



# JAPAN



Population: 126,168,156 | GDP: \$5,443 trillion | Language: Japanese | Unicorns 2009-2018: 2



## What did Japan do right?

The country invests 3.1 percent of its GDP in research and development, outspending most other countries on the Scorecard. Also, the government is currently creating deregulated zones in rural areas to allow for drone delivery testing.

## What can Japan do better?

Japan could lift rules for short-term rental operators, which require them to meet stringent hygiene and safety standards, and eliminate its cap on the number of licenses required for ridesharing. It could also reduce its top individual marginal tax rate, the second highest on the Scorecard, which caused its Tax Friendliness grade to slip from a D last year to an F this year.

## KEY TAKEAWAYS

Japan continues its tenure as an Innovation Leader in 2019. The country could improve its overall performance by extending the progressive attitude it takes toward emerging technologies to the sharing economy.



Credit: Alexander Smagin, Unsplash

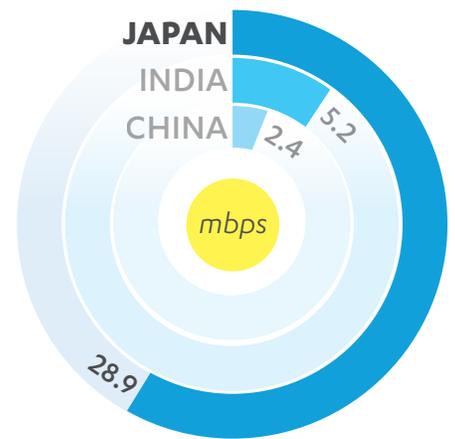
Japan ranks very highly in R&D investment, on which it spends 3.1 percent of its GDP, more than all but five countries on the Scorecard. However, Japan also taxes its population heavily, with one of the Scorecard's highest top individual marginal tax rates, at 56 percent.

When it comes to the sharing economy, Japanese regulators imposed extensive restrictions on short-term rentals in 2018, including a 180-day annual rental limit. Ridesharing in the country is also subject to vehicle caps and a minimum trip time of two hours, which make services challenging to sustain.

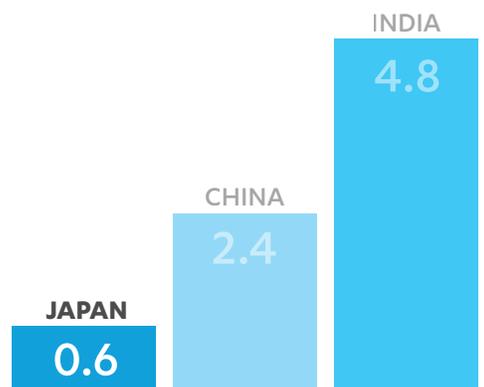
The Japanese are also looking ahead and introducing policies they hope will put fully self-driving vehicles (SDV) on public roads by 2025—an ambitious timeline prompted by the upcoming 2020 Olympic Games in Tokyo. The Japanese government has also acknowledged SDVs as a solution to some of the nation's demographic challenges, as a rapidly aging population will lead to many Japanese losing their licenses and their mobility.

Sources: (Minpaku) (Finder) (Japan Times)

## Mean Download Speed (Fixed & Mobile)



## Fixed Broadband Cost Per Month



Shown as a percentage of gross monthly income per capita



### Human Capital

25.2 percent of Japan's workers are highly skilled, an increase from 24.9 percent in 2018, and the country awarded 55.8 percent of its college degrees in STEM fields, the highest share on the Scorecard.



### Resilience

Japan has a stable government, the quality of its local suppliers is high and its infrastructure is well-developed.



### Broadband

The mean download speed of fixed and mobile internet is fast at 28.9 Mbps. Japan's grade increased from a C in 2018 to a B this year.



### Environment

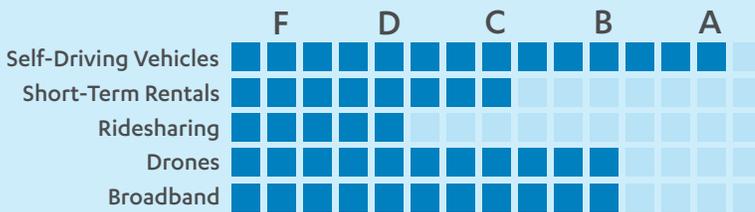
Air quality nearly meets the WHO's standard, and nearly 99 percent of the population has access to clean and protected water sources. The country's grade decreased from an A- to a B this year.



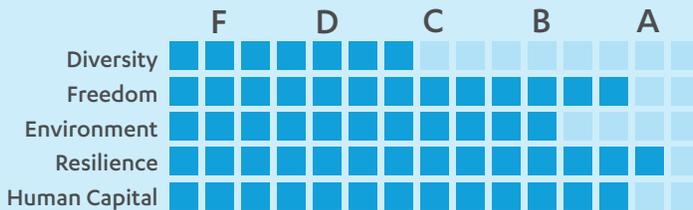
### Freedom

There are above-average levels of both personal and political freedom. Japan's grade increased to an A- from a B- in 2018.

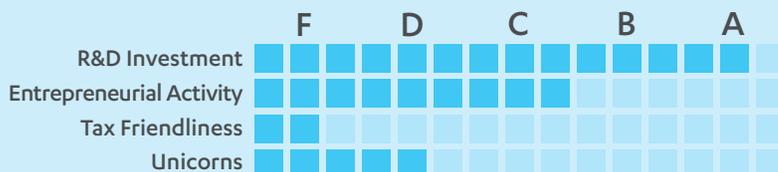
## Technology



## Society



## Economy



## ABOUT THE SCORECARD

With the 2019 International Innovation Scorecard, the Consumer Technology Association expands the report in breadth and depth, adding 23 new countries and two new categories. In this second edition, we evaluate 61 countries and the European Union across 28 indicators to determine whether they stifle progress or fuel the fires of innovation.

Each country on the Scorecard ranks in one of four tiers: Innovation Champions excel in almost all areas, followed by Innovation Leaders, which earn high scores in most. Behind the Leaders are Innovation Adopters, which promote innovation in some areas but not others. Finally, Modest Innovators may support innovation in one or more areas, but they show the greatest room for improvement.

## ABOUT CTA

The Consumer Technology Association (CTA)<sup>™</sup> is the preeminent trade organization representing the \$398 billion U.S. consumer technology industry, which supports more than 15 million jobs. CTA serves over 2,200 companies, ranging from the startups and small businesses that make up 80 percent of its membership to some of the world's best-known brands. CTA also owns and produces CES<sup>®</sup>, the world's premier gathering for consumer technology and the innovators who turn today's dreams into tomorrow's realities. Profits from CES are reinvested into CTA's industry services.

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