

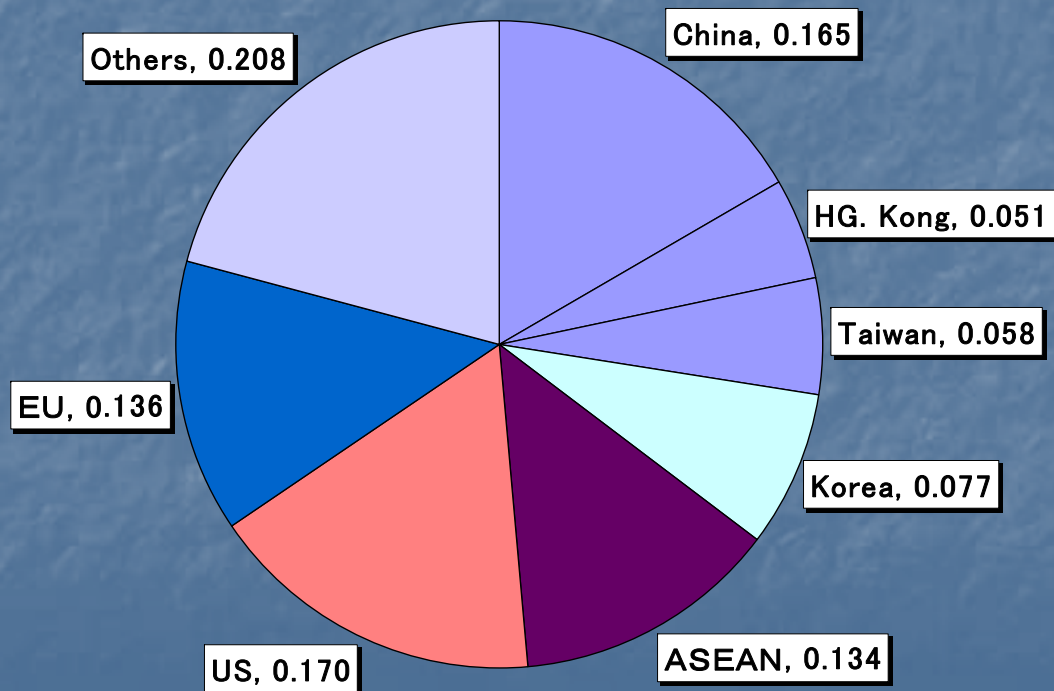
On Joint Research
between ERI-DRC and RIETI:
Introduction

Ryuhei Wakasugi
RIETI and Kyoto University

China: a largest trade partner for Japan

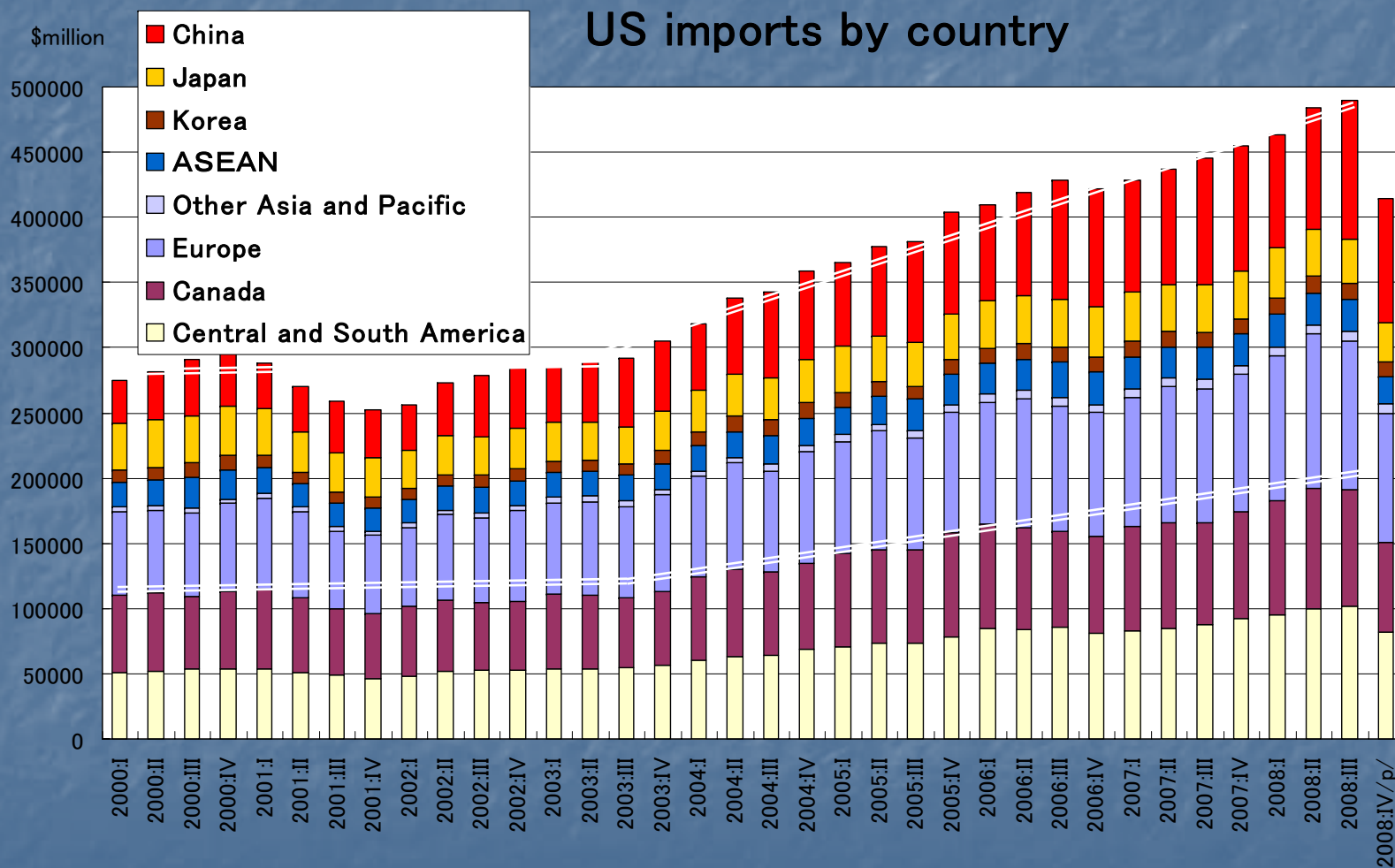
Share of import from China (27.4%), and US (17%)

Japanese imports (by country, 2008)



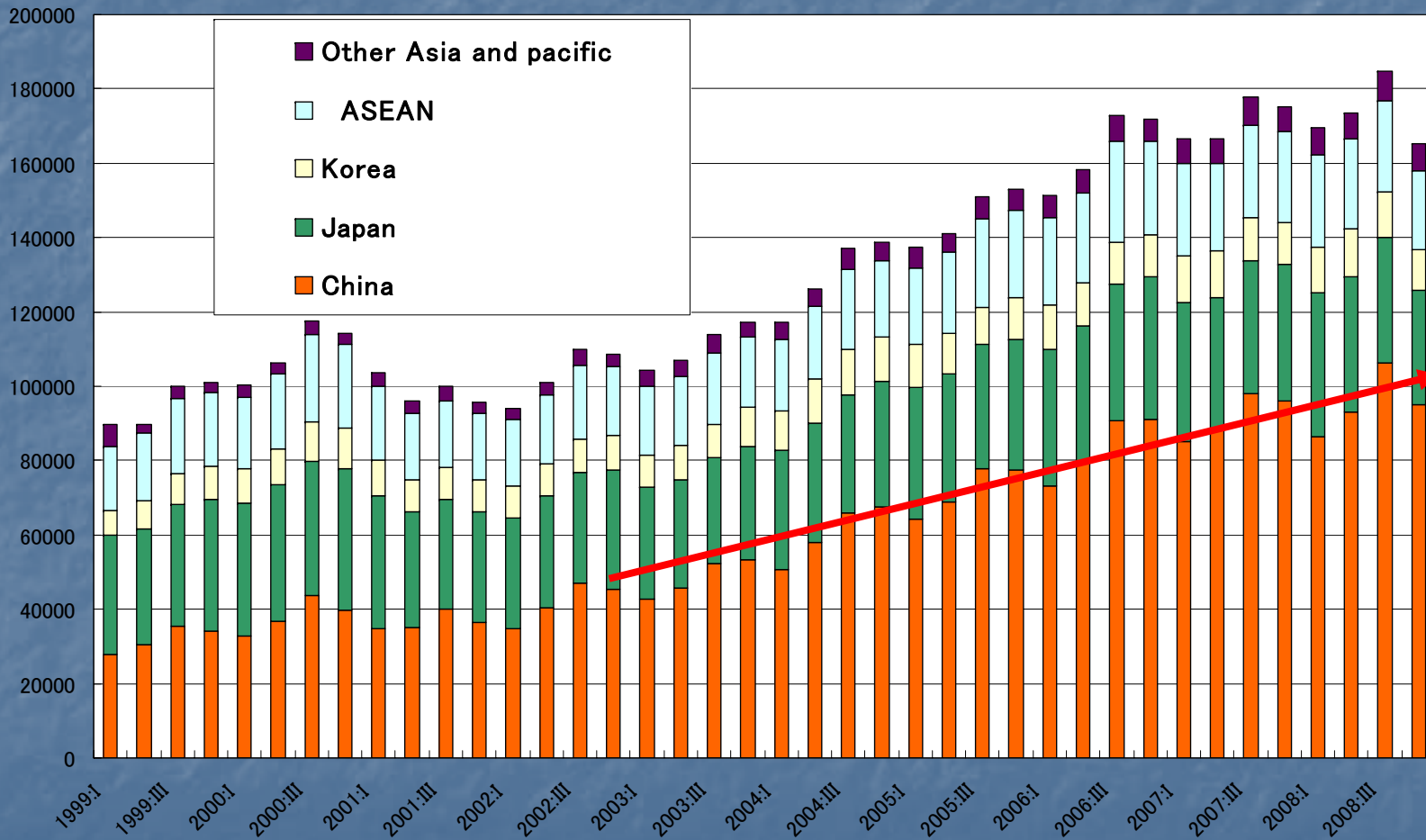
(Source) MOF, Trade Statistics

Increasing US import from East Asia



(出所) U.S. Economic Accounts, Bureau of Economic Analysis, US DOC

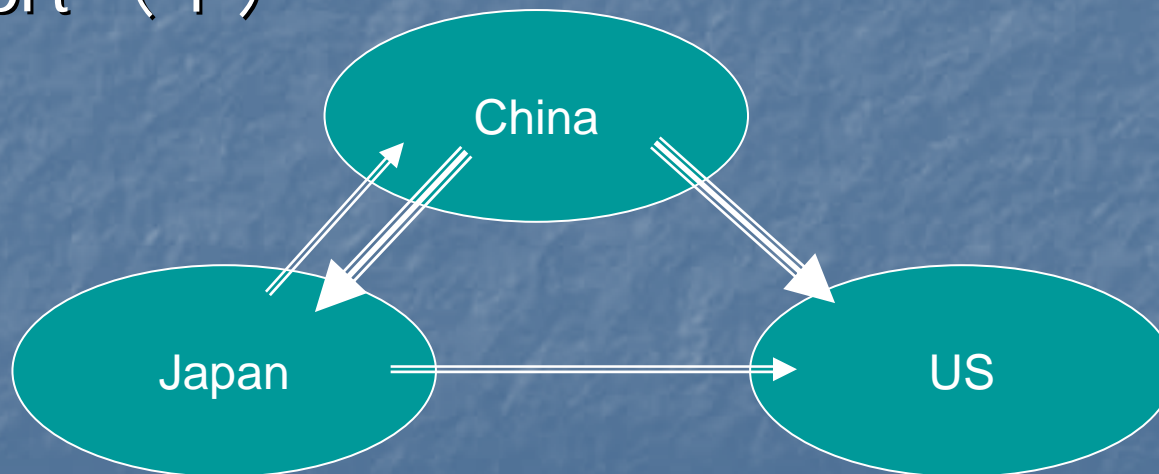
Sharp increase of Chinese export to US declining share of Japan and ASEAN



(出所) U.S. Economic Accounts, Bureau of Economic Analysis, US DOC

Triad trade among China, Japan and US

- A decline of Japanese share in US import (—)
- A rise of Chinese share in US import (+)
- A rise of Japanese share in Chinese export and import (+)

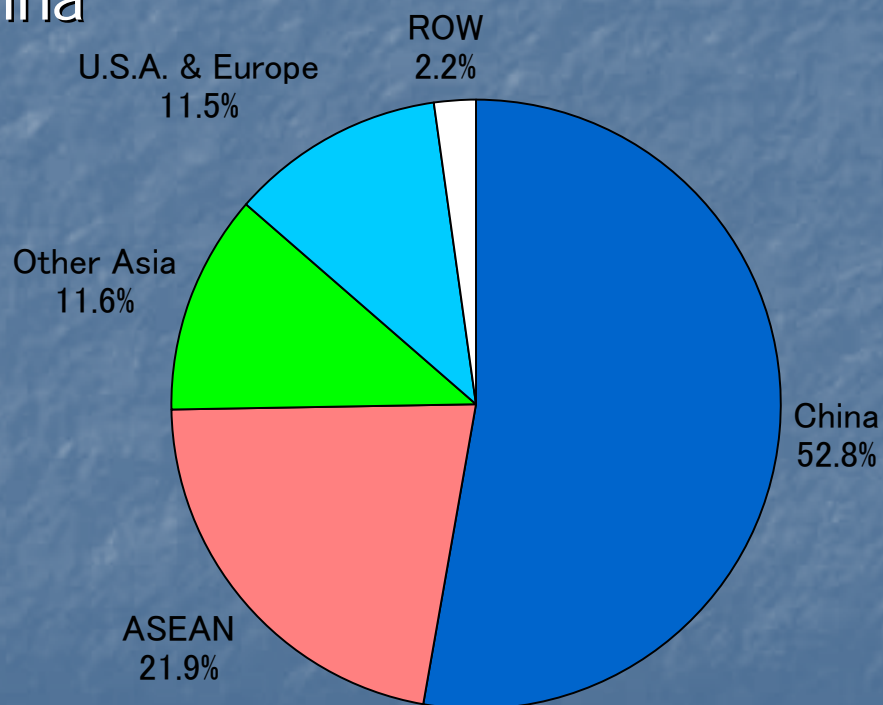


Trade integration among China, Japan and US

- US: deindustrialization and growth in non-manufacturing/service industries
- China: increasing supply of industrial goods to both domestic and foreign markets
- Japan: supply of industrial goods (high-end) to US/EU, supply of industrial materials /intermediate products to East Asia

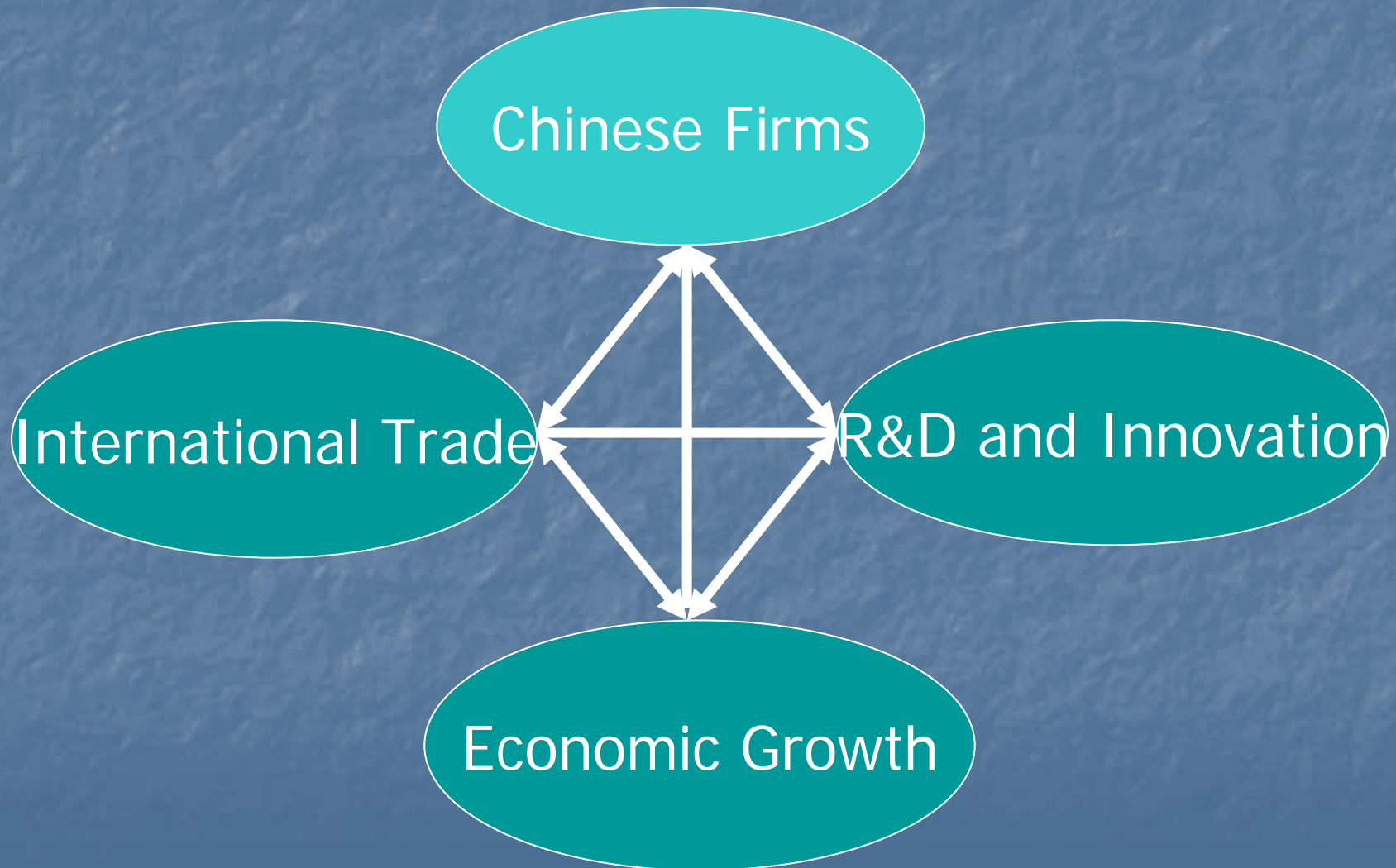
Organization form of trade: arm's length and intra-firm transaction

- Organizational form
 - Expansion of global in- and out- sourcing, particularly to China



(Source) Wakasugi, Ito, and Tomiura (2008)

Scope of Research



Joint Research:

- Research collaboration between Enterprise Research Institute, Development Research Center of the State Council and RIETI, started in 2007
- Chinese economic growth and corporate activities
 - R&D, foreign technology, and productivity growth at firm-level
- International trade (FDI and technology transfer) and Chinese firms
 - Internationalization of Chinese firms with heterogeneity

Research topic:

- Joint empirical examination using Chinese firm level data
 - Chinese economy: a review from firm level statistics
 - Analysis: How foreign capital and R&D affect the productivity of Chinese firms
 - And further analyses . . .
- Hot issues: How the current global recession affects China and Japan?