

Is there any potential for venture businesses in Okinawa?

In a new age when economies are global rather than national, Okinawan industry now has within its reach a rare opportunity that comes perhaps only once in a century. Okinawa has so far been thought of as just one remote area within the national economic system, but there is a possibility that the prefecture could function as a center for the Pacific Rim and Western Pacific region. If this vision materializes, it could well prove that the most active economic area of the future will not be the Japanese traditional national industrial heart but the region on the frontier zone of Japan's southern border: Okinawa.

The fact that Okinawa is an island prefecture with a population of 1.3 million people is not necessarily a disadvantage, as strategies of private enterprises are shifting from that of a "scale merit system" to an "added value system". In this economic climate, venture businesses in Okinawa have a strong chance of success, especially when existing industries and enterprises are not doing too well.

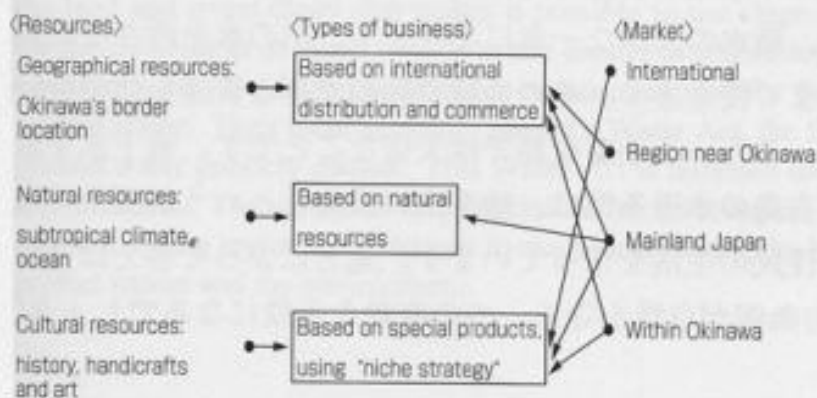
In what areas do Okinawan venture businesses have potential? In general, the following strategies are essential for starting venture businesses: small capital investment, a system of differentiating by added value, and exploiting raw materials and products in the most cost-efficient way. Figure 18 shows businesses that have potential in terms of the resources of the prefecture and its potential markets. In fact, an increasing number of venture businesses are currently being established in these areas.

One example is "industry based on the idea of turning Okinawa into a hub for international distribution and commerce", taking advantage of the prefecture's geographical position. By working together with other Asian countries, Okinawa would be able to produce commodities and market them to mainland Japan and countries nearby. A good example of this type of industry is the Ryûkyû glass industry (see Q89), in which part of the production process has been relocated to Vietnam with products then re-imported.

Another example is "industry utilizing Okinawa's natural resources", targeting mainland Japan as the market. Conditions unique to Okinawa would be utilized such as its subtropical climate and marine resources. Growing flowers such as chrysanthemums and building resort facilities on the coastline belong to this category.

Finally, there is "niche industry", utilizing the unique cultural, historical and human resources of Okinawa, targeting the international market, even though this might be on a small scale. Health food such as *ucchin* (turmeric) and handicrafts such as textiles (see

Q84-6) and *tsuboya-yaki* ceramics (see Q88) are good examples of this type of industry. Often, these industries are interrelated though in some cases they function alone.



Industrial potential for venture businesses in Okinawa