

Manufacturing and Construction

Seven hundred and three major companies have headquarters in Kyushu, 257 of which are manufacturers. Among them are Kurosaki Refractories, Kyushu Matsushita Electric, ceramics firms such as Koransha, Fukugawa Porcelain and Toto, and chemical/pharmaceutical companies such as Moon Star, Hisamitsu Pharmaceuticals, Yutoku Pharmaceutical and the Chemo-Sero-Therapeutic Research Institute. The industry breakdown by sector is shown in Table 6.

Table 6

Industry Distribution

Sector	No. of Companies
Manufacturing	257
Financial and other services	113
Retail/distribution	42
Companies exporting	72
Companies importing	240
Companies with overseas offices	147

Food processing is more than twice as large as any other industrial sector and is the only manufacturing segment which achieves the goal of 10 per cent of national output. The other leading manufacturing industries — iron and steel, electrical machinery and chemicals — began to show signs of recovery with improved production volumes in 1989 following a long period of rationalization.

Output from traditional manufacturing such as porcelain production has been steady, owing to specialized production by artisans. Automation has nonetheless begun to make inroads and increased production is expected.

Fukuoka is by far the leading manufacturing prefecture, accounting for 33 per cent of the manufacturing establishments and over 40 per cent of the value of shipments. Yamaguchi is the next largest, followed by Kumamoto prefecture.

Although raw-material imports constitute over 80 per cent of Kyushu's total imports, total volume decreased slightly between 1985 and 1987. Finished-product imports, by contrast, increased dramatically, particularly consumer electronic imports from other parts of Asia. In 1980, for example, Kyushu imported 8 per cent of the 35-mm cameras brought into Japan, and 5 per cent of the radio-cassette players. In 1987, these figures had risen to 47 per cent and 48 per cent, respectively. More than 70 per cent of the finished products imported to Kyushu are from Asia.

There are 291 foreign companies in the region, including 18 plants and 113 sales offices (see Table 7). The proportion of large enterprises in Kyushu is, at the same time, relatively small. About 1 355 companies are capitalized at over ¥100 million, just 5.7 per cent of the national total.

The automobile industry also has substantial investments in Kyushu. Nissan's plans for Kyushu include the company's third-largest Japanese plant. Besides the major manufacturers, 70 automotive-related firms announced plant openings during 1988-89.

Table 8 lists automotive plant openings in Kyushu. As only a partial list of the largest facilities, it gives a powerful indication of the intense interest in the region by the automobile industry.

Forestry and related industries also figure prominently in Kyushu. The island accounts for 12 per cent or 12.9 million cu. ft. of lumber production and importation in Japan.

Miyazaki and Kagoshima prefectures produce the most lumber, while Fukuoka imports more than twice the amount of any other prefecture. The area in Fukuoka near Okawa is famous for the manufacture of furniture, especially the less expensive types presented to newlyweds. There are about 500 such furniture makers in the area.

Kyushu trails the rest of Japan in the number of annual 2 × 4 housing starts. The 2 × 4 average in Japan is about 3 per cent of the market while in Kyushu, the figure is about 1.3 per cent. Kyushu would need another 3 000 housing starts to meet the national average.