



## Foreign Businesses Faring Well in Japan

Foreign businesses are faring relatively well in the Japanese market, with 10 foreign firms listed in the top 100 chemical companies in Japan in terms of reported incomes. Seven foreign firms are among the top 100 electrical equipment manufacturers, and four among the top 100 food companies, according to a report by the Ministry of International Trade and Industry.

The report, "Successful Foreign Businesses in Japan," named Nestlé K.K. in foodstuffs, Banyu Pharmaceutical Co. in chemicals, Fuji Xerox Co. in general machinery, and IBM Japan Ltd. in electrical machinery, among the foreign manufacturers which reported high incomes.

In the nonmanufacturing sector, Japan Upjohn Ltd. led 24 foreign businesses listed in the top 100 chemical retailers.

In terms of profit to sales ratio, all foreign businesses listed reported a 6.8% average, with manufacturers reporting a higher 8.1% average. The figures compared with a 2.8% average for all Japanese companies and a 4.5% average for Japanese manufacturers.

The report said the records of these foreign companies indicate that foreign businesses are doing reasonably well in the Japanese market, which many say is hard to penetrate.



## Business Tie-up Confab Planned in Osaka

Businesspeople from around the world are being invited to participate in a gathering in Osaka Sept. 10-13 that aims to provide opportunities to find prospective partners for trade, joint ventures and other forms of business tie-ups, and also to exchange views on economic and management issues.

The event, called "Global Business Opportunities Convention" (G-BOC), is organized by the Osaka Chamber of Commerce and other business bodies in Osaka.

The organizers said the opportunities will be offered through a Business Matching Program, which will help set up talks between overseas companies and their Japanese counterparts, or even between overseas companies themselves, on their respective interests. These will be pre-matched. Seminars and workshops will also provide useful information for the promotion of international business.

The Secretariat of the G-BOC is located at the Osaka Chamber of Commerce and Industry, 2-8, Hommachibashi, Chuo-ku, Osaka; tel: 06-944-6403.



## MITI Assesses Strengths Of Foreign Firms

Japanese companies tend to believe that after-sales service and punctual delivery give them an edge, while U.S. firms tend to regard competitive prices as their strong point, and European firms put confidence in the quality signified by brand names. The Ministry of International Trade and Industry (MITI) came to this conclusion after comparing 100 U.S. and European companies operating in Japan and Japanese firms with subsidiaries in Europe and the United States.

Product development and marketing drive were commonly regarded by all as important factors determining their profit performance, according to the survey.

MITI said the poll proved that successful U.S. and European firms in Japan have a number of things in common: (1) they put great emphasis on market research; (2) they try hard to develop products that can meet Japanese consumer requirements; (3) they have the authority to make a final decision on product specifications; and (4) their views carry a lot of weight with their parent companies.




## MITI Toughens Stance On Eliminating CFCs

The Ministry of International Trade and Industry (MITI) announced proposals to phase out the production and consumption of ozone-depleting artificial chemical substances such as chlorofluorocarbons (CFCs) and Halons in five stages by the beginning of the 21st century. MITI invited representatives of CFC manufacturers and users to a meeting and sought their cooperation in implementing the proposals.

The proposals call for reducing the production and consumption of CFCs to less than 80% of the 1986 levels after 1993; cutting the figure to less than 50% after 1995-96; and bringing it down further to less than 15% after 1998. Production and use will be totally banned after the year 2000. The proposals are much tougher than the three-stage program currently under way, which calls for a reduction in the corresponding figure to less than 50% after July 1998 but does not specify a target date for a total ban.

According to MITI, the world production of CFCs in 1986 totaled some 1.1 million tons, of which Japan accounted for 11%.




## **Job Mismatch Widens As Economy Grows**

The mismatch between job offers and job seekers widened in Japan in 1989 to an even more serious extent than in the previous years of high economic growth, according to an Economic Planning Agency report. The labor market saw an acute manpower shortage develop last year as the economy continued expanding, pulled by robust domestic demand, says the annual report, "A Review of the Economy in 1989 and Tasks Ahead."

The document, known as a mini white paper on the economy, attributed the labor mismatch to changes in Japan's industrial structure resulting from the aging population and the social advances being made by women, and to the widening gaps in working conditions between large and smaller enterprises. It emphasized that the conditions in smaller businesses must be improved if Japan is to become an equitable, affluent society.

With business expansion persisting for months, the corporate demand for manpower continued rising and the number of job applicants increased, the report said. But because of the supply-demand mismatch, a labor shortage was felt particularly by smaller businesses.

While many employers offered positions requiring professional and technical skills, a greater portion of applicants sought clerical jobs. This imbalance, coupled with the disparity in working conditions between large and smaller businesses, was largely responsible for the mismatch, the report said.



## **Tokyo Disneyland Ripple Effect Put at ¥910 Bil.**

Tokyo Disneyland, located in Urayasu in the eastern suburbs of Tokyo, has an economic ripple effect of ¥910 billion (\$6 billion at the rate of ¥150/\$) a year, according to a survey by the Mitsubishi Research Institute.

Tokyo Disneyland, which opened in May 1983, is one of the most popular amusement spots in Japan and attracts millions of Japanese and Asian tourists every year.

The survey showed that spending related to Disneyland in fiscal 1988, including equipment investment, operating costs, transportation and accommodation expenses of visitors, totaled ¥274.9 billion, of which ¥260.2 billion was spent domestically.

Spending related directly or indirectly to Tokyo Disneyland had a ripple effect on the Japanese economy, counting transactions at the production and distribution levels, totaling ¥910 billion. During the year, the amusement park employed 10,000 people and created jobs for an estimated 96,000 throughout Japan.

Related spending in the first year (1983-1984) was ¥272 billion, with a ripple effect almost the same as in 1988. This shows that Tokyo Disneyland produces a stable economic effect every year, the institute said.



## **Japan Short of Good Research Bodies**

Japanese research scientists think that Japan lacks competent research institutes, a poll by the Science and Technology Agency shows.

According to the agency, 35% of the 385 leading researchers polled said competent institutes engaging in research in their fields exist only in foreign countries, and that there are none in Japan. Only 3% said that such institutes exist only in Japan. Of the remainder, 18% said that such institutes exist both in foreign countries and Japan, and 44% replied they know of no such institutes anywhere.

Asked how Japanese research institutes can raise their standards, the pollees said the most important factors are: 1) sufficient economic support, 2) opportunities for young people, and 3) the existence of leaders and authorities.

Officials of the Science and Technology Agency stated that the survey brought to light the fact that what Japanese research institutes need are funds and places for nurturing young researchers.

The pollees listed the U.S. National Institute of Health, the Massachusetts Institute of Technology and the scientific institutes affiliated with the Max Planck Society of West Germany as the three best research institutes in the world.