



Gov't Revises Long-Term Energy Supply Plan

The government has revised its long-term non-oil energy supply program, pushing back the final target year to fiscal 2010 from 2000 as originally planned in 1987. More time is needed to harness such non-oil energy sources as nuclear power, officials said.

The new program calls for bringing Japan's total non-oil energy supply to 360 million kiloliters in crude oil equivalent by fiscal 2010. This would reduce the share of oil in the country's total energy supply to 45.3% from 57.9% in fiscal 1989.

Under the revised plan, the target volume will include 111 million kiloliters in nuclear power (accounting for 30.8% of total non-oil energy supply), 103 million kiloliters in coal (28.6%), 80 million kiloliters in natural gas (22.2%), and 35 million kiloliters in solar and other new energy sources (9.7%). Nuclear power and other non-fossil fuel energy sources will together account for 26.8% of total energy supply in 2010.

The program set the total non-oil energy supply in fiscal 2000 at 290 million kiloliters in crude oil equivalent, down from the original 300 million kiloliter goal set three years ago.



Corporate Investment To Slow in FY '91

Major Japanese companies are making brisk capital investments in fiscal 1990, but the pace is likely to slow visibly in fiscal 1991, according to a survey by the Ministry of International Trade and Industry. The combined investment of some 1,600 leading companies polled on their fiscal 1990 and 1991 investment plans will remain robust throughout fiscal 1990, increasing 18.2% over the actual investment of the previous year. But outlays will grow only 2.5% in fiscal 1991, due primarily to major spending cuts by the materials industries.

Manufacturing industry investment

will be curtailed by 2.3% in fiscal 1991 after a strong 25.7% increase in fiscal 1990. Investment by nonmanufacturing industries will also slow, with year-on-year growth declining from 12.1% in fiscal 1990 to 4.9% in fiscal 1991.

MITI says the brisk capital spending of recent years is approaching a turning point as the faltering stock and bond markets and soaring interest rates make it harder for businesses to raise investment funds. "Interest rates should not be kept so high they will push down corporate capital investment," said one MITI official.



Personal Computer Shipments Jump

Domestic shipments of personal computers surged in the first half of fiscal 1990 (April-September), climbing 26% over the same period a year before to 976,000. According to the Japan Electronic Industry Development Association, shipments for the full fiscal year should top its initial estimate of 1,950,000 to reach the 2 million level.

Shipments of high-performance 32-bit machines soared 91% over the same period of the previous year, accounting for some 30% of total shipments. Shipments of 16-bit machines, the former mainstream models in Japan, rose a meager 12% during the same period.

Shipments of notebook-type laptops, which first hit the market in 1989, surged 2.3 times to 398,000, accounting for 41% of total shipments. Demand for the small, lightweight machines should continue strong in 1991.

Exports of personal computers during the six-month period sagged 9% from the previous year to 316,000 as Japanese computer makers switched increasingly to local production overseas.



Japan Submits Program On Global Warming

The Japanese government submitted an action program for controlling global warming to the second World Climate Conference held in Geneva in November.

The Japanese initiative set two-tier targets: 1) stabilizing per-capita carbon dioxide (CO₂) emissions after the year 2000 at 1990 levels, and 2) stabilizing total CO₂ emissions at that level through the development of new energy technology and other measures.

The Japanese program envisages promoting housing insulation, cogeneration, thermal power generation at waste disposal plants, the use of non-polluting cars, and extensive recycling as ways of holding down CO₂ emissions. The program also emphasizes the development of solar and other alternative energies. The Japanese initiative was praised in a ministerial declaration issued by the Geneva conference.

A recent survey by the Environmental Research Center, an affiliate of the Environment Agency, found that more than 60% of Japan's major corporations favor reducing CO₂ emissions, saying controls on the emissions will not hurt their business performance.

Ban on Mercury Set For Dry Cell Batteries

The Ministry of International Trade and Industry is planning to phase out mercury, which is widely used in dry cell batteries but is now known to be a dangerous pollutant. Present plans call for totally banning the use of mercury in manganese dry cell batteries sometime in fiscal 1991, and in alkaline batteries at the earliest practical date after fiscal 1992.

New guidelines on eliminating mercury will be worked out soon by a subcommittee of the Industrial Structure Council, a MITI advisory panel.

Mercury is used in dry cell batteries to prevent corrosion. At present, the permissible mercury content in Japan is 0.002% for manganese batteries and 0.1% for alkaline batteries. The new guidelines will require domestic manufacturers to eliminate it from manganese batteries in fiscal 1991. Alkaline battery mercury will be reduced to 0.025% in fiscal 1991, and eliminated after fiscal 1992.

A MITI official said the proposed guidelines will be stricter than those now in force in the European Community, currently the world's most stringent. The mercury content of dry cell batteries produced in EC member countries is not allowed to exceed 0.1%, and will be cut to 0.025% in 1992.

Agency to Help Start Int'l Technology Sites

The Small and Medium Enterprise Agency has launched a drive to establish international industrial complexes to promote technological exchange among smaller Japanese and foreign businesses. According to the agency, affiliated with the Ministry of International Trade and Industry, the approximately 100-hectare complexes will be built in several locations around the country. Final sites have yet to be decided.

Both Japanese and foreign enterprises will use the complexes, encouraging joint product development and engineer exchanges. Training centers, design centers and other facilities will be established nearby.

The complexes will offer consulting services and provide information to resident companies, as well as support their trial production activities. Nurturing foreign enterprises will in turn promote Japan's own imports, the agency says.

The complexes will be provided by prefectural governments and operated under a third-sector formula, with the central government extending financial assistance for construction. Yamagata, Gifu, Nagano, Hiroshima, Yamaguchi and Oita prefectures have already expressed interest in the concept.

Big Four Brokerage Firms Suffer Steep Profit Fall

Hard hit by the faltering stock market, Japan's brokerage firms suffered their sharpest drop in profits in 16 years in the first half of fiscal 1990. The Iraqi invasion of Kuwait adversely affected earnings performance for the six-month period ended September 30, throwing the stock market into turmoil with long periods of depressed trading volume.

Nomura Securities, Daiwa Securities, Nikko Securities and Yamaichi Securities all reported year-on-year declines ranging between 55.1% and 74.2% in unconsolidated pretax profits for the half-year.

The setback for the industry, which grew rapidly during Japan's "money boom" of the past few years, is symptomatic of the contraction of Japan's "bubble" economy. Brokerage firms attributed their reduced profits to a drastic decline in commissions on stock deals resulting from the market crash. They also cited the prolonged suspension of new stock issues, leading to a sharp drop in their income from underwriting fees. Another factor was the reduced turnover of equity warrants, until recently a major source of revenues.

The Tokyo Stock Exchange slipped steadily throughout most of the year, with the Nikkei 225 index as of October 1 down 48% from its peak at the end of 1989.