

## Ministry Wants to Stop Fingerprinting Foreigners

The Justice Ministry has decided to adopt a new procedure for registration of foreigners to replace the controversial compulsory fingerprinting. A new procedure which it wants submitted to the Diet will require foreign residents to register only their photographs, signatures and family data.

The ministry decision followed the exchange of memorandums between the Japanese and South Korean governments at the time of Japanese Prime Minister Toshiki Kaifu's visit to Seoul in January, agreeing on the abolition of compulsory fingerprinting of Korean residents in Japan.

The Justice Ministry wants the new procedure to apply not only to South and North Korean residents but to all foreign residents. Complete abolition of fingerprinting of foreigners is yet to be decided, however, pending discussion between the Foreign Ministry, National Police Agency and other government agencies concerned. Compulsory fingerprinting has been criticized by many foreign residents as a violation of human rights.

The focal point of the abolition of fingerprinting was how to confirm the identities of those registering. The Justice Ministry in early June dispatched immigration officials to Britain, Germany and France, which do not require foreign residents to be fingerprinted, to see how their systems work. The officials returned convinced that the proposed new system would function well.

The government is expected to submit a revised alien registration bill incorporating the new procedure to the next regular Diet session, and it would come into effect in autumn 1992.



## MITI Stresses Role In New Trade Order

The Ministry of International Trade and Industry, in its annual report on international trade, emphasizes the importance of Japan's role in the establishment of a new international trade order.

While warning of increasing uncertainty in the world economy since 1990 following the eruption of the Gulf crisis, the *1991 White Paper on International Trade* says the success of the ongoing Uruguay Round of multilateral trade negotiations should be given the highest priority.

Although welcoming the decrease in Japan's trade surplus for the third consecutive year thanks to brisk business activi-

ties led by domestic demand, the report cautions against the possibility of a rekindling of trade frictions, pointing out that as GATT regulations have failed to fully meet the reality, trade frictions have continued unabated.

Referring to the acceleration of regional economic integration as in the European Community, the report expresses concern over the fact that a slower growth of economies within a region tends to cause a slump in imports from outside, and calls for a review of GATT rules to prevent adverse effects from the formation of economic blocs.




## 70% of Major Companies Employ Foreign Workers

One out of 10 Japanese companies, and nearly seven out of 10 major corporations now employ foreign workers amid increasing signs of the globalization of Japan's labor market, according to a Labor Ministry survey released in July.

It was the first full-scale ministry survey on the employment of foreign workers in Japan and covered some 4,500 companies with a regular work force of more than 100, of which 87% responded.

The results showed that 10.3% of the respondents employ foreigners other than trainees, illegal immigrants or those, like permanent residents, who have unrestricted access to the Japanese job market. The larger the size of the company, the higher the ratio. Fully two-thirds, or 66.3%, of companies with more than 5,000 employees now employ foreigners, the survey showed.

The average number of foreign workers at the companies which employ foreigners is 6.1. Of the total foreign employees, those with the status of regular employees still account for only 29.5%, while 37.7% are contract workers and 32.8% part-timers.



## Savings Show Slowest Growth on Record

The balance of individual savings, including deposits held by the self-employed but excluding stocks, stood at ¥761,521.2 billion at the end of March, up 7.2% from a year before, according to a preliminary report by the Bank of Japan. It was the slowest gain since the central bank began compiling the figures in 1972. Analyzing the slow gain, a Bank of Japan official said, "The flow of money related to land and stock transactions decreased sharply following the burst of the 'economic bubbles,' forcing many self-employed entrepreneurs to withdraw their deposits."

The net increase in individual savings in fiscal 1990 came to ¥51,014.7 billion, which was 26.0% less than the corresponding increment the previous year. It was the first time in 11 years that an annual gain in individual savings had fallen short of the previous year's growth.

Postal savings showed a net gain of ¥1,610.9 billion in fiscal 1990, which was 81.6% less than the fiscal 1989 increase. Deposits at private banking institutions also slowed down, reducing the net gain in total deposits by 22.0% from the previous year.



## Keidanren Urges Moves To Ease Fund Shortage

Keidanren (Federation of Economic Organizations) has said Japan should make positive moves to help ease the global shortage of funds and to streamline international financing.

In a recommendation issued on July 12, the powerful group of top business executives said Japan has to play an increasing role as a fund supplier at a time when global fund shortages are foreseen. It urged further enhancement of the yen's globalization through the establishment of a futures market for crude oil, steel and other key commodities. At the same time it urged an easing of a regulation by the Bank of International Settlements requiring banks to increase the ratio of owned capital to liabilities.

Analyzing the global fund situation in the 1990s, Keidanren said the global gap in demand and supply of funds would pose the most serious problem to international financing. It warned that while the economic reforms in the Soviet Union and Eastern Europe and post-Gulf war economic reconstruction in the Middle East are increasing demand for funds, the current account surpluses in such surplus countries as Japan and Germany are on the downturn. It said Japan, which is the largest creditor country in the world, must maintain its current account surplus, and also deregulate and globalize its domestic financial market.



## Japan-China Trade Starts Growing Again

Trade between Japan and China is on the rise again in the wake of an upturn in the Chinese economy and the easing of economic sanctions imposed by Western countries following the suppression of the pro-democracy movement in 1989.

The monthly volume of bilateral trade, which had continually sagged year-on-year since September 1989, began to recover in September 1990. Import contracts with China by major Japanese trading houses have been increasing more than 10% per month on a year-on-year basis since July 1990, and export contracts have also risen by a two-digit margin since October.

The Japan External Trade Organization expects Japan-China bilateral trade to reach a record \$20 billion this year.

Japan-China trade had been steadily on the rise (apart from 1986, when crude oil prices sagged), but took a sudden downturn in June 1989, when Japanese exports fell 7.4% following Beijing's crack-down on the Tiananmen Square demonstration. The decline continued up to the end of last year, except for a brief turnaround in October, with a similar slump in imports.



## Fall in Bank Profits Blamed on Rate Hikes

Japan's 145 banks saw their combined current profit fall 19.8% in the year ended in March, the steepest decline since fiscal 1981, when they first began closing their books annually. According to the Federation of Bankers Associations of Japan, the banks' combined after-tax profit also dropped 6.3% from the year before.

The federation attributed the poorer performance to the higher costs banks had to pay in raising fresh funds. Market interest rates went up following a hike in the official discount rate in August 1990, and an increase in the ratio of deposits taken at unrestricted interest rates also raised costs.

The balance of deposits at the end of March stood at ¥603,888 billion, down 2.5% from a year before, the first year-on-year drop since the federation began compiling statistics in 1948. Deposits from individual customers flourished, prompted by the lowering of the minimum level of deposit for small-lot money market certificates (MMCs). But growth in deposits from corporate customers slackened. At the same time, foreign currency-denominated deposits accepted outside Japan fell markedly due to the appreciation of the yen.

The balance of loans made by the banks stood at ¥521,660.8 billion at the end of March, up 5.1% from a year before for the slowest gain since 1948. As a result, the banks' combined gross assets declined 1.7%—the first drop in post-war history.