

Contents

Figures	vii
Tables	ix
Episodes	xi
Preface	xiii
1 Anticompetitive Behavior or Not: An Unsettling Issue	1
2 Entry Barriers and Antitrust Enforcement in Japan	17
3 Research Design and Methodology	105
4 Analyses and Results	127
5 Conclusions, Implications, and Recommendations	141
Appendix: Data Collection Questionnaire	149

Bibliography	163
Index	183

Figures

1.1	U.S. Trade Deficit with Japan, 1965–1995	2
2.1	Conceptual Framework	18
2.2	Price Trends in Japan, 1983–1995	75

Tables

2.1	Summary of Econometric Research Investigating Japan's Pattern of International Trade	20
2.2	Takeshita Kogyo's Business Transactions in 1995 Inside and Outside the Maekawa Keiretsu (in millions of dollars)	99
3.1	Method of Data Collection	112
3.2	Nationality of Respondents	113
3.3	Respondents' Years of Experience with Company	113
3.4	Respondents' Years of Experience Working in Japan	114
3.5	Industrial Classification of Responding Companies	115
3.6	Classification of Product Type	116
3.7	Total 1993 Worldwide Sales Revenue of Responding Companies	116

3.8	Responding Companies' Years of Operating Experience in Japan	116
3.9	Principal Components Factor Loadings for the Relative Occurrence of Anticompetitive Behavior	119
3.10	Principal Components Factor Loadings for the Impact of Anticompetitive Behavior	119
3.11	Varimax Rotated Factor Loadings for Characteristics of the Market	121
3.12	Varimax Rotated Factor Loadings for Characteristics of the Firm	122
3.13	Varimax Rotated Factor Loadings for Strategy	124
3.14	Principal Components Factor Loadings for Recent Three-Year Performance	125
3.15	Principal Components Factor Loadings for Expected Three-Year Performance	126
4.1	Relative Occurrence of Anticompetitive Behavior in Japan	128
4.2	Analysis of Covariance (ANCOVA) of Factors Influencing Recent Three-Year Performance (PERFORM) and Expected Three-Year Performance (PROSPECT) of U.S. Businesses in Japan	134
4.3	The Impact of Anticompetitive Behavior in Japan on U.S. Businesses	138
4.4	Industries in Which the Majority of Responding Executives Perceive Both the Occurrence of Anticompetitive Behavior and a Negative Impact on Performance	140

Episodes

1.1	Closed Market or Open Market?—The Flat Glass Industry Case	10
2.1	A Heated Trade Battle—The Market for Photographic Film	28
2.2	Bureaucratic Red Tape or Trade Barriers?—The Case of Amorphous Metals	34
2.3	Bureaucratic Red Tape or Trade Barriers?—The Case of CNN	37
2.4	Renegade Retailers—Airline Tickets	39
2.5	Renegade Retailers—Gasoline	40
2.6	Exclusionary Relationships?—Keiretsu in Japan's Paper Industry	46

2.7	A Schism in Keiretsu Relationships—Japan's Steel and Automobile Industries	52
2.8	A Schism in Keiretsu Relationships—Japan's Consumer Electronics	53
2.9	Japanese Practices That Lead Foreigners to be Skeptical	55
2.10	Antitrust Enforcement in Japan: The Plastic Wrap Case	61
2.11	High Prices in Japan—Retail Price Maintenance Practices in the Cosmetics Industry	65
2.12	Identical Prices in the Beer Industry—Price Signaling or Competitive Pricing?	69
2.13	An Antitrust Conviction in the Printing Industry	77
2.14	Cartels in the Cement Industry	89
4.1	Confusion and Interpretational Differences—Records, Tapes, and Compact Discs	131
4.2	A Great Success or Just Scratching the Surface?—Hollywood in Japan	135
4.3	Some Practices Benefit Foreign Firms, Too—The Satellite Industry	139
5.1	Overcoming Barriers—Dexter's Shoe Sales in Japan	143