

1983 White Paper On Antimonopoly

The Fair Trade Commission, in its 1983 White Paper on Antimonopoly published Dec. 6, 1983, reports that it took up 431 cases of suspected violations of the Antimonopoly Law in fiscal 1982 (April 1982-March 1983)—233 new cases and 198 carried over from the previous year. The figure, far exceeding the 344 cases in fiscal 1981, was the largest since the law was revised in 1977. Particularly conspicuous were price consultations among bidders for public works projects and unfair pricing by supermarkets. The commission issued orders with legally compulsory effect on 19 cases.

The commission also conducted fact-finding surveys on imports by trade conglomerates and import agents, and on the distribution of imported cars, drugs and sporting goods. The commission looked into administrative procedures for 16 business categories under strict government control, including banking, insurance, meat packing, communications and trucking, resulting in calls for reduced regulation.

The commission also reports that it received 1,040 applications for corporate mergers in fiscal 1982.

Ex-Im Bank's New Financing System

The Export-Import Bank of Japan has inaugurated a new financing system to provide Japanese importers with preferential loans to help promote imports of foreign products. The foreign products to which the loans are applied are those listed in Categories 5 to 8 of the Standard International Trade Classification (SITC) of the United Nations. The loans, to be repaid in one to five years, will carry an annual interest of 7.2-7.55%.

1983 White Paper On World Economy

The world economy emerged from three years of recession in 1983, driven by the surging economic recovery in the United States, concludes the 1983 White Paper on the World Economy published by the Economic Planning Agency on Dec. 20, 1983. But many problems remain unsolved, including high interest rates and unemployment, the swollen debts of developing countries, and growing trade protectionism, the report said. It also stressed the urgent need for all nations to cooperate in narrowing the North-South gap and in resolving other critical problems—most notably high interest rates—if there is to be sustained economic growth without inflation.

The report said the essential task before the industrial nations is to develop their respective recoveries into broad-based growth for the industrial world as a whole and then into recovery in developing nations. This requires a rise in business capital spending. It also calls for a reduction in the U.S. budget deficit, blamed for high interest rates and the dollar's appreciation, and restraints on trade protectionism.

The debt-ridden developing countries, for their part, must work to bring inflation under control and make their economies more efficient. Japan has a major role to play in helping to narrow the North-South gap, the White Paper concluded.

Development Bank's New Financing System

The Japan Development Bank will implement in fiscal 1984 a new financing system to provide wholly foreign-owned firms and foreign-affiliated Japanese companies with preferential loans to help promote foreign investment in Japan.

The bank will also inaugurate in fiscal 1984 a new financing system to provide Japanese importers with preferential loans to help expand their marketing networks and improve after-sales service.

1983 White Paper on Economic Cooperation

In its 1983 White Paper on Economic Cooperation published Dec. 22, 1983, the Ministry of International Trade & Industry concludes that the economies of industrial countries are improving as the U.S. economic recovery picks up steam; that developing countries face uncertain economic prospects due to ballooning foreign debts, growing trade protectionism and other unfavorable factors; and that there is an urgent need to restore the past cycle in which economic recovery in the industrial world led to economic development in poorer countries.

According to the White Paper, the cumulative foreign debts of non-oil developing countries were estimated at \$664.3 billion at the end of 1983, and are largely attributable to high U.S. interest rates and sagging prices for primary products. Also to blame are trade protectionism and resource conservation efforts in the industrial states.

In 1982, \$91.9 billion worth of resources flowed into developing countries, down 8.7% from the previous year. Japan's economic aid declined a sharp 28% to \$8.77 billion due largely to a plunge in private-sector financial cooperation. Japan's ODA fell 4.7% to \$3.02 billion.

In view of the diversifying needs of developing countries, Japan should terminate its past practice of uniform economic cooperation in favor of selective, more efficient aid, the White Paper said.



Prime Minister
Yasuhiro Nakasone

Lineup of New Nakasone Cabinet (Formed on Dec. 26, 1983) *denotes reappointment

Position	Name	Age
Prime Minister	Yasuhiro Nakasone	65
Justice Minister	Eisaku Sumi	63
* Foreign Minister	Shintaro Abe	59
* Finance Minister	Noboru Takeshita	59
Education Minister	Yoshiro Mori	46
Health and Welfare Minister	Kozo Watanabe	51
Agriculture, Forestry, Fisheries Minister	Shinjiro Yamamura	50
International Trade and Industry Minister	Hikosaburo Okonogi	55
Transport Minister	Kichizo Hosoda	71
<i>(In charge of New Tokyo International Airport)</i>		
Posts and Telecommunications Minister	Keiwa Okuda	56
Labor Minister	Misoji Sakamoto	60
Construction Minister	Kiyoshi Mizuno	58
Home Affairs Minister	Seiichi Tagawa	65
<i>(Chairman of National Safety Commission)</i>		
State Minister	Takao Fujinami	51
<i>(Chief Cabinet Secretary)</i>		
State Minister	Ichiro Nakanishi	68
<i>(Director General of Prime Minister's Office; Director General of Okinawa Development Agency)</i>		

Committee Recommendations of Industrial Structure Council, Smaller Business Policy Council

The 1980s have been characterized as a decade in which the diversification of consumer needs will progress in parallel with the establishment of sophisticated information systems, said a recommendation report titled "The Distribution Industry & Basic Policy Direction in the 1980s." The report was issued jointly by the Distribution Committee of the Industrial Structure Council and the Distribution Subcommittee of the Smaller Business Policy Council on Dec. 23, 1983. Large and small retail stores will coexist and prosper by taking full advantage of their respective strengths and supplementing each other through division of labor, the report also said.

It predicts consumer behavior will polarize into two patterns in the future—the pursuit of information on fashion, culture and leisure and of low-priced daily necessities. The distribution industry will be reshaped by the advent of advanced information services such as interactive cable television networks and point-of-sale information management.

As for restrictions on the advance of large stores into the traditional markets of smaller businesses, the report said the present system, with its reliance on panels organized by local chambers of commerce and industry, needs improvement.

Business Energy Use Fell 3.5% in 1982

Japan's business establishments consumed energy totaling 214.81 million kiloliters in terms of crude oil in 1982, down 3.5% from the previous year. The rate of decrease in energy consumption exceeded that in production activities (0.6%). It was the second straight annual decline following a 4.5% drop in 1981. This was one of the findings of an annual survey by the Ministry of International Trade and Industry which covered commercial, mining and manufacturing firms. According to the survey, consumption of oil and coal totaled 194.37 million kls, down 3.6%, and electric power 20.44 million kls, down 2.8%. By industry, the mining sector consumed 883,000 kls, down 4.2%; manufacturing 211.90 million kls, down 3.6%; and commerce 2,077,000 kls, down 1.8%.

Tariff Cut Package

The Tariff Council, an advisory body to the Finance Minister, announced on Jan. 18 a three-point package of tariff cuts for fiscal 1984.

The package, which will come into force on April 1, calls for:

1. An average 5% tariff reduction on 1,280 industrial and mining products one year ahead of the schedule agreed on at the Tokyo Round of multilateral trade talks.
2. A 55% rise in the total ceiling on imports of industrial and mining products from developing countries subject to preferential duties.
3. Individual tariff cuts on 47 items of prime concern to the United States and West European countries running trade deficits with Japan. (Tariffs on semiconductors will be completely abolished. But the action will be delayed if the United States fails to reciprocate by April 1, since Japan and the United States have agreed to eliminate their respective tariffs on semiconductors simultaneously.)

Abolition of Double Accounting For Foreign Firms

Japan has taken legislative action to make listing on the Tokyo Foreign Exchange easier and more attractive to foreign corporations.

A partial amendment of the Stock Exchange Law, which became effective on Jan. 1, exempts foreign firms listed on the exchange from auditing in Japan if they were audited in their own countries.

Foreign firms complained that the double auditing system under the old rules made continued or new listing in Japan difficult for financial reasons.

The Finance Ministry is considering an additional amendment to the law to extend the deadline for submitting securities reports from the present three months to six months.

The Tokyo Stock Exchange opened the way for foreign stock listing in 1973. Seventeen foreign firms were once listed on the exchange, but the number has decreased to 10.

Tax Revision

The Cabinet approved on Jan. 27 tax revision proposals for fiscal 1984 recommended by the Tax System Council, an advisory body to the prime minister, and the Tax System Committee of the Liberal Democratic Party.

The tax revision, to be incorporated in the fiscal 1984 budget, calls for tax reductions totaling ¥1,240 billion (US\$5.17 billion). They include income tax cuts, residence tax cuts, and investment promotion tax cuts.

To raise funds to cover the tax cuts, corporate taxes will be raised by 1.0–1.3%, liquor taxes by 15–35% and commodity taxes on automobiles by 0.5–1.0% while new commodity taxes ranging from 5% to 20% will be imposed on various electric appliances.

State Minister	Masaharu Gotoda	69
<small>(Director General of Administrative Management Agency)</small>		
State Minister	Yuko Kurihara	63
<small>(Director General of Defense Agency)</small>		
State Minister	Toshio Komoto	72
<small>(Director General of Economic Planning Agency)</small>		
State Minister	Michiyuki Isurugi	70
<small>(Director General of Science and Technology Agency; Chairman of Atomic Energy Commission)</small>		
State Minister	Minoru Ueda	69
<small>(Director General of Environment Agency)</small>		
State Minister	Sakonshiro Inamura	66
<small>(Director General of National Land Agency; Director General of Hokkaido Development Agency)</small>		



Profile of New Minister of International Trade and Industry

Hikosaburo Okonogi, 55, is a close associate of Prime Minister Yasuhiro Nakasone. Although he previously served as Parliamentary Vice Foreign Minister and Parliamentary Vice Transport Minister, this is his first Cabinet appointment.

Prior to the general election, he chaired the Diet Policy Committee of the Liberal Democratic Party.

Okonogi is a graduate of Waseda University, where he majored in philosophy. He began his political career as a member of the local assembly of his native Yokohama City, and entered parliament in 1969.