area	No. of respondents (company)	Proportion
1	China	296	56.3%
2	North America	256	48.7%
3	Thailand	184	35.0%
4	EU14	159	30.2%
5	Singapore	148	28.1%
6	Taiwan	141	26.8%
7	Hong Kong	129	24.5%
8	Korea	116	22.1%
9	Indonesia	106	20.2%
	India	106	20.2%
11	Vietnam	104	19.8%
12	Malaysia	81	15.4%
	UK	81	15.4%
14	Mexico	78	14.8%
15	Brazil	62	11.8%

<Regional Definitions in this Survey>

NIEs 3 (Korea, Taiwan, Hong Kong)
ASEAN 5 (Singapore, Thailand, Indonesia, Malaysia, Philippines)
ASEAN 10 (ASEAN 5 + Vietnam, Myanmar, Cambodia, Laos, and Brunei)
North America (US, Canada)
EU 14 (Germany, France, Italy, Netherlands, Belgium, Greece, Luxembourg, Denmark, Spain, Portugal, Austria, Finland, Sweden, Ireland)
Central and Eastern Europe (Poland, Hungary, Czech Republic, Slovakia, Bulgaria, Romania, Slovenia, Albania, Croatia, Serbia, Montenegro, Bosnia-Herzegovina, Republic of North Macedonia)

<Classifications of Chinese Regions in this Survey>

North-East (Heilongjiang, Jilin, Liaoning)
North (Beijing, Tianjin, Hebei, Shandong)
Eastern (Shanghai, Jiangsu, Anhui, Zhejiang)
Southern (Fujian, Guangdong, Hainan)
Interior (Provinces other than the above, autonomous regions)
 ※Taiwan and Hong Kong are counted as NIEs3.

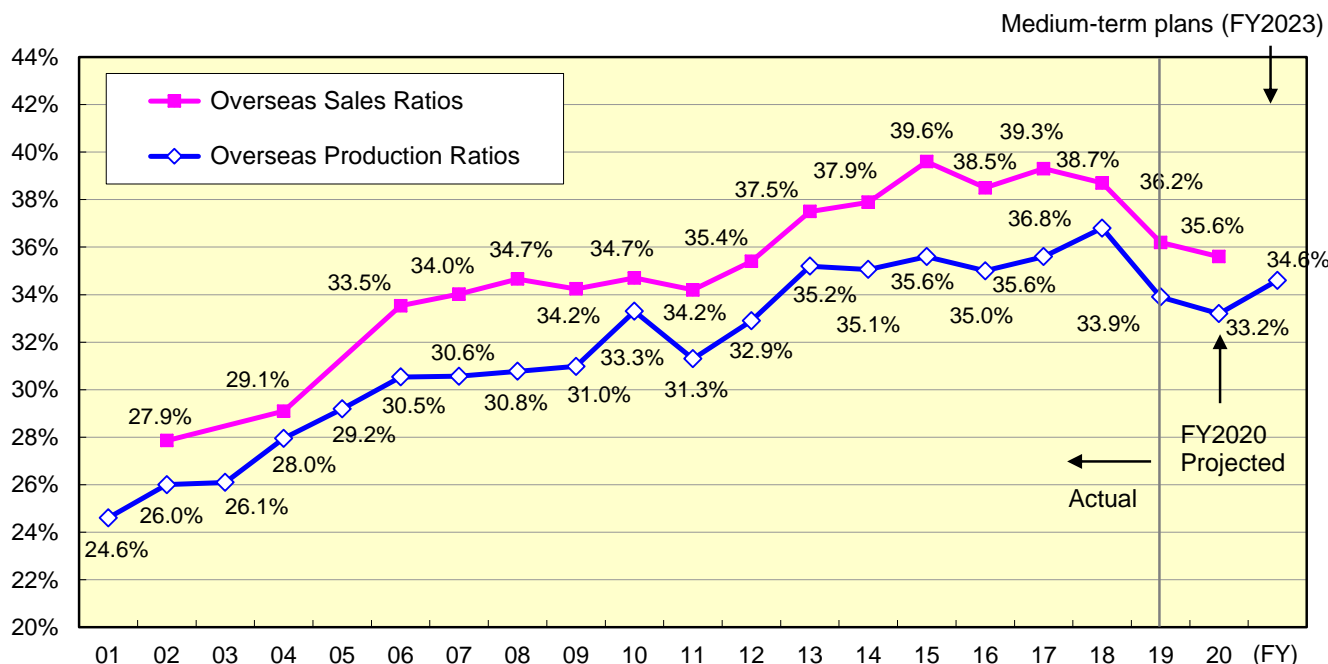
■ The number of overseas affiliates in FY2019 continues to increase. In addition to China and ASEAN, production bases increased in North America, EU, India, Central and Eastern Europe, etc.

- The total increase in the number of overseas affiliates in FY2019 was 230 (production 89, sales 80, R&D 7, regional headquarters 5, other 49) and the total decrease was 108 (production 45, sales 45, R&D 7, regional headquarters 0, other 11). Overall in FY2019, the number of overseas affiliates continues to increase.
- Looking at the results by region, the turnover of companies is active in China. When it comes to ASEAN10, production bases have seen a net increase in each country including Vietnam. Likewise, the increase in production bases is also noticeable in EU, India and Central and Eastern Europe. Sample opinions regarding the future outlook include; "We are considering the transfer of ASEAN regional headquarters from Thailand to Vietnam in anticipation of future demand increase" (electrical equipment & electronics).
- In North America, sales and other bases increased significantly, which were both due to the acquisition of local companies by some companies.

2 (1) Basic Data: Overseas Production/Sales Ratios

Chart 2-3. Trends in Overseas Production/Sales Ratios (FY2001 onwards, all industries)

Reference: Contribution to the decline in overseas production ratio (FY2018-2019 / by industry)



Industry Type	Contribution to the decline
General Machinery	-0.7
Chemicals	-0.6
Automobiles	-0.6
Food	-0.5
Metal products	-0.5
Other	-0.4
Electrical Equipment & Electronics	-0.2
Steel	-0.2
Ceramics, Cement & Glass	-0.1
Paper, Pulp & Wood	0.0
Textiles	0.1
Nonferrous Metals	0.1
Precision Machinery	0.1
Petroleum & Rubber	0.2
Transportation Equipment	0.3
Total	-2.9

Note 1: Calculation methods of various indicators (all consolidated basis)

- Overseas Production Ratio = Overseas Production / (Domestic Production + Overseas Production)
- Overseas Sales Ratio = Overseas Sales / (Domestic Sales + Overseas Sales)

Note 2: Each of the ratios in the graph is a simple average based upon the values reported by responding companies.

Note 3: Surveys were not performed of overseas sales ratios in 2003 and 2005.

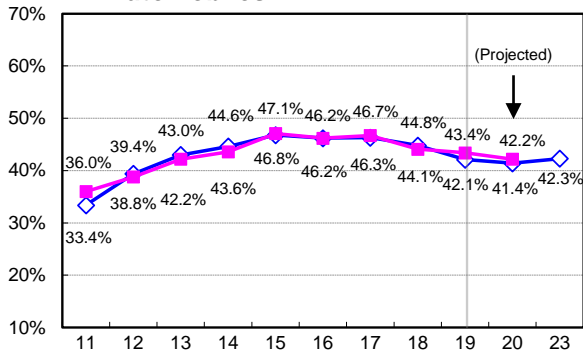
Note: Calculated by weighting the rate of decline from last year based on the number of companies responding to this year's survey.

Overseas production/sales ratios in FY2019 declined significantly, recovery is expected around 2023.

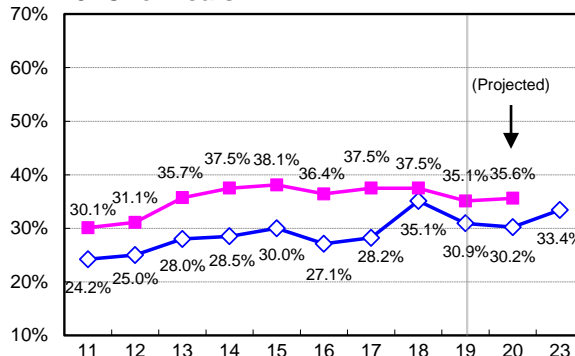
- Overseas production ratio for FY2019 was 33.9% and the overseas sales was 36.2%, recording the largest drop ever. Although the level of overseas sales ratio until the previous year was close to 40%, sales and production were significantly affected by the spread of COVID-19 toward the end of the fiscal year. Therefore, the overseas sales and production ratios, which had been on an upward trend until the previous year, have returned to the level of 10 years ago. In the future, the overseas production ratio is expected to reach 34.6% in 2023. Although this does not reach the pre-COVID-19 level, a gradual recovery is expected.

Chart 2-4. Trends in Each Index by Industry (FY2010 onwards)

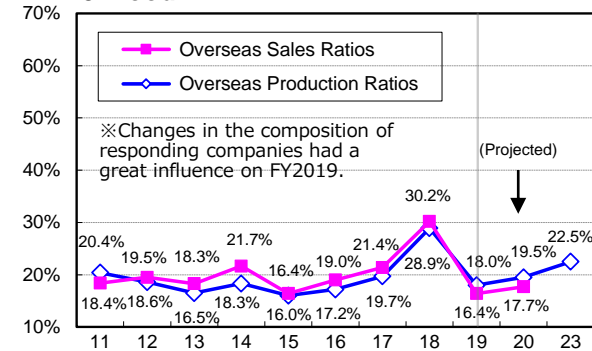
1. Automobiles



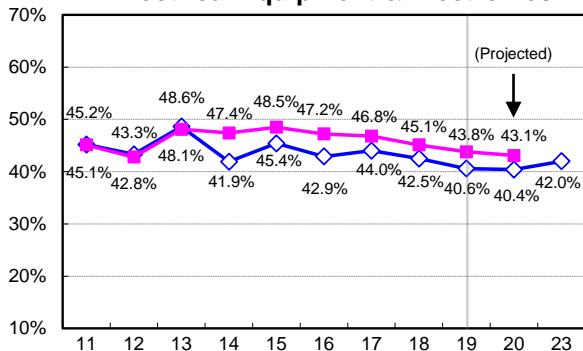
3. Chemicals



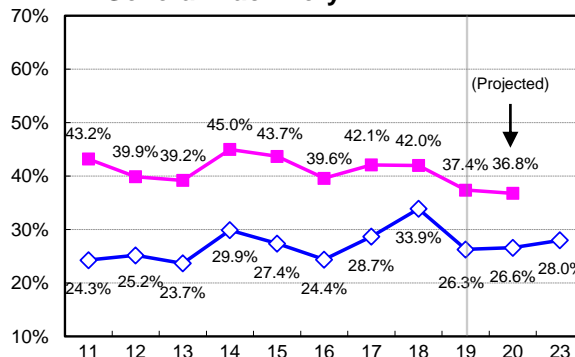
5. Food



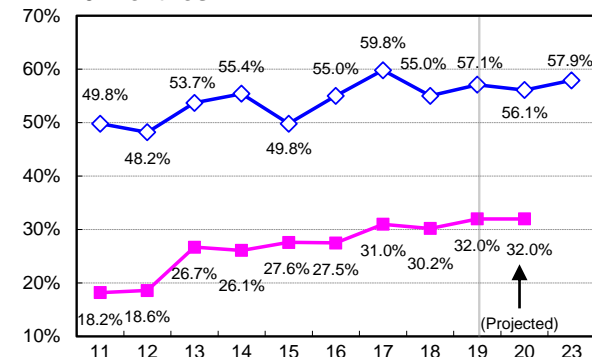
2. Electrical Equipment & Electronics



4. General Machinery



6. Textiles



Overseas production ratio fell in almost all industries.

- Overseas production/sales ratios declined in each industry. But the degree of decline varies depending on the type of industry. Overseas production ratio declined comparatively high for the following industries; electrical equipment & electronics (42.5%→40.6%), chemicals (35.1%→30.9%) and general machinery (33.9%→26.3%), while the decline in automobiles was less (44.1%→42.1%).
- According to an analysis of “the contribution to the decline in overseas production ratio” (see the previous page), of the 2.9 points that fell, the influence of major industries such as general machinery, chemicals, and automobiles was large (0.6 to 0.7 points), and electrical equipment & electronics (0.2 points) remained relatively small. In the interview, some pointed out that “In China during the Chinese New Year, a certain amount of inventory was added before the production was stopped due to the pandemic, so the impact was limited.” However, the fact that Wuhan, which is a center of automobile and related industries, was affected at an early stage seems to be the background of these affected industries.

Question

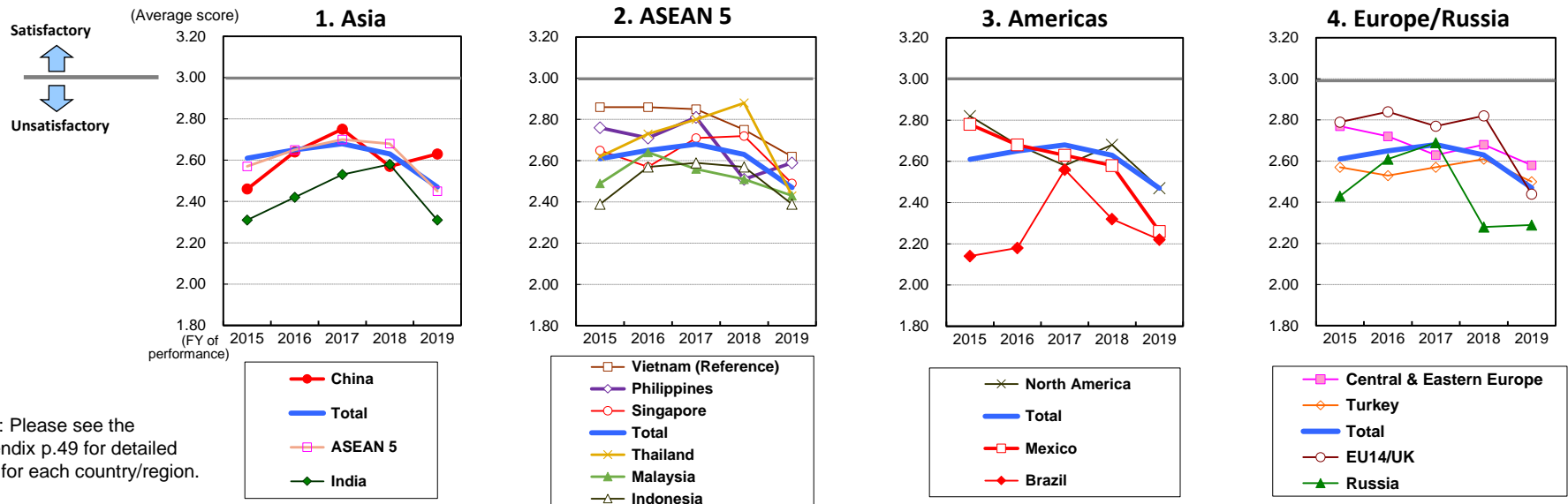
Which of the following applies to your company's FY2019 net sales and profits when compared with initial targets? (by countries/regions) 1. Unsatisfactory, 2. Somewhat unsatisfactory, 3. Can't say either way (almost the same as initially planned), 4. Somewhat satisfactory, 5. Satisfactory

Chart 2-5. Satisfaction with Net Sales/Profits (Total Average)

(FY of performance)	FY2015	FY2016	FY2017	FY2018	FY2019
Net Sales	2.56 (▲0.10)	2.67 (+0.11)	2.75 (+0.08)	2.70 (▲0.05)	2.50 (▲0.20)
Profits	2.61 (▲0.01)	2.65 (+0.04)	2.68 (+0.03)	2.63 (▲0.05)	2.47 (▲0.16)

Note 1: These figures are simple averages of assessments by country and region.
 Note 2: Numbers in parentheses indicate the increase/decrease over the previous year's assessments.

Chart 2-6. Satisfaction with Profits (by Region)



■ Satisfaction dropped significantly due to COVID-19

- Satisfaction with business performance in FY2019 fell to 2.50 in net sales and 2.47 in profits, far below expectations. However, in the interviews, many companies said that they added the impression of COVID-19 to their evaluations. It seems that not only the results in FY2019 but also the impact of COVID-19 at the end of the year affected their evaluation.

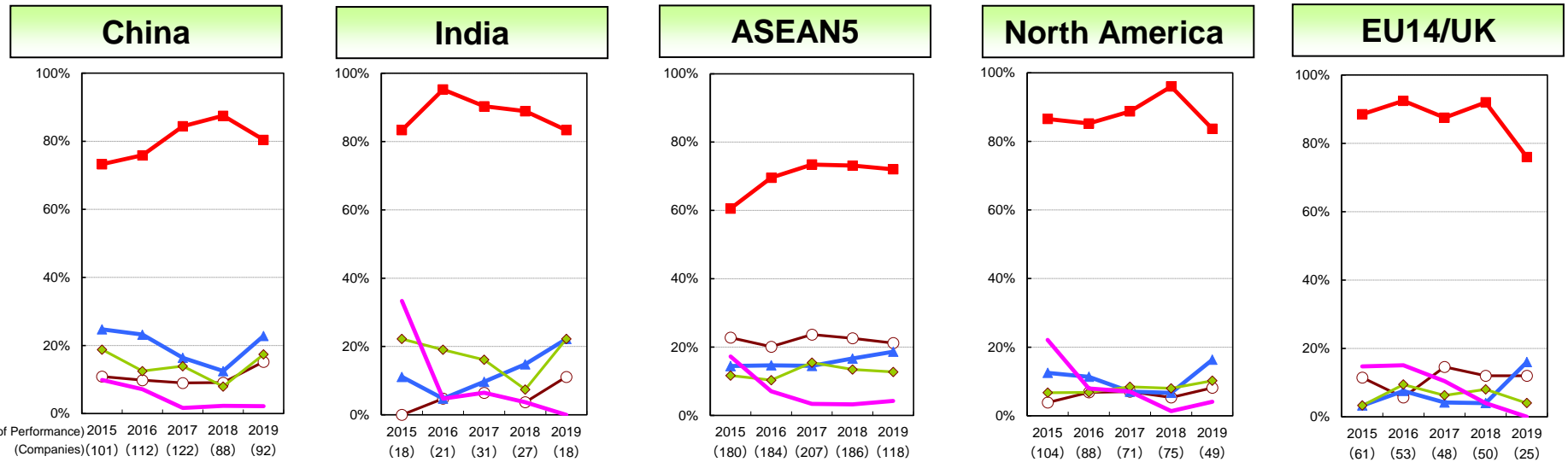
■ China is performing well amid overall stall

- As for the profit satisfaction by region, many countries have declined from the previous year. In particular, the declines in India (2.58→2.31) and Thailand (2.88→2.43) are conspicuous, but there were some opinions pointing out the economic slowdown as a proceeding problem before COVID-19. On the other hand, China has recovered slightly. It was said that "It feels good with the financial support of the Chinese government in addition to the breaking out of COVID-19." (general machinery).
- In Mexico (2.58→2.26), the evaluation was significantly dropped mainly in the automobile industry due to the economic slowdown. Moreover, the performance of the EU14/UK (2.82→2.44), which was expected to recover, was also sluggish.

Note: Please see the appendix p.49 for detailed data for each country/region.

2 (2) Performance Evaluations: Reasons for Satisfactory Profitability by Major Countries/Regions

Chart 2-7. Reasons for Satisfactory Profitability



Note: Companies that answered "4. Somewhat satisfactory" or "5. Satisfactory" were asked for the reasons on a region/country bases. The percentages represent the ratios of each choice to the total number of responses (shown in parentheses under the fiscal year of performance) for reasons given for the relevant region/country. Multiple answers allowed.

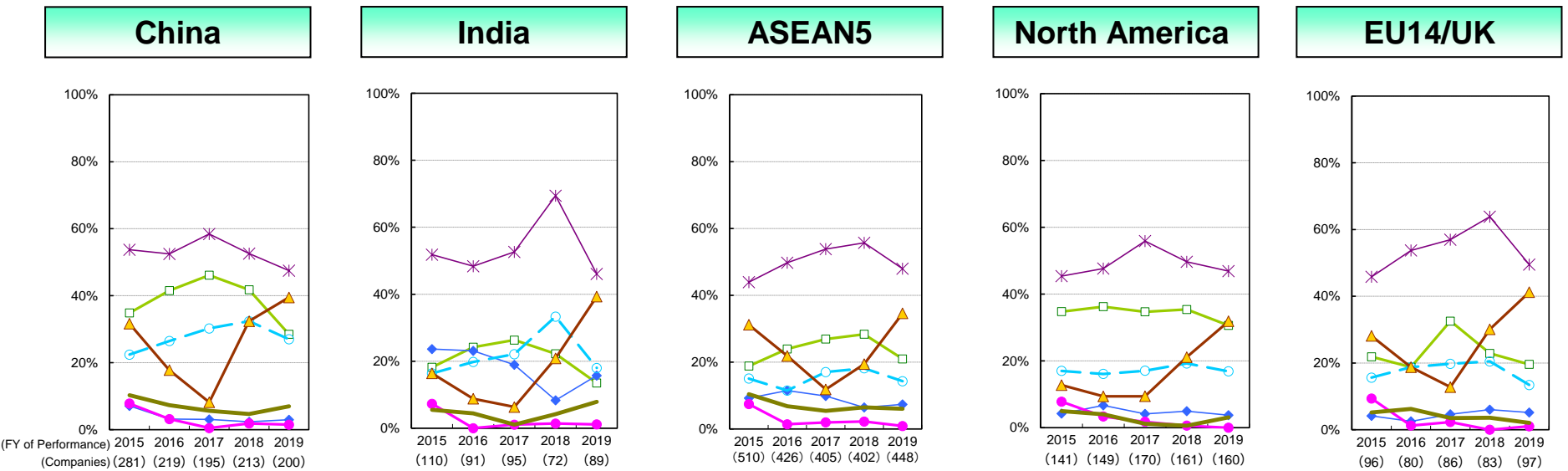
- 1. Good performance of sales in the country/region
- 2. Good performance of exports in the country/region
- ▲ 3. Successful cost cuts (personnel, materials, etc.)
- ◆ 4. Manufacturing facilities brought fully on line
- ◆ 5. Foreign exchange gains (including effects of Yen rates in consolidated accounting)

Strong companies were supported by steady costs reductions and full-scale operation of manufacturing facilities

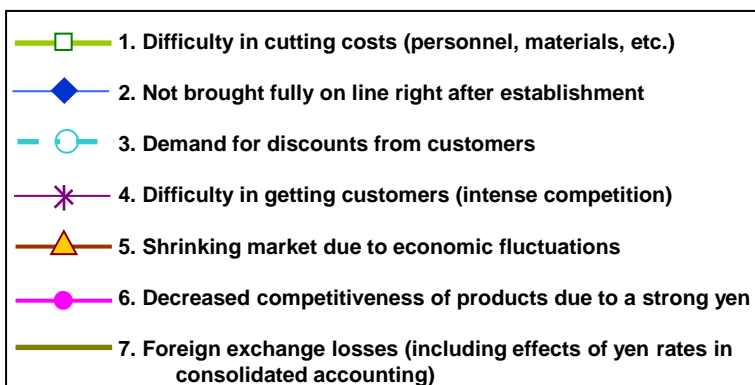
- Regarding profitability satisfaction, the results of this year's survey showed that "good performance of sales in the country/region" decreased, while the number of companies that answered "cost cuts via consolidation of manufacturing" increased. It seems that, except in China, cost reductions are covering the deterioration of the sales environment even while profitability satisfaction is generally declining. In the interviews, it was pointed out that "Last year, market conditions were good and raw material costs could be managed down. However, labor costs are still rising" (chemicals).
- At the same time, "manufacturing facilities brought fully on line" increased in China and India. In the interviews, some companies pointed out that "We are going to strengthen the existing bases to improve production capacity", "in addition to the order from other countries, there are strong inquiries from Chinese domestic market, so the Chinese business is going well" and "We are considering the introduction of factory automation". (electrical equipment & electronics, transportation equipment, etc.)
- In ASEAN5, many of the respondents answered "Exports are going well".

(2) Performance Evaluations: Reasons for Unsatisfactory Profitability by Major Countries/Regions

Chart 2-8. Trends in Reasons for Unsatisfactory Profitability



Note: Companies that answered "1. Unsatisfactory" or "2. Somewhat unsatisfactory" were asked for the reasons on a region/country bases. The percentages represent the ratios of each choice to the total number of responses (shown in parentheses under the fiscal year of performance) for reasons given for the relevant region/country. Multiple answers allowed.



■ Many countries/regions faced declining demand due to COVID-19

- Continuing on from the previous year's survey, many respondents answered "shrinking market due to economic fluctuations", increasing in India (20.8%→39.3%) and ASEAN5 (19.4%→34.6%). In the interviews, many companies pointed out that "Customers could not be secured due to the recession" (precision machinery), "There was an impact of lockdown at the end of the fiscal year" (automobile parts); it seems that the impact of COVID-19 was also the reasons. Another question revealed that the production impact was already disappearing, but the demand impact was likely to remain.

■ "Difficulty in cutting costs" declined in China and India

- The percentages of "difficulty in cutting costs", "demand for discounts from customers", and "difficulty in getting customers" were decreasing. Especially in China and India, the decline in "difficulty in cutting costs" was large, but it was pointed out that "The impact of market fluctuations was huge and it was a bigger problem than cost reduction".

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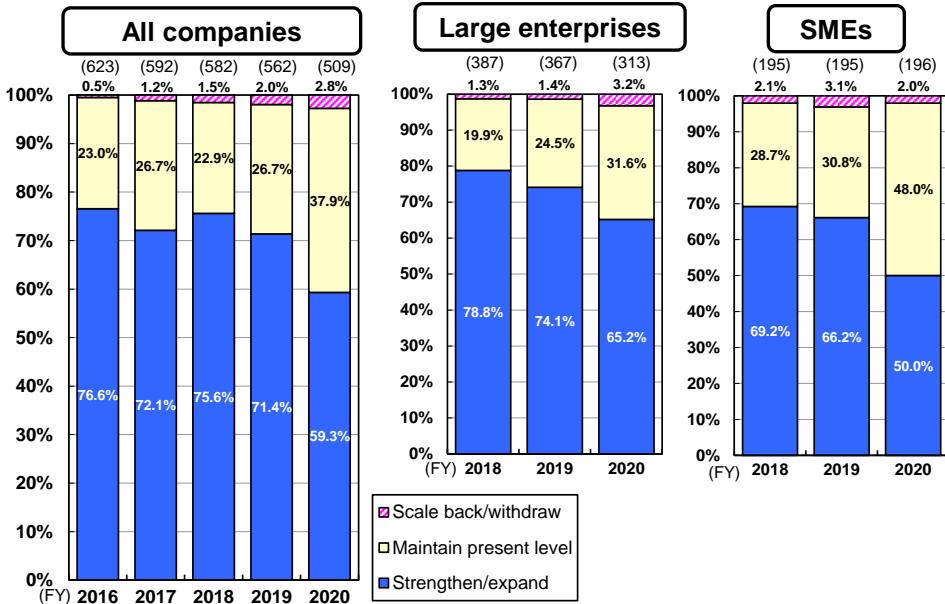
3. Business Prospects and Promising Countries/Regions



Question Responding companies were asked about their mid-term (next 3 years) prospects relating to their overall domestic and overseas businesses.

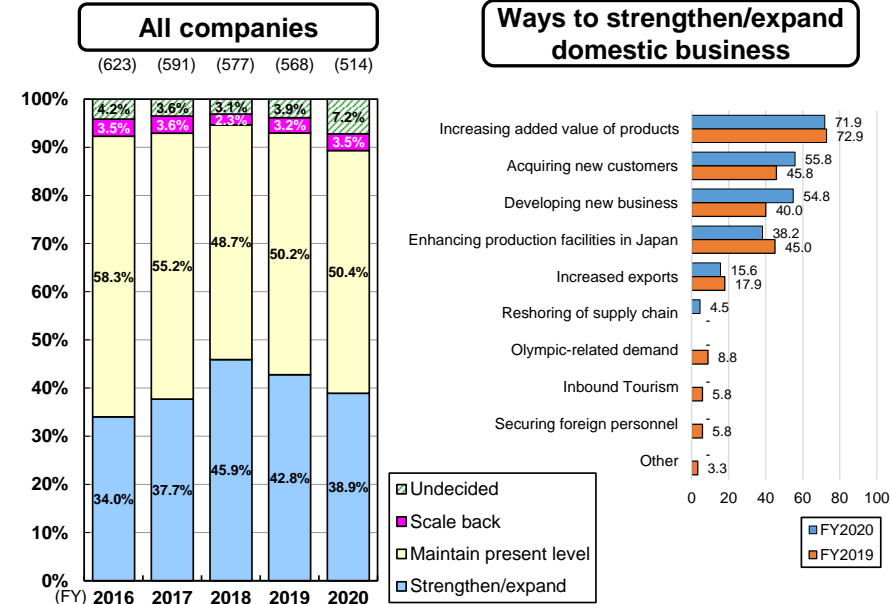
Overseas

Chart 3-1. Mid-Term (Next 3 Years) Prospects for Overseas Business Expansion



Domestic

Chart 3-2. Mid-Term (Next 3 Years) Prospects for Domestic Business Expansion



■ “Maintain present level” of overseas business has increased significantly

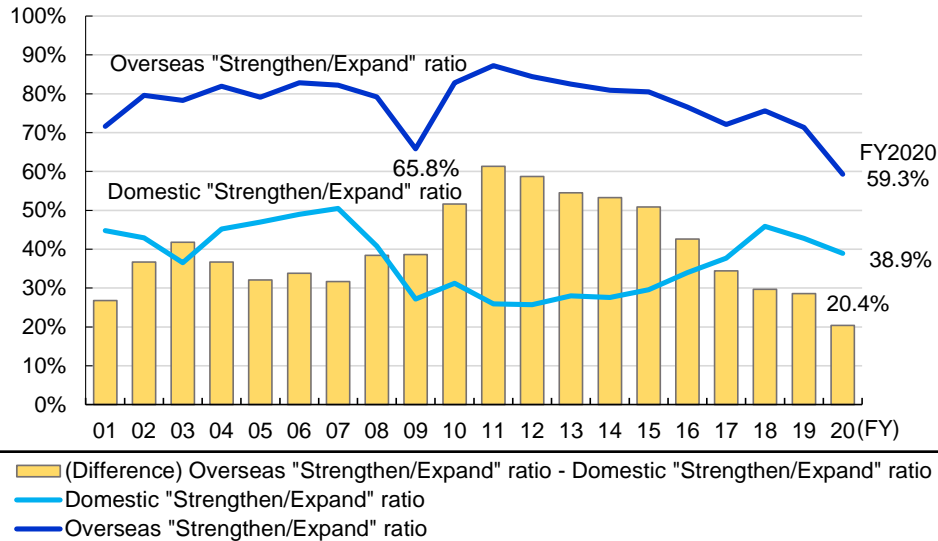
- 37.9% of companies answered that they would “maintain present level” in their overseas business. It is a significant increase of 11.2 points from the previous year. Along with this, the ratio of “strengthen/expand” dropped sharply to 59.3%. Especially for SMEs, the ratio of “maintain present level” was 48.0%. In the interview, one automobile parts company said “We will minimize overseas investment because of COVID-19”.

■ Domestic business is weakened, but “Increasing adding value of products”, “Developing new business” and “Enhancing production facilities in Japan” are still popular

- Regarding the mid-term prospects for domestic business expansion, the number of companies that answered “strengthen/expand” decreased to 38.9%, and “undecided” increased to 7.2%. “Maintain present level (50.4%)” and “scale back (3.5%)” were at the same level as last year. The popular ways to strengthen/expand are “increasing adding value of products (71.9%)”, “developing new business (54.8%)”, “enhancing production facilities in Japan (38.2%)” etc., while “reshoring supply chain” was limited to 4.5%.

(1) Future Business Expansions: Stance Regarding Strengthening/Expanding Business (Domestic/International) Cross Analyses

Chart 3-3. Shift in Intentions to Strengthen/Expand Business (FY2000 - FY2020)



■ “Strengthen/Expand” of overseas business hits the historical bottom

- The ratio of “strengthen/expand” of overseas business was 59.3%, which was lower than after the 2008 financial crisis (65.8%) and set a new record since the survey started. In addition, the gap between “strengthen/expand” ratio of overseas business and domestic business has narrowed to 20.4 points, which is the lowest ever since last year. It indicates that the proactive attitude toward overseas business is extremely weak. However, depending on the measures against COVID-19 or the economic recovery of each country, the attitude of strengthening and expanding may recover.

■ Overseas and domestic businesses coexist

- 93.7% of the companies that answered “strengthen/expand” for overseas business, also responded “strengthen/expand” or “maintain present level” for their domestic business. It seems that many companies continue to strive to coexist overseas and domestic businesses.

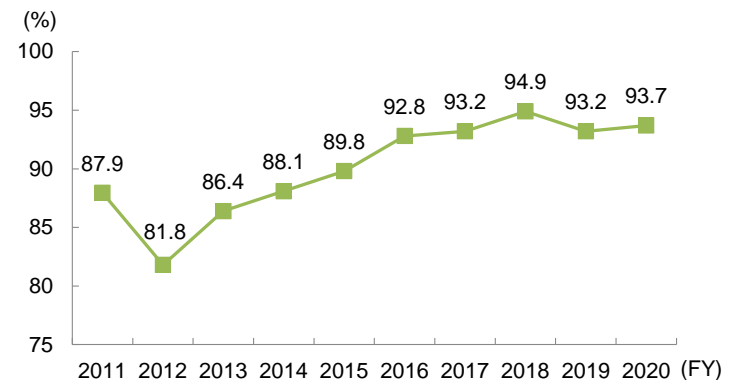
Chart 3-4. Cross Analyses of Prospects for Overseas and Domestic Business

Medium-term Prospects (next 3 yrs. or so)			
Overseas business	Domestic business	No. of respondent companies	Proportion
(302 companies)	Strengthen/expand	158	52.3%
	Maintain present level	125	41.4%
	Scale back	7	2.3%
(192 companies)	Strengthen/expand	39	20.3%
	Maintain present level	125	65.1%
	Scale back	7	3.6%
(14 companies)	Strengthen/expand	3	21.4%
	Maintain present level	8	57.1%
	Scale back	2	14.3%
	Undecided	1	7.1%

(n= 508 companies)

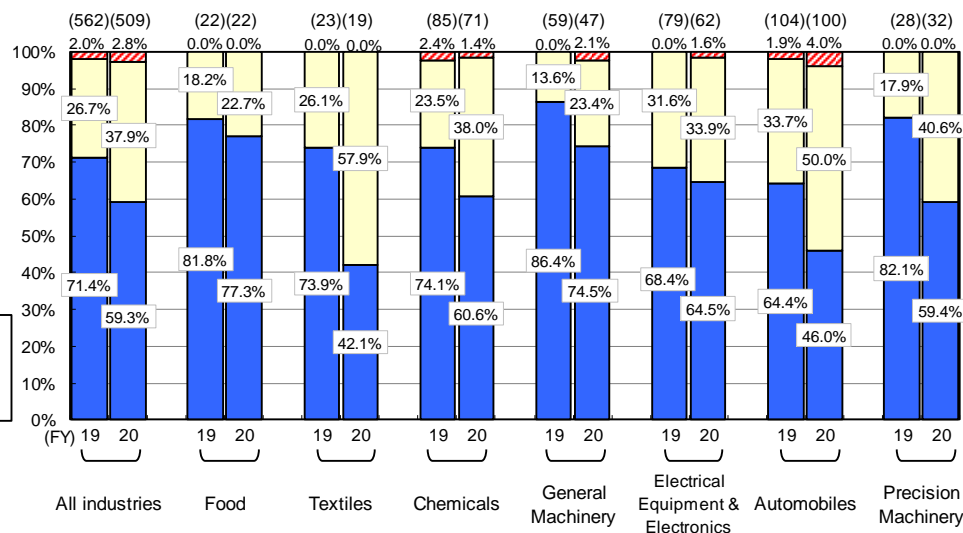
Note: Please see the appendix for detailed data per-industry.

Chart 3-5. Ratio of Companies that Responded “Strengthen/Expand” for Overseas Business, at the Same Time Responding “Strengthen/Expand” or “Maintain Present Level” for Domestic Business



(1) Future Business Expansions: Stances Toward Strengthening/Expanding Business by Industry

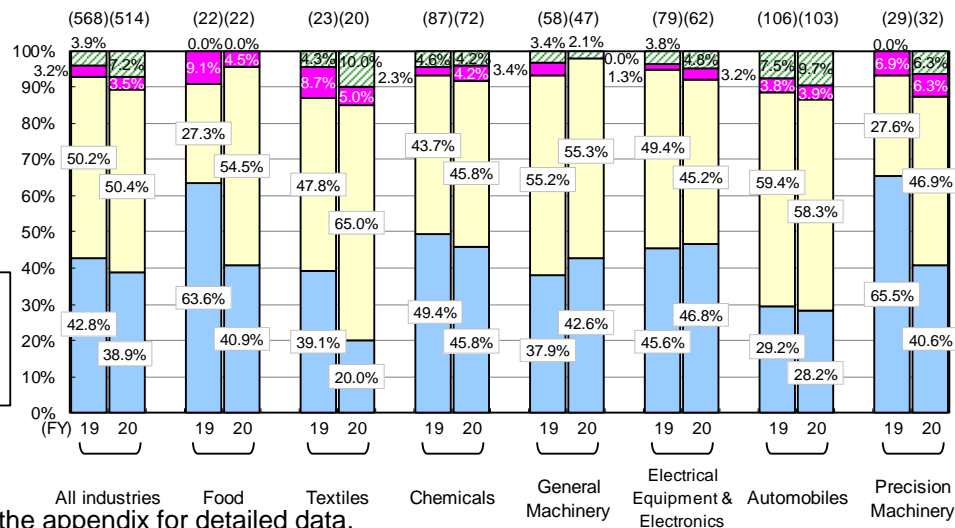
Chart 3-6. Prospects for Mid-Term Overseas Business Expansions



Trends differ depending on the industry

- This year, “maintain present level” increased and “strengthen/expand” decreased in all industries.
- As for the 4 major industries, general machinery and electrical equipment & electronics have a relatively strong stance of strengthening and expanding, and the degree of decline were small. On the other hand, the status quo attitude have increased significantly in automobiles, precision machinery, and chemicals. Especially in automobiles, it seems that “scale back/withdraw” is slightly higher than in other industries.
- One automobile company said "Orders from business partners have decreased due to COVID-19. The factory was being expanded before the pandemic, but the construction was suspended too."

Chart 3-7. Prospects for Mid-Term Domestic Business Expansion



“Maintain present level” is increasing in consumer goods industry (food and textiles) and precision machinery

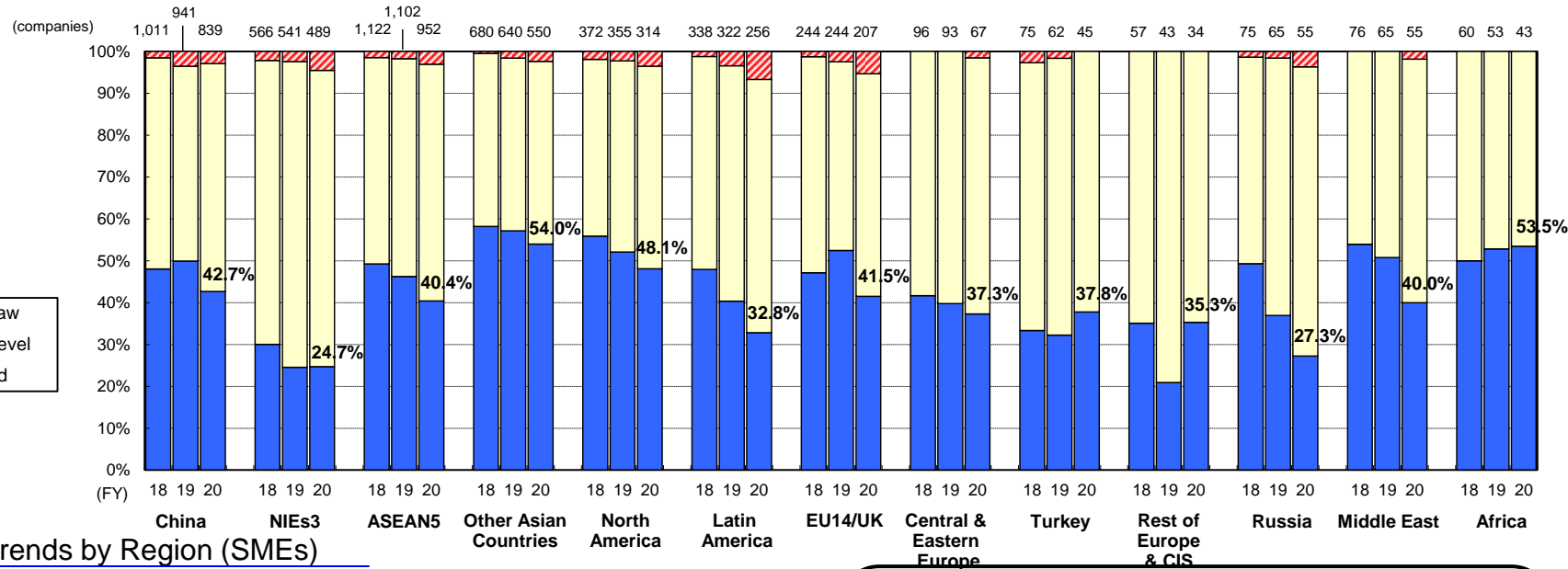
- Unlike the overseas business, there were no difference in the prospects for mid-term domestic business expansion among the 4 major industries.
- On the other hand, In the consumer goods industries such as food and textiles, the rate of maintaining increased. It is estimated that decline in demand due to COVID-19 is the main reason of this result.
- As for precision machinery, “Maintain present level” increased significantly (27.6%→46.9%). According to some interviews, "capital investment is decreasing due to the recession, and it is difficult to strengthen or expand."

Note: Please see the appendix for detailed data.

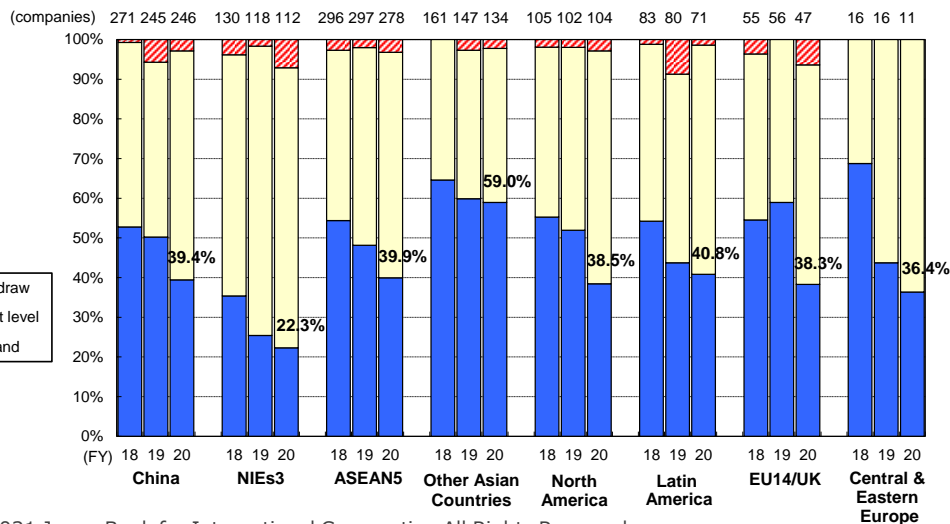
(1) Future Business Expansions: Stance Regarding Strengthening/Expanding Business, by Countries/Regions (1)

Chart 3-8. Prospects for Mid-Term Overseas Business Expansion (by Region)

Note: The numbers on the graph are the numbers of responding companies in each country/region.



Reference: Trends by Region (SMEs)



■ Differences in levels by region

- The percentage of "strengthen/expand" is decreasing in all regions, especially in Latin America, Russia, and Middle East. In these regions, "scale back/withdraw" are also conspicuous. On the other hand, the rate of decline in China, ASEAN5, other Asian countries and North America is limited and remains at a certain level.

■ SMEs are weak for China and North America

- As for SMEs, unlike the overall trend, the stance of strengthening and expanding in China and North America is weakening. Also, in EU14/UK, it has fallen sharply by 20.6% (58.9%→38.3%) from last year.
- On the other hand, Interest in other Asian countries continued to be high, which "Strengthen/Expand" attitude was 59.0%.

(1) Future Business Expansions: Stance Regarding Strengthening/Expanding Business, by Countries/Regions (2)

Chart 3-9. Prospects for Mid-Term Overseas Business Expansion (ASEAN5/Vietnam/India)

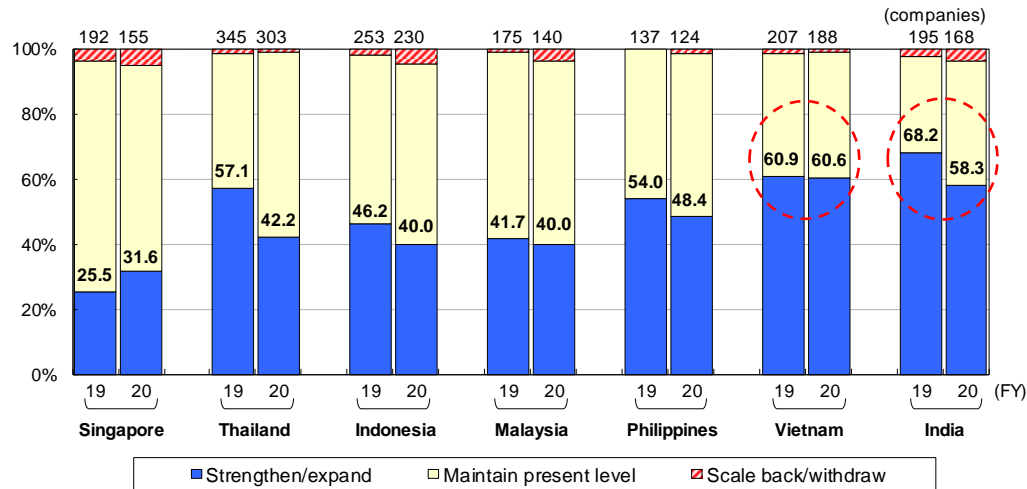
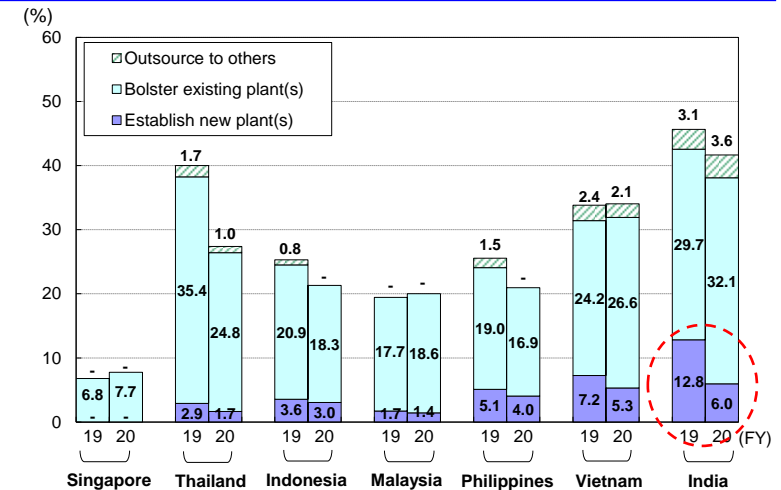


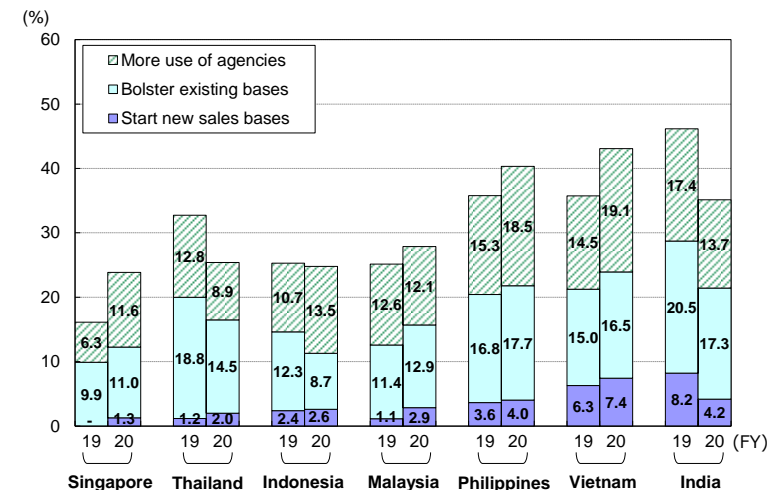
Chart 3-10. (Production) Strengthening/Expanding Ways



■ Vietnam impressed with strong domestic and foreign demand

- In Asia, the stance of strengthening and expanding has decreased in almost all countries. Especially in Thailand and India, where there are many indications of economic slowdown, the decline from the previous year was large.
- As for Vietnam, 60.6% of the respondents answered “strengthen/expand”, which was highest rate in ASEAN. By ways, bolstering existing plants was the most popular measure to strengthen the business. In Vietnam, exports are increasing, and domestic demand is also expanding due to recent economic growth. With strong domestic and foreign demand, it seems that a wide range of industries are expecting Vietnam.
- On the other hand, in India, “strengthen/expand” attitude has declined, and the number of companies aiming to establish new plants has decreased, especially in terms of production. A slump in demand was caused by the general decline in consumption due to the recession, flood damage in major states (Maharashtra and Uttar Pradesh), and difficulty in getting a car loan due to the credit instability in the financial sector. Therefore, it seems that Japanese companies’ willingness to invest is weakening.

Chart 3-11. (Sales) Strengthening/Expanding Ways



(1) Future Business Expansions: Stance Regarding Strengthening/Expanding Business by Countries/Regions (3)

Chart 3-12. Prospects for Mid-Term Overseas Business Expansion (Americas, Europe, Middle East, Africa)

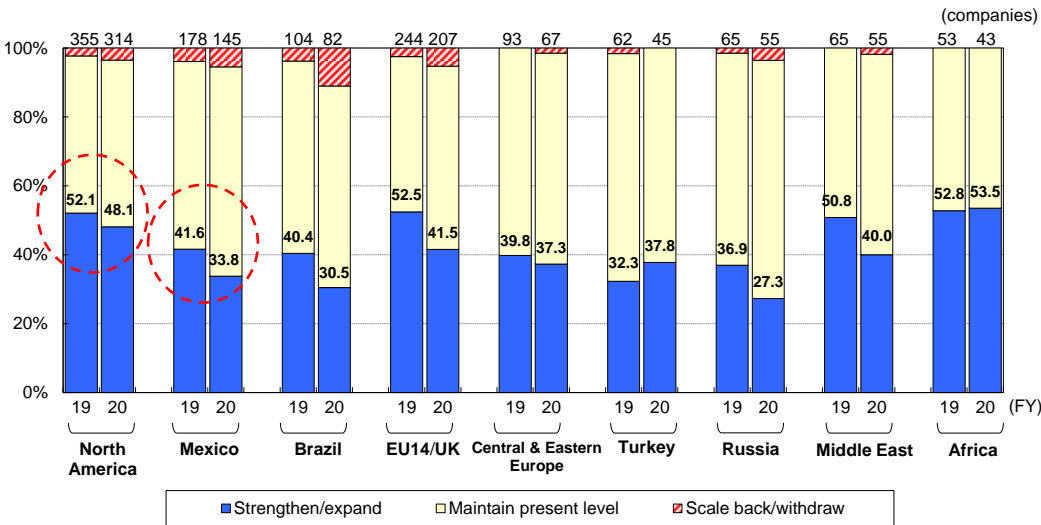


Chart 3-13. (Production) Strengthening/Expanding Ways

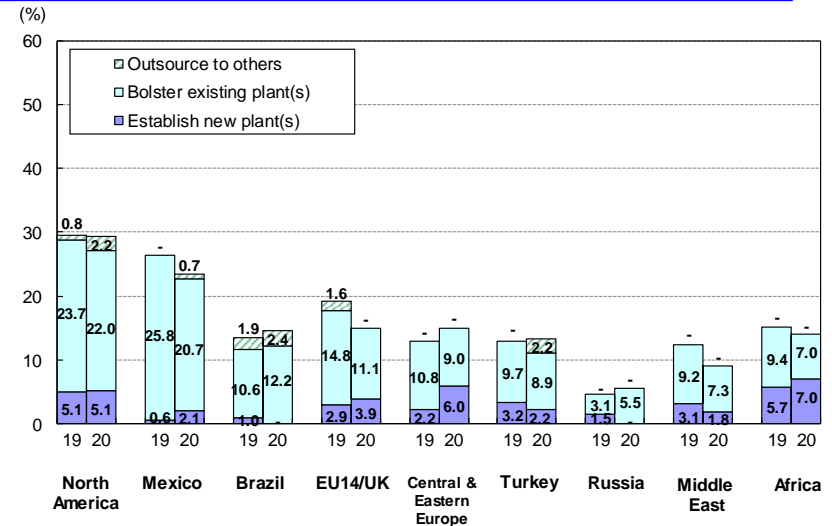
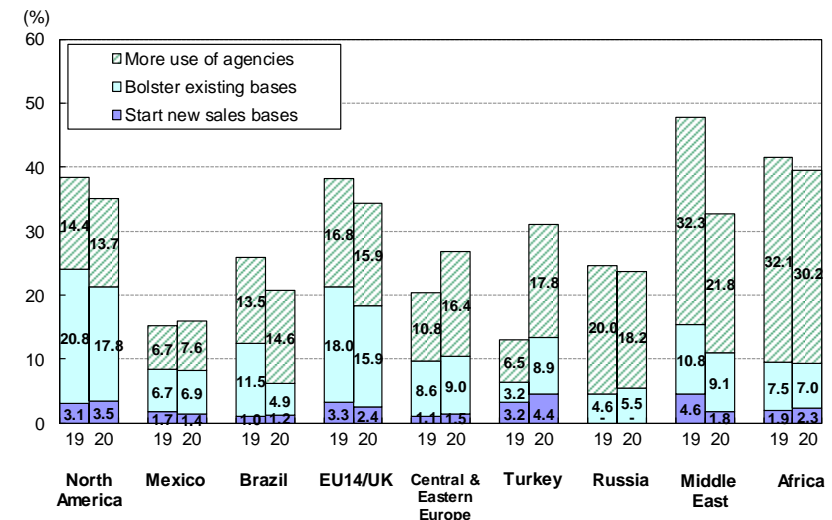


Chart 3-14. (Sales) Strengthening/Expanding Ways

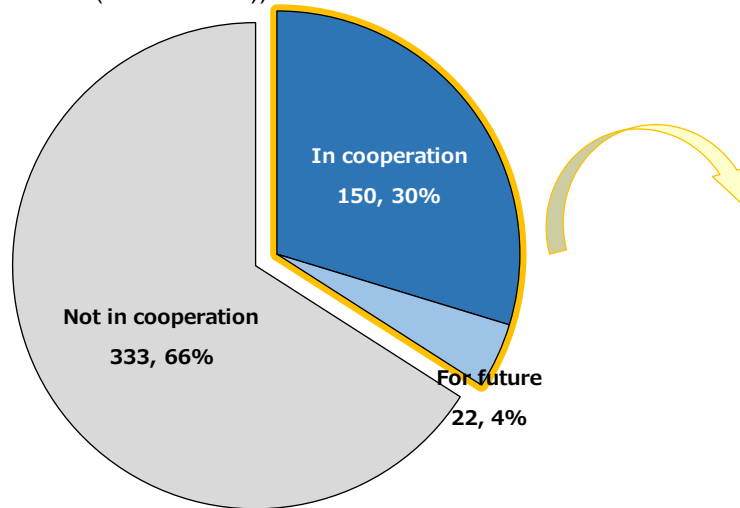


The USMCA has widened the gap between North America and Mexico

- In North America, the percentage of “strengthen/expand” decreased by 4.0% from the previous year, showing a relatively small decrease. By ways, it seems that there are solid strengthening and expansion policies in both production and sales. In addition, it is notable that “establish new plants” is increasing in Central and Eastern Europe.
- On the other hand, in Mexico, Brazil, EU14/UK and Russia, “strengthen/expand” attitude decreased. Especially in Brazil, in addition to a decrease of 10.1 points, “scale back/withdraw” also increased by 7.2 points (3.8%→11.0%).
- Mexico felt slightly, while North America was relatively strong. It seems that the USMCA has an influence on this background. One automobile company said “Because the rules of origins are strict and tariffs put pressure on profits, we will give up production in Mexico and consider transferring to the US.”

Chart 3-15. Overseas Business Under Third Party Alliance

(# companies: 505(denominator))



Note: "Overseas business under the third party alliance" is defined that there is some form of business cooperation with foreign companies, such as procuring and delivering parts, establishing a joint venture, or joint research.

Chart 3-16. Partner Company and Project Implementing Country

(# answers=182)

Country	Company			Subtotal
	Chinese company	Indian Company	Western company	
China		3	21	24
Singapore	5	2		9
Thailand	12	5		10
Indonesia	6	5		9
Malasia	2	1		4
Philippines	7	1		3
Vietnam	6	0		3
Cambodia	1	0		0
Laos	1	0		0
Myanmar	0	0		0
India	7		10	17
Africa	0	1		1
Others	11	2	34	47
Subtotal	58	20	104	

■ Japanese companies are cooperating with Chinese companies in Asia to reduce costs, and are promoting market development in China with Western companies

- When we asked companies about the overseas business under the third party alliance, 30% of the respondents answered "in cooperation". Since the answer "for future" was only 4%, it seems that there is a clear distinction between companies that choose the third party alliance and those do not.
- Looking at the details of the alliance, Western company (104 companies) was the most popular partner, followed by Chinese company (58 companies) and Indian company (20 companies). As for the countries that carry out projects in cooperation, Thailand (27 companies) was most popular, followed by China (24 companies) and Indonesia (20 companies). As for "others (47 companies)" by country, Taiwan was mentioned through the interview.
- In the matrix analysis between the partner company and the project implementing country, the Chinese company cooperates in a wide range of Asian countries, e.g. Thailand (12 companies), Philippines (7 companies), India (7 companies), Indonesia (6 companies), and the Mekong region. On the other hand, in cooperation with Western companies, China (21 companies) stands out, far exceeding Thailand and India (10 companies). In Africa, there was one company in collaboration with Indian company (petroleum and rubber) and one with Western company (chemicals).
- There were various ways of cooperation e.g. "Receiving licenses from the western company and developing the Chinese market together." (Cooperation with Western company in China, Nonferrous metals) "Producing parts in India and selling them to Chinese automobile companies" (cooperation with Chinese company in India, Automobile parts). As an overall trend, cooperation with Chinese companies is cost-oriented, and many companies cooperate to procure/purchase some parts. Cooperation with Western companies is market-oriented, producing products with licenses from Western companies and develop the market together.

(3) Promising Countries: Potential Countries/Regions in the Mid-Term - Ranking

Question Please provide us with the names of up to 5 countries that you consider to have promising prospects for business operations over the mid-term (next 3 years). (Multiple answers allowed)

Chart 3-17. Promising Countries for Overseas Business over the Mid-term (Next 3 Years)

*Percentage of votes (%) = Number of votes for country / Number of respondent companies

Ranking			Countries (Total)	No. of Companies		Percentage Share(%)	
2020	←	2019		2020	2019	2020	2019
				356	404		
1	↑	2	China	168	180	47.2	44.6
2	↓	1	India	163	193	45.8	47.8
3	—	3	Vietnam	131	147	36.8	36.4
4	—	4	Thailand	111	133	31.2	32.9
5	↑	6	US	98	93	27.5	23.0
6	↓	5	Indonesia	96	102	27.0	25.2
7	—	7	Philippines	37	48	10.4	11.9
8	↑	9	Malaysia	34	41	9.6	10.1
9	↓	8	Mexico	32	47	9.0	11.6
10	↓	9	Myanmar	25	41	7.0	10.1
11	↑	14	Germany	20	14	5.6	3.5
12	↓	11	Taiwan	18	18	5.1	4.5
13	↑	21	Bangladesh	16	7	4.5	1.7
14	↑	15	Australia	14	13	3.9	3.2
15	↓	12	Korea	12	15	3.4	3.7
16	↓	12	Singapore	11	15	3.1	3.7
16	↑	17	Brazil	11	11	3.1	2.7
18	↑	26	UK	9	4	2.5	1.0
19	↓	18	Russia	8	9	2.2	2.2
20	—	20	Turkey	7	8	2.0	2.0

Note 1: Countries with the same rank were ordered based upon their rank in the previous survey.

Note 2: See the appendix for results prior to FY2019.

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■ Correspondence to COVID-19 decided the outcome of the ranking of China and India

- India returned to the top for the first time in three years last year, but this year China has regained the lead by a narrow margin (5 votes). According to the interviews, comparison of China and India's correspondence to COVID-19 was pointed out; China resumed economic activities early in the pandemic, however India's recession is worsening due to prolonged lockdown.

■ Vietnam widens gap with Thailand, US and Indonesia are competing

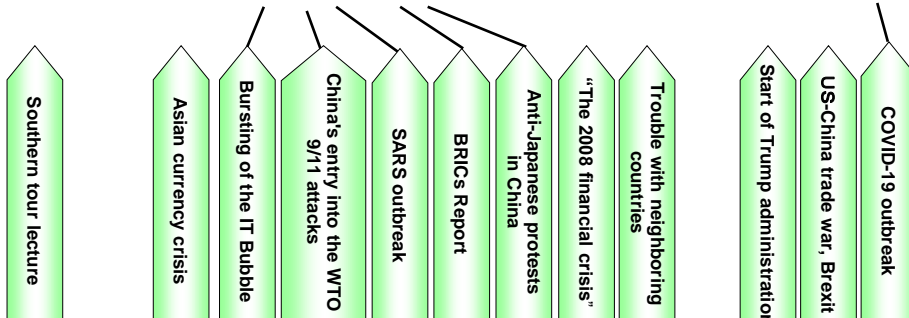
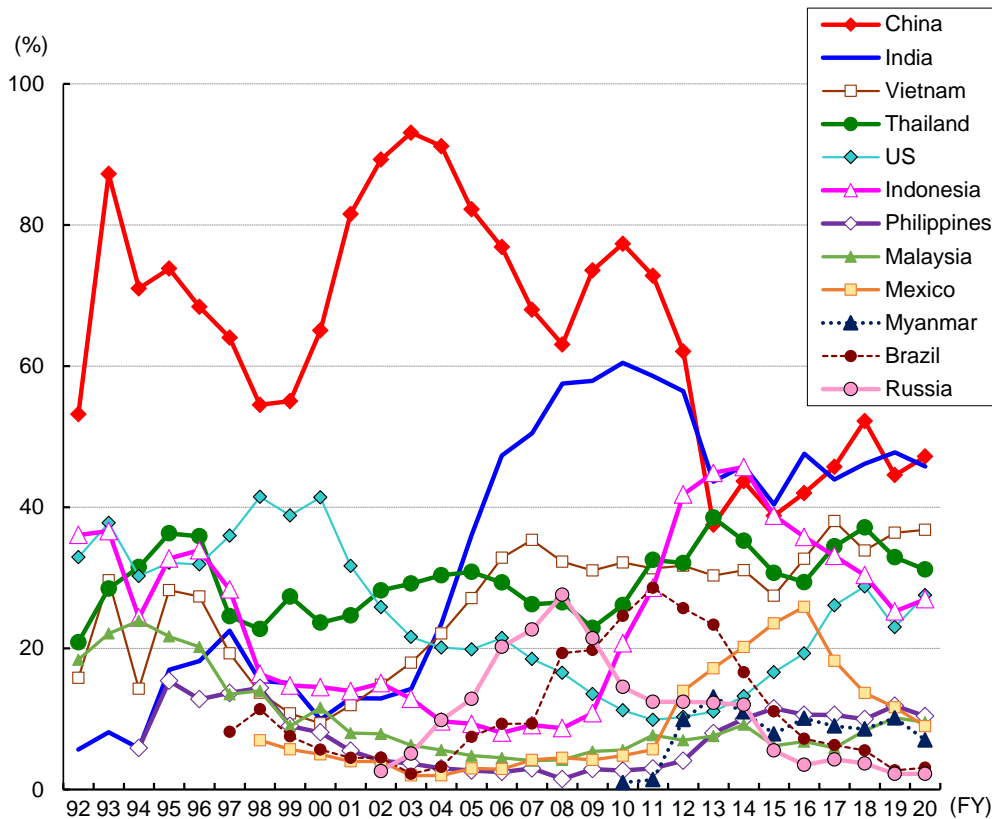
- Vietnam (No.3) maintained the vote rate and slightly widened the gap with Thailand (No.4). Vietnam has gained support from a wide range of industries, and in particular, its popularity from general machinery is rapidly increasing (cf. p26). In addition, the US and Indonesia are competing by 2 votes, 0.5 points difference in the percentage.

■ Attention is focused on Germany, Bangladesh, UAE

- Since below 10th place are few votes, the ranking is easy to change. In this year, Germany (20 votes, 14th→11th), Bangladesh (16 votes, 21st→13th), UAE (6 votes, 39th→21st) moved up significantly. Companies said that "Inquiries about Bangladesh have increased rapidly in recent years" (automobile parts)" "Recently, the business performance in the UAE and neighboring countries have improved" (petroleum and rubber).

Ranking	No. of Companies	Countries
21	6	Netherlands, UAE
23	5	Cambodia, Italy, France
26	4	Hungary, Poland
28	3	Japan, Laos, Saudi Arabia, Kenya, South Africa, Czech, Canada
35	2	New Zealand, Swiss, Spain, Chile
39	1	Sri Lanka, Pakistan, Hong Kong, Mongolia, Israel, Egypt, Portugal

Chart 3-18. Trends in Votes (1992 - 2020)



■ The ranking is becoming more bipolarized

- In this year's survey, there was a difference of 17 points in the vote rate between Indonesia (6th) and the Philippines (7th), and it became clear that bipolarization is progressing even in the top 10.
- Among the high-ranking teams, China and India with huge market, Thailand with a well-established production base, Vietnam, etc. are firmly popular. One company is "considering transferring from Thailand to Vietnam as customers expansion" (electrical equipment & electronics). On the other hand, the lower-ranking team is divided into countries that have boomed in the past, such as Russia, Mexico, and Brazil, and inconspicuous but persistently popular countries such as Philippines, Myanmar, and Malaysia.
- The future focus will be on whether the US and Indonesia will remain in the high-ranking teams, and whether any country will break out of the 7th or lower group.

■ The automobile industry has a big influence on trends

- In recent years, the number of respondents to this question has been declining. However, the popularity of China and India has remained firm. By industry, automobile is driving the percentage of the two countries (see next page).
- In contrast, Mexico, which had high expectations from the automobile industry, peaked in 2016 and has continued to decline. It seems that evaluation of each country in the automobile industry influences the ranking of promising countries.

Footnotes from page 24 onwards

Note1: "Number of responding companies" here indicates the number of companies that answered the "reasons" and "issues" among the companies that answered for the question for Figure 3-17.

Note2: "Ratio" is the number of companies that chose each choice divided by the number of companies that responded to the question itself.

(3) Promising Countries: Potential Countries/Regions in the Mid-Term - Trends in Votes (4 Major Industries)

Chart 3-19. Trends in Votes (4 Major Industries)

Note: Aggregated in countries with industry-specific data for the past 10 years.

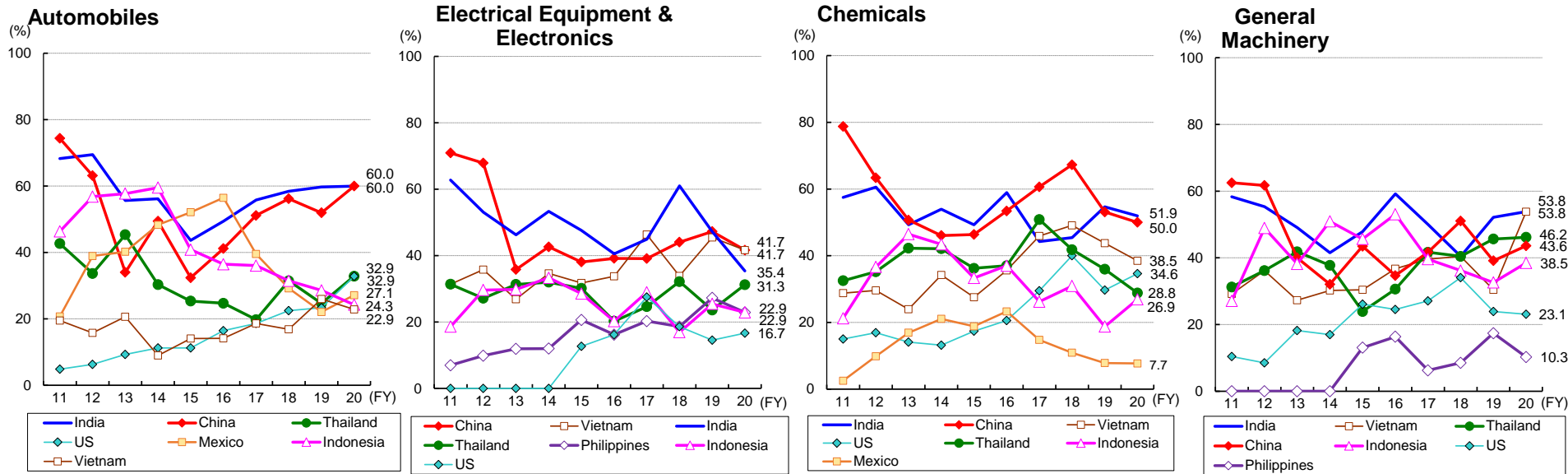


Chart 3-20. Promising Countries for Overseas Business over the Mid-term (Next 3 Years) (4 Major Industries)

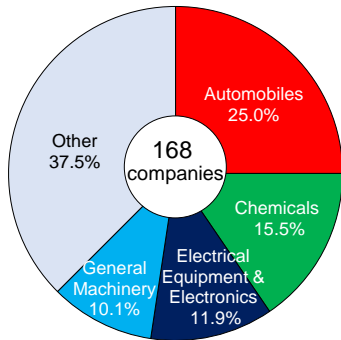
Automobiles				Electrical Equipment & Electronics				Chemicals				General Machinery			
Rank	Country	FY2020 (Total 70)	FY2019 (Total 77)	Rank	Country	FY2020 (Total 48)	FY2019 (Total 55)	Rank	Country	FY2020 (Total 52)	FY2019 (Total 64)	Rank	Country	FY2020 (Total 39)	FY2019 (Total 46)
1	India	42	46	1	China	20	26	1	India	27	35	1	India	21	24
1	China	42	40	1	Vietnam	20	25	2	China	26	34	1	Vietnam	21	14
3	Thailand	23	19	3	India	17	26	3	Vietnam	20	28	3	Thailand	18	21
3	US	23	18	4	Thailand	15	13	4	US	18	19	4	China	17	18
5	Mexico	19	17	5	Philippines	11	15	5	Thailand	15	23	5	Indonesia	15	15
6	Indonesia	17	22	5	Indonesia	11	14	6	Indonesia	14	12	6	US	9	11
7	Vietnam	16	20	7	US	8	8	7	Malaysia	6	8	7	Malaysia	6	5
8	Philippines	5	9	8	Myanmar	6	8	7	Korea	6	6	8	Philippines	4	8
8	Malaysia	5	4	9	Malaysia	3	7	7	Taiwan	6	4	8	Myanmar	4	5
10	Brazil	3	0	9	Mexico	3	6	10	Mexico	4	5	8	Taiwan	4	4
10	Germany	3	0	9	Bangladesh	3	2								
				9	Brazil	3	2								

(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

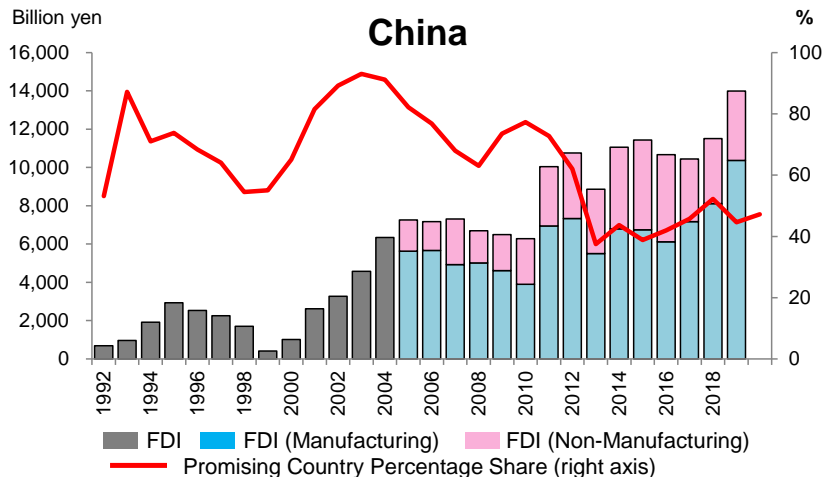
No.1 China (↑)

Percentage Share: 47.2% (last year +2.6pt)
 Highest: 93.1% (2003)
 Lowest: 37.5% (2013)

Breakdown by Industry



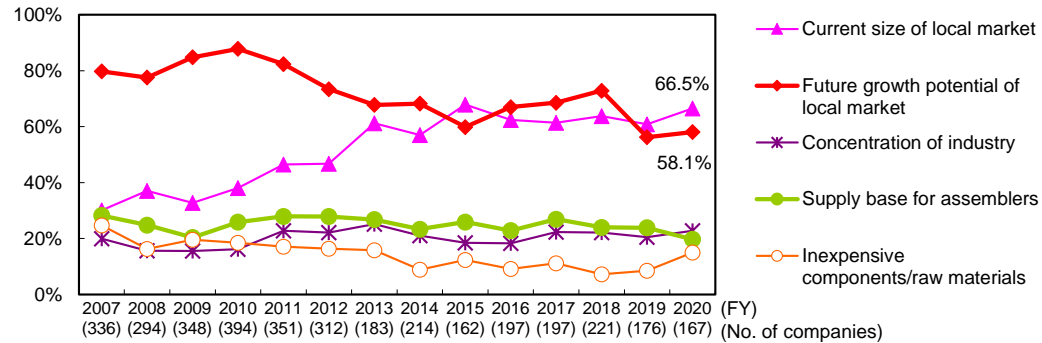
Percentage Share and Outward FDI of Japan



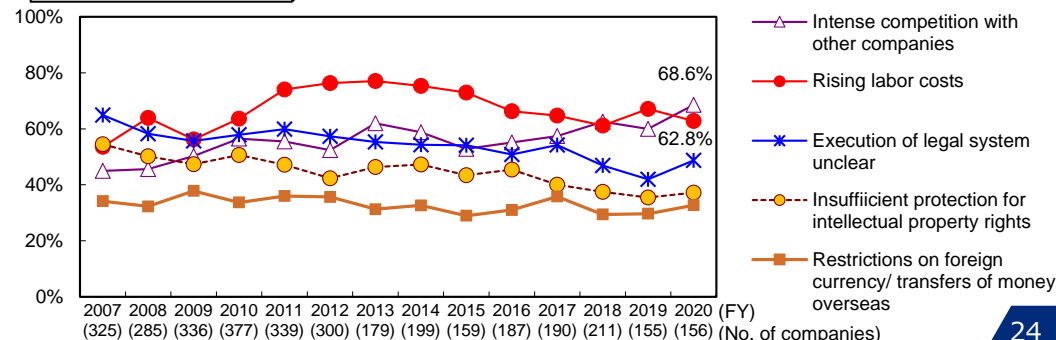
■ Got back on top, Expectations for a huge market

- This year, China has returned to the top, mainly due to the current scale of the local market and expectations for future growth. FDI has also increased significantly, indicating its popularity. Another feature is that there is no “base of export to third countries” at the top of the promising reasons. The importance of the domestic market is emphasized.
- In terms of issues, a high proportion of companies think "rising labor costs" as a top issue. In addition, although the percentage of “insufficient protection for intellectual property rights” is declining, it is still at a high level of 37.2%.

Promising reasons



Issues

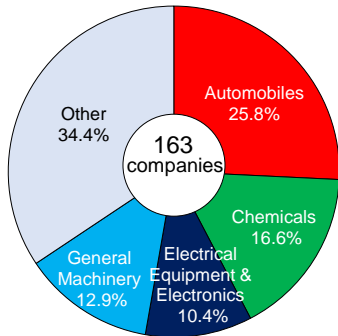


(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

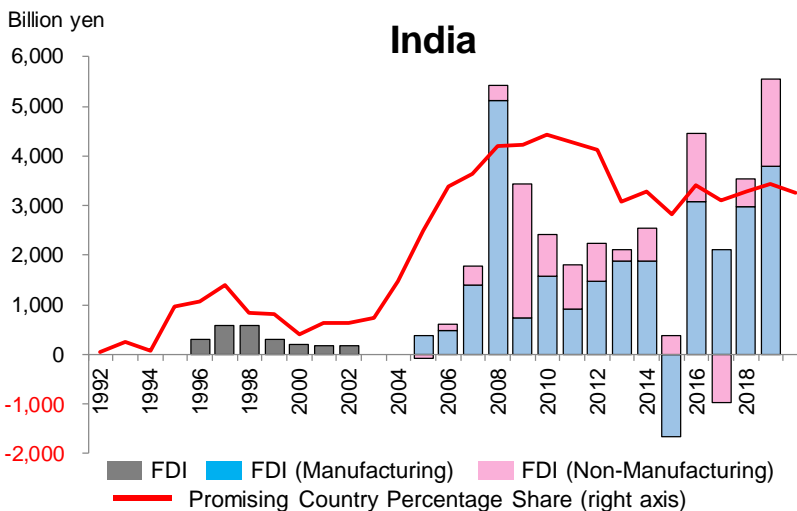
No.2 India (↓)

Percentage Share: 45.8% (last year-2.0pt)
 Highest: 60.5% (2010)
 Lowest: 5.7% (1992)

Breakdown by Industry



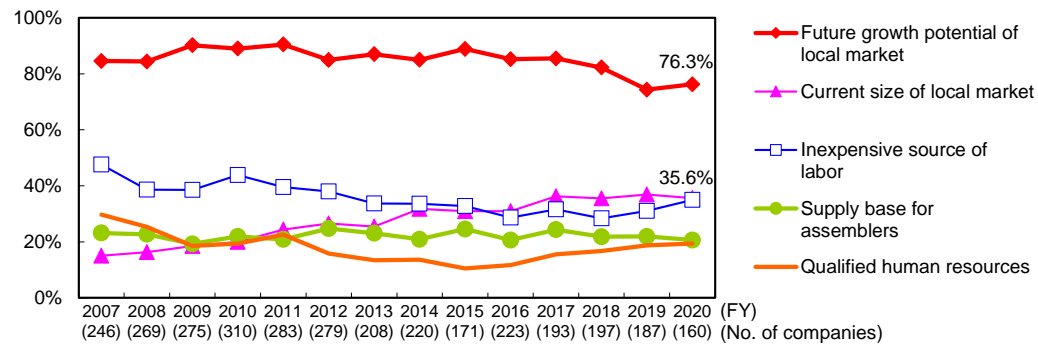
Percentage Share and Outward FDI of Japan



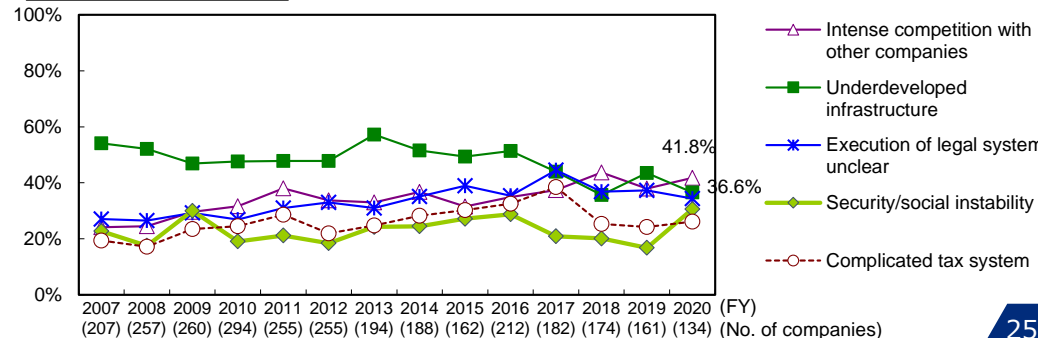
Close second, strong expectations for market growth

- The most promising reason was "future growth potential of the local market" (76.3%), but in recent years, it has been accompanied by investment performance, and the popularity is becoming more real.
- In terms of issues, "underdeveloped infrastructure" maintained a high level, and concerns about security and social conditions are rising. India has suffering from a recession in recent years, and this year, recorded significant negative growth due to the prolonged lockdown. It is worth noting whether the market can maintain the market growth in the future.

Promising reasons



Issues

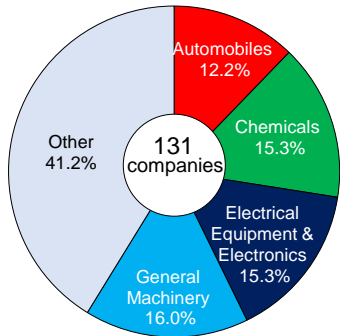


(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

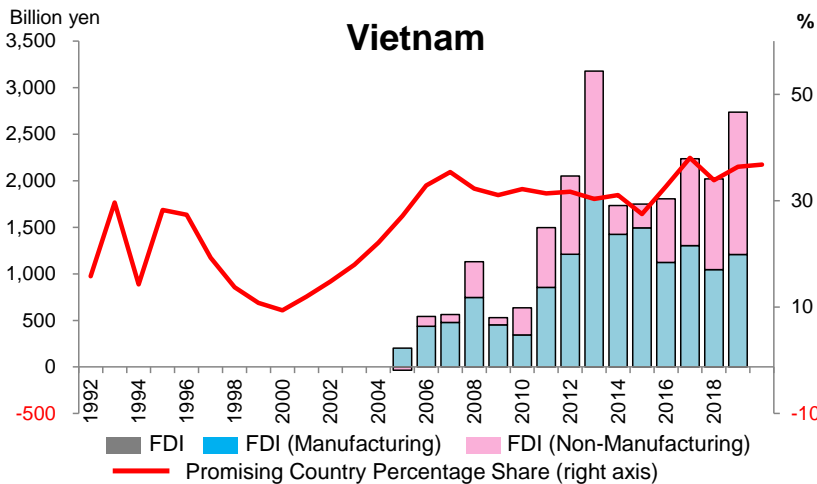
No.3 Vietnam (→)

Percentage Share: 36.8% (last year +0.4pt)
 Highest: 38.1% (2017)
 Lowest: 9.4% (2000)

Breakdown by Industry



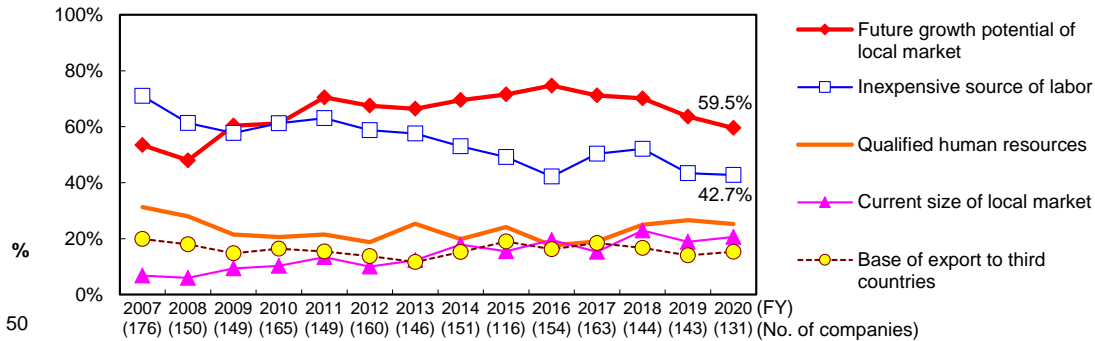
Percentage Share and Outward FDI of Japan



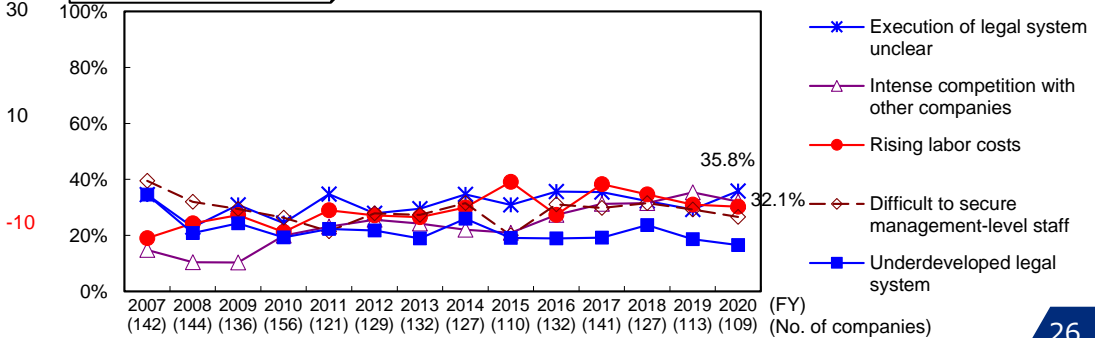
Concentrated widespread support and became the leading country in ASEAN

- Although the ranking is the same as last year, the vote rate has increased slightly. It gained well-balanced support from a wide range of industries. Companies expecting local market growth potential remained at a high level, and the number of companies that expecting "current scale" increased slightly.
- It seems that Vietnam is becoming more popular in recent years due to the US-China conflict and the trend of supply chain restructuring. However, as the FDI is steadily increasing, it turns out that it is popular with substance

Promising reasons



Issues

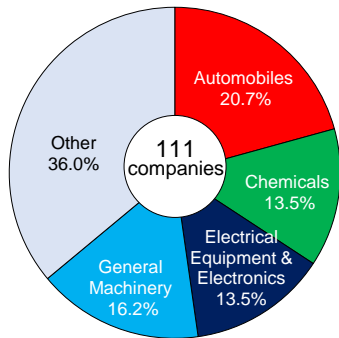


(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

No.4 Thailand (→)

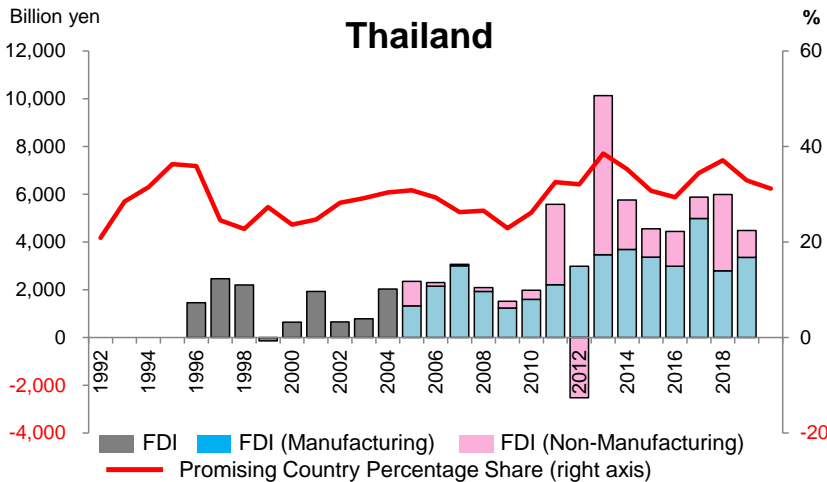
Percentage Share: 31.2% (last year-1.7pt)
 Highest: 38.5% (2013)
 Lowest: 20.9% (1992)

Breakdown by Industry



Percentage Share and Outward FDI of Japan

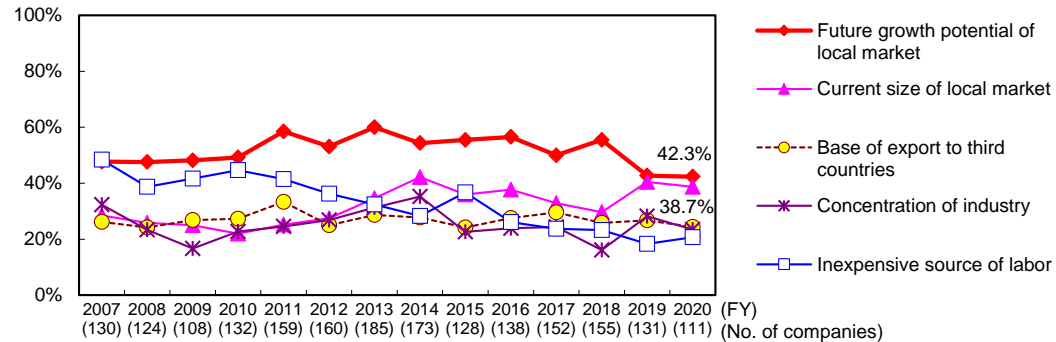
Thailand



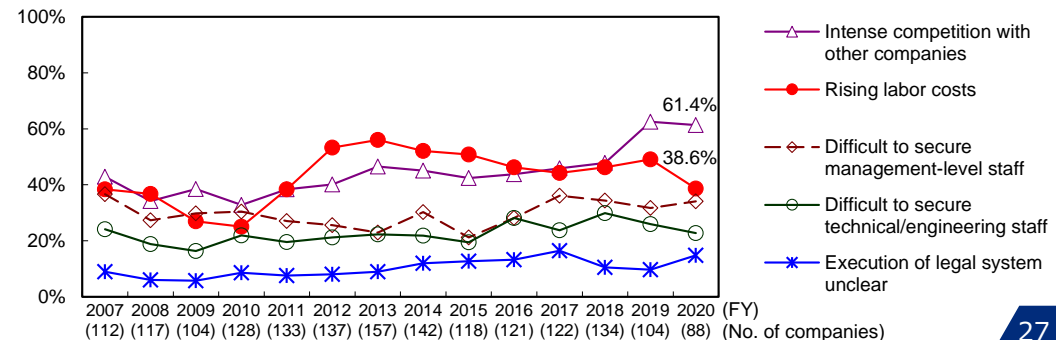
Leading country in ASEAN along with Vietnam

- Thailand was 4th place following last year. One of the similarities with Vietnam is that "base of export to third countries" is a promising reason in addition to the "local market". While Vietnam is popular by "inexpensive source of labor", Thailand is popular by "concentration of industry".
- As for the issues, "securing management-level staff" and "rising labor costs" are common to both countries. In addition, "Securing technical/engineering staff" is a major issue in Thailand, indicating that expectations for the country's industrial base are high.

Promising reasons



Issues

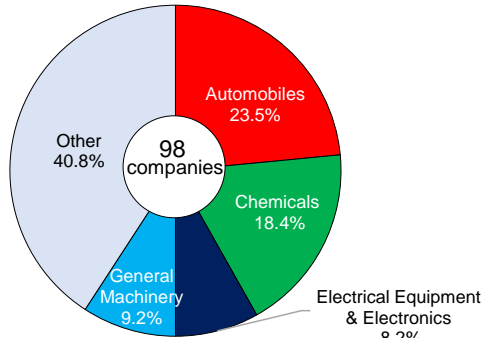


(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

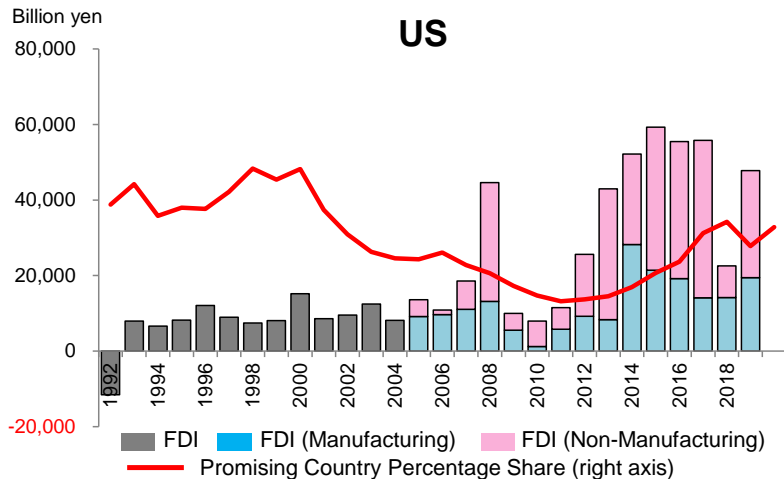
No.5 US (↑)

Percentage Share: 27.5% (last year +4.5pt)
 Highest: 41.5% (1998)
 Lowest: 9.9% (2011)

Company Breakdown (by Industry)



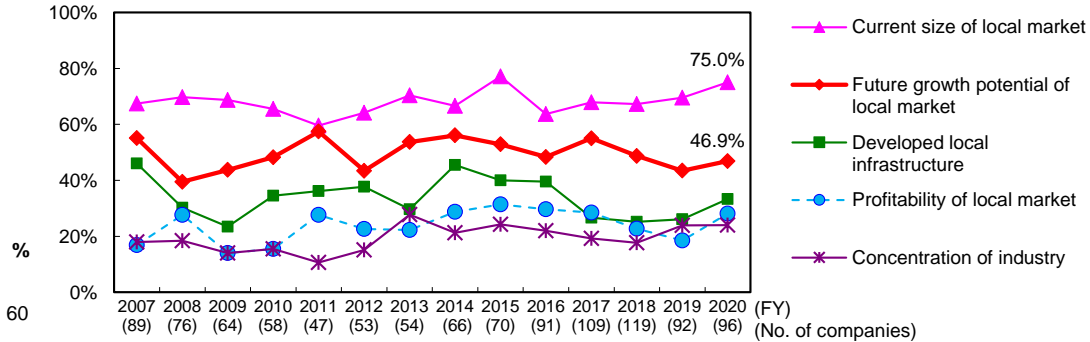
Percentage Share and Outward FDI of Japan



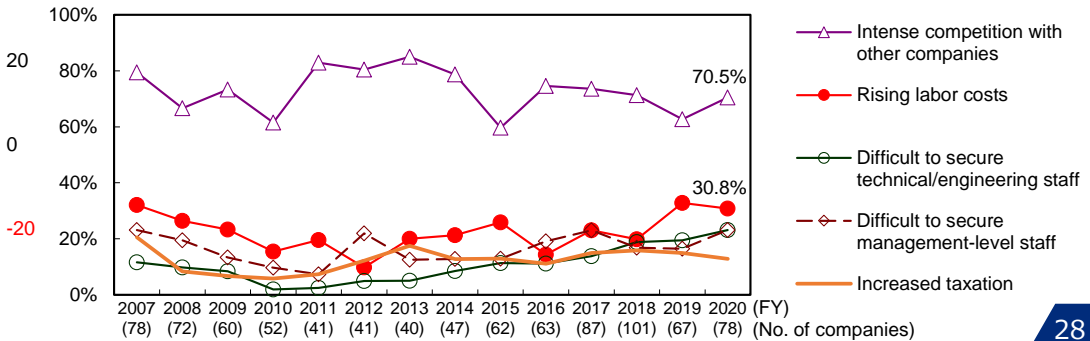
■ Maintaining firm popularity with profitability in huge markets

- Raised one place from last year and ranked in 5th place. It has gained support from a wide range of industries, especially automobiles and chemicals. According to the chart of FDI, non-manufacturing investment is more than manufacturing investment, so the percentage of votes is stagnant.
- Expectations for the huge local market are still strong. In particular, "profitability of the local market", is a great feature which China and India do not have. On the flip side, "intense competition with other companies" stands out at 70.5% in terms of issues.

Promising reasons



Issues

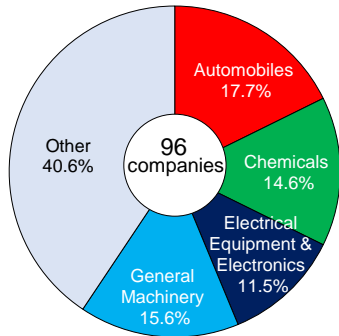


(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

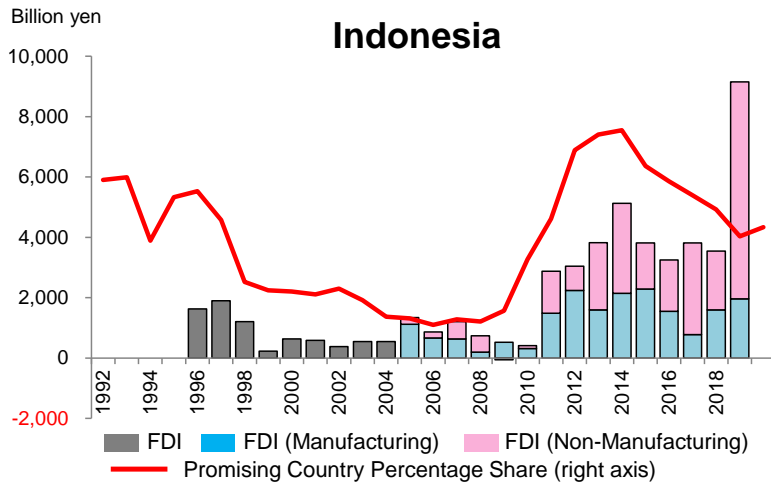
No.6 Indonesia (↓)

Percentage Share: 27.0% (last year +1.8pt)
 Highest: 45.7% (2014)
 Lowest: 8.1% (2006)

Company Breakdown (by Industry)



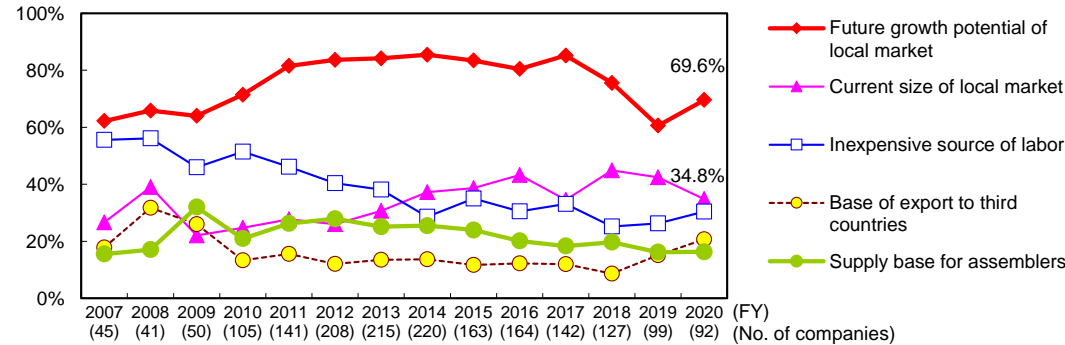
Percentage Share and Outward FDI of Japan



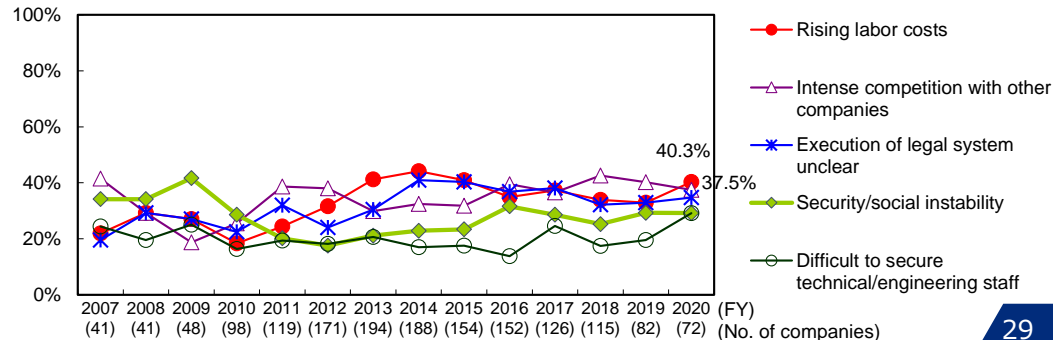
■ Falling to 6th place while competing with the US, Vote rate was improved

- Although it fell to 6th place due to the decline in expectations for the current size of the local market, the vote rate improved slightly to +1.8%. "Base of export to third countries" and "base for product development" are selected as promising reason. On the other hand, "concentration of industry" is not selected, which is the difference from Thailand.
- One general machinery company, which think Indonesia as promising, said "There are still many Japanese business partners in Indonesia and the industrial base is firm. It is attractive that relocation within Indonesia can be relatively flexible." It seems that the issue is how far Japanese companies can be retained.

Promising reasons



Issues

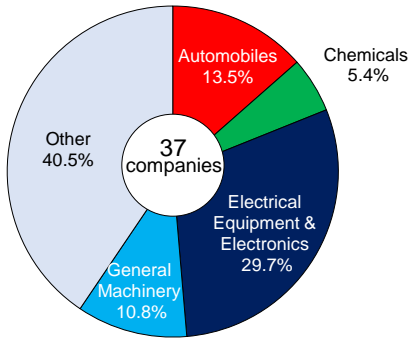


(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

No.7 Philippines (→)

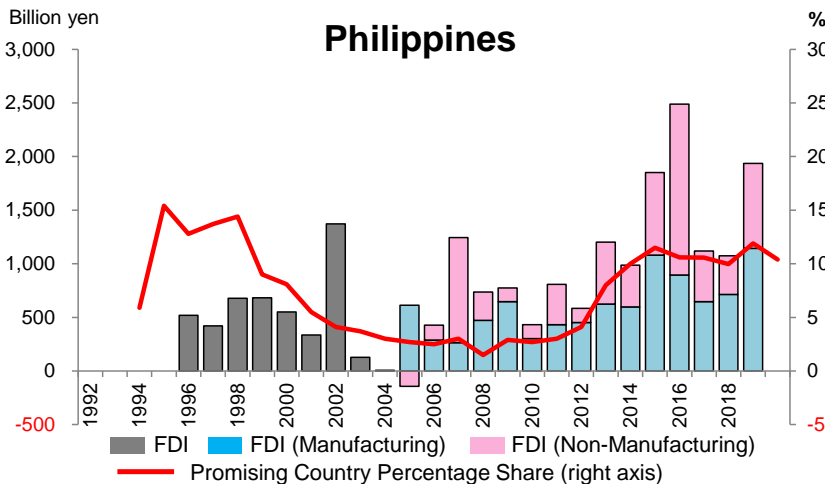
Percentage Share: 10.4% (last year -1.5pt)
 Highest: 15.4% (1995)
 Lowest: 1.5% (2008)

Company Breakdown (by Industry)



Percentage Share and Outward FDI of Japan

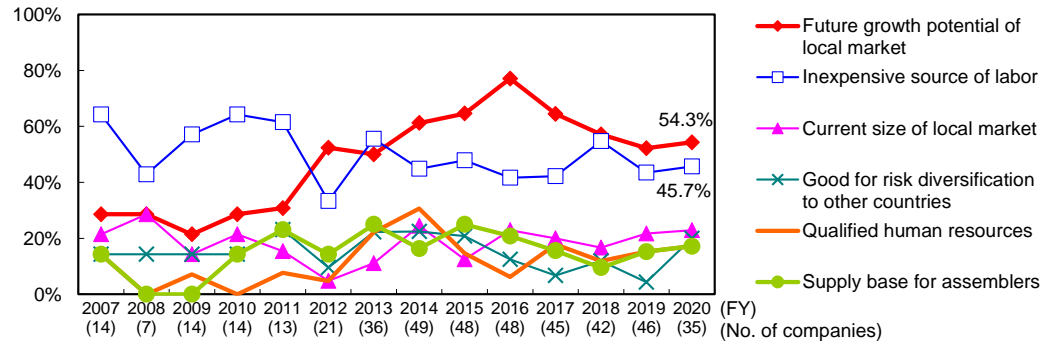
Philippines



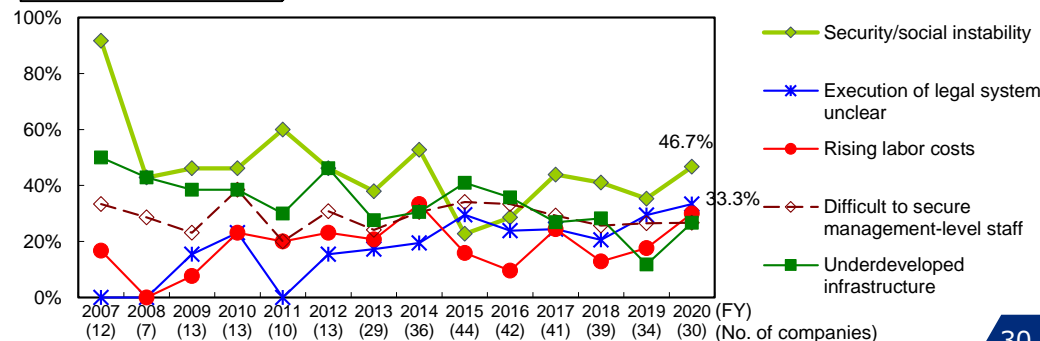
Improving prejudice is the urgent issue

- Expectations for "inexpensive labor" are particularly high in ASEAN, so it remains in 7th place. Looking at other promising reasons, the number of "good for risk diversification to other countries" increased.
- Expectations for market growth have been declining since peaking in 2016, and concerns about security and social conditions have increased since the same period. On the other hand, the actual amount of FDI has been steadily increasing, and there are high evaluation of qualified human resources. Therefore, it seems that improving concern for the security issues (which is not necessarily true) is urgent.

Promising reasons



Issues



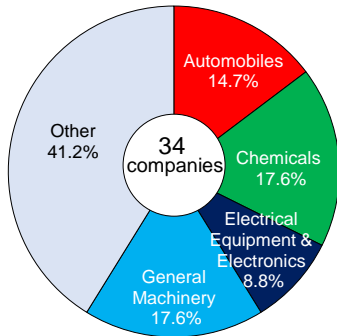
(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)



No.8 Malaysia (↑)

Percentage Share: 9.6% (last year-0.5pt)
 Highest: 23.9% (1994)
 Lowest: 4.1% (2007)

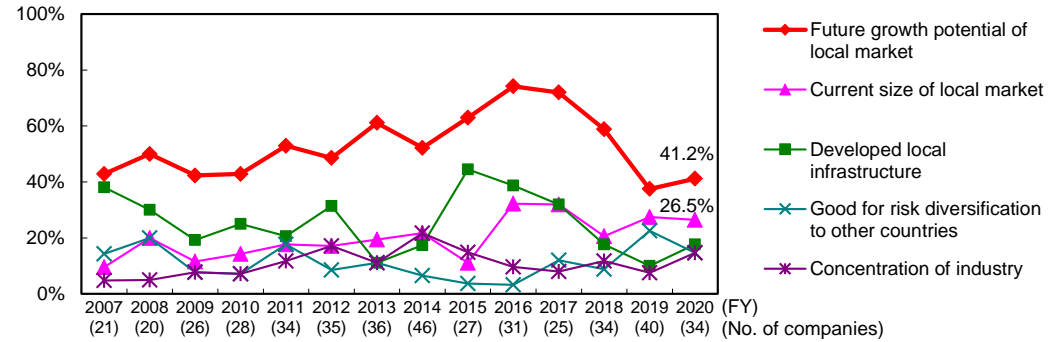
Company Breakdown (by Industry)



■ The key is to set out the characteristics of promising reasons

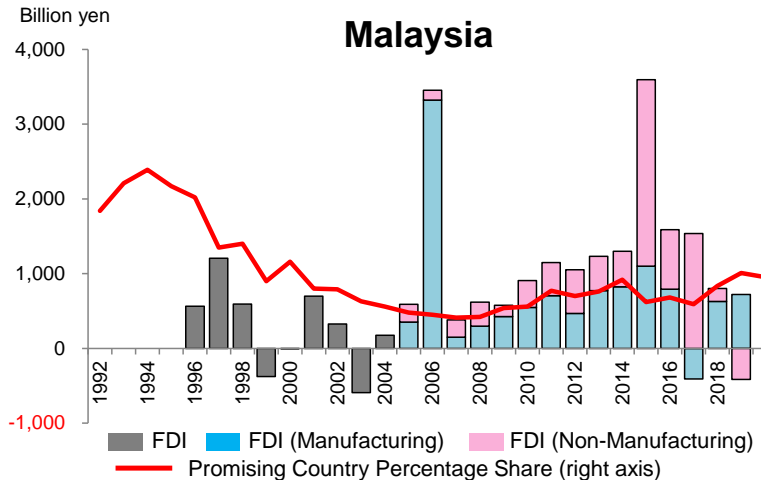
- It rose to 8th place by collecting votes from automobiles, chemicals, and general machinery. However, both number and percentage of votes decreased from last year. As for the promising reasons, although "future growth potential of the local market" is taking a downturn, many companies expect "concentration of industry" and "risk diversification to other countries".
- In terms of issues, few companies answered "underdeveloped infrastructure" and "execution of legal system unclear", and lots of companies pointed out that securing "management-level staff" and "technical/engineering staff" is difficult. In addition, the underdevelopment of local supporting industries is also regarded as an issue.

Promising reasons

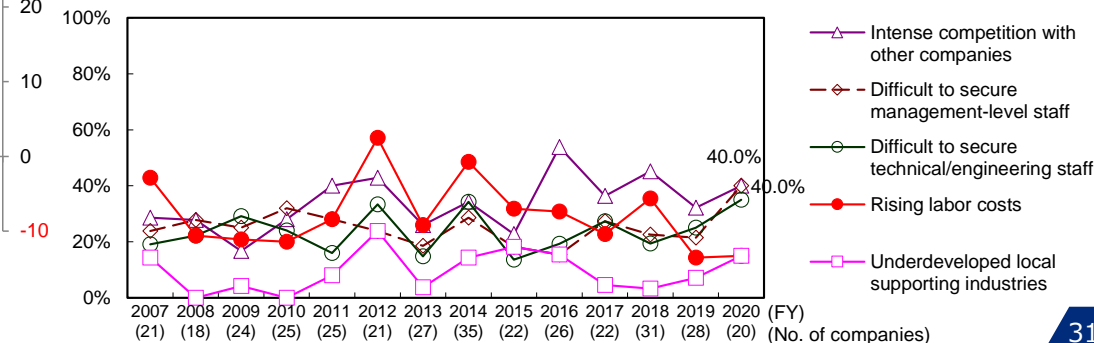


Percentage Share and Outward FDI of Japan

Malaysia



Issues

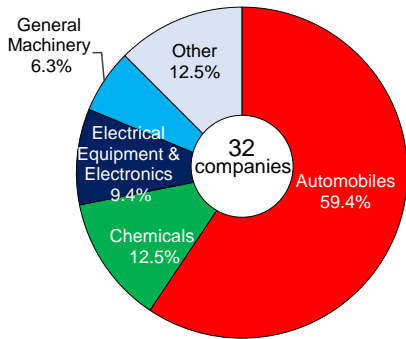


(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

No.9 Mexico (↓)

Percentage Share: 9.0% (last year -2.6pt)
 Highest: 25.9% (2016)
 Lowest: 2.0% (2003, 2004)

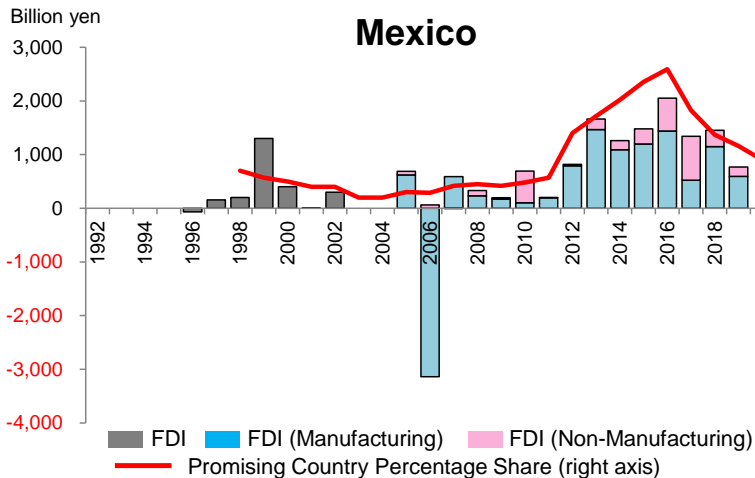
Company Breakdown (by Industry)



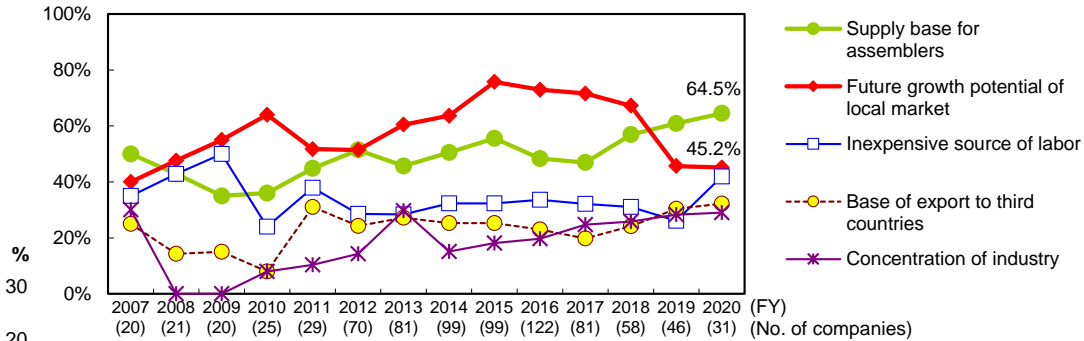
Automobile industry leads the popularity

- Mexico had a 25.9% vote rate at its peak, but it has dropped year by year and is ranked 9th this year. Looking at the promising reasons, the proportion of "future growth potential of local market" has decreased significantly, and at the same time, "supply base for assemblers" have risen. In fact, Mexico is beginning to be seen as production bases rather than market. This is the inequality factor with leading countries such as China and India.
- In terms of issues, "difficult to secure management-level staff," "intense competition with other companies," and "underdeveloped local supporting industries" were pointed out. It is a risk that the majority of companies that answered Mexico is promising are in the automobile industry, so diversification of the industries is important in addition to the market expansion.

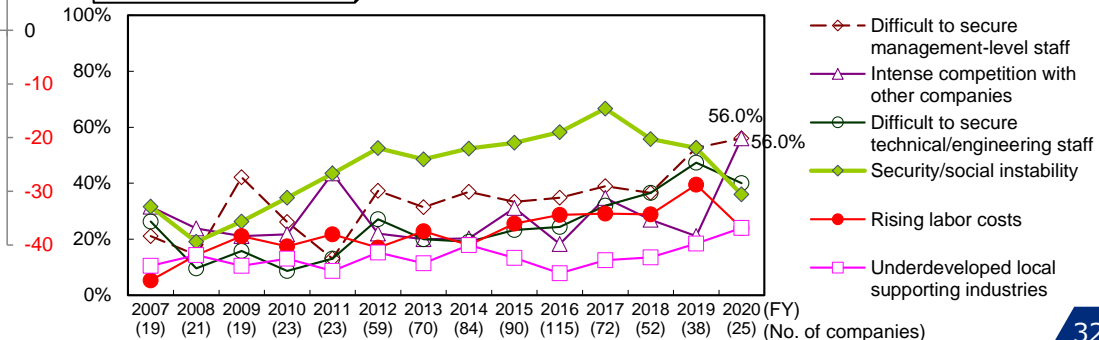
Percentage Share and Outward FDI of Japan



Promising reasons



Issues

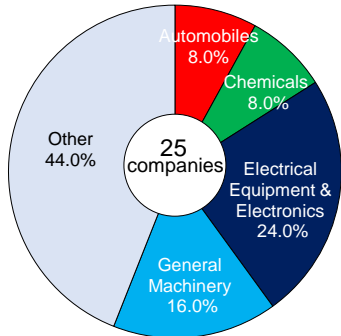


(4) Promising Countries/Regions over the Mid-Term: Promising Reasons and Issues (Top 10 countries)

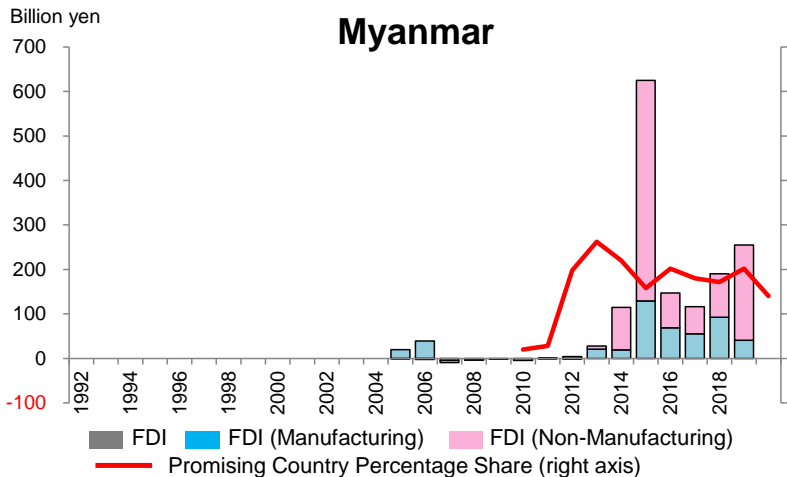
No.10 Myanmar (↓)

Percentage Share: 7.0% (last year-3.1pt)
 Highest: 13.1% (2013)
 Lowest: 1.0% (2010)

Company Breakdown (by Industry)



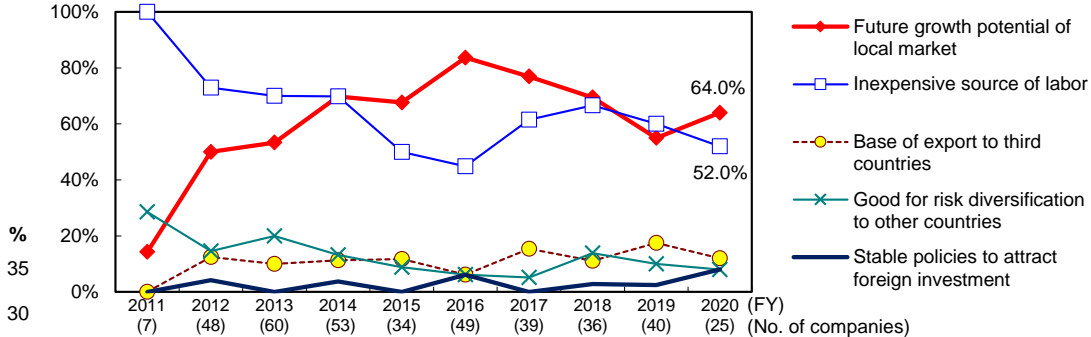
Percentage Share and Outward FDI of Japan



■ Inexpensive labor force is the comparative advantage

- Expectations for “inexpensive source of labor” were highest among the top 10 countries. With rising labor costs in China and other ASEAN countries, Myanmar is becoming more attractive as an export base to third countries, leveraging its cost competitiveness.
- In terms of issues, many respondents answered, “underdeveloped infrastructure” and “underdeveloped legal system”. In addition, anxiety about security and social conditions were also mentioned. Moreover, this country’s FDI is mostly for the non-manufacturing. Notably, Myanmar is a rare case that non-manufacturing investment is higher than manufacturing.

Promising reasons



Issues

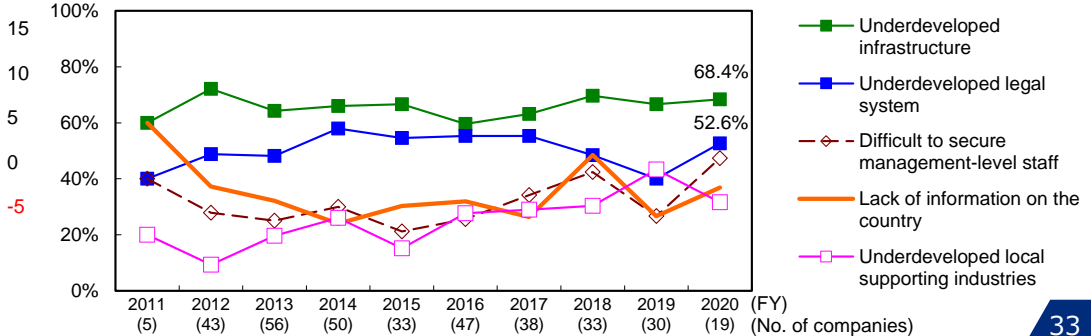
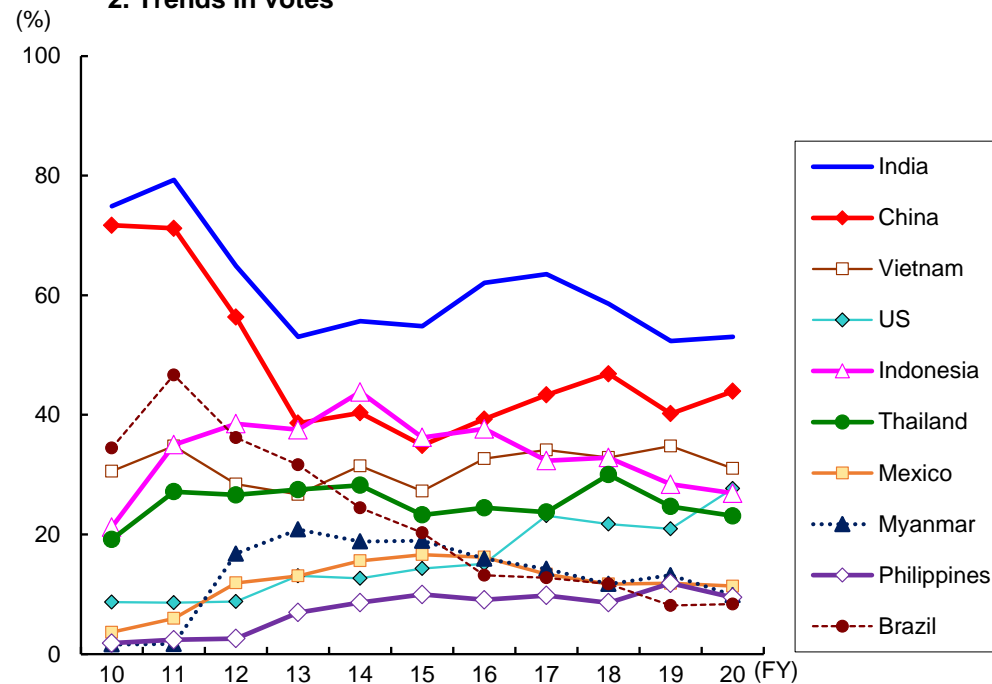


Chart 3-21. Promising Countries/Regions in the Long-Term (Next 10 Years)

1. Results for FY2020

Ranking			Country/Region	No. of Companies		Percentage Share(%)	
				2020	2019	2020	2019
	2020	← 2019	(Total)	264	296	2020	2019
1	—	1	India	140	155	53.0	52.4
2	—	2	China	116	119	43.9	40.2
3	—	3	Vietnam	82	103	31.1	34.8
4	↑	6	US	73	62	27.7	20.9
5	↓	4	Indonesia	71	84	26.9	28.4
6	↓	5	Thailand	61	73	23.1	24.7
7	↑	8	Mexico	30	35	11.4	11.8
8	↓	7	Myanmar	26	39	9.8	13.2
9	↓	8	Philippines	25	35	9.5	11.8
10	↑	11	Brazil	22	24	8.3	8.1

2. Trends in votes



■ India stays at a top as a promising country in the long term

- As for the long-term promising countries for the next 10 years, India has ranked first 10 years in a row. China remained in second place, and its percentage share increased by 3.7%. On the other hand, Vietnam decreased its vote rate. Although the mid-term promise is high, it seems that the evaluation of companies is divided in the long-term.

■ US rises to 4th place with increased share

- Although there has been no significant change in rankings for the past few years, there was a change in rankings below 4th place this year. The factor was the US, which greatly increased the vote rate to 4th place (+6.8 points compared to last year). Regarding this point, there was an opinion that "Although there is anxiety in the near future due to the uncertainty of the Trump administration and the influence of COVID-19, the huge market cannot be ignored in the long run" (nonferrous metal).

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4. Special Theme #1 – Impact of COVID-19 on Supply Chain



Question When your overseas business(production side) were most affected by COVID-19 outbreak?
Which country/region of your oversea business(production side) were most affected by COVID-19 outbreak? (Multiple answers allowed)

Chart 4-1. The Most Impacted Month

(# companies: 508/ # answers: 1542)

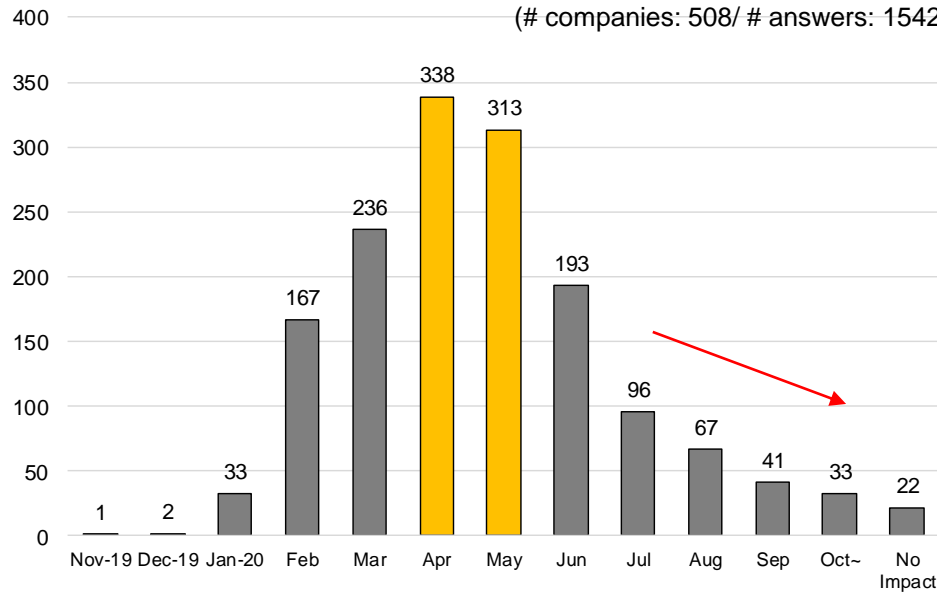
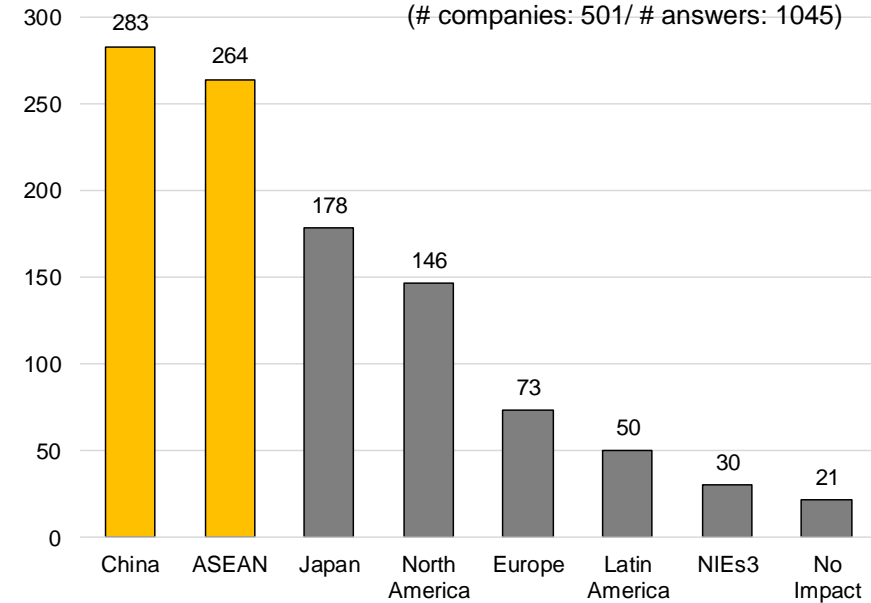


Chart 4-2. The Most Impacted Country/Region

(# companies: 501/ # answers: 1045)



Note: For the convenience of the answer period, this question is collectively referred to as "October-" after October

■ The most serious period of COVID-19 on the supply chain is over

- In order to measure how COVID-19 affected Japan's production activities (supply chain), we asked questions (1) the most impacted month and (2) the most impacted country/region. As a result, the supply chain of Japanese companies was most impacted from April to May, and it can be seen that the impact has almost disappeared recently.

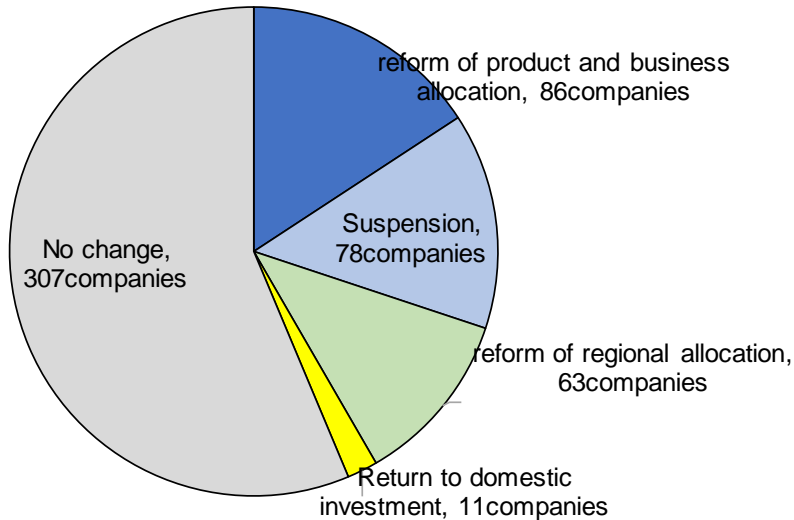
■ The impact on production network of China and ASEAN was greater, implying the significance of this region

- Regarding the impacted country/region, China (283 companies) was most impacted, followed by ASEAN (264 companies). It shows that COVID-19 has almost the same impact on the production networks of China and ASEAN. Comparing the number of responding companies, the number of respondents far exceeds that of Japan (178 companies) and North America (146 companies), which suggests the importance of the production network of China and ASEAN. According to the interviews, as for China, "the spread of infection and lockdown had a greater impact earlier than in other countries" (chemicals), and as for ASEAN, "in Thailand, inventory adjustments are required due to the suspension of operations at delivery destinations. For stopping the plant in operation, it gave a blow to business performance." (general machinery)

Question After the COVID-19 outbreak, how will you change foreign investment plans? (Multiple answers allowed)

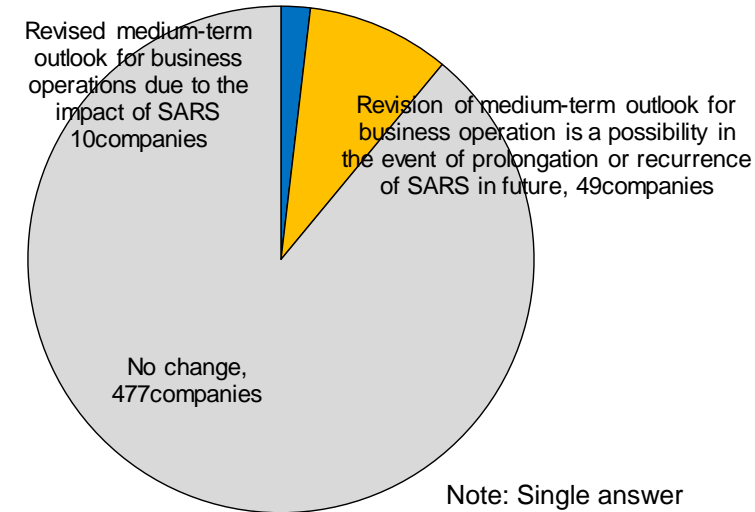
Chart 4-3. Impact on Foreign Investment Plan

(# companies: 488/ # answers: 545)



Reference: Impact on Foreign Investment Plan by SARS (Survey 2003)

(# companies: 536)



■ Operational response to the COVID-19 is prioritized at this stage and reshaping FDI plans is yet to be considered

- When we asked if they would change their foreign investment plans in response to the COVID-19, approximately 60% of respondents answered “no change”. However, according to the interview, many companies said, “Immediate response to COVID-19 is prioritized, so we cannot reconsider the investment plan right now”. Therefore, it seems that investment decisions have not been made because the situation is not calm. On the other hand, the other 40% said they were considering some kind of response. Specifically, “reform of product and business allocation (86 companies)” was the most common, followed by “suspension (78 companies)” and “reform of regional allocation of FDI (63 companies)”. When we asked the same question in 2003, when SARS were sweeping the world, approximately 90% answered “no change”. Compared to this result, it seems that impact of COVID-19 have had a huge impact rather than SARS.

■ As for the “Reshoring”, few cases are observed

- As for the reshoring, only 11 companies answered that they would return to domestic investment. The breakdown of the industries is 3 automobile companies, 2 chemicals, and 1 from 6 industries including general machinery and electrical equipment & electronics or so.

4 (3) How to Reinforce Supply Chain

Question 'Regarding supply chain, in which fields your company will take/has taken measures? (Multiple answers allowed)

Chart 4-4. How to Reinforce Supply Chain

(# companies: 499/ # answers: 823)

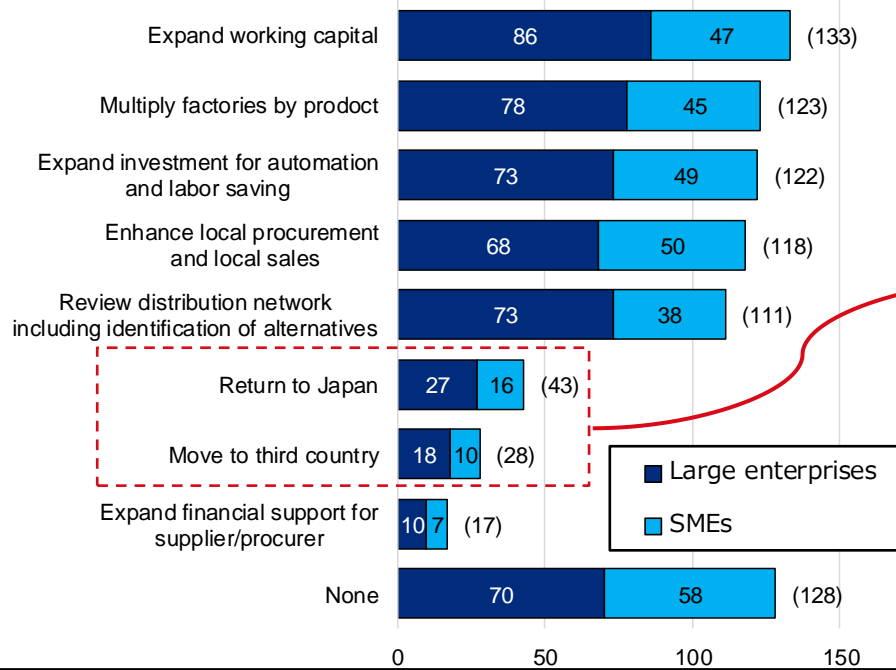
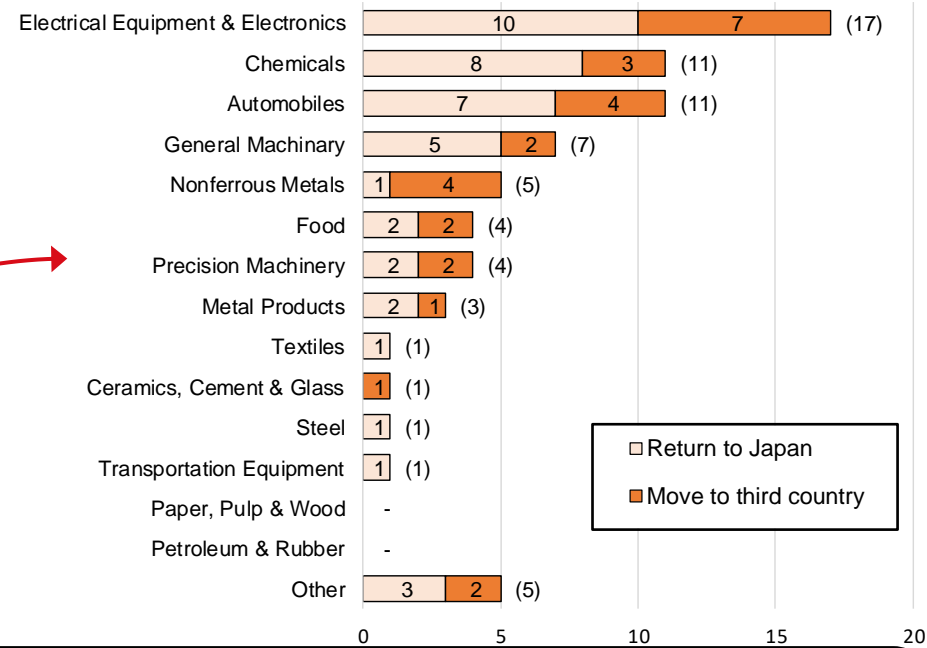


Chart 4-5. Company Breakdown by Industry (Return to Japan / Move to Third Country)

(# companies: 61/ # answers: 71)



Many of respondents are considering supply chain reinforcement, while few choice relocation

- We asked about efforts to improve the supply chain under the impact of COVID-19. It was found that many companies are considering some measures; "expand working capital (133 companies)" was the most common, followed by "multiply factories by product (123 companies)", "expand investment for automation and labor saving (122 companies)", "enhance local procurement and local sales (118 companies)" etc. In the interview, it was pointed out that "strengthening inventory control and addition of inventory", "securing multiple bases in China", and "shortening the supply chain by local production for local consumption" are important to reinforce the supply chain.
- On the other hand, the reorganization of bases such as "return to Japan (43 companies)" and "move to third country (28 companies)" seems to be cautious at this point. By industry, electronic equipment and electronics (17 companies) are at the top, followed by chemicals (11 companies) and automobiles (11 companies). One chemicals company said, "We are not sure what to do in the company. The future is uncertain with COVID-19 and cannot make a drastic decision." It is expected that it will take time to review the bases.

Question Regarding other than supply chain, in which fields your company will take/has taken measures? (Multiple answers allowed)

Chart 4-6. How to Cope with COVID-19 other than Supply Chain Reforms

(# companies: 500/ # answers: 785)

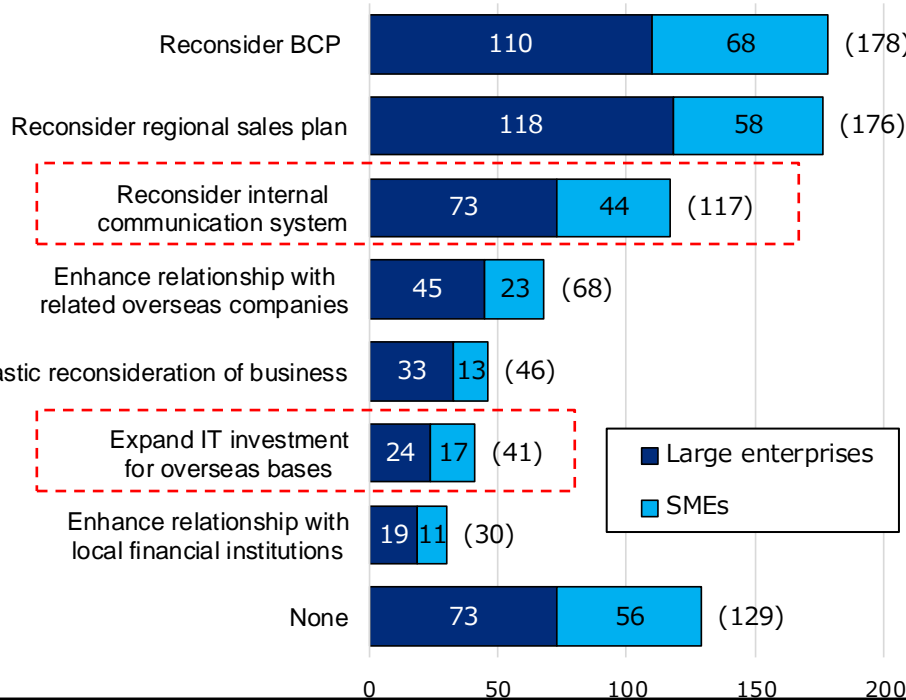
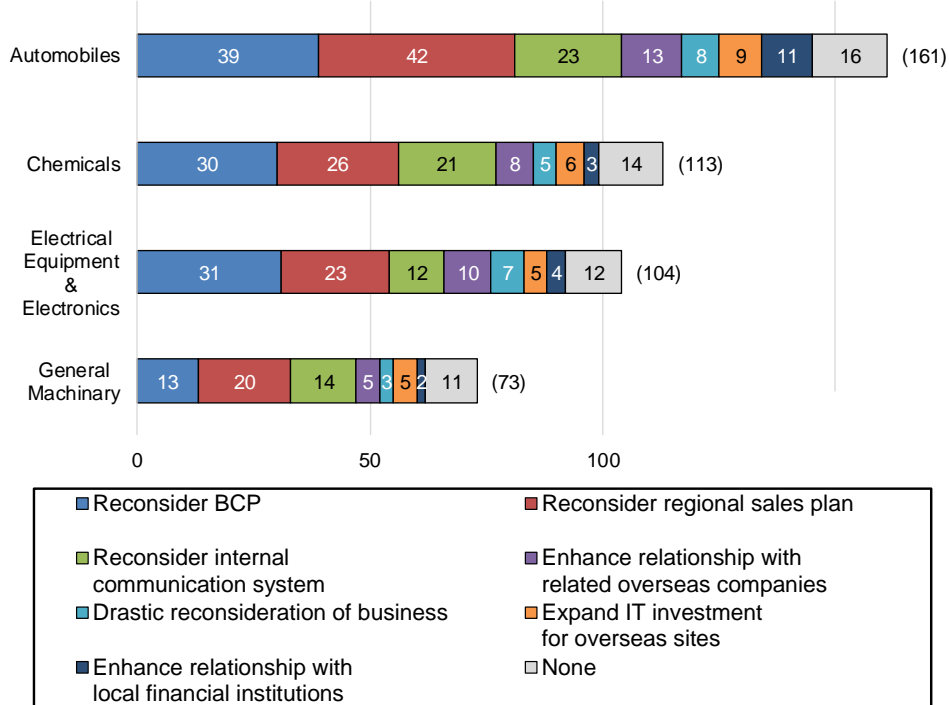


Chart 4-7. Countermeasure (4 Major Industries)

(# companies: 275/ # answers: 451)



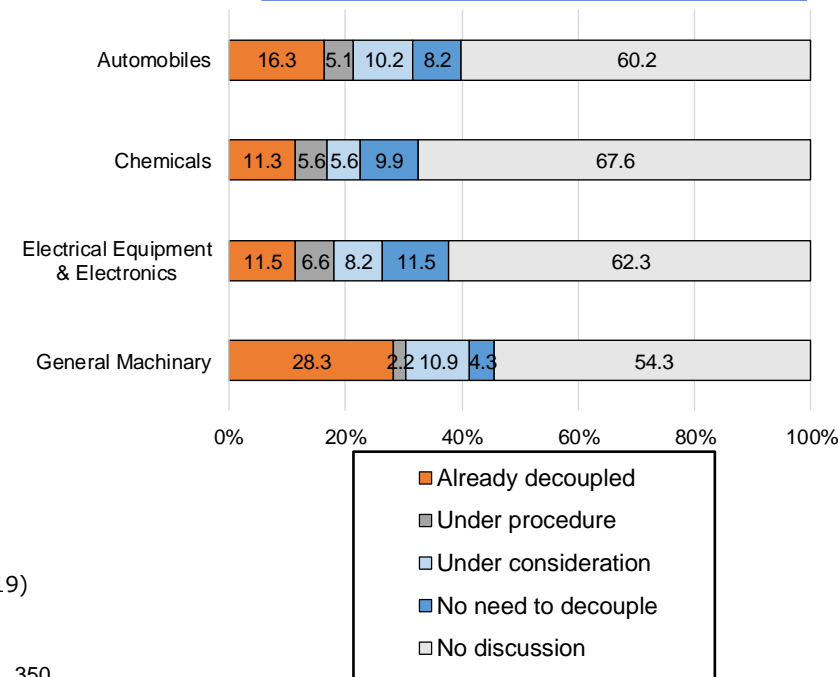
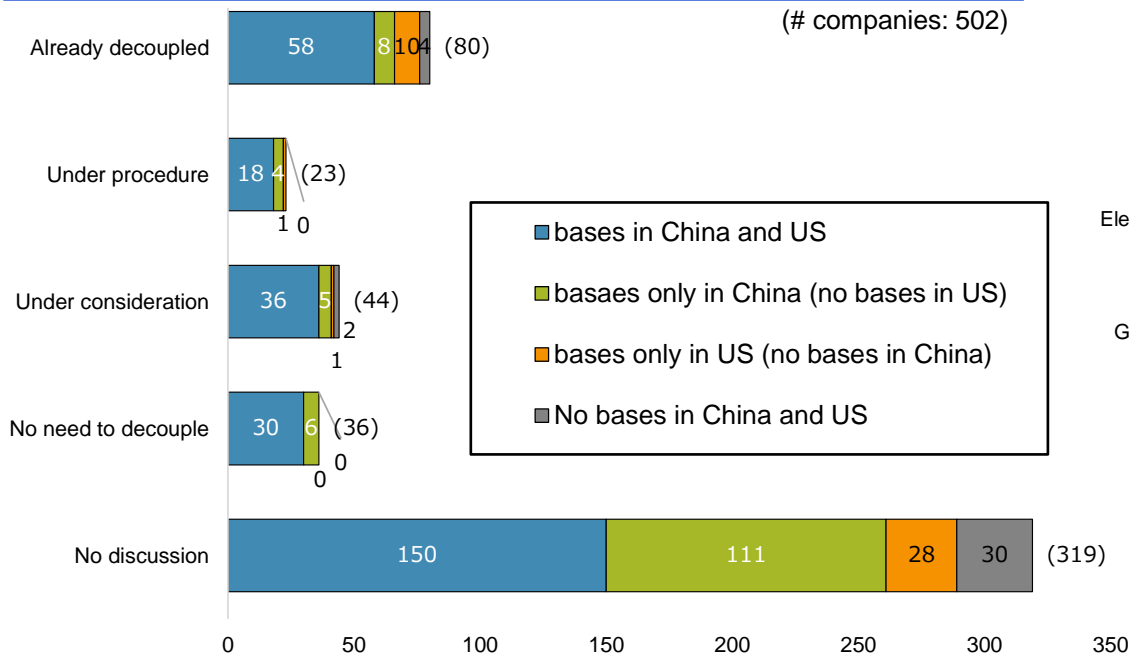
IT investment is expected toward further digitalization of supply chain network

- In this question, we asked how to cope with COVID-19 other than supply chain reforms. Many companies answered "reconsider BCP (178 companies)" and "reconsider regional sales plan (176 companies)" as measures. Specifically, many respondents said that they would review their BCP in order to respond to the second and third waves of COVID-19 and next pandemic.
- In addition, a certain number of respondents answered, "reconsider internal communication system (117 companies)" and "expand IT investment for overseas bases (41 companies)". With COVID-19, it seems that companies are reaffirming the importance of IT and digitization, and investment priorities are rising.
- As for the 4 major industries, all industries prioritize "reconsider BCP". For automobiles, 42 companies answered "reconsider regional sales plan", but this includes not only downward revisions due to reduced demand, but also upward revisions of plans following the recovery of the Chinese business.

Question Due to US-China conflict or COVID-19 outbreak, the term “US-China decoupling” has become more and more popular. Regarding this issue, which measures your company will take/has taken?

Chart 4-9. Correspondence by 4 Major Industries (%)

Chart 4-8. Correspondence to US-China Decoupling Theory



■ The US-China confrontation is catalyzing the production network relocation to more cost competitive countries and/or to the “local production for local consumption” strategy

- When we asked companies about the correspondence to US-China decoupling, while many companies said “no discussion (319 companies)”, 80 companies (58 companies have bases in China and US) answered “already decoupled”, followed by “under procedure (23 companies)” and “under consideration (44 companies)”. Therefore, about 30% of the respondents, which is 40% of companies that have bases in both US and China, are corresponding to the US-China decoupling.
- In response to rising labor costs in China, there have been some moves to relocate or change the suppliers to Southeast Asia or Mexico, which have attractive inexpensive source. Some company pointed out that his move have been accelerated by US-China conflict. One company which has already decoupled said, “In the past, we manufactured in China and supplied products to the US, but after Trump was inaugurated, we changed the business like ‘In China for China’ and ‘In Mexico/US for US’”(automobile parts). In addition, some companies said “While aiming to reinforce the supply chain triggered by the impact of COVID-19, in order to reduce distribution costs and avoid risks, we are going to change the business strategy like ‘In China for China’ and ‘In Mexico/US for US’.”

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5. Special Theme #2 – Prospects for SDGs



5 (1) Heterogeneities in Degree of Efforts towards SDGs

Question Please select all that apply to your SDGs commitment. (Multiple answers allowed)

Chart 5-1. Degree of Efforts towards SDGs

(# companies: 504/ # answers: 586 (denominator))

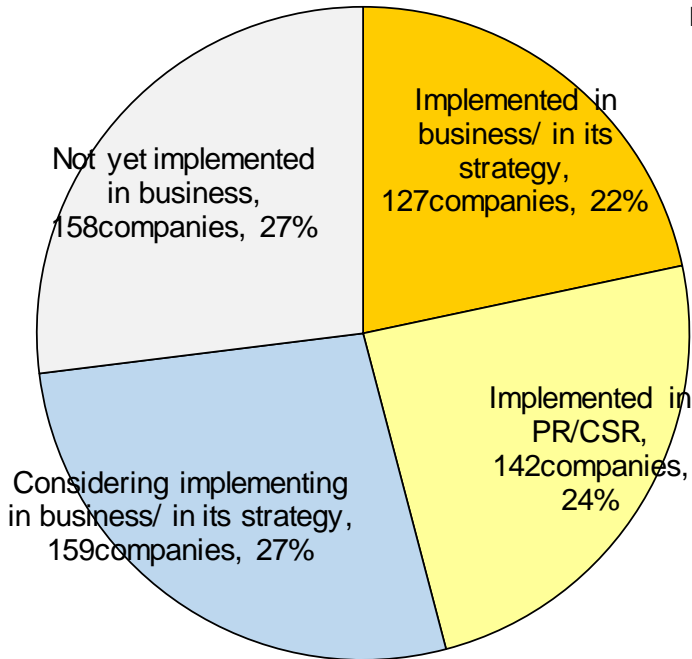
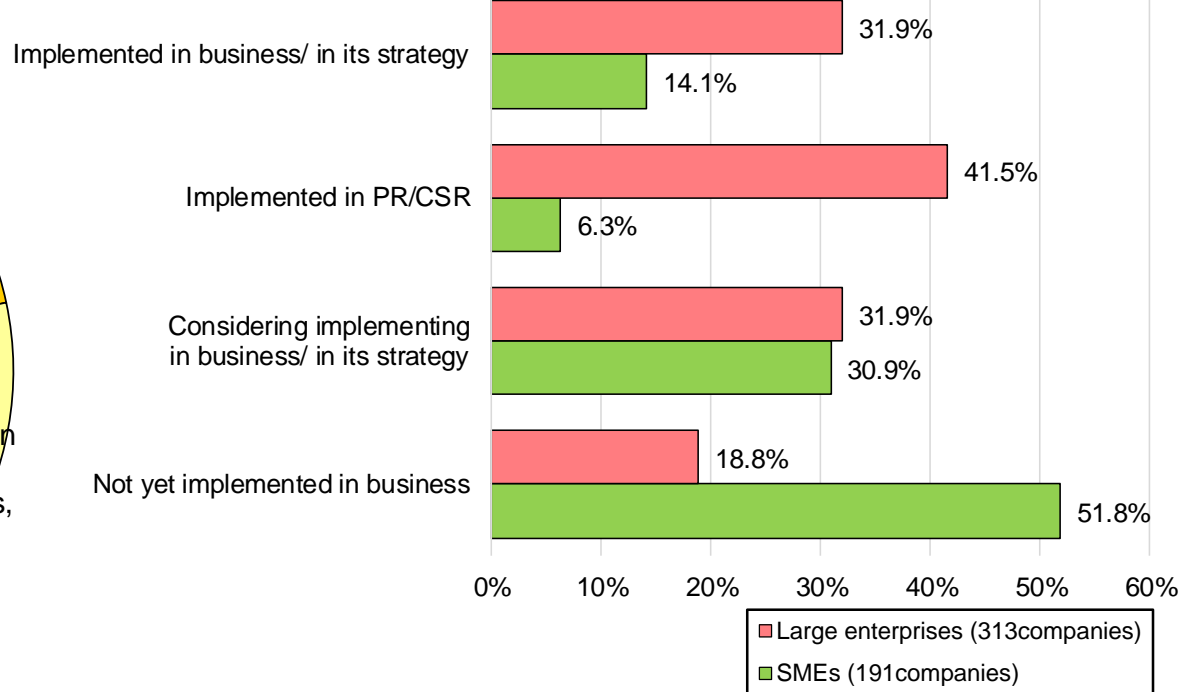


Chart 5-2. Degree of Efforts towards SDGs (by Company Size)

(# companies: 504/ # answers: 586)

Denominator= # companies of each category



Large Japanese companies adopting SDGs, SMEs lag behind.

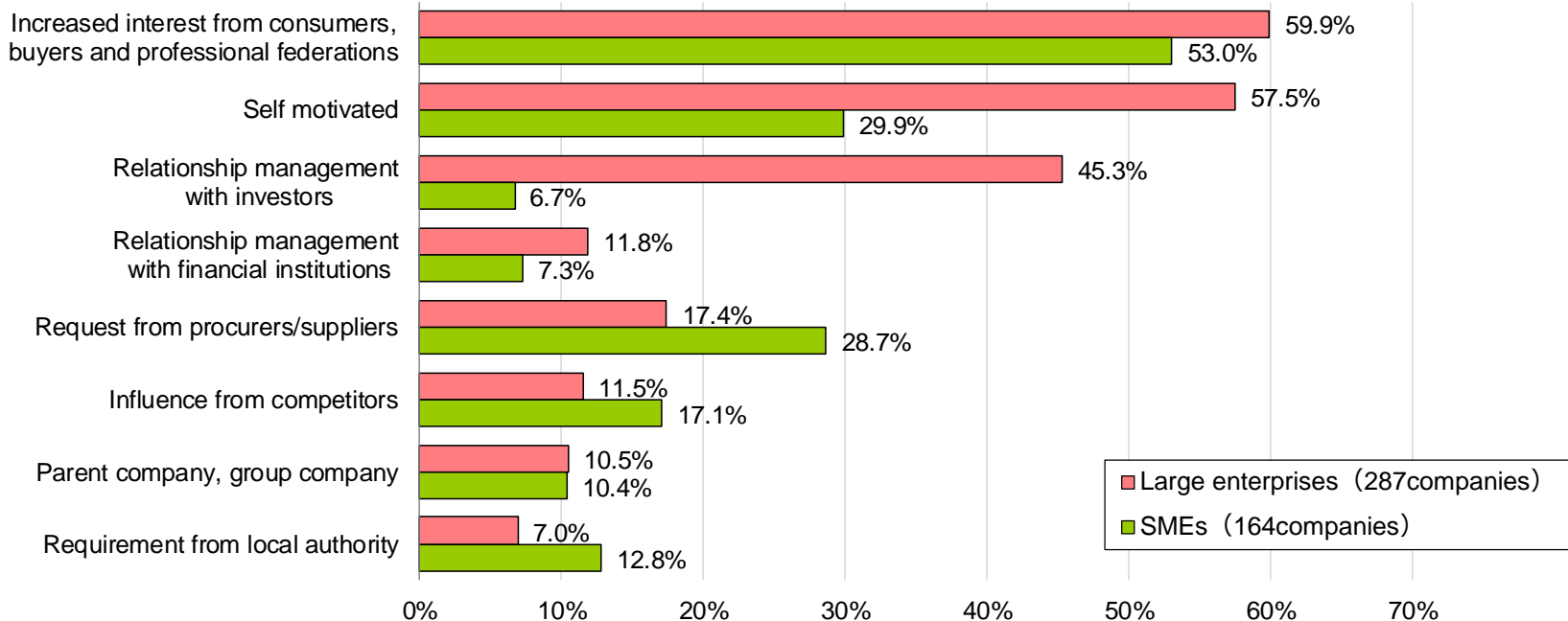
- When asked about the status of SDGs implementation, 22% (127 companies) answered that they “implemented in business/in its strategy” and 24% (142 companies) answered that they “implemented in PR/CSR etc.”. A little less than 1/2 companies are working on SDGs.
- In addition, about 1/4 are “considering implementing in business or in its strategy”, indicating well-spread of awareness, even if they didn’t step into concrete action yet.
- Little intersectoral variations, except less efforts in automotive sector indicating that there is a room for expansion of efforts in the future.
- Large enterprises are ahead of SMEs, especially for PR/CSR.

Question What are the motivations of your company to implement/have implemented SDGs? (Multiple answers allowed)

Chart 5-3. Motivations behind Efforts towards SDGs (by Company Size)

(# companies: 451/ # answers: 906)

Denominator= # companies of each category

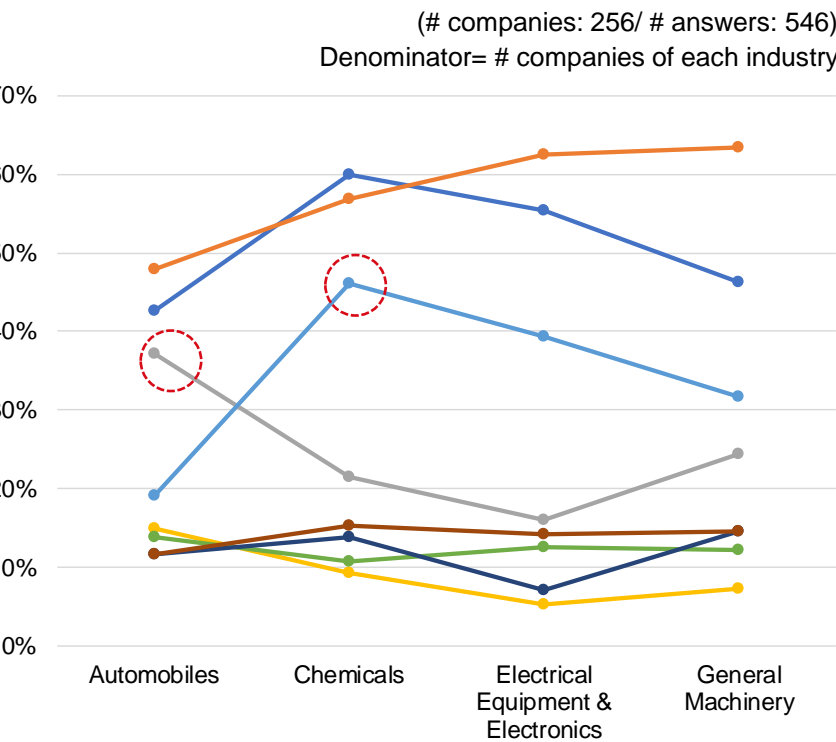


■ As social attention rises, companies embark spontaneously onto SDG changes—through supply chains for SMEs, financing for large enterprises.

- We asked questions from various angles about the motives for working on the SDGs.
 - ✓ **Social awareness:** consumer awareness are the main reported motives followed by self-motivation in all companies.
 - ✓ **Financing:** pressures from investors much rather than financial institutions in large companies. "We frequently receive inquiries about SDGs from overseas investors, and we exposed to a strict looks"(chemicals).
 - ✓ **Supply chain transmission:** SDGs becoming a keyword among companies within the same supply chain in SMEs. "European customers are strongly expected to work on the SDGs" (nonferrous metals).
- Regarding the fact that many respondents answered "self motivated" in this survey, there was an opinion that "It is inevitable because of our products deeply related to the environment" (electrical equipment & electronics). In addition, there was an opinion that "We were surprised by high number of 'self motivated' (US pension fund), which is perceived as an unexpected result for overseas investors.

(2) Sectoral Discrepancies in Motivations behind Efforts towards SDGs

Chart 5-4. Motivations behind Efforts towards SDGs (by Industry)



- Increased interest from consumers, buyers and professional federations
- Self motivated
- Request from procurers/suppliers
- Requirement from local authority
- Relationship management with investors
- Relationship management with financial institutions
- Parent company, group company
- Influence from competitors

Industry type	Motivations behind efforts towards SDGs							
	Increased interest from consumers, buyers and professional federations	Self motivated	Request from procurers/suppliers	Requirement from local authority	Relationship management with investors	Relationship management with financial institutions	Parent company, group company	Influence from competitors
Automobiles	48%	43%	37%	15%	19%	14%	12%	12%
Chemicals	57%	60%	22%	9%	46%	11%	14%	15%
Electrical Equipment & Electronics	63%	55%	16%	5%	39%	13%	7%	14%
General Machinery	63%	46%	24%	7%	32%	12%	15%	15%

Note: See the appendix for the response status of all industries.

■ Sectoral discrepancies reflect different business models and SME shares.

- Responding to SDGs as a necessity to remain part of global supply chains for automobiles and general machinery having many SMEs + material industries (such as nonferrous metals, steel, paper, pulp and wood)
- In energy-intensive industries, such as chemicals, petroleum/rubber, ceramics, cement and glass, financial incentives are recognized as major pressure towards SDGs.

Question What are the obstacles of your company to implement/have implemented SDGs? (Multiple answers allowed)

Chart 5-5. Implementation Hurdles

(# companies: 455 (denominator)/ # answers=821)

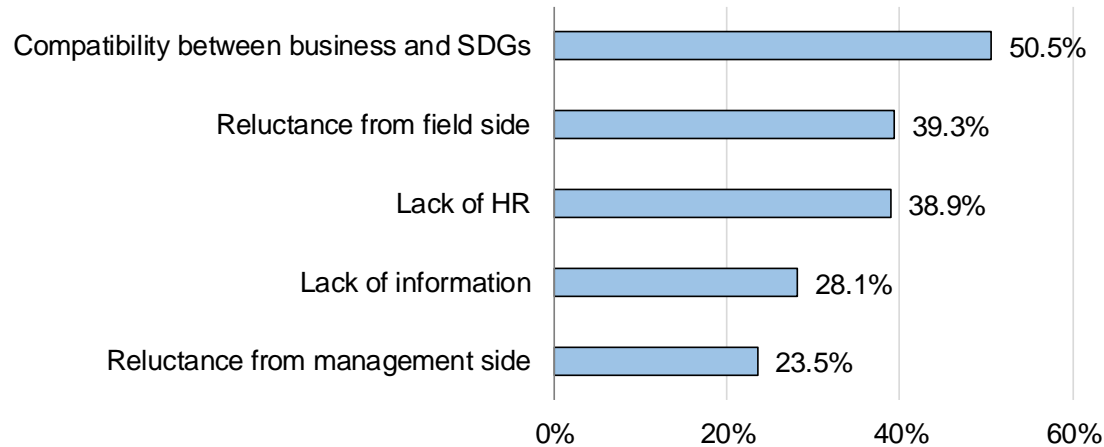
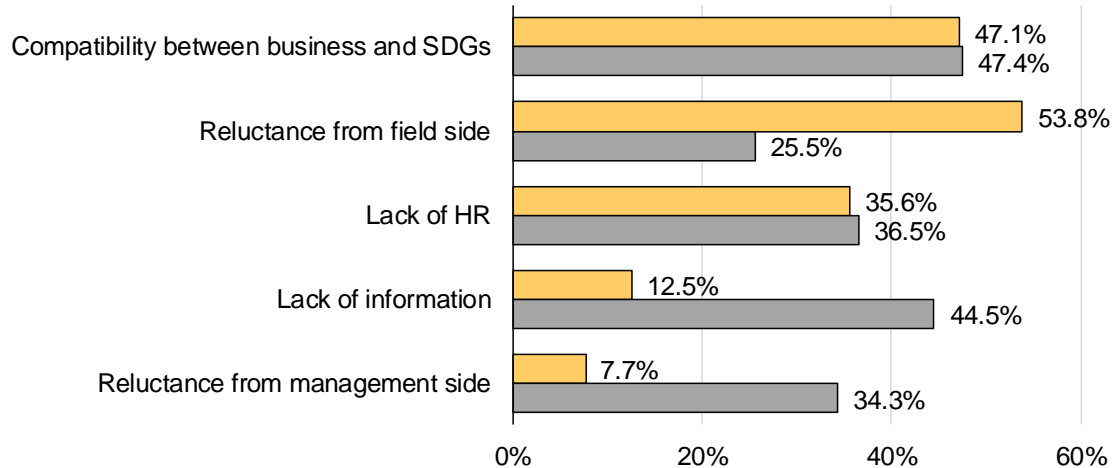


Chart 5-6. Implementation Hurdles (by Implementation Degree)



■ Initiatives towards SDGs seen as orthogonal to on-going business, face resistance from managers at inception, from the field later

- When asking about the obstacles to implement/have implemented SDGs, 50.5% (230 companies) answered “compatibility between business and SDGs”, followed by “luck of understanding of field side (39.3%)”, “lack of HR (38.9%)”, and “lack of information (28.1%)”.
- No observable sectoral differences (not shown in the graph)

■ The need for managing SDG-related changes with a top-down approach

- In order to find out the difference in how to perceive obstacles, we compared the distribution of obstacles by dividing them into companies that are advancing the SDGs and those that are not.
- Perception of incompatibility between business and SDGs (even for companies already advancing towards SDGs)
- Luck of awareness from managers at initial stages
- Luck of awareness from workers once changes are implemented

■ Implemented in business/ in its strategy (104 companies)

■ Not yet implemented in business (137 companies)

Denominator= # companies of each category

Chart 5-7. Goals Popular for Japanese Companies (Present/Future)

(# companies "Present": 346, # companies "Future": 374)

Question What are the items your company is coping with/ want to cope with in future? Please select the relevant answers. (Multiple answers allowed)



Japanese manufacturers see opportunities in SDGs related to their products or operations and intention to take on challenging social issues in the future is observed.

- We asked what SDGs goals are you currently working on and would like to work on in the future (* This time, we distributed a reference including examples assumed for each goals based on the United Nations Global compact. See page 68&69).
- As the result, focus on goals compatible with Japanese manufacturers business model: sustainable consumption and production, clean energy and innovation (3,7,8,9,12 and13) and some intention to take on challenging social issues, such as poverty, hunger, and inequality, in the future are observed.

日本の力を、世界のために。

Supporting Your Global Challenges



Appendix



Industry	Overseas Production Ratio ※1										Overseas Sales Ratio ※2							
	FY2017 (actual)		FY2018 (actual)		FY2019 (actual)		FY2020 (projected)		Medium-term plans(FY2023)		FY2017 (actual)		FY2018 (actual)		FY2019 (actual)		FY2020 (projected)	
	No. of Companies		No. of Companies		No. of Companies		No. of Companies		No. of Companies		No. of Companies		No. of Companies		No. of Companies		No. of Companies	
Food	19.7%	19	28.9%	18	18.0%	20	19.5%	20	22.5%	20	21.4%	22	30.2%	21	16.4%	22	17.7%	22
Textiles	59.8%	21	55.0%	21	57.1%	19	56.1%	19	57.9%	17	31.0%	20	30.2%	23	32.0%	20	32.0%	20
Paper, Pulp & Wood	15.0%	7	19.4%	9	19.4%	9	17.2%	9	20.0%	8	17.0%	10	19.4%	9	18.3%	9	17.2%	9
Chemicals (total)	28.2%	60	35.1%	69	30.9%	64	30.2%	63	33.4%	56	37.5%	75	37.5%	85	35.1%	74	35.6%	70
Chemicals (incl. plastic products)	29.4%	55	35.5%	66	32.1%	58	31.3%	57	35.0%	51	38.8%	69	38.1%	80	35.7%	68	36.3%	64
Pharmaceuticals	15.0%	5	28.3%	3	20.0%	6	20.0%	6	17.0%	5	23.3%	6	27.0%	5	28.3%	6	28.3%	6
Petroleum & Rubber	50.0%	8	32.3%	11	41.7%	12	42.5%	12	38.0%	10	46.0%	10	32.3%	11	40.0%	12	38.6%	11
Ceramics, Cement & Glass	32.8%	9	35.0%	7	30.7%	7	30.7%	7	33.6%	7	41.4%	11	42.5%	8	35.0%	10	36.1%	9
Steel	20.7%	14	31.2%	13	25.0%	15	20.7%	14	20.7%	14	23.0%	15	28.6%	14	24.4%	16	20.0%	14
Nonferrous Metals	34.5%	22	31.3%	24	35.0%	14	33.5%	13	35.8%	13	34.2%	24	35.8%	26	32.1%	17	32.1%	14
Metal Products	28.5%	23	40.6%	25	31.7%	24	29.8%	23	32.0%	23	32.5%	24	39.4%	27	35.8%	25	35.4%	24
General Machinery (total)	28.7%	46	33.9%	54	26.3%	45	26.6%	44	28.0%	43	42.1%	52	42.0%	57	37.4%	46	36.8%	45
Assembly	28.4%	38	34.5%	44	23.7%	39	23.9%	38	25.0%	38	42.9%	42	42.0%	47	37.0%	40	36.3%	39
Parts	30.0%	8	31.0%	10	43.3%	6	43.3%	6	51.0%	5	39.0%	10	42.0%	10	40.0%	6	40.0%	6
Electrical Equipment & Electronics (total)	44.0%	72	42.5%	68	40.6%	57	40.4%	56	42.0%	54	46.8%	84	45.1%	76	43.8%	65	43.1%	62
Assembly	36.1%	28	35.0%	32	33.5%	27	34.3%	27	36.2%	26	38.0%	37	35.9%	34	36.3%	30	34.3%	29
Parts	49.1%	44	49.2%	36	47.0%	30	46.0%	29	47.5%	28	53.7%	47	52.6%	42	50.1%	35	50.8%	33
Transportation Equipment (excl. Automobiles)	27.9%	17	21.7%	15	32.1%	14	32.9%	14	32.3%	11	36.1%	19	30.6%	16	34.3%	14	35.7%	14
Automobiles (total)	46.3%	113	44.8%	100	42.1%	99	41.4%	91	42.3%	86	46.7%	116	44.1%	104	43.4%	104	42.2%	94
Assembly	57.0%	5	47.5%	4	58.3%	3	65.0%	2	55.0%	1	71.7%	6	65.0%	5	77.5%	4	78.3%	3
Parts	45.8%	108	44.7%	96	41.6%	96	40.8%	89	42.2%	85	45.4%	110	43.1%	99	42.0%	100	41.0%	91
Precision Machinery (total)	27.5%	28	28.2%	28	30.3%	30	29.3%	30	29.3%	28	47.1%	29	43.6%	29	41.8%	31	42.7%	30
Assembly	22.0%	20	23.8%	16	23.9%	19	23.4%	19	22.8%	18	45.0%	21	43.8%	17	43.9%	19	45.0%	19
Parts	41.3%	8	34.2%	12	41.4%	11	39.5%	11	41.0%	10	52.5%	8	43.3%	12	38.3%	12	38.6%	11
Other	26.6%	50	28.0%	43	23.6%	42	23.3%	41	25.5%	41	30.8%	53	32.0%	54	26.7%	48	25.2%	47
Overall	35.6%	509	36.8%	505	33.9%	471	33.2%	456	34.6%	431	39.3%	564	38.7%	560	36.2%	513	35.6%	485

Note 1: Overseas Production Ratio = Overseas Production / (Domestic Production + Overseas Production)

Note 2: Overseas Sales Ratio = Overseas Sales / (Domestic Sales + Overseas Sales)

(1) Net Sales

FY2016 Performance

Average		2.67
1	Vietnam	2.87
1	EU 15	2.87
3	North America	2.84
4	NIEs 3	2.79
5	Mexico	2.75
6	China	2.66
7	ASEAN 5	2.64
8	Central & Eastern Europe	2.62
9	Turkey	2.54
10	Russia	2.49
11	India	2.48
12	Brazil	2.18
ASEAN 5 breakdown		
1	Philippines	2.78
2	Thailand	2.71
3	Singapore	2.61
4	Malaysia	2.56
4	Indonesia	2.56

FY2017 Performance

Average		2.75
1	Vietnam	2.92
2	EU 15	2.88
3	China	2.86
4	NIEs 3	2.79
5	ASEAN 5	2.77
6	North America	2.75
7	Mexico	2.71
8	Central & Eastern Europe	2.64
8	Turkey	2.64
10	India	2.61
11	Russia	2.59
12	Brazil	2.51
ASEAN 5 breakdown		
1	Thailand	2.90
2	Philippines	2.82
3	Singapore	2.71
4	Indonesia	2.68
5	Malaysia	2.65

FY2018 Performance

Average		2.70
1	EU 15	2.82
1	North America	2.82
3	Vietnam	2.77
4	ASEAN 5	2.75
5	Central & Eastern Europe	2.71
6	China	2.65
6	NIEs 3	2.65
8	Mexico	2.63
8	India	2.63
10	Turkey	2.53
11	Brazil	2.42
12	Russia	2.33
ASEAN 5 breakdown		
1	Thailand	2.91
2	Indonesia	2.72
3	Singapore	2.71
4	Philippines	2.64
5	Malaysia	2.59

FY2019 Performance

Average		2.50
1	Vietnam	2.64
1	China	2.64
3	Central & Eastern Europe	2.63
4	North America	2.60
5	NIEs 3	2.56
6	Turkey	2.55
7	EU14/UK	2.47
8	ASEAN 5	2.46
9	Russia	2.43
10	Mexico	2.36
10	Brazil	2.36
12	India	2.28
ASEAN 5 breakdown		
1	Singapore	2.55
2	Philippines	2.52
3	Indonesia	2.43
3	Malaysia	2.43
5	Thailand	2.42

Note1: Data of companies which answered both net sales and profits were summed up.
 Note2: For the EU, it is written as "EU15" until 2018, and as "EU14 / UK" in 2019.

(2) Profits

FY2016 Performance

Average		2.65
1	Vietnam	2.86
2	EU 15	2.84
3	NIEs 3	2.77
4	Central & Eastern Europe	2.72
5	North America	2.68
5	Mexico	2.68
7	ASEAN 5	2.65
8	China	2.64
9	Russia	2.61
10	Turkey	2.53
11	India	2.42
12	Brazil	2.18
ASEAN 5 breakdown		
1	Thailand	2.73
2	Philippines	2.71
3	Malaysia	2.64
4	Singapore	2.57
4	Indonesia	2.57

FY2017 Performance

Average		2.68
1	Vietnam	2.85
2	EU 15	2.77
2	NIEs 3	2.77
4	China	2.75
5	ASEAN 5	2.70
6	Russia	2.69
7	Central & Eastern Europe	2.63
7	Mexico	2.63
9	North America	2.58
10	Turkey	2.57
11	Brazil	2.56
12	India	2.53
ASEAN 5 breakdown		
1	Philippines	2.81
2	Thailand	2.80
3	Singapore	2.71
4	Indonesia	2.59
5	Malaysia	2.56

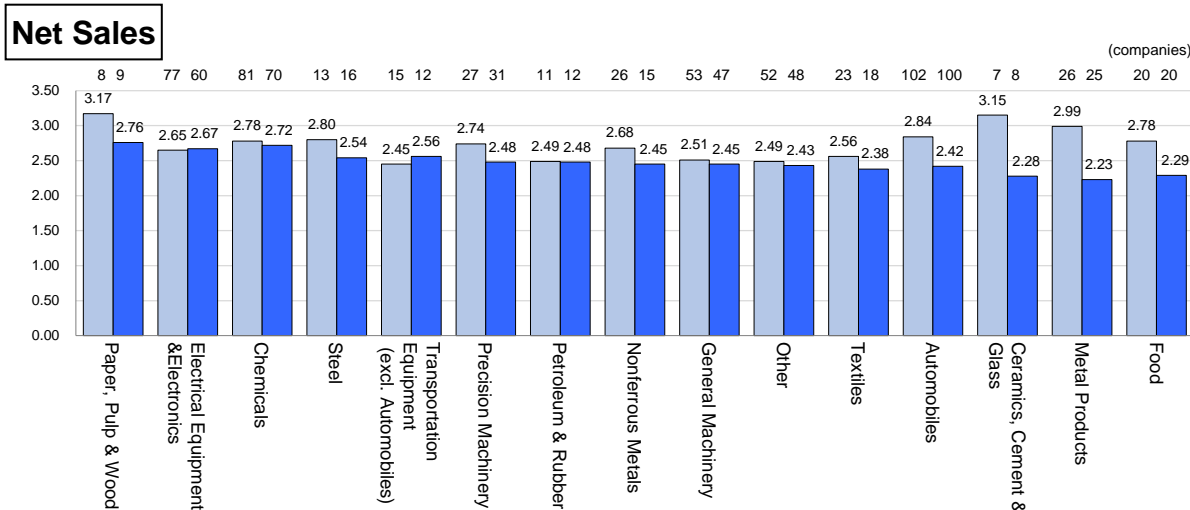
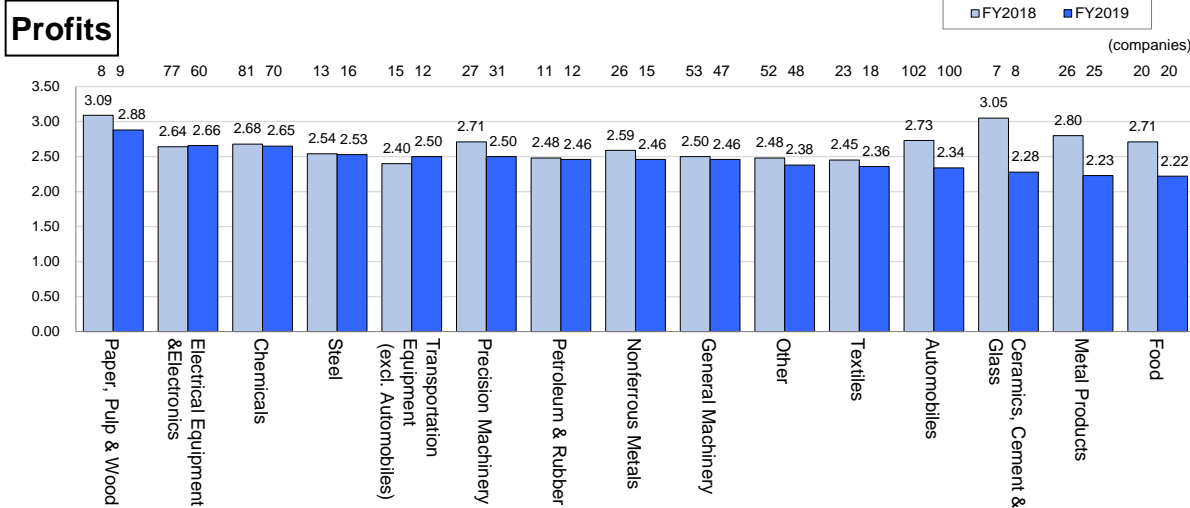
FY2018 Performance

Average		2.63
1	EU 15	2.82
1	Vietnam	2.75
3	ASEAN 5	2.68
3	Central & Eastern Europe	2.68
3	North America	2.68
6	NIEs 3	2.63
7	Turkey	2.61
8	Mexico	2.58
8	India	2.58
10	China	2.57
11	Brazil	2.32
12	Russia	2.28
ASEAN 5 breakdown		
1	Thailand	2.88
2	Singapore	2.72
3	Indonesia	2.57
4	Philippines	2.51
4	Malaysia	2.51

FY2019 Performance

Average		2.47
1	China	2.63
2	Vietnam	2.62
3	Central & Eastern Europe	2.58
4	NIEs 3	2.57
5	Turkey	2.50
6	North America	2.47
7	ASEAN 5	2.45
8	EU14/UK	2.44
9	India	2.31
10	Russia	2.29
11	Mexico	2.26
12	Brazil	2.22
ASEAN 5 breakdown		
1	Philippines	2.59
2	Singapore	2.49
3	Thailand	2.43
3	Malaysia	2.43
5	Indonesia	2.39

Net Sales/Profits Satisfaction (FY2019)



Countries/Regions with Highest Average in Satisfaction with Profits

Industry	Countries/regions with highest average in satisfaction with profits
1. Paper, Pulp & Wood	EU14 & UK Thailand (3.33) Vietnam
2. Electrical Equipment & Electronics	Central & Eastern Europe (3.40)
3. Chemicals	Central & Eastern Europe (3.13)
4. Steel	Brazil (3.50)
5. Transportation Equipment (excl. Automobiles)	Brazil Singapore (3.00) Thailand
6. Precision Machinery	Philippines (3.10)
7. Petroleum & Rubber	India Turkey (3.00)
8. Nonferrous Metals	Brunei Cambodia Laos Malaysia Myanmar Russia Singapore Turkey (3.00)
9. General Machinery	Mexico (2.87)
10. Other	China (2.75)
11. Textiles	Russia (3.00)
12. Automobiles	Brunei (3.50)
13. Ceramics, Cement & Glass	Vietnam (3.00)
14. Metal Products	Brazil (3.50)
15. Food	Turkey (3.33)

Note 1: The industries are lined up in order of the size of the numerical value of the average satisfaction with profit. When the figures are the same, they are lined up in order of the size of the average satisfaction with net sales.

Note 2: The numbers above the graph bars indicate the numbers of respondent companies.

Prospects for Mid-Term Overseas Business Expansions (by Industry)

Overseas	Strengthen /expand		Maintain present level		Scale back /withdraw	
	2019	2020	2019	2020	2019	2020
	All Industries	71.4%	59.3%	26.7%	37.9%	2.0%
Food	81.8%	77.3%	18.2%	22.7%	-	-
Textiles	73.9%	42.1%	26.1%	57.9%	-	-
Paper, Pulp & Wood	85.7%	55.6%	14.3%	22.2%	-	22.2%
Chemicals (total)	74.1%	60.6%	23.5%	38.0%	2.4%	1.4%
Chemicals (incl. plastic products)	73.8%	58.5%	23.8%	40.0%	2.5%	1.5%
Pharmaceuticals	80.0%	83.3%	20.0%	16.7%	-	-
Petroleum & Rubber	66.7%	53.8%	33.3%	46.2%	-	-
Ceramics, Cement & Glass	85.7%	66.7%	14.3%	33.3%	-	-
Steel	46.7%	38.9%	46.7%	55.6%	6.7%	5.6%
Nonferrous Metals	50.0%	70.6%	42.3%	23.5%	7.7%	5.9%
Metal Products	67.9%	50.0%	28.6%	46.2%	3.6%	3.8%
General Machinery (total)	86.4%	74.5%	13.6%	23.4%	-	2.1%
Assembly	85.7%	73.2%	14.3%	24.4%	-	2.4%
Parts	90.0%	83.3%	10.0%	16.7%	-	-
Electrical Equipment & Electronics (total)	68.4%	64.5%	31.6%	33.9%	-	1.6%
Assembly	74.3%	69.0%	25.7%	27.6%	-	3.4%
Parts	63.6%	60.6%	36.4%	39.4%	-	-
Transportation Equipment (excl. Automobiles)	66.7%	57.1%	26.7%	35.7%	6.7%	7.1%
Automobiles (total)	64.4%	46.0%	33.7%	50.0%	1.9%	4.0%
Assembly	80.0%	-	20.0%	-	-	100.0%
Parts	63.6%	46.9%	34.3%	51.0%	2.0%	2.0%
Precision Machinery (total)	82.1%	59.4%	17.9%	40.6%	-	-
Assembly	87.5%	65.0%	12.5%	35.0%	-	-
Parts	75.0%	50.0%	25.0%	50.0%	-	-
Other	75.0%	72.0%	21.2%	26.0%	3.8%	2.0%

Domestic	Strengthen /expand		Maintain present level		Scale back		Undecided	
	2019	2020	2019	2020	2019	2020	2019	2020
	All Industries	42.8%	38.9%	50.2%	50.4%	3.2%	3.5%	3.9%
Food	63.6%	40.9%	27.3%	54.5%	9.1%	4.5%	-	-
Textiles	39.1%	20.0%	47.8%	65.0%	8.7%	5.0%	4.3%	10.0%
Paper, Pulp & Wood	62.5%	55.6%	25.0%	22.2%	-	-	12.5%	22.2%
Chemicals (total)	49.4%	45.8%	43.7%	45.8%	2.3%	4.2%	4.6%	4.2%
Chemicals (incl. plastic products)	50.0%	45.5%	42.7%	45.5%	2.4%	4.5%	4.9%	4.5%
Pharmaceuticals	40.0%	50.0%	60.0%	50.0%	-	-	-	-
Petroleum & Rubber	25.0%	-	75.0%	76.9%	-	-	-	23.1%
Ceramics, Cement & Glass	28.6%	44.4%	71.4%	33.3%	-	-	-	22.2%
Steel	26.7%	31.6%	73.3%	57.9%	-	5.3%	-	5.3%
Nonferrous Metals	46.2%	41.2%	50.0%	47.1%	3.8%	5.9%	-	5.9%
Metal Products	53.6%	52.0%	39.3%	40.0%	3.6%	4.0%	3.6%	4.0%
General Machinery (total)	37.9%	42.6%	55.2%	55.3%	3.4%	-	3.4%	2.1%
Assembly	35.4%	43.9%	56.3%	53.7%	4.2%	-	4.2%	2.4%
Parts	50.0%	33.3%	50.0%	66.7%	-	-	-	-
Electrical Equipment & Electronics (total)	45.6%	46.8%	49.4%	45.2%	1.3%	3.2%	3.8%	4.8%
Assembly	62.9%	44.8%	34.3%	48.3%	-	3.4%	2.9%	3.4%
Parts	31.8%	48.5%	61.4%	42.4%	2.3%	3.0%	4.5%	6.1%
Transportation Equipment (excl. Automobiles)	26.7%	28.6%	66.7%	50.0%	6.7%	7.1%	-	14.3%
Automobiles (total)	29.2%	28.2%	59.4%	58.3%	3.8%	3.9%	7.5%	9.7%
Assembly	-	-	50.0%	66.7%	25.0%	-	25.0%	33.3%
Parts	30.4%	29.0%	59.8%	58.0%	2.9%	4.0%	6.9%	9.0%
Precision Machinery (total)	65.5%	40.6%	27.6%	46.9%	6.9%	6.3%	-	6.3%
Assembly	70.6%	50.0%	17.6%	45.0%	11.8%	-	-	5.0%
Parts	58.3%	25.0%	41.7%	50.0%	-	16.7%	-	8.3%
Other	45.3%	48.0%	50.9%	42.0%	-	2.0%	3.8%	8.0%

Prospects for Mid-Term Overseas Business Expansion (Major Countries/Regions)

Major countries /Regions	NIEs3		ASEAN5		China		Other Asian Countries		North America		Latin America	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Strengthen/expand	24.6%	24.7%	46.3%	40.4%	49.9%	42.7%	57.2%	54.0%	52.1%	48.1%	40.4%	32.8%
Maintain present level	73.0%	70.8%	52.0%	56.5%	46.5%	54.5%	41.3%	43.6%	45.6%	48.4%	56.2%	60.5%
Scale back/withdraw	2.4%	4.5%	1.7%	3.0%	3.5%	2.9%	1.6%	2.4%	2.3%	3.5%	3.4%	6.6%

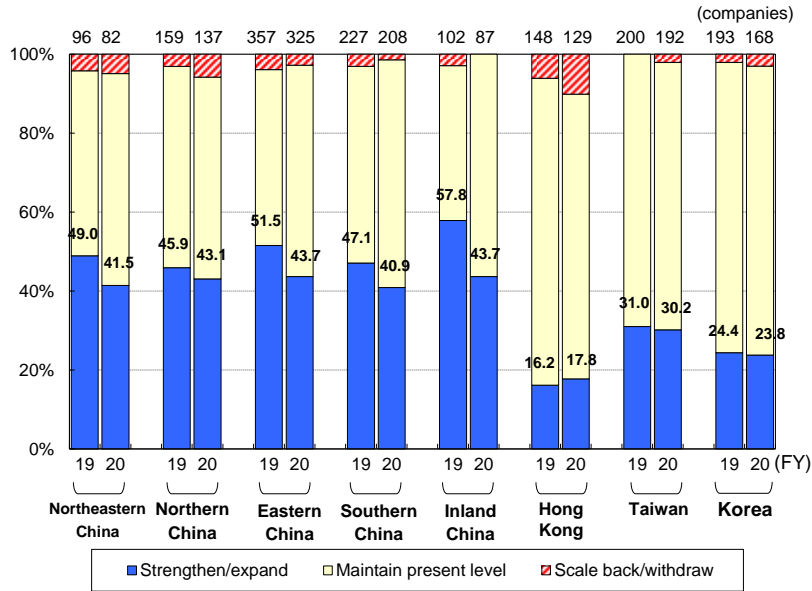
	EU14 & UK		Central & Eastern Europe		Turkey		Rest of Europe & CIS		Russia		Middle East		Africa	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Strengthen/expand	52.5%	41.5%	39.8%	37.3%	32.3%	37.8%	20.9%	35.3%	36.9%	27.3%	50.8%	40.0%	52.8%	53.5%
Maintain present level	45.1%	53.1%	60.2%	61.2%	66.1%	62.2%	79.1%	64.7%	61.5%	69.1%	49.2%	58.2%	47.2%	46.5%
Scale back/withdraw	2.5%	5.3%	-	1.5%	1.6%	-	-	-	1.5%	3.6%	-	1.8%	-	-

Prospects for Mid-Term Overseas Business Expansion (Details by Region)

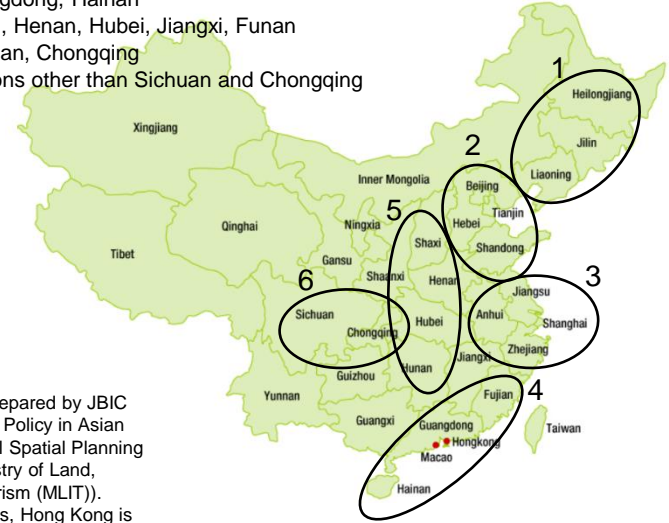
Regions in detail	NIEs3			China					Latin America		
	Korea	Taiwan	Hong Kong	North-eastern China	Northern China	Eastern China	Southern China	Inland China	Mexico	Brazil	Others
Strengthen/expand	23.8%	30.2%	17.8%	41.5%	43.1%	43.7%	40.9%	43.7%	33.8%	30.5%	34.5%
Maintain present level	73.2%	67.7%	72.1%	53.7%	51.1%	53.5%	57.7%	56.3%	60.7%	58.5%	65.5%
Scale back/withdraw	3.0%	2.1%	10.1%	4.9%	5.8%	2.8%	1.4%	-	5.5%	11.0%	-

	ASEAN											
	ASEAN5					Other Asian Countries						
	Singapore	Thailand	Indonesia	Malaysia	Philippines	Vietnam	Cambodia	Laos	Myanmar	Brunei	India	Others
Strengthen/expand	31.6%	42.2%	40.0%	40.0%	48.4%	60.6%	41.9%	44.0%	58.1%	25.0%	58.3%	41.3%
Maintain present level	63.2%	56.8%	55.2%	56.4%	50.0%	38.3%	58.1%	56.0%	41.9%	70.0%	38.1%	52.4%
Scale back/withdraw	5.2%	1.0%	4.8%	3.6%	1.6%	1.1%	-	-	-	5.0%	3.6%	6.3%

Prospects for Mid-Term Overseas Business Expansion (China/NIEs3)

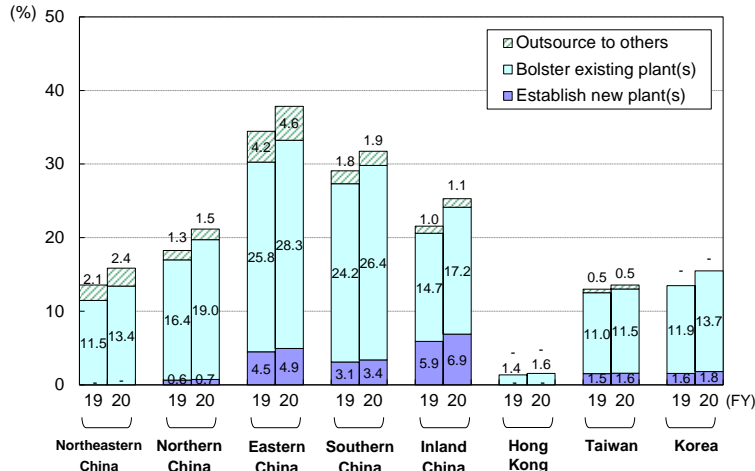


1. Northeastern China: Heilongjiang, Jilin, Liaoning
2. Northern China: Beijing, Tientsin, Hebei, Shandong
3. Eastern China: Shanghai, Jiangsu, Anhui, Zhejiang
4. Southern China: Fujian, Guangdong, Hainan
5. Inland China - Central: Shanxi, Henan, Hubei, Jiangxi, Hunan
6. Inland China - Western: Sichuan, Chongqing
7. Inland China - Western: Regions other than Sichuan and Chongqing

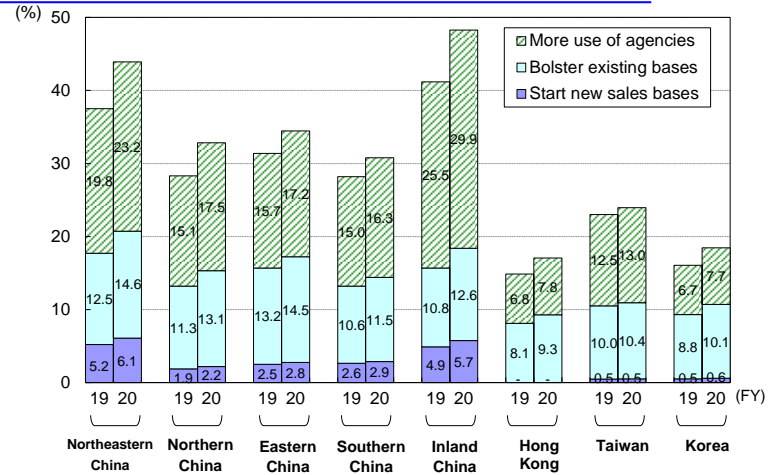


Source: This regional map was prepared by JBIC based on "An Overview of Spatial Policy in Asian and European Countries"(National Spatial Planning and Regional policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)).
 Note: Of the Guangdong provinces, Hong Kong is counted as NIEs3 and is not included in the Southern China region.

(Production) Strengthening/Expanding Ways



(Sales) Strengthening/Expanding Ways

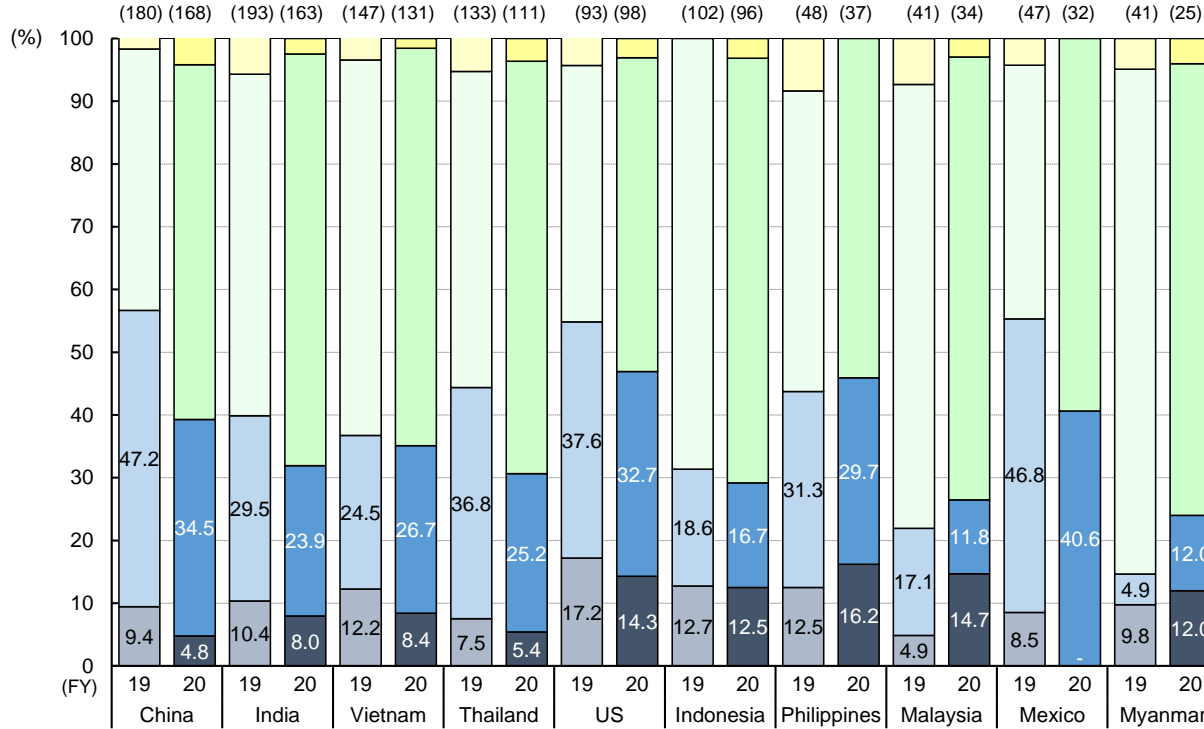


3 Prospects for Mid-Term Overseas Business Expansions (China/NIEs3)

Question

whether there is a business plan for each country/region that voted as mid-term promising countries. (asked companies that responded to mid-term promising countries question.)

Existence of Real Business Plans in Promising Countries



Promising Countries: Potential Countries/Regions in the Mid-Term

Rank	Country	No. of respondent companies		Change from last survey ('20-'19)
		FY2020	FY2019	
1	China	66	102	▲ 36
2	India	52	77	▲ 25
3	Vietnam	46	54	▲ 8
3	US	46	51	▲ 5
5	Thailand	34	59	▲ 25
6	Indonesia	28	32	▲ 4
7	Philippines	17	21	▲ 4
8	Mexico	13	26	▲ 13
9	Malaysia	9	9	0
10	Taiwan	8	7	1
10	Germany	8	4	4

FY2019 FY2020

- We have a new business plan
- We have a business plan for additional investment
- No concrete plans exist at this point
- No response

Note1: The ratio in the graph was obtained by dividing the number of responding companies that responded "Plans do exist" by the number of companies that named the country as promising.

Note2: The figures in parenthesis above the bar graph indicate the number of companies which named the countries as promising in Figure 17.

	No. 1		No. 2		No. 3		No. 4		No. 5		No. 6		No. 7		No. 8		No. 9		No. 10	
	China		India		Vietnam		Thailand		US		Indonesia		Philippines		Malaysia		Mexico		Myanmar	
	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio
Total	168	100%	163	100%	131	100%	111	100%	98	100%	96	100%	37	100%	34	100%	32	100%	25	100%
A new business plan exist	8	4.8%	13	8.0%	11	8.4%	6	5.4%	14	14.3%	12	12.5%	6	16.2%	5	14.7%	0	0.0%	3	12.0%
A business plan for additional investment exist	58	34.5%	39	23.9%	35	26.7%	28	25.2%	32	32.7%	16	16.7%	11	29.7%	4	11.8%	13	40.6%	3	12.0%
No plans	95	56.5%	107	65.6%	83	63.4%	73	65.8%	49	50.0%	65	67.7%	20	54.1%	24	70.6%	19	59.4%	18	72.0%
No response	8	4.8%	4	2.5%	2	1.5%	4	3.6%	3	3.1%	3	3.1%	0	0.0%	1	2.9%	0	0.0%	1	4.0%

	No. 11		No. 12		No. 13		No. 14		No. 15		No. 16		No. 16		No. 18		No. 18		No. 20	
	Germany		Taiwan		Bangladesh		Australia		Korea		Singapore		Brazil		UK		Russia		Turkey	
	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio	Respondent companies	Ratio
Total	20	100%	18	100%	16	100%	14	100%	12	100%	11	100%	11	100%	9	100%	8	100%	7	100%
A new business plan exist	3	15.0%	2	11.1%	2	12.5%	4	28.6%	0	0.0%	2	18.2%	1	9.1%	0	0.0%	3	37.5%	1	14.3%
A business plan for additional investment exist	5	25.0%	6	33.3%	1	6.3%	3	21.4%	2	16.7%	0	0.0%	2	18.2%	4	44.4%	1	12.5%	0	0.0%
No plans	11	55.0%	10	55.6%	12	75.0%	7	50.0%	9	75.0%	9	81.8%	8	72.7%	5	55.6%	4	50.0%	5	71.4%
No response	1	5.0%	0	0.0%	1	6.3%	0	0.0%	1	8.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	14.3%

Note: Each ratio refers to the number of companies answering "A new business plan exists", "A business plan for additional investment exists", "No plans" or "No response", divided by the total number of respondent companies for the respective countries.

Promising Countries/Regions over the Mid-Term (Next 3 Years)

Rank	FY2020 Survey	No. of Companies 356	Percentage share (%)	FY2019 Survey	No. of Companies 404	Percentage share (%)	FY2018 Survey	No. of Companies 431	Percentage share (%)	FY2017 Survey	No. of Companies 444	Percentage share (%)	FY2016 Survey	No. of Companies 483	Percentage share (%)
1	China	168	47.2	India	193	47.8	China	225	52.2	China	203	45.7	India	230	47.6
2	India	163	45.8	China	180	44.6	India	199	46.2	India	195	43.9	China	203	42.0
3	Vietnam	131	36.8	Vietnam	147	36.4	Thailand	160	37.1	Vietnam	169	38.1	Indonesia	173	35.8
4	Thailand	111	31.2	Thailand	133	32.9	Vietnam	146	33.9	Thailand	153	34.5	Vietnam	158	32.7
5	US	98	27.5	Indonesia	102	25.2	Indonesia	131	30.4	Indonesia	147	33.1	Thailand	142	29.4
6	Indonesia	96	27.0	US	93	23.0	US	124	28.8	US	116	26.1	Mexico	125	25.9
7	Philippines	37	10.4	Philippines	48	11.9	Mexico	59	13.7	Mexico	81	18.2	US	93	19.3
8	Malaysia	34	9.6	Mexico	47	11.6	Philippines	43	10.0	Philippines	47	10.6	Philippines	51	10.6
9	Mexico	32	9.0	Myanmar	41	10.1	Myanmar	37	8.6	Myanmar	40	9.0	Myanmar	49	10.1
10	Myanmar	25	7.0	Malaysia	18	4.5	Malaysia	36	8.4	Brazil	28	6.3	Brazil	35	7.2
11	Germany	20	5.6	Taiwan	15	3.7	Germany	25	5.8	Korea	19	4.3	Malaysia	33	6.8
12	Taiwan	18	5.1	Korea	14	3.5	Taiwan	19	4.4	Malaysia	26	5.9	Singapore	23	4.8
13	Bangladesh	16	4.5	Singapore	13	3.2	Russia	16	3.7	Taiwan	13	2.9	Taiwan	22	4.6
14	Australia	14	3.9	Australia	12	3.0	Singapore	15	3.5	Germany	12	2.7	Germany	20	4.1
15	Korea	12	3.4	Cambodia	11	2.7	Cambodia	13	3.0	Turkey	12	2.7	Russia	17	3.5
16	Singapore	11	3.1	Russia	9	2.2	Australia	12	2.8	Australia	10	2.3	Korea	15	3.1
17	Brazil	9	2.5	France	8	2.0	Turkey	9	2.1	Canada	9	2.0	Turkey	12	2.5
18	UK	8	2.2	Turkey	8	2.0	Laos	7	1.6	Cambodia	9	2.0	Cambodia	11	2.3
19	Russia	8	2.2				France						Australia	11	2.3
20	Turkey	7	2.0										Iran	8	1.7

Promising Countries/Regions in the Long-Term (Next 10 Years)

Rank	FY2020 Survey	No. of Companies 264	Percentage share (%)	FY2019 Survey	No. of Companies 296	Percentage share (%)
1	India	140	53.0	India	155	52.4
2	China	116	43.9	China	119	40.2
3	Vietnam	82	31.1	Vietnam	103	34.8
4	US	73	27.7	Indonesia	84	28.4
5	Indonesia	71	26.9	Thailand	73	24.7
6	Thailand	61	23.1	US	62	20.9
7	Mexico	30	11.4	Myanmar	39	13.2
8	Myanmar	26	9.8	Mexico	35	11.8
9	Philippines	25	9.5	Philippines		
10	Brazil	22	8.3	Malaysia	25	8.4

Chart 3-17. Promising Countries for Overseas Business over the Mid-term (Next 3 Years)(SMEs)

Question Please provide us with the names of up to 5 countries that you consider to have promising prospects for business operations over the mid-term (next 3 years). (Multiple answers allowed)

*Percentage of votes (%) = Number of votes for country / Number of respondent companies

Ranking			Country/Region (Total)	No. of Companies		Percentage Share(%)	
2020	← 2019			2020 129	2019 137	2020	2019
1	—	1	India	54	62	41.9	45.3
2	—	2	China	50	53	38.8	38.7
3	—	3	Vietnam	46	46	35.7	33.6
4	↑	5	Thailand	43	35	33.3	25.5
5	↓	4	Indonesia	33	36	25.6	26.3
6	—	6	US	29	27	22.5	19.7
7	↑	8	Philippines	17	20	13.2	14.6
8	↓	7	Mexico	15	23	11.6	16.8
8	↑	10	Malaysia	15	11	11.6	8.0
10	↓	9	Myanmar	12	16	9.3	11.7
11	↑	13	Germany	9	4	7.0	2.9
12	↑	15	Bangladesh	7	3	5.4	2.2
12	↑	15	Taiwan	7	3	5.4	2.2
14	↑	15	Singapore	4	3	3.1	2.2
14	↑	21	UK	4	2	3.1	1.5
17	↓	13	Australia	3	4	2.3	2.9
17	↓	15	France	3	3	2.3	2.2
17	↑	21	Laos	3	2	2.3	1.5
20	↓	11	Cambodia	2	7	1.6	5.1
20	↓	12	Korea	2	6	1.6	4.4
20	↓	15	Italy	2	3	1.6	2.2
20	↓	15	Turkey	2	3	1.6	2.2
20	↑	—	Hungary	2	-	1.6	-
20	↑	—	Netherlands	2	-	1.6	-
20	↑	—	UAE	2	-	1.6	-

Note: Countries with the same rank were ordered based upon their rank in the previous survey

3 Promising Countries/Regions: Details of Promising Reasons

Note1: The number of responding companies refers to the number of companies that cited reasons for a country being promising.

Note2: The colored cell indicate the top three reasons most often cited for each country.

FY2020 Survey	1 China		2 India		3 Vietnam		4 Thailand		5 US		6 Indonesia		7 Philippines		8 Malaysia		9 Mexico		10 Myanmar	
	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio
	companies		companies		companies		companies		companies		companies		companies		companies		companies		companies	
No. of respondent companies	167	100%	160	100%	131	100%	111	100%	96	100%	92	100%	35	100%	34	100%	31	100%	25	100%
1. Qualified human resources	23	13.8%	31	19.4%	33	25.2%	20	18.0%	16	16.7%	8	8.7%	6	17.1%	2	5.9%	-	0.0%	1	4.0%
2. Inexpensive source of labor	15	9.0%	56	35.0%	56	42.7%	23	20.7%	-	0.0%	28	30.4%	16	45.7%	4	11.8%	13	41.9%	13	52.0%
3. Inexpensive components/raw materials	25	15.0%	18	11.3%	11	8.4%	8	7.2%	1	1.0%	4	4.3%	1	2.9%	2	5.9%	2	6.5%	1	4.0%
4. Supply base for assemblers	33	19.8%	33	20.6%	17	13.0%	21	18.9%	13	13.5%	15	16.3%	6	17.1%	4	11.8%	20	64.5%	1	4.0%
5. Concentration of industry	38	22.8%	14	8.8%	6	4.6%	26	23.4%	23	24.0%	6	6.5%	3	8.6%	5	14.7%	9	29.0%	-	0.0%
6. Good for risk diversification to other countries	2	1.2%	10	6.3%	19	14.5%	12	10.8%	5	5.2%	5	5.4%	7	20.0%	5	14.7%	1	3.2%	2	8.0%
7. Base of export to Japan	14	8.4%	6	3.8%	16	12.2%	11	9.9%	2	2.1%	8	8.7%	4	11.4%	1	2.9%	-	0.0%	1	4.0%
8. Base of export to third countries	15	9.0%	21	13.1%	20	15.3%	27	24.3%	1	1.0%	19	20.7%	4	11.4%	3	8.8%	10	32.3%	3	12.0%
9. Advantages in terms of raw material procurement	14	8.4%	5	3.1%	3	2.3%	4	3.6%	5	5.2%	3	3.3%	1	2.9%	1	2.9%	-	0.0%	-	0.0%
10. Current size of local market	111	66.5%	57	35.6%	27	20.6%	43	38.7%	72	75.0%	32	34.8%	8	22.9%	9	26.5%	6	19.4%	1	4.0%
11. Future growth potential of local market	97	58.1%	122	76.3%	78	59.5%	47	42.3%	45	46.9%	64	69.6%	19	54.3%	14	41.2%	14	45.2%	16	64.0%
12. Profitability of local market	22	13.2%	11	6.9%	8	6.1%	15	13.5%	27	28.1%	3	3.3%	4	11.4%	1	2.9%	2	6.5%	1	4.0%
13. Base for product development	13	7.8%	4	2.5%	1	0.8%	4	3.6%	16	16.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
14. Developed local infrastructure	21	12.6%	-	0.0%	5	3.8%	20	18.0%	32	33.3%	3	3.3%	2	5.7%	6	17.6%	2	6.5%	1	4.0%
15. Developed local logistics services	11	6.6%	1	0.6%	4	3.1%	7	6.3%	18	18.8%	-	0.0%	-	0.0%	1	2.9%	-	0.0%	-	0.0%
16. Tax incentives for investment	4	2.4%	4	2.5%	9	6.9%	8	7.2%	4	4.2%	1	1.1%	4	11.4%	3	8.8%	-	0.0%	1	4.0%
17. Stable policies to attract foreign investment	3	1.8%	2	1.3%	5	3.8%	4	3.6%	4	4.2%	3	3.3%	4	11.4%	-	0.0%	1	3.2%	2	8.0%
18. Social/political situation stable	2	1.2%	3	1.9%	16	12.2%	12	10.8%	21	21.9%	2	2.2%	2	5.7%	4	11.8%	1	3.2%	-	0.0%

FY2019 Survey	1 India		2 China		3 Vietnam		4 Thailand		5 Indonesia		6 US		7 Philippines		8 Mexico		9 Myanmar		9 Malaysia	
	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio
	companies		companies		companies		companies		companies		companies		companies		companies		companies		companies	
No. of respondent companies	187	100%	176	100%	143	100%	131	100%	99	100%	92	100%	46	100%	46	100%	40	100%	40	100%
1. Qualified human resources	35	18.7%	17	9.7%	38	26.6%	28	21.4%	6	6.1%	11	12.0%	7	15.2%	2	4.3%	6	15.0%	5	12.5%
2. Inexpensive source of labor	58	31.0%	13	7.4%	62	43.4%	24	18.3%	26	26.3%	1	1.1%	20	43.5%	12	26.1%	24	60.0%	5	12.5%
3. Inexpensive components/raw materials	24	12.8%	15	8.5%	12	8.4%	8	6.1%	5	5.1%	-	0.0%	-	0.0%	2	4.3%	1	2.5%	3	7.5%
4. Supply base for assemblers	41	21.9%	42	23.9%	25	17.5%	29	22.1%	16	16.2%	20	21.7%	7	15.2%	28	60.9%	1	2.5%	6	15.0%
5. Concentration of industry	24	12.8%	36	20.5%	14	9.8%	37	28.2%	10	10.1%	22	23.9%	3	6.5%	13	28.3%	2	5.0%	3	7.5%
6. Good for risk diversification to other countries	12	6.4%	3	1.7%	27	18.9%	15	11.5%	8	8.1%	3	3.3%	2	4.3%	3	6.5%	4	10.0%	9	22.5%
7. Base of export to Japan	5	2.7%	13	7.4%	15	10.5%	10	7.6%	8	8.1%	3	3.3%	8	17.4%	-	0.0%	3	7.5%	1	2.5%
8. Base of export to third countries	27	14.4%	18	10.2%	20	14.0%	35	26.7%	15	15.2%	5	5.4%	5	10.9%	14	30.4%	7	17.5%	5	12.5%
9. Advantages in terms of raw material procurement	6	3.2%	8	4.5%	1	0.7%	6	4.6%	3	3.0%	2	2.2%	2	4.3%	1	2.2%	-	0.0%	2	5.0%
10. Current size of local market	69	36.9%	107	60.8%	27	18.9%	53	40.5%	42	42.4%	64	69.6%	10	21.7%	12	26.1%	4	10.0%	11	27.5%
11. Future growth potential of local market	139	74.3%	99	56.3%	91	63.6%	56	42.7%	60	60.6%	40	43.5%	24	52.2%	21	45.7%	22	55.0%	15	37.5%
12. Profitability of local market	6	3.2%	21	11.9%	13	9.1%	19	14.5%	7	7.1%	17	18.5%	7	15.2%	1	2.2%	1	2.5%	-	0.0%
13. Base for product development	11	5.9%	10	5.7%	1	0.7%	7	5.3%	-	0.0%	6	6.5%	-	0.0%	-	0.0%	-	0.0%	1	2.5%
14. Developed local infrastructure	5	2.7%	25	14.2%	13	9.1%	29	22.1%	2	2.0%	24	26.1%	2	4.3%	3	6.5%	-	0.0%	4	10.0%
15. Developed local logistics services	2	1.1%	13	7.4%	6	4.2%	12	9.2%	-	0.0%	10	10.9%	-	0.0%	1	2.2%	-	0.0%	2	5.0%
16. Tax incentives for investment	1	0.5%	6	3.4%	9	6.3%	15	11.5%	2	2.0%	1	1.1%	2	4.3%	1	2.2%	1	2.5%	2	5.0%
17. Stable policies to attract foreign investment	4	2.1%	3	1.7%	7	4.9%	5	3.8%	5	5.1%	-	0.0%	4	8.7%	-	0.0%	1	2.5%	2	5.0%
18. Social/political situation stable	7	3.7%	5	2.8%	23	16.1%	11	8.4%	5	5.1%	14	15.2%	3	6.5%	-	0.0%	-	0.0%	3	7.5%

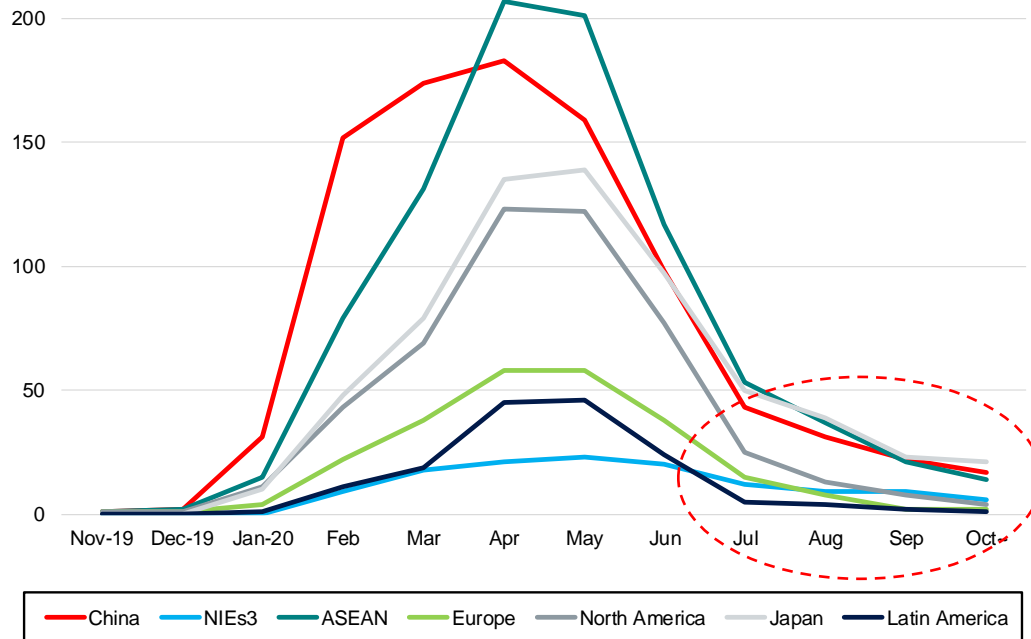
Note1: The number of respondent companies refers to the number of companies that cited issues.

Note2: The colored cell indicate the top three reasons most often cited for each country.

FY2020 Survey	1 China		2 India		3 Vietnam		4 Thailand		5 US		6 Indonesia		7 Philippines		8 Mexico		9 Malaysia		10 Myanmar	
	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio
	companies		companies		companies		companies		companies		companies		companies		companies		companies		companies	
No. of responding companies	156	100%	134	100%	109	100%	88	100%	78	100%	72	100%	30	100%	25	100%	20	100%	19	100%
1. Underdeveloped legal system	12	7.7%	17	12.7%	18	16.5%	5	5.7%	-	0.0%	12	16.7%	4	13.3%	2	8.0%	-	0.0%	10	52.6%
2. Execution of legal system unclear	76	48.7%	46	34.3%	39	35.8%	13	14.8%	2	2.6%	25	34.7%	10	33.3%	3	12.0%	2	10.0%	5	26.3%
3. Complicated tax system	19	12.2%	35	26.1%	10	9.2%	3	3.4%	1	1.3%	8	11.1%	2	6.7%	3	12.0%	2	10.0%	2	10.5%
4. Execution of tax system unclear	24	15.4%	33	24.6%	14	12.8%	7	8.0%	2	2.6%	12	16.7%	4	13.3%	4	16.0%	-	0.0%	3	15.8%
5. Increased taxation	29	18.6%	17	12.7%	11	10.1%	10	11.4%	10	12.8%	11	15.3%	2	6.7%	2	8.0%	1	5.0%	1	5.3%
6. Restrictions on foreign investment	40	25.6%	11	8.2%	12	11.0%	10	11.4%	-	0.0%	11	15.3%	5	16.7%	2	8.0%	-	0.0%	3	15.8%
7. Complicated/unclear procedures for investment permission	19	12.2%	15	11.2%	11	10.1%	4	4.5%	1	1.3%	11	15.3%	3	10.0%	3	12.0%	1	5.0%	4	21.1%
8. Insufficient protection for intellectual property rights	58	37.2%	10	7.5%	3	2.8%	4	4.5%	1	1.3%	3	4.2%	2	6.7%	2	8.0%	-	0.0%	2	10.5%
9. Restrictions on foreign currency/ transfers of money overseas	51	32.7%	12	9.0%	10	9.2%	2	2.3%	1	1.3%	5	6.9%	1	3.3%	1	4.0%	1	5.0%	2	10.5%
10. Import restrictions/customs procedures	32	20.5%	14	10.4%	8	7.3%	3	3.4%	4	5.1%	9	12.5%	2	6.7%	2	8.0%	1	5.0%	-	0.0%
11. Difficult to secure technical/engineering staff	26	16.7%	20	14.9%	17	15.6%	20	22.7%	18	23.1%	21	29.2%	6	20.0%	10	40.0%	7	35.0%	4	21.1%
12. Difficult to secure management-level staff	27	17.3%	34	25.4%	29	26.6%	30	34.1%	18	23.1%	19	26.4%	8	26.7%	14	56.0%	8	40.0%	9	47.4%
13. Rising labor costs	98	62.8%	26	19.4%	33	30.3%	34	38.6%	24	30.8%	29	40.3%	9	30.0%	6	24.0%	3	15.0%	2	10.5%
14. Labor problems	26	16.7%	24	17.9%	12	11.0%	7	8.0%	9	11.5%	12	16.7%	3	10.0%	2	8.0%	1	5.0%	2	10.5%
15. Intense competition with other companies	107	68.6%	56	41.8%	35	32.1%	54	61.4%	55	70.5%	27	37.5%	5	16.7%	14	56.0%	8	40.0%	4	21.1%
16. Difficulties in recovering money owed	42	26.9%	29	21.6%	8	7.3%	9	10.2%	-	0.0%	6	8.3%	3	10.0%	2	8.0%	-	0.0%	4	21.1%
17. Difficulty in raising funds	6	3.8%	7	5.2%	2	1.8%	2	2.3%	-	0.0%	3	4.2%	-	0.0%	1	4.0%	1	5.0%	1	5.3%
18. Underdeveloped local supporting industries	2	1.3%	12	9.0%	13	11.9%	3	3.4%	2	2.6%	11	15.3%	5	16.7%	6	24.0%	3	15.0%	6	31.6%
19. Sense of instability regarding currency and/or costs	3	1.9%	17	12.7%	5	4.6%	2	2.3%	-	0.0%	12	16.7%	2	6.7%	5	20.0%	2	10.0%	4	21.1%
20. Underdeveloped infrastructure	7	4.5%	49	36.6%	15	13.8%	4	4.5%	-	0.0%	16	22.2%	8	26.7%	1	4.0%	-	0.0%	13	68.4%
21. Security/social instability	33	21.2%	41	30.6%	4	3.7%	10	11.4%	5	6.4%	21	29.2%	14	46.7%	9	36.0%	1	5.0%	5	26.3%
22. Lack of information on the country	3	1.9%	16	11.9%	14	12.8%	4	4.5%	2	2.6%	5	6.9%	-	0.0%	3	12.0%	2	10.0%	7	36.8%

FY2019 Survey	1 India		2 China		3 Vietnam		4 Thailand		5 Indonesia		6 US		7 Mexico		8 Philippines		9 Myanmar		10 Malaysia	
	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio	#	Ratio
	companies		companies		companies		companies		companies		companies		companies		companies		companies		companies	
No. of responding companies	161	100%	155	100%	113	100%	104	100%	82	100%	67	100%	38	100%	34	100%	30	100%	28	100%
1. Underdeveloped legal system	22	13.7%	9	5.8%	21	18.6%	2	1.9%	13	15.9%	1	1.5%	1	2.6%	6	17.6%	12	40.0%	2	7.1%
2. Execution of legal system unclear	60	37.3%	65	41.9%	33	29.2%	10	9.6%	27	32.9%	4	6.0%	3	7.9%	10	29.4%	10	33.3%	3	10.7%
3. Complicated tax system	39	24.2%	16	10.3%	7	6.2%	5	4.8%	8	9.8%	1	1.5%	5	13.2%	-	0.0%	2	6.7%	-	0.0%
4. Execution of tax system unclear	33	20.5%	28	18.1%	20	17.7%	13	12.5%	9	11.0%	4	6.0%	4	10.5%	-	0.0%	5	16.7%	1	3.6%
5. Increased taxation	16	9.9%	30	19.4%	10	8.8%	11	10.6%	8	9.8%	10	14.9%	2	5.3%	3	8.8%	2	6.7%	-	0.0%
6. Restrictions on foreign investment	21	13.0%	38	24.5%	9	8.0%	13	12.5%	11	13.4%	2	3.0%	2	5.3%	5	14.7%	3	10.0%	1	3.6%
7. Complicated/unclear procedures for investment permission	30	18.6%	25	16.1%	7	6.2%	4	3.8%	12	14.6%	-	0.0%	1	2.6%	3	8.8%	1	3.3%	3	10.7%
8. Insufficient protection for intellectual property rights	12	7.5%	55	35.5%	10	8.8%	3	2.9%	3	3.7%	-	0.0%	1	2.6%	1	2.9%	2	6.7%	2	7.1%
9. Restrictions on foreign currency/ transfers of money overseas	30	18.6%	46	29.7%	16	14.2%	2	1.9%	7	8.5%	1	1.5%	-	0.0%	1	2.9%	1	3.3%	-	0.0%
10. Import restrictions/customs procedures	21	13.0%	33	21.3%	14	12.4%	6	5.8%	10	12.2%	6	9.0%	3	7.9%	1	2.9%	5	16.7%	3	10.7%
11. Difficult to secure technical/engineering staff	31	19.3%	33	21.3%	22	19.5%	27	26.0%	16	19.5%	13	19.4%	18	47.4%	5	14.7%	8	26.7%	7	25.0%
12. Difficult to secure management-level staff	32	19.9%	36	23.2%	33	29.2%	33	31.7%	21	25.6%	11	16.4%	20	52.6%	9	26.5%	8	26.7%	6	21.4%
13. Rising labor costs	35	21.7%	104	67.1%	35	31.0%	51	49.0%	27	32.9%	22	32.8%	15	39.5%	6	17.6%	5	16.7%	4	14.3%
14. Labor problems	32	19.9%	24	15.5%	17	15.0%	4	3.8%	14	17.1%	4	6.0%	6	15.8%	1	2.9%	3	10.0%	3	10.7%
15. Intense competition with other companies	61	37.9%	93	60.0%	40	35.4%	65	62.5%	33	40.2%	42	62.7%	8	21.1%	6	17.6%	6	20.0%	9	32.1%
16. Difficulties in recovering money owed	24	14.9%	36	23.2%	5	4.4%	4	3.8%	2	2.4%	1	1.5%	3	7.9%	1	2.9%	1	3.3%	-	0.0%
17. Difficulty in raising funds	11	6.8%	7	4.5%	4	3.5%	1	1.0%	3	3.7%	-	0.0%	2	5.3%	1	2.9%	4	13.3%	2	7.1%
18. Underdeveloped local supporting industries	25	15.5%	3	1.9%	20	17.7%	7	6.7%	9	11.0%	-	0.0%	7	18.4%	4	11.8%	13	43.3%	2	7.1%
19. Sense of instability regarding currency and/or costs	14	8.7%	7	4.5%	8	7.1%	-	0.0%	11	13.4%	-	0.0%	6	15.8%	1	2.9%	5	16.7%	2	7.1%
20. Underdeveloped infrastructure	70	43.5%	7	4.5%	21	18.6%	2	1.9%	18	22.0%	-	0.0%	1	2.6%	4	11.8%	20	66.7%	-	0.0%
21. Security/social instability	27	16.8%	19	12.3%	5	4.4%	18	17.3%	24	29.3%	3	4.5%	20	52.6%	12	35.3%	4	13.3%	-	0.0%
22. Lack of information on the country	24	14.9%	3	1.9%	11	9.7%	1	1.0%	6	7.3%	2	3.0%	2	5.3%	2	5.9%	8	26.7%	1	3.6%

Comparison of the Most Impacted Month and Country/Region



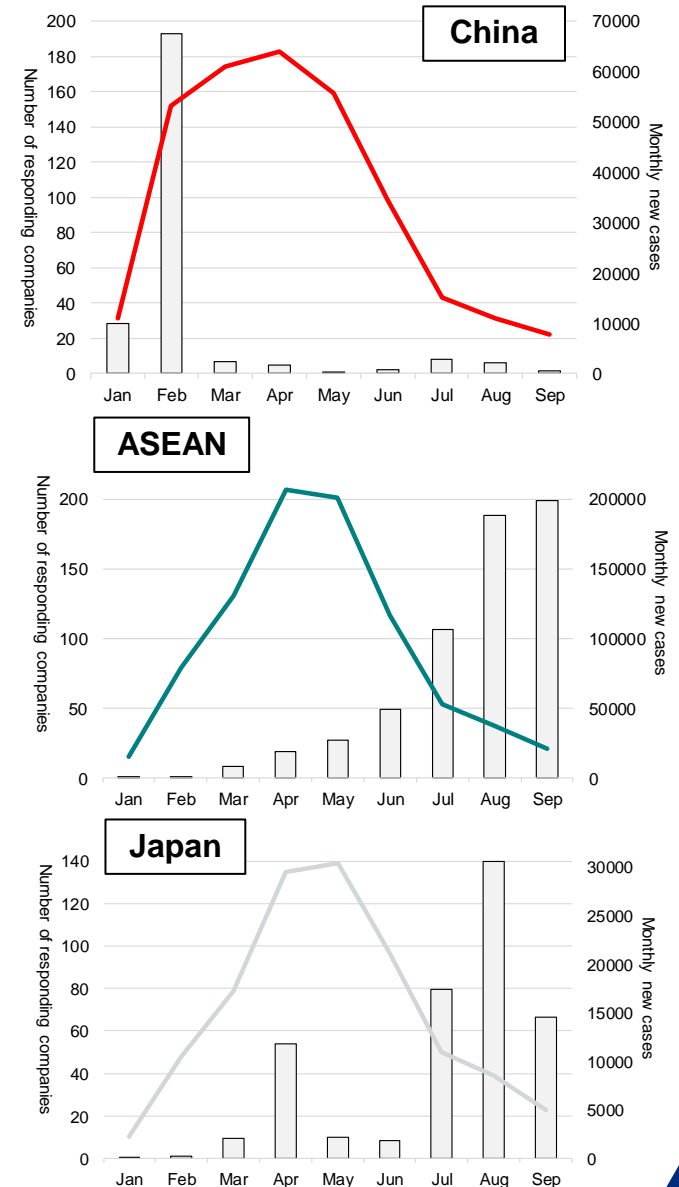
Note 1: The bar chart showing the transition of the number of infected people, prepared by JBIC based on the announcement of Johns Hopkins University.

Note 2: The number of infected people in ASEAN is the total number of people infected in ASEAN5

Peaks and impacts differ between China and ASEAN

- We cross analyzed the impacted timing and country/region. As a result, it was found that the impact was observed during the four months from February to May in China, while the impact was concentrated during the two months from April to May in ASEAN. In the interview, it was said that "In China, there was a production impact in February to March, and although orders recovered after that, restrictions remained on traffic and logistics for a while. On the other hand, in ASEAN, the lockdown also affected production, but after that, the operation gradually resumed and the impact was relatively short. (automobile parts etc.)" Other company said that "Until March, we managed to avoid the impact because orders from the previous year remained, but in April, orders for half a year stopped, and production adjustments were made sharply. (general machinery)", which is pointing out the Japanese business custom.

Comparison to the number of infected people



4 Most Impacted Month (by Industry)

Industry	Number of responding companies	Nov-19	Dec-19	Jan-20	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct~	No Impact
Total	508	1	2	33	167	236	338	313	193	96	67	41	33	22
Food	22	0	1	4	7	13	14	13	7	3	1	1	0	2
Textiles	20	0	0	2	8	6	10	12	4	4	3	2	3	0
Paper, Pulp & wood	9	0	0	0	4	5	6	6	6	4	3	1	1	0
Chemicals (subtotal)	72	0	0	6	27	37	48	40	29	14	12	9	8	4
Chemicals (including plastics)	66	0	0	6	25	34	46	37	26	12	10	7	6	2
Pharmaceuticals	6	0	0	0	2	3	2	3	3	2	2	2	2	2
Petroleum & Rubber	13	0	0	1	3	9	9	8	7	3	1	1	0	1
Ceramics, Cement & Glass	10	0	0	0	2	4	7	6	4	2	1	0	0	0
Steel	15	0	0	3	2	1	9	11	7	6	2	1	0	0
Nonferrous Metals	18	0	0	0	4	4	11	13	7	4	3	2	2	1
Metal Products	24	0	0	1	7	8	11	11	9	5	4	3	2	2
General Machinery (subtotal)	47	0	0	3	11	19	31	25	23	15	11	6	6	3
General Machinery (assembler)	41	0	0	2	9	18	27	23	21	14	11	6	6	3
General Machinery (parts)	6	0	0	1	2	1	4	2	2	1	0	0	0	0
Electrical Equipment & Electronics (subtotal)	61	0	0	4	28	34	44	30	13	6	5	2	2	2
Electrical Equipment & Electronics (assembler)	27	0	0	2	14	17	20	13	6	4	3	1	2	0
Electrical Equipment & Electronics (parts)	34	0	0	2	14	17	24	17	7	2	2	1	0	2
Transportation Equipment (excl. automobiles)	14	0	0	1	3	5	6	9	3	1	2	1	1	1
Automobiles (subtotal)	105	1	1	4	35	48	86	88	48	11	6	4	3	0
Automobiles (assembler)	4	0	0	0	1	2	4	3	1	0	0	0	0	0
Automobiles (parts)	101	1	1	4	34	46	82	85	47	11	6	4	3	0
Precision Machinery (subtotal)	31	0	0	4	12	18	21	16	12	9	6	3	2	1
Precision Machinery (assembler)	20	0	0	2	6	10	12	10	8	6	4	3	2	0
Precision Machinery (parts)	11	0	0	2	6	8	9	6	4	3	2	0	0	1
Others	47	0	0	0	14	25	25	25	14	9	7	5	3	5

Heterogeneities in Degree of Efforts towards SDGs (by Industry)

	Number of responding companies	Not yet implemented in business	Considering implementing in business/ in its strategy	Implemented in PR/CSR	Implemented in business/ in its strategy
Total	504	158	159	142	127
Food	20	7	6	5	4
Textiles	20	6	6	7	6
Paper, Pulp & Wood	9	2	3	4	3
Chemicals	70	17	26	28	20
Petroleum & Rubber	13	4	3	3	4
Ceramics, Cement & Glass	10	2	5	1	3
Steel	18	8	3	5	3
Nonferrous Metals	18	7	5	6	4
Metal Products	24	11	5	4	6
General Machinery	47	15	13	16	12
Electrical Equipment & Electronics	64	17	20	22	15
Transportation Equipment	14	3	7	2	4
Automobiles	101	37	31	21	24
Precision Machinery	30	8	9	9	9
Others	46	14	17	9	10

	Number of responding companies	Increased interest from consumers, buyers and professional federations	Self motivated	Request from procurers/suppliers	Requirement from local authority	Relationship management with investors	Relationship management with financial institutions	Parent company, group company	Influence from competitors
Total	451	259	214	97	41	141	46	47	61
Automobiles	94	45	40	35	14	18	13	11	11
Chemicals	65	37	39	14	6	30	7	9	10
Electrical Equipment & Electronics	56	35	31	9	3	22	7	4	8
General Machinery	41	26	19	10	3	13	5	6	6
Precision Machinery	27	17	12	4	3	6	1	5	3
Metal Products	21	13	6	2	3	11	2	0	1
Textiles	19	14	9	4	2	4	1	1	3
Food	18	12	11	2	0	3	1	2	3
Nonferrous Metals	16	5	8	5	2	5	1	1	1
Steel	14	8	3	4	3	5	3	0	2
Petroleum & Rubber	12	8	6	1	0	6	1	0	4
Transportation Equipment	12	5	5	0	0	2	0	2	1
Paper, Pulp & Wood	8	6	3	3	0	2	0	1	3
Ceramics, Cement & Glass	8	2	5	1	1	5	1	2	1
Others	40	26	17	3	1	9	3	3	4

5 Implementation Hurdles(by Industry)

	Number of responding companies	Lack of information	Lack of HR	Compatibility between business and SDGs	Reluctance from management side	Reluctance from field side
Total	455	128	177	230	107	179
Food	19	7	6	6	4	7
Textiles	17	5	8	8	4	5
Paper, Pulp & Wood	9	1	3	4	1	4
Chemicals	66	14	27	39	13	27
Petroleum & Rubber	11	4	5	5	2	2
Ceramics, Cement & Glass	6	2	3	2	1	2
Steel	14	6	5	10	4	5
Nonferrous Metals	17	6	6	5	3	6
Metal Products	21	5	9	9	8	11
General Machinery	44	10	17	22	13	21
Electrical Equipment & Electronics	56	16	23	26	13	22
Transportation Equipment	11	1	2	6	3	4
Automobiles	94	30	36	52	25	39
Precision Machinery	27	9	12	16	3	6
Others	43	12	15	20	10	18

5 Goals Popular for Japanese Companies (Present) (by Industry)

Present	Number of responding companies	Automobiles	Chemicals	Electrical Equipment & Electronics	General Machinery	Precision Machinery	Metal Products	Food	Textiles	Steel	Nonferrous Metals	Transportation Equipment	Petroleum & Rubber	Ceramics, Cement & Glass	Paper, Pulp & Wood	Others
Total	529	107	74	65	48	32	26	22	20	19	19	14	13	10	9	51
1: No Poverty	33	8	5	6	4	1	0	1	3	3	0	0	1	0	0	1
2: Zero Hunger	45	5	12	8	5	1	0	5	3	2	0	0	0	0	2	2
3: Good Health and Well-being	160	28	29	19	12	11	6	9	9	4	4	4	2	2	6	15
4: Quality Education	89	20	18	16	9	5	3	3	1	4	1	2	2	0	1	4
5: Gender Equality	114	25	22	17	8	6	2	3	6	4	4	2	2	1	3	9
6: Clean Water and Sanitation	93	15	22	10	10	5	1	1	5	4	3	0	1	2	5	9
7: Affordable and Clean Energy	219	42	34	33	26	14	10	6	6	9	9	4	5	3	6	12
8: Decent Work and Economic Growth	200	40	31	30	17	14	9	7	7	8	6	7	5	3	6	10
9: Industry, Innovation and Infrastructure	200	38	35	35	20	17	9	2	5	6	8	5	2	3	5	10
10: Reduce inequalities	87	24	15	15	7	2	1	4	3	3	3	0	2	1	2	5
11: Sustainable Cities and Communities	129	21	30	24	13	3	4	1	3	4	5	3	3	3	4	8
12: Responsible Consumption and Production	230	44	43	31	19	11	9	10	9	9	8	6	4	2	6	19
13: Climate Action	168	32	32	28	18	8	5	5	7	6	5	4	3	2	3	10
14: Life Below Water	83	9	14	10	11	2	2	6	6	4	3	0	0	2	5	9
15: Life on Land	82	12	17	8	10	5	2	3	6	2	4	0	0	2	6	5
16: Peace, Justice and Strong Institutions	93	26	15	14	8	4	2	3	4	2	2	0	2	2	4	5
17: Partnerships for the Goals	78	16	16	13	11	3	0	1	5	2	3	1	0	1	3	3

5 Goals Popular for Japanese Companies (Future) (by Industry)

Future	Number of responding companies	Automobiles	Chemicals	Electrical Equipment & Electronics	General Machinery	Precision Machinery	Metal Products	Food	Textiles	Steel	Nonferrous Metals	Transportation Equipment	Petroleum & Rubber	Ceramics, Cement & Glass	Paper, Pulp & Wood	Others
Total	529	107	74	65	48	32	26	22	20	19	19	14	13	10	9	51
1: No Poverty	65	12	9	10	7	6	2	3	3	2	2	1	3	0	1	4
2: Zero Hunger	66	9	17	8	7	6	0	6	4	1	3	1	1	0	1	2
3: Good Health and Well-being	148	29	32	18	8	9	4	7	6	5	6	1	5	1	3	15
4: Quality Education	100	22	16	18	9	6	4	1	3	2	6	2	2	0	2	8
5: Gender Equality	119	28	25	17	6	6	3	4	7	2	4	4	2	0	2	10
6: Clean Water and Sanitation	93	13	26	12	8	8	1	1	4	1	6	0	1	2	3	9
7: Affordable and Clean Energy	197	40	34	28	20	7	9	6	9	6	10	3	6	3	3	14
8: Decent Work and Economic Growth	194	43	35	26	18	9	10	4	6	8	6	4	6	1	3	17
9: Industry, Innovation and Infrastructure	205	47	35	31	19	12	10	3	8	6	9	4	5	1	3	14
10: Reduce inequalities	81	20	17	14	6	4	0	3	3	1	5	1	1	0	2	5
11: Sustainable Cities and Communities	115	22	27	18	10	5	5	0	4	4	6	1	3	2	3	7
12: Responsible Consumption and Production	201	43	40	26	14	8	9	6	5	8	7	3	6	1	4	23
13: Climate Action	160	34	32	23	11	8	5	6	6	5	6	3	3	1	2	16
14: Life Below Water	99	11	27	12	9	6	1	6	6	1	4	0	3	1	3	9
15: Life on Land	84	11	21	12	6	3	3	4	5	2	4	0	3	1	4	5
16: Peace, Justice and Strong Institutions	91	25	15	13	7	7	2	2	6	1	6	1	1	1	2	3
17: Partnerships for the Goals	92	19	18	17	7	7	3	1	3	2	4	1	2	0	3	6

17goals on which companies are working (by Degree of implementation)

companies
Q1: 504/ Q2: 346





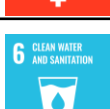


		Considering implementing in business/ in its strategy	Not yet implemented in business
Q1	Degree of implementation towards SDGs	159	158
Q4	Number of companies selecting 17goals	120	47
17goals on which companies are working.	1	9	1
	2	10	1
	3	48	10
	4	24	6
	5	30	10
	6	27	4
	7	66	19
	8	59	20
	9	66	18
	10	26	7
	11	32	6
	12	68	20
	13	46	7
	14	20	4
	15	20	4
	16	26	9
	17	23	4
Negligeable answers		39	111










■ Almost half of companies that do not explicitly implement SDGs still undertake similar activities (without SDGs label)-indicating a potential for Japanese manufacturers to do more on SDGs.

- “Although there are already individual efforts at our headquarter, we have not yet found new business opportunities with the SDGs, so we are considering it.(chemicals) “. Even companies that answered "not working" or "considering" are possibly engaged in activities that could be counted as SDGs because for instance, Japanese manufacturers largely comply with environmental management systems and/or ISO standards (based on desktop research).
- Asking about the current efforts for 17 goals of SDGs, including 158 companies “not yet implemented in business”, 47 companies have selected some goals.
- “The efforts themselves have been made, but the organization from the viewpoint of SDGs is yet to be done" (electrical equipment & electronics) and “there is a possibility that the parent company will give instructions on group goals regarding the items on the list (labor practices, compliance, corporate governance, etc.). (automobiles) ” suggesting that corporate activities are being reviewed from the SDGs perspective.

This table was attached to the questionnaire as a reference for consideration.

Source: JBIC Strategic Research Department based on the United Nations Global Compact (UNGC) "SDG Industry Matrix"

No.	Logo		Examples of SDGs initiatives in overseas business development
1		No Poverty	<ul style="list-style-type: none"> Design and manufacture products for emerging countries Expand the proportion of local procurement of parts in emerging countries Providing vocational guidance to local communities around the factory to increase income generation
2		Zero Hunger	<ul style="list-style-type: none"> Contribute to the efficiency of water, energy, etc. to improve the sustainability of agriculture and food processing Procure biomass from farmers to secure alternative fuels and contribute to increasing farmers' income Contribute to the collection and analysis of data in agriculture etc.
3		Good Health and Well-being	<ul style="list-style-type: none"> Providing low-cost medical devices and services that meet the health needs of low- and middle-income countries Providing health care services to employees and their families at the destination Introduce high safety standards to reduce the risk of morbidity and death due to industrial accidents such as hazardous substances and air pollution etc.
4		Quality Education	<ul style="list-style-type: none"> Providing training of expertise and management skills to local staff at the destination Providing environmentally friendly training to local suppliers Invest in nearby educational facilities to develop future local employees and suppliers etc.
5		Gender Equality	<ul style="list-style-type: none"> Establish a working environment that encourages the hiring, training, and retention of female employees at the destination. Supporting female workers to be promoted to supervisory positions at their destinations etc.
6		Clean Water and Sanitation	<ul style="list-style-type: none"> Reduce water consumption in the manufacturing process at the destination Manufactures water treatment facilities and related parts to prevent wastewater pollution Continuously monitor the water quality around the production facility at the destination etc.
7		Affordable and Clean Energy	<ul style="list-style-type: none"> Increase the utilization ratio of renewable energy Develop technologies and products that contribute to reducing Co2 emissions Develop and manufacture products and parts that operate using renewable energy sources etc.
8		Decent Work and Economic Growth	<ul style="list-style-type: none"> Increase local procurement and manufacturing in emerging markets Promote high-level safety and health at manufacturing facilities, etc. at the destination Invest in technology that reduces the risk of accidents at production sites at the destination etc.

No.	Logo		Examples of SDGs initiatives in oversea business development
9		Industry, Innovation and Infrastructure	<ul style="list-style-type: none"> Contribute to the construction of public infrastructure and resource infrastructure at business development destinations Design products and components that minimize the risk of marine pollution Contribute to the development of local industrial base through local procurement and local employment at the destination etc.
10		Reduce Inequality	<ul style="list-style-type: none"> Pay appropriate living wages to staff at the destination Providing the opportunity to acquire the skills necessary to get a profession at the destination for local workers Introduce a policy that prohibits all forms of discrimination at the destination etc.
11		Sustainable Cities and Communities	<ul style="list-style-type: none"> Develop products that increase energy efficiency in homes and offices Providing products and technologies that contribute to energy conservation in cities At the destination, obtain the cooperation of the local community in advance before land development to mitigate the impact on culturally important places etc.
12		Responsible Consumption and Production	<ul style="list-style-type: none"> Improve energy efficiency in factories and distribution at the destination Introduce measures to reduce fossil fuel combustion at factories at the destination Promote waste reduction, recycling, and recycling at the destination etc.
13		Climate Action	<ul style="list-style-type: none"> Invest in research and development of Co2 capture and storage methods Introduce equipment and systems that reduce greenhouse gas emissions at the destination etc.
14		Life Below Water	<ul style="list-style-type: none"> Introduce a waste treatment system at the destination to avoid the release of pollutants into the sea Design products and components that minimize the risk of marine pollution etc.
15		Life on Land	<ul style="list-style-type: none"> Introduce measures to avoid or mitigate risks to the local ecosystem at the destination etc.
16		Peace and Justice Strong Institutions	<ul style="list-style-type: none"> Supporting anti-corruption efforts at the destination Promote a culture of fair trade at the destination etc.
17		Partnerships for the Goal	<ul style="list-style-type: none"> Providing relevant information and expertise to policy makers to support the establishment of practical environmental regulations Participate in initiatives to promote sustainable development etc.

Survey Report on Overseas Business Operations by Japanese Manufacturing Companies

Results of the JBIC 2020 Survey

Takeshi Kasuga (Lead Author, chapter 1)
Natsuka Ogawa (chapter 2)
Risa Fujii (chapter 3 and 4)
Erika Nakahara (chapter 5)
Nao Tsuji (proofread)

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Website : <https://www.jbic.go.jp>

(For further information)

JAPAN BANK for INTERNATIONAL COOPERATION (JBIC)
4-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan
Strategic Research Department, Corporate Planning Group
Telephone: +81-3-5218-9244 (Group direct line)
Facsimile: +81-3-5218-9696
E-mail : fdi@jbic.go.jp

If you have a request for some interview, lecture etc.,
please contact to Press and External Affairs Division (+81-3-5218-3100)