

Corporate Investment Up 14.3% in FY 1990

Corporate investment in plant and equipment will remain firm for the remainder of fiscal 1990, which ends next March, growing 14.3% over the previous fiscal year, the Long-Term Credit Bank of Japan predicts in a recently released report.

The report, based on a survey of 1,492 major companies conducted in July, found that overall corporate spending will increase only 2.4% in fiscal 1991. However, the growth rate is not as slow as it may appear, since not all the companies polled had finalized their investment plans for fiscal 1991 by the time of the survey.

While the fiscal 1990 investment plans covered by the survey were prepared before Iraq's August 2 invasion of Kuwait, the bank said projected invest-

ment growth should be little affected unless crude oil prices rose beyond \$29 per barrel.

Investment by manufacturers, led by Japan's big automakers, will increase 20.1% in fiscal 1990 for the third consecutive year in which their growth has exceeded 20%. Investment by nonmanufacturers is expected to grow a more modest 11.5%. Bank analysts said businesses are generally eager to install new labor-saving equipment and to expand their production facilities.

The survey also found ample liquidity at individual businesses. Asked how they planned to raise investment funds, 44.8% of the companies polled replied that they will use their own internal reserves, up from 37.9% the previous year.

MITI Panel Calls for Global Researcher Exchanges

The government should encourage Japanese companies to promote global exchanges of researchers and high technology, according to an interim report released by the Ministry of International Trade and Industry.

The report, prepared by a MITI advisory panel, said Japan trails far behind other industrialized countries in high-tech R&D, and is still a net importer of technology.

In 1988, Japan imported ¥196.9 billion worth of technology from the United States while exporting only ¥71.1 billion worth back. Japan was also a net importer of technology from West Germany and France, the report said. Moreover, while sending 52,224 researchers to the United States that year, Japan accepted only 4,468 American researchers in return.

The report came in response to criticism overseas that Japan still continues to enjoy a "free ride" in technology, taking advantage of the results of foreign research and development while being less enthusiastic about transferring its own technology to other countries. MITI said the report's recommendations will be translated into action in two areas—international joint research projects involving high technology, and private-sector exchanges of researchers and technology.

Electronic Mail Link Promotes Nuclear Power

The Agency of Natural Resources and Energy has inaugurated an electronic mail network to provide information on nuclear power stations. The network, called Atomnet, is intended to improve understanding of the need for nuclear power generation.

The network has about 300 categories of information, ranging from a full history of breakdowns and other mechanical problems at the 38 nuclear power stations now operating in Japan to the findings of monthly radiation monitoring surveys by local governments, data on radioactive waste and general information on nuclear power generation.

Anyone can access Atomnet from anywhere in the country using a personal computer or work station equipped with communications functions. The service is free of charge, and costs users only the price of a telephone call. The telephone number is 03-5470-5511.

Fitness Boom Spurs New Sports Clubs

Membership sports clubs are increasing rapidly in number and are becoming a solid business in a newly health-conscious Japan. According to the Ministry of International Trade and Industry's 1989 survey on specific service industries, there were 1,568 such clubs across the country, most equipped with a swimming pool and a training gymnasium. Three-quarters had opened within the past 10 years, the survey found.

During 1989, no less than 120 million visits were made to "fitness clubs" as they are known in Japan, bringing in revenues of ¥226 billion. The amount almost equaled the earnings of amusement parks of ¥260 billion.

The MITI survey also found that the credit card business has been expanding steadily in Japan, with the number of cards issued totaling 141,560,000 in 1989. Card holders spent ¥11,279.7 billion with their cards during the year. Shopping accounted for ¥7,783.4 billion, up 2.6 times in just the last five years.



Toyota Tops Earnings List for 2nd Year

Toyota Motor Corp. has retained the top spot in an annual listing of corporate earnings for the second consecutive year.

According to income tax figures released by the National Tax Administration Agency, Japan's No. 1 automaker reported ¥573.2 billion in income for the year ended in March 1990, with its turnover boosted by brisk sales of higher-priced cars in the home market.

The agency's list covered 3,494 companies capitalized at ¥1 billion or more. Their combined declared income was a record ¥24,291.4 billion, yielding ¥8,266 billion in declared tax, also the highest ever, the agency said. Yet average income per company was down 1.3% from the previous fiscal year, falling to ¥6,952 million under the impact of a weak yen and higher interest rates.

In second place on the top-50 list after Toyota was Nomura Securities Co., followed by Nippon Telegraph and Telephone Corp., Sumitomo Bank and Sanwa Bank. Financial institutions accounted for half the top 50 companies. East Japan Railway Co., Japan Tobacco Inc. and Sony Corp. were among newcomers on the list, while Kawasaki Steel Corp. and two other steelmakers dropped out of the top 50.



Japan Pledges \$4 Billion In Gulf Aid Package

The Japanese government has announced a package of measures aimed at contributing to peace efforts in the Persian Gulf. The package features \$4 billion in financial and other aid for the U.S.-led multinational forces in the region and for countries affected by the Gulf crisis.

Of the total, \$2 billion has been earmarked to help shoulder the cost of keeping multinational forces deployed in the Gulf region following Iraq's invasion of its oil-rich neighbor Kuwait on August 2. The support takes the form of government-chartered civil aircraft and ships for transporting nonmilitary supplies, fresh water, coolers and other urgently needed goods, and dispatching some 100 medical personnel to Gulf states. Japan is also meeting part of the transportation costs for multinational operations.

The other half of Japan's financial contribution will be disbursed mainly to the "front-line states" of Egypt, Jordan and Turkey which have been hardest hit by United Nations sanctions against Iraq.

An opinion poll conducted by Kyodo News Service after the invasion showed that while 83% of respondents were opposed to Japan sending Self-Defense Forces personnel to the Gulf, a full two-thirds supported providing economic assistance.



Economic Report Credits Japanese Management

The Japanese economy, now in its 45th month of uninterrupted expansion, is not likely to slow down in the foreseeable future, according to *Economic Survey of Japan*, an annual white paper on the national economy which was released by the Economic Planning Agency.

The report for 1990, subtitled "The Road to Sustained Expansion," credited the vigorous growth and powerful competitiveness of the national economy to Japanese industry's outstanding management expertise.

"Japanese-style management is firmly backed up by technological development, management systems and production know-how solidly grounded on a global information network," the white paper said.

Rejecting criticism in the United States and Europe that Japan is "different" and exclusionist, the report declared that the Japanese style of corporate management "far from being peculiar to Japan, has great universality."

However, some domestic critics called the report too smug, charging that it ignored the reality of "prospering businesses and poor individuals." Analyzing the distribution of wealth brought about by continuing growth, the report warned that a widening gap in assets between the haves and have-nots could ultimately reduce the people's will to work and damage the national morale. To prevent this, the report urged the government to act promptly to check soaring land prices through economic restructuring.