

In addition to these factors, there is a change in the electronics market profile. There are no new "hot" products like VCRs and personal computers that are set to fuel new growth in the industry. Electronics will grow over the next two to three decades, but it will be growth characterized by relatively steady increases, rather than spectacular booms.

Finally, under the new U.S. - Japan semiconductor arrangement, price monitoring is being applied to most Japanese semiconductor products entering the U.S. and the Japanese government has agreed to encourage the use of foreign-made products, help foreign producers sell in Japan, promote joint product development and provide access to patents that come from government-funded research. Many foreign companies and producing countries are now targetting Japan as a major market for microelectronics. As a result, it is difficult to foresee any large or immediate increase in Japanese microelectronics activities which could lead to spectacular growth in the industry.

Dealing with such problem areas and promoting continued growth in microelectronics and electronics are part of the cooperative focus and effort of government and industry in Japan. The development of new technology and new materials are at the centre of Japan's industrial strategy, and electronics and microelectronics are at the very centre of the development efforts. The strategic, economic and market forces that promote electronics are aided by the work of the government in its funding, policy, research and development projects. In turn, this lead is a catalyst for major industrial groups to take action - to commercialize developments that allow Japan to meet its industrial, social and economic goals.

Government and Microelectronics

The Japanese government's involvement in microelectronics is extensive. The industry, as a central component of high technology, is being supported by programs and activities from a number of ministries. Most initiatives to stimulate technology development and technology transfer are either directly or indirectly sponsored by government. Government's strongest roles include: supporting technology growth to help depressed regions of the country; lessening trade frictions; smoothing the way for Japanese exports; and providing a focus for industrial development in line with national economic, social and cultural objectives. Such roles help industry by reducing costs, promoting new product development/commercialization and focusing production on approaches which maximize productivity, quality and profitability.