

# Rising Ratio of Manufactured Imports

Behind the steady rise in the ratio of Japan's imports of manufactured products as a proportion of total imports lie important changes in the nation's import structure. The most noticeable change is a shift from raw materials, mineral fuels and other primary products to manufactured goods.

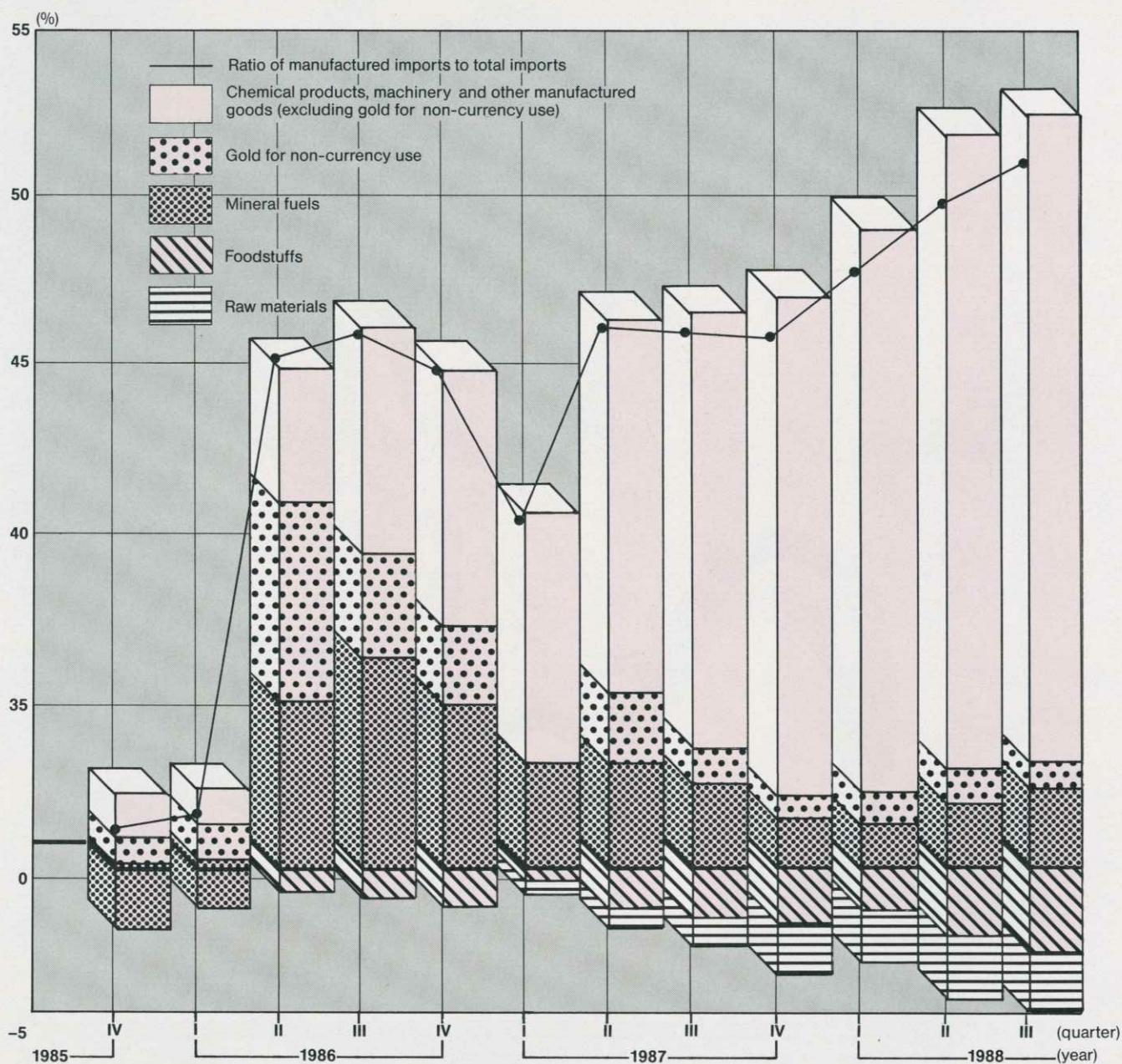
While such special factors as declining crude oil prices and a sharp increase in

imports of gold for non-currency use greatly contributed to the sharp rise in the ratio in 1986, the rapid increase in manufactured imports themselves was the biggest factor in 1988

Recently, there has been an increase in manufactured imports through direct investment abroad, OEM (original equipment manufacturing) transactions and "planning imports," imports of manufac-

tured products specially developed or designed for the Japanese market. "Reverse imports," that is, imports to the Japanese market from the overseas production subsidiaries of Japanese companies, are also on the rise.

All these phenomena represent a significant new trend in Japan's manufactured imports.



Note: The chart shows the ratio of Japanese manufactured imports to total imports and its breakdown classified by goods since the third quarter of 1985, when the ratio stood at 30.9%.  
Source: Ministry of Finance trade statistics