



In reviewing the activities of RIETI during fiscal 2007, I believe there are three accomplishments that stand out.

First of all, we exceeded all of our quantitative goals in terms of research and public relations. A total of 103 papers were posted on our website and 14 symposiums were held. And in addition, results of eight research projects were compiled and published.

Second, during fiscal 2007, we effectively expanded the scope of our activities by adopting a diverse range of research themes and extending the geographic range of our public relations activities. A total of 49 research projects were undertaken, covering research themes in the Major Policy Research Domains as identified in our medium-term objectives, as well as a broad range of other topics drawn from other fields. We also garnered many successes in the field of intellectual exchange, with Japanese and overseas institutions. For instance, two symposiums were organized with the Kyoto University Institute of Economic Research (KIER) based on the cooperative agreement between KIER and RIETI, and three seminars were held with the Centre for Economic and Policy Research (CEPR). Similarly, based on the memorandum of understanding for cooperation, we carried out mutual exchange of researchers with China's Development Research Center of the State Council (DRC). In March 2008, I myself had an opportunity to participate in a forum hosted by DRC in Beijing. During fiscal 2007, we held a number of symposiums in Osaka, Hiroshima, Takamatsu and Oita with an aim to augment our regional presence in Japan.

Our third accomplishment relates to the pursuit of greater financial and administrative efficiency undertaken in response to the critical comments received from the Evaluation Committee concerning our activities during fiscal 2006. Our initiatives in this area are beginning to show results, and have included such measures as a reduction in the number of negotiated contracts and the introduction of external funds, including competitive funds.

Fiscal 2008 marks the halfway point in our second five-year medium-term plan. I believe that RIETI at this point must capitalize on our past accomplishments, deepen our research on the subjects that have been presented to us, and endeavor to systematize the output of our research. As we strive to achieve these objectives, we eagerly look to the continued guidance and support of all those involved in our activities.

May 2008

OIKAWA Kozo
Chairman



With the progress of globalization, East Asia has been rapidly emerging as the workshop of the world. But for the region—including Japan—to sustain its growth in the 21st century, it must transform itself from a manufacturing powerhouse into a creativity powerhouse. This in turn requires comprehensive socioeconomic reforms that encourage diversity and mobility, promotion of innovation on a sustainable basis, and productivity improvement. We need to build a system that generates and shares knowledge across East Asia, not only in the spheres of research and education, but in other areas such as the economy, industry, business, and culture. Naturally, this system should be open to the world.

I believe that RIETI can play an important role in helping Japan achieve this transformation. Addressing a broad array of domestic and international issues as an institute where researchers can simultaneously pursue academic studies and policy research, RIETI is capitalizing on its strength of enabling studies based on valuable empirical data. During fiscal 2007, RIETI undertook a series of studies targeting the revitalization of the Japanese economy and contributing to the improvement of labor productivity. These include a survey of inventors in Japan, the U.S. and Europe, studies concerning outsourcing, and research on the productivity of the service sectors in Japan, the U.S. and Europe. Individual research projects have provided researchers with valuable opportunities to engage in intellectual exchange with overseas researchers and to gain new perspectives on the issues and challenges before us. These projects have also been instrumental in deepening the ties between Japanese and overseas research institutions. For instance, in Asia, we engaged in intellectual exchange with research institutions in China, South Korea and Taiwan, and in Europe, we promoted cooperation in research through three seminars that were jointly organized with CEPR.

As we enter the third year of our second five-year medium-term plan, I am committed to making my best efforts to develop RIETI as a platform for the creation and exchange of knowledge.

May 2008

FUJITA Masahisa
President & Chief Research Officer