



### **MITI Presses Firms To Buy Foreign Chips**

The Ministry of International Trade and Industry called representatives of some 300 Japanese firms to a meeting in Tokyo and urged them to buy more semiconductor chips from foreign manufacturers. The meeting was attended by officials of major Japanese chip users such as automakers and electrical appliance manufacturers.

MITI specifically called on them to work out "market access plans" for fiscal 1990 setting targets for increased purchases of foreign chips. It also urged them to promote joint design work on new chips and technology exchanges with foreign producers. MITI advised producers of electronics auto parts to make available to their foreign competitors the standards of type certificates and tests on their new products.

Foreign semiconductor chips have a 12.9% share of the Japanese market, much less than the 20% sought by the United States. Assistant U.S. Trade Representative for Industry Don Phillips, testifying at a congressional hearing, said however that efforts by the U.S. to expand its chip sales in Japan have begun to produce "favorable results" and ruled out the possibility of the U.S. government taking any new retaliatory steps against the Japanese industry.



### **Record 9.66 Mil. Japanese Make Overseas Trips**

A record 9,663,000 Japanese went abroad in 1989, up 14.7% from the previous year, while a record 2,986,000 foreigners came to Japan, up 23.7%, according to immigration statistics filed by the Justice Ministry.

While the growth in the number of Japanese going overseas slowed somewhat due mainly to a higher yen, the number of foreigners entering Japan, mostly from Asian countries, jumped at an unprecedented pace. Justice Ministry officials said that if the current trend continues, the number of Japanese going overseas is likely to reach the 10 million level this year, while the number of foreigners entering Japan could reach the 3 million level.

The United States, including Hawaii and Guam, remained the most popular destination of Japanese overseas tourists, with 3,300,000 of them visiting there. South Korea followed with 1,113,000 and Taiwan was next with 1,012,000.

Of the foreign visitors, those from Asian countries accounted for an overwhelming 60% at 1,792,000, of whom 806,000 were South Koreans, up a whopping 56.3% from the previous year, reflecting their country's liberalization of overseas travel and making them the most numerous visitors to Japan.

Then came North America with 612,000 visitors and Europe with 452,000.



### **U.S. Distrust of Japan Worst Since 1960**

Forty-four percent of Americans regard Japan as a reliable ally, while 40% think Japan is unreliable, according to an opinion poll conducted by the Japanese Foreign Ministry through January-March this year.

The percentage of those not trusting Japan is the highest since 1960, when 55% of the Americans polled said Japan was untrustworthy amid the heightening of anti-American feeling in Japan over the revision of the Japan-U.S. Security Treaty.

Among opinion leaders in various fields, those who said they trust Japan fell 3 points from the previous year to 58%, while those saying they do not trust Japan rose by a similar amount to 34%.

Foreign Ministry officials said the results of the survey apparently indicated Americans are increasingly becoming critical of Japan, as trade friction between Japan and the U.S. continued with no prospects for improvement in sight.

Asked about Japanese investment in the U.S., which is being closely watched by Americans following the purchases of the Rockefeller Center and Columbia Pictures, 63% of the opinion leaders considered it beneficial to the U.S., but only 49% welcomed purchases of U.S. real estate by Japanese companies.





## Panel Sees Solution To Global Warming

An advisory panel to the minister of international trade and industry has proposed a 100-year program to stem global warming through wide-ranging international cooperation in tackling the problem.

The program, drawn up by a sub-committee of the Industrial Structure Council, calls for worldwide energy-saving efforts, the development of technology for utilizing "clean" energy sources, and the trapping of carbon dioxide, the principal cause of the greenhouse effect. The program is designed to serve as an international declaration of Japan's commitment to environmental protection as well as a prescription for tackling the issue.

As an immediate practical step, the re-

port says worldwide efforts could be made to cut down on energy consumption. It proposes setting an energy conservation target for each country and joint research schemes to develop technology for more efficient use of energy. The report also calls on the government to promote the transfer of Japanese energy-saving technology to other countries.

Also cited in the program as important environmental protection measures are attempts to make wider use of clean energy sources such as solar and nuclear power. The program's longer-term goals include the development of technology to "trap" carbon dioxide and of such revolutionary energy technology as nuclear fusion and room-temperature superconductors.




## Survey Shows Fewer Support Mart Opening

Only 20% of Japanese considered it necessary to further open Japan's market to foreign products, while 63.9% were cautious or negative about market opening, according to an opinion survey on diplomatic issues conducted by the Prime Minister's Office among 3,000 adults last October. The percentage of supporters of further market opening declined 3.1 points from the previous survey conducted in 1988.

Among people engaging in work related to agriculture and fishing, those cautious or negative about further market opening totaled a high 78.2%, reflecting their strong resistance to international pressures on Japan to open markets for rice and other farming products, while those supporting it declined 9.4 points from the previous survey to a mere 6.4%.

The United States remained the most popular foreign country among the Japanese, with 76.4% of the pollees feeling friendly toward that country. China came second with 51.6% and South Korea third with 40.7%. However, those not feeling friendly toward China increased by as much as 16.8 points to 43.2% from the 1988 survey, which preceded the crushing of the pro-democracy movement in Beijing.



## Japan's Trade Surplus Falls 24.3% in FY '89

Japan's trade surplus in fiscal 1989 decreased 24.3% to \$59.679 billion from a \$78.873 billion surplus in the preceding year, the Finance Ministry announced.

The country's annual trade surplus on a customs clearance basis fell below the \$60 billion level for the first time since fiscal 1985 (\$52.602 billion), when the yen began rising against the dollar following the Plaza Accord.

The ministry said in the preliminary report that Japan's surplus in trade with the United States shrank 12.7% to \$42.748 billion for the third year-to-year fall. Japan's surplus with the European Community decreased by 13.9% and with Asian countries by 14.6%.

Japan's exports gained a modest 0.3% to \$273.64 billion, while imports jumped 10.3% to \$213.96 billion, due mainly to higher crude oil prices, for the third year-to-year double-digit increase.

"A successful change in the country's economic structure from export-pulled growth to domestic demand-led expansion, coupled with a further shift to production overseas, contributed to the steady shrinkage of Japan's trade surplus," a ministry official said.



## Imported Car Sales Set New Record

Sales of imported cars in Japan in fiscal 1989 grew 42.5% over the previous year to a record 203,010, according to figures announced by the Japan Automobile Importers' Association. Association officials said annual sales of imports renewed records for the fourth straight year.

Sales of passenger cars with an engine capacity of 2,001cc or more jumped 2.4 times to 96,875, reflecting the substantial price cuts for those models that went into effect following the abolition of the excise tax in April 1989. Sales of smaller passenger cars also increased 21.5% to 104,277.

West German automakers led the list of suppliers, with the Volkswagen-Audi group accounting for 53,082, BMW for 37,058 and Mercedes-Benz for 36,251.