



JAPAN TODAY

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**MESSAGE FROM THE
AMBASSADOR OF JAPAN
H.E. MR SHUICHI AKAMATSU**

I am touched by the hospitality and kindness of Pakistani people and have realised that Pakistan is a dynamic country with rich history, diverse culture, and tremendous potential with a 250-million population. Japan and Pakistan enjoy a long-standing friendship, built on mutual respect and cooperation dating back to 1952 when our two countries established diplomatic relations.

Japan is going to host the Osaka-Kansai Expo 2025, themed “Designing Future Society for Our Lives.” It will showcase innovative technologies, cultural exchanges, and sustainable solutions from around the globe, focusing on the United Nations’ Sustainable Development Goals (SDGs). I invite companies, traders, and businesspeople from Pakistan to visit the expo and witness the participation from across the globe. 



*H.E. Mr Shuichi Akamatsu
Ambassador of Japan in Pakistan*

JAPAN TODAY

A GLOBAL POWERHOUSE OF INNOVATION AND PROGRESS

Japan’s remarkable transformation from the ruins of World War II into a global economic powerhouse is a testament to its resilience, discipline, and vision. The only country to have suffered nuclear bombings, Japan emerged from devastation with a strong national will to rebuild. Through strategic investments in technology, industrialization, and human capital, it became one of the world’s most advanced economies. Today, Japanese brands like Toyota, Sony, Honda, Mitsubishi, Suzuki, and Panasonic, just to name a few, dominate industries worldwide, setting benchmarks for innovation and quality.

Japan’s influence extends across every sector of the global economy. It remains a leader in automobiles, electronics, robotics, and precision engineering. The country has pioneered groundbreaking advancements in artificial intelligence, medical technology,

and environmental sustainability. As a key player in global supply chains, Japan’s Just-in-Time (JIT) manufacturing system and 5S methodology have revolutionized production efficiency and business practices worldwide.

On the global stage, Japan plays a vital role as a responsible economic and diplomatic force. As a member of the G7, G20, and the United Nations, it actively contributes to global development, peace, and climate change initiatives. With a strong focus on sustainability, Japan is leading innovations in green energy, hydrogen fuel, and smart cities, shaping the industries of the future. Its commitment to scientific research and cutting-edge technology ensures that it remains at the forefront of industrial and economic progress.

Japan’s economic and diplomatic relations with Pakistan have also strengthened over the

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Japan's Quest for Foreign Policy

Japan's best bet is to participate in the Asian Century, which is dawning on the world's biggest and most populous continent.

BY SENATOR (R) MUSHAHID HUSSAIN SAYED

In 1991, soon after the break-up of the Soviet Union and the end of the Cold War, an interesting but controversial book was published in the United States. The book 'The Coming War with Japan' was written by two analysts, George Friedman and Meredith LeBar. In other words, with the Soviet Union defeated and the collapse of communism, some analysts were assuming that the 'real enemy' of the United States was now going to be Japan, a country that the United States had defeated through the devastation of the atomic bomb in 1945.

However, that notion seemed far-fetched, and in fact, Japan was never perceived as the kind of enemy that the Soviet Union was; it was a tough economic competitor, which the United States gradually cut down to size. In fact, after the Soviet Union, it was the "Islamic fundamentalism" that the United States helped fuel during the Afghan war in the 80s that became the United States' perceived 'threat,' a process exonerated by the traumatic events of 9/11.

Now, in the first quarter of the 21st century, Japan has joined the American bandwagon, viewing China as the 'enemy' and contributing to the building of a new Asian security architecture through such organizations as QUAD or the vague notion of "Asian NATO," which was supposed to have a Liaison Office in Tokyo.

After the end of the Second World War, with Pakistan having attained independence and Japan under American occupation, a new relationship blossomed between these two Asian countries. Japan



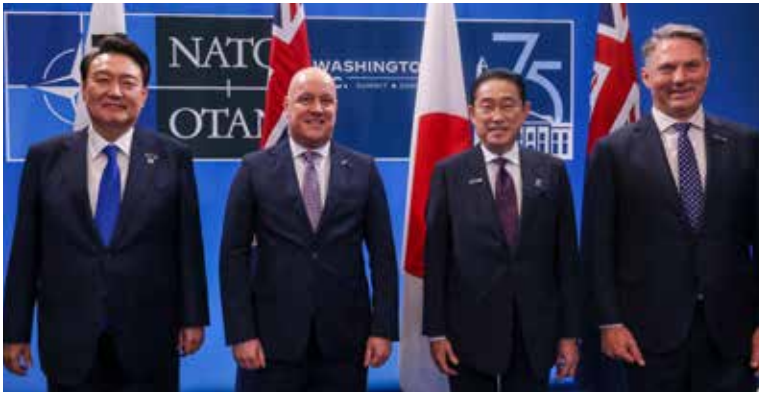
already had an old relationship with the undivided subcontinent, having established an Urdu department at the Tokyo University in Japan in 1932. As both Pakistan and Japan were in the American camp during the height of the Cold War, the relations between the two countries blossomed, especially in economy, trade, and investment. Interestingly, until the 1990s, Japan was Pakistan's largest donor. Pakistan also contributed to the revival and rebuilding of Japan's economy by massive exports and waiving war reparations. Pakistan exported cotton and jute to Japan, which helped the Japanese economy as textiles were the only industry allowed during that period of American occupation. Pakistan also donated rice to Japan to offset the acute shortage of grains and food in Japan after World War II.

President General Ziaul Haq undertook a landmark visit to Japan in July 1983. He returned to Pakistan quite impressed by the Japanese phenomenal

progress, especially in technology, the revival of the Japanese economy after the destruction of the war, the discipline and work ethic of the Japanese nation, and the corporate culture. Those working in those corporations felt a sense of loyalty and devotion to their companies, which was similar in intensity and unwavering commitment to their country.

After General Zia's trip, a series of seminars with Japanese scholars and experts participated under the theme "Can Pakistan be Japan?" I happened to personally participate in one of such seminars, which was organized in Islamabad on January 30, 1984, under the chairmanship of the then Minister for Planning and Development, Dr. Mehabubul Haq. This was the first time such an intellectual and scholarly interaction occurred between Pakistan and Japan.

Japan also played a role in the freedom struggle in India. The Japanese organized the Indian National Army



(INA), a collection of officers and service personnel who revolted against the British Indian Army and joined the anti-colonial Indian National Army.

I discovered Japan during my stay in the United States as a student. My roommate was a Japanese, Toshitatsu Hirohara, from whom I learned about the Japanese people's disciplined and highly committed work and professional lifestyle, which was one reason for their high productivity. Another friend, an American by the name of Jim Kahn, who was studying the Japanese language, to become a Japanese expert. He had a Japanese girlfriend, and they regularly cooked me very healthy and delicious Japanese food.

Another interesting interaction with Japan was when I worked as a congressional intern at the US Congress in Washington, DC. The only other Asian who was also working as an intern was the son of former Japanese Prime Minister Takeo Miki.

In two areas, there was a divergence of perspectives between Pakistan and Japan, namely, Pakistan's relationship with China and Pakistan's decision to detonate the nuclear bomb in May 1998 in response to the Indian nuclear tests. On both counts, Japan had major reservations.

Given this context, with new realities in a changing global order marked by turbulence and transformation, Japan

is still struggling to find its place. The entire Japanese policy framework has not only depended on the United States but has been inextricably intertwined with the US interests, goals, and ties. With the election of President Donald Trump and his subsequent changes in America's relationship with their traditional allies, Japan is now unsure whether it can still bank on this special relationship with Washington.

President Trump has drastically revised and reversed American ties with traditional allies in Europe and Asia, as its approach is not ideological but primarily transactional now. The old Cold War infrastructure comprising QUAD, AUKUS, and the Asian NATO is of limited interest to President Trump. However, these are the infrastructure edifices on which Japanese foreign policy has been built. In fact, in President Trump's worldview, the major powers that matter, apart from the United States, are China and Russia. President Trump is not impressed with building military alliances to contain China, and he would rather cut a deal between China and Russia, something like a "New Yalta" in 1945; Roosevelt, Churchill, and Stalin did that.

With the West already in decline, Japan has fewer options. On the security front, with North Korea already becoming a nuclear power and the US-North Korea talks about to resume,

Japan might feel cut out of this emerging scenario in North East Asia. And in the overall emerging geopolitical scenario in Asia, Japan might feel a certain "suffocation" should President Trump and President Xi Jinping work out an arrangement directly.

So, the best bet for Japan is to be part of the Asian Century, which is dawning in the world's biggest and most populous continent, and play its natural role as a friend of countries like China and Russia rather than putting itself up as a 'front man' for a new American-led cold war against China and Russia in Asia. As a major Asian Middle Power with a long history and a track record of successful development after the destruction of the Second World War, Japan should stop viewing itself merely as an appendage of American foreign policy in Asia.

Rather, Japan should play its role in a manner that pertains to its core interests and those corresponding to the peoples and countries of Asia, which lie in cooperation and connectivity, not conflict and confrontation, and not be a part of any new cold war or containment policies. ■

The writer is a former Minister and Senator. He is also a veteran journalist and renowned columnist.



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years. From trade and investment to technological collaboration, Japan has played a crucial role in Pakistan's development, particularly in infrastructure, energy, and human resource development. With increasing cooperation in areas

like renewable energy, information technology, and automobile manufacturing, the future of Pakistan-Japan relations holds great potential for mutual prosperity.

Despite its technological might, Japan remains committed to peace, progress, and global stability. Its

emphasis on innovation, discipline, and efficiency has set standards for industries worldwide. As it continues shaping the future of science, technology, and industrial growth, Japan stands as a model of resilience and responsible global leadership, inspiring nations around the world. ■



Japan: Enduring Strengths, Declining Trends

The renewal of Japan in just 2 decades after 1945 is a salutary example of a nation's extraordinary capacity for rebuilding itself from the ashes of defeat and subjugation to foreign control.

BY SENATOR (R) JAVED JABBAR

Though Japan remains one of the world's 5 largest economies—at no. 4 in 2025 with a GDP of about \$4.4 trillion—its rank in the global scale of human development indicators has been steadily slipping from no.6 in 1990 to no.24 in 2024. China's rapid rise in the past 35 years is one reason for Japan's displacement in the economic sphere.

In the other measure, there is a combination of reasons. A steep fall in the female fertility rate from the ideal minimum of 2.07 babies per marriageable-age woman to only 1.20, an aging population that deprives society of vibrancy and vigour, a shrinking workforce, and a rigid work culture are the possible contributory factors.

Social virtues:

Yet certain facets of social conduct are sustained. Deep respect for courtesy, etiquette, seniority, cleanliness, and

civility— with utmost priority for time and punctuality. Despite sweeping demographic change in the 20th century, whereby the earlier 20 per cent urban-80 per cent rural ratio virtually reversed itself, certain practices have stayed consistent. Reinforcing the strength of tradition is also the remarkable pioneering achievement of 90 per cent enrolment of children in schools by 1900, and about 100 per cent numeric and alphabetic literacy attained decades before 2025.

Roots in monarchical history?

Do the roots of resilience of certain practices and behaviour go back about a thousand years, with the sustained existence of the monarchy, which has not been a single, continuous dynasty but has comprised multiple changes over time and war? Long before today's constitutional monarchy in which the emperor wields no executive power, Japan's royalty nevertheless required the fulfilment of form and appearance even more than the use of force and power.

For instance, in the 3rd century AD, when the land was known as Wa, in the kingdom of Wei, Queen Himiko was a total recluse, never seen in public, with no real power and with authority exercised by a nominee. Executive might was vested in non-royal entities like the Fujiwaras and the Heiki families, generation after generation, with military leaders known as shoguns applying force. Yet never attempting to overthrow the official sovereign. So, enduring has the monarchy been through the separation of formal power and factual power that, at one extreme, Japan has had an emperor in the 16th century known as Ogimachi who was so poor and destitute that he and his court survived by selling his calligraphy and palace furniture. All the way, through better days to 2025, when Emperor Naruhito ascended the throne in 2019 and sustains the well-endowed, stable, ceremonial, non-divine dimension accepted in 1945 after Japan's loss and surrender at the end of World War II.

Transition to modernity, resurgence:

However, 80 years before that turning point, another major landmark era came between 1600 and 1867. Known as the Tokugawa period, which also saw the Meiji Restoration and the end of prolonged isolation in the 18th and early 19th centuries, those decades witnessed the historic change of the role of the samurai, the military warriors, into civil bureaucrats and administrators. But militarism was to return, and with a vengeance.

Though Japan was plunged into initial military expansion, victory over Russia, and conquest of China and Korea in the first half of the 20th century until the catastrophic World War II experience, Japan's renewal in just two decades after 1945 is a salutary example of a nation's extraordinary capacity for rebuilding itself from the ashes of defeat and subjugation to foreign (American) control.

While American oversight was crucial, the fact that, in less than 20 years after the nuclear devastation of Hiroshima and Nagasaki in August 1945, Japan was able to efficiently organize the Tokyo Olympic Games in 1964 testifies to the enduring, energizing constituent elements of Japan's national character and capacity. That process of regeneration through demilitarization and democratization began as early as 1952, with the end of American control and the start of an elected Diet (parliament) with about 20 years of fast economic growth, benefitting in part from the Korean War of 1950-1953 during which Japan served as a back-base for American forces. Culminating with the Osaka World Expo in 1970, Japan demonstrated its exclusive ability to retain long-embedded beliefs and traditions, such as evident in the monarchy, and at the same time, adopt entirely new technologies and processes to promote material advancement, both internally and, perhaps more vitally, externally by introducing new electronic, mechanical, chemical products, and by producing steel and structures, vehicles and devices that quickly became household names across the globe.

Socio-economic reforms:

Behind such extraordinary achievements were policies and actions

that wrought fundamental changes in favour of equity and social development. Redistribution of land to ensure average land holdings in rural areas of 2.5 acres for each cultivator, turning tenant farmers into land-owners, minimum guaranteed price for rice that could be 5 times higher than world prices, the earlier end of giant finance houses known as zaibatsus to make access to money and credit easier for the masses, compulsory education for 9 years, extremely competitive examinations to popularize excellence and aspiration, enable formation of effective trade unions, encourage growth of old and new corporations and fostering of a virtually life-long bond between employees and employer, permit growth of newspapers with huge circulation and new media with extensive reach, give up possessing an army, navy and air force while creating only a Self-Defence Force in 1954 (enabled by American security cover and deployment of nuclear weapons as ultimate deterrents), shifting the concept of sacredness from the throne to the people at large, and to the state.

Bullet trains, not bullets:

Creating bullet trains as role models for other countries to emulate rather than firing bullets at real or imagined enemies has not been painless and easy. Though safety on the streets is high and crime is generally low, there do exist well-organized criminal gangs known as yakuza. These operate both within Japan and overseas, while increased detection and enforcement in recent decades have steadily reduced their numbers and spread. Their areas of activity include prostitution, gambling, loan-sharking, day-labour contracting, blackmail, and extortion. Overall, using levels of violent crime as indicators, Japan offers refreshingly low statistics. In homicides, it is only 0.2 per 100,000 persons, while the USA is 30 times higher. In robbery, Japan is 1.2 per 100,000 citizens, while the USA is 81.4 for equivalent numbers.

Perhaps social cohesion is the fundamental reason for the distinctiveness of the country. Despite women being given the right to vote only in the 20th century after World War II, women and the family as basic, treasured pillars of a society

that has been historically patriarchal have contributed to strengthening both society and state in the 21st century, along with vastly improved economic equity, reduction of poverty, sustained stress on holistic education, as well as technical proficiency.

A book and a film:

One would like to conclude this brief reflection with a request to readers to peruse a particular book and a particular film, neither of which will be comprehensive in fully illuminating the subject of this essay, but each of which contains an enormous, enriching range of facts and truths. One is the book "The Enigma of Japanese Power: People and Power in a Stateless Nation" by Karen van Wolferen, originally published in 1990 in the USA by Vintage Books.

I purchased it in about 1993 and recently rediscovered the book in my library and re-read portions to realize anew the wonders of Japan's history and complexity. The other is an international award-winning cinema film of 2024 titled "Perfect Days," co-written with a Japanese writer and directed by the distinguished German filmmaker Wim Wenders. This is the riveting saga of...not a famous, or prosperous figure... but simply a cleaner of public toilets in Tokyo. He has an unusual sensitivity and cultured persona: depicting the same, repetitive actions taken by the character named Hirayama masterfully rendered by actor Koji Yakucha, the film fuses multiple themes and values such as loving art, cherishing work ethics and culture, being mindful of others, of talking less and listening more, of being immersed in the local — to create a captivating portrait of both a single human being, and of a whole nation. And the last, long, single shot in close-up is a mesmerizing masterpiece that leaves an indelible impact — like Japan does. May this great country recover its human development ranking as it strives to remain a dynamic economy! 🇯🇵

The writer is an author and is associated with international affairs and Track II processes. He is a former Senator and Federal Minister and can be reached at javedjabbar.2@gmail.com





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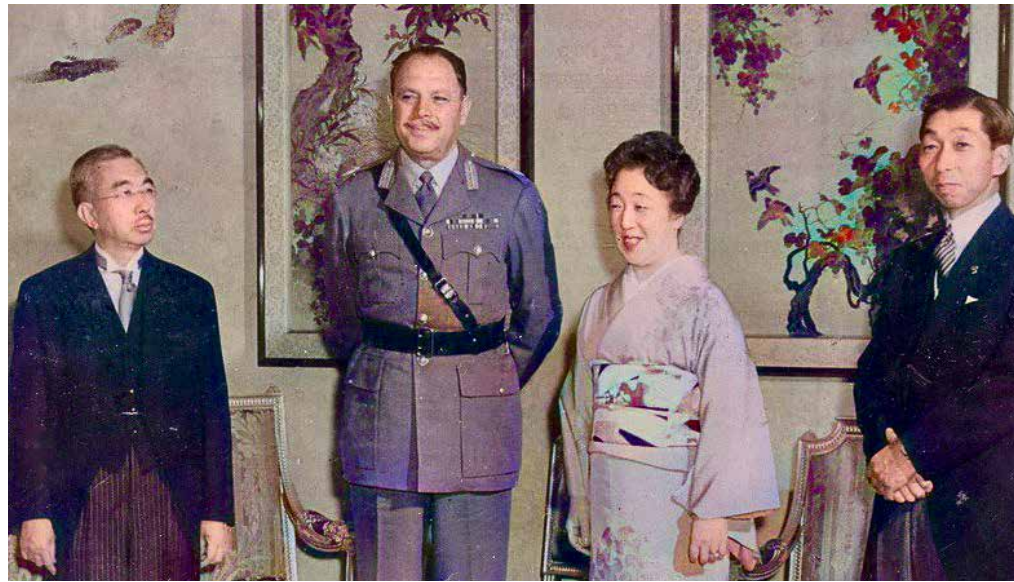
Pakistan-Japan Relations

Japan, the world's third-largest economy, is a major trading partner of Pakistan and a leading donor.

BY KALIM FAROOQUI

Diplomatic relations between Pakistan and Japan were established on April 28, 1952. Both countries started their relationship as free nations. Pakistan was the only major South Asian country that attended the San Francisco Peace Conference in 1951. Pakistan played a significant role from 1947 to 1951 in efforts to lift the Allied occupation of Japan and restore Japan's sovereignty. Pakistan was described by the then U.S. Secretary of State John Foster Dulles as the 'tower of strength' on the Treaty of San Francisco, a peace treaty signed between Japan and the Allies on 8 September 1951 in San Francisco. Unlike many other Asian countries, Pakistan waived war reparations from Japan to help Japan build its economy. Pakistan was among the first few countries to ratify the Japanese peace treaty. Such gestures led these countries to establish diplomatic ties on April 28, 1952. Since then, the Pakistan-Japan relationship has made steady progress and has kept growing to the mutual benefit of both countries. Japan has since remained a cornerstone of Pakistan's economy as well.

Pakistan was the destination of Japan's first inaugural trade delegation under the Allied occupation in 1949. Within the first decade of Pakistan's independence, some 50 multinational Japanese companies had already set up their offices, mainly for trading purposes. The third overseas branch of the Bank of Tokyo, now MUFG Bank, was established in Karachi in 1953,



and the metropolitan was also selected to open the second office of the Japan External Trade Organisation (JETRO).

After the United States, Pakistan was Japan's second-largest trading partner, mainly catering to Japan's need for raw materials, such as jute and cotton, and fulfilling over 50 percent of their requirement. Pakistan had extended export credit to Japan to facilitate the imports. On the other hand, the Japanese reciprocated by exporting their technological advances to Pakistan. Spindles manufactured in Japan contributed a great deal to the progress of the textile sector in Pakistan, which even today contributes a major portion towards the export proceeds.

Since 1954, Japan has been one of Pakistan's major bilateral development partners, extending assistance in multifaceted development sectors. This includes Yen Loan Assistance for

development projects, grant assistance for social sector projects, and technical cooperation for technology transfer and human resource development. During the 1960s, Pakistan occupied a prominent place in allocating Japanese assistance to the developing world and remained among the top recipients in the region.

No wonder the personal reception and the only one by Emperor Showa of the visiting Pakistani President Ayub Khan in December 1960 at the Haneda Airport became a landmark in Pak-Japan diplomatic goodwill. This visit also paved the way to start an important economic relationship, as the then-Japanese Prime Minister Hayato Ikeda had just commenced the Official Development Assistance (ODA) programme, of which Pakistan became a major recipient. The initial assistance of \$20 million in 1961 swiftly reached 80 percent of the total



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ODA by 1964. The assistance was used for mega projects as well as for industrialisation. Japan is still one of Pakistan's largest trading partners, with an annual trade of around \$2 billion (Rs 560 billion).

Inspired by a common desire to promote and further strengthen the relations between the two countries, both countries signed a cultural agreement in 1957. Japanese Prime Minister and Foreign Affairs Minister Nobusuke Kishi and Pakistani Prime Minister Huseyn Shaheed Suhrawardy represented their respective countries at the signing ceremony. According to the agreement, it was decided that both countries would provide each other with every possible facility to ensure a better understanding of the culture of their respective countries, especially using books, periodicals, and other publications, lectures, concerts, and theatrical performances, art exhibitions, and cultural films. Under this agreement, both countries have initiated several projects and conducted various activities to strengthen their cultural ties.

Then, through its citizens' determination and hard work, Japan became a modern industrialized nation and started extending Yen Loan Assistance to Pakistan. The first Yen loan was provided to Pakistan in 1961. Since then, Japan has supported infrastructure development in Pakistan, mainly in telecommunications, transportation, and power generation. Through this measure, Japanese products were introduced in Pakistan. Development projects of significance that Japan funded include the Indus Highway, telephone exchanges throughout Pakistan, the Thermal Power Station Jamshoro, the Kohat Tunnel, the Bin Qasim Thermal Power Station, the Construction Machinery Training Centre, and countless others in the social sectors under their Grant Assistance Programme.

Diplomatic relations continued to grow between Pakistan and



Japan. Several agreements were inked in the ensuing years, such as the International Postal Money Order Exchange Agreement, the Pakistan-Japan Agreement regarding the Establishment of a Telecommunication Research Centre, and the Pakistan-Japan Plan of Operation for Engineering and Economic Survey for Development of a New Ocean Port at Pitti Creek in Pakistan. The Soviet invasion of Afghanistan and the war of 1980 and Pakistan's role in the withdrawal of the Soviet forces contributed towards further fortifying Pakistan-Japan ties.

Unfortunately, in response to the nuclear tests conducted by India and Pakistan in May 1998, Japan announced freezing the grant aid for new projects and Yen loans to both countries. However, after President Pervez Musharraf visited Japan in March 2002 and Pakistan's important contribution to the global fight against terrorism in the aftermath of 9/11, the relations between the two countries entered a new era. Japan had supported Pakistan's counterterrorism efforts by providing fresh water and fuel to Pakistani vessels participating in the Operation Enduring Freedom-Maritime Interdiction Operation. Sincerely appreciating Japan's generous technical and financial assistance since 1954, Pakistan issued a special postage stamp in 2004.

Recognising the geopolitical importance of Pakistan and appreciating its role in fighting terrorism, Japan announced further

expanding strong collaboration at all levels. Both countries agreed to a renewed, enhanced, and robust relationship and signed a declaration on April 30, 2005. Both sides appreciated the role of leadership exchanges in enhancing bilateral relations in different areas and agreed to continue holding dialogues on politics, security, economy, and joint business.

To extend support to the Pakistani government in its efforts to consolidate democracy in Pakistan and to facilitate social and economic development in the country, Japan hosted the Friends of Democratic Pakistan Ministerial Meeting and the Pakistan Donors Conference in Tokyo in April 2009, which conveyed pledges over \$5 billion. President Asif Ali Zardari visited Japan in 2009 and then again in 2011. Both visits provided an impetus for strong bilateral ties.

Coming forward to help Pakistan after the countrywide floods in 2010, Japan announced contributions to the flood relief and rehabilitation efforts at the Pakistan Development Forum, held on November 14 and 15, 2010, in Islamabad, and attended by Isabel Guerrero of The World Bank for the South Asia region. Japan also sent Self-Defence Force helicopters and medical teams to help the flood survivors.

Later, Pakistan expressed its solidarity and support to the government and people of Japan in the aftermath of the devastating earthquake and tsunami that hit Japan in March 2011. President Zardari

visited the Japanese Embassy to convey his sympathies and solidarity with the people of Japan.

Pakistan provided two C-130 aircraft loaded with relief goods to Japan. Representing the sentiments of the entire Pakistani nation, the Pakistan Embassy in Tokyo and members of different local outfits of Pakistanis helped the survivors by providing them with food, disposable water bottles, and other goods and voluntarily working in the shelters to provide them relief.

Japan is the third largest economy in the world. It is also a major trading partner of Pakistan and a major donor. Their global imports are more than \$800 billion (Rs 224 trillion), with Pakistan's share at a mere 0.05 percent. Our annual imports from Japan cost \$2 billion (Rs 560 billion), whereas our exports fetch a meagre \$250 million (Rs 22.75 billion). To bridge this gap, Pakistan needs to move away from the traditional export of raw materials and concentrate more on value-added goods. Pakistan stands among the top producers of cotton, wheat, fish, sporting goods, cutlery, gems, surgical instruments, fruits, dairy products, etc.

Pakistan Japan Business Forum (PJBF), a leading bilateral business forum, acts as a bridge to foster greater business relations.

The Pakistani Embassy in Japan and the Pakistan-Japan Business Forum (PJBF) in Pakistan are available to assist and connect the business communities of both countries. The Pakistani Embassy in Tokyo is actively pursuing the agenda of increasing trade between the two countries and bringing investments into Pakistan from Japan. **S**

The writer is a founding member of the Pakistan-Japan Business Forum and its former chairman.



THE JAPANESE AUTOMOTIVE WAY

The key to successful Japanese management practices is the workplace culture, which places paramount importance on human relationships.

BY MURTAZA Y. MANDVIWALLA

The recent history of the automotive industry in South Asia is also largely the history of Japanese automakers' presence in the region. As a result, many members of the automotive fraternity, comprising assemblers, vendors, dealers, and other stakeholders, have adopted some of the distinctive features of Japanese production methods, marketing, and even personal conduct. The key to successful Japanese management practices is the workplace culture, which places paramount importance on human relationships. The days of the Shogun emphasized a strict value system, and the teachings of Confucianism from the mainland stressed the traits of affection, respect, loyalty, harmony, and trust. Likewise, the contemporary Shinto attributes of traditions, family, and adherence to cleanliness have

been imparted to Japanese society and have also been translated into business practice.

The Japanese way – particularly the way of the Zaibatsu (a Japanese term referring to industrial and financial business conglomerates) or the Sogo shosha (a Japanese trading house) – is unique. Decision-making is slow, making patience an essential attribute of the Japanese business executive. Through the process of nemawashi and Ringisho, decisions are firm and conclusive. Nemawashi is gaining informal consensus through meetings with the proposal's originator. Ringisho, popularly known as Ringi, is the formal process or the system through which the proposal is circulated from the bottom up to the various layers of management. In this way, decisions are made by consensus. A seal is affixed on the proposal from each stakeholder, indicating approval. Although the seal may not be affixed to computer communication, the

tradition continues with new apps such as i-mode, a mobile-friendly Ringi solution developed by NTT Communications, a Japanese telecommunications company.

Japanese management practices are very different from the business practices of South Asian countries, especially in the colonial past, having received training from “Western” top-down management methods. The “Western” way recognizes a more centralized authority and individual excellence. Hence, the Japanese management way faces many challenges. For example, changes in market dynamics and political and economic scenarios are frequent and, at times, sudden. Japanese managers are slow to react due to the slowness of the consensus-building process. The hiring process of new staff and promotions to performers also brings challenges in a job-for-life, structured HR environment. Nevertheless, the Japanese automakers have brought over some parts of their corporate culture over time, sometimes creating a fusion with the local practices.

Surely this “fusion” may have something to do with the Japanese corporate presence in the region that can be traced back to the 1950s.


The Japanese automotive companies have an ‘open eyes’ policy. Their office layouts are without walls or partitions. The staff sit in one large hall, with each departmental head facing his entire team. They wear uniforms, use one canteen, and have shared toilets. All employees must clock in on time, greeting the day with exercises and morning meetings. Emphasis is placed on things like cleanliness and orderliness, processes, teamwork, and lifetime employment (until the retirement age of 55). Employees are promoted to higher positions within the company, ensuring employment stability. Older employees are supported with seniority-based rewards, younger ones with on-the-job training, and skill development is achieved with a job rotation system.

The Ringi system is an integral part of the consensus-based decision-making process. Familiar Japanese

management systems such as Kaizen (continuous search for improvement) and 5-S manifest the Japanese management style. All employees are encouraged to suggest ways for the company to improve.

Japanese automotive companies’ outlook towards their employees, JV partners, distributors, and dealers is about building a long-term association. Training in the Japanese way is paramount. In adversity, the companies stand by their partners, a trait in their value system and history.

The Japanese automotive companies operating in the region have successfully implemented most of the abovementioned practices. Some concepts have been adopted by selected component makers and automotive dealerships representing Japanese brands.

Such is the Japanese automotive way 

The article is based on an excerpt from the writer’s book “Steering the Pakistani Wheel”. He is the current Chairman of the Pakistan - Japan Business Forum.



THE JAPANESE ECONOMIC MIRACLE

Japan is one of the world’s safest countries with state-of-the-art infrastructure, impressive technologies, and a well-educated and innovative environment.

COMPILED BY SAADIA MANZOOR

Japan has one of the world’s strongest economies, which is heavily export-based and sustains itself amid all geopolitical oscillations. A brief overview of the economy in calendar year 2024 shows that the economy grew at 0.1% compared to 1.5% in CY2023. This growth is expected to recover at a moderate pace, and the economy will likely keep growing above its potential growth rate of 0.5% in 2025 and 2026. From October to December 2024, GDP grew by 0.7%, showing positive growth for the third consecutive quarter. The GDP is projected to grow at 1% for CY2025. Japan’s GDP is dominated by its service sector—exports account for almost 72% of GDP. Industry contributes approximately 27%, and





Agriculture about 1%.

In 2024, Japan experienced record-high exports, increasing by 6.2% to 107 trillion yen. The main reasons were a shift in global demand and the weaker currency exchange. External demand in the semiconductor market is expected to grow in 2025, with Japan sales projected to grow at 9.4%. Exports of semiconductors in 2024 surged by almost 10% to 6 trillion yen. This growth was particularly driven by strong demand from Korea, the USA, China, and other parts of Asia. The top exports of Japan were automobiles and auto parts, electrical equipment, machinery, and chemicals. Exports have been increasing in the last four years. Japan's trade balance was reduced by more than 40% to 5.4 trillion yen in 2024 and 9.5 trillion yen in 2023.

Japan is a top FDI destination in the world. At the end of 2023, the stock of inward FDI in Japan increased by 9.3% to 50.5 trillion yen (350.6 billion US dollars), equivalent to about 8.5% of Japan's GDP. By region, investments from the United States (up 23.2% from the previous year) and Taiwan (up 21.1%) increased notably. Singaporean and US companies also made some investments in the construction of data centers.

The Council for Promotion of Foreign Direct Investment in Japan has set a priority program for

attracting FDI into Japan. The program includes 10 policy measures based on 4 pillars: (1) expanding investment opportunities in Japan, (2) securing highly skilled human resources in Asia and other regions, (3) promoting collaboration between domestic and foreign companies, and (4) improving business and living environments.

Tax reforms have also been implemented to establish a tax system that promotes domestic production in strategic sectors and domestic investment. Electric vehicles, semiconductors, etc., are designated as strategic sectors, and tax credits are provided according to production and sales volumes.

Building on these and other measures, the Japanese government has set a target of 100 trillion yen in FDI stock by 2030. Investment in key sectors is supported nationwide. Japan proudly ranks among the top global ranks in its key sectors, which are digital technology, life sciences, sustainable energy, manufacturing, and tourism.

A wide range of foreign companies are entering the Japanese market, attracted by the size of the market and Japan's advanced infrastructure, transforming its Digital Landscape. The government also supports private corporations in investing in digitalization. Japan's Life Sciences sector is expected to expand due to the

elderly population, the promotion of innovation, and the introduction of digital technologies. The Government of Japan has set the target to achieve a share of renewable energy of 38% by 2030, and it is taking various measures to achieve this target. Japan's manufacturing industry accounts for approximately 20% of its GDP and is particularly competitive globally in automobile equipment and materials. The manufacturing industry is expected to grow through digitalization and decarbonization, creating several opportunities for collaboration with foreign companies. Tourism, one of the key industries driving the Japanese economy, is growing rapidly as the number of foreign visitors increases.

Japan is one of the safest countries in the world with state-of-the-art infrastructure, impressive technologies, and a well-educated and innovative environment. Japan invites skilled human resources worldwide to work in the most technologically advanced working environments. Human resources in Pakistan should prepare themselves to take advantage of this opportunity. **S**

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