

MITI Urges Increased Manufactured Imports

The Ministry of International Trade and Industry (MITI) has urged major Japanese companies to increase their imports of manufactured goods in fiscal 1989. The request came at an import promotion meeting in Tokyo in June. The annual meeting of MITI officials and representatives of major corporations, first held in 1985, has become a forum for MITI to encourage major companies to buy more foreign products.

Top executives of 162 companies attended the gathering. In addition, MITI sent written requests to boost imports to 151 more companies based outside Tokyo, bringing the total to 313. That was nine more than last year. Construction companies and the Japanese subsidiaries of foreign companies were added to the list for the first time.

Addressing the gathering, then-Minister Seiroku Kajiyama emphasized that Japan must become a major importing nation. It is a price Japan must pay to support the free trading system, he said.

Kajiyama pointed out that while the combined imports of manufactured goods by the 313 companies rose more than 30% in fiscal 1988 over previous-year levels in dollar terms, this year the increase is projected to be only 15%. He urged that the major firms work to ensure that import growth in the current fiscal year ending next March does not fall short of last year's level.

Computer Market Value Set to Grow 5-fold

Japan's computer market is expected to be worth ¥16,460 billion in the year 2000, five times more than in 1987. Japan alone will account for 10% of the world computer market by that date, according to the Ministry of International Trade and Industry (MITI).

The Japanese market will grow an average annual 13.3%, compared with 11.9% for the world computer market, according to MITI projections. The world computer market as a whole is projected to be worth some ¥115,710 billion, more than four times as much as in 1987.

Japan's semiconductor market is expected to grow to ¥12,240 billion in value

in 2000, expanding at an annual average rate of 14.8%. That compares with 13.6% for the world market as a whole.

With more and more Japanese electronics makers setting up overseas, the ratio of overseas production for Japanese computer companies should increase to 15% at the turn of the century from 2% in 1987. In the case of semiconductors, the ratio should reach 15%, compared with 5% in 1987.

The MITI forecast, part of a report filed by a private advisory panel to the director general of MITI's Machinery and Information Industries Bureau, was based on a questionnaire survey of 75 major Japanese electronics makers.

Labor Ministry Urges Longer Vacations

In a campaign to increase paid holidays for Japanese workers, the Labor Ministry called on workers to take at least one week of paid vacation this summer. The ministry distributed 40,000 posters throughout the nation appealing for longer summer holidays.

Even without government pressure, Japan's private sector is moving to shorten working hours. Increasing numbers of companies are already granting their employees long summer holidays. Trading house Nissho Iwai Corp. and camera and copying machine maker Canon Inc. just this summer introduced 16-day summer vacations for their staff.

According to the Labor Ministry, however, many Japanese workers still fail to take all the vacation time approved by their employers. Ministry statistics show that while private-sector workers in Japan were allowed an average 15.1 days of paid vacation in 1987, they took only 7.6.

In fact, when the economy is booming as this year, many workers may have to shelve the holidays they are granted, due to labor shortages.

Birthrate Reaches Record Low of 10.8

There were 1,314,000 babies born in Japan in 1988, making a national birthrate of 10.8 per 1,000, according to the Health and Welfare Ministry. Both figures were all-time lows since 1899, when records started.

The total number of births was 33,000 fewer than in 1987, the previous lowest year. The birthrate was down 0.3 percentage points from a year before. The average number of lifetime births per Japanese woman fell to 1.66, down 0.03 percentage points. The ministry attributed the declines to a shrinking population of women of child-bearing years and a trend among women toward later marriages.

There were 793,000 deaths during the year, 42,000 more than in the previous year. The death rate stood at 6.5 per 1,000, up 0.3 percentage points. The rise was attributed to a flu epidemic which claimed the lives of many elderly people.

Cancer remained the No. 1 killer for the eighth consecutive year, claiming 205,000 lives. One out of four Japanese now die of the disease. Heart disease and strokes were the second and third leading causes of death.



Space Industry Worth \$90 Billion by 2000

The global space industry is expected to reach almost \$90 billion in value by the turn of the century, more than three times the current \$27 billion, as satellite launches and satellite communications continue to increase. The prediction came in a report filed by a private advisory panel to the director general of the Machinery and Information Industries Bureau of the Ministry of International Trade and Industry.

Demand in Japan's domestic space industry is expected to run between ¥400 billion and ¥600 billion in 2000, compared with ¥200 billion today, as the joint international development of a space station and other space projects gets into full swing.

The panel's report envisioned accelerated cooperation between Japan's space industry and its foreign counterparts in the 1990s. The report recommended that Japan take the initiative in developing sophisticated space technology, such as space industrial facilities, in line with international trends. It also urged Japan to take full advantage of commercially available venues for conducting space environmental experiments and hasten the establishment of its own earth-observation network system.



Government Procuring More Foreign Goods

The Japanese government's procurement of foreign goods has been increasing steadily, due in part to strict enforcement of public tenders under the official market-opening action program adopted in July 1985, according to a survey by the Management and Coordination Agency.

The survey, conducted between October 1988 and April 1989, covered 127 central and local government agencies as well as major corporations such as the Japan Railways Group and Nippon Telegraph and Telephone Corporation. It found they purchased foreign goods worth ¥58,879 million in 1988, up 35.1% over 1986's ¥43,553 million.

Referring to improvements made in the public tender system under the 1985 program, the survey said that a new rule requiring repetition of public tenders as long as two or more bidders remain in the running was strictly observed in all 3,525 cases involved. The rule was introduced to reduce back-room deals in government procurement.

Another rule requiring that governmental public tenders be publicly announced in the official gazette to give foreign firms more opportunities to compete was observed in 99.9% of the tenders held in 1987 and 1988, the survey found.

Standards have now been relaxed and certification systems and import procedures improved in all 91 of the areas singled out in the market-opening package.



Gov't Halts Cuts In Price of Rice

The government and the ruling Liberal Democratic Party (LDP) have decided to freeze the price the government will pay farmers for this fall's rice harvest at ¥16,743 per 60 kg. The politically motivated decision came after two years of price reductions. The Japanese government purchases the bulk of Japan's rice harvest for resale, at prices that in effect subsidize farmers. The government and the LDP also agreed to shelve a proposed new pricing formula, which itself would have considerably lowered rice prices.

Despite objections from farmers and the powerful farm lobby, the official purchasing price for rice was lowered in 1987 and again in 1988 to make Japanese rice more competitive. Japanese rice is more expensive than most foreign-produced rice.

This year the government planned to lower the price another 2.55% at the recommendation of the advisory Rice Price Council. But the LDP strongly resisted the move, claiming that a price reduction would anger farmers and hurt the party's chances in the July 23 House of Councilors election.

The Finance Ministry, which has insisted on strict implementation of the council recommendations, sharply criticized the freeze, which it said would hinder reforms designed to boost the competitiveness of Japan's agricultural sector in the world farm market. Ministry officials said the freeze made an even sharper reduction next year inevitable.