

Estimated Market Size of Japan's Environmental Industries of 2011 & Report of Japan's Environmental Industry Growth Engine

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The Ministry of the Environment (MOE) releases the estimate of Japan's market size of environmental industry of 2011 based on the survey recently conducted. It shows that the market size increased from approximately 82 trillion yen in 2010 (2.3% up from the previous year) two years in a row. The size of employment grew from 2.25 million people in 2010 to 2.27 million in 2011.

The MOE also releases the second issue of Report of Japan's Environmental Industry Growth Engine. By the analysis of the 12 distinguishing environmental industries and the 19 companies engaged in environmental business it extracts the market growth factors and the expected measures, both for the government and the companies to seek further growth.

1. Purpose

The MOE puts in place all the information in order to establish the foundation for policy makings to build a society that improves and develops both environment and economy, and also to promote economic activities that contribute to environmental conservation by means of broadly disseminating the information to the industrial body.

The FY2012 project implemented this time estimates market/employment size of Japan's environmental industries of 2011, and makes a trial calculation of the added value and the import and export. Same as last year, it rolls off the second issue of **Report of Japan's Environmental Industry Growth Engine** that comprehends the trend and prospect of domestic environmental industry in Japan.

2. Summary

(1) Estimated Market Size of Japan's Environmental Industries and Related Information

a) Estimate of Market/Employment of Environmental Industries:

Re-calculation was retroactively performed up to FY2000 while adding nine relevant categories that are newly implemented, such as energy-saving home for next generation and also making a necessary improvement of estimation.

Consequently, the market size increased to approximately 82 trillion yen in 2011 (approx. 2.3% up from the previous year) two years in a row, owing to the economic recovery in 2010 onwards, whereas it shrank in 2009 due to the Lehman's fall. The employment size reached 2.27 million people (1.3% up). (See the Appendix).

b) Environmental Products/Services excluded from a):

Made a trial calculation of the market size of products and services that were excluded from a) as not appropriate for continuous estimation, etc., yet in noticeable environmental industry such as decontamination, debris disposal, carbon fiber, etc.

c) Added value of the environmental industries and the estimate of import/export:

The estimate proves that the added value of the environmental industries was approximately 35 trillion yen (approx. 7.5% of the nominal GDP in 2011) due to the information of the industry input-output table.

(2) Report of Japan's Environmental Industry Growth Engine

This report summarizes the following trends so as to prove that environmental industries and business can be literally the engines (the driving powers) for entire Japan's economic growth.

a) An analysis was made on the 12 distinguishing environmental industries because of the big change in the market environment due to the Great East Japan Earthquake. Renewable energy power business gave it a trial calculation to see the gravity of economic effect by its facility investment and by fund-injection in different phases of operation. The business has been attracting attention since July, 2012 with the implementation of the feed-in tariff. After all, it reveals that both of them produce high economic effect above the industries' average.

b) Hearings were conducted on 19 environmental business companies in terms of how they started their business, their positioning in the market, deployment in the overseas market, factors of success/differentiation, prospects, challenges, requests for policymaking, etc.

- c) The countermeasures for both the government and the companies to be requested to take are proposed in order to further promote environmental industries. It analyzes the environmental industry and business based on the data obtained, focusing on the following four aspects; 1) governmental policies, systems and business environment, 2) core to the business (technologies, business models, etc.) 3) procurement, and 4) sales markets.

The information is available at Environmental Economic Portal Site.

(http://www.env.go.jp/policy/keizai_portal/index.html)

Go to page Industry (http://www.env.go.jp/policy/keizai_portal/B_industry/index.html) for detail.