



Present Development Situation of Commercial Service Industry of Japan and Enlightenment to Shandong Province

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Abstract

Commercial services refer to service industries including the circulation of commodities and relative services for people's daily life and provide service products, which cover wholesale, retail, food, accommodation, as well as various kinds of services closely related with people's life, and are an important part of modern service industry and play an important role in the development of an economy. Commercial service industries of Japan are in the leading status in the world scope. This paper analyzes the development and the position of the service industry of commercial services of Japan in recent years, and talks about the commercial services including the wholesale and retail, accommodation and food, information and communication in Japan, so that try to offer reference for the development of China's commercial services as materials.

Key words: Commercial service industry of Japan; Wholesale and retail; Accommodations; Information and Communication

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With the accelerated process of economic globalization, increasing of the international market space and the upgrade of industry structure, the international division of labor is increasingly close and the service sector becomes

more independent and becomes one of the leading industries in the world. Commercial services refer to service industries including the circulation of commodities and relative services for people's daily life and provide service products, which cover wholesale, retail, food, accommodation, as well as various kinds of services closely related with people's life, and are an important part of modern service industry and play an important role in the development of an economy. Commercial service industries of Japan are in the leading status in the world scope.

Japan has been paying increasing emphasis on the development of the service sector, and after three decades of efforts, the contribution rate of service sector to the economy has constantly risen and the performance of trade in services rapidly increased and its import and export volume is one of the highest in the world. Since 1980s, Japan's third industry in the national economy has accounted for more than half, more than 60% from 1996. The service industry has become the main place to absorb employment, the proportion of the population in the service industry is more than 50%. Trade in services exports has made stable growth for nearly 20 years, and from 1985 to 2004, Japan's trade in services exports increased nearly four times. Among them, Japan's commercial services sector has also made a steady development. GDP created by the transport storage and communication has always been the lowest, accounting for 10% of the service industry, while social groups, and personal services sector, showing a gradual upward trend as Japan's largest service industry, accounted for more than 40% in the service industry.

1. OVERVIEW OF JAPANESE SERVICE INDUSTRY

From the business income point of view in 2010, transport postal operating income is the highest, followed by health care and welfare, life entertainment services and information and communication industry (Table 1).

Table 1
Overview of Japanese Service Industry in 2010

	Sales income (million yen)	Estimated number of establishments	Estimated number of workers
Service industry	284009043	2804722	26126050
Information and communications	38864146	60114	1620785
Transport and postal activities	47802203	130824	3281280
Real estate and goods rental and leasing	31388648	350168	1335738
Scientific research, professional and technical services	29307321	219755	1844779
Accommodations, eating and drinking services (*1)	22369324	788268	4945185
Living-related and personal services and amusement services	39152498	527976	2777858
Education, learning support (*3)	3512742	169274	977206
Medical, health care and welfare	42902236	349797	6433349
Services, N.E.C (*6)	28709925	208546	2909870

Source: Japan Source Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

Aaverage income per establishment of Japanese service industry according to types is quite different, of which the highest is information and communication industry, amounting to 646.5 million yen, followed

by transportation and postal services, research and professional technical services, life entertainment services which are more than the average income level of the service sector (Chart 1).

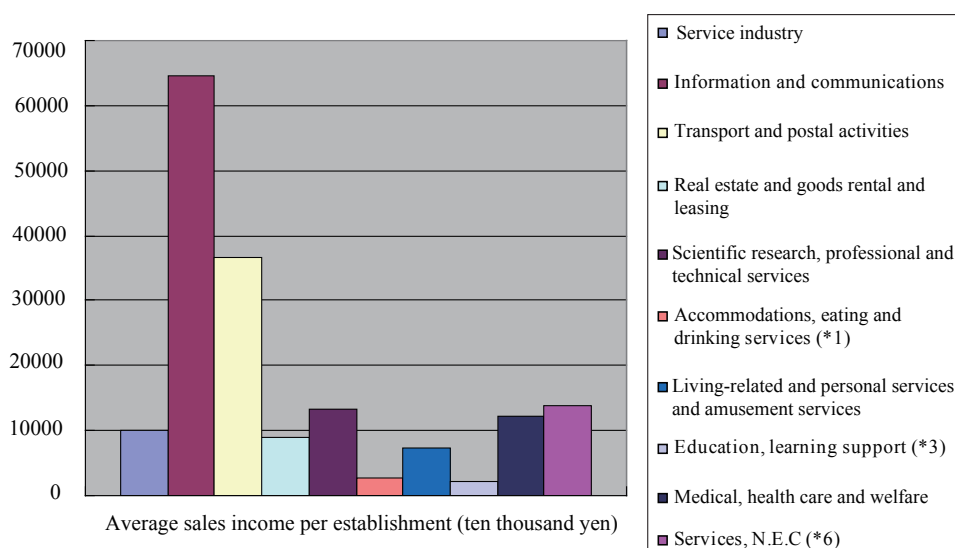


Chart 1
Average Sales Income per Establishment of Service Industry of Japan in 2010

Source: Japan Source Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

Differences of the average income per worker of Japanese service sector are smaller than the average income per establishment. Among them the highest income per worker is the information and communication industry and real estate and goods rental industry, reached to 2398 and 23.5 million yen

respectively, is twice more than the average income per worker of the Japanese service. What's more, average income per worker of scientific research and professional technical services and transport postal service and living entertainment service is also above average income level of service workers.

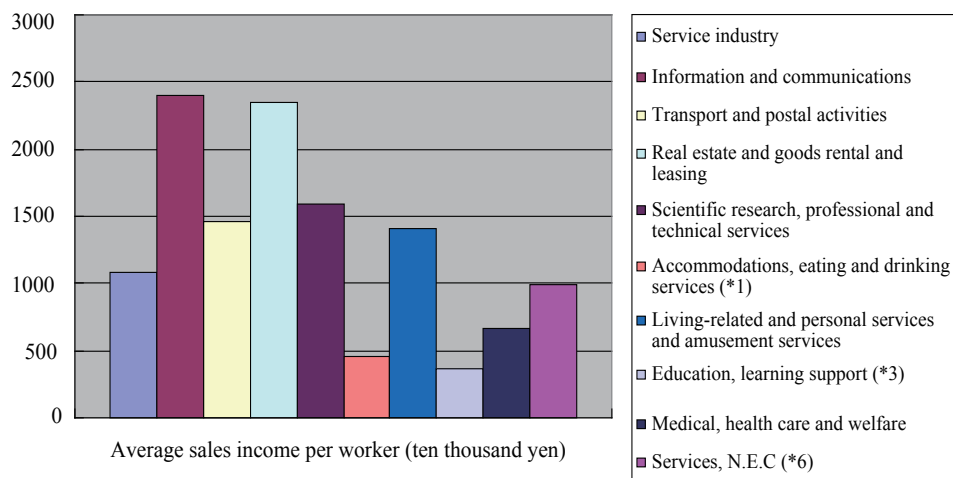


Chart 2

Average Sales Income per Worker of Service Industry of Japan in 2010

Source: Japan Source Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

2. DEVELOPMENT OF JAPANESE COMMERCIAL SERVICE INDUSTRY

2.1 Wholesale and Retail Trade

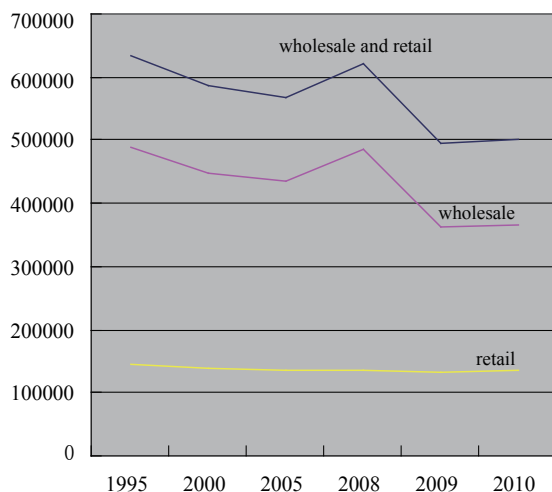


Chart 3

1995-2010 Sales Income per Year of Wholesale and Retail Trade of Japan

Unit: billion yen

Source: Japan Source Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

It can be seen from Chart 3, changing trend of Japan's total wholesale and retail trading is similar to wholesale transactions, while the sales revenue of retail

trade from 1995 to 2010 is very stable, with an average around 137,000 billion yen, which indicates that the main fluctuations of the wholesale and retail trade comes from the wholesale transaction, and though Japan's wholesale trading increase in 2008 but from 1995 to 2010, annual sales income has been of a downward trend.

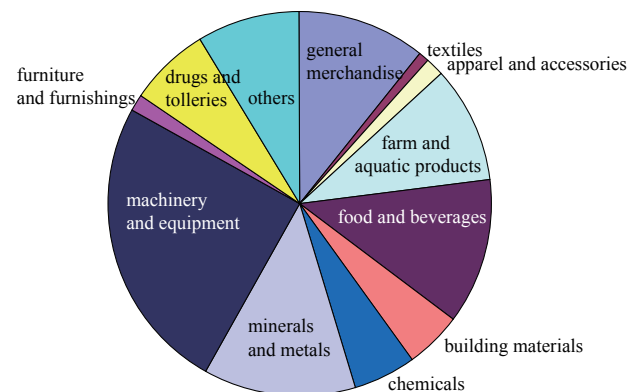


Chart 4

Composition of Wholesale Trade According to Sales Income of Japan in 2010

Source: Japan Source Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

As you can see from Chart 4, which rank the first three positions of the highest sales income of wholesale trade in 2010 of Japan are respectively the mechanical equipment, metal materials and food and drinks, while sales income of textiles, clothing accessories and home furnishing is low, and rank the last positions.

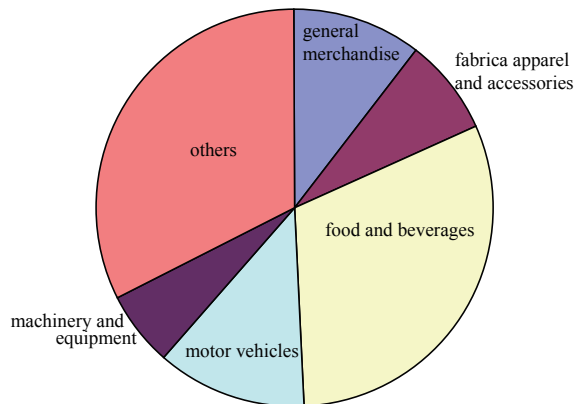


Chart 5
Composition of Retail Trade According to Sales Income of Japan in 2010
 Source: Japan Source Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

As you can see from Chart 5, which rank the first two positions of the highest sales income of retail trade in 2010 of Japan are respectively the other retail trade and food and drink, while retail trade sales revenue of equipment and clothing accessories is low, and rank the last positions.

2.2 Catering Accommodation

Table 2
Statistics of the Number of Establishments and Workers of Catering Accommodation Industry in 2009 of Japan

	Number of establishments			Number of employees
	Total	Non state	Individual proprietorships Corporation	
Catering	781265778048	513463	263763	5736967
Accommodation	60768	60097	25454	34407
Catering	673458673385	477514	195392	4421927
Take out	47039	44566	10495	33964

Source: Japan Source Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

As you can see from Table 2, the establishment of Japan accommodation and catering industry are mainly non-state institutions, accounting for more than 99%, of which individual proprietorships occupies above 65%, corporations accounted for more than 33%. Catering establishments is about ten times the number of accommodation organizations, and absorb about six times the employment than accommodation industry. In 2009, the number of employees of Japan service industry is 31,837,594, among which accommodation and catering industry absorb employees accounted for about 18% of the total number of the whole service industry, the accommodation industry is occupied about 2.4%, food and beverage industry accounts for about 14%.

2.3 Comparison of the Income of Workers of Commercial Service Industry in Japan

Retail sales income cannot reach that of wholesale trade, but absorb twice as many workers in employment as the

wholesale industry, so the income of workers of wholesale industry is far greater than the retail trade.

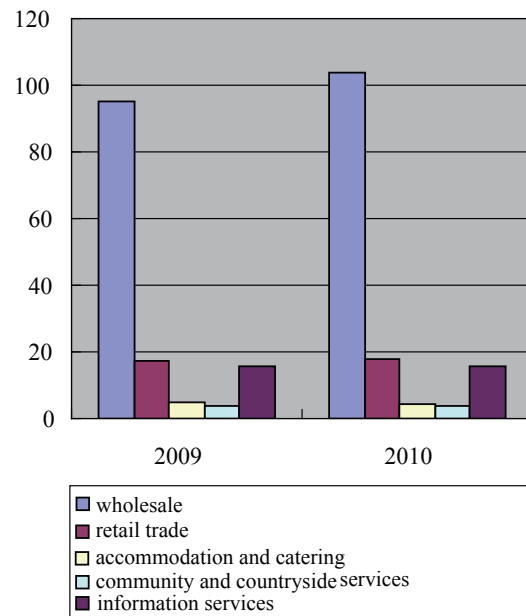


Chart 6
2009-2010 Annual Income per Worker of Commercial Services of Japan
 Unit: million yen

Source: Japan Source Research and Statistics Department, Economic and Industrial Policy Bureau, Ministry of Economy, Trade and Industry.

As you can see from Chart 6, the income of workers of wholesale trade is highest, followed by retail trading and information services, which due to the retail industry absorb a large number of workers, while the high income of workers of the information service industry is due to the total sales income is rather high.

3. “MANAGEMENT SOLE” OF JAPANESE COMMERCIAL SERVICES

Much Japanese commercial enterprise has its own unique working standard, which played an important role in the development and expansion of business process, and it is also quite good for the development of the Japanese commercial service industry.

“Sole” is the fundamental business spirit, and is guidelines for action of the staff. Name of the “sole” of each enterprise may be different, some called it the “basic concepts”, “guidelines”, but are all internal guidelines. Japan’s “management God” Konosuke Matsushita is positive advocator and practitioner to emphasize the important of the sole of a company. Konosuke Matsushita points out the necessity of its existence: Once formulated the sole of a firm, the shopkeeper (Manager) must perform. If the owner (Manager) cannot observe earnestly, no company prosperity, no matter how excellent the sole is put forward, if not implemented, nor is there any sense.

The following is some of the “sole” of some commercial service enterprise:

(1) Yokado (retail)

We want to be a firm trusted by customers; we want to become an honest business trusted by the shareholders, customers and community; we want to an honest business trusted by workers.

(2) Morinaga fruit-making company (food industry)

First is that through the contribution to the society, enterprises can get profit, and profit is essential for the survival of enterprises.

Second is that the consumers to buy the product is life of the company.

Third is that the only people can promote the company forward, only often hone their own and subordinates, the company can prosper.

Fourth is that to be honest and serious can be trusted, understand the hearts of men.

Fifth is that a person’s power is limited, do not forget the victories for others, keep the humble person can win the final.

Sixth is that to have the courage not to fear failure to accomplish.

Seventh is that the adversity to temper the will of the people, only the courage to meet it, is truly useful to society.

Eighth it is that the differences between man and animal are thinking, careful observation, thinking, action can win.

Ninth is that to have the creativity to get ahead of others, and be the leading company need intending to innovate.

Tenth is a person’s strength is small, thousands of man’s power is great.

(3) Royalist Hotel (services industry)

One is that to be cordial, patient and quick. These are our old and new motto.

Second is cooperation. Each worker belongs to a department, is also a member of the hotel, please to unite in a concerted effort, to concentrate on good service.

Third is etiquette. Etiquette is the manifestation of mind, restaurant taste. Have correct etiquette to the customer.

Fourth is to pay attention to personal hygiene, promote health.

Fifth is clean. It is the hotel’s life. The hotel is self-evident, but also pays attention to their own cleaning.

Sixth is to save. Even a piece of paper should not be neglected, prohibition of private using.

Seventh is study. Not only study to be responsible for work, and even guests’ hobbies.

Eighth is memory. As soon as possible remember the guest appearance and name.

Ninth is the grave. Before the guests do not whisper, or gaze the dress of the guests.

Tenth is thanks. Do not forget “thank you” no matter when and where you are.

4. POLICY PROTECTION ON THE DEVELOPMENT OF COMMERCIAL SERVICE INDUSTRY OF JAPAN

4.1 Commercial Retail Trade

Japan made commitments on market opening of retail service, but at the same time, the government is still take protective measures for domestic retail market, and with two specific means: first of all, to provide support on the country’s small and medium-sized enterprises. In order to protect the small and medium-sized commercial enterprises, but also to meet the needs of opening, Japan scattered individual retail enterprises together through the industry associations, execute big dimensions management, enhance competition ability. Secondly, to set restrictions to the foreign investment. Japan set restrictions on foreign investment through the “big store” law, even foreign capital can finally come into Japanese retail market, foreign enterprises have to accept many specific operating conditions, only to meet the required conditions, are eligible to start business. The strict and even some harsh conditions and standards has played a substantial protection of Japanese retail industry.

4.2 Telecommunications Industry

Japan has implemented a strict management policy on the telecommunications industry. Japan’s telecommunications industry has been in a monopoly management by Nippon Telegraph and Telephone Corp. Because of the lack of competition, service level and international competitiveness is not high. Japan telecommunication industry is in urgent need to introduce competitive mechanism, to improve the competitiveness of telecom enterprises. The Japanese government is aware of this point.

4.3 Tourism

Tourism industry in Japan has quite high opening degree. Japan implements fully opening policy for tourism service industry. In addition to the construction of tourist facilities are limited according to Tourism Law for foreign business in Japan, there are almost no other limits on national treatment and market access.

5. ENLIGHTENMENTS TO THE DEVELOPMENT OF COMMERCIAL SERVICE INDUSTRY OF SHANDONG PROVINCE

Vigorously development of the service industry has become an important growth point of national economic development. The proportion of commercial service industry in the service industry is in a rising trend, and its contribution to economy is bigger and bigger. Adopting various measures to accelerate the development of commercial service industry has become the consensus of the world. In the context of the international financial

crisis, to accelerate the development of commercial service industry of Shandong province has important strategic meaning. Compared with Japan through the development of commercial service industry, we can found many shortcomings of commercial services in the Shandong province, and put forward the following suggestions.

5.1 Ensure Advanced and Modern Facilities to Create a Favorable External Environment for Commercial Service Industry

Huge amounts of public and private investment should not only put on the streets, terminals and other infrastructure, but also put in the high residential and office buildings, improve the external environment. Investment in building a good information technology infrastructure to provide protection for the development of wholesale and retail, logistics, e-commerce, community service. Give full play to each district in the city, their dominant position can be concentrated in certain industries, such as wholesale, information of relevant industries and professional services industries, to make the commercial service industry has diversification, multi-level and network structure.

5.2 Guarantees of Supply of Factor

To cultivate a large number of people providing financial services and consuming financial services, improve workers' education level and income level. Because of highly educated people could become managers and professional and technical personnel, is the main object of financial service supply and demand, and raise the level of income to ensure that people can have demand on the financial service. At the same time, give full play to the role of institutions of higher learning, research and cultural institutions, scientific research institutions, aggregation, the reserve personnel for service industry provides intellectual support to the development of commercial industry.

5.3 Guarantee of Government Policy Support

The government's proactive planning and timely control of commercial service industry plays a key role in the quick development of commercial industry. Development of modern business service industry need to construct the external forms, form an effective carrier, the role of the government is in planning and guiding the development of industry, creates a good environment for enterprises. Government policies should be emphasized the importance of core business functions together, promote mixed functions, and take concrete measures to support commercial service industry development, give

aid to development of high value-added business services industry. In addition, the policy of the government information source and has the power of examination and approval, also promoted various office function and large company headquarters agglomeration.

5.4 Shandong Should Grasp Opportunity, Accelerate the Commercial Service Industry Cluster District

In Shandong Province, Qingdao city will accelerate the service industry gathering area construction, to 2015 to create 24 municipal service industry gathering areas year business income over 10,000,000,000 Yuan, added value of gathering area occupy the city's whole added value of service industry to above 40%. Basically build up area service center service in Shandong, radiation along the Yellow River Basin, face northeast inferior. Highlighting the development of finance, modern logistics, tourism, trade, science and technology services, software and information services, cultural and creative, real estate intermediary, exhibition etc. the ten major industries.

In 2011 South Korea SK group and Dongying city Shandong province formally signed a strategic cooperation project. The project of Dongying delta of the Yellow River modern service industry zone invested by Korea SK Group 7,000,000,000 Yuan to build, which is a set of financial, high-grade commercial trade, integrated logistics, culture and entertainment, business office, high-end residential and is one of the very large, complex ecological city. Foru plate including conceptual planning office, culture, education, science and technology business life supporting, modern service industry cluster total construction size of 1200,000 square meters, will become the modern service industry center of Yellow River Delta region.

Shandong province should seize the opportunity, study from the advanced regions, provinces and cities and developed countries, to accelerate the development of commercial service industry.

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