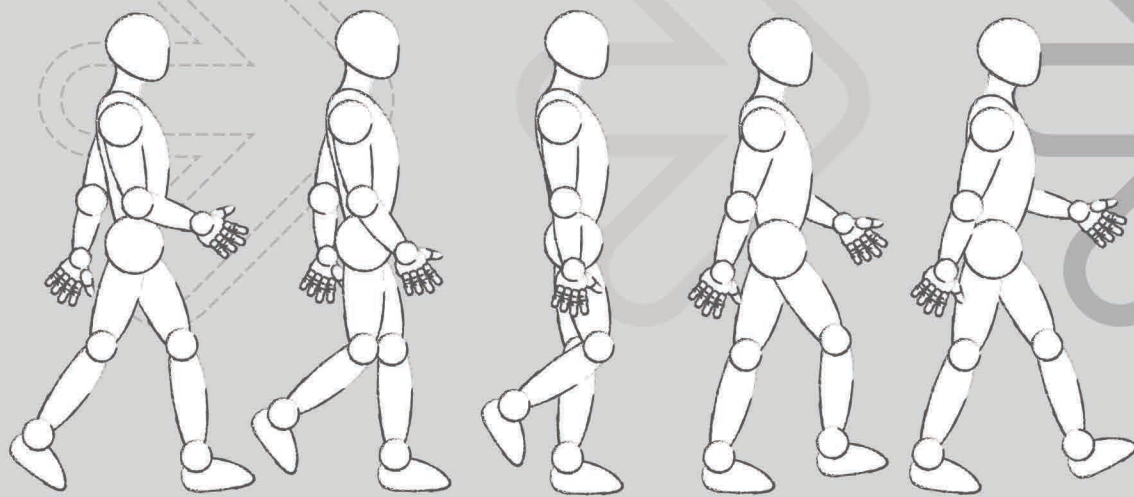
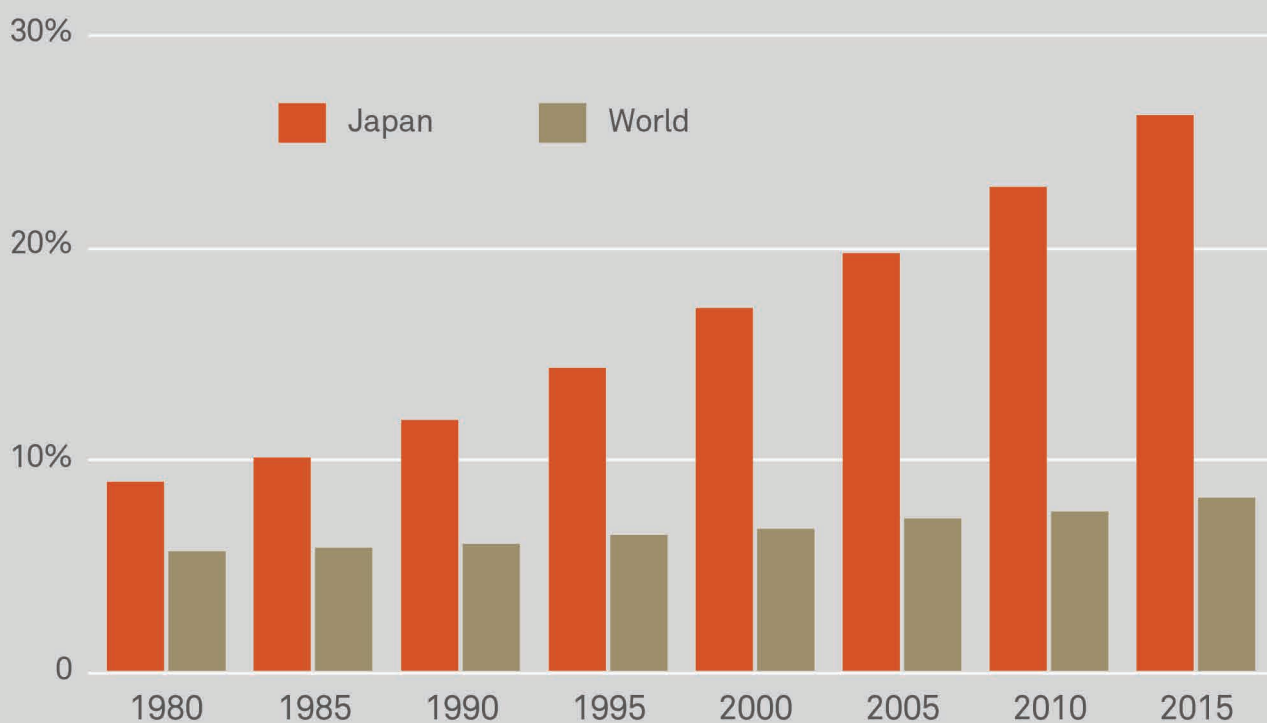


March of the robots

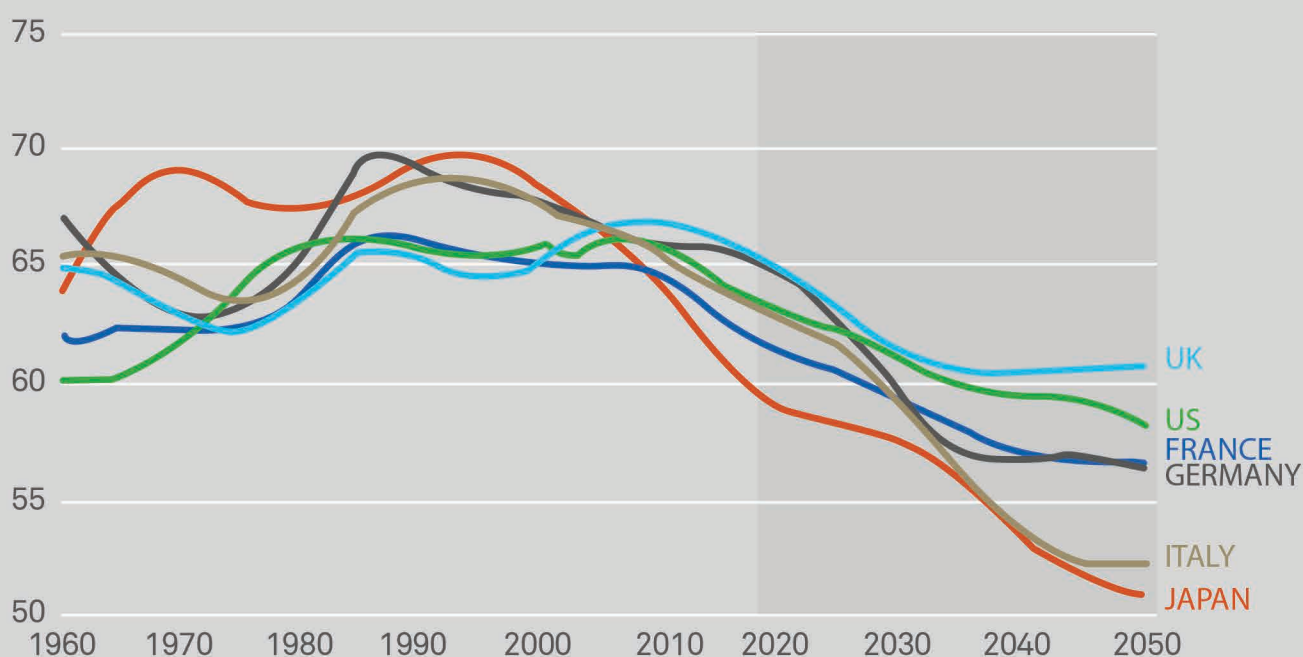


Percentage of Japan's population aged 65-plus



Source: The Globe and Mail, UN population division. November 2017.

With its working age population declining fast

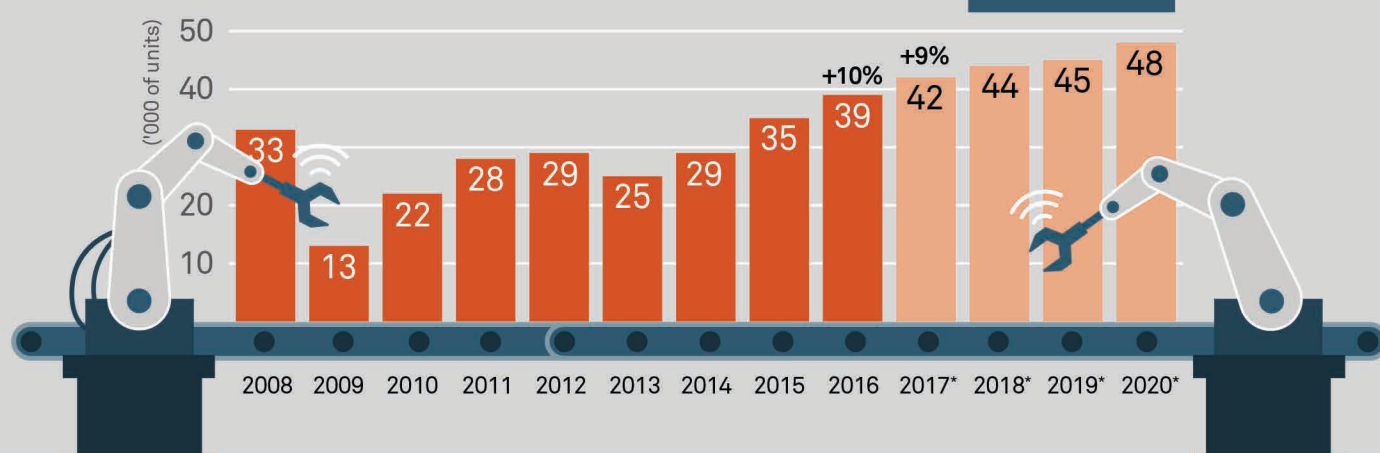


Source: United Nations, World Population Prospects 2017 revision

Against a backdrop of growing supply, could robots take the strain?

Estimated annual supply of industrial robots in Japan 2008-2016 and 2017*-2020*

+5% on average per year



Source: IFR World Robotics September 2017. *Forecasts.

As Japanese society ages it will need to rely ever more on automation and new technology to bridge the productivity gap. That creates a requirement for robots to start taking on the jobs that people used to do. Employment data and labor force projections underline the point.

The Japanese jobs-to-applicants ratio has soared while the unemployment rate has plummeted as the economy recovers from 20 years of stagnation and deflation, during which the nominal GDP actually contracted.

Meanwhile, even though more women are entering the workforce, the number of people in work will plateau at best in the next decade. Together, the combination of a tight labor market and the structural trend of an aging population create a real need for an automated future in Japan.

Miyuki Kashima, Head of Japanese equity investments at BNY Mellon Asset Management Japan

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