

# Japanese Productivity Lags Behind U.S.

Japanese companies lag behind their U.S. counterparts in productivity measured in terms of purchasing power parity (PPP), according to an international comparison of 1988 productivity by the Japan Productivity Center (JPC.)

The JPC measured productivity in Japan and Western countries based on their 1988 gross domestic product (GDP) recalculated by the 1980 PPP (\$1 to \forall 240) estimate used by the Organization for Economic Cooperation and Development. The adjusted GDP was then divided by the number of workers in the work force. PPP is a formula showing how many commodities can be purchased

with a given amount of money in one country in comparison with other countries. PPP is not much affected by exchange rates.

The JPC comparison found that percapita average productivity in Japan's industrial sector runs below the average in major Western countries and is 31% lower than in the United States.

JPC analysts said the gap with the U.S. resulted primarily from the high agricultural production value in the U.S. and the larger work force in Japan's commercial sector. The JPC said there are still many areas where Japan needs to enhance productivity.



Japanese workers spend much time out of the office with their colleagues even after working long hours, while their counterparts in the United States and Europe wrap up work more quickly and spend more time with their families and friends, according to a survey by the

Work More, Relax Less

labor organization.

The survey of lifestyles of workers in Japan, the U.S., Britain, France and Germany, conducted last November, tracked the daily activities of 519 workers in five different lines of business for one full week.

research arm of Rengo, Japan's largest

It found that Japanese worked by far the longest hours, spending an average nine hours and two minutes a day on the job, compared with an average seven hours and 51 minutes for Germans and seven hours and 53 minutes for the French. Also, Japanese workers had only two hours and 28 minutes of free time a day, much less than the four hours and 15 minutes of free time enjoyed by German workers.

"When we fight for shorter working hours and review our lifestyle, we find we have a lot to learn from the more comfortable lives of American and European workers," said a Rengo official.



### **Trend Toward Five-day** Workweek Gathers Pace

Nearly 70% of Japanese companies have now introduced either a partial or full five-day workweek, reducing regular weekly working hours in 1990 by an average 39 minutes from a year before, according to a Labor Ministry survey.

The number of days off per company rose 3.6 days in 1990 from 1989 to an average 88.6 days, the survey said. It was the sharpest drop in working hours and the largest increase in days off since 1975.

The survey, covering some 5,000 companies with 30 or more employees, found that 66.9% had introduced a full or partial five-day workweek, up 8.6 percentage points from the previous year. However, only a little over half of the large companies surveyed had decided to close their offices every Saturday.

Labor Ministry analysts say that, with younger Japanese wanting shorter working hours and longer holidays, Japanese companies are finding they have to switch to a five-day workweek to attract and retain workers.

# **Economic Growth to** Continue, Savs EPA

The Japanese economy, supported by firm personal spending and steady corporate investment, will continue to enjoy sustainable growth over the months ahead, despite the bursting of the "financial bubble," according to the Economic Planning Agency's annual White Paper on the National Economy.

The nation's economy posted a record 57th month of uninterrupted expansion in September, one month after the EPA paper came out. But the white paper, although optimistic about the short term, conceded that over the longer term such supply bottlenecks as the dwindling labor force will inevitably retard economic growth.

Referring to the global shortage of savings, the paper said that Japan, as one of the few "surplus" nations, should set aside more funds for foreign aid and work harder to promote free trade. It stressed the need for Japan to share its know-how to help protect the global environment, a task too large for any single nation to do on its own.



## **Population Increasing Around Major Cities**

While the population of Tokyo and other major cities is on the decline, it is increasing in neighboring areas in what is known as a "doughnut" phenomenon, according to a Ministry of Home Affairs survey.

The nationwide population survey, based on residential registers as of the end of March 1991, found that the population of Tokyo has declined for the fourth consecutive year, dropping 0.06% from the previous year. In Saitama Prefecture north of the capital, however, the population rose by 1.35% from a year before. It is the fourth consecutive year that Saitama has led the nation in population growth.

Tokyo's population decline was particularly noticeable within 10 kilometers of the heart of the capital.

Meanwhile, of Japan's 47 prefectures, 17 saw their population continue to decline, down four from 21 the previous vear. The four prefectures-Hokkaido, Niigata, Toyama and Tottori-saw the natural increase in their population outpace the "social" decrease from people moving to other prefectures.

Altogether, Japan's population at the end of March stood at 123,156,678, up a tiny 0.34% from a year earlier. The 0.33% rise recorded the previous year was the smallest increase in the nation's history. The average number of household members hit a record low 2.95, down even further from the previous low of 2.98 a year before.



#### Japanese Solar Battery Makers Boost Production

Japan's three leading solar battery makers are boosting production in response to a sharp increase in demand in the United States and Europe.

Kyocera Corp. doubled the production capacity of its main solar battery factory in April to six megawatts. It plans to further double production capacity to 12 megawatts by next summer. Kyocera produces power-generating solar batteries using polycrystalline silicon, a highly efficient energy converter. Its solar battery business went into the black for the first time in the business year ended last March.

Sharp Corp. and Sanyo Electric Co. are also stepping up their solar battery output as demand rises in environment-conscious Western countries.

The Ministry of International Trade and Industry, meanwhile, plans to encourage the domestic use of fuel cells as well as photovoltatic power generation equipment. MITI has asked the Finance Ministry to set aside ¥1.5 billion in the fiscal 1992 budget to pay to solar battery users to subsidize part of their purchasing costs. MITI hopes the subsidies will help boost domestic demand for solar batteries.



#### **MITI Plans Initiative** On Asian 'Green Aid'

The Ministry of International Trade and Industry will launch an international initiative next year to support environmental protection efforts in Asia.

The "Green Aid Plan," unveiled by the then-MITI minister, Eiichi Nakao, in Bangkok on August 16, calls for extending cooperation to developing countries in Asia to help them prevent environmental destruction and switch to environment-friendly energy sources. Japanese cooperation will take the form of financial assistance and technological transfers, said Nakao, who was in the Thai capital for talks on bilateral economic cooperation.

The assistance will be part of Japan's official development assistance (ODA) for environmental protection in developing countries, a MITI responsibility.

According to MITI officials, such ODA will total ¥750 million in fiscal 1991. The sum will be doubled under the Green Aid Plan, the officials said.

Among measures to be implemented under the plan, a technological center for energy and the environment will be created in Beijing next year. An agreement on the center was reached in the Chinese capital on September 26 between the Chinese National Environment Protection Bureau and a Japanese economic mission dispatched by the private Japan-China Association on Economy and Trade.

The proposed Beijing center would handle Chinese requests on energy and environmental matters, conduct surveys on the greenhouse effect and acid rain in China, and help train Chinese engineers engaged in environmental protection.