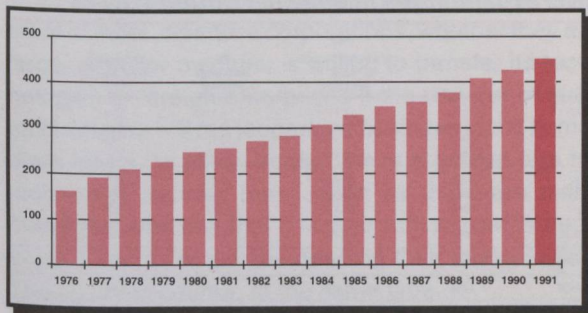


Thanks to Japan's unprecedented high economic growth rate, rarely seen among other advanced economies since 1960, Japan's GNP in 1990 was 3.3 trillion U.S. dollars, the second largest after the U.S.A. (5.2 trillion dollars), and 14 per cent of world GNP. Indeed Japan today is the world's largest creditor nation. Its Overseas Development Assistance in dollar terms overtook even the U.S.A. in 1990.

Japan's Gross National Product (Yen Value)

Trillion yen



(\$1 = approximately ¥115 at printing.)

Fiscal Year

2. JAPAN'S SCIENCE AND TECHNOLOGY POLICY: HISTORY

Japan lost the Second World War. Its economic as well as physical infrastructure had been completely destroyed. Thus, the economy had to be restored, literally from ashes.

Quickly implemented was a Japanese government policy, spearheaded by MITI (Ministry of International Trade and Industry), to earn foreign currencies by means of exporting products abroad, then to acquire various technologies with the foreign exchange it earned. Thus during the early years after the war almost all Japanese companies concentrated their efforts in improvement of technologies (primarily production), which were transferred to Japan from the West under licensing arrangements.

These practices continued from 1945 approximately through 1980. During this period, the motto of

