Section 5
R&D

1. Research in information communication industry

In FY2005, the total science and technology research funds (the sum of research funds for companies, nonprofit organizations, public institutions, and universities) in Japan came to 17.8452 trillion yen.

Out of the R&D spending for companies (12.7458 trillion yen) which constitute the majority, research funds spending by the information and communications industry (4.5713 trillion yen) accounted for 35.9%. The research funds for the information and communication equipment and tool industry make up the majority of research fund spending by the information and communications industry. **(Graph 2-9)**

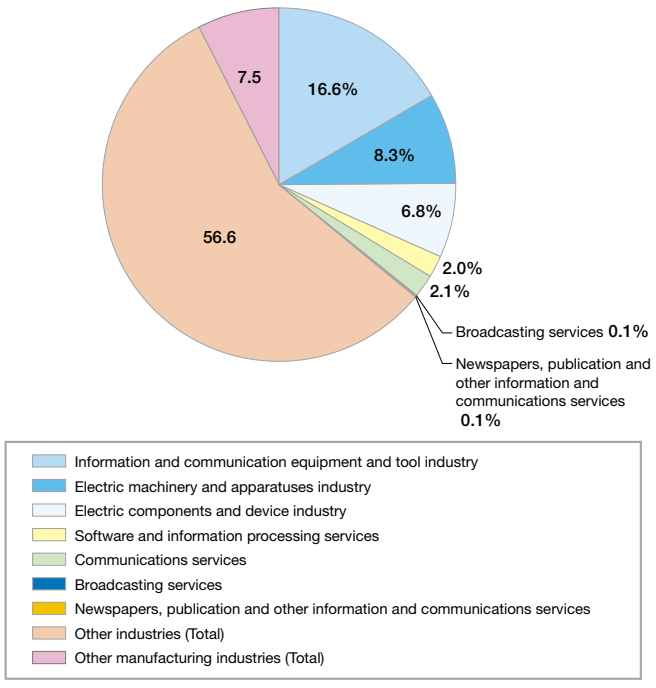
2. Technology trading

The breakdown of Japan's amount of technology trading (the amount of value received (or paid for) supply (export) of technology such as patents, know-how or technical guidance to or from (import) foreign countries) in 2005 was 2.0283 trillion yen (up 14.6% from the previous year) for the amount received for export of technology, out of which 17.8% of the total was for the information communication industry at 361.9 billion yen (up 16.9% from the previous year).

On the other hand, the amount paid for import of technology was 703.7 billion yen (up 24.0% from the previous year), out of which approximately 60% (59.7%) of the total was for the information communication industry at 420.0 billion yen (up 39.0% from the previous year). Although there is surplus in exports for the total amount of technology trading, there is surplus of imports for the information communication industry.

For the information communication industry, the information and communication equipment and tool industry accounts for a large percentage for both amount of technology export and amount of technology import.

Graph 2-9 Ratio of R&D spending for companies (FY2005)



* R&D spending in the information and communications technology industry refers to spending for the information and communication equipment and tool industry, electric machinery and apparatuses industry, electronic components and device industry, and information and communications services (software and information processing services, communications services, broadcasting services, newspapers, publication and other information and communications services).

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