



Overall performance

Japan is one of the most improved countries in procurement processes. It has transparent procurement procedures, which increases fairness and competitiveness for infrastructure investment. Japan provides significant protection for investors, with a highly liquid capital market and the ability to secure cheap lending to invest in infrastructure.

Drivers	Rank (/16)	Rank change (2017-20)	Score (/100)	Emerging	Aspiring	Contender	Top performer	Global leader
Governance	8	↑ 4	80					
Regulatory frameworks	13	—	74					
Permits	18	↓ 4	82					
Planning	52	↓ 4	63					
Procurement	13	↑ 42	92					
Activity	71	↑ 3	13					
Funding capacity	19	↑ 1	59					
Financial markets	2	—	84					

Japan at a glance

\$40,847
GDP per capita
(USD, 2019)

126.2 million
Population
(2019)

3.0% of GDP
Infrastructure investment
(2019 estimate)

0.1% of GDP
Infrastructure gap
(2019 estimate)

93.2
Infrastructure quality
(0-100, 100 is best, 2019)

\$3,856 million
Private infrastructure investment
(5-year average, USD, 2019)

Top performing metrics



100/100

Transparency in public procurement

Japan's public procurement notices are made available online and tender documents transparently detail procurement procedures. The transparency of the process encourages more participation and competition, which drive value for money.



100/100

Stocks traded

At 127% of GDP, Japan's value of stocks traded is the third highest of all InfraCompass 2020 countries. As this indicator measures the liquidity of equities, it is important to infrastructure investors to know they can exit investments at appropriate points.



91.8/100

Recovery rate

According to the World Bank, Japan has the highest recovery rate of all InfraCompass 2020 countries, at 91.8 cents on the dollar in 2019.

Opportunities to grow



No

Published project pipeline

Japan does not currently have an infrastructure pipeline of projects. The addition of an infrastructure pipeline could help provide infrastructure participants with a clear indication of prospective and confirmed infrastructure activity.



0/100

Gross government debt

Japan's gross government debt rose to 238% of GDP in 2019, the highest of all InfraCompass 2020 countries. Given the impact of the COVID-19 pandemic, if Japan's debt or cost of servicing its existing debt were to rise, it may hinder the Japanese government's ability to fund infrastructure.



0.7/100

Value of closed infrastructure deals with foreign equity sponsorship

Among the High Income Countries, Japan has the lowest value of closed infrastructure deals with foreign equity sponsorship, at only 0.003%. Increasing foreign investment may reduce financing costs as a result of greater competition.

For guidance on how to improve these metrics, please see the [Japan Country Page](#) on the InfraCompass website.



ECONOMY OVERVIEW

GDP (\$US billion, 2019)	5154.5	Population (million, 2019)	126.2	Unemployment rate (2019)	2.4%
GDP per capita (\$US, 2019)	40,847	Urbanisation ratio (2018)	92.0%	Inflation rate (2019)	1.0%
GDP growth rate (annual, 2019)	0.9%	Gross Government Debt (% of GDP, 2019)	238.0%	Digital Adoption Index (0-1 best, 2016)	0.83
GDP per capita growth rate (annual, 2019)	3.9%	Sovereign risk rating (2019)	77	Gini coefficient (0-100 worst, 2008)	32.1

METRIC SCORES

The below metrics are normalised so that they all range from 0 to 100. For original metrics and data sources, please see <https://infracompass.github.org/>

GOVERNANCE		REGULATORY FRAMEWORKS		PERMITS	
Post-completion reviews?	Yes -	Effect of taxation on incentives to invest	50 ↑	Cost to start a business	84.9 -
Infrastructure or PPP unit/agency?	Yes -	Prevalence of foreign ownership	74.1 ↑	Dealing with construction permits	65.8 -
Recovery rate	91.8 -	Product market regulation, network sectors	62.8 -	Quality of land administration	85 ↑
Rule of law	80.7 ↑	Regulatory (including competition) quality	76.6 ↓	Registering property	88.4 -
Shareholder governance	36.7 -	Strength of insolvency framework	81.2 -	Time required to start a business	74.6 -
Political stability and absence of violence	67.7 ↑	Investment promotion agency?	Yes -		
PLANNING		PROCUREMENT		ACTIVITY	
Published project pipeline?	No -	Average procurement duration – transaction RFP	50 [^] ↓	Infrastructure investment	34.1 ↑
Published infrastructure plan?	Yes -	Degree of transparency in public procurement	100 ↑	Private infrastructure investment	10.9 ↑
Preparation of PPPs	78 ↓	Published procurement guidelines?	Yes -	Value of closed PPP infrastructure deals	6.2 ↑
Economic analysis assessment?	Yes -	Procurement of PPPs	70 -	Value of closed infrastructure deals with foreign equity sponsorship	0.7 ↓
Market sounding and/or assessment?	Yes -	PPP contract management	75 -		
Environmental impact analysis?	Yes -				

FUNDING CAPACITY

FINANCIAL MARKETS

GDP per capita	52.1 ↑	Domestic credit to private sector	81.2 ↑
Gross government debt	0 -	Financing through local equity market	67.9 ↓
Long term GDP growth trend	6.7 ↑	Stocks traded	100 ↑
Summary credit rating	77 ↓	Financial depth	83 ↑
		Financial stability	90.8 ↑

Drawing on data from: International Monetary Fund, Organisation for Economic Co-operation and Development, World Bank, World Economic Forum, IJ Global, CEPII, Oxford Economics, Trading Economics, and Deloitte.

Metric key:

↑ Increase from InfraCompass 2017 ↓ Decrease from InfraCompass 2017 - No change from InfraCompass 2017

Note:

'Top performing metrics' are the metrics with the highest score out of 100.

'Opportunities to grow' are generally the metrics with the lowest weighted score out of 100.

[^]Denotes interpolated metric data. See Technical Appendix for further explanation on the interpolation techniques.