

FY 1990 Trade Surplus Shows Fall of 8.4%

With firm domestic demand boosting imports and the Persian Gulf war driving up crude oil prices, Japan's fiscal 1990 trade surplus fell 8.4% from the previous year to \$54,583 million, according to customs-clearance figures released by the Ministry of Finance. The second consecutive yearly decline in the surplus returned it to the \$52,603 million level posted in fiscal 1985, when the Plaza accord among the G-7 launched a round of foreign exchange adjustments aimed at correcting Japan's external imbalances.

Japan's surplus with the United States in fiscal 1990 shrank 10.8% to \$38,113 million, but still accounted for full 69.8%

of the total trade surplus. The surplus with the EC grew 11.0% and that with Asia 45.5%.

Japanese exports increased 8.4% to \$296,765 million during the year, due primarily to brisk shipments of cars and video equipment. Car exports to the U.S. fell 6.8% in volume terms, but were up 1.0% in value. Buoyed by increased purchases of cars, paintings and other luxury goods as well as higher oil prices, imports rose \$242,182 million in value, up 13.1%, for the fourth straight year of double-digit growth. Oil imports shot up in both volume and value, totaling \$35,254 million.

Top Business Executives Adopt Environment Rules

The Federation of Economic Organizations (Keidanren) has adopted guidelines on corporate initiatives for preserving the environment.

In a new "Earth Environment Charter," Japan's most influential organization of top business executives stressed corporate responsibility for protecting the environment, saying that corporate activities should aim for a future society in which the environment will be protected on a global scale.

Keidanren was moved to action by the alarming deterioration of the environment, including atmospheric warming due to the greenhouse effect and the fast destruction of tropical forests. The 11-point charter says consideration of the impact of corporate undertakings on the earth's ecosystem and resource conservation should be included among management principles. It also calls for the manufacture of environment-friendly products.

Keidanren member companies should appoint executives in charge of environmental problems, and include environmental protection in their activities, the charter says. Specifically, it calls on each company to make scientific environmental assessments for plant sitings and other corporate activities, to not only abide by state and local environmental regulations but to also establish its own standards for preserving the environment, and to respond quickly when serious natural disasters or environmental disruptions occur by such means as technological cooperation.

N-Plant Development Stresses Easy Operation

Japan's development of nuclear reactors in the future will focus on preventing accidents by minimizing the burden on operators rather than expanding reactor capacity.

The new guideline was announced by the Agency of Natural Resources and Energy of the Ministry of International Trade and Industry, and covers the construction of a new generation of light-water nuclear reactors in the early 21st century.

The agency said nuclear development in the next century must be "friendly to man." It said that the new approach emphasizes designing new reactors to prevent human error and to prevent accidents even if human error does occur. The goal is to minimize the burden of managing reactor safety.

Officials pointed out that larger reactors are mechanically more complex, and require a regular routine of complex checks which create opportunities for human error. Even minor malfunctions result in long shutdowns for inspection.

The agency said it would approve building new large-capacity reactors only when absolutely necessary, and on the condition that safety, reliability and economic efficiency are ensured.

Poll Shows Majority Accept Foreign Workers

More than 70% of Japanese endorse the entry of unskilled foreign workers into the country, according to a government survey covering 5,000 people nationwide, 73.6% of whom responded.

The first-ever official survey on foreign workers, conducted by the Prime Minister's Office last November, found that 56.5% of respondents would accept unskilled foreign workers under certain conditions, while 14.9% said foreign workers should be allowed to work in Japan without restriction.

Among the first group, 48.2% said there should be a time limit for how long unskilled workers can stay in Japan. Another 23.4% said foreign workers should only be employed by the central or local governments or other responsible organizations, while 20.1% felt foreign workers should not be accompanied by family members.

As for foreign workers doing jobs that young Japanese now tend to avoid, known as the "3-K" jobs (*kitanai*, *kiken* and *kitsui*, meaning dirty, dangerous and hard), 38.1% of respondents said foreigners should be allowed to freely engage in such work. Some 31.8% said there is no alternative to having foreigners replace Japanese in these jobs, while 22.8% said such work should not be forced on foreigners.

Companies Cite Snags In Just-in-time Delivery

More than two-thirds of the companies based in the Tokai region (an area including Nagoya) that responded to a survey think there are problems with the country's distribution system, particularly the "just-in-time" system, in which suppliers are required to deliver a specified volume of goods at a specified time.

According to the poll of 80 companies in four prefectures by the Ministry of Finance's Tokai Finance Bureau, 74% felt there were problems with distribution practices, including high freight rates and delays in delivery. A shortage of truck drivers was cited by 73.8%, while others found problems with the variety of goods delivered in small volumes (57.5%), frequent delivery in small quantities (53.8%) and the just-in-time system (52.5%).

The just-in-time system has been adopted by Toyota Motor Corp. and many convenience stores across the country. It is considered one of the secrets behind the efficiency of Japanese businesses, sharply reducing inventory and overheads. But poll respondents including auto parts subcontractors were highly critical, complaining that it requires too much labor and causes traffic jams.

Toyota Motor, the pioneer of the system, has now started a fact-finding survey with its subcontractors, and the results will be of much interest nationwide.

Guidelines Link ODA To Arms Surveillance

The Japanese government has announced four-point guidelines for its official development assistance (ODA), including closer surveillance of military spending and weapons trade by countries receiving aid from Japan.

Officials said the decision should clarify Japan's diplomatic objectives of stricter arms control and disarmament in the wake of the Persian Gulf war. It marks the first time Japan has spelled out such principles to govern its foreign aid.

Under the new guidelines, aid decisions will take into consideration the recipient nation's military spending, its development and manufacture of weapons of mass destruction, its arms trade, and its commitment to democracy, a market-oriented economy, and basic human rights and freedom. Officials said decisions on additional aid will also be based on an overall assessment of bilateral relations between Japan and the recipient nation and the security environment surrounding the recipient nation, as well as its need for aid and its prevailing economic and social conditions. Japan will inform possible recipient countries one by one of the new guidelines.

Some critics are skeptical that the guidelines will really prove effective in promoting arms control, because under this new ODA formula the Japanese government will not go further than just seek clarification even when a recipient nation is planning an unusual increase in military spending.

Toyota, Toshiba Establish Int'l Joint Ventures

At a time when Japanese companies are tying up with foreign firms in increasing numbers, Toyota Motor Corp. and Toshiba Corp. have both announced the establishment of joint ventures with foreign partners.

Toyota has concluded an agreement with Volkswagen of Germany to market Volkswagen cars in Japan, while Toshiba has announced the establishment of two equally owned companies with General Electric, one in Singapore and the other in Tokyo. Toyota's tie-up with Volkswagen represents the company's first experiment in marketing imported cars. Under the arrangement, a number of Toyota dealers in Japan will establish exclusive Volkswagen distribution agents to start selling the popular German cars as early as the end of this year.

At a time when Japanese carmakers are under fire for their advance into European markets, Japanese automobile industry sources say the Toyota-VW venture could boost Japan's top car company's business in Europe. At the same time, the tie-up between Toyota, the world's second-largest automaker, and Volkswagen, the largest in Europe, could force other car companies in Japan, Europe and the United States to review their international strategy.

Toshiba's new ventures, meanwhile, are to market large GE home appliances and jointly develop new products and technology. The Singapore unit is called GE-Toshiba Appliance, and the Tokyo subsidiary is named GE Appliance Japan.