



MITI Proposes Business Global Partnership

The Ministry of International Trade and Industry (MITI) has called on Japanese companies to do more to establish cooperative relationships with their foreign counterparts to foster balanced industrial development around the world.

Japanese industries have been trying to play a greater role in the global economy. Numerous cases of cooperation between Japanese and foreign firms are already under way through technical tie-ups, joint ventures and other arrangements.

Even so, the ministry made it clear in a recent announcement that Japanese firms must do even more if Japan is to play an active role commensurate to its economic strength in a new era of global peace and prosperity.

MITI called for major companies to promote a "Business Global Partnership" of international cooperation across a wide spectrum of industrial sectors. Specifically, companies should do more to expand imports, increase local production abroad and give foreign firms wider access to the Japanese market, the ministry said.

In order to complement these private initiatives, the ministry proposed that the government implement tax incentives, loans and government funding for import information services, and help establish "Foreign Access Points" to further open Japan's market.



Company Earnings Show First Fall in 15 years

Earnings of major Japanese corporations in the year ended June 30, 1991 fell ¥968.6 billion or 2.9% to ¥32,859.5 billion—the first year-to-year decline since 1975—due to the bursting of the bubble economy, National Tax Administration Agency statistics showed. The figures were based on earnings declarations filed with the agency by 32,766 companies with capital of ¥100 million or more.

The number of companies which reported surpluses decreased 2.1 percent

age points to 65.4% of the total. Their tax declarations sagged 8.7% to ¥10,797.2 billion, due also to the lowering of corporate tax rates.

Tax evasion remained rampant, with the tax authorities discovering omissions in tax returns totaling a record ¥543.7 billion. What the tax authorities called "vicious evasion" including the manipulation of account books was found to have been committed by as many as 1,103 companies.



Law Makes Industries Use Recycled Material

A law aimed at promoting recycling of waste, reducing garbage and thus preserving the environment was enacted on October 25.

The law, officially called the "Law Concerning Promotion of the Utilization of Recycled Resources," designates three industrial sectors—paper, glass containers and construction—as sectors required to use recycled resources. It sets a target rate for recycling industrial waste at 55% for the paper and glass containers industries.

The law also requires makers of automobiles and large household electrical appliances to make devices for recycling at various production stages, beverage containers to indicate the use of recyclable materials, and steel slag to be used for building aggregate.

Outwardly, industries concerned are responding positively to the law. In fact, however, many are not necessarily happy with it, pointing out that recycling increases costs. Industrial analysts predict that it may be some time before recycling begins to produce a visible effect in Japan, which already lags behind other industrialized countries in recycling efforts.



Workers Prefer Fewer Hours to More Pay

An increasing number of Japanese would prefer to see their working hours shortened rather than getting higher pay, according to a Prime Minister's Office survey announced last November.

The survey, conducted in July 1991, showed that 61.7% of respondents would like to have their annual working hours shortened. The percentage represented a sharp rise from 48.8% in the previous survey conducted in 1986.

It was the third survey of its kind, and comes at a time when an increase in deaths of workers apparently from fatigue has become a social issue. It covered 5,000 men and women nationwide over the age of 20, of whom 75.4% responded.

Annual working hours in Japan averaged 2,044 in 1990, still considerably more than in other industrialized countries. In view of overseas criticism of excessively long working hours in Japan, the Labor Ministry is urging a cut in working hours to about 1,800 per annum by the end of fiscal 1992.

Labor Ministry officials said they are pleased to find more people prefer to work shorter hours. The ministry plans to push for measures promoting shorter working hours, including the introduction of a 40-hour workweek.



Council Plans to Boost Number of Electric Cars

The Electric Car Council, a private research group affiliated with the Ministry of International Trade and Industry, announced an ambitious plan last October to increase the number of battery-powered automobiles in Japan to 200,000 by the year 2000, up from a mere 1,000 today.

The council called for a new drive to improve the quality of electric cars, which are still inferior in performance to conventional gasoline-powered cars. At the same time, it recommended bringing the price of electric cars down to about 1.2 times that of conventional cars, less than half what they cost today. Annual production should also be raised to 100,000, compared with only 300 at present.

The council urged the government to support technological development for electric vehicles. To make electric cars viable commercially, the group called for extending their range to 250 kilometers per battery charge, about twice current performance, and prolonging battery life to four years.

Electric cars are far cleaner and quieter than conventional cars. But so far, high cost and limited performance have restricted their use. The Japanese government is eager to promote electric cars to help combat global warming and other environmental problems.



Household Savings Register Decrease

Household savings in Japan in 1991 registered the first year-to-year decrease in many years due mainly to an increase in spending and a decline in the value of stocks and securities, according to a survey announced last October.

The Bank of Japan's Central Council for Savings Information, in a nationwide survey conducted in June and July 1991 covering 6,000 households with two or more members, found that average savings had fallen 1.8% to ¥11,650,000 (\$89,600 at the rate of ¥130/\$), the first year-to-year decline since the survey started in 1963. The savings included postal and bank savings, property accumulation savings, insurance and pension premiums, as well as the value of stocks and bonds and others.

While postal and bank savings rose 8.4% from the previous year, the value of financial products including gold savings fell a whopping 77%. The value of securities also dropped 2.6% under the impact of a weak stock market.

Most respondents cited an increase in spending for their children's education and weddings as the reason for a decrease in savings. Those affected by the lower value of stocks and bonds increased to 12.1% from 7.8% a year before.



Current Account Surplus Up, Tax Revenue Down

Japan's current account surplus in the first half of fiscal 1991 increased a whopping 148.6% over the previous year to \$38,013 million, according to a Finance Ministry announcement on November 1.

Results for the six-month period ended September 30 alone surpassed the \$30 billion surplus projected by the government for the full fiscal year. If the current pace continues, the full-year surplus for fiscal 1991 will approach a record \$100 billion.

Japan's trade surplus during the first six months also jumped a robust 66.4% to \$51,188 million and is virtually certain to exceed the \$56 billion projected by the government for the full year. The huge current account surplus, mainly resulting from a sharp decrease in imports of expensive items such as paintings and luxury cars, is likely to bring foreign pressure on Japan to expand domestic demand and enhance its international contributions.

Meanwhile, a separate Finance Ministry announcement the same day put Japan's accumulated tax revenue in the first half of fiscal 1991 at ¥17,721.1 billion, down 2.3% over the previous year. It raised the possibility that tax revenue for the full year will be below the government's estimate.

In September, while revenues from income tax and inheritance tax were steady, revenue from security dealings tax and stamp duty for realty transactions remained depressed under the impact of the bursting of the "bubble" economy.