

1 Introduction

Economic History

Yamaguchi prefecture on the island of Honshu is included with Kyushu in this report because of its history as part of the strategic port area between Honshu and Kyushu. Both the Ministry of International Trade and Industry and the Kyushu Economic Federation (Kyukeiren) include Yamaguchi within the territory, and major economic studies also usually combine Yamaguchi with Kyushu.

In terms of economic importance within the region, including the number of companies with head offices in the region, Yamaguchi ranks second behind Fukuoka. Although naturally separated by the Kanmon Straits, Kyushu and Yamaguchi are connected by underground highway and rail tunnels, including one used by the Shinkansen bullet train, as well as by a bridge linking the cities of Kita-kyushu and Shimonoseki.

For 1 700 years Kyushu has been a strategic gateway for trade and for technological and cultural interaction with Asia, China and Korea in particular. The fine harbours and coal deposits of Northern Kyushu and Yamaguchi made the area the cradle of Japanese industry during the Meiji restoration. Yahata Steelworks started up in Kita-kyushu in 1901, followed by shipbuilding, chemical production, heavy industry and cement making.

The area did not recover from the Second World War as quickly as the rest of Japan, which saw massive investments in consumer electronics, automobiles and textiles. The worst declines came in the 1960s, when the region suffered shutdowns in the mining industry.

But from the early 1970s onward, the economy began to turn around, owing largely to new investments in shipbuilding, automobiles, and semiconductor manufacturing. By the mid-1970s, big improvements were being made in the transportation infrastructure with the extension of the Shinkansen to Hakata (Fukuoka).

Still, Kyushu's economy was not without its problems during that period. After the decade's second oil shortage, and on into the 1980s, the region experienced a slow but continuous decline in the face of competition from other Asian producers. In addition, during the corporate expansions of those years, companies in Japan began moving their offices to Tokyo, where a presence had to be maintained to win government contracts.

Today, Kyushu's economy has strong agriculture, integrated circuit, biotechnology, software and automotive sectors. A large pool of relatively inexpensive skilled labour is available, and excellent potential exists on the island for recreation, resort, or retirement developments. However, from the Canadian perspective the region's most immediate and attractive feature is its large consumer market, which has yet to be fully developed.

Demographics

By 1989, the combined population of Kyushu and Yamaguchi reached 16 134 000, just over 13 per cent of Japan's total population. However, this represented a growth-rate decline to 0.10 per cent, less than one third of the national rate of 0.38 per cent. Low population growth is common to many areas of Japan, due in part to migration to the large, densely populated Osaka and Tokyo areas. Falling birth rates have deepened the trend to declining population growth and in many cases, to depopulation.

At 0.4 per cent, the rate of population increase in Fukuoka prefecture is slightly higher than the national average, and over eight times greater than the 0.05 per cent growth rate in Kumamoto, the only other prefecture showing positive growth.

A miniature "Tokyo effect" is clearly occurring with the concentration of the service industry in Fukuoka prefecture: over 60 per cent of Kyushu's service sector is there.

Although over half the population resides in 34 cities with over 50 000 people, Kyushu remains considerably more rural than the national average. The employment profile of 15 per cent in primary, 25 per cent in secondary and 60 per cent in tertiary industries reflects this characteristic, especially when compared with the national employment profile of 9 per cent, 33 per cent and 58 per cent, respectively.

The average per capita income is ¥1 936 000 in Kyushu, compared to ¥2 350 000 nationally. Wages, disposable income and the cost of living are also lower in Kyushu, although the figures vary widely among localities. Kyushu's disposable income averages ¥375 111 (national average ¥421 435), intra-regional variations make it ¥379 050 in the city of Miyazaki, while residents of the more urban Saga do better at ¥433 973. This is part of the general trend to greater affluence in Kyushu's urban areas.